COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC TARIFF FILING OF	**)**	
KENTUCKY UTILITIES COMPANY FOR	**)**	
APPROVAL OF AN ECONOMIC	**)**	**CASE NO. 2022-00371**
DEVELOPMENT RIDER SPECIAL	**)**	
CONTRACT WITH BITIKI-KY, LLC	**)**	

RESPONSE OF
KENTUCKY UTILITIES COMPANY
TO
KENTUCKIANS FOR THE COMMONWEALTH
KENTUCKY SOLAR ENERGY SOCIETY
MOUNTAIN ASSOCIATION
KENTUCKY RESOURCES COUNCIL, INC.
REQUEST FOR INFORMATION
DATED NOVEMBER 18, 2022

FILED: DECEMBER 7, 2022

VERIFICATION

COMMONWEALTH OF KENTUCKY)
)
COUNTY OF JEFFERSON)

The undersigned, **John Bevington**, being duly sworn, deposes and says that he is Director – Business and Economic Development for Kentucky Utilities Company, an employee of LG&E and KU Services Company, and that he has personal knowledge of the matters set forth in the responses for which he is identified as the witness, and the answers contained therein are true and correct to the best of his information, knowledge, and belief.

John Bevington

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 6th day of December 2022.

Notary Public

Notary Public ID No. KYNP53381

My Commission Expires:

July 11, 2026

VERIFICATION

COMMONWEALTH OF KENTUCKY)
)
COUNTY OF JEFFERSON)

The undersigned, **Michael E. Hornung**, being duly sworn, deposes and says that he is Manager – Pricing/Tariffs for Kentucky Utilities Company, and an employee of LG&E and KU Services Company, and that he has personal knowledge of the matters set forth in the responses for which he is identified as the witness, and the answers contained therein are true and correct to the best of his information, knowledge, and belief.

Michael E. Hornung

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 5th day of December 2022.

Notary Public

Notary Public ID No. KYNP53381

My Commission Expires:

July 11, 2026

VERIFICATION

COMMONWEALTH OF KENTUCKY)
)
COUNTY OF JEFFERSON)

The undersigned, **Stuart A. Wilson**, being duly sworn, deposes and says that he is Director – Energy Planning, Analysis & Forecasting for Kentucky Utilities Company, an employee of LG&E and KU Services Company, and that he has personal knowledge of the matters set forth in the responses for which he is identified as the witness, and the answers contained therein are true and correct to the best of his information, knowledge, and belief.

Stuart A. Wilson

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 6th day of December 2022.

Notary Public

Notary Public ID No. KYNP53381

My Commission Expires:

July 11, 2026

KENTUCKY UTILITIES COMPANY

Response to Kentuckians for the Commonwealth, Kentucky Solar Energy Society, Mountain Association, and Kentucky Resources Council, Inc.
Request for Information
Dated November 18, 2022

Case No. 2022-00371

Question No. 1.1

Responding Witness: Michael E. Hornung

Q-1.1 Did the Company review any documents or other information from Bitiki-KY substantiating the "approximately 5 new jobs" that would be created by Proposed Facility, as referenced in the Proposed Special Contract? Please produce copies of any such documents or, in the case of any information that is not in the form of a document, please describe what information was reviewed. If the Company did not review any such documents or information, please explain why not.

A-1.1 KU's EDR tariff provisions state in relevant part:

> 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.[1]

Bitiki's EDR contract, certified with a signature from a Bitiki senior vice president, and the KEIA Approval Letter and Agreement from the Cabinet of Economic Development contains the requested information and meets the qualifications under the tariff.

In addition, note that the Commission issued an order on October 21, 2022, approving an EDR contract for a cryptocurrency mining customer that "estimates

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[1] Kentucky Utilities Company, P.S.C. No. 20, Original Sheet No. 71.1.

it will have a capital investment of approximately $2 million and that it will hire at least three new employees …."[2] The record of that proceeding indicates the sole substantive support for applicant's job-creation claim was an unsigned, one-paragraph letter from the applicant.[3] Also, the Commission's order quoted Finding 10 from Administrative Case No. 327 and stated the proposed EDR contract was in compliance with it "because EKPC stated that neither it [n]or Jackson Energy established minimum requirements for new jobs and capital investment in order for UMine to be eligible for the EDR."[4] KU believes the Commission acted properly in approving the UMine EDR contract.

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[2] Case No. 2022-00355, Order at 7 (Ky. PSC Oct. 31, 2022).
[3] The EDR contract stated, "The Customer has *represented* that it plans to hire at least three (3) employees and will have an approximate capital investment of $2.0M." (Emphasis added.) An unsigned letter from the EDR applicant stated, "This is a formal request to apply for EDR rate on upcoming power agreements for Umine LLC. Umine currently employs 8 people *and we plan to add* no less than 3 per site location." (Emphasis added.) An unsigned document of unclear origin called "Background Material and Compliance Information" stated, "UMine *plans on hiring* at least three new employees at each location," and, "UMine *anticipates hiring* at least three employees at the McKee plant …." (Emphases added.) In sum, these amount to multiple reiterations of one assertion by the EDR customer.
[4] *Id.* at 11-12.

KENTUCKY UTILITIES COMPANY

Response to Kentuckians for the Commonwealth, Kentucky Solar Energy Society, Mountain Association, and Kentucky Resources Council, Inc. Request for Information Dated November 18, 2022

Case No. 2022-00371

Question No. 1.2

Responding Witness: Michael E. Hornung

Q-1.2. Please describe in detail any information in the Company's possession concerning the types of jobs that will be created by the Proposed Facility, their anticipated annual starting salary, any educational requirements or other prerequisites, and whether the jobs will be performed in person at the Proposed Facility or could be performed remotely. Please produce copies of any documents in the Company's possession concerning these issue

A-1.2. See the response to Question No. 1.1.

In addition, note that the record of the EDR case cited in the response to Question No. 1.1 contains no evidence or statement of any kind concerning "the types of jobs that will be created by the Proposed Facility, their anticipated annual starting salary, any educational requirements or other prerequisites, and whether the jobs will be performed in person at the Proposed Facility or could be performed remotely," yet the Commission issued an order on October 21, 2022, approving the contract.[5] Again, KU believes the Commission acted properly in approving that EDR contract.

[5] Case No. 2022-00355, Order (Ky. PSC Oct. 31, 2022).

KENTUCKY UTILITIES COMPANY

Response to Kentuckians for the Commonwealth, Kentucky Solar Energy Society, Mountain Association, and Kentucky Resources Council, Inc.
Request for Information
Dated November 18, 2022

Case No. 2022-00371

Question No. 1.3

Responding Witness: Michael E. Hornung

Q-1.3. Did the Company review any documents or other information from Bitiki-KY substantiating the $25 million in anticipated investment in the Proposed Facility that is referenced in the Proposed Special Contract? Please produce copies of any such documents or, in the case of any information that is not in the form of a document, please describe what information was reviewed. If the Company did not review any such documents or information, please explain why not.

A-1.3. See the response to Question No. 1.1.

Also, KU is aware that Bitiki now has facilities on-site that are operating and creating significant electrical load already. Thus, this is not a merely speculative operation; it is currently operating and growing.

Finally, note again the record of Case No. 2022-00355, which contains no substantiation for the applicant's claimed investment other than an unsigned letter stating in its entirety:[6]

> To whom it may concern,
>
> This is a formal request to apply for EDR rate on upcoming power agreements for Umine LLC. Umine currently employs 8 people and we plan to add no less than 3 per site location. Our total employee count is projected to be 24 once all planned locations become operational.
>
> The initial Capex from Umine is estimated at 2mil per site on average with a total of 4-5 sites planned in the next 12-24 months.
>
> Sincerely,
> Brant Isaacs

[6] *See* https://psc.ky.gov/pscscf/2022%20cases/2022-00355//20220930_EKPC%20Contract%20Filing.pdf.

KU does not mean to suggest this was inadequate to support the EDR contact approval; indeed, KU agrees it was fully adequate, precisely because Administrative Case No. 327 Finding 10 states, "The major objectives of EDRs are job creation and capital investment. *However, specific job creation and capital investment requirements should not be imposed on EDR customers*."[7]

[7] Administrative Case 327 Order at 26, finding paragraph 10 (emphasis added).

KENTUCKY UTILITIES COMPANY

Response to Kentuckians for the Commonwealth, Kentucky Solar Energy Society, Mountain Association, and Kentucky Resources Council, Inc.
Request for Information
Dated November 18, 2022

Case No. 2022-00371

Question No. 1.4

Responding Witness: John Bevington

Q-1.4. Please produce copies of any documents in the Company's possession concerning the size, location, and/or the design of the Proposed Facility, including which cryptocurrencies will be mined and which other services will be provided by the Proposed Facility.

A-1.4. See attached.

TRANSERV TRANSERV INTERNATIONAL INDEPENDENT, INNOVATIVE, RELIABLE TRANSMISSION MANAGEMENT SERVICES

System Impact Study Agreement for Firm Transmission Service Project TSR SIS LGE-2022-003 TSR #96412602

This System Impact Study Agreement ("Agreement") is made and entered into this 12th day of April, 2022 by and between TranServ International, Inc., ("TranServ"), a Delaware corporation, with principal offices located at 3660 Technology Drive Northeast, Minneapolis, Minnesota 55418, Louisville Gas & Electric Company and Kentucky Utilities Company ("LG&E and KU"), each a Kentucky corporation, with principal offices located at 220 W. Main Street, Louisville, Kentucky 40202 and Louisville Gas & Electric Company and Kentucky Utilities Company ("LG&E and KU") ("Customer"), a Kentucky corporation, with principal offices located at 220 W. Main Street, Louisville, Kentucky 40202.This Agreement is entered into to provide Customer a System Impact Study for Firm Transmission Service Request ("TSR"), Ref 96412602for Louisville Gas & Electric and Kentucky Utilities, ("LG&E and KU Transmission").

WHEREAS, LG&E and KU operates as a Transmission Owner ("TO") and has an Open Access Transmission Tariff ("OATT") on file with and made effective by the Federal Energy Regulatory Commission ("FERC"); and

WHEREAS, Customer has requested transmission service under the LG&E and KU Transmission OATT by submitting a request on the LG&E and KU Open Access Same-Time Information System ("OASIS"); and

WHEREAS, TranServ administers the LG&E and KU Transmission OATT, and has determind that a System Impact Study ("Study") is required for further consideration of Customer's requested service;

NOW, THEREFORE, in consideration of the mutual promises set forth below, TranServ, LG&E and KU, and Customer agree as follows:

1.0 PERFORMANCE OF STUDY. TranServ shall perform a Study for the Transmission Service Request ("TSR") identified in Attachment A, which has been requested by Customer. The Study shall be conducted in accordance with the requirements applicable to TSR System Impact Study Criteria for transmission service conducted by TranServ pursuant to Attachments C and D of the OATT. In addition, the TSR Study Criteria posted on LG&E and KU OASIS will be followed during the course of the study.

2.0 INFORMATION REQUIRED AND SCOPE OF STUDY. Customer shall provide TranServ in writing the following information to be used in the Study:

- When known, a list of generating units and associated output differences, which are the ultimate Source and Sinks for the transaction(s) proposed by Customer.
- Indicate on Attachment B Customer option for immediate or later alternative start date for this study, if applicable.
- Indicate on Attachment C Customer option for study of Planning Redispatch (PRD) or Conditional Curtailment Options ("CCO") (for point-to-point service).

The Study shall make determinations with regard to the LG&E and KU Transmission System as required by the OATT. The Study shall determine if adequate electric system capability is expected to be available on LG&E and KU's electric system to provide the service requested by Customer. If adequate electric system capability is not expected to be available on the LG&E and KU electric system to provide the service requested by Customer, the results of the Study shall identify the estimated electric system capability which is expected to be available, the amount of electric system capability deficient with regard to Customer's request for service, the cause of any electric system capability limitations, any options of modified system operations to alleviate electric system capability limitations, and any recommended electric system upgrades required to provide the service requested by Customer. If Customer TSR is eligible for PRD to be considered and Customer requests, the study would provide the list of system capability limitations that may be removed by PRD and the estimated cost of such redispatch (non-binding planning level cost estimate). If Customer TSR is eligible and Customer requests CCO to be provided, then the study will provide the list of system capability limitations that may be removed by limiting the service during certain hours and/or during certain system conditions.

3.0 SCHEDULE FOR COMPLETION AND REPORT. TranServ shall complete the Study and submit the Study report to Customer and other entities in accordance with the requirements of Section 19.3 or 32.3 of the LG&E and KU OATT.

4.0 OWNERSHIP OF RESULTS. Reports, summaries, plans and other documents arising out of this Agreement shall become the property of TranServ and LG&E and KU. All studies, computer input and output data, planning, and material that form the basis for determining the constraints shall remain in the possession of TranServ. Upon payment in full of all fees and costs associated with the Study, TranServ will provide a copy of the Study report to Customer and LG&E and KU Transmission.

5.0 NONDISCLOSURE OF INFORMATION. Each Party shall consider all information provided by another Party, and all supporting work papers resulting from performance of the Study, to be proprietary unless such information is available from public sources. No Party shall publish or disclose proprietary information of another Party for any purpose without the prior written consent of that Party, provided, however, that another Party may disclose proprietary information to a federal or state regulatory body conducting an investigation, or as may be required under the Transmission Owner's OATT or applicable FERC orders. Information provided under this Agreement is provided on an "AS-IS" basis.

6.0 REQUEST FOR PRODUCTION OF CONFIDENTIAL INFORMATION. If any Party is required to disclose the Confidential Information pursuant to an order by a court or regulatory body of competent jurisdiction, the respective Party shall promptly notify other Parties in writing of the order. Notice to other Parties shall include the name, address, telephone and e-mailing address of the requesting entity and a copy of the request issued to respective Party.

7.0 DEPOSIT AND RATES. Upon execution of this Agreement, Customer shall provide a deposit of the estimated cost of the Study as presented below. Customer shall be charged and agrees to pay TranServ on a time and materials basis for all work performed under this Agreement. Labor shall be invoiced at the then-current hourly rates. Ordinary and necessary expenses associated with the Study shall be invoiced at actual cost. Ordinary and necessary expenses shall include, but not be limited to:

- Third-party charges for subcontracted services (consultants/engineers/etc.);
- Printing and reproduction expense; and
- Travel expenses;
- Charges by LG&E and KU to review, comment on the study, and develop network upgrade options.

The estimated cost to perform the Study is **$25,000 USD**. Excluded from this estimated cost is/are: $0.

TranServ shall invoice Customer on a monthly basis for all services provided hereunder, including costs of subcontractors which may be retained to assist and/or perform the Study. Such invoiced amounts shall be credited against Customer's net deposit. If TranServ determines that the study deposit will be deficient to complete the Study, TranServ will notify Customer of such estimated deficiency and request an additional study deposit be remitted. Deficiencies shall be remitted to TranServ within fifteen (15) days of the date of invoice. All invoices will be delivered electronically.

Any additional required studies shall be conducted by TranServ at Customer's expense in accordance with this Agreement, provided however, that Customer may terminate this

Agreement upon written notice of termination provided to TranServ. No later than one (1) business day following receipt of said written notice of termination, TranServ will notify third-parties to terminate any work underway in furtherance of this Agreement. TranServ will invoice, and Customer agrees to pay, charges incurred by TranServ and/or such third-parties up to the date of their receipt of the notice of termination. TranServ and Customer acknowledge that such reasonable cost estimates shall not be deemed a firm price for such work and shall not be binding on either party.

No later than thirty (30) days following the conclusion of the Study, TranServ will provide Customer a reconciliation of its deposit account, and any differences between the deposit made and the actual cost of the Study shall be paid by or refunded to the Customer within thirty (30) days of the date of the reconciliation.

8.0 NOTICES. All notices hereunder shall be written and shall be delivered to the parties at the following addresses:

If to TranServ International, Inc.:
3660 Technology Drive NE
Minneapolis, MN 55418
Attention: General Counsel

If to LG&E/KU:
220 W. Main Street
Louisville, KY 40202
Attention: Manager, Transmission Policy & Tariffs

If to Customer:
LG&E and KU
220 W. Main Street
Louisville, KY 40202
Attention: James Frank

Such notices shall be deemed to have been served when personally delivered or upon receipt as evidenced by a U.S. Postal Service receipt of mail or evidence of delivery by a private express mail service.

9.0 GENERAL PROVISIONS.

9.1. Choice of Law. This Agreement shall be governed by the laws of the State of Kentucky.

9.2. Severability. No waiver of any breach of this Agreement shall constitute a waiver of any other breach of the same or any other provisions of this Agreement, and no waiver shall be effective unless granted in writing. In the event that any provision herein shall be held to be illegal or unenforceable, such provision shall be severed from the Agreement. The entire Agreement shall not fail, but the balance of the Agreement shall continue in full force and effect.

9.3. Relationship of the Parties. In performing its obligations under this Agreement, TranServ shall be and shall act as an independent contractor. The Parties shall not represent themselves as agents, partners, or representatives of the other Party, and no Party shall have the right or power to bind, commit or obligate another Party.

9.4. Assignment. A Party's rights and obligations hereunder shall be assignable with the prior written consent of the all Parties, provided, however, that consent shall not be unreasonably withheld. Additionally, any Party has the right to assign this Agreement in whole or in part without the consent of the other Parties to an entity acquiring all or substantially all of the business assets of a Party and which entity agrees to be bound by the provisions hereof, upon and no less than thirty (30) day notice to the all other Parties.

9.5. Entire Agreement. This Agreement, with mutually executed attachments, supersedes any prior agreements and contains the entire agreement of the Parties and all representations with respect to the subject matter hereto. Any prior correspondence, memoranda or agreements, except those specifically attached hereto and incorporated herein, are replaced in total by this Agreement and the mutually executed attachments hereto. The schedules and attachments to this Agreement form an integral part of this Agreement and contain obligations and remedies which are part of this Agreement.

9.6. Amendments. Any changes to this Agreement may be made by Amendments or Change Orders to this Agreement negotiated between the Parties shall be in writing and signed by Customer and TranServ.

9.7. Captions. Captions are for convenience only and shall not be deemed part of the contents of this Agreement.

9.8. Parties in Interest. This Agreement shall be binding upon and endure solely to the benefit of the Parties hereto and their permitted assigns, and nothing in this Agreement, expressed or implied, is intended to confer upon any other person any rights or remedies of any nature under or by reason of this Agreement.

9.9. Waiver. The waiver of any of the rights or remedies arising pursuant to this Agreement on any occasion by any Party shall not constitute a waiver of any rights or remedies in respect to any subsequent breach or default of the terms of this Agreement.

9.10. Force Majeure. Customer, LG&E and KU Transmission, and TranServ shall not be liable or deemed in default for any delay or failure in performance of this Agreement resulting directly or indirectly from any cause beyond the control of that respective Party. Such causes shall include but not be limited to acts of God, civil or military authority, civil disturbance, war, strikes, fires, other catastrophes, or other 'force majeure' events beyond the respective Party's reasonable control. Provided, however, that this provision shall not preclude the respective Party from canceling or terminating this Agreement or any portion thereof regardless of any 'force majeure' event occurring to TranServ or LG&E and KU Transmission, if TranServ's or LG&E and KU Transmission's performance hereunder will be delayed thereby for a period in excess of sixty (60) days

9.11. Survival. The provisions of this Agreement which by their sense and context are intended to survive the performance thereof by any or all Parties, or where the Customer has an equitable interest in the survival of any provision due to the payment of money to TranServ, such provisions shall survive the completion of performance and/or termination of this Agreement.

9.12. Counterparts. This Agreement may be executed in three or more counterparts, which may include electronic copies of same, each of which is deemed an original but all constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have signed this Agreement on the day and year first above written.

Louisville Gas & Electric Company/
Kentucky Utilities Services Company
[Transmission Owner]

By: __________________

Name: __________________

Title: __________________

Date: __________________

Louisville Gas & Electric Company/
Kentucky Utilities Services Company
[Transmission Customer]

By: Charles R Schram

Name: CHARLES R. SCHRAM

Title: DIRECTOR - POWER SUPPLY

Date: 4/13/2022

TranServ International, Inc.

By: Sasan M

Name: Sasan Mokhtari, Ph.D.

Title: President

Date: 04/12/2022

Attachment A

Project - TSR SIS LGE-2022-003

List of TSRs Associated with System Impact Study

Assign Ref	MW	NITS/PTP	TYPE
96412602	10	NITS	MODIFYNITSLOAD
Start Time	**Stop Time**	**Queued Time**	**Load Name**
01/01/2023	01/01/3000	03/22/2022	HIGHLANDMINING9

Study Assumptions

This SIS will be studied according to the NITS application that was submited for the TSR listed above.

Attachment B

ELIGIBLE CUSTOMER ELECTION

FOR ALTERNATIVE STUDY START DATE

The alternative study start date is not applicable. There may be TSR requests ahead of this request in the queue and the results of those studies may require a re-study to occur if the study is performed earlier than the agreed to start date or higher queued requests are withdrawn or refused. Please indicate agreement with the proposed study start date.

☐ Agree

By indicating Customer disagrees with the proposed study start date Customer is requesting that the study starts immediately.

☐ Disagree

Attachment C

CUSTOMER ELECTION FOR PLANNING REDISPATCH AND CONDITIONAL CURTAILMENT OPTIONS FOR POINT-TO-POINT TRANSMISSION SERVICE

Eligible Customer must indicate below whether or not TranServ is to include in the study report the options of planning redispatch and associated costs and/or offering of conditional curtailment of firm service (Customer to check the appropriate box):

Planning Redispatch Option ("PRD")

☐ Yes, Customer desires the study of planning redispatch option.

☐ No, Customer declines study of planning redispatch option

Conditional Curtailment Option ("CCO")

☐ Yes, Customer desires the study of conditional curtailment of firm service option.

- ☐ Yes, Customer desires the number of hours option.
- ☐ Yes, Customer desires the system conditions option.

☐ No, Customer declines the study of conditional curtailment of firm service option.

INDEPENDENT, INNOVATIVE, RELIABLE TRANSMISSION MANAGEMENT SERVICES

TSR LGE-2022-003

(TSR #96412602)

System Impact Study Report
Executive Summary

Version: 1.0

Report Issue Date: June 14, 2022

Report Study Title Posted Date: June 14, 2022

TranServ International, Inc.
3660 Technology Drive NE
Minneapolis, MN 55418
Phone: 763.205.7099

Legal Notice

Neither TranServ International, Inc. (TranServ), nor Louisville Gas & Electric and Kentucky Utilities Companies (LG&E and KU) nor any person acting on or in the behalf, makes any warranty, expressed or implied, with respect to the use of any information or methods disclosed in this document, or assumes any liability with respect to the use of any information or methods disclosed in this Report. Recipients of this Report release TranServ and LG&E and KU from any liability for direct, indirect, consequential, or special loss or damage whether arising in contract, warranty, express or implied, tort or otherwise, and regardless of fault, negligence, and/or strict liability.

Table of Contents

1. Executive Summary

TranServ has evaluated the Long-Term Firm Network Transmission Service Request (TSR) listed in Table E-1. A System Impact Study (SIS) was performed to determine the impact of this TSR on the transmission network, to determine if any transmission constraints prohibit granting the requested service and to identify any limiting constraints. This report documents that SIS.

Table E-1
Request Details

NITS Assign Ref	MW	TS Increment	TS Type	Request Type	Start Time	Stop Time	Q-Time
96412602	10	Yearly	Modify NITS Load	Original	01/01/2023	01/01/3000	03/22/2022

This TSR SIS was performed using the fast track TSR methodology. No Ad Hoc Study Group was formed and no flowgate analysis was performed in accordance with the LG&E and KU TSR Study Criteria document posted on the LG&E and KU Open Access Same-Time Information System (OASIS). Also no off-peak analysis was performed as part of this fast track study.

The TSR SISs includes two near-term and two out year models. Due to the nature of the Network Integration Transmission Service (NITS) application, the subject TSR was evaluated using 2022 Winter, 2023 Summer, 2031 Summer and 2031 Winter peak power flow models based on the LG&E and KU 2022 Transmission Expansion Plan (TEP) Base Case Study (BCS) models (2022 TEP BCS Models). The 2022 TEP BCS models include the 2021 TEP approved projects.

All appropriate prior queued transactions were modeled prior to the modeling of the subject request. Representation of these earlier queued requests may also have necessitated the representation of associated planned transmission improvements. Thus, it is important to note that, if the planned improvements do not come to fruition, the subject request's impact on the transmission system as identified by this study may become invalid and a revised study may become necessary before transmission service can be granted.

1.1 Summary of Power Flow Analysis Results

1.1.1 Thermal Constraints

No LG&E and KU and third-party thermal constraints due to the subject request were identified.

1.1.2 Voltage Constraints

No LG&E and KU and third-party voltage constraints due to the subject request were identified.

1.1.3 Flowgate Constraints

Consistent with LG&E and KU's fast track TSR methodology, no flowgate analysis was performed.

1.2 Summary of ATC/AFC/ASTFC Check Results

Since the subject request is a add NITS Load request, no ATC/AFC/ASTFC analysis was performed.

1.3 Conclusion

No LG&E and KU constraints were identified. The Transmission Owner (T.O) has indicated that no network interconnection facilities are required and hence LG&E and KU is not anticipating any interconnection costs or any non-binding planning level cost estimate.

Since this study was performed under the fast-track methodology, no Facilities Study is needed.

No third-party constraints due to the subject request were identified.

The full report is available on the LG&E and KU Critical Energy Infrastructure Information (CEII) File Transfer Protocol (FTP) site. See the study report title posting on OASIS for instructions pertaining to accessing the LG&E and KU CEII FTP site. The LG&E and KU secure CEII FTP site URL is: https://eftws.lge-ku.com/EFTClient/Account/Login.htm.

11-14-2022

Bitiki-KY, LLC
Fact Sheet

- **2022-02-23** Cliff Ford notified us of their decision to locate their data center at the Alliance Coal existing UC Processing, LLC location. They plan on removing the existing load and request from KU to transfer the meter ownership from UC Processing, LLC to Bitiki-KY, LLC. Ford also mentioned they "have finally made progress with Kentucky Economic Development Cabinet" and they were "in the process of working through the KEIA approval process". They hoped "the approval will occur at the end of next month". Ford filled-out the LG&E/KU NITS application that was provided to him last November (2021), asked for what is needed to proceed, and, if required, they're "ready to make payment for any study to be completed".
- **2022-10-03** Scott McElmurray emailed a blank copy of an EDR Application to Ford.
- **2022-04-20** McElmurray informed Ford of the requirement for a System Impact Study (SIS) Agreement for the TSR associated with site and a required deposit of $25K to be paid by Bitiki-KY, LLC. Ford acknowledged requirement and advised us via email to proceed with the paperwork to get the TSR started.
- **2022-05-15** Alliance sent a payment for the deposit amount of $25K.
- **2022-06-15** James Frank, Market Compliance, notified Key Accounts that the System impact Study (TSR SIS LGE-2022-003 TSR #96412602) was completed and that a Facilities Study was not required. Charles Mehanna confirmed the acceptance of the study after reviewing the executive summary.
- **2022-06-21** McElmurray informed Ford via email of the study results.
- **2022-07-20** Ford submitted EDR paperwork.
- **2022-07-20** Ford emailed state approval letter and KEIA Agreement.
- **2022-07-21** Initial draft of EDR was sent by McElmurray to Brian Hurst for his review.
- **2022-08-22** Internal review of final EDR draft was conducted with Rahn and Mehanna.
- **2022-08-30** McElmurray received a signed contract for electric service and a security deposit in the form of a surety bond in the amount of $1,275,000.
- **2022-09-06** Electric service and new account number were established in Bitiki's name with a new tax ID.
- **2022-09-26** Rates and Regulatory approved proceeding with the EDR Application.
- **2022-10-07** EDR Special Contract – Bitiki-KY (Case No. TFS2022-00495) was submitted to the PSC (email from Mike Hornung). Customer was informed of the submittal via email.
- **2022-10-17** Onsite visit at the Bitiki-KY mining operation with full tour of bitcoin machines – Scott McElmurray
- **2022-11-4** Hornung notified McElmurray that the Commission has suspended its approval of the EDR Bitiki-KY special contract for five months and opened a formal review case.

Photos of Bitiki-KY's bitcoin operation taken by McElmurray on October 17th ,2022

Rahn, Derek

From:	Cliff Ford <Cliff.Ford@arlp.com>
Sent:	Thursday, February 24, 2022 2:03 PM
To:	Rahn, Derek
Cc:	Scott, Joshua; Fry, Roxann
Subject:	Re: Alliance Coal - Data Center Expansion Discussion
Attachments:	LGEKU_NITS_Application_08-05-21 (1).xlsx

EXTERNAL email. STOP and THINK before responding, clicking on links, or opening attachments.

Reviewing this and in consideration with where we our in our KEIA submission process, this needs to stay confidential. I should have mentioned that in my previous email. Our timeline is March or April, with the end of February quickly approaching.

Is there any opportunity to have a call next week to discuss next steps?

On Feb 23, 2022, at 2:09 PM, Cliff Ford <Cliff.Ford@arlp.com> wrote:

Derek & Josh,

We have struggled with determining the best location for our data center expansion. That said, we have finally made progress with Kentucky Economic Development Cabinet. This progress has provided a clear path for our project to be located at Alliance Coal's existing UC Processing, LLC location (KU Account #3000-344-15921). This meter point is currently active, and the existing load will be removed. We intend to transfer the UC Processing, LLC meter point into Bitiki-KY,LLC's name/Tax-ID and use the KEIA approval to qualify for an Economic Development Rider (activating the EDR in Jan of 2023). We are in the process of working through the KEIA approval process. We are hoping the approval will occur at the end of next month.

We haven't made any commitments, waiting on the KEIA approval. That said, below is the expected load timing.

- August 2022 – 1000 kW
- September 2022 – 3000 kW
- October 2022 – 5000 kW
- November 2022 – 7000 kW
- December 2022 – 9000 kW
- Janurary 2023 – 13500 kW

I've filled out the excel file that was provided back in November. I know I'm missing information, but I'm hoping it's enough to get started. I'm also hoping that this process will require less information since it's an existing meter point with load present. Our timing puts us up against the 180-day window, so please let me know what is needed to proceed. If required, we are ready to make payment for any study to be completed.

From: Rahn, Derek <Derek.Rahn@lge-ku.com>
Sent: Monday, November 15, 2021 3:23 PM

To: Cliff Ford <Cliff.Ford@arlp.com>
Cc: Scott, Joshua <Joshua.Scott@lge-ku.com>; Fry, Roxann <Roxann.Fry@lge-ku.com>
Subject: RE: Alliance Coal - Data Center Expansion Discussion

Cliff,
Really good talking to you today. Attached is the link to the OATI OASIS website we were looking at today (OATI OASIS). If you are interested look at the:

- Transmission Tariff Part III_32. This has the additional Study Procedures for NITS Requests
- Transmission Service Information → TSR Study Criteria Doc (We will need to complete a System Impact Study and a Facility Study)

Also attached is the excel book template the ITO requires for a study. The more of this information you can assist us pulling together the better.

We will setup a follow-up of the deposit send and processing. Note, a TSR typically can take ~ 6-months. (They have returned them faster, but it depends of the difficulty of the study).

Thanks!

Derek Rahn
Business Services, Manager | LG&E and KU Energy LLC
502-627-4127 (o) | 502-303-1370 (c)
LGE-KU.com

Alliance Resource Partners Site Visit 10-19-22

Visit Location: Bitiki-KY, LLC Site, Waverly, Kentucky

Attendees:

Cliff Ford/Main Contact/Senior Systems Engineer
Robby Watson (Cliff's boss)/Director of Central Region Technical Services
David Therkeld (Former ARPL employee, back 3 weeks)/Special Projects
Ashley Ford (Cliff's Spouse)/Part-Time Systems Engineer

Meeting Purpose:

- Visit Bitiki-KY, LLC site and understand current status and future needs.
- Discuss the recent announcement (CED) for the Riverview Coal Expansion.
- Familiarize myself with the different sites/needs (visited all current meter points)

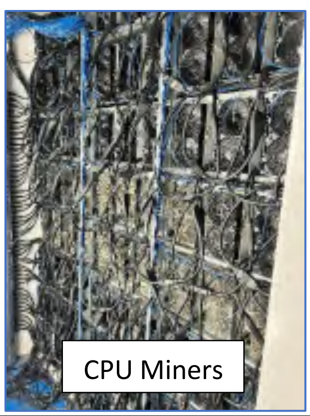
Bitiki-KY, LLC:

- Bitiki site is the former Patriot Coal/UC Processing sites for the ARPL Group.
- First understanding is that they utilize underground mine space to house the machines. Further analysis is that the space was too damp and didn't have enough ventilation, so these machines had to be placed on the surface.


Bitcoin Machine Container


Power Supply


Entrance


CPU Miners


CPU Miners


Inside View

- Each Container is ~ 3.3 MVA
- Current site is configured for 10 MVA (more coming)

Alliance Resource Partners Site Visit 10-19-22

Other Pictures from the visit

Bitiki Layout of Mining Machines

Bitiki Substation

From: Scott, Joshua
Sent: Wednesday, February 23, 2022 3:36 PM
To: Mehanna, Charles; McElmurray, Eric
Subject: Fwd: Alliance Coal - Data Center Expansion Discussion
Attachments: LGEKU_NITS_Application_08-05-21 (1).xlsx

FYI

Joshua N. Scott
Lead Key Account Manager

Economic Development & Key Accounts | LG&E and KU
220 West Main Street, Louisville, KY 40202
M: 812-371-5801 | **O**: 502-627-2959
lge-ku.com

From: Cliff Ford <Cliff.Ford@arlp.com>
Sent: Wednesday, February 23, 2022 3:15 PM
To: Rahn, Derek
Cc: Scott, Joshua; Fry, Roxann
Subject: RE: Alliance Coal - Data Center Expansion Discussion

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Cliff,
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Thanks!

Derek Rahn
Business Services, Manager | LG&E and KU Energy LLC
502-627-4127 (o) | 502-303-1370 (c)
LGE-KU.com

Louisville Gas & Electric Company / Kentucky Utilities Company
Network Integration Transmission Service
Application (Rev 08/05/21)

Date: 3/11/2022

Company Name	Bitiki-KY, LLC
Company Acronym	
Company Address (Do Not Use P.O. Box)	1274 State Route 141
City, State Zip	Waverly, Kentucky 42462
LGEE OASIS Number	

Point of Contact Information

POC Name	**Cliff Ford**
POC Phone Number	**270-399-5084**
POC Fax #	
POC Email Address	cliff.ford@arlp.com

1.0 Eligible Customer Statement

Bitiki-KY, LLC is, or will be upon the commencement of service, an Eligible Customer under LG&E/KU's Open Access Transmission Tariff.

Enter your company's name above

2.0 Type of Application (Check One)

[ ] **New Service Agreement Request**
Complete all worksheets

[ ] **Modification of Existing Service Agreement, change of Network Resources**
Complete this Network Application worksheet, all resource worksheets and the merit order worksheet included in this workbook.

[X] **Modification of Existing Service Agreement, change of Network Load**
Complete this Network Application worksheet, the delivery point worksheet and all demand worksheets included in this workbook.

2.1 Service Commencement Date 1/1/2023

Note : The LG&E/KU OATT requires the Customer to provide a ten year forecast of Network Resources, Network Loads and Interruptible Loads. However, the NERC MMWG power flow development process and schedule may require more. Therefore, the Customer may be requested to submit more than a ten year forecast with its Application.

3.0 New Delivery Point Data - The Eligible Customer is to provide delivery point data unless "No" is indicated below.

(Yes/No)
No — **This Application is for a new Delivery Point. If "yes", the "New Delivery Point Data" sheet must be completed.**

4.0 Network Load Forecast - The Eligible Customer is to provide a forecast for each delivery point. All the demand worksheets must be completed if this Application is a "Request for New Service" or a "Modification of Existing Service, change of Network Load".

(Yes/No)
No — **The current load forecast was submitted to the ITO on:**
If "No", a current load forecast must be provided for all existing delivery points.

No — **The current load forecast on file with the ITO is not changed by this Application except as indicated on the demand worksheets.**

5.0 Interruptible Load Forecast - The Eligible Customer is required to provide a forecast of the interruptible load at each delivery point. Table 5 must be completed if this Application is a "Request for New Service" or a "Modification of Existing Service, change of Network Load".

(Yes/No)
No — **The current interruptible load forecast was submitted to the ITO on:**
If "No", a current interruptible load forecast must be provided for all existing delivery points.

No — **The current interruptible load forecast on file with the ITO is not changed by this Application except as indicated in "Interruptible Load Data".**

6.0 Network Resources - The Eligible Customer is to provide a description and forecast of Network Resources. The resource and merit order worksheets must be completed if this Application is a "Request for New Service" or a "Modification of Existing Service, change of Network Resources".

7.0 Minimum Transmission Short Circuit MVA requested (if applicable):

8.0 Comments:

The customer will be using an existing service at the Highland Mining #9 site (also called UC Processing). This site will be used to start a new BitCoin Mining operation at that location. KU is to provide added load at that existing location.

Upon completion of this form, please return via email to:

Support
TranServ International
Phone: 763-205-7099
Email: Support@transervinternational.net

Note: Please cc the email to Ashley Vinson and Joshua Boone.

Ashley Vinson
Manager, Transmission Policy and Tariffs
LG&E and KU
ashley.vinson@lge-ku.com

Joshua Boone
Manager, Transmission Strategy and Planning
LG&E/KU
Joshua.Boone@lge-ku.com

By emailing this form to TranServ International, you are stating that all of the information above is correct and that you are considered an authorized representative of your company.

ITO Use Only
Date Received _____
Time Received _____

LG&E KU

New Delivery Point Data

Name	Bitiki-KY, LLC	**Voltage (kV)**	69

Transmission Network Connection Point

Latitude (or UTM North)	37.68837651
Longitude (or UTM East)	-87.81666235

Length of Customer's Transmission Tap line ~600 ft

Location of Customer's Station

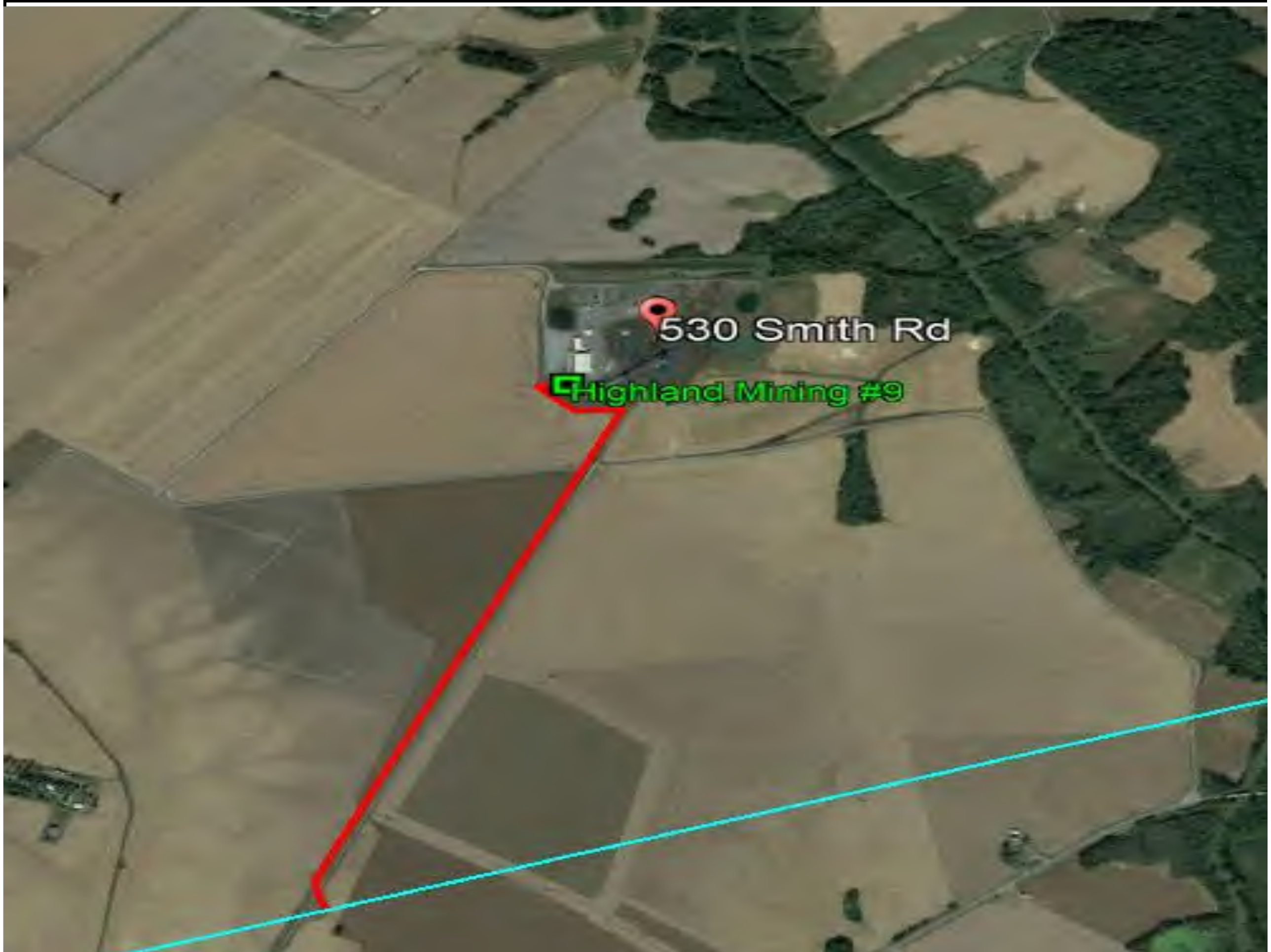
Latitude (or UTM North)	37.68699259
Longitude (or UTM East)	-87.81780497

Minimum Transmission Short Circuit MVA requested (if applicable):

Describe the nature of the load and operating characteristics. Comment on load fluctuations (in-rush greater than 5 MVA, equivalent to 1000hp motor start) that could be caused by motors, welders, electric furnaces, etc. If none, indicate "Not Applicable".

Based on the customer 2MW pilot project, they expect their load factor to be above 99%. During the winters months fans may be slightly reduced dropping the overall load roughly 2.5% from peak.

Figure 1 - Map



New Load Forecast Information (for all affected delivery points)

Delivery Point Description (note 1)	KV	NERC Model Bus Number	NERC Model Bus Name
HIGHLAND MINING #9 (UC Processing)	69	324571	2HIGHLAND MI69.000

Previous Load Forecast Information (for all affected delivery points)

Delivery Point Description (note 1)	KV	NERC Model Bus Number	NERC Model Bus Name
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Notes:

(1) Provide data at the connection point to the LG&E and KU Transsmission System (Transmission Volta

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(3) Scalable load- Loads should be deemed scalable if and only if the load for that particular season is de

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(4) Indicate how much load is interruptible in MW during emergency or peak conditions on separate tal
(5) Indicate if the load can be scaled to simulate special conditions.

NERC Model ID	LSE Sub ID	Estimated Power Factor at Given Load (note 2)	Is Load Scalable? Yes or No (note 3)	**Summer Peak Forecast - representing the syste**				
				2022	2023	2024	2025	2026
7	9017	0.98	No		10.0	10.0	10.0	10.0

NERC Model ID	LSE Sub ID	Estimated Power Factor at Given Load (note 2)	Is Load Scalable? Yes or No (note 3)	**Summer Peak Forecast - representing the syste**				
				2022	2023	2024	2025	2026
7	9017	0.85	No	0.34	0.34	0.33	0.33	0.33

ge Level).
: year column) and power factor as appropriate.
ependent on temperature variations. For example, a scalable load is a load that would increase for extreme wea

em peak total hourly load for June through August (50/50 probability)
(no notes)

2027	2028	2029	2030	2031	2032
10.0	10.0	10.0	10.0	10.0	10.0

em peak total hourly load for June through August (50/50 probability)
(no notes)

2027	2028	2029	2030	2031	2032
0.33	0.33	0.33	0.33	0.32	0.33

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Comment
Load is constant 24/7

Comment

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NERC Model ID	LSE Sub ID	Estimated Power Factor at Given Load (note 2)	Is Load Scalable? Yes or No (note 3)	Winter Peak Forecast - representing the system pe				
				2021/2022	2022/2023	2023/2024	2024/2025	2025/2026
7	9017	0.98	No		10.0	10.0	10.0	10.0

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				2021/2022	2022/2023	2023/2024	2024/2025	2025/2026
7	9017	0.85	No	0.347799	0.345987	0.347915	0.343479	0.342952

ge Level).
year column) and power factor as appropriate.
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ak total hourly load for December through February (50/50 probability)

(No notes)

2026/2027	2027/2028	2028/2029	2029/2030	2030/2031	2031/2032	2032/2033
10.0	10.0	10.0	10.0	10.0	10.0	10.0

ak total hourly load for December through February (50/50 probability)

(No notes)

2026/2027	2027/2028	2028/2029	2029/2030	2030/2031	2031/2032	2032/2033
0.341163	0.340024	0.342408	0.342191	0.339515	0.338181	0.338

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Comment
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				2021/2022	2022/2023	2023/2024	2024/2025
7	9017	0.98	No		10.0	10.0	10.0

NERC Model ID	LSE Sub ID	Estimated Power Factor at Given Load (note 2)	Is Load Scalable? Yes or No (note 3)	Winter Peak Forecast - representing the syst			
				2021/2022	2022/2023	2023/2024	2024/2025
7	9017	0.85	No	0.34779886	0.345986994	0.347915	0.343479

ge Level).
: year column) and power factor as appropriate.
ependent on temperature variations. For example, a scalable load is a load that would increase for extreme w

tem peak total hourly load for December through February (90/10 probability) (no notes)							
2025/2026	2026/2027	2027/2028	2028/2029	2029/2030	2030/2031	2031/2032	2032/2033
10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0

tem peak total hourly load for December through February (90/10 probability) (no notes)							
2025/2026	2026/2027	2027/2028	2028/2029	2029/2030	2030/2031	2031/2032	2032/2033
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NERC Model ID	LSE Sub ID	Estimated Power Factor at Given Load (note 2)	Is Load Scalable? Yes or No (note 3)	**Summer Shoulder Forecast - representi**			
				2022	2023	2024	2025
7	9017	0.98	No		10.0	10.0	10.0

ge Level).
year column) and power factor as appropriate.
ependent on temperature variations. For example, a scalable load is a load that would increase for extre

ing levels near 70%-80% of the system Summer (50/50) peak total load						
2026	2027	2028	2029	2030	2031	2032
10.0	10.0	10.0	10.0	10.0	10.0	10.0

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				2022	2023	2024	2025	2026
7	9017	0.98	No		10.0	10.0	10.0	10.0

ge Level).
: year column) and power factor as appropriate.
ependent on temperature variations. For example, a scalable load is a load that would increase for extreme we

em peak total hourly load for March through May						Comment
2027	2028	2029	2030	2031	2032	
10.0	10.0	10.0	10.0	10.0	10.0	Load is constant 24/7

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New Load Forecast Information (for all affected delivery points)

Delivery Point Description (note 1)	KV	NERC Model Bus Number	NERC Model Bus Name
HIGHLAND MINING #9 (UC Processing)	69	324571	2HIGHLAND MI69.000

Previous Load Forecast Information (for all affected delivery points)

Delivery Point Description (note 1)	KV	NERC Model Bus Number	NERC Model Bus Name
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(5) Indicate if the load can be scaled to simulate special conditions.

NERC Model ID	LSE Sub ID	Estimated Power Factor at Given Load (note 2)	Is Load Scalable? Yes or No (note 3)	**Light Load Forecast - representing the lightest (low Easter**				
				2022	2023	2024	2025	2026
7	9017	0.98	No		10.0	10.0	10.0	10.0

NERC Model ID	LSE Sub ID	Estimated Power Factor at Given Load (note 2)	Is Load Scalable? Yes or No (note 3)	**Light Load Forecast - representing the lightest (low Easter**				
				2022	2023	2024	2025	2026
7	9017	0.85	No	0.347799	0.345987	0.347915	0.343479	0.342952

ge Level).
year column) and power factor as appropriate.
ependent on temperature variations. For example, a scalable load is a load that would increase for extreme

est) total hourly load for March through May usually 2:00 am Sunday morning (no notes)					
2027	2028	2029	2030	2031	2032
10.0	10.0	10.0	10.0	10.0	10.0

est) total hourly load for March through May usually 2:00 am Sunday morning (no notes)					
2027	2028	2029	2030	2031	2032
0.341163	0.340024	0.342408	0.342191	0.339515	0.338181

weather or decrease for off-peak load levels. A non-scaled load is like a

Comment
Load is constant 24/7

Comment

an industrial load that stays constant regardless of the ambient temperature.

Delivery Point Description (note 1)	KV	NERC Model Bus Number	NERC Model Bus Name
HIGHLAND MINING #9 (UC Processing)	69	324571	2HIGHLAND MI69.000

Notes:

(1) Provide data at the connection point to the LG&E and KU Transsmission System (Transmission Volta

(2) If Power factor is expected to change over requested time horizon, insert columns (left of applicable

(3) Scalable load- Loads should be deemed scalable if and only if the load for that particular season is de

NERC Model ID	LSE Sub ID	Estimated Power Factor at Given Load (note 2)	Is Load Scalable? Yes or No (note 3)	**Fall Forecast - representing the system pea**				
				2022	2023	2024	2025	2026
7	9017	0.98	No	10.0	10.0	10.0	10.0	10.0

ge Level).
: year column) and power factor as appropriate.
ependent on temperature variations. For example, a scalable load is a load that would increase for extreme we

k total hourly load for September through November						Comment
2027	2028	2029	2030	2031	2032	
10.0	10.0	10.0	10.0	10.0	10.0	Load is constant 24/7

eather or decrease for off-peak load levels. A non-scaled load is like an industrial load that stays constant reg gardless of the ambient temperature.

New Load Forecast Information (for all affected delivery points)

Delivery Point Description (note 1)	KV	NERC Model Bus Number	NERC Model Bus Name
HIGHLAND MINING #9 (UC Processing)	69	324571	2HIGHLAND MI69.000

Previous Load Forecast Information (for all affected delivery points)

Delivery Point Description (note 1)	KV	NERC Model Bus Number	NERC Model Bus Name
HIGHLAND MINING #9 (UC Processing)	69	324571	2HIGHLAND MI69.000

Notes:

(1) Provide data at the connection point to the LG&E and KU Transsmission System (Transmission Volta

(2) If Power factor is expected to change over requested time horizon, insert columns (left of applicable

(3) Scalable load- Loads should be deemed scalable if and only if the load for that particular season is de

Notes:

(1) Provide data at the connection point to the LG&E and KU Transsmission System (Transmission Volta

(2) If Power factor is expected to change over requested time horizon, insert columns (left of applicable

(3) If the forecasted load includes DSM, indicate the amount in MW on separate tab.

(4) Indicate how much load is interruptible in MW during emergency or peak conditions on separate tal

(5) Indicate if the load can be scaled to simulate special conditions.

NERC Model ID	LSE Sub ID	Estimated Power Factor at Given Load (note 2)	Is Load Scalable? Yes or No (note 3)	Off-Peak Forecast - representing levels nea				
				2022	2023	2024	2025	2026
7	9017	0.98	No	10.0	10.0	10.0	10.0	10.0

NERC Model ID	LSE Sub ID	Estimated Power Factor at Given Load (note 2)	Is Load Scalable? Yes or No (note 3)	Off-Peak Forecast - representing levels nea				
				2022	2023	2024	2025	2026
7	9017	0.85	No	0.34	0.34	0.33	0.33	0.33

ge Level).
year column) and power factor as appropriate.
ependent on temperature variations. For example, a scalable load is a load that would increase for extreme

ar 60% of the system Summer (50/50) peak total load
(no notes)

2027	2028	2029	2030	2031	2032
10.0	10.0	10.0	10.0	10.0	10.0

ar 60% of the system Summer (50/50) peak total load
(no notes)

2027	2028	2029	2030	2031	2032
0.33	0.33	0.33	0.33	0.32	0.33

weather or decrease for off-peak load levels. A non-scaled load is like

Comment
Load is constant 24/7

Comment

an industrial load that stays constant regardless of the ambient temperature.

Table 5
Interruptible Load Data
(Coincident Peak Load)

Note: Indicate "none" or "no changes", if applicable.

Interruptible Load Information (for all affected delivery points)

Delivery Point Name	Delivery Point ID	kV	Hrs/Yr*	Occ/Yr**	Conditions of Interruption

* Maximum Hours per year ** Maximum Occurrences per year

Summer Interruptible Load Forecast Information (for all affected delivery points)

Delivery Point Name	Delivery Point ID	kV	Power Factor	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
	Interruptible Summer Demand			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Off Peak Interruptible Load Forecast Information (for all affected delivery points)

Delivery Point Name	Delivery Point ID	kV	Power Factor	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
	Interruptible Off Peak Demand			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Winter Interruptible Load Forecast Information (for all affected delivery points

Delivery Point Name	Delivery Point ID	kV	Power Factor	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027	2027/2028	2028/2029	2029/2030	2030/2031	2031/2032

Table 5
Interruptible Load Data
(Coincident Peak Load)

	Interruptible Winter Demand			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		0.0	0.0

Spring Light Load Interruptible Load Forecast Information (for all affected delivery points

Delivery Point Name	Delivery Point ID	kV	Power Factor	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
	Interruptible Spring Light Load Demand			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

	Gross MW Maximu					
Unit Name	2022	2023	2024	2025	2026	2027
Firm Purchases designated as a network resource	MW Maximum (					

um Capability					Gross MVAR Maximum Capability (@ MW Maximum Capability)										
2028	2029	2030	2031	2032	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032

Capability				

Gross MW Minimum Capability											Gross MVAR Minimum Capa				
2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2022	2023	2024	2025	2026

bility (@ Maximum MW Capability)					
2027	2028	2029	2030	2031	2032

Unit Name	2021/2022	2022/2023	2023/2024

Firm Purchases designated as a network resource			

Gross MW Maximum Capability							
2024/2025	2025/2026	2026/2027	2027/2028	2028/2029	2029/2030	2030/2031	2031/2032

MW Maximum Capability							

	Gross MVAR Maximum Capability (@ MW Ma						
2032/2033	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027	2027/2028

aximum Capability)							
2028/2029	2029/2030	2030/2031	2031/2032	2032/2033	2021/2022	2022/2023	2023/2024

Gross MW Minimum Capability							
2024/2025	2025/2026	2026/2027	2027/2028	2028/2029	2029/2030	2030/2031	2031/2032

	Gross MVAR Minimum Capability (@ Maximu						
2032/2033	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027	2027/2028

um MW Capability)				
2028/2029	2029/2030	2030/2031	2031/2032	2032/2033

	Gross MW Maximum Capa						
Unit Name	2022	2023	2024	2025	2026	2027	2028

Firm Purchases designated as a network resource	MW Maximum Capabil						

ability				Gross MVAR Maximum Capability (@ MW Maximum Capability)											
2029	2030	2031	2032	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2022

ity			

Gross MW Minimum Capability										Gross MVAR Minimum Capability (@					
2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2022	2023	2024	2025	2026	2027

@ Maximum MW Capability)				
2028	2029	2030	2031	2032

	Gross MW Maximum Capa						
Unit Name	2022	2023	2024	2025	2026	2027	2028

Firm Purchases designated as a network resource	MW Maximum Capabil						

ability				Gross MVAR Maximum Capability (@ MW Maximum Capability)											
2029	2030	2031	2032	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2022

ity			

Gross MW Minimum Capability										Gross MVAR Minimum Capability (@					
2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2022	2023	2024	2025	2026	2027

@ Maximum MW Capability)				
2028	2029	2030	2031	2032

	Summer Merit Order											
Generator or Designated Resource	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2021/2022

Winter Merit Order								
2022/2023	2023/2024	2024/2025	2025/2026	2026/2027	2027/2028	2028/2029	2029/2030	2030/2031

		Light Load Merit Order													
2031/2032	2032/2033	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2022	2023	2024

Off-Peak Merit Order							
2025	2026	2027	2028	2029	2030	2031	2032

From: Cliff Ford
Sent: Wednesday, July 20, 2022 12:06 PM
To: McElmurray, Scott
Cc: Mehanna, Charles
Subject: RE: EDR Paperwork (Bitiki-KY, LLC)
Attachments: Bitiki Blockchain, LLC- Approval Letter.pdf
Bitiki Blockchain, LLC- KEIA Agreement - Signed.pdf
Bitiki-KY -- Name Change.pdf

EXTERNAL email. STOP and THINK before responding, clicking on links, or opening attachments.

I've attached a copy of the KEIA approval letter and signed agreement. I've also included a document showing the legal name change of Bitiki Blockchain, LLC to Bitiki-KY, LLC. To be clear, everything will be in Bitiki-KY, LLC moving forward. Once you have a copy of the contract to review, I'll provide it to senior management on my side and we will agree upon the exact change of service date. Let me know if anything else is needed – thanks!

From: McElmurray, Scott <Scott.McElmurray@lge-ku.com>
Sent: Wednesday, July 20, 2022 9:04 AM
To: Cliff Ford <Cliff.Ford@arlp.com>
Cc: Mehanna, Charles <Charles.Mehanna@lge-ku.com>
Subject: RE: EDR Paperwork (Bitiki-KY, LLC)

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Cliff,

I reviewed this internally. Everything looks good for the most part. We will need a few additional items before our submittal:

- Signed Letter approving the States Incentives for this project (Cliff Ford)
- A new signed Contract for the account from both parties (My Action)
- Signed copy of the EDR (Both Parties)

I will then submit all three forms to Billing Integrity for final approval.

Thanks!

Scott McElmurray
Senior Key Account Manager | Economic Development & Key Accounts | LGE & KU

One Quality Street, Lexington, KY 40507
O: 859-367-5613 | **C**: 859-753-4704 | **E**: scott.mcelmurray@lge-ku.com

---

From: Cliff Ford <Cliff.Ford@arlp.com>
Sent: Friday, July 15, 2022 10:53 AM
To: McElmurray, Scott <Scott.McElmurray@lge-ku.com>
Subject: RE: EDR Paperwork (Bitiki-KY, LLC)

EXTERNAL email. STOP and THINK before responding, clicking on links, or opening attachments.

From: Cliff Ford
Sent: Thursday, July 14, 2022 3:35 PM
To: McElmurray, Scott <Scott.McElmurray@lge-ku.com>
Subject: RE: EDR Paperwork (Bitiki-KY, LLC)

Working on it now – hope to have it finished in the AM.

Also – River View is applying for a KEIA grant through KY Economic Development. This will be for the new site. I'll have to fill out an EDR application for them as well once the KEIA application is approved. I believe they are trying to go in front of the board in July's meeting.

From: McElmurray, Scott <Scott.McElmurray@lge-ku.com>
Sent: Tuesday, July 12, 2022 8:24 AM
To: Cliff Ford <Cliff.Ford@arlp.com>
Subject: EDR Paperwork (Bitiki-KY, LLC)

CAUTION: This is an email from an external sender. Use caution when clicking on links, opening attachments or responding.

Cliff,

Any update on this paperwork? Thanks

Scott McElmurray
Senior Key Account Manager | Economic Development & Key Accounts | LGE & KU
One Quality Street, Lexington, KY 40507
O: 859-367-5613 | **C**: 859-753-4704 | **E**: scott.mcelmurray@lge-ku.com

From: Cliff Ford
Sent: Tuesday, June 21, 2022 10:18 AM
To: McElmurray, Scott
Subject: RE: System Impact Study Agreement for TSR SIS LGE-2022-003 TSR #96412602

EXTERNAL email. STOP and THINK before responding, clicking on links, or opening attachments.

This is good news as we are installing infrastructure! The reduction of BTC seems to have had decent timing as it has provided A) an excellent opportunity to purchase BTC and B) Lowered the cost of machines that we will start to receive in August. I need to complete the EDR paperwork you sent me ASAP – apologies for not having that done yet.

Any chance the study suggested an upper limit? If we were able to grow to 20MW – what is the available capacity on KU's FLS rate?

From: McElmurray, Scott <Scott.McElmurray@lge-ku.com>
Sent: Tuesday, June 21, 2022 9:11 AM
To: Cliff Ford <Cliff.Ford@arlp.com>
Subject: System Impact Study Agreement for TSR SIS LGE-2022-003 TSR #96412602

CAUTION: This is an email from an external sender. Use caution when clicking on links, opening attachments or responding.

Cliff,

Good morning, I wanted to let you know that the System Impact Study for Bitki / Highland Mining #9 was completed and the study did not identify any constraints or necessary network upgrades. We should be good to go from that perspective. Has there been any new developments with this site/project from the ARP side? I know the Bitcoin market has seen recent downturns. Thanks!

Scott McElmurray
Senior Key Account Manager | Economic Development & Key Accounts | LGE & KU
One Quality Street, Lexington, KY 40507
O: 859-367-5613 | **C**: 859-753-4704 | **E**: scott.mcelmurray@lge-ku.com

INDEPENDENT, INNOVATIVE, RELIABLE TRANSMISSION MANAGEMENT SERVICES

TSR LGE-2022-003

(TSR #96412602)

System Impact Study Report
Executive Summary

Version: 1.0

Report Issue Date: June 14, 2022

Report Study Title Posted Date: June 14, 2022

TranServ International, Inc.
3660 Technology Drive NE
Minneapolis, MN 55418
Phone: 763.205.7099

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Table of Contents

1. Executive Summary

TranServ has evaluated the Long-Term Firm Network Transmission Service Request (TSR) listed in Table E-1. A System Impact Study (SIS) was performed to determine the impact of this TSR on the transmission network, to determine if any transmission constraints prohibit granting the requested service and to identify any limiting constraints. This report documents that SIS.

Table E-1
Request Details

NITS Assign Ref	MW	TS Increment	TS Type	Request Type	Start Time	Stop Time	Q-Time
96412602	10	Yearly	Modify NITS Load	Original	01/01/2023	01/01/3000	03/22/2022

This TSR SIS was performed using the fast track TSR methodology. No Ad Hoc Study Group was formed and no flowgate analysis was performed in accordance with the LG&E and KU TSR Study Criteria document posted on the LG&E and KU Open Access Same-Time Information System (OASIS). Also no off-peak analysis was performed as part of this fast track study.

The TSR SISs includes two near-term and two out year models. Due to the nature of the Network Integration Transmission Service (NITS) application, the subject TSR was evaluated using 2022 Winter, 2023 Summer, 2031 Summer and 2031 Winter peak power flow models based on the LG&E and KU 2022 Transmission Expansion Plan (TEP) Base Case Study (BCS) models (2022 TEP BCS Models). The 2022 TEP BCS models include the 2021 TEP approved projects.

All appropriate prior queued transactions were modeled prior to the modeling of the subject request. Representation of these earlier queued requests may also have necessitated the representation of associated planned transmission improvements. Thus, it is important to note that, if the planned improvements do not come to fruition, the subject request's impact on the transmission system as identified by this study may become invalid and a revised study may become necessary before transmission service can be granted.

1.1 Summary of Power Flow Analysis Results

1.1.1 Thermal Constraints

No LG&E and KU and third-party thermal constraints due to the subject request were identified.

1.1.2 Voltage Constraints

No LG&E and KU and third-party voltage constraints due to the subject request were identified.

1.1.3 Flowgate Constraints

Consistent with LG&E and KU's fast track TSR methodology, no flowgate analysis was performed.

1.2 Summary of ATC/AFC/ASTFC Check Results

Since the subject request is a add NITS Load request, no ATC/AFC/ASTFC analysis was performed.

1.3 Conclusion

No LG&E and KU constraints were identified. The Transmission Owner (T.O) has indicated that no network interconnection facilities are required and hence LG&E and KU is not anticipating any interconnection costs or any non-binding planning level cost estimate.

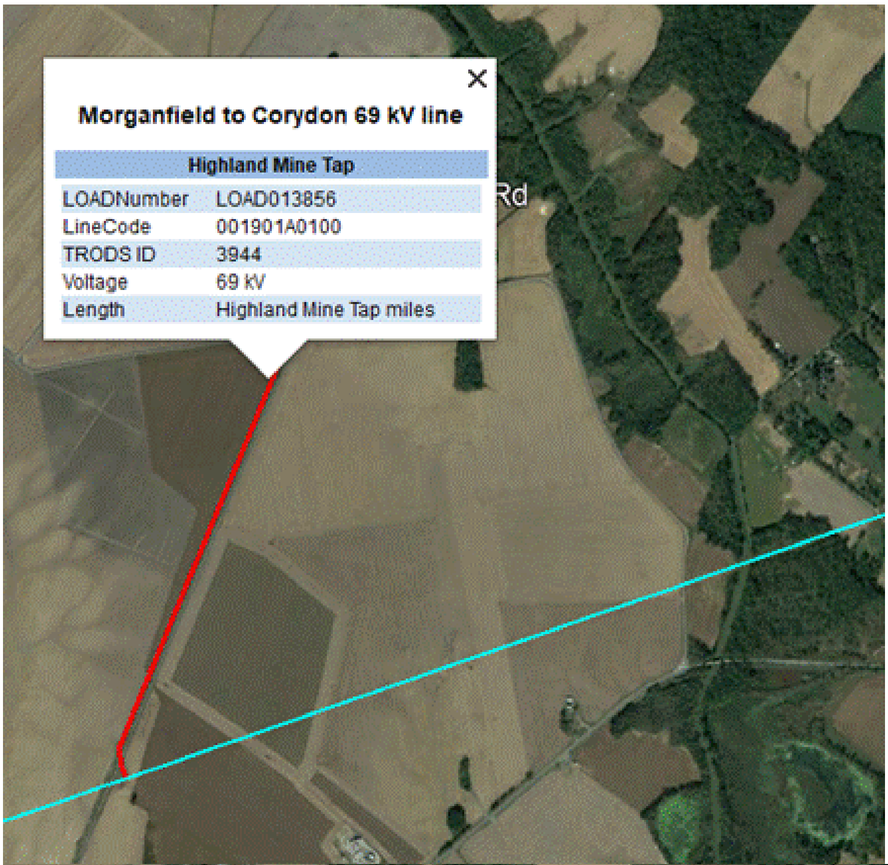
Since this study was performed under the fast-track methodology, no Facilities Study is needed.

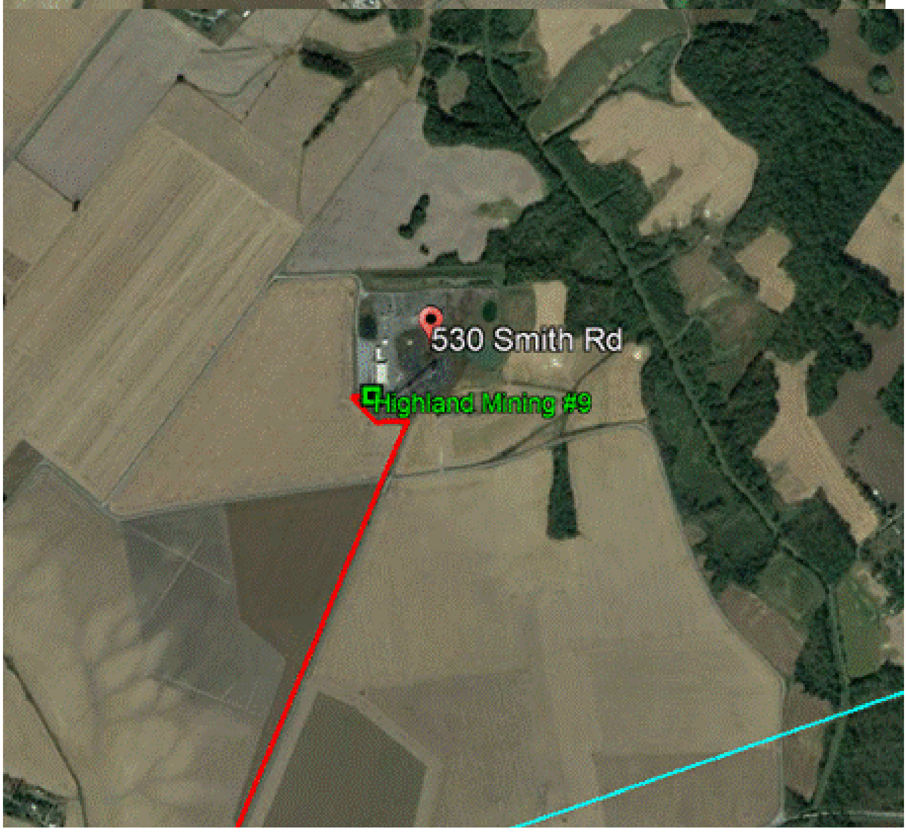
No third-party constraints due to the subject request were identified.

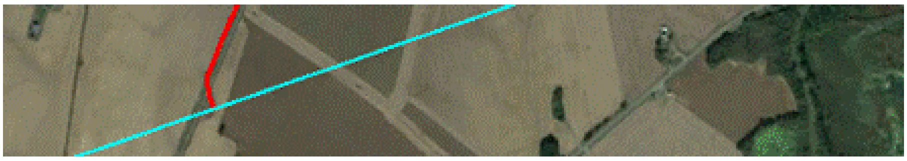
The full report is available on the LG&E and KU Critical Energy Infrastructure Information (CEII) File Transfer Protocol (FTP) site. See the study report title posting on OASIS for instructions pertaining to accessing the LG&E and KU CEII FTP site. The LG&E and KU secure CEII FTP site URL is: https://eftws.lge-ku.com/EFTClient/Account/Login.htm.

From:	Rahn, Derek
Sent:	Wednesday, March 09, 2022 3:47 PM
To:	Eric McElmurray (Eric.McElmurray@lge-ku.com)
Cc:	Mehanna, Charles; Mcdowell, Will
Subject:	Alliance Bitcoin Map

Scott,
Below are pics from the google maps. In the maps we have the Highland Mine Tap with the LOADNumber, LineCode, TRODS ID, ect. This info will go in the excel book with the 10MW and the current load at the site being 0.38MW.
This info will help in preparing the TSR excel book.


Morganfield to Corydon 69 kV line
Highland Mine Tap
LOADNumber LOAD013856
LineCode 001901A0100
TRODS ID 3944
Voltage 69 kV
Length Highland Mine Tap miles
Rd


530 Smith Rd
Highland Mining #9



Derek A. Rahn
Manager Business Services | LG&E and KU
220 West Main Street, Louisville, KY 40202
M: 502-303-1370 | O: 502-627-4127 | F: 502-217-4002
lge-ku.com

From: Rahn, Derek
Sent: Thursday, March 03, 2022 3:04 PM
To: McElmurray, Eric
Cc: Mehanna, Charles
Subject: Emailing: Alliance Info 3-3-2-2022.zip
Attachments: Alliance Info 3-3-2-2022.zip

Scott,
Attached is the information we discussed with Alliance today. We will need to setup a new Opportunity ticket for this new load of ~13.5MW at RTS with a Revenue of ~$5.8M annually. We will have a separate ticket for there EDR ask which could be a credit of $4.5M over the 5 years.

Review this information and call me or Charles with any questions.

Thanks!
Derek

From: Cliff Ford
Sent: Friday, February 25, 2022 6:08 PM
To: Rahn, Derek
Cc: Scott, Joshua; Fry, Roxann; McElmurray, Scott; Mcdowell, Will; Mehanna, Charles
Subject: RE: Alliance Coal - Data Center Expansion Discussion

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Derek,
Thanks for making it a priority to get us on the schedule so quickly. The critical members from my side can make 3/3 between 10-11 (ET?) work.

Heath Lovell – VP of Public Affairs - Heath.Lovell@arlp.com
Luke Paulson – For this project, acting as Bitiki's Business Manager - Luke.Paulson@arlp.com
Kim Humphrey – Director of Community and Employee Programs - Kim.Humphrey@arlp.com

Also, I have had a few discussions with Will in the past. I believe we had an in-person once with Kim Humphrey at River View. I sent him a quick email regarding the incentive type. We want to ensure that isn't an issue. Hoping the advance notice keeps from putting anyone on the spot next week.

I hope everyone enjoys their weekend!

From: Rahn, Derek <Derek.Rahn@lge-ku.com>
Sent: Friday, February 25, 2022 9:29 AM
To: Cliff Ford <Cliff.Ford@arlp.com>
Cc: Scott, Joshua <Joshua.Scott@lge-ku.com>; Fry, Roxann <Roxann.Fry@lge-ku.com>; McElmurray, Eric <Eric.McElmurray@lge-ku.com>; Mcdowell, Will <Will.Mcdowell@lge-ku.com>; Mehanna, Charles <Charles.Mehanna@lge-ku.com>
Subject: RE: Alliance Coal - Data Center Expansion Discussion

Cliff,
It is good to hear from you. We understand your confidential concern and will not talk publicly about this venture with you. Next week will be fine for myself, Will, and Scott to join you on a call to review this data and next steps. I also want to take the opportunity to introduce Will from our

team that can assist in any EDR and bitcoin related inquires of the business and Scott (Eric) from our Key Accounts team who will be working with us on this project.

Which of these times works for you and team:
3/1 – 2-3 or 3-4
3/2 – 1-2 or 2-3
3/3 – 10-11
3/4 – 10-11

Let us know a date and we will setup a WebEx call to catchup and discuss this joint venture.

Be safe!
Derek Rahn
Business Services, Manager | LG&E and KU
502-627-4127 (o) | 502-303-1370 (c)
LGE-KU.com

From: Cliff Ford <Cliff.Ford@arlp.com>
Sent: Thursday, February 24, 2022 2:03 PM
To: Rahn, Derek <Derek.Rahn@lge-ku.com>
Cc: Scott, Joshua <Joshua.Scott@lge-ku.com>; Fry, Roxann <Roxann.Fry@lge-ku.com>
Subject: Re: Alliance Coal - Data Center Expansion Discussion

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Reviewing this and in consideration with where we our in our KEIA submission process, this needs to stay confidential. I should have mentioned that in my previous email. Our timeline is March or April, with the end of February quickly approaching.

Is there any opportunity to have a call next week to discuss next steps?

> On Feb 23, 2022, at 2:09 PM, Cliff Ford <Cliff.Ford@arlp.com> wrote:
>
> Derek & Josh,
> We have struggled with determining the best location for our data center expansion. That said, we have finally made progress with Kentucky Economic Development Cabinet. This progress has provided a clear path for our project to be located at Alliance Coal's existing UC Processing, LLC location (KU Account #3000-344-15921). This meter point is currently active, and the existing load will be removed. We intend to transfer the UC Processing, LLC meter point into Bitiki-KY,LLC's name/Tax-ID and use the KEIA approval to qualify for an Economic Development Rider (activating the

EDR in Jan of 2023). We are in the process of working through the KEIA approval process. We are hoping the approval will occur at the end of next month.
We haven't made any commitments, waiting on the KEIA approval. That said, below is the expected load timing.

- August 2022 – 1000 kW
- September 2022 – 3000 kW
- October 2022 – 5000 kW
- November 2022 – 7000 kW
- December 2022 – 9000 kW
- Janurary 2023 – 13500 kW

I've filled out the excel file that was provided back in November. I know I'm missing information, but I'm hoping it's enough to get started. I'm also hoping that this process will require less information since it's an existing meter point with load present. Our timing puts us up against the 180-day window, so please let me know what is needed to proceed. If required, we are ready to make payment for any study to be completed.

From: Rahn, Derek <Derek.Rahn@lge-ku.com>
Sent: Monday, November 15, 2021 3:23 PM
To: Cliff Ford <Cliff.Ford@arlp.com>
Cc: Scott, Joshua <Joshua.Scott@lge-ku.com>; Fry, Roxann <Roxann.Fry@lge-ku.com>
Subject: RE: Alliance Coal - Data Center Expansion Discussion

CAUTION: This is an email from an external sender. Use caution when clicking on links, opening attachments or responding.

Cliff,
Really good talking to you today. Attached is the link to the OATI OASIS website we were looking at today (OATI OASIS). If you are interested look at the:

- Transmission Tariff Part III_32. This has the additional Study Procedures for NITS Requests
- Transmission Service Information → TSR Study Criteria Doc (We will need to complete a System Impact Study and a Facility Study)

Also attached is the excel book template the ITO requires for a study. The more of this information you can assist us pulling together the better.

We will setup a follow-up of the deposit send and processing. Note, a TSR typically can take ~ 6-months. (They have returned them faster, but it depends of the difficulty of the study).

Thanks!

Derek Rahn
Business Services, Manager | LG&E and KU Energy LLC
502-627-4127 (o) | 502-303-1370 (c)
LGE-KU.com

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From: Rahn, Derek
Sent: Friday, February 25, 2022 10:29 AM
To: Cliff Ford
Cc: Scott, Joshua; Fry, Roxann; McElmurray, Eric; Mcdowell, Will; Mehanna, Charles
Subject: RE: Alliance Coal - Data Center Expansion Discussion

---

Cliff,
It is good to hear from you. We understand your confidential concern and will not talk publicly about this venture with you. Next week will be fine for myself, Will, and Scott to join you on a call to review this data and next steps. I also want to take the opportunity to introduce Will from our team that can assist in any EDR and bitcoin related inquires of the business and Scott (Eric) from our Key Accounts team who will be working with us on this project.

Which of these times works for you and team:
3/1 – 2-3 or 3-4
3/2 – 1-2 or 2-3
3/3 – 10-11
3/4 – 10-11

Let us know a date and we will setup a WebEx call to catchup and discuss this joint venture.

Be safe!
Derek Rahn
Business Services, Manager | LG&E and KU
502-627-4127 (o) | 502-303-1370 (c)
LGE-KU.com

From: Cliff Ford <Cliff.Ford@arlp.com>
Sent: Thursday, February 24, 2022 2:03 PM
To: Rahn, Derek <Derek.Rahn@lge-ku.com>
Cc: Scott, Joshua <Joshua.Scott@lge-ku.com>; Fry, Roxann <Roxann.Fry@lge-ku.com>
Subject: Re: Alliance Coal - Data Center Expansion Discussion

Reviewing this and in consideration with where we our in our KEIA submission process, this needs to stay confidential. I should have mentioned that in my previous email. Our timeline is March or April, with the end of February quickly approaching.

Is there any opportunity to have a call next week to discuss next steps?

On Feb 23, 2022, at 2:09 PM, Cliff Ford <Cliff.Ford@arlp.com> wrote:

Derek & Josh,
We have struggled with determining the best location for our data center expansion. That said, we have finally made progress with Kentucky Economic Development Cabinet. This progress has provided a clear path for our project to be located at Alliance Coal's existing UC Processing, LLC location (KU Account #3000-344-15921). This meter point is currently active, and the existing load will be removed. We intend to transfer the UC Processing, LLC meter point into Bitiki-KY,LLC's name/Tax-ID and use the KEIA approval to qualify for an Economic Development Rider (activating the EDR in Jan of 2023). We are in the process of working through the KEIA approval process. We are hoping the approval will occur at the end of next month.
We haven't made any commitments, waiting on the KEIA approval. That said, below is the expected load timing.

- August 2022 – 1000 kW
- September 2022 – 3000 kW
- October 2022 – 5000 kW
- November 2022 – 7000 kW
- December 2022 – 9000 kW
- Janurary 2023 – 13500 kW

I've filled out the excel file that was provided back in November. I know I'm missing information, but I'm hoping it's enough to get started. I'm also hoping that this process will require less information since it's an existing meter point with load present. Our timing puts us up against the 180-day window, so please let me know what is needed to proceed. If required, we are ready to make payment for any study to be completed.

From: Rahn, Derek <Derek.Rahn@lge-ku.com>
Sent: Monday, November 15, 2021 3:23 PM
To: Cliff Ford <Cliff.Ford@arlp.com>
Cc: Scott, Joshua <Joshua.Scott@lge-ku.com>; Fry, Roxann <Roxann.Fry@lge-ku.com>
Subject: RE: Alliance Coal - Data Center Expansion Discussion

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Cliff,
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Also attached is the excel book template the ITO requires for a study. The more of this information you can assist us pulling together the better.

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Thanks!

Derek Rahn
Business Services, Manager | LG&E and KU Energy LLC
502-627-4127 (o) | 502-303-1370 (c)
LGE-KU.com

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

KENTUCKY UTILITIES COMPANY

Response to Kentuckians for the Commonwealth, Kentucky Solar Energy Society, Mountain Association, and Kentucky Resources Council, Inc. Request for Information Dated November 18, 2022

Case No. 2022-00371

Question No. 1.5

Responding Witness: Michael E. Hornung

Q-1.5. Please produce copies of any documents in the Company's possession, other than those produced in response to previous data requests, concerning the potential economic development benefits of the Proposed Facility.

A-1.5. See the responses to Question Nos. 1.1 and 1.3.

KENTUCKY UTILITIES COMPANY

Response to Kentuckians for the Commonwealth, Kentucky Solar Energy Society, Mountain Association, and Kentucky Resources Council, Inc.
Request for Information
Dated November 18, 2022

Case No. 2022-00371

Question No. 1.6

Responding Witness: John Bevington

Q-1.6. Please produce copies of any documents in the Company's possession concerning applications for permits to construct the Proposed Facility, or permits issued, including but not limited to any permit applications to or permits issued by the Kentucky Energy & Environment Cabinet or any of its departments or divisions.

A-1.6. KU does not possess any responsive documentation. Again, note that the record of Case No. 2022-00355 contains no such documentation, yet the Commission approved the proposed EDR contract just over a month ago.[8] KU believes the Commission acted properly in approving that EDR contract.

[8] Case No. 2022-00355, Order (Ky. PSC Oct. 31, 2022).

KENTUCKY UTILITIES COMPANY

Response to Kentuckians for the Commonwealth, Kentucky Solar Energy Society, Mountain Association, and Kentucky Resources Council, Inc.
Request for Information
Dated November 18, 2022

Case No. 2022-00371

Question No. 1.7

Responding Witness: John Bevington

Q-1.7. Please identify any transmission, grid, or infrastructure investments that the Company would incur to provide service to the Proposed Facility. For any such investment identified, please (a) explain in detail the nature of the investment; (b) identify the anticipated capital expenditure required; (c) identify the timing of the investment; and (d) identify whether the Company anticipates that it will seek to recover the investment from customers, and if so, by what mechanism. If there are no such investments identified, please explain why not.

A-1.7. KU will not make any transmission, grid, or infrastructure investments to serve the proposed load. Facilities necessary to serve the proposed load already exist due to previous operations at the site. This customer's operations would make productive use of facilities that are currently idle and might remain so absent this customer beginning operations at the site.

KENTUCKY UTILITIES COMPANY

Response to Kentuckians for the Commonwealth, Kentucky Solar Energy Society, Mountain Association, and Kentucky Resources Council, Inc.
Request for Information
Dated November 18, 2022

Case No. 2022-00371

Question No. 1.8

Responding Witness: John Bevington

Q-1.8. Please identify any fixed costs other than those provided in response to DR 1.7 that the Company would incur to provide service to the Proposed Facility. For any such fixed cost identified, please (a) explain in detail the nature of the fixed cost; (b) identify the anticipated expenditure(s) required; (c) identify the timing of the expenditure(s); and (d) identify whether the Company anticipates that it will seek to recover the expenditure(s) from customers, and if so, by what mechanism. If there are no such fixed costs identified, please explain why not.

A-1.8. There are no other marginal or incremental fixed costs the Company has identified that are necessary to provide service. All the facilities necessary to serve Bitiki, including appropriate metering, are already at the site.

KENTUCKY UTILITIES COMPANY

Response to Kentuckians for the Commonwealth, Kentucky Solar Energy Society, Mountain Association, and Kentucky Resources Council, Inc.
Request for Information
Dated November 18, 2022

Case No. 2022-00371

Question No. 1.9

Responding Witness: John Bevington

Q-1.9. Please identify whether the Company anticipates that the Proposed Facility will participate in any demand response or demand flexibility programs. If yes, please identify the program and explain in detail the terms under which the Company anticipates that the Proposed Facility will participate. If no, please explain why not.

A-1.9. The customer has not requested to participate in any demand response or demand flexibility programs, and KU has no basis for forming an expectation regarding this customer's possible future participation in such programs.

KENTUCKY UTILITIES COMPANY

Response to Kentuckians for the Commonwealth, Kentucky Solar Energy Society, Mountain Association, and Kentucky Resources Council, Inc.
Request for Information
Dated November 18, 2022

Case No. 2022-00371

Question No. 1.10

Responding Witness: John Bevington / Michael E. Hornung

Q-1.10. Please identify whether the Company anticipates that Bitiki-KY will participate in any of the following.

a. MISO markets

b. KU Business Demand Conservation for large commercial and industrial customers

c. Curtailable Service Rider-1

d. Curtailable Service Rider-2

e. If Bitiki-KY is participating in the Company's interruptible tariffs or demand conservation program, will they be prohibited from participating in MISO markets?

A-1.10.

a. No. KU has exclusive retail electric service rights where Bitki proposes to locate, so Bitki will not participate in MISO (or any other RTO) markets.

b. Bitiki has not requested to participate in KU's Business Demand Conservation for large commercial and industrial customers.

c. Curtailable Service Rider-1 (CSR-1) has been closed to new participants since July 1, 2017.

d. Curtailable Service Rider-2 (CSR-2) has been closed to new participants since July 1, 2017.

e. See the response to part (a).

KENTUCKY UTILITIES COMPANY

**Response to Kentuckians for the Commonwealth, Kentucky Solar Energy Society, Mountain Association, and Kentucky Resources Council, Inc.
Request for Information
Dated November 18, 2022**

Case No. 2022-00371

Question No. 1.11

Responding Witness: John Bevington

Q-1.11. Did the Company have any discussions with Bitiki-KY about whether it would construct the Proposed Facility if it did not receive the discounted rates in the Proposed Special Contract? If yes, please describe those discussions and produce copies of any documents reflecting those discussions. If no, please explain why not.

A-1.11. Bitiki represented that EDR credits were important to establishing their full operations, and they furthermore sought incentives from the state to defray up-front costs in order to proceed with their business plan.

KU would again note that the record of Case No. 2022-00355 contains no evidence of such discussions, yet the Commission approved the proposed EDR contract just over a month ago.[9] KU believes the Commission acted properly in approving that EDR contract.

[9] Case No. 2022-00355, Order (Ky. PSC Oct. 31, 2022).

KENTUCKY UTILITIES COMPANY

Response to Kentuckians for the Commonwealth, Kentucky Solar Energy Society, Mountain Association, and Kentucky Resources Council, Inc.
Request for Information
Dated November 18, 2022

Case No. 2022-00371

Question No. 1.12

Responding Witness: Michael E. Hornung

Q-1.12. Refer to Finding 12 on pages 26-27 of the Commission's September 24, 1990 order in Administrative Case No. 327.

a. Please identify and explain the "minimum usage level" that is assumed for the Proposed Facility in the Proposed Special Contract.

b. Please explain how the applicable level of demand for the economic development discount was calculated.

A-1.12. For both subparts, see the response to PSC 1-7.

KENTUCKY UTILITIES COMPANY

Response to Kentuckians for the Commonwealth, Kentucky Solar Energy Society, Mountain Association, and Kentucky Resources Council, Inc.
Request for Information
Dated November 18, 2022

Case No. 2022-00371

Question No. 1.13

Responding Witness: Michael E. Hornung

Q-1.13. Please refer to Appendix A of the Proposed Special Contract.

a. Please identify where the numbers listed for projected reserve margins for the first five years of the Proposed Special Contract were taken from and explain how they were determined.

b. Please identify where the number for "reserve margin considered essential for system reliability" was taken from and explain how that number was determined.

c. Please explain whether the number for "reserve margin considered essential for system reliability" is expected to change over the first five years of the Proposed Special Contract. If it is expected to change, please identify the Company's current projections for "reserve margin considered essential for system reliability" in each of the first five years of the Proposed Special Contract and explain how those numbers are determined.

A-1.13.

a. See Row 18 in Sheet 1 tab in the attachment for projected reserve margins. The inputs in Sheet 1 are consistent with the Companies' 2021 387 Resource Assessment,[10] filed in March 2022, including changes to new solar resource Ragland (160 MW to 125 MW) and additional demand from the new Ford-Glendale battery facilities.

b. "Reserve margin considered essential for system reliability" was determined as Net Peak Load in Row 6 in Sheet 1 tab multiplied by 17%, where 17% is LG&E-KU's minimum summer reserve margin requirement established in the Companies' 2021 IRP Reserve Margin Analysis.[11]

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[10] 3-KU_2021_Annual_Resource_Assessment.pdf (ky.gov)
[11] Case No. 2021-00393, IRP Vol. III, 2021 IRP Reserve Margin Analysis (Oct. 19, 2021).

c. As explained in part b, net peak load is used to determine "reserve margin considered essential for system reliability." So, "reserve margin considered essential for system reliability" changes when the Companies produce a new load forecast, which is typically once a year. Based on the load forecast contained in the attached spreadsheet, the reserve margin considered essential for system reliability for the first five years of the contract are 1,054 MW, 1051 MW, 1068 MW, 1082 MW, and 1081 MW, which are determined by multiplying 17% times the Net peak Load in each year.

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

KENTUCKY UTILITIES COMPANY

Response to Kentuckians for the Commonwealth, Kentucky Solar Energy Society, Mountain Association, and Kentucky Resources Council, Inc.
Request for Information
Dated November 18, 2022

Case No. 2022-00371

Question No. 1.14

Responding Witness: John Bevington / Michael E. Hornung

Q-1.14. Please identify any provisions in the Proposed Special Contract that protect the Company's existing customers from the risk that Bitiki-KY will default or otherwise not complete the initial term of the contract. For any such provisions identified, please explain how they protect the Company's existing customers from risk, particularly in the event of a default, bankruptcy, or disappearance by the customer.

A-1.14. See the response to PSC 1-1.

KENTUCKY UTILITIES COMPANY

Response to Kentuckians for the Commonwealth, Kentucky Solar Energy Society, Mountain Association, and Kentucky Resources Council, Inc.
Request for Information
Dated November 18, 2022

Case No. 2022-00371

Question No. 1.15

Responding Witness: John Bevington

Q-1.15. Has the Company had any communications with Bitiki-KY concerning the possibility of it providing some form of security or collateral to protect against risk? If yes, please describe those communications and produce copies of any documents reflecting those communications. If no, please explain why not.

A-1.15. See attached and the response to PSC 1-1.c.

From: McElmurray, Scott
Sent: Monday, August 22, 2022 10:07 AM
To: Cliff Ford
Cc: Mehanna, Charles
Subject: RE: Fuel Adjustment Projections & Bitiki EDR Update
Attachments: KU IRREVOCABLE BANK LETTER OF CREDIT - sample.docx
KU SURETY BOND NUMBER form.docx

Cliff,

Good morning, I have confirmed that we do not need to have the EDR finished to establish service. We do need the service contract and security deposit for the new service completed. I am working to have this out to you today. At that point we simply need to: 1) sign the contract, 2) specify the way you wish to handle the deposit (Cash, Surety Bond, Bank Letter of Credit) and 3) Activating the service address by you calling the BSC number. I outlined it below. I will have to check on your fuel adjustment question and get back with you. Thanks.

Bitiki-KY Service guideline:

- **Contract** (sending out today) – This will need to be signed and returned to my attention (Email)
- **Deposit** – (based on 2/12 of annual estimated bill-you will have this amount today with the contract)
  - Options for Deposit:
    - **Cash Deposit** - Interest on deposit 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,
      except that no refund or credit will be made if customer's bill is delinquent on the anniversary date of the deposit.
    - **Surety Bond** – A sample of the Surety Bond Form, which is the only form that we will accept is attached.
    - **Bank Letter of Credit** – A sample letter is attached. The actual letter of credit should be completed on Bank Letterhead and should be worded exactly the same as our sample.

Surety Bond or **Bank Letter of Credit** can be mailed to:

Cindy Kruger
Remittance & Collection
LGE & KU
One Quality Avenue (7th Floor)
Lexington, KY 40502
Tel: 859-367-5567

- **<u>Activation</u>** – Once the contract is signed and the Deposit is secured, the customer must call themselves to the Business Service Center to activate the service.

Business Service Center
KU/ODP: 859-367-1200 or 800-383-5582; Fast Path Options 2-3-2
M-F 8am to 6pm ET

Scott McElmurray
Senior Key Account Manager | Economic Development & Key Accounts | LGE & KU
One Quality Street, Lexington, KY 40507
O: 859-367-5613 | **C**: 859-753-4704 | **E**: scott.mcelmurray@lge-ku.com

Business Use

From: Cliff Ford <Cliff.Ford@arlp.com>
Sent: Monday, August 22, 2022 9:36 AM
To: McElmurray, Scott <Scott.McElmurray@lge-ku.com>
Subject: Fuel Adjustment Projections & Bitiki EDR Update

EXTERNAL email. STOP and THINK before responding, clicking on links, or opening attachments.

Machines are landing in ATL tomorrow. I need an update on the status of the EDR contract ASAP.

Also – do you guys have fuel adjustment projections for the rest of 2022? Last month at $0.01462 was shocking. There were 15% more kWh generated compared to May, but the cost increase was over 52% more. Hoping less gas was used in July and August to meet the kWh need!

From: McElmurray, Scott <Scott.McElmurray@lge-ku.com>
Sent: Tuesday, August 23, 2022 7:48 AM
To: Cliff Ford <Cliff.Ford@arlp.com>
Cc: Mehanna, Charles <Charles.Mehanna@lge-ku.com>; Kruger, Cindy <Cindy.Kruger@lge-ku.com>; McElmurray, Scott <Scott.McElmurray@lge-ku.com>
Subject: RE: Bitiki-KY, LLC Service Contract

Cliff,

The timing of the base demand increase is based on the load that you and I discussed. Building up from September through December to get to the 13,000 kva by the first of 2023 (Jan). The EDR (if approved by PSC) would begin in February as you requested. Please make sure that the Surety Bond is sent to Cindy Kruger's attention. Let me know if you have any further questions. Thanks.

Scott McElmurray
Senior Key Account Manager | Economic Development & Key Accounts | LGE & KU
One Quality Street, Lexington, KY 40507
O: 859-367-5613 | **C**: 859-753-4704 | **E**: scott.mcelmurray@lge-ku.com

Business Use

From: Cliff Ford <Cliff.Ford@arlp.com>
Sent: Monday, August 22, 2022 6:28 PM
To: McElmurray, Scott <Scott.McElmurray@lge-ku.com>
Cc: Mehanna, Charles <Charles.Mehanna@lge-ku.com>; Kruger, Cindy <Cindy.Kruger@lge-ku.com>
Subject: RE: Bitiki-KY, LLC Service Contract

EXTERNAL email. STOP and THINK before responding, clicking on links, or opening attachments.

Legal on my side is reviewing the contract.

I've requested our treasury department to proceed with a surety bond. I'll scan/email a copy as soon as it's available.

Regarding the load timing and locking into contract minimums…does the date provided in the chart lock us into a 13,000 base demand based on this projected date?

From: McElmurray, Scott <Scott.McElmurray@lge-ku.com>
Sent: Monday, August 22, 2022 2:57 PM
To: Cliff Ford <Cliff.Ford@arlp.com>
Cc: Mehanna, Charles <Charles.Mehanna@lge-ku.com>; Kruger, Cindy <Cindy.Kruger@lge-ku.com>
Subject: Bitiki-KY, LLC Service Contract
Importance: High

CAUTION: This is an email from an external sender. Use caution when clicking on links, opening attachments or responding.

Cliff,

Per my earlier email, please find the attached service contract and other associated documents for starting service at the Bitiki-KY, LLC site in Waverly, KY. The deposit was calculated based on 13,000 kva, using a 100% power factor and 95% load factor using 730 hours per month (24-7 operation).

Please let us know which option for securing the deposit you will be using (options attached).

Please let me know if you have any questions. Thanks.

Bitiki-KY Service guideline:

- **Contract** (Attached) – This will need to be signed and returned to my attention (Email)
- **Deposit** – **$1,275,000.00** (based on 2/12 of annual estimated bill-you will have this amount today with the contract)
  - Options for Deposit:
    - **Cash Deposit** - Interest on deposit 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,

except that no refund or credit will be made if customer's bill is delinquent on the anniversary date of the deposit.

- **Surety Bond** – A sample of the Surety Bond Form, which is the only form that we will accept is attached.
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Business Use

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KENTUCKY UTILITIES COMPANY

Response to Kentuckians for the Commonwealth, Kentucky Solar Energy Society, Mountain Association, and Kentucky Resources Council, Inc.
Request for Information
Dated November 18, 2022

Case No. 2022-00371

Question No. 1.16

Responding Witness: Michael E. Hornung

Q-1.16. Please refer to the comments of Kentucky Resources Council, et al. (dated October 27, 2022) on the Proposed Special Contract, which were attached to the Commission's November 4, 2022 Order opening this proceeding.

a. Does the Company agree that the marginal cost analysis prepared by The Prime Group LLC should be corrected, particularly in how it characterizes the Company's 2021 IRP, as described in the Kentucky Resources Council comments? Please explain in detail why or why not.

b. Does the Company believe that the Commission Staff's report on its 2021 IRP in Case No. 2021-0393 warrants any updates or revisions to its marginal cost analysis for the Proposed Special Contract? Please explain in detail why or why not.

c. Does the Company intend to offer in this proceeding an updated, revised, or corrected marginal cost analysis for the Proposed Special Contract? Please explain in detail why or why not. If the answer is yes, please produce a copy of such an analysis or identify a date by which the Company intends to produce such an analysis.

A-1.16. For all subparts, see the response to PSC 1-2. For the reasons stated therein, KU does not believe a revised Marginal Cost Study is necessary.

KENTUCKY UTILITIES COMPANY

Response to Kentuckians for the Commonwealth, Kentucky Solar Energy Society, Mountain Association, and Kentucky Resources Council, Inc. Request for Information Dated November 18, 2022

Case No. 2022-00371

Question No. 1.17

Responding Witness: Michael E. Hornung

Q-1.17. Does the Company have internal criteria or an internal process for determining which new or existing customers are eligible to receive special contracts under its Economic Development Rider? If yes, please produce copies of any documents reflecting such internal criteria or process, and please describe how such internal criteria or process were applied to Bitiki-KY. If no, please explain why not.

A-1.17. See the response to Question No. 1.1.

KENTUCKY UTILITIES COMPANY

Response to Kentuckians for the Commonwealth, Kentucky Solar Energy Society, Mountain Association, and Kentucky Resources Council, Inc. Request for Information Dated November 18, 2022

Case No. 2022-00371

Question No. 1.18

Responding Witness: Michael E. Hornung

Q-1.18. Please provide the scope of work, methodology requirements, and any related documents transmitted to The Prime Group for purposes of executing the Marginal Cost of Service Study.

A-1.18. KU commissions The PRIME Group to perform a Marginal Cost of Service Study annually. This study has been performed in support of EDR special contracts since 2011. Because The PRIME Group has long performed this study and is well aware of its requirements, there are no responsive documents concerning "scope of work [or] methodology requirements."

See attached for KU's and LG&E Electric's 2021 FERC Form 1's.

See also the attachments being provided in Excel format for the 2020 Rate Case Final Order Schedule J's, transmission depreciation rates used in the analysis, and expected transmission capital costs.

See the link below for reference to KU and LG&E's combined 2021 Integrated Resource Plan.[12]

https://psc.ky.gov/Case/ViewCaseFilings/2021-00393

The Hourly Variable Cost file and the Handy-Whitman Index files are considered confidential and are being filed under seal pursuant to a Petition for Confidential Protection.

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[12] Case No. 2021-00393: *Electronic 2021 Joint Integrated Resource Plan of Louisville Gas and Electric Company and Kentucky Utilities Company*

THIS FILING IS
Item 1: ☑ An Initial (Original) Submission OR ☐ Resubmission No.

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: 2021/ Q4

KENTUCKY UTILITIES COMPANY

PUBLIC SERVICE COMMISSION OF KENTUCKY

PRINCIPAL PAYMENT AND INTEREST INFORMATION FOR THE YEAR ENDING DECEMBER 31, 2021

1. Amount of Principal Payment during calendar year $ 0

2. Is Principal current? (Yes) X (No) ______

3. Is Interest current? (Yes) X (No) ______

KENTUCKY UTILITIES COMPANY

PUBLIC SERVICE COMMISSION OF KENTUCKY

SERVICES PERFORMED BY INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT

Are your financial statements examined by a Certified Public Accountant?

(Yes) ___X___ (No) ________

If yes, which service is performed?

Audit ___X___

Compilation ________

Review ________

Please enclose a copy of the accountant's report with annual report.

KENTUCKY UTILITIES COMPANY
ADDITIONAL INFORMATION TO BE FURNISHED WITH 2021 ANNUAL REPORT

ELECTRIC UTILITIES

Please furnish the following information, for Kentucky Operations only, and attach to your Annual Report:

Number of Rural Customers (Other than Farms)	INFORMATION NOT AVAILABLE
Number of Farms Served (A farm is any agricultural operating unit consisting of 3 acres or more)	INFORMATION NOT AVAILABLE
Number of KWH sold to all Rural Customers	INFORMATION NOT AVAILABLE
Total Revenue from all Rural Customers	INFORMATION NOT AVAILABLE

LINE DATA

Total number of Miles of Wire Energized (Located in Kentucky)	30,876
Total number of Miles of Pole line (Located in Kentucky)	19,439

Name of Counties in which you furnish Electric Service:
(If additional space is required, add additional sheet)

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

Kentucky Utilities Company
Supplemental Electric Information
Revenues, Customers and KWH Sales
For Reporting Year 2021

	Revenues	KWHs Sold	Customers
440 Residential	$ 662,393,290	5,983,639,376	441,873
442 Commercial & Industrial Sales			
Small (or Commercial)	$ 438,012,580	3,803,812,737	83,752
Large (or Industrial)	$ 398,138,371	6,159,494,665	1,703
444 Public Street & Highway Lighting	$ 8,213,745	23,531,650	1,278
445 Other Sales to Public Authorities	$ 139,133,533	1,501,696,588	8,706
446 Sales to Railroads and Railways	$ -	-	-
448 Interdepartmental Sales	$ -	-	-
TOTAL Sales to Ultimate Customers	$ 1,645,891,519	17,472,175,016	537,312
447 Sales for Resale	$ 61,086,537	1,674,635,135	14
449 Provision for Rate Refund - FERC Municiple Rates	$ -	-	-
TOTAL Sales of Electricity	$ 1,706,978,056	19,146,810,151	537,326

THIS PAGE MUST BE COMPLETED AND RETURNED WITH THE ANNUAL REPORT

**** For Kentucky Operations Only**

KENTUCKY UTILITIES COMPANY
NUMBER OF ELECTRIC DEPARTMENT EMPLOYEES
SUPPLEMENTAL INFORMATION TO 2021 ANNUAL REPORT

NUMBER OF ELECTRIC DEPARTMENT EMPLOYEES

1. The data on number of employees should be reported for the payroll period ending nearest to October 31, or any payroll period ending 60 days before or after October 31.

2. If the respondent's payroll for the reporting period includes any special construction personnel, include such employees on line 3, and show the number of such special construction employees in a footnote.

3. The number of employees assignable to the electric department from joint functions of combination utilities may be determined by estimate, on the basis of employee equivalents. Show the estimated number of equivalent employees attributed to the electric department from joint functions.

1.	Payroll Period Ended (Date)	12/31/2021
2.	Total Regular Full-Time Employees	873
3.	Total Part-Time and Temporary Employees	12
4.	Total Employees	885

Additional Requested Information

Utility Name Kentucky Utilities Company

FEIN# (Federal Employer Identification Number)

6	1	-	0	2	4	7	5	7	0

Contact Person Drew T. McCombs

Contact Person's E-Mail Address Drew.McCombs2@lge-ku.com

Utility's Web Address www.lge-ku.com

Please complete the above information, if it is available.

If there are multiple staff who may be contacts please include their names and e-mail addresses also.

FERC FORM NO. 1
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: 2021/ 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 An Original / A Resubmission (1) ☑ An Original (2) ☐ A Resubmission	10 Date of Report (Mo, Da, Yr) 03/28/2022

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) 03/28/2022
02 Title Chief Financial Officer		

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.

Utility ID: 400

OATH

Commonwealth of Kentucky)
) ss:
County of Jefferson)

Kent W. Blake makes oath and says
(Name of Officer)

that he/she is Chief Financial Officer of
(Official title of officer)

Kentucky Utilities Company
(Exact legal title or name of respondent)

that it is his/her duty to have supervision over the books of account of the respondent and to control the manner in which such books are kept; that he/she knows that such books have, during the period covered by the foregoing report, been kept in good faith in accordance with the accounting and other orders of the Public Service Commission of Kentucky, effective during the said period; that he/she has carefully examined the said report and to have the best of his/her knowledge and belief the entries contained in the said report have, so far as they relate to matters of account, been accurately taken from the said books of account and are in exact accordance therewith; that he/she believes that all other statements of fact contained in the said report are true; and that the said report is a correct and complete statement of the business and affairs of the above-named respondent during the period of time from and including

January 1, 2021 , to and including December 31, 2021

Kent W Blake
(Signature of Officer)

subscribed and sworn to before me, a Notary Public , in and for

the State and County named in the above this 28th day of March, 2022

(Apply Seal Here)

My Commission expires November 9, 2022

Tammy J. Elzy
(Signature of officer authorized to administer oath)

[Persons making willful false statements in this report may be punished by fine or imprisonment under KRS 523.040 and 523.100.]

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, Licensees, and Others 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 Form Nos. 1 and 3-Q electronically through the eCollection portal at https://eCollection.ferc.gov, and according to the specifications in the Form 1 and 3-Q taxonomies.

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.)

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

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 [COMPANY NAME] for the year ended on which we have reported separately under date of [DATE], we have also reviewed schedules [NAME OF 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. Further instructions are found on the Commission's website at https://www.ferc.gov/ferc-online/ferc-online/frequently-asked-questions-faqs-efilingferc-online.

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 https://www.ferc.gov/general-information-0/electric-industry-forms.

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

Notes to Financial Statements 122-123

e. The following format must be used for the CPA Certification Statement unless unusual circumstances or conditions,

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, 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.

X. Schedule specific instructions are found in the applicable taxonomy and on the applicable blank rendered form.

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

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

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 by 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 shall 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

adjustments or "true-ups" for service provided in prior reporting periods. Provide an explanation in a footnote for each adjustment.

DEFINITIONS

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..."

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

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
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: 2021/ 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 An Original / A Resubmission (1) ☑ An Original (2) ☐ A Resubmission	10 Date of Report (Mo, Da, Yr) 03/28/2022

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 Kent W. Blake	04 Date Signed (Mo, Da, Yr) 03/28/2022
02 Title Chief Financial Officer		

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: Kentucky Utilities Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 03/28/2022	Year/Period of Report End of: 2021/ 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".

60	**Monthly ISO/RTO Transmission System Peak Load**	400a	None
61	**Electric Energy Account**	401a	
62	**Monthly Peaks and Output**	401b	
63	**Steam Electric Generating Plant Statistics**	402	
64	**Hydroelectric Generating Plant Statistics**	406	
65	**Pumped Storage Generating Plant Statistics**	408	None
66	**Generating Plant Statistics Pages**	410	
0	**Energy Storage Operations (Large Plants)**	414	
67	**Transmission Line Statistics Pages**	422	
68	**Transmission Lines Added During Year**	424	None
69	**Substations**	426	
70	**Transactions with Associated (Affiliated) Companies**	429	
71	**Footnote Data**	450	
	Stockholders' Reports (check appropriate box)		
	Stockholders' Reports Check appropriate box: ☐ Two copies will be submitted ☑ No annual report to stockholders is prepared		

Name of Respondent: Kentucky Utilities Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 03/28/2022	Year/Period of Report End of: 2021/ 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.

State of Incorporation: KY

Date of Incorporation: 1912-08-17

Incorporated Under Special Law:

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

(a) Name of Receiver or Trustee Holding Property of the Respondent:

(b) Date Receiver took Possession of Respondent Property:

(c) Authority by which the Receivership or Trusteeship was created:

(d) Date when possession by receiver or trustee ceased:

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

(2) ☑ No

Name of Respondent: Kentucky Utilities Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 03/28/2022	Year/Period of Report End of: 2021/ Q4

CONTROL OVER RESPONDENT

1. If any corporation, business trust, or similar organization or a combination of such organizations jointly held control over the respondent 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 beneficiaries 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). PPL Corporation (PPL), based in Allentown, PA holds all of the membership interests in LKE.

Name of Respondent: Kentucky Utilities Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 03/28/2022	Year/Period of Report End of: 2021/ 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: Kentucky Utilities Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 03/28/2022	Year/Period of Report End of: 2021/ 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)	Date Started in Period (d)	Date Ended in Period (e)
1	(a) President	(b) John R. Crockett III		2021-10-01	
2	Chief Operating Officer	Lonnie E. Bellar			
3	Chief Financial Officer	Kent W. Blake			
4	VP Human Resources	Gregory J. Meiman			
5	FORMER EXECUTIVE OFFICER DURING 2021				
6	President and Chief Executive Officer	(c) Paul W. Thompson			2022-01-01

Name of Respondent: Kentucky Utilities Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 03/28/2022	Year/Period of Report End of: 2021/ Q4

FOOTNOTE DATA

(a) Concept: OfficerTitle

Salary information for all officers is on file in the office of the respondent.

(b) Concept: OfficerName

John R. Crockett, General Counsel, Chief Compliance Officer and Corporate Secretary, was named President, effective October 1, 2021.

(c) Concept: OfficerName

Paul W. Thompson, President and Chief Executive Officer, transitioned to Executive Vice President as of October 1, 2021 until his retirement on January 1, 2022.

Name of Respondent: Kentucky Utilities Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 03/28/2022	Year/Period of Report End of: 2021/ 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), name and abbreviated titles of the directors who are officers of the respondent.
2. Provide the principle place of business in column (b), designate members of the Executive Committee in column (c), and the Chairman of the Executive Committee in column (d).

Line No.	Name (and Title) of Director (a)	Principal Business Address (b)	Member of the Executive Committee (c)	Chairman of the Executive Committee (d)
1	BOARD OF DIRECTORS AT DECEMBER 31, 2021			
2	(a) John R. Crockett III, President	220 West Main Street, Louisville, KY 40202	true	true
3	Lonnie E. Bellar, Chief Operating Officer	220 West Main Street, Louisville, KY 40202	true	false
4	Kent W. Blake, Chief Financial Officer	220 West Main Street, Louisville, KY 40202	true	false
5	Joseph P. Bergstein, Jr., Senior Vice President and Chief Financial Officer of PPL	2 North Ninth Street, Allentown, PA 18101	true	false
6	(b) Gregory N. Dudkin, Executive Vice President and Chief Operating Officer of PPL	2 North Ninth Street, Allentown, PA 18101	true	false
7	FORMER DIRECTORS DURING 2021			
8	(c) Paul W. Thompson, President and Chief Executive Officer	220 West Main Street, Louisville, KY 40202	true	false

Name of Respondent: Kentucky Utilities Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 03/28/2022	Year/Period of Report End of: 2021/ Q4

FOOTNOTE DATA

(a) Concept: NameAndTitleOfDirector

John R. Crockett, General Counsel, Chief Compliance Officer and Corporate Secretary, was named President and Director, effective October 1, 2021.

(b) Concept: NameAndTitleOfDirector

Gregory N. Dudkin, Executive Vice President and Chief Operating Officer, was elected to the Board of Directors April 9, 2021.

(c) Concept: NameAndTitleOfDirector

Paul W. Thompson, President and Chief Executive Officer, transitioned to Executive Vice President as of October 1, 2021 and resigned as Director as of January 1, 2022 upon retirement.

Name of Respondent: Kentucky Utilities Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 03/28/2022	Year/Period of Report End of: 2021/ Q4

INFORMATION ON FORMULA RATES

Does the respondent have formula rates?	☑ 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 (a)	FERC Proceeding (b)
1	Open Access Transmission Tariff (OATT) Attachment O - Schedule 7, 8, and 10	Docket No. ER 19-984-000
2	Open Access Transmission Tariff (OATT) Attachment O - Schedule 7, 8, and 10	
3	Open Access Transmission Tariff (OATT) - Schedule 1	Docket No. ER16-1543-000
4	Open Access Transmission Tariff (OATT) - Schedule 4	Docket No. ER17-588-000
5	Open Access Transmission Tariff (OATT) - Schedule 9	Docket No. ER17-588-000
6	Wholesale Generation Requirements (Municipals) - 185 vs. 16.0.0 - City of Bardstown and 157 vs. 16.0.0 - City of Nicholasville.	Docket No. ER21-2249-000
7	(a) Wholesale Other - 408 vs. 1.0.0 - Appalachian Power	Docket No. ER16-1349-000

Name of Respondent: Kentucky Utilities Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 03/28/2022	Year/Period of Report End of: 2021/ Q4

FOOTNOTE DATA

(a) Concept: RateScheduleTariffNumber
High Knob Borderline Agreement

Name of Respondent: Kentucky Utilities Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 03/28/2022	Year/Period of Report End of: 2021/ 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)?	☑ Yes ☐ No

2. If yes, provide a listing of such filings as contained on the Commission's eLibrary website.

Line No.	Accession No. (a)	Document Date / Filed Date (b)	Docket No. (c)	Description (d)	Formula Rate FERC Rate Schedule Number or Tariff Number (e)
1	20210315-5286	03/15/2021	ER21-1416-000	Annual Information Attachment O Filing	Attachment O - Schedule 7, 8, and 10
2	20200401-5192	04/01/2020	ER20-1466-000	Compliance Filing Addressing Accumulated Deferred Income Tax in FERC Order No. 864; Pending FERC Action	Attachment O - Schedule 7, 8, and 10
3	20210315-5286 - Schedule 1	03/15/2021	ER21-1416-000	Annual Rate Update	Schedule 1
4	Not Applicable - Schedule 4			Schedule Does Not Use Form 1 Inputs	Schedule 4
5	Not Applicable - Schedule 9			Schedule Does Not Use Form 1 Inputs	Schedule 9
6	20210430-5650	04/30/2021	ER13-2428-000	Information Filing of Annual Update to Formula Charges (Cities of Bardstown and Nicholasville) of Kentucky Utilities Company	Wholesale Generation Requirements Rate Schedule 185 and 157
7	Not Applicable - Schedule 408			Rates Are Not Changed Unless the Company Initiates a FERC Section 205 Filing	Wholesale Other Rate Schedule 408

Name of Respondent: Kentucky Utilities Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 03/28/2022	Year/Period of Report End of: 2021/ 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). (a)	Schedule (b)	Column (c)	Line No. (d)
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Name of Respondent: Kentucky Utilities Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 03/28/2022	Year/Period of Report End of: 2021/ 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 Pages 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.

1. None.

2. None.

3. On March 16, 2021, in Docket No. AC21-43-000, the FERC approved the sale of certain substation equipment to Madisonville Municipal Utilities. Journal entries for the sale were submitted on February 9, 2021 and approved on March 16, 2021.

4. None of a material nature.

5. None.

6. KU received FERC authorization in FERC Docket No. ES20-21-000 for up to $650 million in the form of money pool debt, commercial paper or any other type of short-term loan through June 17, 2022. KU's money pool balance was $294M at December 31, 2021 and zero December 31, 2020. KU's commercial paper program limit of $350 million was established on April 30, 2013. As of December 31, 2021, and December 31, 2020, the outstanding commercial paper balance was zero and $203 million, respectively.

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, by the Virginia State Corporation Commission on June 18, 2015 in Case No. PUE-2014-00031, On December 6, 2021, KU amended and restated this revolving credit facility to extend the termination date from January 26, 2024 to December 6, 2026. At December 31, 2021 and December 31, 2020, the outstanding balance was zero.

In June 2021, the County of Carroll, Kentucky remarketed $54 million of Environmental Facilities Revenue Refunding 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 2.125% though their maturity date of October 1, 2034.

In June 2021, 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 2.00% through their maturity date of February 1, 2032.

7. None.

8. During the first quarter of 2021, exempt and non-exempt employees received routine wage increases in accordance with annual salary reviews. During the third quarter of 2021, the KU IBEW and KU USWA received negotiated wage increases and the KU hourly employees received routine wage increases.

9. See Notes 7 and 14 of Notes to Financial Statements on page 122.

10. None.

12. See Notes to Financial Statements on page 122.
13. Gregory N. Dudkin was appointed a director, effective April 12, 2021. Paul W. Thompson, President and Chief Executive Officer and a director, retired effective January 1, 2022. John R. Crockett III, General Counsel, Chief Compliance Officer and Corporate Secretary, was named President effective October 1, 2021. On December 13, 2021, John P. Fendig was named Corporate Secretary and Deborah Christine Gregor was named Assistant Corporate Secretary.
14. KU is a participant in a cash pooling arrangement, but its proprietary capital ratio is above 30 percent.

Name of Respondent: Kentucky Utilities Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 03/28/2022	Year/Period of Report End of: 2021/ 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	10,771,422,784	10,390,362,546
3	Construction Work in Progress (107)	200	379,347,152	321,165,855
4	TOTAL Utility Plant (Enter Total of lines 2 and 3)		11,150,769,936	10,711,528,401
5	(Less) Accum. Prov. for Depr. Amort. Depl. (108, 110, 111, 115)	200	3,846,906,914	3,621,418,302
6	Net Utility Plant (Enter Total of line 4 less 5)		7,303,863,022	7,090,110,099
7	Nuclear Fuel in Process of Ref., Conv., Enrich., and Fab. (120.1)	202		
8	Nuclear Fuel Materials and Assemblies-Stock Account (120.2)			
9	Nuclear Fuel Assemblies in Reactor (120.3)			
10	Spent Nuclear Fuel (120.4)			
11	Nuclear Fuel Under Capital Leases (120.6)			
12	(Less) Accum. Prov. for Amort. of Nucl. Fuel Assemblies (120.5)	202		
13	Net Nuclear Fuel (Enter Total of lines 7-11 less 12)			
14	Net Utility Plant (Enter Total of lines 6 and 13)		7,303,863,022	7,090,110,099
15	Utility Plant Adjustments (116)			
16	Gas Stored Underground - Noncurrent (117)			
17	**OTHER PROPERTY AND INVESTMENTS**			
18	Nonutility Property (121)		177,752	1,474,248
19	(Less) Accum. Prov. for Depr. and Amort. (122)			
20	Investments in Associated Companies (123)			
21	Investment in Subsidiary Companies (123.1)	224	250,000	250,000
23	Noncurrent Portion of Allowances	228		
24	Other Investments (124)			
25	Sinking Funds (125)			
26	Depreciation Fund (126)			
27	Amortization Fund - Federal (127)			
28	Other Special Funds (128)		(a)74,517,080	(b)61,577,246
29	Special Funds (Non Major Only) (129)			
30	Long-Term Portion of Derivative Assets (175)			

31	Long-Term Portion of Derivative Assets - Hedges (176)			
32	TOTAL Other Property and Investments (Lines 18-21 and 23-31)		74,944,832	63,301,494
33	**CURRENT AND ACCRUED ASSETS**			
34	Cash and Working Funds (Non-major Only) (130)			
35	Cash (131)		13,384,303	6,298,739
36	Special Deposits (132-134)			
37	Working Fund (135)		57,530	57,530
38	Temporary Cash Investments (136)			15,573,104
39	Notes Receivable (141)		1,188,579	785,620
40	Customer Accounts Receivable (142)		146,877,956	157,116,935
41	Other Accounts Receivable (143)		9,002,458	28,859,120
42	(Less) Accum. Prov. for Uncollectible Acct.-Credit (144)		3,038,322	1,974,511
43	Notes Receivable from Associated Companies (145)			
44	Accounts Receivable from Assoc. Companies (146)		1,494,191	822,045
45	Fuel Stock (151)	227	58,422,189	56,501,323
46	Fuel Stock Expenses Undistributed (152)	227		
47	Residuals (Elec) and Extracted Products (153)	227		
48	Plant Materials and Operating Supplies (154)	227	61,936,067	63,930,781
49	Merchandise (155)	227		
50	Other Materials and Supplies (156)	227		
51	Nuclear Materials Held for Sale (157)	202/227		
52	Allowances (158.1 and 158.2)	228	121,410	123,625
53	(Less) Noncurrent Portion of Allowances	228		
54	Stores Expense Undistributed (163)	227	(b)1,197,494	(c)2,834,627
55	Gas Stored Underground - Current (164.1)			
56	Liquefied Natural Gas Stored and Held for Processing (164.2-164.3)			
57	Prepayments (165)		21,559,067	19,828,631
58	Advances for Gas (166-167)			
59	Interest and Dividends Receivable (171)		32,597	5,896
60	Rents Receivable (172)		1,307,310	1,151,942
61	Accrued Utility Revenues (173)		90,934,349	97,997,457
62	Miscellaneous Current and Accrued Assets (174)			
63	Derivative Instrument Assets (175)			
64	(Less) Long-Term Portion of Derivative Instrument Assets (175)			
65	Derivative Instrument Assets - Hedges (176)			

66	(Less) Long-Term Portion of Derivative Instrument Assets - Hedges (176)			
67	Total Current and Accrued Assets (Lines 34 through 66)		404,477,178	449,912,864
68	**DEFERRED DEBITS**			
69	Unamortized Debt Expenses (181)		21,328,733	21,380,549
70	Extraordinary Property Losses (182.1)	230a		
71	Unrecovered Plant and Regulatory Study Costs (182.2)	230b		
72	Other Regulatory Assets (182.3)	232	456,884,036	430,053,279
73	Prelim. Survey and Investigation Charges (Electric) (183)		1,800,202	2,169,440
74	Preliminary Natural Gas Survey and Investigation Charges 183.1)			
75	Other Preliminary Survey and Investigation Charges (183.2)			
76	Clearing Accounts (184)		108	
77	Temporary Facilities (185)			
78	Miscellaneous Deferred Debits (186)	233	44,398,443	50,916,785
79	Def. Losses from Disposition of Utility Plt. (187)			
80	Research, Devel. and Demonstration Expend. (188)	352		343,868
81	Unamortized Loss on Reaquired Debt (189)		8,007,864	8,649,838
82	Accumulated Deferred Income Taxes (190)	234	(e)257,667,176	(f)294,583,907
83	Unrecovered Purchased Gas Costs (191)			
84	Total Deferred Debits (lines 69 through 83)		790,086,562	808,097,666
85	TOTAL ASSETS (lines 14-16, 32, 67, and 84)		8,573,371,594	8,411,422,123

Name of Respondent: Kentucky Utilities Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 03/28/2022	Year/Period of Report End of: 2021/ Q4

FOOTNOTE DATA

(a) Concept: OtherSpecialFunds

Balance represents prepaid pension

(b) Concept: StoresExpenseUndistributed

Balance at Beginning of Year	$	2,834,627
Total Debits		5,536,297
Total Credits		(7,173,430)
Balance at End of Year	$	1,197,494

(c) Concept: AccumulatedDeferredIncomeTaxes

Balance at Beginning of Year	$	294,583,907
Less Debits to:		
Account 410.1		34,432,320
Account 410.2		16
Other Balance Sheet Accounts		11,849,489
Plus Credits to:		
Account 411.1		9,364,703
Account 411.2		391
Balance at End of Year	$	257,667,176

(d) Concept: OtherSpecialFunds

Balance represents prepaid pension.

(e) Concept: StoresExpenseUndistributed

Balance at Beginning of Year	$	4,274,232
Total Debits		14,212,411
Total Credits		(15,652,016)
Balance at End of Year	$	2,834,627

(f) Concept: AccumulatedDeferredIncomeTaxes

Balance at Beginning of Year	$	313,445,798
Less Debits to:		
Account 410.1		19,383,295
Account 410.2		12,225
Other Balance Sheet Accounts		6,850,982
Plus Credits to:		
Account 411.1		7,384,117
Account 411.2		494
Balance at End of Year	$	294,583,907

Name of Respondent: Kentucky Utilities Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 03/28/2022	Year/Period of Report End of: 2021/ 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	308,139,978	308,139,978
3	Preferred Stock Issued (204)	250		
4	Capital Stock Subscribed (202, 205)			
5	Stock Liability for Conversion (203, 206)			
6	Premium on Capital Stock (207)			
7	Other Paid-In Capital (208-211)	253	924,358,083	824,358,083
8	Installments Received on Capital Stock (212)	252		
9	(Less) Discount on Capital Stock (213)	254		
10	(Less) Capital Stock Expense (214)	254b	321,289	321,289
11	Retained Earnings (215, 215.1, 216)	118	2,088,774,331	2,042,569,707
12	Unappropriated Undistributed Subsidiary Earnings (216.1)	118		
13	(Less) Reaquired Capital Stock (217)	250		
14	Noncorporate Proprietorship (Non-major only) (218)			
15	Accumulated Other Comprehensive Income (219)	122(a)(b)		
16	Total Proprietary Capital (lines 2 through 15)		3,320,951,103	3,174,746,479
17	LONG-TERM DEBT			
18	Bonds (221)	256	2,641,852,405	2,641,852,405
19	(Less) Reaquired Bonds (222)	256		
20	Advances from Associated Companies (223)	256		
21	Other Long-Term Debt (224)	256		
22	Unamortized Premium on Long-Term Debt (225)		4,960,613	5,168,478
23	(Less) Unamortized Discount on Long-Term Debt-Debit (226)		8,958,224	9,388,513
24	Total Long-Term Debt (lines 18 through 23)		2,637,854,794	2,637,632,370
25	OTHER NONCURRENT LIABILITIES			
26	Obligations Under Capital Leases - Noncurrent (227)		17,438,593	21,316,421
27	Accumulated Provision for Property Insurance (228.1)			
28	Accumulated Provision for Injuries and Damages (228.2)		2,998,782	3,294,007
29	Accumulated Provision for Pensions and Benefits (228.3)		9,171,971	21,046,811

30	Accumulated Miscellaneous Operating Provisions (228.4)			
31	Accumulated Provision for Rate Refunds (229)			
32	Long-Term Portion of Derivative Instrument Liabilities			
33	Long-Term Portion of Derivative Instrument Liabilities - Hedges			
34	Asset Retirement Obligations (230)		104,775,932	115,000,076
35	Total Other Noncurrent Liabilities (lines 26 through 34)		134,385,278	160,657,315
36	**CURRENT AND ACCRUED LIABILITIES**			
37	Notes Payable (231)			203,386,462
38	Accounts Payable (232)		116,597,156	140,185,234
39	Notes Payable to Associated Companies (233)		294,018,404	
40	Accounts Payable to Associated Companies (234)		63,606,794	42,757,503
41	Customer Deposits (235)		32,435,102	32,412,828
42	Taxes Accrued (236)	262	18,917,974	30,515,560
43	Interest Accrued (237)		18,362,946	18,520,082
44	Dividends Declared (238)			
45	Matured Long-Term Debt (239)			
46	Matured Interest (240)			
47	Tax Collections Payable (241)		4,875,744	4,605,846
48	Miscellaneous Current and Accrued Liabilities (242)		22,421,642	21,502,013
49	Obligations Under Capital Leases-Current (243)		8,958,016	9,406,803
50	Derivative Instrument Liabilities (244)			
51	(Less) Long-Term Portion of Derivative Instrument Liabilities			
52	Derivative Instrument Liabilities - Hedges (245)			
53	(Less) Long-Term Portion of Derivative Instrument Liabilities-Hedges			
54	Total Current and Accrued Liabilities (lines 37 through 53)		580,193,778	503,292,331
55	**DEFERRED CREDITS**			
56	Customer Advances for Construction (252)		2,878,043	1,693,678
57	Accumulated Deferred Investment Tax Credits (255)	266	86,720,648	88,434,679
58	Deferred Gains from Disposition of Utility Plant (256)			
59	Other Deferred Credits (253)	269	3,863,169	2,499,688
60	Other Regulatory Liabilities (254)	278	683,532,396	712,875,117
61	Unamortized Gain on Reaquired Debt (257)			
62	Accum. Deferred Income Taxes-Accel. Amort.(281)	272		

63	Accum. Deferred Income Taxes-Other Property (282)		978,621,878	973,147,765
64	Accum. Deferred Income Taxes-Other (283)		144,370,507	156,442,701
65	Total Deferred Credits (lines 56 through 64)		1,899,986,641	1,935,093,628
66	TOTAL LIABILITIES AND STOCKHOLDER EQUITY (lines 16, 24, 35, 54 and 65)		8,573,371,594	8,411,422,123

Name of Respondent: Kentucky Utilities Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 03/28/2022	Year/Period of Report End of: 2021/ 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 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) 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) t 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

6. Do not report fourth quarter data in columns (e) and (f)
7. Report amounts for accounts 412 and 413, Revenues and Expenses from Utility Plant Leased to Others, in another utility column in a similar manner department. Spread the amount(s) over Lines 2 thru 26 as appropriate. Include these amounts in columns (c) and (d) totals.
8. Report amounts in account 414, Other Utility Operating Income, in the same manner as accounts 412 and 413 above.
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 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 revenue 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 revenue 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 proc revenues received or costs incurred for power or gas purchases, and a summary of the adjustments made to balance sheet, income, and expense ac
12. If any notes appearing in the report to stockholders 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, incl 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 th

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)	Electric Utility Current Year to Date (in dollars) (g)	Electric Utility Previous Year to Date (in dollars) (h)	Gas Utility Current Year to Date (in dollars) (i)	Gas Utility Previous Year to Date (in dollars) (j)
1	UTILITY OPERATING INCOME									
2	Operating Revenues (400)	300	1,826,528,119	1,690,963,437			1,826,528,119	1,690,963,437		
3	Operating Expenses									
4	Operation Expenses (401)	320	781,445,290	711,096,264			781,445,290	711,096,264		
5	Maintenance Expenses (402)	320	151,248,615	132,162,703			151,248,615	132,162,703		
6	Depreciation Expense (403)	336	332,914,579	316,986,301			332,914,579	316,986,301		
7	Depreciation Expense for Asset Retirement Costs (403.1)	336								
8		336	19,154,757	16,566,237			19,154,757	16,566,237		

	Amort. & Depl. of Utility Plant (404-405)									
9	Amort. of Utility Plant Acq. Adj. (406)	336								
10	Amort. Property Losses, Unrecov Plant and Regulatory Study Costs (407)									
11	Amort. of Conversion Expenses (407.2)									
12	Regulatory Debits (407.3)		14,413,460	12,032,711			14,413,460	12,032,711		
13	(Less) Regulatory Credits (407.4)		12,867				12,867			
14	Taxes Other Than Income Taxes (408.1)	262	51,867,516	46,543,263			51,867,516	46,543,263		
15	Income Taxes - Federal (409.1)	262	58,971,077	40,482,171			58,971,077	40,482,171		
16	Income Taxes - Other (409.1)	262	8,254,265	3,430,019			8,254,265	3,430,019		
17	Provision for Deferred Income Taxes (410.1)	234, 272	161,804,658	158,125,396			161,804,658	158,125,396		
18	(Less) Provision for Deferred Income Taxes-Cr. (411.1)	234, 272	159,230,701	136,934,723			159,230,701	136,934,723		
19	Investment Tax Credit Adj. - Net (411.4)	266	187,250	214,954			187,250	214,954		
20	(Less) Gains from Disp. of Utility Plant (411.6)		173,264				173,264			
21	Losses from Disp. of Utility Plant (411.7)									
22	(Less) Gains from Disposition of Allowances (411.8)		25	30			25	30		
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)		1,420,844,610	1,300,705,266			1,420,844,610	1,300,705,266		
27	Net Util Oper Inc (Enter Tot line 2 less 25)		405,683,509	390,258,171			405,683,509	390,258,171		
28	Other Income and Deductions									
29	Other Income									
30	Nonutilty Operating Income									
31	Revenues From Merchandising, Jobbing and Contract Work (415)		94	16,677						
32	(Less) Costs and Exp. of Merchandising, Job. & Contract Work (416)		80	18,711						
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)		65,579	208,991						
38	Allowance for Other Funds Used During Construction (419.1)		[a]109,546	[a]121,087						
39	Miscellaneous Nonoperating Income (421)		489,352	203,273						
40	Gain on Disposition of Property (421.1)		461,734	369,972						
41	TOTAL Other Income (Enter Total of lines 31 thru 40)		1,126,225	901,289						

42	Other Income Deductions									
43	Loss on Disposition of Property (421.2)		784,005							
44	Miscellaneous Amortization (425)									
45	Donations (426.1)		4,287,974	264,963						
46	Life Insurance (426.2)		(b)(1,614,192)	(c)(1,366,311)						
47	Penalties (426.3)		17,695	10,403						
48	Exp. for Certain Civic, Political & Related Activities (426.4)		841,604	786,448						
49	Other Deductions (426.5)		628,737	726,434						
50	TOTAL Other Income Deductions (Total of lines 43 thru 49)		4,945,823	421,937						
51	Taxes Applic. to Other Income and Deductions									
52	Taxes Other Than Income Taxes (408.2)	262	17,796	8,004						
53	Income Taxes-Federal (409.2)	262	(1,044,530)	(125,944)						
54	Income Taxes-Other (409.2)	262	(261,787)	(31,565)						
55	Provision for Deferred Inc. Taxes (410.2)	234, 272	16	12,225						
56	(Less) Provision for Deferred Income Taxes-Cr. (411.2)	234, 272	391	494						
57	Investment Tax Credit Adj.-Net (411.5)									
58	(Less) Investment Tax Credits (420)		1,901,281	1,858,373						
59			(3,190,177)	(1,996,147)						

	TOTAL Taxes on Other Income and Deductions (Total of lines 52-58)									
60	Net Other Income and Deductions (Total of lines 41, 50, 59)		(629,421)	2,475,499						
61	Interest Charges									
62	Interest on Long-Term Debt (427)		105,251,530	107,260,155						
63	Amort. of Debt Disc. and Expense (428)		2,289,038	2,794,080						
64	Amortization of Loss on Reaquired Debt (428.1)		641,974	644,604						
65	(Less) Amort. of Premium on Debt-Credit (429)		207,865	209,278						
66	(Less) Amortization of Gain on Reaquired Debt-Credit (429.1)									
67	Interest on Debt to Assoc. Companies (430)		250,461	74,627						
68	Other Interest Expense (431)		664,882	2,140,259						
69	(Less) Allowance for Borrowed Funds Used During Construction-Cr. (432)		[c]40,556	[f]55,082						
70	Net Interest Charges (Total of lines 62 thru 69)		108,849,464	112,649,365						
71	Income Before Extraordinary Items (Total of lines 27, 60 and 70)		296,204,624	280,084,305						
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										
77	Extraordinary Items After Taxes (line 75 less line 76)											
78	Net Income (Total of line 71 and 77)		296,204,624	280,084,305								

Name of Respondent: Kentucky Utilities Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 03/28/2022	Year/Period of Report End of: 2021/ Q4

FOOTNOTE DATA

(a) Concept: AllowanceForOtherFundsUsedDuringConstruction

In 2020, the Company adopted waiver described in FERC Docket No. AC 20-127-000 permitting the computation of the AFUDC rate for the 12-month period starting with March 2020 using the company's simple average of the actual historical short-term debt balance for 2019, instead of current period short-term debt balance.

(b) Concept: LifeInsurance

The balance includes the increase in the cash surrender value less the monthly premium amounts that are paid from the cash surrender value balance.

(c) Concept: AllowanceForBorrowedFundsUsedDuringConstructionCredit

In 2020, the Company adopted waiver described in FERC Docket No. AC 20-127-000 permitting the computation of the AFUDC rate for the 12-month period starting with March 2020 using the company's simple average of the actual historical short-term debt balance for 2019, instead of current period short-term debt balance.

(d) Concept: AllowanceForOtherFundsUsedDuringConstruction

In 2020, the Company adopted waiver described in FERC Docket No. AC 20-127-000 permitting the computation of the AFUDC rate for the 12-month period starting with March 2020 using the company's simple average of the actual historical short-term debt balance for 2019, instead of current period short-term debt balance.

(e) Concept: LifeInsurance

The balance includes the increase in the cash surrender value less the monthly premium amounts that are paid from the cash surrender value balance.

(f) Concept: AllowanceForBorrowedFundsUsedDuringConstructionCredit

In 2020, the Company adopted waiver described in FERC Docket No. AC 20-127-000 permitting the computation of the AFUDC rate for the 12-month period starting with March 2020 using the company's simple average of the actual historical short-term debt balance for 2019, instead of current period short-term debt balance.

Name of Respondent: Kentucky Utilities Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 03/28/2022	Year/Period of Report End of: 2021/ Q4

STATEMENT OF RETAINED EARNINGS

1. Do not report Lines 49-53 on the quarterly report.
2. Report all changes in appropriated retained earnings, unappropriated retained earnings, 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 for 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 for 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, attach them at page 122.

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		2,042,569,707	1,962,485,402
2	Changes			
3	Adjustments to Retained Earnings (Account 439)			
4	Adjustments to Retained Earnings Credit			
4.1	Adjustments to Retained Earnings Credit			
9	TOTAL Credits to Retained Earnings (Acct. 439)			
10	Adjustments to Retained Earnings Debit			
10.1	Adjustments to Retained Earnings Debit			
15	TOTAL Debits to Retained Earnings (Acct. 439)			
16	Balance Transferred from Income (Account 433 less Account 418.1)		296,204,624	280,084,305
17	Appropriations of Retained Earnings (Acct. 436)			
22	TOTAL Appropriations of Retained Earnings (Acct. 436)			
23	Dividends Declared-Preferred Stock (Account 437)			
29	TOTAL Dividends Declared-Preferred Stock (Acct. 437)			
30	Dividends Declared-Common Stock (Account 438)			
30.1	Dividends Declared-Common Stock		250,000,000	200,000,000
36	TOTAL Dividends Declared-Common Stock (Acct. 438)		250,000,000	200,000,000
37	Transfers from Acct 216.1, Unapprop. Undistrib. Subsidiary Earnings			
38	Balance - End of Period (Total 1,9,15,16,22,29,36,37)		2,088,774,331	2,042,569,707
39				

	APPROPRIATED RETAINED EARNINGS (Account 215)			
39.1	APPROPRIATED RETAINED EARNINGS (Account 215)			
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)		2,088,774,331	2,042,569,707
	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	TOTAL other Changes in unappropriated undistributed subsidiary earnings for the year			
52.1	TOTAL other Changes in unappropriated subsidiary earnings for the year			
53	Balance-End of Year (Total lines 49 thru 52)			

Name of Respondent: Kentucky Utilities Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 03/28/2022	Year/Period of Report End of: 2021/ 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 Instructions 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)	296,204,624	280,084,305
3	Noncash Charges (Credits) to Income:		
4	Depreciation and Depletion	332,914,579	316,986,301
5	Amortization of (Specify) (footnote details)		
5.1	Amortization of plant and regulatory debits and credits	43,324,122	33,779,823
5.2	Amortization of Debt Discount and Debt Issuance Costs	2,723,147	3,219,859
5.3	Net (Increase) Decrease in Key Man Life Insurance	(1,574,961)	(1,366,311)
5.4	Provision for Pension and Postretirement Benefits	(3,693,669)	(102,479)
5.5	Amortization of Research and Development and Demonstration Expenditures	343,868	315,088
5.6	(Gain)/Loss on Sale of Assets	149,007	(369,972)
5.7	Other		
8	Deferred Income Taxes (Net)	2,573,582	21,202,402
9	Investment Tax Credit Adjustment (Net)	(1,714,031)	(1,643,419)
10	Net (Increase) Decrease in Receivables	12,761,584	(22,769,813)
11	Net (Increase) Decrease in Inventory	3,531,836	6,190,885
12	Net (Increase) Decrease in Allowances Inventory	2,215	1,953
13	Net Increase (Decrease) in Payables and Accrued Expenses	(28,921,680)	(6,188,872)
14	Net (Increase) Decrease in Other Regulatory Assets	(15,800,335)	(19,615,715)
15	Net Increase (Decrease) in Other Regulatory Liabilities	(2,093,716)	4,422,245
16	(Less) Allowance for Other Funds Used During Construction	109,546	121,087
17	(Less) Undistributed Earnings from Subsidiary Companies		
18	Other (provide details in footnote):		
18.1	Net (Increase) Decrease in Prepayments and Other Assets	(1,730,436)	(707,264)
18.2	Net Increase (Decrease) in Other Liabilities	(1,790,724)	532,089

18.3	Net Increase (Decrease) in Customer Advances for Construction	1,184,365	(3,197,881)
18.4	Pension and Postretirement Funding	(630,506)	(3,288,609)
18.5	Net Increase (Decrease) in Asset Retirement Obligations		(2,415,780)
18.6	Other		3
18.7	Net (Increase) Decrease in Other Deferred Debits	11,431,851	1,141,368
18.8	Net Increase (Decrease) in Other Deferred Credits	(1,869,996)	2,368,757
18.9	Payments for Asset Retirement Obligations	(36,668,671)	(63,485,385)
22	Net Cash Provided by (Used in) Operating Activities (Total of Lines 2 thru 21)	610,546,509	544,972,491
24	Cash Flows from Investment Activities:		
25	Construction and Acquisition of Plant (including land):		
26	Gross Additions to Utility Plant (less nuclear fuel)	(540,558,812)	(481,733,167)
27	Gross Additions to Nuclear Fuel		
28	Gross Additions to Common Utility Plant		
29	Gross Additions to Nonutility Plant		(816,684)
30	(Less) Allowance for Other Funds Used During Construction	(109,546)	(121,087)
31	Other (provide details in footnote):		
31.1	Costs of Removal of Utility Plant	(21,270,349)	(28,825,653)
34	Cash Outflows for Plant (Total of lines 26 thru 33)	(561,719,615)	(511,254,417)
36	Acquisition of Other Noncurrent Assets (d)		
37	Proceeds from Disposal of Noncurrent Assets (d)		
39	Investments in and Advances to Assoc. and Subsidiary Companies		
40	Contributions and Advances from Assoc. and Subsidiary Companies	294,018,404	
41	Disposition of Investments in (and Advances to)		
42	Disposition of Investments in (and Advances to) Associated and Subsidiary Companies		
44	Purchase of Investment Securities (a)		
45	Proceeds from Sales of Investment Securities (a)		
46	Loans Made or Purchased		
47	Collections on Loans		
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):		
53.1	Proceeds for Key Man Life Insurance	3,860,557	3,027,924

57	Net Cash Provided by (Used in) Investing Activities (Total of lines 34 thru 55)	(263,840,654)	(508,226,493)
59	Cash Flows from Financing Activities:		
60	Proceeds from Issuance of:		
61	Long-Term Debt (b)		497,545,000
62	Preferred Stock		
63	Common Stock		
64	Other (provide details in footnote):		
64.1	LG&E and KU Energy LLC Equity Contribution	100,000,000	127,500,000
64.2	Issuance of Commercial Paper		31,600,000
66	Net Increase in Short-Term Debt (c)		21,851,575
67	Other (provide details in footnote):		
70	Cash Provided by Outside Sources (Total 61 thru 69)	100,000,000	678,496,575
72	Payments for Retirement of:		
73	Long-term Debt (b)		(500,000,000)
74	Preferred Stock		
75	Common Stock		
76	Other (provide details in footnote):		
76.1	Debt Issuance Costs	(1,806,933)	(5,491,550)
76.2	Retirement of Commercial Paper	(31,600,000)	
78	Net Decrease in Short-Term Debt (c)	(171,786,462)	
80	Dividends on Preferred Stock		
81	Dividends on Common Stock	(250,000,000)	(200,000,000)
83	Net Cash Provided by (Used in) Financing Activities (Total of lines 70 thru 81)	(355,193,395)	(26,994,975)
85	Net Increase (Decrease) in Cash and Cash Equivalents		
86	Net Increase (Decrease) in Cash and Cash Equivalents (Total of line 22, 57 and 83)	(8,487,540)	9,751,023
88	Cash and Cash Equivalents at Beginning of Period	[a]21,929,373	12,178,350
90	Cash and Cash Equivalents at End of Period	[b]13,441,833	[c]21,929,373

Name of Respondent: Kentucky Utilities Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 03/28/2022	Year/Period of Report End of: 2021/ Q4

FOOTNOTE DATA

(a) Concept: CashAndCashEquivalents

Cash and Cash Equivalents is comprised of the following amounts:

Cash (131)	$	6,298,739
Working Fund (135)		57,530
Temporary Cash Investments (136)		15,573,104
Total Cash and Cash Equivalents	$	21,929,373

(b) Concept: CashAndCashEquivalents

Cash and Cash Equivalents is comprised of the following amounts:

Cash (131)	$	13,384,303
Working Fund (135)		57,530
Total Cash and Cash Equivalents	$	13,441,833

(c) Concept: CashAndCashEquivalents

Cash and Cash Equivalents is comprised of the following amounts:

Cash (131)	$	6,298,739
Working Fund (135)		57,530
Temporary Cash Investments (136)		15,573,104
Total Cash and Cash Equivalents	$	21,929,373

Name of Respondent: Kentucky Utilities Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 03/28/2022	Year/Period of Report End of: 2021/ 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 Commission 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.

GLOSSARY OF TERMS AND ABBREVIATIONS

PPL Corporation and its subsidiaries

KU - Kentucky Utilities Company, a public utility subsidiary of LKE engaged in the regulated generation, transmission, distribution and sale of electricity, primarily in Kentucky.

LG&E - Louisville Gas and Electric Company, a public utility subsidiary of LKE engaged in the regulated generation, transmission, distribution and sale of electricity and the distribution and sale of natural gas in Kentucky.

LKE - LG&E and KU Energy LLC, a subsidiary of PPL and the parent of LG&E, KU and other subsidiaries.

LKS - LG&E and KU Services Company, a subsidiary of LKE that provides administrative, management and support services primarily to LG&E and KU, as well as to LKE and its other subsidiaries.

PPL - PPL Corporation, the ultimate parent holding company of PPL Electric, PPL Energy Funding, PPL Capital Funding, LKE and other subsidiaries.

PPL Capital Funding - PPL Capital Funding, Inc., a financing subsidiary of PPL that provides financing for the operations of PPL and certain subsidiaries. Debt issued by PPL Capital Funding is fully and unconditionally guaranteed as to payment by PPL.

PPL Electric - PPL Electric Utilities Corporation, a public utility subsidiary of PPL engaged in the regulated transmission and distribution of electricity in its Pennsylvania service area and that provides electricity supply to its retail customers in this area as a PLR.

PPL Energy Funding - PPL Energy Funding Corporation, a subsidiary of PPL and the parent holding company of PPL Global and other subsidiaries.

PPL Energy Holdings - PPL Energy Holdings, LLC, a subsidiary of PPL and the parent holding company of PPL Energy Funding, LKE and other subsidiaries. As of January 1, 2022, PPL Energy Holdings became the parent holding company of PPL Electric and PPL Services.

PPL EU Services - PPL EU Services Corporation, a subsidiary of PPL that provided administrative, management and support services primarily to PPL Electric. On December 31, 2021, PPL EU Services merged into PPL Services.

PPL Global - PPL Global, LLC, a subsidiary of PPL Energy Funding that, prior to the sale of the U.K. utility business on June 14, 2021, primarily through its subsidiaries, owned and operated WPD, PPL's regulated electricity distribution businesses in the U.K. PPL Global was not included in the sale of the U.K. utility business on June 14, 2021.

PPL Rhode Island Holdings - PPL Rhode Island Holdings, LLC, a subsidiary of PPL Energy Holdings formed for the purpose of acquiring Narragansett Electric to which certain interests of PPL Energy Holdings in the Narragansett SPA were assigned.

PPL Services - PPL Services Corporation, a subsidiary of PPL that provides administrative, management and support services to PPL and its subsidiaries.

PPL WPD Limited - PPL WPD Limited, a U.K. subsidiary of PPL Global. Prior to the sale of the U.K. utility business on June 14, 2021, PPL WPD Limited was an indirect parent to WPD. PPL WPD Limited was not included in the sale of the U.K. utility business on June 14, 2021.

Safari Energy - Safari Energy, LLC, a subsidiary of PPL that provides solar energy solutions for commercial customers in the U.S.

Other terms and abbreviations

£ - British pound sterling.

401(h) account(s) - a sub-account established within a qualified pension trust to provide for the payment of retiree medical costs.

Act 11 - Act 11 of 2012 that became effective on April 16, 2012. The Pennsylvania legislation authorized the PUC to approve two specific ratemaking mechanisms: the use of a fully projected future test year in base rate proceedings and, subject to certain conditions, a DSIC.

Act 129 - Act 129 of 2008 that became effective in October 2008. The law amended the Pennsylvania Public Utility Code and created an energy efficiency and conservation program and smart metering technology requirements, adopted new PLR electricity supply procurement rules, provided remedies for market misconduct and changed the Alternative Energy Portfolio Standard (AEPS).

Act 129 Smart Meter program - PPL Electric's system-wide meter replacement program that installs wireless digital meters that provide secure communication between PPL Electric and the meter as well as all related infrastructure.

Adjusted Gross Margins - a non-GAAP financial measure of performance used in "Item 7. Combined Management's Discussion and Analysis of Financial Condition and Results of Operations" (MD&A).

Advanced Metering Infrastructure - meters and meter reading infrastructure that provide two-way communication capabilities, which communicate usage and other relevant data to LG&E and KU at regular intervals, and are also able to receive information from LG&E and KU, such as software upgrades and requests to provide meter readings in real time.

AFUDC - allowance for funds used during construction. The cost of equity and debt funds used to finance construction projects of regulated businesses, which is capitalized as part of construction costs.

AOCI - accumulated other comprehensive income or loss.

ARO - asset retirement obligation.

ATM Program - at-the-market stock offering program.

Cane Run Unit 7 - a natural gas combined-cycle generating unit in Kentucky, jointly owned by LG&E and KU.

CCR(s) - coal combustion residual(s). CCRs include fly ash, bottom ash and sulfur dioxide scrubber wastes.

CDP - a not-for-profit organization based in the United Kingdom formerly known as the Carbon Disclosure Project; that runs the global disclosure system that enables investors, companies, cities, states and regions to measure and manage their environmental impacts.

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.

COVID-19 - the disease caused by the novel coronavirus identified in 2019 that has caused a global pandemic.

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. A CPCN is required for any capital addition, subject to KPSC jurisdiction, in excess of $100 million.

Customer Choice Act - the Pennsylvania Electricity Generation Customer Choice and Competition Act, legislation enacted to restructure the state's electric utility industry to create retail access to a competitive market for generation of electricity.

DDCP - Directors Deferred Compensation Plan.

DNO - Distribution Network Operator in the U.K.

DRIP - PPL Amended and Restated Direct Stock Purchase and Dividend Reinvestment Plan.

DSIC - Distribution System Improvement Charge. Authorized under Act 11, which is an alternative ratemaking mechanism providing more-timely cost recovery of qualifying distribution system capital expenditures.

DSM - Demand Side Management. Pursuant to Kentucky Revised Statute 278.285, the KPSC may determine the reasonableness of DSM programs proposed by any utility under its jurisdiction. DSM programs consist of energy efficiency programs intended to reduce peak demand and delay the investment in additional power plant construction, provide customers with tools and information regarding their energy usage and support energy efficiency.

Earnings from Ongoing Operations - a non-GAAP financial measure of earnings adjusted for the impact of special items and used in "Item 7. Combined Management's Discussion and Analysis of Financial Condition and Results of Operations" (MD&A).

EBPB - Employee Benefit Plan Board. The administrator of PPL's U.S. qualified retirement plans, which is charged with the fiduciary responsibility to oversee and manage those plans and the investments associated with those plans.

ECR - Environmental Cost Recovery. Pursuant to Kentucky Revised Statute 278.183, Kentucky electric utilities are entitled to the current recovery of costs of complying with the Clean Air Act, as amended, and those federal, state or local environmental requirements that apply to coal combustion wastes and byproducts from the production of energy from coal.

ELG(s) - Effluent Limitation Guidelines, regulations promulgated by the EPA.

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

EPS - earnings per share.

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.

GBP - British pound sterling.
GHG(s) - greenhouse gas(es).

GLT - gas line tracker. The KPSC approved mechanism for LG&E's recovery of costs associated with gas transmission lines, gas service lines and leak mitigation.

Green Tariff - a KPSC approved rate schedule, permitting customers to contract with LG&E or KU for the purchase of renewable energy certificates, construction of solar generation and use of the energy produced, or the purchase of energy from a renewable energy generator.

GWh - gigawatt-hour, one million kilowatt hours.

IBEW - International Brotherhood of Electrical Workers.

ICP - The PPL Incentive Compensation Plan. This plan provides for incentive compensation to PPL's executive officers and certain other senior executives. New awards under the ICP were suspended in 2012 upon adoption of PPL's 2012 Stock Incentive Plan.

ICPKE - The PPL Incentive Compensation Plan for Key Employees. The ICPKE provides for incentive compensation to certain employees below the level of senior executive.

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.

kVA - kilovolt ampere.

kWh - kilowatt hour, basic unit of electrical energy.

LCIDA - Lehigh County Industrial Development Authority.

LG&E 2010 Mortgage Indenture - LG&E's Indenture, dated as of October 1, 2010, to The Bank of New York Mellon, as supplemented.

LIBOR - London Interbank Offered Rate.

Mcf - one thousand cubic feet, a unit of measure for natural gas.

MMBtu - one million British Thermal Units.

Moody's - Moody's Investors Service, Inc., a credit rating agency.

MW - megawatt, one thousand kilowatts.

NAAQS - National Ambient Air Quality Standards periodically adopted pursuant to the Clean Air Act.
Narragansett Electric - The Narragansett Electric Company, an entity that serves electric and natural gas customers in Rhode Island. In March 2021, PPL and its subsidiary, PPL Energy Holdings announced a pending acquisition of Narragansett Electric.

NERC - North American Electric Reliability Corporation.

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

OCI - other comprehensive income or loss.

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

PEDFA - Pennsylvania Economic Development Financing Authority.

Performance unit - stock-based compensation award that represents a variable number of shares of PPL common stock that a recipient may receive based on PPL's attainment of (i) relative total shareowner return (TSR) over a three-year performance period as compared to companies in the PHLX Utility Sector Index; or (ii) corporate return on equity (ROE) based on the average of the annual ROE for each year of the three-year performance period. In light of the transformational nature of the potential sale of the U.K. utility business in 2021, PPL's ROE-based performance units issued for 2021 were based on a one-year performance period from January 1, 2021 to December 31, 2021; however, these units retained the three year vesting schedule and other characteristics.

PJM - PJM Interconnection, L.L.C., operator of the electricity transmission network and electricity energy market in all or parts of Delaware, Illinois, Indiana, Kentucky, Maryland, Michigan, New Jersey, North Carolina, Ohio, Pennsylvania, Tennessee, Virginia, West Virginia and the District of Columbia.

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

PP&E - property, plant and equipment.

PPL EnergyPlus - prior to the June 1, 2015 spinoff of PPL Energy Supply, LLC, PPL EnergyPlus, LLC, a subsidiary of PPL Energy Supply that marketed and traded wholesale and retail electricity and gas, and supplied energy and energy services in competitive markets.

PPL Energy Supply - prior to the June 1, 2015 spinoff, PPL Energy Supply, LLC, a subsidiary of PPL Energy Funding and the indirect parent company of PPL Montana, LLC.

PPL Montana - prior to the June 1, 2015 spinoff of PPL Energy Supply, PPL Montana, LLC, an indirect subsidiary of PPL Energy Supply that generated electricity for wholesale sales in Montana and the Pacific Northwest.

PPL WPD Investments Limited - PPL WPD Investments Limited, which was, prior to the sale of the U.K. utility business on June 14, 2021, a subsidiary of PPL WPD Limited and parent to WPD plc. PPL WPD Investments Limited was included in the sale of the U.K. utility business on June 14, 2021.

PUC - Pennsylvania Public Utility Commission, the state agency that regulates certain ratemaking, services, accounting and operations of Pennsylvania utilities.
RCRA - Resource Conservation and Recovery Act of 1976.

Registrant(s) - refers to the Registrants named on the cover of this Report (each a "Registrant" and collectively, the "Registrants").

Riverstone - Riverstone Holdings LLC, a Delaware limited liability company and, as of December 6, 2016, ultimate parent company of the entities that own the competitive power generation business contributed to Talen Energy.

RTO - Regional Transmission Operator, an electric power transmission system operator that coordinates, controls and monitors a multi-state electric grid.

Sarbanes-Oxley - Sarbanes-Oxley Act of 2002, which sets requirements for management's assessment of internal controls for financial reporting. It also requires an independent auditor to make its own assessment.

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.

SIP - PPL Corporation's Amended and Restated 2012 Stock Incentive Plan.

Smart metering technology - technology that can measure, among other things, time of electricity consumption to permit offering rate incentives for usage during lower cost or demand intervals. The use of this technology also has the potential to strengthen network reliability.

S&P - S&P Global Ratings, a credit rating agency.

Superfund - federal environmental statute that addresses remediation of contaminated sites; states also have similar statutes.

Talen Energy - Talen Energy Corporation, the Delaware corporation formed to be the publicly traded company and owner of the competitive generation assets of PPL Energy Supply and certain affiliates of Riverstone, which as of December 6, 2016, became wholly owned by Riverstone.

Talen Energy Marketing - Talen Energy Marketing, LLC, the successor name of PPL EnergyPlus, after the spinoff of PPL Energy Supply that marketed and traded wholesale and retail electricity and gas, and supplied energy and energy services in competitive markets, after the June 1, 2015 spinoff of PPL Energy Supply.

TCJA - Tax Cuts and Jobs Act. Comprehensive U.S. federal tax legislation enacted on December 22, 2017.

Total shareowner return - the change in market value of a share of the company's common stock plus the value of all dividends paid on a share of the common stock during the applicable performance period, divided by the price of the common stock as of the beginning of the performance period. The price used for purposes of this calculation is the average share price for the 20 trading days at the beginning and end of the applicable period.

Treasury Stock Method - a method applied to calculate diluted EPS that assumes any proceeds that could be obtained upon exercise of options and warrants (and their equivalents) would be used to purchase common stock at the average market price during the relevant period.
U.K. utility business - PPL WPD Investments Limited and its subsidiaries, including, notably, WPD plc and the four DNOs, which substantially represented PPL's U.K. Regulated segment. The U.K. utility business was sold on June 14, 2021.

VEBA - Voluntary Employee Beneficiary Association. A tax-exempt trust under the Internal Revenue Code Section 501 (c)(9) used by employers to fund and pay eligible medical, life and similar benefits.

VSCC - Virginia State Corporation Commission, the state agency that has jurisdiction over the regulation of Virginia corporations, including utilities.

WPD - Prior to the sale of the U.K. utility business on June 14, 2021, refers to PPL WPD Limited and its subsidiaries. WPD was included in the sale of the U.K. utility business on June 14, 2021.

WPD (East Midlands) - Western Power Distribution (East Midlands) plc, a British regional electricity distribution utility company. WPD (East Midlands) was included in the sale of the U.K. utility business on June 14, 2021.

WPD plc - Western Power Distribution plc, a U.K. indirect subsidiary of PPL WPD Limited. Its principal indirectly owned subsidiaries are WPD (East Midlands), WPD (South Wales), WPD (South West) and WPD (West Midlands). WPD plc was included in the sale of the U.K. utility business on June 14, 2021.

WPD Midlands - refers to WPD (East Midlands) and WPD (West Midlands), collectively. WPD Midlands was included in the sale of the U.K. utility business on June 14, 2021.

WPD (South Wales) - Western Power Distribution (South Wales) plc, a British regional electricity distribution utility company. WPD (South Wales) was included in the sale of the U.K. utility business on June 14, 2021.

WPD (South West) - Western Power Distribution (South West) plc, a British regional electricity distribution utility company. WPD (South West) was included in the sale of the U.K. utility business on June 14, 2021.

WPD (West Midlands) - Western Power Distribution (West Midlands) plc, a British regional electricity distribution utility company. WPD (West) Midlands) was included in the sale of the U.K. utility business on June 14, 2021.

1. Summary of Significant Accounting Policies

As permitted by the FERC for the Year Ended December 31, 2021 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, 2021, which was filed with the SEC on February 18, 2022. Accordingly, these Notes do not reflect updated information since the Form 10-K filing date.

(All Registrants)

General

General

Capitalized terms and abbreviations appearing in the combined notes to financial statements are defined in the glossary. Dollars are in millions, except per share data, unless otherwise noted. The specific Registrant to which disclosures are applicable is identified in parenthetical headings in italics above the applicable disclosure or within the applicable disclosure for each Registrants' related activities and disclosures. Within combined disclosures, amounts are disclosed for any Registrant when significant.

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.
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.
Implementation costs incurred in a cloud computing arrangement that is considered a service contract.	Reported in PP&E. Reported as investing activity on statement of cash flows.	Reported in other noncurrent assets. Reported as operating activity on statement of cash flows.
Borrowings from associated companies.	Reported as investing activity on statement of cash flows.	Reported as financing activity on statement of cash flows.
Natural gas pipeline inspection retesting costs incurred related to new federal regulations.	Reported in PP&E. Reported as investing activity on statement of cash flows.	Reported in noncurrent regulatory assets. Reported as operating activity on statement of cash flows.
Prepaid inventory use tax.	Reported as prepaid asset.	Reported as fuel, materials and supplies inventory.
Amounts presented within the Balance Sheet and Income Statement	Reported without purchase accounting adjustments.	Reported with purchase accounting adjustments.

Business and Consolidation

(PPL)

PPL is a utility holding company that, through its regulated subsidiaries, is primarily engaged in: 1) the generation, transmission, distribution and sale of electricity and the distribution and sale of natural gas, primarily in Kentucky; and 2) the transmission, distribution and sale of electricity in Pennsylvania. Headquartered in Allentown, PA, PPL's principal subsidiaries are LKE (including its principal subsidiaries, LG&E and KU) and PPL Electric. PPL's corporate level financing subsidiary is PPL Capital Funding.

On March 17, 2021, PPL WPD Limited entered into a share purchase agreement to sell PPL's U.K. utility business, which substantially represented PPL's U.K. Regulated segment, to a subsidiary of National Grid plc. The sale was completed on June 14, 2021. The results of operations of the U.K. utility business are classified as Discontinued Operations on PPL's Statements of Income. The assets and liabilities of the U.K. utility business as of December 31, 2020 are classified as assets and liabilities held for sale on PPL's Balance Sheets. PPL has elected to separately report the cash flows of continuing and discontinued operations on the Statements of Cash Flows. Unless otherwise noted, the notes to these financial statements exclude amounts related to discontinued operations and assets and liabilities held for sale for all periods presented. See Note 9 for additional information.

On July 1, 2021, LKE redeemed, at par, its $250 million 4.375% Senior Notes due 2021 and on July 9, 2021, LKE filed a Form 15 with the SEC to suspend its duty to file reports under sections 13 and 15(d) of the Securities Exchange Act of 1934. As a result, beginning with the June 30, 2021 Form 10-Q, LKE was no longer reported as a Registrant.

(PPL and PPL Electric)

PPL Electric is a cost-based rate-regulated utility subsidiary of PPL. PPL Electric's principal business is the transmission and distribution of electricity to serve retail customers in its franchised territory in eastern and central Pennsylvania and the regulated supply of electricity to retail customers in that territory as a PLR.

(PPL, LG&E and KU)

LG&E and KU are 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 their separate identities and serve customers in Kentucky under their respective names. KU also serves customers in Virginia under the Old Dominion Power name.

(All Registrants)

The financial statements of the Registrants include each company's own 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). The Registrants consolidate a VIE when they are determined to have a controlling interest in the VIE and, as a result, are the primary beneficiary of the entity. Amounts consolidated under the VIE guidance are not material to the Registrants. All significant intercompany transactions have been eliminated.

The financial statements of PPL, LG&E and KU include their share of any undivided interests in jointly owned facilities, as well as their share of the related operating costs of those facilities. See Note 13 for additional information.

Regulation

Regulation

(All Registrants)

PPL Electric, LG&E and KU are cost-based rate-regulated utilities for which rates are set by regulators to enable PPL Electric, LG&E and KU to recover the costs of providing electric or gas service, as applicable, and to provide a reasonable return to shareholders. 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 7 for additional details regarding regulatory matters.

Accounting Records

The system of accounts for domestic regulated entities 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 in conformity with GAAP 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 uncertain future events and (2) the amount of loss can be reasonably estimated. Accounting guidance defines "probable" as cases in which "the future event or events are likely to occur." The Registrants continuously assess 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.

Earnings Per Share *(PPL)*

EPS is computed using the two-class method, which is an earnings allocation method for computing EPS that treats a participating security as having rights to earnings that would otherwise have been available to common shareowners. Share-
based payment awards that provide recipients a non-forfeitable right to dividends or dividend equivalents are considered participating securities.

Price Risk Management

(All Registrants)

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. Foreign currency exchange contracts are used to hedge foreign currency exposures. 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 the 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.

PPL and its subsidiaries have 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.

(PPL)

Processes exist that allow for subsequent review and validation of contract information as it relates to interest rate derivatives and foreign currency 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, but are not limited to:

- Transactions to lock in an interest rate prior to a debt issuance can be designated as cash flow hedges, to the extent the forecasted debt issuances remain probable of occurring.
- Cross-currency transactions to hedge interest and principal repayments can be designated as cash flow hedges.
- Transactions to hedge fluctuations in the fair value of existing debt can be designated as fair value hedges.
- Transactions to hedge the value of a net investment of foreign operations can be designated as net investment hedges.
- Derivative transactions that do not qualify for cash flow or net investment hedge treatment are marked to fair value through earnings. As such, these transactions reduce earnings volatility due solely to changes in foreign currency exchange rates. PPL also hedges anticipated transactions, including the previously completed sale of its U.K utility business and net investments.

(All Registrants)
Derivative transactions may be marked to fair value through regulatory assets/liabilities at PPL Electric, LG&E and KU, if approved by the appropriate regulatory body. These transactions generally include the effect of interest rate swaps that are included in customer rates.

(PPL and PPL Electric)

To meet its obligation as a PLR to its customers, PPL Electric has entered into certain contracts that meet the definition of a derivative. However, NPNS has been elected for these contracts.

See Notes 17 and 18 for additional information on derivatives.

Revenue *(All Registrants)*

Operating revenues are primarily recorded based on energy deliveries through the end of each 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. For LG&E and KU, unbilled revenues for a month are calculated by multiplying an estimate of unbilled kWh or Mcf by the estimated average cents per kWh or Mcf. Any difference between estimated and actual revenues is adjusted the following month when the previous unbilled estimate is reversed and actual billings occur. For PPL Electric, unbilled revenues for a month are calculated by multiplying the actual unbilled volumes by the price per tariff.

PPL Electric's, LG&E's and KU's base rates are determined based on cost of service. Some regulators have also authorized the use of additional alternative revenue programs, which enable PPL Electric, LG&E and 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 3 for additional information.

Financing and Other Receivables

(All Registrants)

Accounts receivable are reported on the Balance Sheets at the gross outstanding amount adjusted for an allowance for doubtful accounts. Financing receivables include accounts receivable, with the exception of those items within accounts receivable that are not subject to the credit loss model.

Financing receivable collectibility is evaluated using a current expected credit loss model, consisting of 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. The Registrants periodically evaluate the impact of observable external factors on the collectibility of the financing receivables to determine if adjustments to the allowance for doubtful accounts should be made based on current conditions or reasonable and supportable forecasts. Accounts receivable are written off in the period in which the receivable is deemed uncollectible.

(PPL and PPL Electric)

PPL Electric has identified one class of financing receivables, "accounts receivable - customer", which includes financing receivables for all billed and unbilled sales with residential and non-residential customers. All other financing receivables are classified as other. Within the credit loss model for the residential customer accounts receivables, customers are disaggregated based on their projected propensity to pay, which is derived from historical trends and the current activity of the individual
customer accounts. Conversely, the non-residential customer accounts receivables are not further segmented due to the varying nature of the individual customers, which lack readily identifiable risk characteristics for disaggregation.

(PPL, LG&E and KU)

LG&E and KU have identified one class of financing receivables, "accounts receivable - customer", which includes financing receivables for all billed and unbilled sales with customers. All other financing receivables are classified as other.

(All Registrants)

The changes in the allowance for doubtful accounts are included in the following table. Amounts relate to financing receivables, except as noted.

	Balance at Beginning of Period		Additions: Charged to Income	Additions: Charged to Other Accounts	Deductions (b)	Balance at End of Period	
PPL							
2021	$ 73		$ 26	$ —	$ 30	$ 69	(d)
2020 (a)	58	(a)	28	—	13	73	(d)
2019	54		34	3	35	56	
PPL Electric							
2021	$ 41		$ 13	$ —	$ 19	$ 35	(c)
2020	30	(a)	19	—	8	41	(c)
2019	27		26	—	25	28	
LG&E							
2021	$ 3		$ 4	$ —	$ 4	$ 3	
2020	1		4	—	2	3	
2019	1		2	2	4	1	
KU							
2021	$ 2		$ 8	$ —	$ 7	$ 3	
2020	1		4	—	3	2	
2019	2		4	1	6	1	

(a) Adjusted for $2 million cumulative-effect adjustment upon adoption of current expected credit loss guidance.
(b) Primarily related to uncollectible accounts written off.
(c) Includes $3 million related to other accounts receivables at December 31, 2021 and 2020.
(d) Includes $32 million and $30 million related to other accounts receivables at December 31, 2021 and 2020.

Cash

(All Registrants)

Cash Equivalents

All highly liquid investments with original maturities of three months or less are considered to be cash equivalents.
(PPL)

Restricted Cash and Cash Equivalents

Bank deposits and other cash equivalents that are restricted by agreement or that have been clearly designated for a specific purpose are classified as restricted cash and cash equivalents. On the Balance Sheets, the current portion of restricted cash and cash equivalents is included in "Other current assets," while the noncurrent portion is included in "Other noncurrent assets."

Reconciliation of Cash, Cash Equivalents and Restricted Cash

The following provides a reconciliation of Cash, Cash Equivalents and Restricted Cash reported within the Balance Sheets to the amounts shown on the Statements of Cash Flows:

	December 31, 2021	December 31, 2020
Cash and cash equivalents	$ 3,571	$ 442
Restricted cash - current	1	1
Total Cash, Cash Equivalents and Restricted Cash	$ 3,572	$ 443

(All Registrants)

Fair Value Measurements

The Registrants value 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. PPL and its subsidiaries use, 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.

The Registrants classify 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, the Registrants' 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.

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. These investments are included in "Other noncurrent assets" on the Balance Sheets. Earnings from these investments are recorded in "Other Income (Expense) - net" on the Statements of Income.

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

(All Registrants)

PP&E is recorded at original cost, unless impaired. PP&E acquired in business combinations is recorded at fair value at the time of acquisition. 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. The Registrants record costs associated with planned major maintenance projects in the period in which work is performed and costs are incurred.

AFUDC is capitalized at PPL Electric as part of the construction costs for cost-based rate-regulated projects for which a return on such costs is recovered after the project is placed in service. The debt component of AFUDC is credited to "Interest Expense" and the equity component is credited to "Other Income (Expense) - net" on the Statements of Income. LG&E and KU generally do not record AFUDC as a return is provided on construction work in progress.

(PPL and PPL Electric)

PPL and PPL Electric capitalize interest costs as part of construction costs. Capitalized interest, including the debt component of AFUDC, for the years ended December 31 is as follows:

	2021	2020	2019
PPL	$ 6	$ 7	$ 9
PPL Electric	6	7	8

Depreciation *(All Registrants)*

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. LG&E and KU accrue 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

LG&E and KU, all ARO depreciation expenses are reclassified to a regulatory asset or regulatory liability. See "Asset Retirement Obligations" below and Note 7 for additional information. PPL Electric records net costs of removal when incurred as a regulatory asset. The regulatory asset is subsequently amortized through depreciation over a five-year period, which is recoverable in customer rates in accordance with regulatory practices.

Following are the weighted-average annual rates of depreciation, for regulated utility plant, for the years ended December 31:

	2021	2020	2019
PPL	3.61%	3.53%	3.54%
PPL Electric	3.05%	2.99%	3.05%
LG&E	3.99%	4.00%	3.87%
KU	4.17%	4.00%	4.02%

Goodwill and Other Intangible Assets *(All Registrants)*

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, PPL and its subsidiaries consider:

- 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)

(All Registrants)

The Registrants review 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.
PPL, LG&E and KU review 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. PPL's, LG&E's and KU's reporting units are primarily at the operating segment level.

PPL, for its Kentucky Regulated segment and LKE reporting units, and individually LG&E and 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 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 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, an impairment loss is recognized in an amount equal to that excess, limited to the total amount of goodwill allocated to that reporting unit.

In the fourth quarter of 2021, PPL, for its Kentucky Regulated segment and LKE reporting units, and individually, LG&E and KU, elected to perform qualitative step zero evaluations for their annual goodwill impairment tests, as of October 1, 2021. Based on these evaluations, management concluded it was not "more likely than not" that the fair value of these reporting units was less than their carrying values. As such, quantitative impairment tests were not performed.

(PPL)

During the three month-period ended June 30, 2021, Safari Energy determined that the carrying value of its solar panel inventory would not be fully recoverable due to a decrease in the net realizable value of the modules. The decrease was due primarily to the combination of the three following factors: (1) a continued decrease in the fair value of the modules on hand due to more efficient modules being available on the market, (2) the federal government's extension of certain investment tax credits which make modules on the open market eligible for those credits at higher levels of credits and (3) an increase in commodity prices for materials used in various types of solar projects, all of which place pressure on the economics of those projects, making the cost of Safari's solar panels uncompetitive. As a result, Safari Energy recorded a loss of $37 million ($28 million after-tax) in June 2021 to record the solar panels at fair value. The loss was recorded to "Other operation and maintenance" expense on the Statement of Income. Solar panel inventories of $32 million are included in "Other noncurrent assets" on PPL's Balance Sheet at December 31, 2021.

PPL considered whether the events and circumstances that led to the impairment of Safari Energy's solar panels would more likely than not reduce the fair value of PPL's Distributed Energy Resources reporting unit below its carrying amount. Based on PPL's assessment, a quantitative impairment test was not required as of June 30, 2021.

In the fourth quarter of 2021, PPL elected to perform a quantitative goodwill impairment test in conjunction with the annual goodwill impairment assessment for the Distributed Energy Resources reporting unit. The test did not indicate impairment of the reporting unit , however, it is possible that an impairment charge could occur in future periods if any of the assumptions used in determining fair value of the reporting unit are negatively impacted.

(PPL, LG&E and KU)

Asset Retirement Obligations

PPL and its subsidiaries record 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. For LG&E and KU, all ARO accretion and depreciation expenses are reclassified as a regulatory asset or regulatory liability. ARO regulatory assets associated with certain CCR projects are amortized to expense in accordance with regulatory approvals. For other AROs, deferred accretion and depreciation expense is recovered through cost of removal.

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 7 and Note 20 for additional information on AROs.

Compensation and Benefits

Defined Benefits *(All Registrants)*

Certain PPL subsidiaries sponsor various defined benefit pension and other postretirement plans. An asset or liability is recorded to recognize the funded status of all defined benefit plans with an offsetting entry to AOCI or, for LG&E, KU and PPL Electric, 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.

PPL 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 required amortization period. 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 full required amortization period.

See Note 7 for a discussion of the regulatory treatment of defined benefit costs and Note 12 for a discussion of defined benefits.

Stock-Based Compensation *(PPL and PPL Electric)*

PPL has several stock-based compensation plans for purposes of granting stock options, restricted stock, restricted stock units and performance units to certain employees as well as stock units and restricted stock units to directors. PPL grants most stock-based awards in the first quarter of each year. PPL and its subsidiaries recognize compensation expense for stock-based awards based on the fair value method. Forfeitures of awards are recognized when they occur. See Note 11 for a discussion of stock-based compensation. All awards are recorded as equity or a liability on the Balance Sheets. Stock-based compensation is primarily included in "Other operation and maintenance" on the Statements of Income. Stock-based compensation expense for PPL Electric includes an allocation of PPL Services' expense.

Taxes

Income Taxes

(All Registrants)

PPL and its domestic subsidiaries file a consolidated U.S. federal income tax return.
Significant management judgment is required in developing the Registrants' provision for income taxes, primarily due to the uncertainty related to tax positions taken or expected to be taken on tax returns and valuation allowances on deferred tax assets.

The Registrants use a two-step process to evaluate tax positions. The first step requires an entity 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 an entity to recognize in its 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 the 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 the financial statements of the Registrants in future periods. At December 31, 2021, no significant changes in unrecognized tax benefits were 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.

The Registrants record valuation allowances to reduce deferred income tax assets to the amounts that are more-likely-than-not to be realized. The need for valuation allowances requires significant management judgment. If the Registrants determine that they are 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 the Registrants determine that they are 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 allowances and may materially impact the financial statements in the future.

The Registrants defer investment tax credits when the credits are generated and amortize the deferred amounts over the average lives of the related assets.

The Registrants recognize tax-related interest and penalties in "Income Taxes" on their Statements of Income.

The Registrants use the portfolio approach method of accounting for deferred taxes related to pre-tax OCI transactions. The portfolio approach involves a strict period-by-period cumulative incremental allocation of income taxes to the change in income and losses reflected in OCI. Under this approach, the net cumulative tax effect is ignored. The net change in unrealized gains and losses recorded in AOCI under this approach would be eliminated only on the date the investment portfolio is classified as held for sale or is liquidated.

See Note 6 to the Financial Statements for income tax disclosures.

The provision for the Registrants' deferred income taxes related to regulatory assets and liabilities is based upon the ratemaking principles reflected in rates established by relevant regulators. The difference in the provision for deferred income taxes for regulatory 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."

(PPL Electric, LG&E and KU)

The income tax provision for PPL Electric, LG&E and KU is calculated in accordance with an intercompany tax sharing agreement, which provides that taxable income be calculated as if PPL Electric, LG&E, KU and any domestic subsidiaries each filed a separate return. Tax benefits are not shared between companies. The entity that generates a tax benefit is the entity that is entitled to the tax benefit. 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.

At December 31, the following intercompany tax receivables (payables) were recorded:

	2021	2020
PPL Electric	$ (4)	$ (9)

LG&E	4	(1)
KU	1	(5)

Taxes, Other Than Income *(All Registrants)*

The Registrants present sales taxes in "Other current liabilities" on the Balance Sheets. These taxes are not reflected on the Statements of Income. See Note 6 for details of taxes included in "Taxes, other than income" on the Statements of Income.

Other

(All Registrants)

Leases

The Registrants evaluate whether arrangements entered into contain leases for accounting purposes. See Note 10 for additional information.

Fuel, Materials and Supplies

Fuel, natural gas stored underground and materials and supplies are valued using the average cost method. Fuel costs for electricity generation are charged to expense as used. For LG&E, natural gas supply costs are charged to expense as delivered to the distribution system. See Note 7 for further discussion of the fuel adjustment clauses and gas supply clause.

"Fuel, materials and supplies" on the Balance Sheets consisted of the following at December 31:

	2021			
	PPL	PPL Electric	LG&E	KU
Fuel	$ 90	$ —	$ 32	$ 58
Natural gas stored underground	54	—	54	—
Materials and supplies	178	61	51	66
Total	$ 322	$ 61	$ 137	$ 124

	2020			
	PPL	PPL Electric	LG&E	KU
Fuel	$ 95	$ —	$ 38	$ 57
Natural gas stored underground	30	—	30	—
Materials and supplies	177	59	51	66
Total	$ 302	$ 59	$ 119	$ 123

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 14 for further discussion of recorded and unrecorded guarantees.
(PPL)

Treasury Stock

PPL generally restores all shares of common stock acquired to authorized but unissued shares of common stock upon or soon after acquisition. In connection with its recent share repurchases in the third and fourth quarter of 2021, PPL has not yet returned these shares to authorized but unissued shares, as it is determining if it will retain some portion of these shares as Treasury stock to use in connection with certain compensation plans.

Foreign Currency Translation and Transactions

Adjustments resulting from foreign currency translation are recorded in AOCI and reclassified to income when the related foreign entity is sold. See Note 21 for additional information.

2. Segment and Related Information

(PPL)

PPL is organized into two segments: Kentucky Regulated and Pennsylvania Regulated. PPL's segments are segmented by geographic location.

The Kentucky Regulated segment consists primarily of LG&E's and KU's regulated electricity generation, transmission and distribution operations, as well as LG&E's regulated distribution and sale of natural gas.

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

"Corporate and Other" primarily includes financing costs incurred at the corporate level that have not been allocated or assigned to the segments, certain other unallocated costs, as well as the financial results of Safari Energy, which is presented to reconcile segment information to PPL's consolidated results. For the periods ended December 31, 2020 and 2019, these amounts have been adjusted for certain costs that were previously included in the U.K. Regulated segment.

On March 17, 2021, PPL WPD Limited entered into a share purchase agreement to sell PPL's U.K. utility business, which substantially represented PPL's U.K. Regulated segment. As a result, PPL determined segment information for the U.K. Regulated segment would no longer be provided beginning with the March 31, 2021 Form 10-Q. The sale of the U.K. utility business was completed on June 14, 2021. See Note 9 for additional information.

Income Statement data for the segments and reconciliation to PPL's consolidated results for the years ended December 31 are as follows:

	2021	2020	2019
Operating Revenues from external customers (a)			
Kentucky Regulated	$ 3,348	$ 3,106	$ 3,206
Pennsylvania Regulated	2,402	2,330	2,358
Corporate and Other	33	38	38
Total	$ 5,783	$ 5,474	$ 5,602

Depreciation						
Kentucky Regulated	$	647	$	606	$	547
Pennsylvania Regulated		424		403		386
Corporate and Other		11		13		16
Total	$	1,082	$	1,022	$	949
Amortization (b)						
Kentucky Regulated	$	15	$	19	$	27
Pennsylvania Regulated		19		26		24
Corporate and Other		5		13		7
Total	$	39	$	58	$	58
Interest Expense (c)						
Kentucky Regulated	$	249	$	300	$	298
Pennsylvania Regulated		162		172		169
Corporate and Other (d)		507		162		154
Total	$	918	$	634	$	621
Income Before Income Taxes						
Kentucky Regulated	$	562	$	516	$	530
Pennsylvania Regulated		599		664		607
Corporate and Other		(640)		(226)		(218)
Total	$	521	$	954	$	919
Income Taxes (e)						
Kentucky Regulated	$	94	$	98	$	94
Pennsylvania Regulated		154		167		149
Corporate and Other		255		49		(60)
Total	$	503	$	314	$	183
Deferred income taxes and investment tax credits (f)						
Kentucky Regulated	$	272	$	64	$	82
Pennsylvania Regulated		79		82		90
Corporate and Other		(264)		23		(3)
Total	$	87	$	169	$	169
Net Income						
Kentucky Regulated	$	468	$	418	$	436
Pennsylvania Regulated		445		497		458
Corporate and Other (d)		(895)		(275)		(158)
Discontinued Operations		(1,498)		829		1,010
Total	$	(1,480)	$	1,469	$	1,746

(a) See Note 1 and Note 3 for additional information on Operating Revenues.
(b) Represents non-cash expense items that include amortization of operating lease right-of-use assets, regulatory assets and liabilities, debt discounts and premiums and debt issuance costs.
(c) Beginning in 2021, corporate level financing costs are no longer allocated to the reportable segments and are being reported in Corporate and Other. For the years ended December 31, 2020 and 2019, corporate level financing costs of $32 million, net of $8 million of income taxes, and $32 million, net of $9 million of income taxes, were allocated to the Kentucky Regulated segment. For the years ended December 31, 2020 and 2019, an immaterial amount of financing costs were allocated to the Pennsylvania Regulated segment.
(d) 2021 includes losses from the extinguishment of PPL Capital Funding debt. See Note 8 for additional information.
(e) Represents both current and deferred income taxes, including investment tax credits.
(f) Represents a non-cash expense item that is also included in "Income Taxes."

Cash Flow data for the segments and reconciliation to PPL's consolidated results for the years ended December 31 are as follows:

		2021		2020		2019
Expenditures for long-lived assets						
Kentucky Regulated	$	1,026	$	966	$	1,097
Pennsylvania Regulated		904		1,154		1,121
Corporate and Other		49		158		32
Total	$	1,979	$	2,278	$	2,250

The following provides Balance Sheet data for the segments and reconciliation to PPL's consolidated results as of:

	As of December 31,			
		2021		2020
Total Assets				
Kentucky Regulated	$	16,360	$	15,943
Pennsylvania Regulated		13,336		12,347
Corporate and Other (a)		3,527		843
Assets held for sale (b)		—		18,983
Total	$	33,223	$	48,116

(a) Primarily consists of unallocated items, including cash, PP&E, goodwill, the elimination of inter-segment transactions as well as the assets of Safari Energy.
(b) See Note 9 for additional information.

(PPL Electric, LG&E and KU)

PPL Electric has two operating segments that are aggregated into a single reportable segment. LG&E and KU are individually single operating and reportable segments.

3. Revenue from Contracts with Customers

(All Registrants)

The following is a description of the principal activities from which the Registrants and PPL's segments generate their revenues

The following is a description of the principal activities from which the Registrants and PPL's segments generate their revenues.

(PPL and PPL Electric)

Pennsylvania Regulated Segment Revenue

The Pennsylvania Regulated Segment generates substantially all of its revenues from contracts with customers from PPL Electric's tariff-based distribution and transmission of electricity.

Distribution Revenue

PPL Electric provides distribution services to residential, commercial, industrial, municipal and governmental end users of energy. PPL Electric satisfies its performance obligation to its distribution customers and revenue is recognized over-time as electricity is delivered and simultaneously consumed by the customer. The amount of revenue recognized is the volume of electricity delivered during the period multiplied by the price per tariff, plus a monthly fixed charge. This method of recognition fairly presents PPL Electric's transfer of electric service to the customer as the calculation is based on actual volumes, and the price per tariff and the monthly fixed charge are set by the PUC. Customers are typically billed monthly and outstanding amounts are normally due within 21 days of the date of the bill.

Distribution customers are "at will" customers of PPL Electric with no term contract and 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 PPL Electric's retail account contracts.

Transmission Revenue

PPL Electric generates transmission revenues from a FERC-approved PJM Open Access Transmission Tariff. An annual revenue requirement for PPL Electric to provide transmission services is calculated using a formula-based rate. This revenue requirement is converted into a daily rate (dollars per day). PPL Electric satisfies its performance obligation to provide transmission services and revenue is recognized over-time as transmission services are provided and consumed. This method of recognition fairly presents PPL Electric's transfer of transmission services as the daily rate is set by a FERC approved formula-based rate. PJM remits payment on a weekly basis.

PPL Electric's agreement to provide transmission services contains no minimum purchase commitment. The performance obligation is limited to the service requested and received to date. Accordingly, PPL Electric has no unsatisfied performance obligations.

(PPL, LG&E and KU)

Kentucky Regulated Segment Revenue

The Kentucky Regulated Segment generates substantially all of its revenues from contracts with customers from LG&E's and KU's regulated tariff-based sales of electricity and LG&E's regulated tariff-based sales of natural gas.

LG&E and KU are engaged in the generation, transmission, distribution and sale of electricity in Kentucky and, in KU's case, Virginia. LG&E also engages in the distribution and sale of natural gas in Kentucky. Revenue from these activities is generated from tariffs approved by applicable regulatory authorities including the FERC, KPSC and VSCC. LG&E and KU satisfy their performance obligations upon LG&E's and KU's delivery of electricity and LG&E's delivery of natural gas to customers. This revenue is recognized over-time as the customer simultaneously receives and consumes the benefits provided by LG&E and KU. The amount of revenue recognized is the billed volume of electricity or natural gas 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 being rendered at the end of the month. Unbilled revenues for a month are calculated by multiplying an estimate of unbilled kWh or Mcf delivered but not yet billed by the estimated average cents per kWh or Mcf. 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 LG&E's and KU's transfer of electricity and LG&E's transfer of natural gas 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.

LG&E's and KU's 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.
(All Registrants)

The following table reconciles "Operating Revenues" included in each Registrant's Statement of Income with revenues generated from contracts with customers for the years ended December 31:

	2021			
	PPL	PPL Electric	LG&E	KU
Operating Revenues (a)	$ 5,783	$ 2,402	$ 1,569	$ 1,826
Revenues derived from:				
Alternative revenue programs (b)	77	83	(3)	(3)
Other (c)	(22)	(3)	(8)	(9)
Revenues from Contracts with Customers	$ 5,838	$ 2,482	$ 1,558	$ 1,814

	2020			
	PPL	PPL Electric	LG&E	KU
Operating Revenues (a)	$ 5,474	$ 2,331	$ 1,456	$ 1,690
Revenues derived from:				
Alternative revenue programs (b)	(24)	(12)	(8)	(4)
Other (c)	(21)	(3)	(7)	(10)
Revenues from Contracts with Customers	$ 5,429	$ 2,316	$ 1,441	$ 1,676

	2019			
	PPL	PPL Electric	LG&E	KU
Operating Revenues (a)	$ 5,602	$ 2,358	$ 1,500	$ 1,740
Revenues derived from:				
Alternative revenue programs (b)	(30)	(6)	(10)	(14)
Other (c)	(31)	(10)	(9)	(12)
Revenues from Contracts with Customers	$ 5,541	$ 2,342	$ 1,481	$ 1,714

(a) Amounts for PPL Electric represent revenues from external customers reported by the Pennsylvania Regulated segment and amounts for LG&E and KU, net of intercompany power sales and transmission revenues, represent revenues from external customers reported by the Kentucky Regulated segment. See Note 2 for additional information.
(b) Alternative revenue programs include the transmission formula rate for PPL Electric, the ECR and DSM programs for LG&E and KU, the GLT and GSC programs for LG&E, and the generation formula rate for KU. For PPL Electric, revenue in 2021 was reduced by $78 million for a reduction in the transmission formula rate return on equity. See Note 7 for additional information. This line item shows the over/under collection of these rate mechanisms with over-collections of revenue

shown as positive amounts in the table above and under-collections shown as negative amounts.

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

The following table shows revenues from contracts with customers disaggregated by customer class for the years ended December 31:

2021	Residential	Commercial	Industrial	Other (a)	Wholesale - municipality	Wholesale - other (b)	Transmission	Revenues from Contracts with Customers
PPL								
PA Regulated	$ 1,299	$ 350	$ 53	$ 50	$ —	$ —	$ 730	$ 2,482
KY Regulated	1,416	928	586	305	24	66	—	3,325
Corp and Other	—	—	—	31	—	—	—	31
Total PPL	$ 2,715	$ 1,278	$ 639	$ 386	$ 24	$ 66	$ 730	$ 5,838
PPL Electric	$ 1,299	$ 350	$ 53	$ 50	$ —	$ —	$ 730	$ 2,482
LG&E	$ 711	$ 473	$ 180	$ 145	$ —	$ 49	$ —	$ 1,558
KU	$ 705	$ 455	$ 406	$ 160	$ 24	$ 64	$ —	$ 1,814

2020	Residential	Commercial	Industrial	Other (a)	Wholesale - municipality	Wholesale - other (b)	Transmission	Revenues from Contracts with Customers
PPL								
PA Regulated	$ 1,238	$ 314	$ 44	$ 50	$ —	$ —	$ 670	$ 2,316
KY Regulated	1,347	871	538	261	20	40	—	3,077
Corp and Other	—	—	—	36	—	—	—	36
Total PPL	$ 2,585	$ 1,185	$ 582	$ 347	$ 20	$ 40	$ 670	$ 5,429
PPL Electric	$ 1,238	$ 314	$ 44	$ 50	$ —	$ —	$ 670	$ 2,316
LG&E	$ 676	$ 444	$ 173	$ 114	$ —	$ 34	$ —	$ 1,441
KU	$ 671	$ 427	$ 365	$ 147	$ 20	$ 46	$ —	$ 1,676

2019	Residential	Commercial	Industrial	Other (a)	Wholesale - municipality	Wholesale - other (b)	Transmission	Revenues from Contracts with Customers
PPL								
PA Regulated	$ 1,288	$ 349	$ 59	$ 52	$ —	$ —	$ 594	$ 2,342
KY Regulated	1,322	908	562	277	43	49	—	3,161
Corp and Other	—	—	—	38	—	—	—	38
Total PPL	$ 2,610	$ 1,257	$ 621	$ 367	$ 43	$ 49	$ 594	$ 5,541
PPL Electric	$ 1,288	$ 349	$ 59	$ 52	$ —	$ —	$ 594	$ 2,342
LG&E	$ 668	$ 466	$ 180	$ 121	$ —	$ 46	$ —	$ 1,481
KU	$ 654	$ 442	$ 382	$ 156	$ 43	$ 37	$ —	$ 1,714

(a) Primarily includes revenues from pole attachments, street lighting, other public authorities and other non-core businesses.

(b) Includes wholesale power and transmission revenues. LG&E and KU amounts include intercompany power sales and transmission revenues, which are eliminated upon consolidation at PPL.

As discussed in Note 2, PPL segments its business by geographic location. Revenues from external customers for each segment/geographic location are reconciled to revenues from contracts with customers in the footnotes to the tables above. PPL Electric's revenues from contracts with customers are further disaggregated by distribution and transmission as indicated in the above tables.

Contract receivables from customers are primarily included in "Accounts receivable - Customer" and "Unbilled revenues" on the Balance Sheets.

The following table shows the accounts receivable and unbilled revenues balances that were impaired for the year ended December 31:

	2021	2020	2019
PPL	$ 22	$ 25	$ 27
PPL Electric	10	17	21
LG&E	4	4	2
KU	8	4	4

The following table shows the balances and certain activity of contract liabilities resulting from contracts with customers:

	PPL	PPL Electric	LG&E	KU
Contract liabilities as of December 31, 2021	$ 42	$ 25	$ 6	$ 6
Contract liabilities as of December 31, 2020	40	23	5	6
Revenue recognized during the year ended December 31, 2021 that was included in the contract liability balance at December 31, 2020	24	11	5	6
Contract liabilities as of December 31, 2020	$ 40	$ 23	$ 5	$ 6
Contract liabilities as of December 31, 2019	37	21	5	4
Revenue recognized during the year ended December 31, 2020 that was included in the contract liability balance at December 31, 2019	22	9	5	4
Contract liabilities as of December 31, 2019	$ 37	$ 21	$ 5	$ 4
Contract liabilities as of December 31, 2018	40	23	5	4
Revenue recognized during the year ended December 31, 2019 that was included in the contract liability balance at December 31, 2018	25	11	5	4

Contract liabilities result from recording contractual billings in advance for customer attachments to the Registrants' infrastructure and payments received in excess of revenues earned to date. Advanced billings for customer attachments are 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.

At December 31, 2021, PPL had $46 million of performance obligations attributable to Corporate and Other that have not been satisfied. Of this amount, PPL expects to recognize approximately $41 million within the next 12 months.

4. Preferred Securities

(PPL)

PPL is authorized to issue up to 10 million shares of preferred stock. No PPL preferred stock was issued or outstanding in 2021, 2020 or 2019.

(PPL Electric)

PPL Electric is authorized to issue up to 20,629,936 shares of preferred stock. No PPL Electric preferred stock was issued or outstanding in 2021, 2020 or 2019.

(LG&E)

LG&E is authorized to issue up to 1,720,000 shares of preferred stock at a $25 par value and 6,750,000 shares of preferred stock without par value. LG&E had no preferred stock issued or outstanding in 2021, 2020 or 2019.

(KU)

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 2021, 2020 or 2019.

5. Earnings Per Share

(PPL)

Basic EPS is computed by dividing income available to PPL common shareowners by the weighted-average number of common shares outstanding during the applicable period. Diluted EPS is computed by dividing income available to PPL common shareowners by the weighted-average number of common shares outstanding, increased by incremental shares that would be outstanding if potentially dilutive non-participating securities were converted to common shares as calculated using the Treasury Stock Method. Incremental non-participating securities that have a dilutive impact are detailed in the table below. These securities also included the remaining shares of PPL common stock forward sale agreements, which were settled in 2019. The forward sale agreements were dilutive under the Treasury Stock Method to the extent the average stock price of PPL's common shares exceeded the forward sale price prescribed in the agreements.

Reconciliations of the amounts of income and shares of PPL common stock (in thousands) for the periods ended December 31, used in the EPS calculation are:

	2021	2020	2019
Income (Numerator)			
Income from continuing operations after income taxes	$ 18	$ 640	$ 736
Less amounts allocated to participating securities	—	1	1
Income from continuing operations after income taxes available to PPL common shareowners - Basic and Diluted	$ 18	$ 639	$ 735
Income (loss) from discontinued operations (net of income taxes) available to PPL common shareowners - Basic and Diluted	$ (1,498)	$ 829	$ 1,010
Net income (loss) attributable to PPL	$ (1,480)	$ 1,469	$ 1,746
Less amounts allocated to participating securities	—	1	1
Net income (loss) available to PPL common shareowners - Basic and Diluted	$ (1,480)	$ 1,468	$ 1,745
Shares of Common Stock (Denominator)			
Weighted-average shares - Basic EPS	762,902	768,590	728,512
Add incremental non-participating securities:			
Add: Dilutive share-based payment awards (a)	1,917	794	1,101
Add: Forward sale agreements	—	—	7,141
Weighted-average shares - Diluted EPS	764,819	769,384	736,754
Basic EPS			
Available to PPL common shareowners:			
Income from continuing operations after income taxes	$ 0.03	$ 0.83	$ 1.01
Income (loss) from discontinued operations (net of income taxes)	(1.96)	1.08	1.38
Net Income (Loss) available to PPL common shareowners	$ (1.93)	$ 1.91	$ 2.39
Diluted EPS			
Available to PPL common shareowners:			
Income from continuing operations after income taxes	$ 0.03	$ 0.83	$ 1.00
Income (loss) from discontinued operations (net of income taxes)	(1.96)	1.08	1.37
Net Income (Loss) available to PPL common shareowners	$ (1.93)	$ 1.91	$ 2.37

(a) The Treasury Stock Method was applied to non-participating share-based payment awards.

For the years ended December 31, PPL issued common stock related to stock-based compensation plans and DRIP as follows (in thousands):

	2021	2020
Stock-based compensation plans (a)	983	731
DRIP	—	943

(a) Includes stock options exercised, vesting of performance units, vesting of restricted stock and restricted stock units and conversion of stock units granted to directors.

For the years ended December 31, the following shares (in thousands) were excluded from the computations of diluted EPS because the effect would have been antidilutive:

	2021	2020	2019
Stock-based compensation awards	1,783	452	8

6. Income and Other Taxes

(PPL)

"Income (Loss) from Continuing Operations Before Income Taxes" is from domestic operations.

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for accounting purposes and their basis for income tax purposes and the tax effects of net operating loss and tax credit carryforwards. The provision for PPL's deferred income taxes for regulated assets and liabilities is based upon the ratemaking principles of the applicable jurisdiction. See Notes 1 and 7 for additional information.

Net deferred tax assets have been recognized based on management's estimates of future taxable income.

Significant components of PPL's deferred income tax assets and liabilities were as follows:

	2021	2020
Deferred Tax Assets		
Deferred investment tax credits	$ 30	$ 30
Regulatory liabilities	94	68
Income taxes due to customers	422	444
Accrued pension and postretirement costs	75	106
Federal loss carryforwards (a)	—	234
State loss carryforwards	483	448
Federal and state tax credit carryforwards (a)	15	401
Leases	67	68
Contributions in aid of construction	120	115
Other	84	68
Valuation allowances	(462)	(536)
Total deferred tax assets	928	1,446
Deferred Tax Liabilities		
Plant - net	3,812	3,700
Regulatory assets	180	195
Other	75	70
Total deferred tax liabilities	4,067	3,965
Net deferred tax liability	$ 3,139	$ 2,519

(a) PPL utilized federal net operating losses of $1,115 million and tax credit carryforwards of $272 million in June 2021 as a result of the completion of the sale of the U.K. utility business on June 14, 2021. The related deferred tax assets decreased by approximately $506 million, with a corresponding reduction in current income taxes.

State deferred taxes are determined by entity and by jurisdiction. As a result, $12 million and $17 million of net deferred tax assets are shown as "Other noncurrent assets" on the Balance Sheets for 2021 and 2020.

At December 31, 2021, PPL had the following loss and tax credit carryforwards, related deferred tax assets and valuation allowances recorded against the deferred tax assets:

	Gross	Deferred Tax Asset	Valuation Allowance	Expiration
Loss and other carryforwards				
State net operating losses	$ 6,468	$ 483	$ (459)	2022-2041
Credit carryforwards				
State recycling credit		14	—	2028
State - other		1	—	Indefinite

Valuation allowances have been established for the amount that, more likely than not, will not be realized. The changes in deferred tax valuation allowances were as follows:

		Additions			
	Balance at Beginning of Period	Charged to Income	Charged to Other Accounts	Deductions	Balance at End of Period
2021	$ 536	$ 48 (a)	$ —	$ 122 (b)	$ 462
2020	514	26	—	4	536
2019	495	24	—	5	514

(a) In 2021, PPL recorded a $31 million increase in a valuation allowance on a state net operating loss carryforward in connection with the loss on extinguishment associated with a tender offer to purchase and retire PPL Capital Funding's outstanding Senior Notes. See Note 8 for additional information on the tender offer.
(b) In light of the disposition of PPL's U.K. utility business, there was a decrease in the valuation allowance of approximately $113 million.

A U.S. based company with foreign subsidiaries may be required to record deferred taxes associated with the differences in the outside book-tax basis of those subsidiaries. The primary component of such outside basis differences is ordinarily accumulated unremitted earnings. In anticipation of the WPD sale, indefinite reinvestment of accumulated unremitted earnings of WPD was no longer relevant and, in the first quarter of 2021, PPL recorded a deferred tax liability reflecting the expected tax cost associated with the realization of the outside book-tax basis difference in the investment in WPD. In the second quarter of 2021, following completion of the WPD sale, that deferred tax was recorded to current tax expense.

Details of the components of income tax expense, 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 as follows:

	2021	2020	2019
Income Tax Expense (Benefit)			
Current - Federal	$ (1)	$ (8)	$ (10)
Current - State	36	24	19
Current - Foreign	(1)	(2)	—
Total Current Expense (Benefit)	34	14	9
Deferred - Federal	28	135	141
Deferred - State	105	94	76
Deferred - Foreign (a)	383	101	(14)
Total Deferred Expense (Benefit), excluding operating loss carryforwards	516	330	203
Amortization of investment tax credit	(3)	(3)	(3)
Tax expense (benefit) of operating loss carryforwards			
Deferred - Federal	12	6	7
Deferred - State	(56)	(33)	(33)
Total Tax Expense (Benefit) of Operating Loss Carryforwards	(44)	(27)	(26)

Total income tax expense (benefit)	$ 503	$ 314	$ 183
Total income tax expense (benefit) - Federal	$ 36	$ 130	$ 135
Total income tax expense (benefit) - State	85	85	62
Total income tax expense (benefit) - Foreign	382	99	(14)
Total income tax expense (benefit)	$ 503	$ 314	$ 183

(a) In 2021, the U.K. Finance Act 2021 increased the U.K. corporation tax rate from 19% to 25%, effective April 1, 2023. The primary impact of the corporation tax rate increase was an increase in deferred tax liabilities of the U.K. utility business, which was sold on June 14, 2021, and a corresponding deferred tax expense of $383 million, which was recognized in continuing operations in the second quarter of 2021.
In 2020, the U.K. Finance Act 2020 cancelled the tax rate reduction from 19% to 17%. The primary impact of the cancellation of the corporation tax rate reduction was an increase in deferred tax liabilities and a corresponding deferred tax expense of $106 million.

In the table above, the following income tax expense (benefit) are excluded from income taxes:

	2021	2020	2019
Discontinued operations - PPL U.K. utility business	$ 759	$ 188	$ 226
Reclassification from AOCI due to sale of UK utility business	660	—	—
Other comprehensive income	150	(19)	(93)
Total	$ 1,569	$ 169	$ 133

	2021	2020	2019
Reconciliation of Income Tax Expense (Benefit)			
Federal income tax on Income Before Income Taxes at statutory tax rate - 21%	$ 109	$ 200	$ 193
State income taxes, net of federal income tax benefit	23	48	45
Valuation allowance adjustments (a)	48	24	22
Federal and state income tax return adjustments	(3)	(9)	1
Impact of the U.K. Finance Acts on deferred tax balances (b)	383	101	(14)
Depreciation and other items not normalized	(5)	(5)	(10)
Amortization of excess deferred federal and state income taxes	(54)	(43)	(40)
Non-deductible officer's salary	6	7	4
Kentucky recycling credit, net of federal income tax expense (c)	—	—	(18)
Other	(4)	(9)	—
Total increase (decrease)	394	114	(10)
Total income tax expense (benefit)	$ 503	$ 314	$ 183
Effective income tax rate	96.5%	32.9%	19.9%

(a) In 2021, PPL recorded a $31 million state deferred tax benefit on a net operating loss and an offsetting valuation allowance in connection with the loss on extinguishment associated with a tender offer to purchase and retire PPL Capital Funding's outstanding Senior Notes. See Note 8 for additional information on the tender offer.

In 2021, 2020, and 2019, PPL recorded deferred income tax expense of $15 million, $24 million and $25 million for valuation allowances primarily related to increased Pennsylvania net operating loss carryforwards expected to be unutilized.

(b) In 2020, the U.K. Finance Act 2020 cancelled the tax rate reduction to 17%, thereby maintaining the corporation tax rate at 19% for financial years 2020 and 2021. The primary impact of the cancellation of the corporation tax rate reduction was an increase in deferred tax liabilities and a corresponding deferred tax expense of $106 million.

In 2021, the U.K. Finance Act 2021 increased the U.K. corporation tax rate from 19% to 25%, effective April 1, 2023. The primary impact of the corporation tax rate increase was an increase in deferred tax liabilities of the U.K. utility business, which was sold on June 14, 2021, and a corresponding deferred tax expense of $383 million, which was recognized in continuing operations in the second quarter of 2021.

(c) In 2019, LG&E 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.

	2021	2020	2019
Taxes, other than income			
State gross receipts	$ 113	$ 100	$ 107
Domestic - other	94	80	79
Total	$ 207	$ 180	$ 186

(PPL Electric)

The provision for PPL Electric's deferred income taxes for regulated assets and liabilities is based upon the ratemaking principles reflected in rates established by the PUC 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.

Significant components of PPL Electric's deferred income tax assets and liabilities were as follows:

	2021	2020
Deferred Tax Assets		
Accrued pension and postretirement costs	$ 14	$ 25
Contributions in aid of construction	95	91
Regulatory liabilities	52	24
Income taxes due to customers	154	162
Federal loss carryforwards (a)	—	52
Other	21	29
Total deferred tax assets	336	383
Deferred Tax Liabilities		
Electric utility plant - net	1,891	1,826
Regulatory assets	74	86
Other	39	30
Total deferred tax liabilities	2,004	1,942
Net deferred tax liability	$ 1,668	$ 1,559

(a) PPL Electric utilized their remaining federal net operating losses and recorded the related deferred tax assets to current expense in June 2021 as a result of the completion of the sale of the U.K. utility business on June 14, 2021.

PPL Electric expects to have adequate levels of taxable income to realize its recorded deferred income tax assets.

Details of the components of income tax expense, 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 as follows:

	2021	2020	2019
Income Tax Expense (Benefit)			
Current - Federal	$ 40	$ 61	$ 44
Current - State	35	23	15
Total Current Expense (Benefit)	75	84	59
Deferred - Federal	59	45	51
Deferred - State	20	38	39
Total Deferred Expense (Benefit), excluding operating loss carryforwards	79	83	90
Total income tax expense (benefit)	$ 154	$ 167	$ 149
Total income tax expense (benefit) - Federal	$ 99	$ 106	$ 95
Total income tax expense (benefit) - State	55	61	54
Total income tax expense (benefit)	$ 154	$ 167	$ 149

	2021	2020	2019
Reconciliation of Income Tax Expense (Benefit)			
Federal income tax on Income Before Income Taxes at statutory tax rate - 21%	$ 126	$ 139	$ 127
Increase (decrease) due to:			
State income taxes, net of federal income tax benefit	46	52	47
Federal and state income tax return adjustments	—	(4)	1
Depreciation and other items not normalized	(5)	(5)	(10)
Amortization of excess deferred federal income taxes (a)	(14)	(16)	(18)
Other	1	1	2
Total increase (decrease)	28	28	22
Total income tax expense (benefit)	$ 154	$ 167	$ 149
Effective income tax rate	25.7%	25.2%	24.6%

(a) In 2021, 2020 and 2019, PPL Electric recorded lower income tax expense for the amortization of excess deferred taxes that primarily resulted from the U.S. federal corporate income tax rate reduction from 35% to 21% 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.

	2021	2020	2019
Taxes, other than income			
State gross receipts	$ 113	$ 100	$ 107
Property and other	7	7	5
Total	$ 120	$ 107	$ 112

(LG&E)

The provision for LG&E's deferred income taxes for regulated assets and liabilities is based upon the ratemaking principles reflected in rates established by the KPSC 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.

Significant components of LG&E's deferred income tax assets and liabilities were as follows:

	2021	2020
Deferred Tax Assets		
Contributions in aid of construction	$ 15	$ 15
Regulatory liabilities	18	20
Deferred investment tax credits	8	8
Income taxes due to customers	125	132
State tax credit carryforwards	11	12
Lease liabilities	4	5
Valuation allowances	(11)	(12)
Other	11	11
Total deferred tax assets	181	191
Deferred Tax Liabilities		
Plant - net	854	833
Regulatory assets	65	66
Lease right-of-use assets	4	4
Other	9	4
Total deferred tax liabilities	932	907
Net deferred tax liability	$ 751	$ 716

At December 31, 2021 LG&E had $11 million of state credit carryforwards that expire in 2028 and an $11 million valuation allowance related to state credit carryforwards due to insufficient projected Kentucky taxable income.

Details of the components of income tax expense, 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:

	2021	2020	2019
Income Tax Expense (Benefit)			
Current - Federal	$ 41	$ 53	$ 4
Current - State	5	7	4
Total Current Expense (Benefit)	46	60	8
Deferred - Federal	1	(4)	46
Deferred - State	8	7	10
Total Deferred Expense (Benefit)	9	3	56
Amortization of investment tax credit - Federal	(1)	(1)	(1)

Total income tax expense (benefit)	$ 54	$ 62	$ 63
Total income tax expense (benefit) - Federal	$ 41	$ 48	$ 49
Total income tax expense (benefit) - State	13	14	14
Total income tax expense (benefit)	$ 54	$ 62	$ 63

	2021	2020	2019
Reconciliation of Income Tax Expense (Benefit)			
Federal income tax on Income Before Income Taxes at statutory tax rate - 21%	$ 64	$ 64	$ 62
Increase (decrease) due to:			
State income taxes, net of federal income tax benefit	12	12	12
Amortization of excess deferred federal and state income taxes	(20)	(11)	(10)
Kentucky recycling credit, net of federal income tax expense (a)	—	—	(14)
Valuation allowance adjustments (a)	—	—	14
Other	(2)	(3)	(1)
Total increase (decrease)	(10)	(2)	1
Total income tax expense (benefit)	$ 54	$ 62	$ 63
Effective income tax rate	17.8%	20.3%	21.4%

(a) In 2019, LG&E 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 LG&E.

	2021	2020	2019
Taxes, other than income			
Property and other	$ 46	$ 40	$ 39
Total	$ 46	$ 40	$ 39

(KU)

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.
Significant components of KU's deferred income tax assets and liabilities were as follows:

	2021	2020
Deferred Tax Assets		
Contributions in aid of construction	$ 9	$ 8
Regulatory liabilities	23	23
Deferred investment tax credits	22	22
Income taxes due to customers	143	150
State tax credit carryforwards	4	5
Lease liabilities	7	8
Valuation allowances	(3)	(4)
Other	4	4
Total deferred tax assets	209	216
Deferred Tax Liabilities		
Plant - net	1,012	992
Regulatory assets	41	43
Pension and postretirement costs	13	8
Lease right-of-use assets	6	7
Other	2	1
Total deferred tax liabilities	1,074	1,051
Net deferred tax liability	$ 865	$ 835

At December 31, 2021 KU had $4 million of state credit carryforwards of which $3 million will expire in 2028 and $1 million that has an indefinite carryforward period. At December 31, 2021 KU had a $3 million valuation allowance related to state credit carryforwards due to insufficient projected Kentucky taxable income.

Details of the components of income tax expense, 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:

	2021	2020	2019
Income Tax Expense (Benefit)			
Current - Federal	$ 58	$ 40	$ 35
Current - State	8	3	5
Total Current Expense (Benefit)	66	43	40
Deferred - Federal	(4)	11	28
Deferred - State	7	11	13
Total Deferred Expense (Benefit)	3	22	41
Amortization of investment tax credit - Federal	(2)	(2)	(2)
Total income tax expense (benefit)	$ 67	$ 63	$ 79
Total income tax expense (benefit) - Federal	$ 52	$ 49	$ 61
Total income tax expense (benefit) - State	15	14	18
Total income tax expense (benefit)	$ 67	$ 63	$ 79

	2021	2020	2019
Reconciliation of Income Tax Expense (Benefit)			
Federal income tax on Income Before Income Taxes at statutory tax rate - 21%	$ 76	$ 72	$ 78
Increase (decrease) due to:			
State income taxes, net of federal income tax benefit	14	14	15
Amortization of investment tax credit	(2)	(2)	(2)

Amortization of excess deferred federal and state income taxes	(20)	(17)	(13)
Kentucky recycling credit, net of federal income tax expense (a)	—	—	(4)
Valuation allowance adjustments (a)	—	—	4
Other	(1)	(4)	1
Total increase (decrease)	(9)	(9)	1
Total income tax expense (benefit)	$ 67	$ 63	$ 79
Effective income tax rate	18.4%	18.4%	21.2%

(a) In 2019, KU recorded a deferred income tax benefit associated with a project 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.

	2021	2020	2019
Taxes, other than income			
Property and other	$ 41	$ 37	$ 35
Total	$ 41	$ 37	$ 35

(All Registrants)

Unrecognized Tax Benefits

PPL or its subsidiaries file tax returns in four major tax jurisdictions. The income tax provisions for PPL Electric, LG&E and KU are calculated in accordance with an intercompany tax sharing agreement, which provides that taxable income be calculated as if each domestic subsidiary filed a separate consolidated return. PPL Electric or its subsidiaries indirectly or directly file tax returns in two major tax jurisdictions, and LG&E and KU indirectly or directly file tax returns in two major tax jurisdictions. With few exceptions, at December 31, 2021, these jurisdictions, as well as the tax years that are no longer subject to examination, were as follows.

	PPL	PPL Electric	LG&E	KU
U.S. (federal)	2017 and prior	2017 and prior	2017 and prior	2017 and prior
Pennsylvania (state)	2017 and prior	2017 and prior		
Kentucky (state)	2014 and prior		2014 and prior	2014 and prior
U.K. (foreign)	2019 and prior			

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.

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. As a result of the most recent Kentucky final order in Case No. 2020-00349, KU is amortizing the remaining unprotected excess ADIT balances related to the TCJA and HB 487 over a one-year period beginning July 1, 2021, through the economic relief billing credit.

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 made a compliance filing on April 1, 2020 to address Order No. 864, *Public Utility Transmission Rate Changes to Address Accumulated Deferred Income Taxes*. In this filing, KU established a 15-year amortization period for unprotected excess ADIT in FERC Transmission formula rates. KU plans to address the amortization of unprotected excess ADIT for generation formula rates in future rate filings.

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 12/31/20 (a)	2021 Amortization of Excess ADIT (b)	Unamortized Net Excess ADIT as of 12/31/21
Plant Related (c):			
Account 282 - Property Related	$ 451,712,873	$ 16,580,478	$ 435,132,395
Account 282 - Coal Combustion Residual AROs	3,158,729	305,534	2,853,195
Account 190 - Net Operating Losses	(9,510,062)	(346,227)	(9,163,835)
Plant Related (c):	$ 445,361,540	$ 16,539,785	$ 428,821,755
Unprotected Non Plant Related:			
Account 190 - Other Temporary Differences	$ (37,902,517)	$ (18,279,164)	$ (19,623,353)
Account 282 - Other Temporary Differences	6,702,636	3,232,452	3,470,184
Account 283 - Other Temporary Differences	40,259,895	19,415,962	20,843,933
Total Unprotected Non Plant Related	$ 9,060,014	$ 4,369,250	$ 4,690,764
Total Excess Deferred Tax	$ 454,421,554	$ 20,909,035	$ 433,512,519
Tax Gross-up Factor			1.33245
Excess Deferred Tax Regulatory Liability			$ 577,631,604
Regulatory Liability on Unamortized Investment Tax Credits (ITC)			$ 28,829,849

Total Tax Regulatory Liability	$	606,461,453
ASC 740 Regulatory Liability - FERC Form 1 page 278	$	601,229,228
Unamortized Excess ADIT Balance in Economic Relief Surcredit	$	5,232,225
Total ASC 740 Regulatory Liability	$	606,461,453
Difference	—	

(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.
(c) Plant related excess ADIT balances are currently treated as "protected" by the company and amortized using ARAM.

7. Utility Rate Regulation

Regulatory Assets and Liabilities

(All Registrants)

PPL, PPL Electric, LG&E and KU reflect the effects of regulatory actions in the financial statements for their cost-based rate-regulated utility operations. Regulatory assets and liabilities are classified as current if, upon initial recognition, the entire amount related to an item will be recovered or refunded within a year of the balance sheet date.

(PPL, LG&E and KU)

LG&E is subject to the jurisdiction of the KPSC and FERC, and KU is subject to the jurisdiction of the KPSC, FERC and VSCC.

LG&E's and KU's Kentucky base rates are calculated based on recovery of costs as well as 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, LG&E and KU generally earn a return on regulatory assets.

(PPL and KU)

KU's Virginia base rates are calculated based on recovery of costs as well as 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, accumulated deferred income taxes, 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, except accumulated deferred income taxes, are excluded from the return on rate base utilized in the development of municipal rates, no return is earned on the related assets.

(PPL and PPL Electric)

PPL Electric's distribution base rates are calculated based on recovery of costs as well as a return on distribution rate base (net utility plant plus a working capital allowance less plant-related deferred taxes and other miscellaneous additions and deductions). PPL Electric's transmission revenues are billed in accordance with a FERC tariff that allows for recovery of transmission costs incurred, a return on transmission-related rate base (net utility plant plus a working capital allowance less plant-related deferred taxes and other miscellaneous additions and deductions) and an automatic annual update. See "Transmission Formula Rate" below for additional information on this tariff. All regulatory assets and liabilities are excluded from distribution and transmission return on investment calculations; therefore, generally no return is earned on PPL Electric's regulatory assets.

(All Registrants)

The following table provides information about the regulatory assets and liabilities of cost-based rate-regulated utility operations at December 31:

	PPL		PPL Electric	
	2021	2020	2021	2020
Current Regulatory Assets:				
Plant outage costs	$ —	$ 46	$ —	$ —
Gas supply clause	21	4	—	—
Smart meter rider	11	17	11	17
Transmission formula rate	6	15	6	15
Storm costs	—	7	—	7
Fuel adjustment clause	11	—	—	—
Other	15	10	5	1
Total current regulatory assets (a)	$ 64	$ 99	$ 22	$ 40
Noncurrent Regulatory Assets:				
Defined benefit plans	$ 523	$ 570	$ 256	$ 290
Plant outage cost	54	—	—	—
Storm costs	11	17	—	—
Unamortized loss on debt	24	30	4	8
Interest rate swaps	18	23	—	—
Terminated interest rate swaps	70	75	—	—
Accumulated cost of removal of utility plant	228	240	228	240
AROs	302	300	—	—
Other	6	7	—	3
Total noncurrent regulatory assets	$ 1,236	$ 1,262	$ 488	$ 541

	PPL		PPL Electric	
	2021	2020	2021	2020
Current Regulatory Liabilities:				
Generation supply charge	$ 10	$ 21	$ 10	$ 21
Transmission service charge	21	1	21	1
Universal service rider	17	22	17	22
TCJA customer refund	22	11	22	11

Act 129 compliance rider	10	7	10	7
Transmission formula rate return on equity (b)	73	—	73	—
Economic relief billing rate	27	—	—	—
Other	2	17	—	6
Total current regulatory liabilities	$ 182	$ 79	$ 153	$ 68
Noncurrent Regulatory Liabilities:				
Accumulated cost of removal of utility plant	$ 639	$ 653	$ —	$ —
Power purchase agreement - OVEC	35	43	—	—
Net deferred taxes	1,591	1,690	531	560
Defined benefit plans	95	60	28	18
Terminated interest rate swaps	62	66	—	—
Other	—	18	—	—
Total noncurrent regulatory liabilities	$ 2,422	$ 2,530	$ 559	$ 578

	LG&E		KU	
	2021	2020	2021	2020
Current Regulatory Assets:				
Gas supply clause	$ 21	$ 4	$ —	$ —
Fuel adjustment clause	4	—	7	—
Gas line tracker	3	4	—	—
Generation formula rate	—	—	2	2
Plant outage costs	—	12	—	34
Other	5	3	—	—
Total current regulatory assets	$ 33	$ 23	$ 9	$ 36
Noncurrent Regulatory Assets:				
Defined benefit plans	$ 164	$ 174	$ 103	$ 106
Storm costs	8	11	3	6
Unamortized loss on debt	12	13	8	9
Interest rate swaps	18	23	—	—
Terminated interest rate swaps	41	44	29	31
AROs	75	85	227	215
Plant outage costs	15	—	39	—
Other	4	1	2	3
Total noncurrent regulatory assets	$ 337	$ 351	$ 411	$ 370

	LG&E		KU	
	2021	2020	2021	2020
Current Regulatory Liabilities:				
Economic relief billing credit	$ 21	$ —	$ 6	$ —
Fuel adjustment clauses	—	—	—	5
Environmental cost recovery	—	—	—	4
Other	—	—	2	2
Total current regulatory liabilities	$ 21	$ —	$ 8	$ 11
Noncurrent Regulatory Liabilities:				
Accumulated cost of removal of utility plant	$ 262	$ 274	$ 377	$ 379
Power purchase agreement - OVEC	24	30	11	13
Net deferred taxes	491	528	569	602
Defined benefit plans	10	—	57	42
Terminated interest rate swaps	31	33	31	33
Other	—	17	—	1
Total noncurrent regulatory liabilities	$ 818	$ 882	$ 1,045	$ 1,070

(a) For PPL, these amounts are included in "Other current assets" on the Balance Sheets.
(b) See "Regulatory Matters - Federal Matters - PPL Electric Transmission Formula Rate Return on Equity" below for additional information.

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

(All Registrants)

Defined benefit plan regulatory assets and liabilities represent prior service cost and net actuarial gains and losses that will be recovered in defined benefit plans expense through future base rates based upon established 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.

(PPL, LG&E and KU)

As a result of previous rate case settlements and orders, the difference between pension cost calculated in accordance with LG&E's and KU's pension accounting policy and pension cost calculated using a 15-year amortization period for actuarial gains and losses and settlements are recorded as a regulatory asset. As of December 31, 2021, the balances were $98 million for PPL, $54 million for LG&E and $44 million for KU. As of December 31, 2020, the balances were $79 million for PPL, $44 million for LG&E and $35 million for KU.

(All Registrants)

Storm Costs

PPL Electric, LG&E and KU have the ability to request from the PUC, 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, LG&E and KU can request recovery of those expenses in a base rate case and begin amortizing the costs when recovery starts. PPL Electric can recover qualifying expenses caused by major storm events, as defined in its retail tariff, over three years through the Storm Damage Expense Rider commencing in the application year after the storm occurred. Storm costs incurred in PPL Electric's territory from a March 2018 storm were amortized through 2021. LG&E's and KU's regulatory assets for storm costs are being amortized through various dates ending in 2031.

assets for storm costs are being amortized through various dates ending in 2031.

Unamortized Loss on Debt

Unamortized loss on reacquired debt represents losses on long-term debt refinanced, 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 2029 for PPL Electric, through 2042 for KU, and through 2044 for LG&E.

Accumulated Cost of Removal of Utility Plant

LG&E and KU charge costs of removal through depreciation expense with an offsetting credit to a regulatory liability. The regulatory liability is relieved as costs are incurred.

PPL Electric does not accrue for costs of removal. When costs of removal are incurred, PPL Electric records the costs as a regulatory asset. Such deferral is included in rates and amortized over the subsequent five-year period.

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.

(PPL and PPL Electric)

Generation Supply Charge (GSC)

The GSC is a cost recovery mechanism that permits PPL Electric to recover costs incurred to provide generation supply to PLR customers who receive basic generation supply service. The recovery includes charges for generation supply, as well as administration of the acquisition process. In addition, the GSC contains a reconciliation mechanism whereby any over- or under-recovery from prior periods is refunded to, or recovered from, customers through the adjustment factor determined for the subsequent rate filing period.

Transmission Service Charge (TSC)

PPL Electric is charged by PJM for transmission service-related costs applicable to its PLR customers. PPL Electric passes these costs on to customers, who receive basic generation supply service through the PUC-approved TSC cost recovery mechanism. The TSC contains a reconciliation mechanism whereby any over- or under-recovery from customers is either refunded to, or recovered from, customers through the adjustment factor determined for the subsequent year.

Transmission Formula Rate

PPL Electric's transmission revenues are billed in accordance with a FERC-approved Open Access Transmission Tariff that utilizes a formula-based rate recovery mechanism. Under this formula, rates are put into effect in June of each year based upon prior year actual expenditures and current year forecasted capital additions. Rates are then adjusted the following year to reflect actual annual expenses and capital additions, as reported in PPL Electric's annual FERC Form 1, filed under the FERC's Uniform System of Accounts. Any difference between the revenue requirement in effect for the prior year and actual expenditures incurred for that year is recorded as a regulatory asset or regulatory liability.

Storm Damage Expense Rider (SDER)

The SDER is a reconcilable automatic adjustment clause under which PPL Electric annually will compare actual storm costs to storm costs allowed in base rates and refund or recover any differences from customers. In the 2015 rate case settlement approved by the PUC in November 2015, it was determined that reportable storm damage expenses to be recovered annually through base rates will be set at $20 million. The SDER will recover from or refund to customers the applicable expenses from reportable storms as compared to the $20 million recovered annually through base rates.

Act 129 Compliance Rider

In compliance with Pennsylvania's Act 129 of 2008 and implementing regulations, PPL Electric is currently in Phase IV of the energy efficiency and conservation plan which was approved in March 2021. Phase IV allows PPL Electric to recover the maximum $313 million over the five-year period, June 1, 2021 through May 31, 2026. The plan includes programs intended to reduce electricity consumption. The recoverable costs include direct and indirect charges, including design and development costs, general and administrative costs and applicable state evaluator costs. The rates are applied to customers who receive distribution service through the Act 129 Compliance Rider. The actual Phase IV program costs are reconcilable after each 12 month period, and any over- or under-recovery from customers will be refunded or recovered over the next rate filing period. PPL Electric's Act 129 Phase III plan ended May 31, 2021 and any over-or under-recovery from customers related to Phase III will be refunded or recovered over the next rate filing period.

Smart Meter Rider (SMR)

Act 129 requires each electric distribution company (EDC) with more than 100,000 customers to have a PUC approved Smart Meter Technology Procurement and Installation Plan (SMP). As of December 31, 2019, PPL Electric replaced substantially all of its old meters with meters that meet the Act 129 requirements under its SMP. In accordance with Act 129, EDCs are able to recover the costs and earn a return on capital of providing smart metering technology. PPL Electric uses the SMR to recover the costs to implement its SMP. The SMR is a reconciliation mechanism whereby any over- or under-recovery from prior years is refunded to, or recovered from, customers through the adjustment factor determined for the subsequent quarters.

Universal Service Rider (USR)

The USR provides for recovery of costs associated with universal service programs, OnTrack and Winter Relief Assistance Program (WRAP), provided by PPL Electric to residential customers. OnTrack is a special payment program for low-income
households and WRAP provides low-income customers a means to reduce electric bills through energy saving methods. The USR rate is applied to residential customers who receive distribution service. The actual program costs are reconcilable, and any over- or under-recovery from customers will be refunded or recovered annually in the subsequent year.

TCJA Customer Refund

As a result of the reduced U.S federal corporate income tax rate as enacted by the TCJA, the PUC ruled that these tax benefits should be refunded to customers. Timing differences between the recognition of these tax benefits and the refund of the benefit to the customer creates a regulatory liability. PPL Electric's liability is being credited back to distribution customers through a temporary negative surcharge and remains in place until PPL Electric files and the PUC approves new base rates. The TCJA is reconcilable, and any over- or under-recovery from customers will be refunded or recovered annually in the subsequent year.

(PPL, LG&E and KU)

Environmental Cost Recovery

Kentucky law permits LG&E and 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 9.35% for existing approved ECR 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

LG&E's and KU's retail electric rates contain a fuel adjustment clause, whereby variances in power purchases and the cost of fuel to generate electricity, including transportation costs, from the costs embedded in base rates are adjusted in LG&E's and KU's rates. The KPSC requires formal reviews 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, may conduct public hearings and 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 and load for the fuel year (12 months ending March 31). The Virginia levelized fuel factor allows fuel recovery based on projected fuel costs for the fuel year plus an adjustment for any under- or over-recovery of fuel expenses from the prior fuel 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.

Economic Relief Billing Credit

The Economic Relief Billing Credit represents regulatory liabilities to be returned to customers through June 30, 2022, as agreed to in the Kentucky rate case in recognition of the economic impact of COVID-19. See "Regulatory Matters - Kentucky Activities - Rate Case Proceedings" below for additional information.

AROs

As discussed in Note 1, for LG&E and KU, all ARO accretion and depreciation expenses are reclassified as a regulatory asset or regulatory liability. ARO regulatory assets associated with certain CCR projects are amortized to expense in accordance with regulatory approvals. For other AROs, deferred accretion and depreciation expense is recovered through cost of removal.

Power Purchase Agreement - OVEC

As a result of purchase accounting associated with PPL's acquisition of LG&E and KU, the fair values of the OVEC power purchase agreement were recorded on the balance sheets of LG&E and KU with offsets to regulatory liabilities. The regulatory liabilities are being amortized using the units-of-production method until March 2026, the expiration date of the agreement at the date of the acquisition. LG&E's and KU's customer rates continue to reflect the original contracts. See Notes 14 and 19 for additional discussion of the power purchase agreement.

Interest Rate Swaps

LG&E's unrealized gains and losses are recorded as regulatory assets or regulatory liabilities until they are realized as interest expense. Interest expense from existing swaps is realized and recovered over the terms of the associated debt, which matures in 2033.

Terminated Interest Rate Swaps

Net realized gains and losses on all interest rate swaps are recovered 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

From July 1, 2017 through June 30, 2021, plant outage costs in Kentucky were normalized for ratemaking purposes based on an average level of expenses. Plant outage expenses that were greater or less than the average will be collected from or returned to customers, through future base rates. Effective July 1, 2021 under-recovered plant outage costs are being amortized through 2029 for LG&E and KU.

Gas Supply Clause *(PPL and LG&E)*

LG&E's natural gas rates contain a gas supply clause, whereby the expected cost of natural gas supply and variances between actual and expected costs and customer usage from prior periods are adjusted quarterly in LG&E's rates, subject to approval by the KPSC. The gas supply clause also includes a separate natural gas procurement incentive mechanism, which allows LG&E's rates to be adjusted annually to share savings between the actual cost of gas purchases and market indices, with the shareholders and the customers during each performance-based rate year (12 months ending October 31). The regulatory assets or liabilities represent the total amounts that have been under- or over-recovered due to timing or adjustments to the mechanisms and are typically recovered or refunded within 18 months.

Regulatory Matters

Kentucky Activities *(PPL, LG&E and KU)*

Rate Case Proceedings

On November 25, 2020, LG&E and KU filed requests with the KPSC for an increase in annual electricity and gas revenues of approximately $331 million ($131 million and $170 million in electricity revenues at LG&E and KU and $30 million in gas revenues at LG&E). The revenue increases represented an increase of 11.6% and 10.4% in electricity revenues at LG&E and KU, and an increase of 8.3% in gas revenues at LG&E. In recognition of the economic impact of COVID-19, LG&E and KU requested approval of a one-year billing credit which will credit customers approximately $53 million ($41 million at LG&E and $12 million at KU). The billing credit represents the return to customers of certain regulatory liabilities on LG&E's and KU's Balance Sheets and serves to partially mitigate the rate increases during the first year in which the new rates are in effect.

LG&E's and KU's applications also included a request for a CPCN to deploy Advanced Metering Infrastructure across LG&E's and KU's service territories in Kentucky.
The applications were based on a forecasted test year of July 1, 2021 through June 30, 2022 and requested an authorized return on equity of 10.0%.

On April 19, 2021, LG&E and KU entered into an agreement with all intervening parties to the proceedings resolving all matters in their applications, with the explicit exception of LG&E's and KU's net metering proposals.

On June 30, 2021 and December 6, 2021, the KPSC issued orders approving the proposed agreement filed in April 2021, with certain modifications. The orders provided for increases in annual revenues of $207 million ($74 million and $110 million in electricity revenues at LG&E and KU and $23 million in gas revenues at LG&E) based on an authorized return on equity of 9.425%. The orders grant an authorized 9.35% return on equity for the ECR and GLT mechanisms and do not modify the requested one-year billing credit. The orders approved the CPCN to deploy Advanced Metering Infrastructure and provide regulatory asset treatment for the remaining net book value of legacy meters upon full implementation of the Advanced Metering Infrastructure program. The orders also approved the establishment of a Retired Asset Recovery (RAR) rider to provide for recovery of and return on the remaining investment in certain electric generating units upon their retirement over a ten-year period following retirement. In respect of the RAR rider, LG&E and KU continue to use currently approved depreciation rates for Mill Creek Units 1 and 2 and Brown Unit 3. The orders also approved a four-year "stay out" commitment from LG&E and KU to refrain from effective base rate increases before July 1, 2025, subject to certain exceptions. On September 24, 2021, the KPSC issued orders providing adjustments to previous net metering proposals. These adjustments did not impact the annual revenue increases.

Pennsylvania Activities *(PPL and PPL Electric)*

Act 129

Act 129 requires Pennsylvania Electric Distribution Companies (EDCs) to meet, by specified dates, specified goals for reduction in customer electricity usage and peak demand. EDCs not meeting the requirements of Act 129 are subject to significant penalties. PPL Electric filed with the PUC its Act 129 Phase IV Energy Efficiency and Conservation Plan on November 30, 2020, for the five-year period starting June 1, 2021 and ending on May 31, 2026. PPL Electric's Phase IV Act 129 Plan was approved by the PUC at its March 25, 2021, public meeting.
Act 129 also requires EDCs to act as a default service provider (DSP), which provides electricity generation supply service to customers pursuant to a PUC-approved default service procurement plan. A DSP is able to recover the costs associated with its default service procurement plan.

Federal Matters

PPL Electric Transmission Formula Rate Return on Equity (PPL and PPL Electric)

On May 21, 2020, PP&L Industrial Customer Alliance (PPLICA) filed a complaint with the FERC alleging that PPL Electric's base return on equity (ROE) of 11.18% used to determine PPL Electric's formula transmission rate was unjust and unreasonable.

On August 20, 2021, PPL Electric entered into a settlement agreement (the Settlement) with PPLICA and all other parties, including intervenors, with respect to the complaint filed by PPLICA on May 21, 2020.

The key aspects of the Settlement include:

- changes to PPL Electric's base ROE:
  - beginning as of May 21, 2020 and continuing through May 31, 2022, the ROE shall be 9.90%;
  - beginning on June 1, 2022 and continuing through May 31, 2023, the ROE shall be 9.95%;
  - beginning on June 1, 2023, the ROE shall be 10.00%, which shall continue in effect unless and until changed as permitted by the terms of the Settlement;
- changes the equity component of PPL Electric's capital structure to be the lower of (i) PPL Electric's actual equity component, calculated in accordance with the formula rate template, or (ii) 56.00%;
- allows modification of the current rate year of June 1 to May 31 to a calendar year of January 1 to December 31; and
- allows modification of the current formula rate based on a historic test year to a projected test year.

In 2021, PPL Electric recorded a revenue reduction of $78 million ($55 million after-tax), of which $73 million ($52 million after-tax) represents revenue subject to refund for the period May 21, 2020 through November 30, 2021. The reduction recorded includes $28 million ($20 million after-tax) related to the period from May 21, 2020 to December 31, 2020. The $73 million of revenue to be refunded will be returned to customers from January 1, 2022 through May 31, 2022 and is based on the difference between charges that were calculated using the ROE in effect at the time and charges calculated using the revised ROE provided for the Settlement, plus interest at the FERC interest rate.

The FERC approved the Settlement on November 5, 2021. Interim rates reflecting the agreed-to-base ROE in the Settlement were effective December 1, 2021.

(PPL, LG&E and KU)

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 sought termination of LG&E's and KU's commitment to provide certain Kentucky municipalities mitigation for certain horizontal market power concerns arising out of the 1998 LG&E and KU merger and 2006 MISO withdrawal. The amounts at issue are generally waivers or credits granted to a limited number of Kentucky municipalities for either certain LG&E and KU or MISO transmission charges incurred for transmission service received. In 2019, the FERC granted LG&E's and KU's request to remove the ongoing credits, conditioned upon the implementation by LG&E and KU of a transition mechanism for certain existing power supply arrangements, which was subsequently filed, modified, and approved by the FERC in 2020 and 2021. In 2020, LG&E and KU and other parties filed appeals with the D.C. Circuit Court of Appeals regarding FERC's orders on the elimination of the mitigation and required transition mechanism. Oral arguments in the appellate proceeding occurred on February 14, 2022. LG&E and KU cannot predict the outcome of the respective appellate and FERC proceedings. LG&E and KU currently receive recovery of the waivers and credits provided through other rate mechanisms and such rate recovery would be anticipated to be adjusted consistent with potential changes or terminations of the waivers and credits, as such become effective.

Other

Purchase of Receivables Program

(PPL and PPL Electric)

In accordance with a PUC-approved purchase of accounts receivable program, PPL Electric purchases certain accounts receivable from alternative electricity suppliers at a discount, which reflects a provision for uncollectible accounts. The alternative electricity suppliers have no continuing involvement or interest in the purchased accounts receivable. Accounts receivable that are acquired are initially recorded at fair value on the date of acquisition. During 2021, 2020 and 2019, PPL Electric purchased $1.2 billion, $1.1 billion and $1.2 billion of accounts receivable from alternative suppliers.

8. Financing Activities

Credit Arrangements and Short-term Debt

(All Registrants)

The Registrants maintain credit facilities to enhance liquidity, provide credit support and provide a backstop to commercial paper programs. For reporting purposes, on a consolidated basis, the credit facilities and commercial paper programs of PPL Electric, LG&E and KU also apply to PPL. The amounts listed in the borrowed column below are recorded as "Short-term debt" on the Balance Sheets except for borrowings under PPL Capital Funding's term loan agreement due March 2022, which are reflected in "Long-term debt" at December 31, 2020. The following credit facilities were in place at:

	December 31, 2021					December 31, 2020	
	Expiration Date	Capacity	Borrowed	Letters of Credit and Commercial Paper Issued	Unused Capacity	Borrowed	Letters of Credit and Commercial Paper Issued
PPL							
PPL Capital Funding							
[illegible]	Dec 2026	$ 1,250	$	$	$ 1,250	$	$ [illegible]

Syndicated Credit Facility (a) (b)	Dec 2026	$ 1,250	$ —	$ —	$ 1,250	$ —	$ 402
Bilateral Credit Facility (a) (b)	Mar 2022	50	—	—	50	—	—
Bilateral Credit Facility (a) (b)	Mar 2022	50	—	15	35	—	15
Term Loan Credit Facility (a) (b)	Mar 2021	—	—	—	—	200	—
Term Loan Credit Facility (a) (b)	Mar 2021	—	—	—	—	100	—
Term Loan Credit Facility (a) (b)	Mar 2022	—	—	—	—	100	—
Total PPL Capital Funding Credit Facilities		$ 1,350	$ —	$ 15	$ 1,335	$ 400	$ 417
PPL Electric							
Syndicated Credit Facility (a) (b)	Dec 2026	$ 650	$ —	$ 1	$ 649	$ —	$ 1
LG&E							
Syndicated Credit Facility (a) (b)	Dec 2026	$ 500	$ —	$ 69	$ 431	$ —	$ 262
KU							
Syndicated Credit Facility (a) (b)	Dec 2026	$ 400	$ —	$ —	$ 400	$ —	$ 203

(a) Each company pays customary fees under its respective facility 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% for PPL Capital Funding, PPL Electric, LG&E and KU, as calculated in accordance with the facilities and other customary covenants. Additionally, subject to certain conditions, PPL Capital Funding may request that the capacity of one of its bilateral credit facilities expiring in March 2022 be increased by up to $30 million and PPL Capital Funding, PPL Electric, LG&E and KU may each request up to a $250 million increase in its syndicated credit facility's capacity. Participation in any such increase is at the sole discretion of each lender.

(PPL)

In December 2021, PPL Capital Funding amended and restated its existing $1.450 billion revolving credit facility to extend the termination date from January 26, 2024 to December 6, 2026, to decrease the borrowing capacity to $1.250 billion and to provide for the option to add Narragansett Electric as an additional borrower upon acquisition by PPL Rhode Island Holdings, LLC.

(PPL and PPL Electric)

In December 2021, PPL Electric Utilities Corporation amended and restated its existing $650 million revolving credit facility to extend the termination date from January 26, 2024 to December 6, 2026.

(PPL and LG&E)

In December 2021, LG&E amended and restated its existing $500 million revolving credit facility to extend the termination date from January 26, 2024 to December 6, 2026.

(PPL and KU)

In December 2021, KU amended and restated its existing $400 million revolving credit facility to extend the termination date from January 26, 2024 to December 6, 2026.

(All Registrants)

PPL, PPL Electric, LG&E and KU maintain commercial paper programs to provide an additional financing source to fund short-term liquidity needs. Commercial paper issuances, included in "Short-term debt" on the Balance Sheets, are supported by the respective Registrant's credit facilities. The following commercial paper programs were in place at:

	December 31, 2021				December 31, 2020	
	Weighted - Average Interest Rate	Capacity	Commercial Paper Issuances	Unused Capacity	Weighted - Average Interest Rate	Commercial Paper Issuances
PPL Capital Funding		$ 1,500	$ —	$ 1,500	0.25%	$ 402
PPL Electric		650	—	650		—
LG&E (a)	0.31%	425	69	356	0.28%	262
KU		350	—	350	0.28%	203
Total		$ 2,925	$ 69	$ 2,856		$ 867

(a) In March 2021, the capacity for the LG&E commercial paper program was increased from $350 million to $425 million.

(PPL Electric, LG&E and KU)

See Note 15 for a discussion of intercompany borrowings.

Long-term Debt *(All Registrants)*

	Weighted-Average Rate (d)	Maturities (d)	December 31, 2021	2020
PPL				
Senior Unsecured Notes	3.81%	2026 - 2047	$ 1,566	$ 4,850
Senior Secured Notes/First Mortgage Bonds (a) (b) (c)	3.59%	2022 - 2050	9,205	8,955
Junior Subordinated Notes	2.89%	2067	480	930
Term Loan Credit Facility			—	100
Total Long-term Debt before adjustments			11,251	14,835
Unamortized premium and (discount), net			(34)	(40)
Unamortized debt issuance costs			(77)	(106)
Total Long-term Debt			11,140	14,689
Less current portion of Long-term Debt			474	1,074
Total Long-term Debt, noncurrent			$ 10,666	$ 13,615
PPL Electric				
Senior Secured Notes/First Mortgage Bonds (a) (b)	3.37%	2022 - 2049	$ 4,539	$ 4,289
Total Long-term Debt Before Adjustments			4,539	4,289
Unamortized discount			(22)	(23)
Unamortized debt issuance costs			(33)	(30)
Total Long-term Debt			4,484	4,236
Less current portion of Long-term Debt			474	400
Total Long-term Debt, noncurrent			$ 4,010	$ 3,836

LG&E				
First Mortgage Bonds (a) (c)	3.59%	2025 - 2049	$ 2,024	$ 2,024
Total Long-term Debt Before Adjustments			2,024	2,024
Unamortized discount			(4)	(4)
Unamortized debt issuance costs			(14)	(13)
Total Long-term Debt			2,006	2,007
Less current portion of Long-term Debt			—	292
Total Long-term Debt, noncurrent			$ 2,006	$ 1,715
KU				
First Mortgage Bonds (a) (c)	3.97%	2023 - 2050	$ 2,642	$ 2,642
Total Long-term Debt Before Adjustments			2,642	2,642
Unamortized premium			5	5
Unamortized discount			(9)	(9)
Unamortized debt issuance costs			(20)	(20)
Total Long-term Debt			2,618	2,618
Less current portion of Long-term Debt			—	132
Total Long-term Debt, noncurrent			$ 2,618	$ 2,486

(a) Includes PPL Electric's senior secured and first mortgage bonds that are secured by the lien of PPL Electric's 2001 Mortgage Indenture, which covers substantially all of PPL Electric's tangible distribution properties and certain of its tangible transmission properties located in Pennsylvania, subject to certain exceptions and exclusions. The carrying value of PPL Electric's property, plant and equipment was approximately $11.3 billion and $10.8 billion at December 31, 2021 and 2020.

Includes LG&E's first mortgage bonds that are secured by the lien of the LG&E 2010 Mortgage Indenture which creates a lien, subject to certain exceptions and exclusions, on substantially all of LG&E'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 and the storage and distribution of natural gas. The aggregate carrying value of the property subject to the lien was $5.7 billion and $5.5 billion at December 31, 2021 and 2020.

Includes KU's first mortgage bonds that 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 $6.9 billion and $6.7 billion at December 31, 2021 and 2020.

(b) Includes PPL Electric's series of senior secured bonds that secure its obligations to make payments with respect to each series of Pollution Control Bonds that were issued by the LCIDA and the PEDFA on behalf of PPL Electric. These senior secured bonds were issued in the same principal amount, contain payment and redemption provisions that correspond to and bear the same interest rate as such Pollution Control Bonds. These senior secured bonds were issued under PPL Electric's 2001 Mortgage Indenture and are secured as noted in (a) above. This amount includes $224 million of which PPL Electric is allowed to convert the interest rate mode on the bonds from time to time to a commercial paper rate, daily rate, weekly rate, or term rate of at least one year and $90 million which is subject to mandatory redemption upon determination that the interest rate on the bonds would be included in the holders' gross income for federal tax purposes.

Includes $250 million of notes that may be called on or after September 28, 2021 and $650 million of notes that may be called on or after June 24, 2022, at a redemption price equal to 100% of the principal amount of the bonds, plus accrued and unpaid interest to, but excluding, such redemption date.

(c) Includes LG&E's and KU's series of first mortgage bonds that were issued to the respective trustees of tax-exempt revenue bonds to secure its respective 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. These first mortgage bonds were issued under the LG&E 2010 Mortgage Indenture and the KU 2010 Mortgage Indenture and are secured as noted in (a) above. The related tax-exempt revenue bonds were issued by various governmental entities, principally counties in Kentucky, on behalf of LG&E and KU. The related revenue bond documents allow LG&E and 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, 2021, the aggregate tax-exempt revenue bonds issued on behalf of LG&E and KU that were in a term rate mode totaled $782 million for PPL, comprised of $473 million and $309 million for LG&E and KU. At December 31, 2021, the aggregate tax-exempt revenue bonds issued on behalf of LG&E and KU that were in a variable rate mode totaled $66 million and $33 million for LG&E and KU. These variable rate tax-exempt revenue bonds are subject to tender for purchase by LG&E and KU at the option of the holder and to mandatory tender for purchase by LG&E and KU upon the occurrence of certain events.

(d) The table reflects principal maturities only, based on stated maturities or earlier put dates, and the weighted-average rates as of December 31, 2021.

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 2022 through 2026 and thereafter are as follows:

	PPL	PPL Electric	LG&E	KU
2022	$ 474	$ 474	$ —	$ —
2023	353	340	—	13
2024	650	650	—	—
2025	550	—	300	250
2026	904	—	90	164
Thereafter	8,320	3,075	1,634	2,215
Total	$ 11,251	$ 4,539	$ 2,024	$ 2,642

(PPL)

In April 2021, PPL Capital Funding repaid its $100 million term loan expiring in March 2022.

In June 2021, PPL Capital Funding commenced a tender offer to purchase for cash and retire (1) any and all of its outstanding 4.20% Senior Notes due 2022, 3.50% Senior Notes due 2022, 3.40% Senior Notes due 2023 and 3.95% Senior Notes due 2024 and (2) up to $1 billion aggregate purchase price of its outstanding 4.70% Senior Notes due 2043, 5.00% Senior Notes due 2044, 4.00% Senior Notes due 2047, 4.125% Senior Notes due 2030 and 3.10% Senior Notes due 2026.

In June 2021, in connection with the tender offer, PPL Capital Funding retired $1,962 million combined aggregate principal amount of its outstanding Senior Notes for $2,293 million aggregate cash purchase price that included the tender premium and accrued interest. These Senior Notes had a weighted average interest rate of 4.14%. The loss on extinguishment associated with the transaction was $322 million, which included the tender premium, bank fees and unamortized fees, hedges and discounts. This loss on extinguishment was recorded to "Interest Expense" on the Statements of Income.

In July 2021, PPL Capital Funding redeemed the remaining $1,072 million combined aggregate principal amount of its outstanding 4.20% Senior Notes due 2022, 3.50% Senior Notes due 2022, 3.40% Senior Notes due 2023 and 3.95% Senior Notes due 2024 that had not been validly tendered for an aggregate cash purchase price of $1,133 million, which included make-whole premiums and accrued interest. These Senior Notes had a weighted average interest rate of 3.71%. The loss on extinguishment associated with the transaction was $58 million, which included make-whole premiums, unamortized fees, hedges and discounts. PPL Capital Funding also redeemed its $450 million of 5.90% Junior Subordinated Notes due in 2073 at par. The loss on extinguishment associated with this transaction was $15 million, which included unamortized fees.

In July 2021, LKE redeemed at par the $250 million 4.375% Senior Notes due 2021.

PPL has guaranteed PPL Capital Funding's obligations under the credit agreement and notes.

(PPL and PPL Electric)

In June 2021, PPL Electric issued $650 million of First Mortgage Bonds, Floating Rate Series due 2024. PPL Electric received proceeds of $647 million, net of underwriting fees, which were used to redeem its $400 million outstanding First Mortgage Bonds, 3% Series due 2021 in July 2021 and for general corporate purposes.

(PPL and LG&E)

In April 2021, the Louisville/Jefferson County Metro Government of Kentucky remarketed $128 million of Pollution Control Revenue Bonds, 2003 Series A due 2033 previously issued on behalf of LG&E. The bonds were remarketed at a long-term rate and will bear interest at 2.00% through their maturity date of October 1, 2033.

In May 2021, the County of Trimble, Kentucky remarketed $35 million of Pollution Control Revenue Bonds, 2001 Series B due 2027 previously issued on behalf of LG&E. The bonds were remarketed at a long-term rate and will bear interest at 1.35% through their maturity date of November 1, 2027.

In May 2021, the Louisville/Jefferson County Metro Government of Kentucky remarketed $35 million of Pollution Control Revenue Bonds, 2001 Series B due 2027 previously issued on behalf of LG&E. The bonds were remarketed at a long-term rate and will bear interest at 1.35% through their maturity date of November 1, 2027.

In June 2021, LG&E converted the $31 million of Louisville/Jefferson County Metro Government of Kentucky Environmental Facilities Revenue Refunding Bonds, 2007 Series A issued on its behalf to a weekly interest rate. The bonds mature on June 1, 2033.

In June 2021, LG&E converted the $35 million of Louisville/Jefferson County Metro Government, of Kentucky Environmental Facilities Revenue Refunding Bonds, 2007 Series B issued on its behalf to a weekly interest rate. The bonds mature on June 1, 2033.

In September 2021, the County of Trimble, Kentucky remarketed $28 million of Pollution Control Revenue Bonds, 2001 Series A due 2026, previously issued on behalf of LG&E. The bonds were remarketed at a long-term rate and will bear interest at 0.625% through their maturity date of September 1, 2026.

(PPL and KU)

In June 2021, the County of Carroll, Kentucky remarketed $54 million of Environmental Facilities Revenue Refunding 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 2.125% though their maturity date of October 1, 2034.

In June 2021, 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 2.00% through their maturity date of February 1, 2032.

See Note 15 for additional information related to intercompany borrowings.

Legal Separateness *(All Registrants)*

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 PPL Electric are each separate legal entities. These subsidiaries are not liable for the debts of PPL Electric. Accordingly, creditors of PPL Electric may not satisfy its 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, PPL Electric is not liable for the debts of its subsidiaries, nor are its subsidiaries liable for the debts of one another. Accordingly, creditors of these subsidiaries may not satisfy their debts from the assets of PPL Electric (or its other subsidiaries) absent a specific contractual undertaking by PPL Electric or any such other subsidiary to pay such creditors or as required by applicable law or regulation.

(PPL)

Equity Securities

Share Repurchases

In August 2021, PPL's Board of Directors authorized share repurchases of up to $3 billion of PPL common shares. The actual amount repurchased will depend on various factors, including PPL's share price, market conditions, and the determination of other uses for the proceeds from the sale of the U.K. utility business, including for incremental capital expenditures. PPL may purchase shares on each trading day subject to market conditions and principles of best execution.

During the year ended December 31, 2021, PPL repurchased 34.8 million shares at a cost of $1.0 billion. Commission fees incurred, which have been included in the cost of repurchases above, were insignificant through December 31, 2021.

ATM Program

In February 2018, PPL entered into an equity distribution agreement, pursuant to which PPL may sell, from time to time, up to an aggregate of $1.0 billion of its common stock through an at-the-market offering program, including a forward sales component. The compensation paid to the selling agents by PPL may be up to 2% of the gross offering proceeds of the shares. There were no issuances under the ATM program for the twelve months ended December 31, 2021 and 2020. The ATM program expired in February 2021.

Distributions and Related Restrictions

In November 2021, PPL declared its quarterly common stock dividend, payable January 3, 2022, at 41.50 cents per share (equivalent to $1.66 per annum). On February 18, 2022, PPL announced a quarterly common stock dividend of 20.00 cents per share, payable April 1, 2022, to shareowners of record as of March 10, 2022. Future dividends will be declared at the discretion of the Board of Directors and will depend upon future earnings, cash flows, financial and legal requirements and other factors.

Neither PPL Capital Funding nor PPL may declare or pay any cash dividend or distribution on its capital stock during any period in which PPL Capital Funding defers interest payments on its 2007 Series A Junior Subordinated Notes due 2067. At December 31, 2021, no interest payments were deferred.

(All Registrants)

PPL relies on dividends or loans from its subsidiaries to fund PPL's dividends to its common shareholders. The net assets of certain PPL subsidiaries are subject to legal restrictions. LG&E, KU and PPL Electric are 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. LG&E, KU and PPL Electric believe, however, that this statutory restriction, as applied to their 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, LG&E and 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 PPL's 2010 acquisition of LG&E and KU. In May 2012, the FERC approved the petitions with the further condition that each utility may not pay dividends if such payment would cause its adjusted equity ratio to fall below 30% of total capitalization. Accordingly, at December 31, 2021, net assets of $1.4 billion for LG&E and $1.9 billion for KU were restricted for purposes of paying dividends to LKE, and net assets of $1.7 billion for LG&E and $2.0 billion for KU were available for payment of dividends to LKE. LG&E and KU believe they will not be required to change their current dividend practices 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 LG&E and KU, or under Pennsylvania law applicable to PPL Electric. However, orders from the KPSC require LG&E and KU to obtain prior consent or approval before lending amounts to PPL.

9. Acquisitions, Development and Divestitures

(PPL)

Discontinued Operations

Sale of the U.K. Utility Business

On March 17, 2021, PPL WPD Limited (WPD Limited) entered into a share purchase agreement (WPD SPA) to sell PPL's U.K. utility business to National Grid Holdings One plc (National Grid U.K.), a subsidiary of National Grid plc. Pursuant to the WPD SPA, National Grid U.K. would acquire 100% of the issued share capital of PPL WPD Investments Limited (WPD Investments) for £7.8 billion in cash. WPD Limited would also receive an additional amount of £548,000 for each day during
the period from January 1, 2021 to the closing date if the dividends usually declared by WPD Investments to WPD Limited were not paid for that period.

On June 14, 2021, the sale of the U.K. utility business was completed. The transaction resulted in cash proceeds of $10.7 billion inclusive of foreign currency hedges executed by PPL. PPL received net proceeds, after taxes and fees, of $10.4 billion.

WPD Limited and National Grid U.K. each made customary representations and warranties in the WPD SPA. National Grid U.K., at its expense, purchased warranty and indemnity insurance. WPD Limited agreed to indemnify National Grid U.K. for certain tax related matters. See Note 14 for additional information. PPL has not had and will not have any significant involvement with the U.K. utility business after completion of the sale.

Loss on Sale

The following table summarizes the pre-tax loss recorded upon completion of the sale.

	Loss on sale for the year ended December 31, 2021
Sales proceeds, net of realized foreign currency hedge losses (a)	$ 10,732
Unrealized foreign currency hedge losses recognized in 2020	125
Less: Costs to sell (b)	69
Less: Carrying value (c)	12,397
Loss on sale	$ (1,609)

(a) Includes the fixed and additional consideration of £7,881 million specified in the WPD SPA, converted at a spot rate of $1.4107 per GBP, offset by $386 million of realized foreign currency hedge losses to hedge the proceeds from the sale.
(b) Includes bank advisory, legal and accounting fees to facilitate the transaction.
(c) Represents the carrying value of the U.K. utility business at the time of sale and includes the realization of AOCI of $3.6 billion, which arose primarily from currency translation adjustments and defined benefit plans associated with the U.K. utility business.

Summarized Results of Discontinued Operations

The operations of the U.K. utility business are included in "Income (Loss) from Discontinued Operations (net of income taxes)" on the Statements of Income. Following are the components of discontinued operations in the Statements of Income for the years ended December 31:

	2021	2020	2019
Operating Revenues	$ 1,344	$ 2,133	$ 2,167
Operating Expenses	467	916	853
Other Income (Expense) - net	202	167	295
Interest Expense (a)	209	367	373
Income before income taxes	870	1,017	1,236
Loss on sale	(1,609)	—	—
Income Taxes	759	188	226
Income (Loss) from Discontinued Operations (net of income taxes)	$ (1,498)	$ 829	$ 1,010

(a) No interest from corporate level debt was allocated to discontinued operations.

Summarized Assets and Liabilities Held for Sale

The following major classes of assets and liabilities of the U.K. utility business were reclassified on PPL's Balance Sheet to "Current assets held for sale" and "Current liabilities held for sale" as of December 31, 2020:

	Held for Sale at December 31, 2020
Cash and cash equivalents	$ 266
Accounts receivable and unbilled revenues	389
Price risk management assets	146
Property, plant and equipment, net (a)	14,392
Goodwill	2,558
Other intangibles	413
Pension benefit asset	682
Other assets	137
Total Assets	$ 18,983
Short-term debt and long-term debt due within one year	$ 994
Accounts payable	220
Customer deposits	217
Accrued interest	190
Long-term debt	7,938
Total deferred income taxes	1,032
Price risk management liabilities	137

Other deferred credits and liabilities		295
Total Liabilities	$	11,023
Net assets (b)	$	7,960

(a) Depreciation of fixed assets ceased upon classification as held for sale in the first quarter of 2021.
(b) The net assets and liabilities held for sale exclude $4.0 billion of AOCI related to the U.K. utility business that is required to be included in the carrying value of an entity classified as held for sale when assessing impairment and determining the gain or loss on sale. Prior to the sale, AOCI related to the U.K. utility business was reported as a component of PPL's equity.

Acquisitions

Share Purchase Agreement to Acquire Narragansett Electric

On March 17, 2021, PPL and its subsidiary, PPL Energy Holdings, entered into a share purchase agreement (Narragansett SPA) with National Grid USA (National Grid U.S.), a subsidiary of National Grid plc, to acquire 100% of the outstanding shares of common stock of Narragansett Electric for approximately $3.8 billion in cash. On May 3, 2021, an Assignment and Assumption Agreement was entered into by PPL, PPL Energy Holdings, PPL Rhode Island Holdings and National Grid U.S. whereby certain interests of PPL Energy Holdings in the Narragansett SPA were assigned to and assumed by PPL Rhode Island Holdings. Pursuant to that Assignment and Assumption Agreement, PPL Rhode Island Holdings became the purchasing entity under the Narragansett SPA. The acquisition is expected to be funded with proceeds from the sale of the U.K. utility business. PPL has agreed to guarantee all obligations of PPL Energy Holdings and PPL Rhode Island Holdings under the Narragansett SPA and the related Assignment and Assumption Agreement.

The closing of the acquisition is subject to the receipt of certain U.S. regulatory approvals or waivers, including, among others, authorizations or waivers from the Rhode Island Division of Public Utilities and Carriers, the Massachusetts Department of Public Utilities, the Federal Communications Commission (FCC), and the FERC, as well as review under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and other customary conditions to closing, including the execution and delivery of certain related transaction documents. The waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, with respect to the acquisition, expired on June 2, 2021. On July 14, 2021, the FCC consented to the Transfer of Control Application for the transfer of control of certain communications licenses held by Narragansett Electric from National Grid U.S. to PPL. On July 16, 2021, the Massachusetts Department of Public Utilities (MDPU) granted a waiver of jurisdiction with respect to the acquisition, finding that the acquisition would not adversely impact Massachusetts ratepayers.
On December 3, 2021, the MPDU denied the request by the Attorney General of Massachusetts (AG) to stay the order granting the waiver, and on December 31, 2021, the AG then moved for the Massachusetts Supreme Judicial Court (SJC) to stay the final MDPU order. That request remains pending. If a stay is issued, PPL would not be able to close the acquisition until any stay is lifted or the appeal is resolved. On September 23, 2021, the FERC issued an order authorizing, as consistent with the public interest, the disposition of jurisdictional facilities that will result in PPL Rhode Island Holdings, LLC, acquiring 100% of the outstanding shares of common stock of Narragansett Electric. The regulatory approvals remain subject to any applicable appeal periods. PPL anticipates receiving a final order from the Rhode Island Division of Public Utilities and Carriers with respect to the acquisition by March 2022, however, no assurance can be given as to ultimate outcome of that review or the timing of any final decision.

PPL Energy Holdings and PPL Rhode Island Holdings and National Grid U.S. have each made customary representations, warranties and covenants in the Narragansett SPA, including, among others, customary indemnification provisions and covenants by National Grid U.S. to conduct the Narragansett Electric business in the ordinary course between the execution of the Narragansett SPA and the closing of the acquisition. The consummation of the transaction is not subject to a financing condition.

In connection with the acquisition, National Grid U.S. and one or more of its subsidiaries and Narragansett Electric will enter into a transition services agreement, pursuant to which National Grid U.S. and/or one or more of its affiliates will agree to provide certain transition services to Narragansett Electric and its affiliates to facilitate the operation of Narragansett Electric following the consummation of the acquisition and the transition of operations to PPL, as agreed upon in the Narragansett SPA.

10. Leases

(All Registrants)

The Registrants determine whether contractual arrangements contain a lease by evaluating whether those arrangements either implicitly or explicitly identify an asset, whether the Registrants have the right to obtain substantially all of the economic benefits from use of the asset throughout the term of the arrangement, and whether the Registrants have the right to direct the use of the asset. Renewal options are included in the lease term if it is reasonably certain the Registrants will exercise those options. Periods for which the Registrants are reasonably certain not to exercise termination options are also included in the lease term. The Registrants have certain agreements with lease and non-lease components, such as office space leases, which are generally accounted for separately.

LG&E and KU have entered into various operating leases primarily for office space, vehicles and railcars. The leases generally have fixed payments with expiration dates ranging from 2022 to 2033, some of which have options to extend the leases from one year to ten years and some have options to terminate at LG&E's and KU's discretion.

PPL has also entered into various operating leases primarily for office and warehouse space. These leases generally have fixed payments with expiration dates ranging from 2024 through 2030.

PPL Electric also has operating leases which do not have a significant impact to its operations.

Short-term Leases

Short-term leases are leases with a term that is 12 months or less and do not include a purchase option or option to extend the initial term of the lease to greater than 12 months that the Registrants are reasonably certain to exercise. The Registrants have made an accounting policy election to not recognize the right-of-use 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, the Registrants are required to use their incremental borrowing rate, which is the rate the Registrants 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.

The Registrants receive secured borrowing rates from financial institutions based on their applicable credit profiles. The Registrants use the secured rate which corresponds with the term of the applicable lease.

(PPL, LG&E and KU)

Lessee Transactions

The following table provides the components of lease cost for the Registrants' operating leases for the years ended December 31:

	2021	2020	2019
PPL			
Lease cost:			
Operating lease cost	$ 24	$ 28	$ 30
Short-term lease cost	6	7	5
Total lease cost	$ 30	$ 35	$ 35

Total lease cost	$ [illegible]	$ [illegible]	$ [illegible]
LG&E			
Lease cost:			
Operating lease cost	$ 6	$ 8	$ 12
Short-term lease cost	1	1	1
Total lease cost	$ 7	$ 9	$ 13
KU			
Lease cost:			
Operating lease cost	$ 10	$ 13	$ 13
Short-term lease cost	1	1	1
Total lease cost	$ 11	$ 14	$ 14

The following table provides other key information related to the Registrants' operating leases at December 31:

	2021	2020	2019
PPL			
Cash paid for amounts included in the measurement of lease liabilities:			
Operating cash flows from operating leases	$ 23	$ 24	$ 26
Right-of-use asset obtained in exchange for new operating lease liabilities	12	17	45
LG&E			
Cash paid for amounts included in the measurement of lease liabilities:			
Operating cash flows from operating leases	$ 6	$ 7	$ 9
Right-of-use asset obtained in exchange for new operating lease liabilities	4	6	5
KU			
Cash paid for amounts included in the measurement of lease liabilities:			
Operating cash flows from operating leases	$ 10	$ 11	$ 11
Right-of-use asset obtained in exchange for new operating lease liabilities	7	9	11

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, 2021.

	PPL	LG&E	KU
2022	$ 23	$ 6	$ 10
2023	20	5	8
2024	15	4	6
2025	8	3	4
2026	3	1	1
Thereafter	5	1	1
Total	$ 74	$ 20	$ 30
Weighted-average discount rate	3.38%	3.48%	3.67%
Weighted-average remaining lease term (in years)	4	4	4
Current lease liabilities (a)	$ 22	$ 6	$ 9
Non-current lease liabilities (a)	47	12	17
Right-of-use assets (b)	62	15	24

(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.

Lessor Transactions

Third parties leased land from LG&E and KU at certain generation plants to produce refined coal used to generate electricity. The leases were operating leases and expired in 2021. Payments were allocated among lease and non-lease components as stated in the agreements. Lease payments were fixed or determined based on the amount of refined coal used in electricity generation at the facility. Payments received were primarily recorded as a regulatory liability and amortized in accordance with regulatory approvals.

The following table shows the lease income recognized for the years ended December 31:

	PPL	LG&E	KU
Lease income recognized for the twelve months ended December 31, 2021	$ 11	$ 5	$ 5
Lease income recognized for the twelve months ended December 31, 2020	16	6	9
Lease income recognized for the twelve months ended December 31, 2019	14	5	8

11. Stock-Based Compensation

(PPL and PPL Electric)

Under the ICP, SIP and the ICPKE (together, the Plans), restricted shares of PPL common stock, restricted stock units, performance units and stock options may be granted to officers and other key employees of PPL, PPL Electric and other affiliated companies. Awards under the Plans are made by the Compensation Committee of the PPL Board of Directors, in the case of the ICP and SIP, and by the PPL Corporate Leadership Council (CLC), in the case of the ICPKE.

The following table details the award limits under each of the Plans.

Plan	Total Plan Award Limit (Shares)	Annual Grant Limit Total As % of Outstanding PPL Common Stock On First Day of Each Calendar Year	Annual Grant Limit Options (Shares)	Annual Grant Limit For Individual Participants - Performance Based Awards: For awards denominated in shares (Shares)	Annual Grant Limit For Individual Participants - Performance Based Awards: For awards denominated in cash (in dollars)
SIP	15,000,000		2,000,000	750,000	$ 15,000,000
ICPKE	14,199,796	2%	3,000,000		

Any portion of these awards that has not been granted may be carried over and used in any subsequent year. If any award lapses, the rights of the participant terminate, or, with respect to certain awards, is forfeited, and the shares of PPL common stock underlying such an award are again available for grant. Shares delivered under the Plans may be in the form of authorized and unissued PPL common stock, common stock held in treasury by PPL or PPL common stock purchased on the open market (including private purchases) in accordance with applicable securities laws.

Restricted Stock Units

Restricted stock units represent the right to receive shares of PPL common stock in the future, generally three years after the date of grant, in an amount based on the fair value of PPL common stock on the date of grant.

Under the SIP, each restricted stock unit entitles the grant recipient to accrue additional restricted stock units equal to the amount of quarterly dividends paid on PPL stock. These additional restricted stock units are deferred and payable in shares of PPL common stock at the end of the restriction period. Dividend equivalents on restricted stock unit awards granted under the ICPKE are currently paid in cash when dividends are declared by PPL.

The fair value of restricted stock units granted is recognized on a straight-line basis over the restriction period or through the date at which the employee reaches retirement eligibility. The fair value of restricted stock units granted to retirement-eligible employees is recognized as compensation expense immediately upon the date of grant. Recipients of restricted stock units granted under the ICPKE may also be granted the right to receive dividend equivalents through the end of the restriction period or until the award is forfeited. Restricted stock units are subject to forfeiture or accelerated payout under the plan provisions for termination, retirement, disability and death of employees. Restrictions lapse on restricted stock units fully, in certain situations, as defined by each of the Plans.

The weighted-average grant date fair value of restricted stock units granted was:

	2021	2020	2019
PPL	$ 28.00	$ 35.30	$ 31.95
PPL Electric	27.96	35.37	32.33

Restricted stock unit activity for 2021 was:

	Restricted Shares/Units	Weighted-Average Grant Date Fair Value Per Share
PPL		
Nonvested, beginning of period	896,336	$ 32.56
Granted	458,610	28.00
Vested	(303,890)	30.57
Forfeited	(46,473)	30.23
Nonvested, end of period	1,004,583	31.19
PPL Electric		
Nonvested, beginning of period	210,720	$ 32.73
Transfer between registrants	(92,596)	32.99
Granted	51,587	27.96
Vested	(32,266)	29.98
Forfeited	(6,158)	32.16
Nonvested, end of period	131,287	31.50

Substantially all restricted stock unit awards are expected to vest.

The total fair value of restricted stock units vesting for the years ended December 31 was:

	2021	2020	2019
PPL	$ 8	$ 19	$ 13
PPL Electric	1	3	2

Performance Units - Total Shareowner Return

Performance units based on relative Total Shareowner Return (TSR) are intended to encourage and reward future corporate performance. Performance units represent a target number of shares (Target Award) of PPL's common stock that the recipient would receive upon PPL's attainment of the applicable performance goal. Performance is determined based on TSR during a three-year performance period. At the end of the period, payout is determined by comparing PPL's performance to the TSR of the companies included in the PHLX Utility Sector Index. Awards are payable on a graduated basis based on thresholds that measure PPL's performance relative to peers that comprise the applicable index on which each year's awards are measured. Awards can be paid up to 200% of the Target Award or forfeited with no payout if performance is below a minimum established performance threshold. Dividends payable during the performance cycle accumulate and are converted into additional performance units and are payable in shares of PPL common stock upon completion of the performance period based on the Compensation Committee's determination of achievement of the performance goals. Under the plan provisions, TSR performance units are subject to forfeiture upon termination of employment other than retirement, one year or more from commencement of the performance period, disability or death of an employee.

The fair value of TSR performance units granted to retirement-eligible employees is recognized as compensation expense on a straight-line basis over a one-year period, the minimum vesting period required for an employee to be entitled to payout of the awards with no proration. For employees who are not retirement-eligible, compensation expense is recognized over the shorter of the three-year performance period or the period until the employee is retirement-eligible, with a minimum vesting and recognition period of one-year. If an employee retires before the one-year vesting period, the performance units are forfeited. Performance units vest on a pro rata basis, in certain situations, as defined by each of the Plans.

The fair value of each performance unit granted was estimated using a Monte Carlo pricing model that considers stock beta, a risk-free interest rate, expected stock volatility and expected life. The stock beta was calculated comparing the risk of the
individual securities to the average risk of the companies in the index group. The risk-free interest rate reflects the yield on a U.S. Treasury bond commensurate with the expected life of the performance unit. Volatility over the expected term of the performance unit is calculated using daily stock price observations for PPL and all companies in the index group and is evaluated with consideration given to prior periods that may need to be excluded based on events not likely to recur that had impacted PPL and the companies in the index group. PPL uses a mix of historic and implied volatility to value awards.

The weighted-average assumptions used in the model were:

	2021	2020	2019
Expected stock volatility	27.81%	15.64%	17.57%
Expected life	3 years	3 years	3 years

The weighted-average grant date fair value of TSR performance units granted was:

	2021	2020	2019
PPL	$ 32.44	$ 37.63	$ 35.83
PPL Electric	32.92	38.64	35.68

TSR performance unit activity for 2021 was:

	TSR Performance Units	Weighted-Average Grant Date Fair Value Per Share
PPL		
Nonvested, beginning of period	626,254	$ 36.98
Granted	306,009	32.44
Vested	(53,340)	34.47
Forfeited (a)	(245,150)	37.75
Nonvested, end of period	633,773	34.68
PPL Electric		
Nonvested, beginning of period	61,807	$ 37.44
Transfer between registrants	(53,663)	37.42
Granted	10,010	32.92
Forfeited (a)	(2,800)	38.47
Nonvested, end of period	15,354	34.36

(a) Primarily related to the forfeiture of 2018 domestic performance units as performance during the period was below the minimum established performance threshold, which resulted in no payout.

For the year ended December 31, 2021, $2 million of TSR performance units vested. All awards vested were associated with the sale of the U.K. utility business. See Note 9 for additional information on the sale of the U.K. utility business. No TSR performance units vested for the years ended December 31, 2020 and 2019. Amounts for PPL Electric are insignificant.

Performance Units - Return on Equity

Beginning in 2017, PPL changed its executive compensation mix to add performance units based on achievement of a corporate Return on Equity (ROE). ROE performance units are intended to further align compensation with the company's strategy and reward for future corporate performance.

Payout of these performance units will be based on the calculated average of the annual corporate ROE for each year of the three-year performance period for PPL Corporation. In light of the transformational nature of the potential sale of the U.K. utility business in 2021, PPL's ROE-based performance units issued for 2021 were based on a one-year performance period from January 1, 2021 to December 31, 2021; however, these units retained the three year vesting schedule and other characteristics. ROE performance units represent a target number of shares (Target Award) of PPL's common stock that the recipient would receive upon PPL's attainment of the applicable ROE performance goal. ROE performance units can be paid up to 200% of the Target Award or forfeited with no payout if performance is below a minimum established performance threshold. Dividends payable during the performance cycle accumulate and are converted into additional performance units and are payable in shares of PPL common stock upon completion of the performance period based on the Compensation Committee's determination of achievement of the performance goals. Under the plan provisions, these performance units are subject to forfeiture upon termination of employment other than retirement, disability or death of an employee.

The fair value of each ROE performance unit is based on the closing price of PPL Common Stock on the date of grant. The fair value of ROE performance units is recognized on a straight-line basis over the service period or through the date at which the employee reaches retirement eligibility. The fair value awards granted to retirement-eligible employees is recognized as compensation expense immediately upon the date of grant. As these awards are based on performance conditions, the level of attainment is monitored each reporting period and compensation expense is adjusted based on the expected attainment level.

The weighted-average grant date fair value of ROE performance units granted was:

	2021	2020	2019
PPL	$ 30.08	$ 34.95	$ 30.89
PPL Electric	29.39	35.59	30.76

ROE performance unit activity for 2021 was:

	ROE Performance Unit	Weighted-Average Grant Date Fair Value Per Share
PPL		
Nonvested, beginning of period	728,664	$ 32.81
Granted	572,571	30.08
Vested	(570,722)	32.02
Forfeited	(8,160)	30.44
Nonvested, end of period	722,353	31.28
PPL Electric		
Nonvested, beginning of period	61,807	$ 33.01
Transfer between registrants	(53,663)	33.00
Granted	12,895	29.39
Vested	(5,685)	32.27
Nonvested, end of period	15,354	30.27

The total fair value of ROE performance units vesting for the years ended December 31 was:

	2021	2020
PPL	$ 16	$ 8
PPL Electric	—	1

Stock Options

PPL's Compensation, Governance and Nominating Committee, now known as the Compensation Committee, eliminated the use of stock options due to changes in its long-term incentive mix beginning in January 2014.
Under the Plans, stock options had been granted with an option exercise price per share not less than the fair value of PPL's common stock on the date of grant. Options outstanding at December 31,

2021, are fully vested. All options expire no later than 10 years from the grant date. The options become exercisable immediately in certain situations, as defined by each of the Plans.

Stock option activity for 2021 was:

	Number of Options	Weighted Average Exercise Price Per Share	Weighted-Average Remaining Contractual Term (years)	Aggregate Total Intrinsic Value
PPL				
Outstanding at beginning of period	1,103,016	$ 26.22		
Exercised	(337,014)	25.42		
Outstanding and exercisable at end of period	766,002	26.57	1	$ 3

For 2021, 2020 and 2019, PPL received $10 million, $8 million and $53 million in cash from stock options exercised. The total intrinsic value of stock options exercised was insignificant in 2021 and 2020 and $11 million in 2019. The related income tax benefits realized were not significant.

Compensation Expense

Compensation expense for restricted stock, restricted stock units, performance units and stock options accounted for as equity awards, which for PPL Electric includes an allocation of PPL Services' expense, was:

	2021	2020	2019
PPL	$ 34	$ 28	$ 35
PPL Electric	11	10	12

The income tax benefit related to above compensation expense was as follows:

	2021	2020	2019
PPL	$ 10	$ 8	$ 10
PPL Electric	3	3	3

At December 31, 2021, unrecognized compensation expense related to nonvested stock awards was:

	Unrecognized Compensation Expense	Weighted-Average Period for Recognition
PPL	$ 19	1.7
PPL Electric	2	1.8

12. Retirement and Postemployment Benefits

(All Registrants)

Defined Benefits

Certain employees of PPL's subsidiaries are eligible for pension benefits under non-contributory defined benefit pension plans with benefits based on length of service and final average pay, as defined by the plans. Effective January 1, 2012, PPL's primary defined benefit pension plan was closed to all newly hired salaried employees. Effective July 1, 2014, PPL's primary defined benefit pension plan was closed to all newly hired bargaining unit employees. Newly hired employees are eligible to participate in the PPL Retirement Savings Plan, a 401(k) savings plan with enhanced employer contributions.
The defined benefit pension plans of LKE and its subsidiaries were 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 pension plans sponsored by LKE and LG&E were merged effective January 1, 2020 into the LG&E and KU Pension Plan. The merged plan is sponsored by LKE. LG&E and KU participate in this plan.

PPL and certain of its subsidiaries also provide supplemental retirement benefits to executives and other key management employees through unfunded nonqualified retirement plans.

Certain employees of PPL's subsidiaries are eligible for certain health care and life insurance benefits upon retirement through contributory plans. Effective January 1, 2014, the PPL Postretirement Medical Plan was closed to all newly hired salaried employees. Effective July 1, 2014, the PPL Postretirement Medical Plan was closed to all newly hired bargaining unit employees. Postretirement health benefits may be paid from 401(h) accounts established as part of the PPL Retirement Plan and the LG&E and KU Pension Plan within the PPL Services Corporation Master Trust, funded VEBA trusts and company funds.

(PPL)

The following table provides the components of net periodic defined benefit costs (credits) for PPL's pension and other postretirement benefit plans for the years ended December 31.

	Pension Benefits			Other Postretirement Benefits		
	2021	2020	2019	2021	2020	2019
Net periodic defined benefit costs (credits):						
Service cost	$ 56	$ 56	$ 50	$ 6	$ 6	$ 6
Interest cost	121	146	164	16	19	22
Expected return on plan assets	(255)	(246)	(245)	(23)	(21)	(18)
Amortization of:						
Prior service cost (credit)	8	9	8	1	1	(1)
Actuarial (gain) loss	93	89	56	(1)	—	1
Net periodic defined benefit costs (credits) prior to settlements and termination benefits	23	54	33	(1)	5	10
Settlements (a)	18	23	1	—	—	—
Net periodic defined benefit costs (credits)	$ 41	$ 77	$ 34	$ (1)	$ 5	$ 10
Other Changes in Plan Assets and Benefit Obligations Recognized in OCI and Regulatory Assets/Liabilities - Gross:						
Settlement	(18)	(23)	(1)	—	—	—
Net (gain) loss	42	(221)	(121)	(53)	(6)	(18)
Prior service cost (credit)	3	1	2	—	5	—
Amortization of:						
Prior service (cost) credit	(8)	(9)	(8)	(1)	(1)	1

Actuarial gain (loss)	(93)	(89)	(56)	1	—	(1)
Total recognized in OCI and regulatory assets/liabilities	(74)	(341)	(184)	(53)	(2)	(18)
Total recognized in net periodic defined benefit costs, OCI and regulatory assets/liabilities	$ (33)	$ (264)	$ (150)	$ (54)	$ 3	$ (8)

(a) 2021 and 2020 include a settlement charge for a retired PPL executive as well as a settlement charge incurred as a result of the amount of lump sum payment distributions from the LKE qualified pension plan. In accordance with existing regulatory accounting treatment, LG&E and KU have primarily maintained the settlement charge in regulatory assets to be amortized in accordance with existing regulatory practice. The portion of the settlement attributed to LKE's operations outside of the jurisdiction of the KPSC has been charged to expense.

For PPL's pension and postretirement benefits, the amounts recognized in OCI and regulatory assets/liabilities for the years ended December 31 were as follows:

	Pension Benefits			Other Postretirement Benefits		
	2021	2020	2019	2021	2020	2019
OCI	$ (70)	$ (428)	$ (194)	$ (42)	$ (12)	$ (13)
Regulatory assets/liabilities	(4)	87	10	(11)	10	(5)
Total recognized in OCI and regulatory assets/liabilities	$ (74)	$ (341)	$ (184)	$ (53)	$ (2)	$ (18)

(LG&E)

The following table provides the components of net periodic defined benefit costs for LG&E's pension benefit plan for the year ended December 31.

	Pension Benefits
	2019 (a)
Net periodic defined benefit costs (credits):	
Service cost	$ 1
Interest cost	11
Expected return on plan assets	(21)
Amortization of:	
Prior service cost (credit)	5
Actuarial loss (b)	9
Net periodic defined benefit costs (credits) (c)	$ 5
Other Changes in Plan Assets and Benefit Obligations Recognized in Regulatory Assets - Gross:	
Net (gain) loss	$ (19)
Amortization of:	
Prior service credit	(5)
Actuarial gain	(9)
Total recognized in regulatory assets/liabilities	(33)
Total recognized in net periodic defined benefit costs and regulatory assets	$ (28)

(a) The pension plans sponsored by LKE and LG&E were merged effective January 1, 2020 into the LG&E and KU Pension Plan, sponsored by LKE.
(b) As a result of the 2014 Kentucky rate case settlement that became effective July 1, 2015, the difference between actuarial (gain)/loss calculated in accordance with LG&E's pension accounting policy and actuarial (gain)/loss calculated using a 15 year amortization period was $3 million in 2019.
(c) Due to the amount of lump sum payment distributions from the LG&E qualified pension plan, settlement charges of $5 million in 2019 was incurred. In accordance with existing regulatory accounting treatment, LG&E has maintained the settlement charge in regulatory assets. The amount will be amortized in accordance with existing regulatory practice.

(All Registrants)

The following net periodic defined benefit costs (credits) were charged to expense or regulatory assets, excluding amounts charged to construction and other non-expense accounts.

	Pension Benefits			Other Postretirement Benefits		
	2021	2020	2019	2021	2020	2019
PPL	$ 12	$ 40	$ 18	$ (1)	$ 4	$ 8
PPL Electric (a)	(9)	(2)	(4)	(1)	2	4
LG&E (a) (b)	(1)	4	3	2	2	2
KU (a) (b)	(3)	1	(1)	—	—	—

(a) PPL Electric and KU do not directly sponsor any defined benefit plans. PPL Electric and KU were allocated these costs of defined benefit plans sponsored by PPL Services (for PPL Electric) and by LKE (for KU), based on their 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. Effective January 1, 2020, the LKE and LG&E defined benefit pension plans were merged into a combined defined benefit pension plan, sponsored by LKE, therefore LG&E does not directly sponsor any defined benefit plans. LG&E and KU were allocated these costs of defined benefit plans sponsored by LKE, based on their participation in those plans, which management believes are reasonable. LG&E and KU are also allocated costs of defined benefit plans from LKS for defined benefit plans sponsored by LKE. See Note 15 for additional information on costs allocated to LG&E and KU from LKS.
(b) As a result of the 2014 Kentucky rate case settlement that became effective July 1, 2015, the difference between net periodic defined benefit costs calculated in accordance with LG&E's and KU's pension accounting policy and the net periodic defined benefit costs calculated using a 15 year amortization period for gains and losses is recorded as a regulatory asset. Of the costs charged to Other operation and maintenance, Other Income (Expense) - net or regulatory assets, excluding amounts charged to construction and other non-expense accounts, insignificant amounts for LG&E and KU were recorded as regulatory assets in 2021, $3 million for LG&E and $1 million for KU were recorded as regulatory assets in 2020 and $2 million for LG&E and $1 million for KU were recorded as regulatory assets in 2019.

(PPL and LG&E)

PPL and LG&E use base mortality tables issued by the Society of Actuaries for all defined benefit pension and other postretirement benefit plans. In 2019, PPL and LG&E used RP-2014 base tables with collar and factor adjustments, where applicable, and the MP-2017 mortality improvement scale from 2006 on a generational basis. In 2020, PPL updated to the Pri-2012 base table and the MP-2020 projection scale with varying adjustment factors based on the underlying demographic and geographic differences and experience of the plan participants.

The following weighted-average assumptions were used in the valuation of the benefit obligations at December 31.

	Pension Benefits		Other Postretirement Benefits	
	2021	2020	2021	2020
PPL				
Discount rate	3.15%	2.92%	3.13%	2.84%
Rate of compensation increase	3.76%	3.76%	3.77%	3.75%

The following weighted-average assumptions were used to determine the net periodic defined benefit costs for the years ended December 31.

	Pension Benefits			Other Postretirement Benefits		
	2021	2020	2019	2021	2020	2019
PPL						
Discount rate	2.92%	3.64%	4.35%	2.84%	3.60%	4.31%
Rate of compensation increase	3.76%	3.79%	3.79%	3.75%	3.76%	3.76%
Expected return on plan assets	7.25%	7.25%	7.25%	6.48%	6.44%	6.46%
LG&E						
Discount rate	—%	—%	4.33%			
Expected return on plan assets (a)	—%	—%	7.25%			

(a) The expected long-term rates of return for pension and other postretirement benefits are based on management's projections using a best-estimate of expected returns, volatilities and correlations for each asset class. Each plan's specific current and expected asset allocations are also considered in developing a reasonable return assumption.

(PPL)

The following table provides the assumed health care cost trend rates for the years ended December 31:

	2021	2020	2019
PPL			
Health care cost trend rate assumed for next year			
– obligations	6.25%	6.50%	6.60%
– cost	6.50%	6.60%	6.60%
Rate to which the cost trend rate is assumed to decline (the ultimate trend rate)			
– obligations	5.00%	5.00%	5.00%
– cost	5.00%	5.00%	5.00%
Year that the rate reaches the ultimate trend rate			
– obligations	2027	2027	2024
– cost	2027	2024	2023

The funded status of PPL's plans at December 31 was as follows:

	Pension Benefits		Other Postretirement Benefits	
	2021	2020	2021	2020
Change in Benefit Obligation				
Benefit Obligation, beginning of period	$ 4,251	$ 4,146	$ 573	$ 557
Service cost	56	56	6	6
Interest cost	121	146	16	19
Participant contributions	—	—	14	15
Plan amendments	2	2	—	5
Actuarial (gain) loss	(88)	256	(50)	29
Settlements	(106)	(114)	—	—
Gross benefits paid	(247)	(241)	(55)	(58)
Benefit Obligation, end of period	3,989	4,251	504	573
Change in Plan Assets				
Plan assets at fair value, beginning of period	4,068	3,585	367	340
Actual return on plan assets	125	723	25	56
Employer contributions	47	115	18	18
Participant contributions	—	—	11	11
Settlements	(106)	(114)	—	—
Gross benefits paid	(247)	(241)	(54)	(58)
Plan assets at fair value, end of period	3,887	4,068	367	367
Funded Status, end of period	$ (102)	$ (183)	$ (137)	$ (206)
Amounts recognized in the Balance Sheets consist of:				
Noncurrent asset	$ 91	$ 24	$ —	$ —
Current liability	(10)	(18)	(15)	(22)
Noncurrent liability	(183)	(189)	(122)	(184)
Net amount recognized, end of period	$ (102)	$ (183)	$ (137)	$ (206)
Amounts recognized in AOCI and regulatory assets/liabilities (pre-tax) consist of:				
Prior service cost (credit)	$ 22	$ 27	$ 12	$ 14
Net actuarial (gain) loss	626	695	(51)	—
Total	$ 648	$ 722	$ (39)	$ 14
Total accumulated benefit obligation for defined benefit pension plans	$ 3,786	$ 4,024		

For PPL's pension and other postretirement benefit plans, the amounts recognized in AOCI and regulatory assets/liabilities at December 31 were as follows:

	Pension Benefits		Other Postretirement Benefits	
	2021	2020	2021	2020
AOCI	$ 239	$ 270	$ (2)	$ 10
Regulatory assets/liabilities	409	452	(37)	4
Total	$ 648	$ 722	$ (39)	$ 14

The actuarial gain for pension plans in 2021 was primarily related to a change in the discount rate used to measure the benefit obligations of those plans. The actuarial loss for pension plans in 2020 was related to a change in the discount rate used to measure the benefit obligations of those plans offset by gains resulting from the updated mortality assumptions noted above and other demographic assumption changes resulting from the completion of a tri-annual demographic experience study.

The following tables provide information on pension plans where the projected benefit obligation (PBO) or accumulated benefit obligation (ABO) exceed the fair value of plan assets:

PBO in excess of plan assets	
2021	2020

Projected benefit obligation	$ 193	$ 1,875
Fair value of plan assets	—	1,668

	ABO in excess of plan assets	
	2021	2020
Accumulated benefit obligation	$ 177	$ 184
Fair value of plan assets	—	—

(PPL Electric)

Although PPL Electric does not directly sponsor any defined benefit plans, it is allocated a portion of the funded status and costs of plans sponsored by PPL Services based on its participation in those plans, which management believes are reasonable. The actuarially determined obligations of current active employees and retirees are used as a basis to allocate total plan activity, including active and retiree costs and obligations. Allocations to PPL Electric resulted in assets/(liabilities) at December 31 as follows:

	2021	2020
Pension	$ 42	$ 4
Other postretirement benefits	(78)	(99)

(LG&E)

Although LG&E does not directly sponsor any defined benefit plans, it is allocated a portion of the funded status and costs of plans sponsored by LKE. LG&E is also allocated costs of defined benefits plans from LKS for defined benefit plans sponsored by LKE. See Note 15 for additional information on costs allocated to LG&E from LKS. These allocations are based on LG&E's participation in those plans, which management believes are reasonable. The actuarially determined obligations of current active employees and retired employees of LG&E are used as a basis to allocate total plan activity, including active and retiree costs and obligations. Allocations to LG&E resulted in assets/(liabilities) at December 31 as follows:

	2021	2020
Pension	$ 85	$ 78
Other postretirement benefits	(51)	(68)

(KU)

Although KU does not directly sponsor any defined benefit plans, it is allocated a portion of the funded status and costs of plans sponsored by LKE. KU is also allocated costs of defined benefit plans from LKS for defined benefit plans sponsored by LKE. See Note 15 for additional information on costs allocated to KU from LKS. These allocations are based on KU's participation in those plans, which management believes are reasonable. The actuarially determined obligations of current active employees and retired employees of KU are used as a basis to allocate total plan activity, including active and retiree costs and obligations. Allocations to KU resulted in assets/(liabilities) at December 31 as follows.

	2021	2020
Pension	$ 75	$ 62
Other postretirement benefits	(6)	(16)

Plan Assets - Pension Plans

(PPL)

PPL's primary legacy pension plan and the pension plan sponsored by LKE 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, in combination with PPL's funding policy, 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 2021 are presented below.

The asset allocation for the trust and the target allocation by portfolio at December 31 are as follows:

	Percentage of trust assets		2021
	2021	2020	Target Asset Allocation
Growth Portfolio	55%	56%	55%
Equity securities	32%	34%	
Debt securities (a)	13%	13%	
Alternative investments	10%	9%	
Immunizing Portfolio	43%	43%	43%
Debt securities (a)	35%	33%	
Derivatives	8%	10%	
Liquidity Portfolio	2%	1%	2%
Total	100%	100%	100%

(a) Includes commingled debt funds, which PPL treats as debt securities for asset allocation purposes.

(PPL)

The fair value of net assets in the Master Trust by asset class and level within the fair value hierarchy was:

December 31, 2021 December 31, 2020

	Fair Value Measurements Using				Fair Value Measurements Using			
	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3
PPL Services Corporation Master Trust								
Cash and cash equivalents	$ 266	$ 266	$ —	$ —	$ 300	$ 300	$ —	$ —
Equity securities:								
U.S. Equity	41	41	—	—	60	60	—	—
U.S. Equity fund measured at NAV (a)	754	—	—	—	742	—	—	—
International equity fund at NAV (a)	511	—	—	—	566	—	—	—
Commingled debt measured at NAV (a)	677	—	—	—	712	—	—	—
Debt securities:								
U.S. Treasury and U.S. government sponsored agency	281	280	1	—	336	335	1	—
Corporate	1,039	—	1,019	20	1,045	—	1,030	15
Other	14	—	14	—	13	—	13	—
Alternative investments:								
Real estate measured at NAV (a)	69	—	—	—	76	—	—	—
Private equity measured at NAV (a)	94	—	—	—	68	—	—	—
Hedge funds measured at NAV (a)	236	—	—	—	223	—	—	—
Limited Partnerships at NAV (a)	—	—	—	—	6	—	—	—
Derivatives	35	—	35	—	(37)	—	(37)	—
PPL Services Corporation Master Trust assets, at fair value	4,017	$ 587	$ 1,069	$ 20	4,110	$ 695	$ 1,007	$ 15
Receivables and payables, net (b)	25				116			
401(h) accounts restricted for other postretirement benefit obligations	(155)				(158)			
Total PPL Services Corporation Master Trust pension assets	$ 3,887				$ 4,068			

(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, net represents amounts for investments sold/purchased but not yet settled along with interest and dividends earned but not yet received.

A reconciliation of the Master Trust assets classified as Level 3 at December 31, 2021 is as follows:

	Corporate debt	Total
Balance at beginning of period	$ 15	$ 15
Purchases, sales and settlements	5	5
Balance at end of period	$ 20	$ 20

A reconciliation of the Master Trust assets classified as Level 3 at December 31, 2020 is as follows:

	Corporate debt	Insurance contracts	Total
Balance at beginning of period	$ 20	$ 4	$ 24
Purchases, sales and settlements	(5)	(4)	(9)
Balance at end of period	$ 15	$ —	$ 15

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. At December 31, 2021, the Master Trust had unfunded commitments of $111 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 limited partnerships include Term Asset-Backed Securities Loan Facility (TALF) funds. The Master Trust received notice that the TALF funds are liquidating in an orderly manner and distributing capital back to the partners. Therefore, the Master Trust has no unfunded commitment related to the TALF funds. Fair value of the funds 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 investments in 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 2019, obligations underlying an investment in an immediate participation guaranteed group annuity contract, classified as Level 3, were assumed by the insurance company, with a residual amount remaining in the general account of the insurer that was paid into the master trust or distributed to participants in 2020.

Plan Assets - 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 and the target allocation, by asset class, at December 31 are detailed below.

	Percentage of plan assets		Target Asset Allocation
	2021	2020	2021
Asset Class			
U.S. Equity securities	45%	42%	45%
Debt securities (a)	52%	55%	50%
Cash and cash equivalents (b)	3%	3%	5%
Total	100%	100%	100%

(a) Includes commingled debt funds and debt securities.
(b) Includes money market funds.

The fair value of assets in the other postretirement benefit plans by asset class and level within the fair value hierarchy was:

	December 31, 2021				December 31, 2020			
		Fair Value Measurement Using				Fair Value Measurement Using		
	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3
Money market funds	$ 6	$ 6	$ —	$ —	$ 5	$ 5	$ —	$ —
U.S. Equity securities:								
Large-cap equity fund measure at NAV (a)	96	—	—	—	89	—	—	—
Commingled debt fund measured at NAV (a)	75	—	—	—	77	—	—	—
Debt securities:								
Corporate bonds	38	—	38	—	37	—	37	—
U.S. Treasury and U.S. government sponsored agency	—	—	—	—	2	—	2	—
Total VEBA trust assets, at fair value	215	$ 6	$ 38	$ —	210	$ 5	$ 39	$ —
Receivables and payables, net (b)	(3)				(1)			
401(h) account assets	155				158			
Total other postretirement benefit plan assets	$ 367				$ 367			

(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.

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.

Investments in U.S. Treasury and U.S. government sponsored agencies represent securities included in a portfolio of investment-grade long-duration fixed income. 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 *(PPL)*

PPL does not plan to contribute to its pension plans in 2022, as PPL's defined benefit pension plans have the option to utilize available prior year credit balances to meet current and future contribution requirements.

PPL sponsors various non-qualified supplemental pension plans for which no assets are segregated from corporate assets. PPL expects to make approximately $10 million of benefit payments under these plans in 2022.

PPL is not required to make contributions to its other postretirement benefit plans but has historically funded these plans in amounts equal to the postretirement benefit costs recognized. Continuation of this past practice would cause PPL to contribute $22 million to its other postretirement benefit plans in 2022.

The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid by the plans and the following federal subsidy payments are expected to be received by PPL.

Other Postretirement

		Other Postretirement	
	Pension	Benefit Payment	Expected Federal Subsidy
2022	$ 207	$ 44	$ 1
2023	207	42	—
2024	204	41	—
2025	204	40	—
2026	202	38	—
2027-2030	946	176	1

Savings Plans *(All Registrants)*

Substantially all employees of PPL's subsidiaries are eligible to participate in deferred savings plans (401(k)s). Employer contributions to the plans were:

	2021	2020	2019
PPL	$ 29	$ 29	$ 30
PPL Electric	5	6	6
LG&E	7	6	6
KU	5	5	5

13. Jointly Owned Facilities

(PPL, LG&E and KU)

At December 31, 2021 and 2020, the Balance Sheets reflect the owned interests in the generating plants listed below.

	Ownership Interest	Electric Plant	Accumulated Depreciation	Construction Work in Progress
PPL				
December 31, 2021				
Trimble County Unit 1	75.00%	$ 457	$ 79	$ —
Trimble County Unit 2	75.00%	1,360	247	121
December 31, 2020				
Trimble County Unit 1	75.00%	$ 440	$ 64	$ 2
Trimble County Unit 2	75.00%	1,340	227	106
LG&E				
December 31, 2021				
E.W. Brown Units 6-7	38.00%	$ 53	$ 24	$ —
Paddy's Run Unit 13 & E.W. Brown Unit 5	53.00%	51	25	—
Trimble County Unit 1	75.00%	457	79	—
Trimble County Unit 2	14.25%	379	57	64
Trimble County Units 5-6	29.00%	36	15	—
Trimble County Units 7-10	37.00%	81	34	—
Cane Run Unit 7	22.00%	125	19	—
E.W. Brown Solar Unit	39.00%	10	2	—
Solar Share	44.00%	2	—	—
December 31, 2020				
E.W. Brown Units 6-7	38.00%	$ 46	$ 22	$ —
Paddy's Run Unit 13 & E.W. Brown Unit 5	53.00%	51	22	—
Trimble County Unit 1	75.00%	440	64	2
Trimble County Unit 2	14.25%	370	51	54
Trimble County Units 5-6	29.00%	33	14	1
Trimble County Units 7-10	37.00%	77	31	1
Cane Run Unit 7	22.00%	123	15	—
E.W. Brown Solar Unit	39.00%	10	2	—
Solar Share	44.00%	2	—	—
KU				
December 31, 2021				
E.W. Brown Units 6-7	62.00%	$ 88	$ 40	$ —
Paddy's Run Unit 13 & E.W. Brown Unit 5	47.00%	45	22	—
Trimble County Unit 2	60.75%	981	190	57
Trimble County Units 5-6	71.00%	84	36	—
Trimble County Units 7-10	63.00%	133	57	—
Cane Run Unit 7	78.00%	444	70	—
E.W. Brown Solar Unit	61.00%	16	4	—
Solar Share	56.00%	3	—	—
December 31, 2020				
E.W. Brown Units 6-7	62.00%	$ 76	$ 37	$ —
Paddy's Run Unit 13 & E.W. Brown Unit 5	47.00%	45	20	—
Trimble County Unit 2	60.75%	970	176	52
Trimble County Units 5-6	71.00%	77	33	4
Trimble County Units 7-10	63.00%	129	53	2
Cane Run Unit 7	78.00%	443	57	2
E.W. Brown Solar Unit	61.00%	16	3	—
Solar Share	56.00%	2	—	—

Each subsidiary owning these interests provides its own funding for its share of the facility. Each 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.

14. Commitments and Contingencies

Energy Purchase Commitments *(PPL, LG&E and KU)*

Energy Purchase Commitments *(PPL, LG&E and KU)*

LG&E and KU enter into purchase contracts to supply the coal and natural gas requirements for generation facilities and LG&E's retail natural gas supply operations. These contracts include the following commitments:

Contract Type	Maximum Maturity Date
Natural Gas Fuel	2024
Natural Gas Retail Supply	2023
Coal	2026
Coal Transportation and Fleeting Services	2027
Natural Gas Transportation	2026

LG&E and KU have a power purchase agreement with OVEC expiring in June 2040. See footnote (c) to the table in "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:

	LG&E	KU	Total
2022	$ 23	$ 10	$ 33
2023	23	10	33
2024	22	10	32
2025	22	10	32
2026	22	10	32
Thereafter	218	96	314
Total	$ 330	$ 146	$ 476

LG&E and KU had total energy purchases under the OVEC power purchase agreement for the years ended December 31 as follows:

	2021	2020	2019
LG&E	$ 13	$ 12	$ 15
KU	6	6	7
Total	$ 19	$ 18	$ 22

Legal Matters

(All Registrants)

PPL and its subsidiaries are involved in legal proceedings, claims and litigation in the ordinary course of business. PPL and its subsidiaries cannot predict the outcome of such matters, or whether such matters may result in material liabilities, unless otherwise noted.

Talen Litigation *(PPL)*

Background
In September 2013, one of PPL's former subsidiaries, PPL Montana entered into an agreement to sell its hydroelectric generating facilities. In June 2014, PPL and PPL Energy Supply, the parent company of PPL Montana, entered into various definitive agreements with affiliates of Riverstone to spin off PPL Energy Supply and ultimately combine it with Riverstone's competitive power generation businesses to form a stand-alone company named Talen Energy. In November 2014, after executing the spinoff agreements but prior to the closing of the spinoff transaction, PPL Montana closed the sale of its hydroelectric generating facilities. Subsequently, on June 1, 2015, the spinoff of PPL Energy Supply was completed. Following the spinoff transaction, PPL had no continuing ownership interest in or control of PPL Energy Supply. In connection with the spinoff transaction, PPL Montana became Talen Montana, LLC (Talen Montana), a subsidiary of Talen Energy. Talen Energy Marketing also became a subsidiary of Talen Energy as a result of the June 2015 spinoff of PPL Energy Supply. Talen Energy has owned and operated both Talen Montana and Talen Energy Marketing since the spinoff. At the time of the spinoff, affiliates of Riverstone acquired a 35% ownership interest in Talen Energy. Riverstone subsequently acquired the remaining interests in Talen Energy in a take private transaction in December 2016.

Talen Montana Retirement Plan and Talen Energy Marketing, LLC, Individually and on Behalf of All Others Similarly Situated v. PPL Corporation et al.

On October 29, 2018, Talen Montana Retirement Plan and Talen Energy Marketing filed a putative class action complaint on behalf of current and contingent creditors of Talen Montana who allegedly suffered harm or allegedly will suffer reasonably foreseeable harm as a result of the November 2014 distribution of proceeds from the sale of then-PPL Montana's hydroelectric generating facilities. The action was filed in the Sixteenth Judicial District of the State of Montana, Rosebud County, against PPL and certain of its affiliates and current and former officers and directors (Talen Putative Class Action). Plaintiff asserts claims for, among other things, fraudulent transfer, both actual and constructive; recovery against subsequent transferees; civil conspiracy; aiding and abetting tortious conduct; and unjust enrichment. Plaintiff is seeking avoidance of the purportedly fraudulent transfer, unspecified damages, including punitive damages, the imposition of a constructive trust, and other relief. In December 2018, PPL removed the Talen Putative Class Action from the Sixteenth Judicial District of the State of Montana to the United States District Court for the District of Montana, Billings Division (MT Federal Court). In January 2019, the plaintiff moved to remand the Talen Putative Class Action back to state court, and dismissed without prejudice all current and former PPL Corporation directors from the case. In September 2019, the MT Federal Court granted plaintiff's motion to remand the case back to state court. Although, the PPL defendants petitioned the Ninth Circuit Court of Appeals to grant an appeal of the remand decision, in November 2019, the Ninth Circuit Court of Appeals denied that request and in December 2019, Talen Montana Retirement Plan filed a Second Amended Complaint in the Sixteenth Judicial District of the State of Montana, Rosebud County, which removed Talen Energy Marketing as a plaintiff. In January 2020, PPL defendants filed a motion to dismiss the Second Amended Complaint or, in the alternative, to stay the proceedings pending the resolution of the below mentioned Delaware Action. The Court held a hearing on June 24, 2020 regarding the motions. On September 11, 2020, the Court granted PPL defendants' alternative Motion for a Stay of the proceedings.

PPL Corporation et al. vs. Riverstone Holdings LLC, Talen Energy Corporation et al.

On November 30, 2018, PPL, certain PPL affiliates, and certain current and former officers and directors (PPL plaintiffs) filed a complaint in the Court of Chancery of the State of Delaware seeking various forms of relief against Riverstone, Talen Energy and certain of their affiliates (Delaware Action), in response to and as part of the defense strategy for an action filed by Talen Montana, LLC (the Talen Direct Action, since dismissed) and the Talen Putative Class Action described above (together, the Montana Actions) originally filed in Montana state court in October 2018. In the complaint, the PPL plaintiffs ask the Delaware Court of Chancery for declaratory and injunctive relief. This includes a declaratory judgment that, under the separation agreement governing the spinoff of PPL Energy Supply, all related claims that arise must be heard in Delaware; that the statute of limitations in Delaware and the spinoff agreement bar these claims at this time; that PPL is not liable for the claims in either the Talen Direct Action or the Talen Putative Class Action as PPL Montana was solvent at all relevant times; and that the separation agreement requires that Talen Energy indemnify PPL for all losses arising from the debts of Talen Montana, among other things. PPL's complaint also seeks damages against Riverstone for interfering with the separation agreement and against Riverstone affiliates for breach of the implied covenant of good faith and fair dealing. The complaint was subsequently amended on January 11, 2019 and March 20, 2019, to include, among other things, claims related to indemnification with respect to the Montana Actions, request a declaration that the Montana Actions are time-barred under the spinoff agreements, and allege additional facts to support the tortious interference claim. In April 2019, the defendants filed motions to dismiss the amended complaint. In July 2019, the Court heard oral arguments from the parties regarding the motions to dismiss, and in October 2019, the Delaware Court of Chancery issued an opinion sustaining all of the PPL plaintiffs' claims except for the claim for breach of implied covenant of good faith and fair dealing. As a result of the dismissal of the Talen Direct Action in December 2019, in January 2020, Talen Energy filed a new motion to dismiss five of the remaining eight claims in the amended complaint. The Court heard oral argument on the motion to dismiss on May 28, 2020, and on June 22, 2020, issued an opinion denying the motion in its entirety. Discovery is proceeding, and the parties have filed certain motions and cross-motions for summary judgment, which are not yet scheduled for hearing. The trial was previously scheduled for February 2022, but has been rescheduled for July 2022.

With respect to each of the Talen-related matters described above, PPL believes that the 2014 distribution of proceeds was made in compliance with all applicable laws and that PPL Montana was solvent at all relevant times. Additionally, the agreements entered into in connection with the spinoff, which PPL and affiliates of Talen Energy and Riverstone negotiated and executed prior to the 2014 distribution, directly address the treatment of the proceeds from the sale of PPL Montana's hydroelectric generating facilities; in those agreements, Talen Energy and Riverstone definitively agreed that PPL was entitled to retain the proceeds.

PPL believes that it has meritorious defenses to the claims made in the Talen Putative Class Action and intends to continue to vigorously defend against this action. The Talen Putative Class Action was stayed at an early stage of litigation. While the Delaware Action is progressing. at this time PPL cannot predict the outcome of either of these matters or estimate the range of possible losses, if any, that PPL might incur as a result of the claims, although they could be material.

Cane Run Environmental Claims *(PPL and LG&E)*

In December 2013, six residents, on behalf of themselves and others similarly situated, filed a class action complaint against LG&E and PPL in the U.S. District Court for the Western District of Kentucky (U.S. District Court) alleging violations of the Clean Air Act, RCRA, and common law claims of nuisance, trespass and negligence. In July 2014, the U.S. District Court dismissed the RCRA claims and all but one Clean Air Act claim, but declined to dismiss the common law tort claims. In February 2017, the U.S. District Court dismissed PPL as a defendant and dismissed the final federal claim against LG&E, and in April 2017, issued an Order declining to exercise supplemental jurisdiction on the state law claims dismissing the case in its entirety. In June 2017, the plaintiffs filed a class action complaint in Jefferson County, Kentucky Circuit Court, against LG&E alleging state law nuisance, negligence and trespass tort claims. The plaintiffs sought compensatory and punitive damages for alleged property damage due to purported plant emissions on behalf of a class of residents within one to three miles of the plant. On January 8, 2020, the Jefferson Circuit Court issued an order denying the plaintiffs' request for class certification. On January 14, 2020, the plaintiffs filed a notice of appeal in the Kentucky Court of Appeals. On December 11, 2020, the Court of Appeals issued an order affirming the lower court's denial of class certification. In December 2020, plaintiffs filed a petition for discretionary review with the Kentucky Supreme Court. On April 20, 2021, the Kentucky Supreme Court denied further review of the lower court order. The case was remanded to the Jefferson Circuit Court for the claims of the three remaining petitioners. Settlements with two of the three remaining petitioners were reached with none of the settlements having or expected to have a significant impact on LG&E's operations or financial condition.

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

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 January 2019, KU filed an answer to plaintiffs' complaint in the U.S. District Court. In May 2021, the U.S. District Court issued an order granting KU's motion for summary judgment and dismissed the case. In June 2021, the plaintiffs appealed the district court's order to the U.S. Court of Appeals for the Sixth Circuit. In September 2021, the parties entered into a settlement agreement, providing for dismissal of the appellate proceedings and release of other claims.

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. On May 31, 2021, the KEEC approved the report and released a response to public comments. On August 6, 2021, KU submitted a Supplemental Remedial Alternatives Analysis (SRAA) report to the KEEC that outlines proposed additional fish, water, and sediment testing. KU has submitted a response to the KEEC's comments and expects to undertake the proposed testing in the spring of 2022.

Air *(PPL and LG&E)*

Sulfuric Acid Mist Emissions

In June 2016, the EPA issued a notice of violation under the Clean Air Act alleging that LG&E violated applicable rules relating to sulfuric acid mist emissions at its Mill Creek plant. The notice alleges failure to install proper controls, failure to operate the facility consistent with good air pollution control practice and causing emissions exceeding applicable requirements or constituting a nuisance or endangerment. LG&E believes it has complied with applicable regulations during the relevant time period. On July 31, 2020, the U.S. Department of Justice and Louisville Metro Air Pollution Control District filed a complaint in the U.S. District Court for the Western District of Kentucky alleging violations specified in the EPA notice of violation and seeking civil penalties and injunctive relief. In October 2020, LG&E filed a motion to dismiss the complaint. In December 2020, the U.S. Department of Justice and the Louisville Metro Air Pollution Control District filed an amended complaint. In February 2021, LG&E filed a renewed motion to dismiss regarding the amended complaint. In September 2021, the parties reached a tentative agreement providing for dismissal of the court action, the payment by LG&E of a penalty amount and performance of a supplemental environmental project (SEP). The parties have entered a Consent Decree, which is awaiting approval from the U.S. District Court for the Western District of Kentucky. PPL and LG&E are unable to predict the final outcome of this matter but do not believe the matter, including the agreed penalty and SEP, will have a significant impact on LG&E's operations or financial condition.

Water/Waste *(PPL, LG&E and KU)*

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 rule to postpone the compliance date for certain requirements. On October 13, 2020, the EPA published final revisions to its best available technology standards for certain wastewaters and potential extensions to compliance dates (the Reconsideration Rule). The rule is expected to be implemented by the states or applicable permitting authorities in the course of their normal permitting activities. LG&E and KU are currently implementing responsive compliance strategies and schedules. 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. Certain costs are included in the Registrants' capital plans and expected to be recovered from customers through rate recovery mechanisms, but additional costs and recovery will depend on further regulatory developments at the state level. In August 2021, the EPA published a notice of rulemaking announcing that it will propose revisions to the Reconsideration Rule and determine "whether more stringent limitations and standards are appropriate." Compliance with the Reconsideration Rule is required during the pendency of the rulemaking process.

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

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. 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. In August 2020, the EPA published a final rule extending the deadline to initiate closure to April 11, 2021, while providing for certain extensions. The EPA is conducting ongoing rulemaking actions regarding various other amendments to the rule. Certain ongoing legal challenges to various provisions of the CCR Rule have been held in abeyance pending review by the EPA pursuant to the President's executive order. PPL, LG&E, and KU are monitoring the EPA's ongoing efforts to refine and implement the regulatory program under the CCR Rule. In January 2022, the EPA issued several proposed regulatory determinations, facility notifications, and public announcements which indicate increased scrutiny by the EPA to determine the adequacy of measures taken by facility owners and operators to achieve closure of CCR surface impoundments and landfills. In particular, the agency indicated that it will focus on certain practices which it views as posing a threat of continuing groundwater contamination. Future guidance, regulatory determinations, rulemakings, and other developments could potentially require revisions to current LG&E and KU compliance plans including additional monitoring and remediation at surface impoundments and landfills, the cost of which could be substantial. PPL, LG&E and KU are unable to predict the outcome of the ongoing litigation, rulemaking, and regulatory determinations or potential impacts on current LG&E and KU compliance plans. The Registrants are 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. LG&E and KU presently operate their facilities under continuing permits authorized under the former program and do not currently anticipate material impacts as a result of the judicial ruling. Associated costs are expected to be subject to rate recovery.

LG&E and KU received KPSC approval for a compliance plan providing for the closure of impoundments at the Mill Creek, Trimble County, E.W. Brown, and Ghent stations, and construction of process water management facilities at those plants. In addition to the foregoing measures required for compliance with the federal CCR rule, KU also received KPSC approval for its plans to close impoundments at the retired Green River, Pineville and Tyrone plants to comply with applicable state law. As of April 2021, LG&E and KU have commenced closure of all of the subject impoundments and have completed closure of some of their smaller impoundments. LG&E and KU generally expect 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, LG&E and KU recorded adjustments to existing AROs beginning in 2015 and continue to record adjustments as required. See Note 20 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 expected to be subject to rate recovery.

(All Registrants)

Superfund and Other Remediation

PPL Electric, LG&E and KU are potentially responsible for investigating and remediating contamination under the federal Superfund program and similar state programs. Actions are under way at certain sites including former coal gas manufacturing plants in Pennsylvania and Kentucky previously owned or operated by, or currently owned by predecessors or affiliates of, PPL Electric, LG&E and KU. PPL Electric is potentially responsible for a share of clean-up costs at certain sites including the Columbia Gas Plant site and the Brodhead site. Cleanup actions have been or are being undertaken at these sites as requested by governmental agencies, the costs of which have not been and are not expected to be significant to PPL Electric.

At December 31, 2021 and December 31, 2020, PPL Electric had a recorded liability of $10 million representing its best estimate of the probable loss incurred to remediate the sites identified above. Depending on the outcome of investigations at identified sites where investigations have not begun or been completed, or developments at sites for which information is incomplete, additional costs of remediation could be incurred. PPL Electric, LG&E and KU lack sufficient information about such additional sites to estimate any potential liability or range of reasonably possible losses, if any, related to these sites. Such costs, however, are not currently expected to be significant.

The EPA is evaluating the risks associated with polycyclic aromatic hydrocarbons and naphthalene, chemical by-products of coal gas manufacturing. As a result, individual states may establish stricter standards for water quality and soil cleanup, that could require several PPL subsidiaries to take more extensive assessment and remedial actions at former coal gas manufacturing plants. The Registrants cannot reasonably estimate a range of possible losses, if any, related to these matters.

Regulatory Issues

See Note 7 for information on regulatory matters related to utility rate regulation.

Electricity - Reliability Standards

The NERC is responsible for establishing and enforcing mandatory reliability standards (Reliability Standards) regarding the bulk electric system in North America. The FERC oversees this process and independently enforces the Reliability Standards.

The Reliability Standards have the force and effect of law and apply to certain users of the bulk electric system, including electric utility companies, generators and marketers. Under the Federal Power Act, the FERC may assess civil penalties for certain violations.

PPL Electric, LG&E and KU monitor their compliance with the Reliability Standards and self-report or self-log potential violations of applicable reliability requirements whenever identified, and submit accompanying mitigation plans, as required. The resolution of a small number of potential violations is pending. Penalties incurred to date have not been significant. Any Regional Reliability Entity determination concerning the resolution of violations of the Reliability Standards remains subject to the approval of the NERC and the FERC.
In the course of implementing their programs to ensure compliance with the Reliability Standards by those PPL affiliates subject to the standards, certain other instances of potential non-compliance may be identified from time to time. The Registrants cannot predict the outcome of these matters, and an estimate or range of possible losses cannot be determined.

Gas - Security Directives *(PPL and LG&E)*

In May and July of 2021, the Department of Homeland Security's (DHS) Transportation Security Administration (TSA) released two security directives applicable to certain notified owners and operators of natural gas pipeline facilities (including local distribution companies) that TSA has determined to be critical. The first security directive required notified owners/operators to implement cybersecurity incident reporting to the DHS, designate a cybersecurity coordinator, and perform a gap assessment of current entity cybersecurity practices against certain voluntary TSA security guidelines and report relevant results and proposed mitigation to applicable DHS agencies. The second security directive requires notified entities to implement a significant number of specified cyber security controls and processes. LG&E does not believe the security directives will have a significant impact on LG&E's operations or financial condition.

Other

Guarantees and Other Assurances

(All Registrants)

In the normal course of business, the Registrants enter into agreements that provide financial performance assurance to third parties on behalf of certain subsidiaries. Examples of such agreements include: guarantees, stand-by letters of credit issued by financial institutions and surety bonds issued by insurance companies. These agreements are entered into primarily to support or enhance the creditworthiness attributed to a subsidiary on a stand-alone basis or to facilitate the commercial activities in which these subsidiaries engage.

(PPL)

PPL fully and unconditionally guarantees all of the debt obligations of PPL Capital Funding.

(All Registrants)

The table below details guarantees provided as of December 31, 2021. "Exposure" represents the estimated maximum potential amount of future payments that could be required to be made under the guarantee. The probability of expected payment/performance under each of these guarantees is remote. For reporting purposes, on a consolidated basis, the guarantees of PPL include the guarantees of its subsidiary Registrants.

	Exposure at December 31, 2021	Expiration Date
PPL		
Indemnifications related to the sale of the U.K. utility business	(a)	
Indemnifications related to certain tax liabilities related to the sale of the U.K. utility business	£ 50 (b)	2028
LG&E and KU		
LG&E and KU obligation of shortfall related to OVEC	(c)	

(a) PPL WPD Limited agreed to provide a standard indemnity regarding "leakage" amounts, which included amounts taken out of the sold assets through dividends, return of capital, bonuses or similar method, received or waived by WPD (or its affiliates defined as members of the Sellers Group in the SPA) during the period from April 1, 2020 through June 14, 2021, except such amounts permitted under the WPD SPA. The amount of the cap on this indemnity was £7,881 million, the amount paid to PPL WPD Limited at closing. This indemnification expired in December 2021 and no claims have been made.

(b) PPL WPD Limited entered into a Tax Deed dated June 9, 2021 in which it agreed to a tax indemnity regarding certain potential tax liabilities of the entities sold with respect to periods prior to the completion of the sale, subject to customary exclusions and limitations. Because National Grid Holdings
One plc, the buyer, agreed to purchase indemnity insurance, the amount of the cap on the indemnity for these liabilities is £1, except with respect to certain surrenders of tax losses, for which the amount of the cap on the indemnity is £50 million.

(c) Pursuant to the OVEC power purchase contract, LG&E and KU are obligated to pay for their share of OVEC's excess debt service, post-retirement and decommissioning costs, as well as any shortfall from amounts included within a demand charge designed and expected to cover these costs over the term of the contract. PPL's proportionate share of OVEC's outstanding debt was $92 million at December 31, 2021, consisting of LG&E's share of $64 million and KU's share of $28 million. 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. OVEC and other entities challenged the contract rejection, the bankruptcy plan confirmation and regulatory aspects of the plan in various forums. In May 2020, OVEC and the relevant sponsor announced a settlement resolving all disputed matters in the bankruptcy and other proceedings, including providing that the sponsor will withdraw its request to reject the power purchase agreement. The settlement was implemented in July 2020.

The Registrants provide other miscellaneous guarantees through contracts entered into in the normal course of business. These guarantees are primarily in the form of indemnification or warranties related to services or equipment and vary in duration. The amounts of these guarantees often are not explicitly stated, and the overall maximum amount of the obligation under such guarantees cannot be reasonably estimated. Historically, no significant payments have been made with respect to these types of guarantees and the probability of payment/performance under these guarantees is remote.

PPL, on behalf of itself and certain of its subsidiaries, maintains insurance that covers liability assumed under contract for bodily injury and property damage. The coverage provides maximum aggregate coverage of $225 million. This insurance may be applicable to obligations under certain of these contractual arrangements.

Risks and Uncertainties *(All Registrants)*

The COVID-19 pandemic has disrupted the U.S. and global economies and continues to present challenges to businesses, communities, workforces, markets and increasingly to supply chains. In the U.S. and throughout the world, governmental authorities have taken actions to contain the spread of the virus and mitigate known or foreseeable impacts. In the Registrants' service territories, 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. Many restrictions that had been imposed have been lifted but may be reenacted in the future. These actions have the potential to adversely impact the Registrants' business and operations, especially if these measures remain in effect for a prolonged period of time.

To date, there has been no material impact on the Registrants' operations, financial condition, liquidity or on their supply chain as a result of COVID-19; however, the duration and severity of the outbreak and its ultimate effects on the global economy, the financial markets, or the Registrants' workforce, customers and suppliers are uncertain. A protracted slowdown of broad sectors of the economy, prolonged or pervasive restrictions on businesses and their workforces, or significant changes in legislation or regulatory policy to address the COVID-19 pandemic all present significant risks to the Registrants. These or other unpredictable events resulting from the pandemic could reduce customer demand for electricity and gas, impact the Registrants' employees and supply chains, result in an increase in certain costs, delay payments or increase bad debts, or result in changes in the fair value of their assets and liabilities, which could materially and adversely affect the Registrants' business, results of operations, financial condition or liquidity.

15. Related Party Transactions

Wholesale Sales and Purchases *(LG&E and KU)*

LG&E and KU jointly dispatch their generation units with the lowest cost generation used to serve their retail customers. When LG&E has excess generation capacity after serving its own retail customers and its generation cost is lower than that of KU, KU purchases electricity from LG&E 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 *(PPL Electric, LG&E and KU)*

PPL Services, PPL EU Services, prior to its merger into PPL Services as of December 31, 2021, and LKS provide the Registrants and each other with administrative, management and support services. For all services companies, the costs of directly assignable and attributable services are charged to the respective recipients as direct support costs. General costs that cannot be directly attributed to a specific entity are allocated and charged to the respective recipients as indirect support costs. PPL Services and PPL EU Services use a three-factor methodology that includes the applicable recipients' invested capital, operation and maintenance expenses and number of employees to allocate indirect costs. PPL Services may also use a ratio of overall direct and indirect costs or a weighted average cost ratio. LKS bases its indirect allocations on the subsidiaries' number of employees, total assets, revenues, number of customers and/or other statistical information. PPL Services, PPL EU Services and LKS charged the following amounts for the years ended December 31, including amounts applied to accounts that are further distributed between capital and expense on the books of the recipients, based on methods that are believed to be reasonable.

	2021	2020	2019
PPL Electric from PPL Services	$ 54	$ 50	$ 59
PPL Electric from PPL EU Services	222	176	152
LG&E from LKS	169	170	160
KU from LKS	179	180	178

In addition to the charges for services noted above, LKS makes payments on behalf of LG&E and KU for fuel purchases and other costs for products or services provided by third parties. LG&E and KU also provide services to each other and to LKS. Billings between LG&E and KU relate to labor and overheads associated with union and hourly employees performing work for the other company, charges related to jointly-owned generating units and other miscellaneous charges. Tax settlements between PPL and LG&E and KU are reimbursed through LKS.

Intercompany Borrowings

(PPL Electric)

PPL Energy Funding maintains a $1,200 million revolving line of credit with a PPL Electric subsidiary. At December 31, 2021, PPL Energy Funding had borrowings outstanding in the amount of $499 million. This balance is reflected in "Notes receivable from affiliate" on the PPL Electric balance sheet. No balance was outstanding at December 31, 2020. The interest rates on borrowings are equal to one-month LIBOR plus a spread. Interest income is reflected in "Interest Income from Affiliate" on the Income Statements.

(LG&E)

LG&E participates in an intercompany money pool agreement whereby LKE and/or KU make available to LG&E funds up to the difference between LG&E's FERC borrowing limit and LG&E's commercial paper limit at an interest rate based on the lower of a market index of commercial paper issues and two additional rate options based on LIBOR. LG&E's money pool borrowing limit is $325 million. At December 31, 2021, LG&E had borrowings outstanding from LKE in the amount of $324 million. This balance is reflected in "Notes payable with affiliates" on the LG&E balance sheets. No balances were outstanding at December 31, 2020.

(KU)

KU participates in an intercompany money pool agreement whereby LKE and/or LG&E make available to KU funds up to the difference between KU's FERC borrowing limit and KU's commercial paper limit at an interest rate based on the lower of a market index of commercial paper issues and two additional rate options based on LIBOR. KU's money pool borrowing limit is $300 million. At December 31, 2021, KU had borrowings outstanding from LKE in the amount of $294 million. This balance is reflected in "Notes payable with affiliates" on the KU balance sheets. No balances were outstanding at December 31, 2020.

VEBA Funds Receivable *(PPL Electric)*

In May 2018, PPL received a favorable private letter ruling from the IRS permitting a transfer of excess funds from the PPL Bargaining Unit Retiree Health Plan VEBA to a new subaccount within the VEBA, to be used to pay medical claims of active bargaining unit employees. Based on PPL Electric's participation in PPL's Other Postretirement Benefit plan, PPL Electric was allocated a portion of the excess funds from PPL Services. These funds have been recorded as an intercompany receivable on the Balance Sheets. The receivable balance decreases as PPL Electric pays incurred medical claims and is reimbursed by PPL Services. The intercompany receivable balance associated with these funds was $11 million as of December 31, 2021, of which $10 million was reflected in "Accounts receivable from affiliates" and $1 million was reflected in "Other noncurrent assets" on the Balance Sheets. The intercompany receivable balance associated with these funds was $22 million as of December 31, 2020, of which $10 million was reflected in "Accounts receivable from affiliates" and $12 million was reflected in "Other noncurrent assets" on the Balance Sheets.

Other *(PPL Electric, LG&E and KU)*

See Note 1 for discussions regarding the intercompany tax sharing agreement (for PPL Electric, LG&E and KU) and intercompany allocations of stock-based compensation expense (for PPL Electric). For PPL Electric, LG&E and KU, see Note 12 for discussions regarding intercompany allocations associated with defined benefits.

16. Other Income (Expense) - net

(PPL)

The components of "Other Income (Expense) - net" for the years ended December 31, were:

	2021	2020	2019
Other Income			
Defined benefit plans - non-service credits (Note 12)	$ 21	$ (2)	$ 8
Interest income	12	9	15
AFUDC - equity component	18	20	23
Miscellaneous	10	7	7
Total Other Income	61	34	53
Other Expense			
Charitable contributions	14	3	17
Miscellaneous	32	29	22
Total Other Expense	46	32	39
Other Income (Expense) - net	$ 15	$ 2	$ 14

(PPL Electric)

The components of "Other Income (Expense) - net" for the years ended December 31, were:

	2021	2020	2019
Other Income			
Defined benefit plans - non-service credits (Note 12)	$ 9	$ 4	$ 4
Interest income	—	2	2
AFUDC - equity component	18	19	23
Total Other Income	27	25	29
Other Expense			
Charitable contributions	3	3	3
Miscellaneous	3	4	1
Total Other Expense	6	7	4
Other Income (Expense) - net	$ 21	$ 18	$ 25

17. Fair Value Measurements

(All Registrants)

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (an exit price). A market approach (generally, data from market transactions), an income approach (generally, present value techniques and option-pricing models), and/or a cost approach (generally, replacement cost) are used to measure the fair value of an asset or liability, as appropriate. These valuation approaches incorporate inputs such as observable, independent market data and/or unobservable data that management believes are predicated on the assumptions market participants would use to price an asset or liability. These inputs may incorporate, as applicable, certain risks such as nonperformance risk, which includes credit risk. The fair value of a group of financial assets and liabilities is measured on a net basis. See Note 1 for information on the levels in the fair value hierarchy.

Recurring Fair Value Measurements

The assets and liabilities measured at fair value were:

	December 31, 2021				December 31, 2020			
	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3
PPL								
Assets								
Cash and cash equivalents	$ 3,571	$ 3,571	$ —	$ —	$ 442	$ 442	$ —	$ —
Restricted cash and cash equivalents (a)	1	1	—	—	1	1	—	—
Special use funds (a):								
Money market fund	2	2	—	—	—	—	—	—
Commingled debt fund measured at NAV (b)	22	—	—	—	26	—	—	—
Commingled equity fund measured at NAV (b)	21	—	—	—	25	—	—	—
Total special use funds	45	2	—	—	51	—	—	—
Total assets	$ 3,617	$ 3,574	$ —	$ —	$ 494	$ 443	$ —	$ —
Liabilities								
Price risk management liabilities (c):								
Interest rate swaps	$ 18	$ —	$ 18	$ —	$ 23	$ —	$ 23	$ —
Total price risk management liabilities	$ 18	$ —	$ 18	$ —	$ 23	$ —	$ 23	$ —
PPL Electric								
Assets								
Cash and cash equivalents	$ 21	$ 21	$ —	$ —	$ 40	$ 40	$ —	$ —
Total assets	$ 21	$ 21	$ —	$ —	$ 40	$ 40	$ —	$ —
LG&E								
Assets								
Cash and cash equivalents	$ 9	$ 9	$ —	$ —	$ 7	$ 7	$ —	$ —
Total assets	$ 9	$ 9	$ —	$ —	$ 7	$ 7	$ —	$ —
Liabilities								
Price risk management liabilities:								
Interest rate swaps	$ 18	$ —	$ 18	$ —	$ 23	$ —	$ 23	$ —
Total price risk management liabilities	$ 18	$ —	$ 18	$ —	$ 23	$ —	$ 23	$ —
KU								
Assets								
Cash and cash equivalents	$ 13	$ 13	$ —	$ —	$ 22	$ 22	$ —	$ —
Total assets	$ 13	$ 13	$ —	$ —	$ 22	$ 22	$ —	$ —

(a) Current portion is included in "Other current assets" and long-term portion is included in "Other noncurrent assets" on the Balance Sheets.
(b) In accordance with accounting guidance, certain investments that are measured at fair value using net asset value per share (NAV), or its equivalent, have not been classified in the fair value hierarchy. The fair value amounts presented in the table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statement of financial position.
(c) Current portion is included in "Other current liabilities" and noncurrent portion is included in "Other deferred credits and noncurrent liabilities" on the Balance Sheets.

Special Use Funds

(PPL)

The special use funds are investments restricted for paying active union employee medical costs. In 2018, PPL received a favorable private letter ruling from the IRS permitting a transfer of excess funds from the PPL Bargaining Unit Retiree Health Plan VEBA to a new subaccount within the VEBA to be used to pay medical claims of active bargaining unit employees. The funds are invested primarily in commingled debt and equity funds measured at NAV and are classified as investments in equity securities. Changes in the fair value of the funds are recorded to the Statement of Income.

Price Risk Management Assets/Liabilities - Interest Rate Swaps/Foreign Currency Contracts/Cross-Currency Swaps *(PPL, LG&E and KU)*

To manage interest rate risk, PPL, LG&E and KU use interest rate contracts such as forward-starting swaps, floating-to-fixed swaps and fixed-to-floating swaps. To manage foreign currency exchange risk, PPL uses foreign currency contracts such as forwards, options, and cross-currency swaps that contain characteristics of both interest rate and foreign currency contracts. 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) and forward foreign currency exchange rates (e.g., GBP), 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 *(All Registrants)*

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, 2021		December 31, 2020	
	Carrying Amount (a)	Fair Value	Carrying Amount (a)	Fair Value
PPL	$ 11,140	$ 12,955	$ 14,689	$ 17,774
PPL Electric	4,484	5,272	4,236	5,338
LG&E	2,006	2,363	2,007	2,499
KU	2,618	3,120	2,618	3,334

(a) Amounts are 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.

18. Derivative Instruments and Hedging Activities

Risk Management Objectives

(All Registrants)

PPL has a risk management policy approved by the Board of Directors to manage market risk associated with commodities, interest rates on debt issuances and foreign exchange (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, value-at-risk analyses (VaR, a statistical model that attempts to estimate the value of potential loss over a given holding period under normal market conditions at a given confidence level) and the coordination and reporting of the Enterprise Risk Management program.

Market Risk

Market risk includes the potential loss that may be incurred as a result of price changes associated with a particular financial or commodity instrument as well as market liquidity and volumetric risks. Forward contracts, futures contracts, options, swaps and structured transactions are utilized as part of risk management strategies to minimize unanticipated fluctuations in earnings caused by changes in commodity prices, interest rates and foreign currency exchange rates. Many of these contracts meet the definition of a derivative. All derivatives are recognized on the Balance Sheets at their fair value, unless NPNS is elected.

The following summarizes the market risks that affect PPL and its subsidiaries.

Interest Rate Risk

- PPL and its subsidiaries are exposed to interest rate risk associated with forecasted fixed-rate and existing floating-rate debt issuances. Prior to the sale of the U.K. utility business on June 14, 2021, PPL and WPD held over-the-counter cross currency swaps to limit exposure to market fluctuations on interest and principal payments from changes in foreign currency exchange rates and interest rates. PPL and LG&E utilize over-the-counter interest rate swaps to limit exposure to market fluctuations on floating-rate debt. PPL, LG&E and KU utilize forward starting interest rate swaps to hedge changes in benchmark interest rates, when appropriate, in connection with future debt issuances.
- PPL and its subsidiaries are exposed to interest rate risk associated with debt securities and derivatives held by defined benefit plans. This risk is significantly mitigated to the extent that the plans are sponsored at, or sponsored on behalf of, the regulated domestic utilities and, prior to the sale of the U.K. utility business on June 14, 2021, for certain plans at WPD due to the recovery methods in place.

Foreign Currency Risk (PPL)

- PPL was exposed to foreign currency exchange risk primarily associated with its investments in and earnings of U.K. affiliates.

(All Registrants)

Commodity Price Risk

PPL is exposed to commodity price risk through its domestic subsidiaries as described below.

- PPL Electric is required to purchase electricity to fulfill its obligation as a PLR. Potential commodity price risk is insignificant and mitigated through its PUC-approved cost recovery mechanism and full-requirement supply agreements to serve its PLR customers which transfer the risk to energy suppliers.
- LG&E's and KU's rates include certain mechanisms for fuel, fuel-related expenses and energy purchases. In addition, LG&E's rates include a mechanism for natural gas supply expenses. These mechanisms generally provide for timely recovery of market price fluctuations associated with these expenses.

Volumetric Risk

Volumetric risk is the risk related to the changes in volume of retail sales due to weather, economic conditions or other factors. PPL is exposed to volumetric risk through its subsidiaries as described below.

- WPD was exposed to volumetric risk which was significantly mitigated as a result of the method of regulation in the U.K.
- PPL Electric, LG&E and KU are exposed to volumetric risk on retail sales, mainly due to weather and other economic conditions for which there is limited mitigation between rate cases.

Equity Securities Price Risk

- PPL and its subsidiaries are exposed to equity securities price risk associated with the fair value of the defined benefit plans' assets. This risk is significantly mitigated due to the recovery methods in place.
- PPL is exposed to equity securities price risk from future stock sales and/or purchases.

Credit Risk

Credit risk is the potential loss that may be incurred due to a counterparty's non-performance.

PPL is exposed to credit risk from "in-the-money" transactions with counterparties, as well as additional credit risk through certain of its subsidiaries, as discussed below.

In the event a supplier of PPL Electric, LG&E or KU defaults on its obligation, those Registrants would be required to seek replacement power or replacement fuel in the market. In general, subject to regulatory review or other processes, appropriate incremental costs incurred by these entities would be recoverable from customers through applicable rate mechanisms, thereby mitigating the financial risk for these entities.

PPL and its subsidiaries have credit policies in place to manage credit risk, including the use of an established credit approval process, daily monitoring of counterparty positions and the use of master netting agreements or provisions. These agreements generally include credit mitigation provisions, such as margin, prepayment or collateral requirements. PPL and its subsidiaries may request additional credit assurance, in certain circumstances, 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.

Master Netting Arrangements *(PPL, LG&E and KU)*

Net derivative positions on the balance sheets are not offset against the right to reclaim cash collateral (a receivable) or the obligation to return cash collateral (a payable) under master netting arrangements.

PPL had no obligation and an immaterial obligation to return cash collateral under master netting arrangements at December 31, 2021 and 2020.

PPL had no obligation to post cash collateral under master netting arrangements at December 31, 2021 and 2020.
LG&E and KU had no obligation to return cash collateral under master netting arrangements at December 31, 2021 and 2020.

LG&E and KU had no cash collateral posted under master netting arrangements at December 31, 2021 and 2020.

See "Offsetting Derivative Instruments" below for a summary of derivative positions presented in the balance sheets where a right of setoff exists under these arrangements.

Interest Rate Risk

(All Registrants)

PPL and its subsidiaries issue debt to finance their operations, which exposes them to interest rate risk. A variety of financial derivative instruments are utilized to adjust the mix of fixed and floating interest rates in their debt portfolios, adjust the duration of the debt portfolios and lock in benchmark interest rates in anticipation of future financing, when appropriate. Risk limits under PPL's risk management program are designed to balance risk exposure to volatility in interest expense and changes in the fair value of the debt portfolio due to changes in benchmark interest rates. In addition, the interest rate risk of certain subsidiaries is potentially mitigated as a result of the existing regulatory framework or the timing of rate cases.

Cash Flow Hedges *(PPL)*

Interest rate risks include exposure to adverse interest rate movements for outstanding variable rate debt and for future anticipated financings. Financial interest rate swap contracts that qualify as cash flow hedges may be entered into to hedge floating interest rate risk associated with both existing and anticipated debt issuances. PPL had no such contracts at December 31, 2021.

As of December 31, 2021, PPL had no aggregate notional value in cross-currency interest rate swap contracts. In March 2021, $500 million of WPD's U.S. dollar-denominated senior notes were repaid prior to maturity and $500 million notional value of cross-currency interest rate swap contracts matured.

Cash flow hedges are discontinued if it is no longer probable that the original forecasted transaction will occur by the end of the originally specified time period and any amounts previously recorded in AOCI are reclassified into earnings once it is determined that the hedged transaction is not probable of occurring.

For 2021, 2020 and 2019, PPL had no cash flow hedges reclassified into earnings associated with discontinued cash flow hedges.

At December 31, 2021, the amount of accumulated net unrecognized after-tax gains (losses) on qualifying derivatives expected to be reclassified into earnings during the next 12 months is insignificant. Amounts are reclassified as the hedged interest expense is recorded.

Economic Activity *(PPL and LG&E)*

LG&E enters into interest rate swap contracts that economically hedge interest payments. Because realized gains and losses from the swaps, including terminated swap contracts, are recoverable through regulated rates, any subsequent changes in fair value of these derivatives are included in regulatory assets or liabilities until they are realized as interest expense. Realized gains and losses are recognized in "Interest Expense" on the Statements of Income at the time the underlying hedged interest expense is recorded. At December 31, 2021, LG&E held contracts with a notional amount of $64 million that mature in 2033.

Foreign Currency Risk

(PPL)

PPL was exposed to foreign currency risk, primarily through investments in and earnings of U.K affiliates. PPL has adopted a foreign currency risk management program designed to hedge certain foreign currency exposures, including firm commitments, recognized assets or liabilities, anticipated transactions, including the sale of its U.K utility business and net investments. In addition, PPL entered into financial instruments to protect against foreign currency translation risk of expected GBP earnings.

Net Investment Hedges

PPL entered into foreign currency contracts on behalf of a subsidiary to protect the value of a portion of its net investment in WPD. There were no contracts outstanding at December 31, 2021.

At December 31, 2020, PPL had $33 million of accumulated net investment hedge after tax gains (losses) that were included in the foreign currency translation adjustment component of AOCI. The remaining balance was transferred out of AOCI and realized in discontinued operations as a result of the sale of the U.K. utility business.

Economic Activity

PPL entered into foreign currency contracts on behalf of subsidiaries to economically hedge foreign-denominated anticipated earnings and anticipated transactions, including the sale of its U.K. utility business.

Accounting and Reporting

(All Registrants)

All derivative instruments are recorded at fair value on the Balance Sheet as an asset or liability unless the Normal Purchase Normal Sale scope exception (NPNS) is elected. NPNS contracts include certain full-requirement purchase contracts and other physical purchase contracts. Changes in the fair value of derivatives not designated as NPNS are recognized in earnings unless specific hedge accounting criteria are met and designated as such, except for the changes in fair values of LG&E's interest rate swaps that are recognized as regulatory assets or regulatory liabilities. See Note 7 for amounts recorded in regulatory assets and regulatory liabilities at December 31, 2021 and 2020.

See Note 1 for additional information on accounting policies related to derivative instruments.

(PPL)

The following table presents the fair value and location of derivative instruments recorded on the Balance Sheets:

	December 31, 2021				December 31, 2020			
	Derivatives designated as hedging instruments		Derivatives not designated as hedging instruments		Derivatives designated as hedging instruments		Derivatives not designated as hedging instruments	
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
Current:								
Price Risk Management								
Assets/Liabilities (a):								
Interest rate swaps (b)	$ —	$ —	$ —	$ 1	$ —	$ —	$ —	$ 2
Cross-currency swaps (c)	—	—	—	—	94	—	—	—
Foreign currency contracts (c)	—	—	—	—	—	—	—	137
Total current	—	—	—	1	94	—	—	139
Noncurrent:								
Price Risk Management								

Assets/Liabilities (a):								
Interest rate swaps (b)	—	—	—	17	—	—	—	21
Cross-currency swaps (c)	—	—	—	—	52	—	—	—
Total noncurrent	—	—	—	17	52	—	—	21
Total derivatives	$ —	$ —	$ —	$ 18	$ 146	$ —	$ —	$ 160

(a) Current portion is included in "Price risk management assets" and "Other current liabilities" and noncurrent portion is included in "Price risk management assets" and "Other deferred credits and noncurrent liabilities" on the Balance Sheets.
(b) Excludes accrued interest, if applicable.
(c) Included in "Current assets held for sale" and "Current liabilities held for sale" on the Balance Sheet.

The following tables present the pre-tax effect of derivative instruments recognized in income, OCI or regulatory assets and regulatory liabilities:

Derivative Relationships	Derivative Gain (Loss) Recognized in OCI	Location of Gain (Loss) Recognized in Income on Derivative	Gain (Loss) Reclassified from AOCI into Income
2021			
Cash Flow Hedges:			
Interest rate swaps	$ —	Interest Expense	$ 11
		Income (Loss) from Discontinued operations (net of taxes)	(2)
Cross-currency swaps	(50)	Income (Loss) from Discontinued operations (net of taxes)	(39)
Total	$ (50)		$ (30)
Net Investment Hedges:			
Foreign currency contracts in Discontinued operations	$ 1		
2020			
Cash Flow Hedges:			
Interest rate swaps	$ (9)	Interest Expense	$ (8)
		Income (Loss) from Discontinued operations (net of taxes)	(2)
Cross-currency swaps	(15)	Income (Loss) from Discontinued operations (net of taxes)	(22)
Total	$ (24)		$ (32)
Net Investment Hedges:			
Foreign currency contracts in Discontinued operations	$ 1		
2019			
Cash Flow Hedges:			
Interest rate swaps	$ (30)	Interest Expense	$ (9)
Cross-currency swaps	17	Income (Loss) from Discontinued operations (net of taxes)	(9)
Total	$ (13)		$ (18)
Net Investment Hedges:			
Foreign currency contracts in Discontinued operations	$ 2		

Derivatives Not Designated as Hedging Instruments	Location of Gain (Loss) Recognized in Income on Derivative	2021	2020	2019
Foreign currency contracts	Income (Loss) from Discontinued Operations (net of taxes)	$ (266)	$ (98)	$ (14)
Interest rate swaps	Interest Expense	(2)	(5)	(5)
	Total	$ (268)	$ (103)	$ (19)

Derivatives Not Designated as Hedging Instruments	Location of Gain (Loss) Recognized as Regulatory Liabilities/Assets	2021	2020	2019
Interest rate swaps	Regulatory assets - noncurrent	$ 5	$ (2)	$ (1)

The following table presents the effect of cash flow hedge activity on the Statement of Income for the year ended December 31, 2021:

	Location and Amount of Gain (Loss) Recognized in Income on Hedging Relationships	
	Interest Expense	Income (Loss) from Discontinued Operations (net of income taxes)
Total income and expense line items presented in the income statement in which the effect of cash flow hedges are recorded	$ 918	$ (1,498)
The effects of cash flow hedges:		
Gain (Loss) on cash flow hedging relationships:		
Interest rate swaps:		
Amount of gain (loss) reclassified from AOCI to income	11	(2)
Cross-currency swaps:		
Hedged items	—	39
Amount of gain (loss) reclassified from AOCI to income	—	(39)

The following table presents the effect of cash flow hedge activity on the Statement of Income for the year ended December 31, 2020:

	Location and Amount of Gain (Loss) Recognized in Income on Hedging Relationships	
	Interest Expense	Income (Loss) from Discontinued Operations (net of income taxes)
Total income and expense line items presented in the income statement in which the effect of cash flow hedges are recorded	$ 634	$ 829
The effects of cash flow hedges:		
Gain (Loss) on cash flow hedging relationships:		
Interest rate swaps:		
Amount of gain (loss) reclassified from AOCI to income	(8)	(2)
Cross-currency swaps:		
Hedged items	—	22
Amount of gain (loss) reclassified from AOCI to income	—	(22)

The following table presents the effect of cash flow hedge activity on the Statement of Income for the year ended December 31,2019:

	Location and Amount of Gain (Loss) Recognized in Income on Hedging Relationships	
	Interest Expense	Income (Loss) from Discontinued Operations (net of income taxes)
Total income and expense line items presented in the income statement in which the effect of cash flow hedges are recorded	$ 621	$ 1,010
The effects of cash flow hedges:		
Gain (Loss) on cash flow hedging relationships:		
Interest rate swaps:		
Amount of gain (loss) reclassified from AOCI to income	(9)	—
Cross-currency swaps:		
Hedged items	—	9
Amount of gain (loss) reclassified from AOCI to income	—	(9)

(LG&E)

The following table presents the fair value and the location on the Balance Sheets of derivatives not designated as hedging instruments:

	December 31, 2021		December 31, 2020	
	Assets	Liabilities	Assets	Liabilities
Current:				
Price Risk Management Assets/Liabilities:				
Interest rate swaps	$ —	$ 1	$ —	$ 2
Total current	—	1	—	2
Noncurrent:				
Price Risk Management Assets/Liabilities:				
Interest rate swaps	—	17	—	21
Total noncurrent	—	17	—	21
Total derivatives	$ —	$ 18	$ —	$ 23

The following tables present the pre-tax effect of derivatives not designated as cash flow hedges that are recognized in income or regulatory assets:

Derivative Instruments	Location of Gain (Loss)	2021	2020	2019
Interest rate swaps	Interest Expense	$ (2)	$ (5)	$ (5)

Derivative Instruments	Location of Gain (Loss)	2021	2020	2019
Interest rate swaps	Regulatory assets - noncurrent	$ 5	$ (2)	$ (1)

(PPL, LG&E and KU)

Offsetting Derivative Instruments

PPL, LG&E and KU or certain of their subsidiaries have master netting arrangements in place and also enter into agreements pursuant to which they purchase or sell certain energy and other products. Under the agreements, upon termination of the agreement as a result of a default or other termination event, the non-defaulting party typically would have a right to set off amounts owed under the agreement against any other obligations arising between the two parties (whether under the agreement or not), whether matured or contingent and irrespective of the currency, place of payment or place of booking of the obligation.

PPL, LG&E and KU have elected not to offset derivative assets and liabilities and not to offset net derivative positions against the right to reclaim cash collateral pledged (an asset) or the obligation to return cash collateral received (a liability) under derivatives agreements. The table below summarizes the derivative positions presented in the balance sheets where a right of setoff exists under these arrangements and related cash collateral received or pledged.

	Assets				Liabilities			
		Eligible for Offset				Eligible for Offset		
	Gross	Derivative Instruments	Cash Collateral Received	Net	Gross	Derivative Instruments	Cash Collateral Pledged	Net
December 31, 2021								
Treasury Derivatives								
PPL	$ —	$ —	$ —	$ —	$ 18	$ —	$ —	$ 18
LG&E	—	—	—	—	18	—	—	18
December 31, 2020								
Treasury Derivatives								
PPL	$ 146	$ 34	$ —	$ 112	$ 160	$ 34	$ —	$ 126
LG&E	—	—	—	—	23	—	—	23

Credit Risk-Related Contingent Features

Certain derivative contracts contain credit risk-related contingent features which, when in a net liability position, would permit the counterparties to require the transfer of additional collateral upon a decrease in the credit ratings of PPL, LG&E and KU or certain of their subsidiaries. Most of these features would require the transfer of additional collateral or permit the counterparty to terminate the contract if the applicable credit rating were to fall below investment grade. Some of these features also would allow the counterparty to require additional collateral upon each downgrade in credit rating at levels that remain above investment grade. In either case, if the applicable credit rating were to fall below investment grade, and assuming no assignment to an investment grade affiliate were allowed, most of these credit contingent features require either immediate payment of the net liability as a termination payment or immediate and ongoing full collateralization on derivative instruments in net liability positions.

Additionally, certain derivative contracts contain credit risk-related contingent features that require adequate assurance of performance be provided if the other party has reasonable concerns regarding the performance of PPL's, LG&E's and KU's obligations under the contracts. A counterparty demanding adequate assurance could require a transfer of additional collateral or other security, including letters of credit, cash and guarantees from a creditworthy entity. This would typically involve negotiations among the parties. However, amounts disclosed below represent assumed immediate payment or immediate and ongoing full collateralization for derivative instruments in net liability positions with "adequate assurance" features.

of immediate and ongoing full collateralization for derivative instruments in net liability positions with "adequate assurance" features.

(PPL)

At December 31, 2021, there were no derivative contracts in a net liability position that contain credit risk-related contingent features, collateral posted on those positions and the related effect of a decrease in credit ratings below investment grade.

19. Goodwill and Other Intangible Assets

Goodwill

(PPL)

Goodwill for the Kentucky Regulated segment was $662 million at December 31, 2021 and 2020. Goodwill for Corporate and Other was $53 million at December 31, 2021 and 2020. There were no accumulated impairment losses related to goodwill.

Other Intangible Assets

(PPL)

The gross carrying amount and the accumulated amortization of other intangible assets were:

	December 31, 2021		December 31, 2020	
	Gross Carrying Amount	Accumulated Amortization	Gross Carrying Amount	Accumulated Amortization
Subject to amortization:				
Contracts (a)	$ 125	$ 90	$ 125	$ 82
Land rights and easements	406	135	401	133
Licenses and other	20	6	21	4
Total subject to amortization	551	231	547	219
Not subject to amortization due to indefinite life:				
Land rights and easements	17	—	17	—
Other	6	—	6	—
Total not subject to amortization due to indefinite life	23	—	23	—
Total	$ 574	$ 231	$ 570	$ 219

(a) Gross carrying amount in 2021 and 2020 includes the fair value at the acquisition date of the OVEC power purchase contract with terms favorable to market recognized as a result of the 2010 acquisition of LKE by PPL.

Current intangible assets are included in "Other current assets" and long-term intangible assets are included in "Other intangibles" on the Balance Sheets.

Amortization expense was as follows:

	2021	2020	2019
Intangible assets with no regulatory offset	$ 9	$ 7	$ 6
Intangible assets with regulatory offset	8	8	9
Total	$ 17	$ 15	$ 15

Amortization expense for each of the next five years is estimated to be:

	2022	2023	2024	2025	2026
Intangible assets with no regulatory offset	$ 5	$ 5	$ 5	$ 5	$ 5
Intangible assets with regulatory offset	8	8	9	9	2
Total	$ 13	$ 13	$ 14	$ 14	$ 7

(PPL Electric)

The gross carrying amount and the accumulated amortization of other intangible assets were:

	December 31, 2021		December 31, 2020	
	Gross Carrying Amount	Accumulated Amortization	Gross Carrying Amount	Accumulated Amortization
Subject to amortization:				
Land rights and easements	$ 382	$ 130	$ 379	$ 129
Licenses and other	2	1	2	1
Total subject to amortization	384	131	381	130
Not subject to amortization due to indefinite life:				
Land rights and easements	17	—	17	—
Total	$ 401	$ 131	$ 398	$ 130

Intangible assets are shown as "Intangibles" on the Balance Sheets.

Amortization expense was as follows:

	2021	2020	2019
Intangible assets with no regulatory offset	$ 4	$ 4	$ 4

Amortization expense for each of the next five years is estimated to be:

	2022	2023	2024	2025	2026
Intangible assets with no regulatory offset	$ 4	$ 4	$ 4	$ 4	$ 4

(LG&E)

The gross carrying amount and the accumulated amortization of other intangible assets were:

	December 31, 2021		December 31, 2020	
	Gross Carrying Amount	Accumulated Amortization	Gross Carrying Amount	Accumulated Amortization
Subject to amortization:				
Land rights and easements	$ 7	$ 1	$ 7	$ 1
OVEC power purchase agreement (a)	86	62	86	57
Total subject to amortization	$ 93	$ 63	$ 93	$ 58

(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 7 for additional information.

Long-term intangible assets are presented as "Other intangibles" on the Balance Sheets.

Amortization expense was as follows:

	2021	2020	2019
Intangible assets with regulatory offset	$ 5	$ 6	$ 6

Amortization expense for each of the next five years is estimated to be:

	2022	2023	2024	2025	2026
Intangible assets with regulatory offset	$ 6	$ 6	$ 6	$ 6	$ 1

(KU)

The gross carrying amount and the accumulated amortization of other intangible assets were:

	December 31, 2021		December 31, 2020	
	Gross Carrying Amount	Accumulated Amortization	Gross Carrying Amount	Accumulated Amortization
Subject to amortization:				
Land rights and easements	$ 16	$ 4	$ 15	$ 3
OVEC power purchase agreement (a)	39	28	39	25
Total subject to amortization	$ 55	$ 32	$ 54	$ 28

(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 7 for additional information.

Long-term intangible assets are presented as "Other intangibles" on the Balance Sheets.

Amortization expense was as follows:

	2021	2020	2019
Intangible assets with no regulatory offset	$ 1	$ —	$ —
Intangible assets with regulatory offset	3	2	3

Amortization expense for each of the next five years is estimated to be:

	2022	2023	2024	2025	2026
Intangible assets with regulatory offset	$ 2	$ 2	$ 3	$ 3	$ 1

20. Asset Retirement Obligations

(PPL and PPL Electric)

PPL Electric has identified legal retirement obligations for the retirement of certain transmission assets that could not be reasonably estimated due to indeterminable settlement dates. These assets are located on rights-of-way that allow the grantor to require PPL Electric to relocate or remove the assets. Since this option is at the discretion of the grantor of the right-of-way, PPL Electric is unable to determine when these events may occur.

(PPL, LG&E and KU)

PPL's, LG&E's and KU's ARO liabilities are primarily related to CCR closure costs. See Note 14 for information on the CCR rule. LG&E also has AROs related to natural gas mains and wells. LG&E's and KU's transmission and distribution lines largely operate under perpetual property easement agreements, which do not generally require restoration upon removal of the property. Therefore, no material AROs are recorded for transmission and distribution assets. For LG&E and KU, all ARO accretion and depreciation expenses are reclassified as a regulatory asset or regulatory liability. ARO regulatory assets associated with certain CCR projects are amortized to expense in accordance with regulatory approvals. For other AROs, deferred accretion and depreciation expense is recovered through cost of removal.
The changes in the carrying amounts of AROs were as follows:

	PPL		LG&E		KU	
	2021	2020	2021	2020	2021	2020
ARO at beginning of period	$ 182	$ 215	$ 67	$ 73	$ 115	$ 142
Accretion	16	15	5	5	11	10
Changes in estimated timing or cost	56	40	40	13	16	27
Obligations settled	(65)	(88)	(28)	(24)	(37)	(64)
ARO at end of period	$ 189	$ 182	$ 84	$ 67	$ 105	$ 115

21. Accumulated Other Comprehensive Income (Loss)

(PPL)

The after-tax changes in AOCI by component for the years ended December 31 were as follows:

Defined benefit plans

	Foreign currency translation adjustments	Unrealized gains (losses) on qualifying derivatives	Prior service costs	Actuarial gain (loss)	Total
PPL					
December 31, 2018	$ (1,533)	$ (7)	$ (19)	$ (2,405)	$ (3,964)
Amounts arising during the year	108	(11)	(1)	(592)	(496)
Reclassifications from AOCI	—	13	2	87	102
Net OCI during the year	108	2	1	(505)	(394)
December 31, 2019	$ (1,425)	$ (5)	$ (18)	$ (2,910)	$ (4,358)
Amounts arising during the year	267	(19)	(1)	(341)	(94)
Reclassifications from AOCI	—	24	3	205	232
Net OCI during the year	267	5	2	(136)	138
December 31, 2020	$ (1,158)	$ —	$ (16)	$ (3,046)	$ (4,220)
Amounts arising during the year	372	(39)	—	(1)	332
Reclassifications from AOCI	—	25	2	126	153
Reclassifications from AOCI due to the sale of the U.K. utility business (Note 9)	786	15	8	2,769	3,578
Net OCI during the year	1,158	1	10	2,894	4,063
December 31, 2021	$ —	$ 1	$ (6)	$ (152)	$ (157)

The following table presents PPL's gains (losses) and related income taxes for reclassifications from AOCI for the years ended December 31, 2021, 2020 and 2019. The defined benefit plan components of AOCI are not reflected in their entirety in the statement of income; rather, they are included in the computation of net periodic defined benefit costs (credits) and subject to capitalization. See Note 12 for additional information.

	PPL			
Details about AOCI	2021	2020	2019	Affected Line Item on the Statements of Income
Qualifying derivatives				
Interest rate swaps	$ 11	$ (8)	$ (9)	Interest Expense
	(2)	(2)	—	Income (Loss) from Discontinued Operations (net of income taxes)
Cross-currency swaps	(39)	(22)	(9)	Income (Loss) from Discontinued Operations (net of income taxes)
Total Pre-tax	(30)	(32)	(18)	
Income Taxes	5	8	5	
Total After-tax	(25)	(24)	(13)	
Defined benefit plans				
Prior service costs	(3)	(4)	(3)	
Net actuarial loss	(159)	(256)	(109)	
Total Pre-tax	(162)	(260)	(112)	
Income Taxes	34	52	23	
Total After-tax	(128)	(208)	(89)	
Sale of the U.K. utility business (Note 9)				
Foreign currency translation adjustments	(646)	—	—	Income (Loss) from Discontinued Operations (net of income taxes)
Qualifying derivatives	(15)	—	—	Income (Loss) from Discontinued Operations (net of income taxes)
Defined benefit plans	(3,577)	—	—	Income (Loss) from Discontinued Operations (net of income taxes)
Total Pre-tax	(4,238)	—	—	
Income Taxes	660	—	—	
Total After-tax	(3,578)	—	—	
Total reclassifications during the year	$ (3,731)	$ (232)	$ (102)	

22. Notes to Statement of Cash Flows

Supplemental disclosures of cash flow information:

	KU		LG&E	
	December 31,2021	December 31,2020	December 31,2021	December 31,2020
Cash paid (received) during the period for:				
Income taxes	$ 72	$ 44	$ 52	$ 63
Interest	105	109	77	82
Significant noncash transactions:				
Accrued expenditures for property, plant, and equipment	67	40	60	60

23. Subsequent Events

Management has evaluated the impact of events occurring after December 31, 2021 up to February 18, 2022, the date that U.S. GAAP financial statements were issued and has updated such evaluation for disclosure purposes through March 28, 2022. These financial statements include all necessary adjustments and disclosures resulting from these evaluations.

Name of Respondent: Kentucky Utilities Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 03/28/2022	Year/Period of Report End of: 2021/ 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)	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 116, Line 78) (i)	Total Comprehensi Income (j)
1	Balance of Account 219 at Beginning of Preceding Year									
2	Preceding Quarter/Year to Date Reclassifications from Account 219 to Net Income									
3	Preceding Quarter/Year to Date Changes in Fair Value									
4	Total (lines 2 and 3)								280,084,305	
5	Balance of Account 219 at End of Preceding Quarter/Year									
6	Balance of Account 219 at Beginning of Current Year									
7	Current Quarter/Year to Date Reclassifications from Account 219 to Net Income									
8	Current Quarter/Year to Date Changes in Fair Value									
9	Total (lines 7 and 8)								296,204,624	
10	Balance of Account 219 at End of Current Quarter/Year									

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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)	Gas (d)	Other (Specify) (e)	Other (Specify) (f)	Other (Specify) (g)	Common (h)
1	UTILITY PLANT							
2	In Service							
3	Plant in Service (Classified)	9,903,479,416	9,903,479,416					
4	Property Under Capital Leases	24,061,708	(a)24,061,708					
5	Plant Purchased or Sold							
6	Completed Construction not Classified	842,870,047	842,870,047					
7	Experimental Plant Unclassified							
8	Total (3 thru 7)	10,770,411,171	10,770,411,171					
9	Leased to Others							
10	Held for Future Use	1,011,613	1,011,613					
11	Construction Work in Progress	379,347,152	379,347,152					
12	Acquisition Adjustments							
13	Total Utility Plant (8 thru 12)	11,150,769,936	11,150,769,936					
14	Accumulated Provisions for Depreciation, Amortization, & Depletion	3,846,906,914	3,846,906,914					
15	Net Utility Plant (13 less 14)	7,303,863,022	7,303,863,022					
16	DETAIL OF ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION AND DEPLETION							
17	In Service:							
18	Depreciation	3,799,595,454	3,799,595,454					
19	Amortization and Depletion of Producing Natural Gas Land and Land Rights							
20								

	Amortization of Underground Storage Land and Land Rights							
21	Amortization of Other Utility Plant	47,311,460	47,311,460					
22	Total in Service (18 thru 21)	3,846,906,914	3,846,906,914					
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	Amortization of Plant Acquisition Adjustment							
33	Total Accum Prov (equals 14) (22,26,30,31,32)	3,846,906,914	3,846,906,914					

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FOOTNOTE DATA

(a) Concept: UtilityPlantInServicePropertyUnderCapitalLeases
Amounts represent operating leases recorded as a result of adoption and implementation of ASC 842 - Leases.

Name of Respondent: Kentucky Utilities Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 03/28/2022	Year/Period of Report End of: 2021/ 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)	Changes during Year Amortization (d)	Changes during Year Other Reductions (Explain in a footnote) (e)	Balance End of Year (f)
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)					

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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 the 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) 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.

Line No.	Account (a)	Balance Beginning of Year (b)	Additions (c)	Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)
1	1. INTANGIBLE PLANT						
2	(301) Organization	44,456					44,456
3	(302) Franchise and Consents	55,919					55,919
4	(303) Miscellaneous Intangible Plant	91,897,172	28,937,184	15,982,158			104,852,198
5	TOTAL Intangible Plant (Enter Total of lines 2, 3, and 4)	91,997,547	28,937,184	15,982,158			104,952,573
6	2. PRODUCTION PLANT						
7	A. Steam Production Plant						
8	(310) Land and Land Rights	25,337,970	1,029,587			(73,825)	26,293,732
9	(311) Structures and Improvements	368,554,269	5,123,814	3,837,827			369,840,256
10	(312) Boiler Plant Equipment	4,282,625,378	91,976,269	27,173,172			4,347,428,475
11	(313) Engines and Engine-Driven Generators						
12	(314) Turbogenerator Units	348,740,081	26,349,829	2,536,652			372,553,258
13	(315) Accessory Electric Equipment	255,561,102	1,350,524	338,996		148,685	256,721,315
14	(316) Misc. Power Plant Equipment	42,003,607	2,335,643	404,101			43,935,149

15	(317) Asset Retirement Costs for Steam Production	160,182,982	14,520,546	43,334,575			131,368,953
16	TOTAL Steam Production Plant (Enter Total of lines 8 thru 15)	5,483,005,389	142,686,212	77,625,323		74,860	5,548,141,138
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					855,637
28	(331) Structures and Improvements	4,637,464	42,550	62,370			4,617,644
29	(332) Reservoirs, Dams, and Waterways	21,884,444	47,702				21,932,146
30	(333) Water Wheels, Turbines, and Generators	14,046,742					14,046,742
31	(334) Accessory Electric Equipment	1,357,079					1,357,079
32	(335) Misc. Power Plant Equipment	329,374	53,552				382,926
33	(336) Roads, Railroads, and Bridges	198,900					198,900
34	(337) Asset Retirement Costs for Hydraulic Production	645,788	218,125				863,913
35	TOTAL Hydraulic Production Plant (Enter Total of lines 27 thru 34)	43,955,428	361,929	62,370			44,254,987
36	D. Other Production Plant						
37	(340) Land and Land Rights	894,513					894,513
38	(341) Structures and Improvements	90,603,451	769,230	97,681			91,275,000

39	(342) Fuel Holders, Products, and Accessories	83,714,783	324,322	775,059			83,264,046
40	(343) Prime Movers	682,146,071	29,014,497	2,946,653			708,213,915
41	(344) Generators	137,329,773	1,079,556	107,011			138,302,318
42	(345) Accessory Electric Equipment	77,242,195	50,667	146,720			77,146,142
43	(346) Misc. Power Plant Equipment	9,460,536	207,865	32,289			9,636,112
44	(347) Asset Retirement Costs for Other Production	406,991	700,561	487,438			620,114
44.1	(348) Energy Storage Equipment - Production						
45	TOTAL Other Prod. Plant (Enter Total of lines 37 thru 44)	1,081,798,313	32,146,698	4,592,851			1,109,352,160
46	TOTAL Prod. Plant (Enter Total of lines 16, 25, 35, and 45)	6,608,759,130	175,194,839	82,280,544		74,860	6,701,748,285
47	3. Transmission Plant						
48	(350) Land and Land Rights	31,922,347	552,492			73,825	32,548,664
48.1	(351) Energy Storage Equipment - Transmission						
49	(352) Structures and Improvements	32,220,749	2,914,260	223,812			34,911,197
50	(353) Station Equipment	375,985,901	29,191,249	2,731,424			402,445,726
51	(354) Towers and Fixtures	77,967,976	54,201	5,313		(105,093)	77,911,771
52	(355) Poles and Fixtures	516,355,867	69,257,255	2,343,619		(43,592)	583,225,911
53	(356) Overhead Conductors and Devices	252,660,228	16,577,605	1,049,414			268,188,419
54	(357) Underground Conduit	618,494	[a](233,119)				385,375
55	(358) Underground Conductors and Devices	1,248,037	8,463,579	18,191			9,693,425
56	(359) Roads and Trails						
57	(359.1) Asset Retirement Costs for Transmission Plant	254,318					254,318
58	TOTAL Transmission Plant (Enter Total of lines 48 thru 57)	1,289,233,917	126,777,522	6,371,773		(74,860)	1,409,564,806
59	4. Distribution Plant						
60	(360) Land and Land Rights	8,962,461	192,446	12			9,154,895
61	(361) Structures and Improvements	24,484,055	3,243,846	88,044			27,639,857
62	(362) Station Equipment	267,258,270	44,939,061	2,940,608			309,256,723
63	(363) Energy Storage Equipment – Distribution						

64	(364) Poles, Towers, and Fixtures	462,735,793	30,764,115	1,792,076			491,707,832
65	(365) Overhead Conductors and Devices	460,472,605	38,603,639	8,001,639			491,074,605
66	(366) Underground Conduit	3,707,504	(990,369)	30,259			2,686,876
67	(367) Underground Conductors and Devices	226,811,216	11,936,575	2,514,947			236,232,844
68	(368) Line Transformers	330,303,732	8,153,567	1,920,899			336,536,400
69	(369) Services	131,408,036	9,887,891	86,794			141,209,133
70	(370) Meters	79,238,662	1,295,575	1,029,141			79,505,096
71	(371) Installations on Customer Premises	159,234	6,241				165,475
72	(372) Leased Property on Customer Premises						
73	(373) Street Lighting and Signal Systems	139,196,325	11,345,852	3,324,719			147,217,458
74	(374) Asset Retirement Costs for Distribution Plant	510,377	180,674	102,872			588,179
75	TOTAL Distribution Plant (Enter Total of lines 60 thru 74)	2,135,248,270	159,559,113	21,832,010			2,272,975,373
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	3,584,415	3,366,678	478			6,950,615
87	(390) Structures and Improvements	88,812,041	10,307,831	1,117,251			98,002,621
88		42,992,397	4,290,540	4,738,085			42,544,852

	(391) Office Furniture and Equipment						
89	(392) Transportation Equipment	8,587,642	522,565	122,505			8,987,702
90	(393) Stores Equipment	852,003	7,347	105,377			753,973
91	(394) Tools, Shop and Garage Equipment	15,666,313	1,038,689	332,405			16,372,597
92	(395) Laboratory Equipment						
93	(396) Power Operated Equipment	5,895,303	607,031	51,425			6,450,909
94	(397) Communication Equipment	70,548,518	6,951,236	516,866			76,982,888
95	(398) Miscellaneous Equipment		62,269				62,269
96	SUBTOTAL (Enter Total of lines 86 thru 95)	236,938,632	27,154,186	6,984,392			257,108,426
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)	236,938,632	27,154,186	6,984,392			257,108,426
100	TOTAL (Accounts 101 and 106)	10,362,177,496	517,622,844	133,450,877			10,746,349,463
101	(102) Electric Plant Purchased (See Instr. 8)						
102	(Less) (102) Electric Plant Sold (See Instr. 8)	169,333				[(c)](169,333)	
103	(103) Experimental Plant Unclassified						
104	TOTAL Electric Plant in Service (Enter Total of lines 100 thru 103)	10,362,008,163	517,622,844	133,450,877		169,333	[(d)]10,746,349,463

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FOOTNOTE DATA

(a) Concept: UndergroundConduitTransmissionPlantAdditions
Amounts temporarily classified to plant account Underground Conduit (357) in Completed Construction Not Classified – Electric (106) were reclassed to the correct plant account at the time of final unitization.
(b) Concept: UndergroundConduitDistributionPlantAdditions
Amounts temporarily classified to plant account Underground Conduit (366) in Completed Construction Not Classified – Electric (106) were reclassed to the correct plant account at the time of final unitization.
(c) Concept: ElectricPlantSoldTransfers
Reclassification of gain on the sale of distribution substations assets from the Madisonville area. The gain was recorded in electric Plant Purchased or Sold (102). The transaction occurred on December 15, 2020. Approval from the FERC Dated March 16, 2021, Docket No. AC21-43-000.
(d) Concept: ElectricPlantInService
Excludes $24,061,708 of Property Under Operating Leases recorded related to adoption and implementation of ASC 842 – Leases.

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ELECTRIC PLANT LEASED TO OTHERS (Account 104)

Line No.	Name of Lessee (a)	* (Designation of Associated Company) (b)	Description of Property Leased (c)	Commission Authorization (d)	Expiration Date of Lease (e)	Balance at End of Year (f)
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46						
47	TOTAL					

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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	08/01/2013	12/31/2028	324,088
3	Land at Green River Facility	11/01/2014	12/31/2029	309,541
4	London Substation	05/01/2016	12/31/2026	113,882
5	Lonesome Pine Substation	07/01/2017	12/31/2028	240,854
6	Horse Cave Substation	12/01/2020	12/31/2028	23,248
21	Other Property:			
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47	TOTAL			1,011,613

Name of Respondent: Kentucky Utilities Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 03/28/2022	Year/Period of Report End of: 2021/ 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 COAL COMBUSTION RESIDUALS NEW CONSTRUCTION	53,689,056
3	TRIMBLE COUNTY COAL COMBUSTION RESIDUALS - LANDFILL	46,817,693
4	GHENT EFFLUENT LIMITATIONS GUIDELINES	15,556,970
5	EFFLUENT LIMITATIONS GUIDELINES GHENT ENVIRONMENTAL COST RECOVERY	12,784,674
6	BROWN COAL COMBUSTION RESIDUALS NEW CONSTRUCTION	12,661,348
7	EFFLUENT LIMITATIONS GUIDELINES TRIMBLE COUNTY ENVIRONMENTAL COST RECOVERY	7,781,240
8	GHENT PROCESS WATER	2,269,882
9	GHENT 1 BURNER CORNER TUBING	2,016,777
10	STEAM PRODUCTION MINOR	10,220,055
11	HYDRAULIC POWER MAJOR	
12	DIX DAM PARAPET WALL	4,012,907
13	HYDRAULIC POWER MINOR	1,587,344
14	OTHER PRODUCTION MAJOR	
15	BROWN COMBUSTION TURBINE UNIT 8 C-INSPECTION	6,515,063
16	OTHER PRODUCTION MINOR	1,499,598
17	TRANSMISSION MAJOR	
18	PRIORITY REPLACEMENTS TRANSMISSION-LINES	16,689,604
19	TRANSMISSION EXPANSION PLAN-HARDIN CO ELIZABETHTOWN 69KV LINE	15,313,672
20	POLE REPLACEMENTS EARLINGTON NORTH-GREEN RIVER	5,551,488
21	CONDUCTOR REPLACEMENT MILLERSBURG-MURPHYSVILLE	5,443,710
22	ELIZABETHTOWN EXPANSION	5,254,053
23	STORM DAMAGE TRANSMISSION-LINES	4,131,552
24	POLE REPLACEMENT SPENCER ROAD-RODBURN	4,026,328
25	POLE REPLACEMENT DORCHESTER-POCKET NORTH	3,971,215
26	CONDUCTOR REPLACEMENT ELIHU-WOFFORD PHASE II	2,802,462
27	CONDUCTOR REPLACEMENT ELIHU-WOFFORD PHASE III	2,723,530
28	TRANSMISSION EXPANSION PLAN - EDDYVILLE PRINCETON	2,676,591

29	WALKER CONTROL HOUSE REPLACEMENT	2,487,403
30	POLE REPLACEMENT HARLAN CONTROL HOUSE	2,431,893
31	LEBANON 69KV LINE	2,411,766
32	CAROLLTON CONTROL HOUSE REPLACEMENT	2,362,060
33	POLE REPLACEMENT IMBODEN-GORGE-DORCHESTER	2,336,032
34	CLARK COUNTY CONTROL HOUSE REPLACEMENT	2,332,953
35	POLE REPLACEMENT LAKE REBA-OKONITE	2,012,262
36	POLE REPLACEMENT BLACKWELL 231-KENTON 091	1,950,524
37	POLE REPLACEMENT DORCHESTER-SAINT PAUL	1,877,019
38	POLE BREAKER REPLACEMENT TYRONE	1,807,842
39	POLE REPLACEMENT HARLAN ARNOLD	1,796,797
40	LANCASTER CONTROL HOUSE REPLACEMENT	1,558,564
41	POLE REPLACEMENT ELIZABETHTOWN BARDSTOWN COURT	1,399,458
42	TRANSMISSION SUBSTATION EQUIPMENT FAILURES	1,326,005
43	SHELBYVILLE CONTROL HOUSE REPLACEMENT	1,248,736
44	TRANSMISSION RELIABILITY PROJECT BIG STONE GAP	1,218,657
45	ASHWOOD SOLAR NETWORK UPGRADE SUBSTATION	1,120,570
46	SAINT PAUL CONTROL HOUSE REPLACEMENT	1,112,279
47	POLE REPLACEMENT DORCHESTER-DIXIANA	1,085,148
48	THIRD PARTY DAMAGE RESTORATION	1,045,199
49	BROWN NORTH 345/168KV TRANSFORMER	1,041,558
50	TRANSMISSION MINOR	15,843,665
51	DISTRIBUTION MAJOR	
52	EARLINGTON, DANVILLE, ELIZABETHTOWN, PINEVILLE DECEMBER TORNADO	7,414,882
53	WHITE SULPHUR SUBSTATION NEW CONSTRUCTION	6,499,821
54	HOOVER SUBSTATION TRANSFORMER CONTINGENCY PROJECT	3,276,472
55	CAMARGO DISTRIBUTION SUBSTATION	1,897,651
56	HARRODSBURG SUBSTATION TRANSFORMER CONTINGENCY PROJECT	1,317,608
57	PURCHASE OF NEW TRANSFORMERS	1,314,365
58	SUPERVISORY CONTROL AND DATA ACQUISITION UPGRADE	1,252,196
59	DISTRIBUTION MINOR	27,533,396
60	GENERAL PLANT MAJOR	
61	KENTUCKY UTILITIES GENERAL OFFICE REMODEL	7,665,151
62	ELIZABETHTOWN BUILDING PURCHASE	3,413,994
63	ENTERPRISE GEOGRAPHIC INFORMATION SYSTEMS	1,343,710
64	ADVANCED METERING INFRASTRUCTURE DEPLOYMENT PHASE III	1,261,965
65	WORKSTATION INFRASTRUCTURE UPGRADES	1,209,587
66	OPTICAL TRANSPORT NETWORK EXTENSION INTO WESTERN KENTUCKY	1,060,964

67	TRANSMISSION LINES WORK MANAGEMENT UPGRADE	1,007,633
68	GENERAL PLANT MINOR	14,013,449
69	RESEARCH, DEVELOPMENT, AND DEMONSTRATING MINOR	61,106
43		379,347,152

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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 12, column (c), and that reported for electric plant in service, page 204, column (d), 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.

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)
	Section A. Balances and Changes During Year				
1	Balance Beginning of Year	3,577,279,441	3,577,279,441		
2	Depreciation Provisions for Year, Charged to				
3	(403) Depreciation Expense	332,914,579	332,914,579		
4	(403.1) Depreciation Expense for Asset Retirement Costs				
5	(413) Exp. of Elec. Plt. Leas. to Others				
6	Transportation Expenses-Clearing	534,698	534,698		
7	Other Clearing Accounts				
8	Other Accounts (Specify, details in footnote):				
9.1	Other Accounts (Specify, details in footnote):				
9.2	Fuel Stock	1,820,854	1,820,854		
10	TOTAL Deprec. Prov for Year (Enter Total of lines 3 thru 9)	335,270,131	335,270,131		
11	Net Charges for Plant Retired:				
12	Book Cost of Plant Retired	(73,543,834)	(73,543,834)		
13	Cost of Removal	(29,110,319)	(29,110,319)		
14	Salvage (Credit)	413,476	413,476		
15	TOTAL Net Chrgs. for Plant Ret. (Enter Total of lines 12 thru 14)	(102,240,677)	(102,240,677)		
16	Other Debit or Cr. Items (Describe, details in footnote):				
17.1	Accrual for Depreciation on Asset Retirement Costs - (Other Regulatory Assets FERC 182.3)	28,111,432	28,111,432		
17.2	Customer Payments Related to Construction Projects	5,100,012	5,100,012		
18	Book Cost or Asset Retirement Costs Retired	(43,924,885)	(43,924,885)		

19	Balance End of Year (Enter Totals of lines 1, 10, 15, 16, and 18)	3,799,595,454	3,799,595,454		
	Section B. Balances at End of Year According to Functional Classification				
20	Steam Production	2,125,474,636	2,125,474,636		
21	Nuclear Production				
22	Hydraulic Production-Conventional	16,833,351	16,833,351		
23	Hydraulic Production-Pumped Storage				
24	Other Production	449,001,836	449,001,836		
25	Transmission	397,087,918	397,087,918		
26	Distribution	726,162,878	726,162,878		
27	Regional Transmission and Market Operation				
28	General	85,034,835	85,034,835		
29	TOTAL (Enter Total of lines 20 thru 28)	3,799,595,454	3,799,595,454		

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INVESTMENTS IN SUBSIDIARY COMPANIES (Account 123.1)

1. Report below investments in Account 123.1, Investments in Subsidiary Companies.
2. Provide a subheading for each company and list thereunder 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.
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 from investments, including such revenues from 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 different 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.

Line No.	Description of Investment (a)	Date Acquired (b)	Date of Maturity (c)	Amount of Investment at Beginning of Year (d)	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)
1	OVEC Common Stock - 250 shares - 11/18/52 - Captial Stock	11/18/1952		25,000			25,000	
2	OVEC Common Stock - 250 shares - 1/14/53 - Captial Stock	01/14/1953		25,000			25,000	
3	OVEC Common Stock - 250 shares - 3/4/53 - Captial Stock	03/04/1953		25,000			25,000	
4	OVEC Common Stock - 250 shares - 4/15/53 - Captial Stock	04/15/1953		25,000			25,000	
5	OVEC Common Stock - 250 shares - 5/20/53 - Captial Stock	05/20/1953		25,000			25,000	
6	OVEC Common Stock - 250 shares - 6/22/53 - Captial Stock	06/22/1953		25,000			25,000	
7	OVEC Common Stock - 500 shares - 7/15/53 - Captial Stock	07/15/1953		50,000			50,000	
8	OVEC Common Stock - 500 shares - Captial Stock	07/31/1953		50,000			50,000	
9	EEI Common Stock - 3,500 shares - 3/6/51 - Captial Stock	03/06/1951						
10		08/03/1953						

	EEI Common Stock - 2,700 shares - 8/3/53 - Captial Stock							
11	EEI Common Stock - 6,200 shares - 12/30/58 - Captial Stock	12/30/1958						
42	Total Cost of Account 123.1 $		Total	250,000			250,000	

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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)	56,501,323	58,422,189	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)	35,959,319	37,068,367	Electric
8	Transmission Plant (Estimated)	12,607,306	8,869,667	Electric
9	Distribution Plant (Estimated)	15,364,156	15,998,033	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)	63,930,781	61,936,067	
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)	[a]2,834,627	[b]1,197,494	Electric
17				
18				
19				
20	TOTAL Materials and Supplies	123,266,731	121,555,750	

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FOOTNOTE DATA

(a) Concept: StoresExpenseUndistributed

Balance at Beginning of Year	$	4,274,232
Total Debits		14,212,411
Total Credits		(15,652,016)
Balance at End of Year	$	2,834,627

(b) Concept: StoresExpenseUndistributed

Balance at Beginning of Year	$	2,834,627
Total Debits		5,536,297
Total Credits		(7,173,430)
Balance at End of Year	$	1,197,494

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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.
6. Report on Line 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 acquired 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 and 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.

Line No.	SO2 Allowances Inventory (Account 158.1) (a)	Current Year No. (b)	Current Year Amt. (c)	Year One No. (d)	Year One Amt. (e)	Year Two No. (f)	Year Two Amt. (g)	Year Three No. (h)	Year Three Amt. (i)	Future Years No. (j)	Future Years Amt. (k)	Totals No. (l)	Totals Amt. (m)
1	Balance-Beginning of Year	739,914	123,625	94,398		94,398		94,398		2,093,445		3,116,553	123,625
2													
3	Acquired During Year:												
4	Issued (Less Withheld Allow)	1,855										1,855	
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	22,787	2,215									22,787	2,215
19	Other:												
20	Allowances Used												

20.1	Allowances Used												
21	Cost of Sales/Transfers:												
22													
23													
24													
25													
26													
27													
28	Total												
29	Balance-End of Year	718,982	121,410	94,398		94,398		94,398		2,093,445		3,095,621	121,410
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			1,107		1,107		1,107		54,219		57,540	
37	Add: Withheld by EPA	2,214										2,214	
38	Deduct: Returned by EPA	1,107										1,107	
39	Cost of Sales	1,107										1,107	
40	Balance-End of Year			1,107		1,107		1,107		54,219		57,540	
41													
42	Sales												
43	Net Sales Proceeds (Assoc. Co.)												
44	Net Sales Proceeds (Other)	1,107	14							1,107	11	2,214	25
45	Gains		14								11		25
46	Losses												

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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.
6. Report on Line 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 acquired 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 and 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.

Line No.	NOx Allowances Inventory (Account 158.1) (a)	Current Year No. (b)	Current Year Amt. (c)	Year One No. (d)	Year One Amt. (e)	Year Two No. (f)	Year Two Amt. (g)	Year Three No. (h)	Year Three Amt. (i)	Future Years No. (j)	Future Years Amt. (k)	Totals No. (l)	Totals Amt. (m)
1	Balance-Beginning of Year	54,669		19,441		16,205		15,887				106,202	
2													
3	Acquired During Year:												
4	Issued (Less Withheld Allow)	5,056										5,056	
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	10,039										10,039	
19	Other:												
20	Allowances Used												
20.1	Allowances Used	113										113	

21	Cost of Sales/Transfers:												
22													
23													
24													
25													
26													
27													
28	Total												
29	Balance-End of Year	49,573		19,441		16,205		15,887				101,106	
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												

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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 Recognized During Year (c)	WRITTEN OFF DURING YEAR Account Charged (d)	WRITTEN OFF DURING YEAR Amount (e)	Balance at End of Year (f)
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						
20	TOTAL					

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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 Recognized During Year (c)	WRITTEN OFF DURING YEAR Account Charged (d)	WRITTEN OFF DURING YEAR Amount (e)	Balance at End of Year (f)
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					

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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	Feasibility Study				
3	EKPC Speedwell Rd - Feasibility	73	561.6	73	561.6
4	KU Hooever 12 KV	1,078	561.6	1,078	561.6
5	Rhudes Creek - Feasibility	867	561.6	867	561.6
6	System Impact Studies				
7	MISO DPP 2019 C1	42,149	561.6	42,149	561.6
8	AFSS PJM AF1-050	3,338	561.6	3,338	561.6
9	AFSS PJM AF1-083	5,269	561.6	5,269	561.6
10	EKPC Speedwell Rd - System	95	561.6	1,404	561.6
11	MISO DPP 2020	137,489	561.6	137,489	561.6
12	KU Hoover 12kv 2	963	561.6	766	561.6
13	LKE Camargo	1,865	561.6	1,865	561.6
14	Rhudes Creek - System	3,177	561.6	2,585	561.6
15	TVA Gridliance	60,760	561.6	60,760	561.6
16	KYMA Load Design	39	561.6		
17	LGE Ragland Solar	128	561.6		
18	EKPC Chad_Oven Fo	98	561.6		
19	LKE Glendale	96	561.6		
20	Total	257,484		257,643	
21	**Generation Studies**				
22	Feasibility Studies				
23	NPrin to Liv Co 161	789	561.7		
24	Leitch to Shrew 138	24,351	561.7	24,351	561.7
25	Cory to GR 161	148	561.7		
26	NPrinceton 161 Sub	8,695	561.7		

27	Black Br to H'burg	1,291	561.7		
28	Blk Branch to Hburg	(10,569)	561.7	28,059	561.7
29	NPrctn to Livingston	(12,492)	561.7	13,787	561.7
30	Cydn Tap to GR 161	20,608	561.7	20,608	561.7
31	Lake Reba-West Irv	1,396	561.7	567	561.7
32	Hrrdbrg to WCliff 69	2,363	561.7	2,287	561.7
33	Nrth Princeton 161	2,176	561.7	2,176	561.7
34	Brdstwn-Brown 138	78,592	561.7		
35	Morgnfld 150MW Solar	1,939	561.7	1,939	561.7
36	Matanzas 138 kV	981	561.7	981	561.7
37	GR to Earlington 161	1,305	561.7	1,305	561.7
38	Grahamville 161	7,830	561.7	7,533	561.7
39	Hardin Co 345 KV	1,253	561.7	1,253	561.7
40	Lebanon 138 kV	506	561.7		
41	LReba T - WIrvine T	22,324	561.7		
42	System Impact Studies				
43	Blk Brnch to Hburg	643	561.7		
44	Leit to Shrews138kV	961	561.7	7,423	561.7
45	Coryd Tap to GR 161	347	561.7	886	561.7
46	Lvnston - NPrinceton	1,821	561.7	4,433	561.7
47	Brd'tn to Brown 138	1,747	561.7	1,747	561.7
48	Rhudes Creek Solar	1,942	561.7	1,942	561.7
49	Lake Reba - WIrvine	16,527	561.7	51	561.7
50	Hrrdsbg to WCliff 69	1,357	561.7	1,357	561.7
39	Total	178,831		122,685	
40	Grand Total	436,315		380,328	

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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 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	204,602,280	36,492,822	407/230	14,413,459	226,681,643
2	ASC 715 - Pension and Postretirement	71,075,106	(2,884,042)	926/107	9,492,078	58,698,986
3	Plant Outage Normalization	33,975,577	7,128,544	510-514/553/554	2,447,135	38,656,986
4	Pension Gain/Loss Amortization - 15 Year	35,026,981	9,353,858	926	25,567	44,355,272
5	ASC 740 - Income Taxes	33,147,636	67,543	410/411/282/283	752,435	32,462,744
6	Forward Starting Swaps Losses	31,095,590		427	2,391,436	28,704,154
7	Asset Retirement Obligation	10,709,310	2,909,653	230	372,482	13,246,481
8	Summer Storm 2018	3,993,294		593	479,195	3,514,099
9	Municipal Formula Rate True-Up	2,127,833	710,254	447	1,127,522	1,710,565
10	Rate Case Expenses	1,996,571	353,727	928	1,253,196	1,097,102
11	Environmental Cost Recovery		527,000	440-445	289,000	238,000
12	KY Fuel Adjustment Clause		6,982,000	440-445	448,000	6,534,000
13	AMI Capital - KY Electric		12,867			12,867
14	Brown Inventory Write Off	587,362		514	587,362	
15	Late Payment Charge Waiver	1,348	8,972	450	10,320	
16	Winter Storm 2009 (Aug-10 to Jul-20)	1,651,061		571/593	1,651,061	
17	Wind Storm 2008 (Ongoing)	63,330		593	63,330	
18	Off-Systems Sales Tracker		280,000			280,000
19	AMI O&M - KY Electric		247,137			247,137
20	VA Fuel Component		444,000			444,000
44	TOTAL	430,053,279	62,634,335		35,803,578	456,884,036

Name of Respondent: Kentucky Utilities Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 03/28/2022	Year/Period of Report End of: 2021/ Q4

FOOTNOTE DATA

(a) Concept: DescriptionAndPurposeOfOtherRegulatoryAssets

The information below includes the rate order or document number, if applicable and the period of amortization for each regulatory asset listed on page 232.

ARO Generation Coal Combustion Residuals
Order/docket number :
KPSC 2020-00349
VSCC PUR 2019-00060
Amortization Period: Amortization period for closed plants is from July 2016 through June 2026 and amortization period for open plants is from July 2016 extending through June 2041.

ASC 715 - Pension and Postretirement
Order/docket number :
KPSC 2020-00349
FERC AI07-1-000
VSCC PUR 2019-00060
Amortization Period: Ongoing

Plant Outage Normalization
Order/docket number :
KPSC 2020-00349
Amortization Period: July 2021 to June 2029

Pension Gain/Loss Amortization - 15 Year
Order/docket number:
KPSC 2020-00349
Amortization Period: Ongoing

ASC 740 - Income Taxes
Order/docket number :
KPSC 2020-00349
VSCC PUR 2019-00060
Amortization Period: Ongoing

Forward Starting Swaps Losses
Order/docket number :
KPSC 2020-00349
VSCC PUR 2019-00060
Amortization Period: September 2015 to October 2045

Asset Retirement Obligation
Order/docket number :
KPSC 2020-00349
FERC ER08-1588-000
VSCC PUR 2019-00060
Amortization Period: Ongoing

Summer Storm 2018
Order/docket number :
KPSC 2020-00349
Amortization Period: May 2019 to April 2029

Municipal Formula Rate True-Up
Order/docket number :
FERC ER-13-2428
Amortization Period: Ongoing

Rate Case Expenses
Order/docket number :
KPSC 2020-00349
Amortization Period: July 2021 through June 2024

Environmental Cost Recovery
Order/docket number:
KRS 278.183
Amortization Period: Ongoing

KY Fuel Adjustment Clause
Order/docket number:
807 KAR 5:056
Amortization Period: Ongoing

AMI Capital- KY Electric
Order/docket number
KPSC 2020-00349

Brown Inventory Write-Off
Order/docket number:
KPSC 2020-00349

Amortization Period: May 2019 to June 2021

Late Payment Charge Waiver
Order/docket number:
KPSC 2020-00349

Winter Storm 2009
Order/docket:
KPSC 2020-00349
Amortization Period: August 2010 to June 2021

Wind Storm 2008
Order/docket number :
KPSC 2020-00349
Amortization Period: August 2010 to June 2021

Off-System Sales Tracker
Order/docket number :
KPSC 2020-00349
807 KAR 5:056
Amortization Period: Ongoing

AMI O&M
Order/docket number
KPSC 2020-00349
VA Fuel Component
Order/docket number:
Title 56 of the Code of Virginia Chapter 10, Section 56-249.6
Amortization Period: Ongoing

Name of Respondent: Kentucky Utilities Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 03/28/2022	Year/Period of Report End of: 2021/ 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 Credits Account Charged (d)	CREDITS Credits Amount (e)	Balance at End of Year (f)
1	Long-term Customer AR	246,853	92,567	142	246,852	92,568
2	Financing Expense	17,161	1,792,560	181, 428	1,806,933	2,788
3	Key Man Life Insurance	33,492,677	1,574,961	131	3,860,557	31,207,081
4	Deferred Pension Settlement	85,184	55,715	926	85,184	55,715
5	Preliminary Cell Site Costs	107,562	263,265	142, 143	340,954	29,873
6	Cane Run 7 LTPC Asset	6,342,085	5,932,383			12,274,468
7	Brown 6 and 7 LTSA Asset	10,613,868	2,374,025	107, 108, 553	12,258,926	728,967
8	Carrollton Sale/Leaseback	11,395		931	4,412	6,983
47	Miscellaneous Work in Progress					
48	Deferred Regulatroy Comm. Expenses (See pages 350 - 351)					
49	TOTAL	50,916,785				44,398,443

Name of Respondent: Kentucky Utilities Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 03/28/2022	Year/Period of Report End of: 2021/ 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 at Beginning of Year (b)	Balance at End of Year (c)
1	Electric		
2	Interest Rate Swaps	8,186,149	7,828,440
3	Other Post Retirement & Employment Benefits	11,152,828	10,537,630
4	Regulatory Tax Adjustments	183,178,542	171,329,053
5	Coal Combustion Residual ARO	22,450,923	17,145,504
6	Excess Deferred Taxes	47,412,579	28,787,188
7	Workers' Compensation	821,854	748,196
8	Environmental Cost Recovery	998,000	
9	Vacation Pay	1,202,531	1,224,880
10	FAC Over/Under-Recovery	1,198,848	
11	Deferred Payroll Taxes	894,972	895,208
12	Leases	7,665,444	6,585,954
13	Air Permit Fees	377,452	653,059
14	State Tax Credit Carryforward	4,953,696	4,665,740
15	Asset Retirement Obligation	6,241,596	8,996,091
16	Valuation Allowances	(3,697,200)	(3,235,050)
7	Other	1,218,032	1,177,247
8	TOTAL Electric (Enter Total of lines 2 thru 7)	294,256,246	257,339,140
9	Gas		
15	Other		
16	TOTAL Gas (Enter Total of lines 10 thru 15)		
16.17	Other		
16.17.1	Other Deductions	327,661	328,036
17	Other (Specify)		
18	TOTAL (Acct 190) (Total of lines 8, 16 and 17)	(a)294,583,907	(b)257,667,176

Notes

Name of Respondent: Kentucky Utilities Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 03/28/2022	Year/Period of Report End of: 2021/ Q4

FOOTNOTE DATA

(a) Concept: AccumulatedDeferredIncomeTaxes

Balance at Beginning of Year	$	313,445,798
Less Debits to:		
Account 410.1		19,383,295
Account 410.2		12,225
Other Balance Sheet Accounts		6,850,982
Plus Credits to:		
Account 411.1		7,384,117
Account 411.2		494
Balance at End of Year	$	294,583,907

(b) Concept: AccumulatedDeferredIncomeTaxes

Balance at Beginning of Year	$	294,583,907
Less Debits to:		
Account 410.1		34,432,320
Account 410.2		16
Other Balance Sheet Accounts		11,849,489
Plus Credits to:		
Account 411.1		9,364,703
Account 411.2		391
Balance at End of Year	$	257,667,176

Name of Respondent: Kentucky Utilities Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 03/28/2022	Year/Period of Report End of: 2021/ 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.
3. Give 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 noncumulative.
5. State in a footnote if any capital stock that has been nominally issued is nominally outstanding at end of year.
6. 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 purpose of pledge.

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)	Outstanding per Bal. Sheet (Total amount outstanding without reduction for amounts held by respondent) Shares (e)	Outstanding per Bal. Sheet (Total amount outstanding without reduction for amounts held by respondent) Amount (f)	Held by Respondent As Reacquired Stock (Acct 217) Shares (g)	Held by Respondent As Reacquired Stock (Acct 217) Cost (h)	Held by Respondent In Sinking and Other Funds Shares (i)	Held by Respondent In Sinking and Other Funds Amount (j)
1	Common Stock (Account 201)									
2	Common Stock, Without Par Value	[(a)]80,000			37,817,878	308,139,978				
6	Total	[(b)]80,000			37,817,878	308,139,978				
7	Preferred Stock (Account 204)									
8	Perferred Stock, Without Par Value	5,300,000								
9	Preference Stock, Without Par Value	2,000,000								
14	Total	[(c)]7,300,000								
1	Capital Stock (Accounts 201 and 204) - Data Conversion									
2										
3										
4										
5	Total									

Name of Respondent: Kentucky Utilities Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 03/28/2022	Year/Period of Report End of: 2021/ Q4

FOOTNOTE DATA

(a) Concept: CommonStockSharesAuthorized
There is no call price for common stock, without par value.
(b) Concept: CommonStockSharesAuthorized
The common stock of KU is owned by its parent company, LKE.
(c) Concept: PreferredStockSharesAuthorized
No shares of preferred or preference stock remain issued or outstanding.

Name of Respondent: Kentucky Utilities Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 2022-03-28	Year/Period of Report End of: 2021/ Q4

Other Paid-in Capital

1. 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 a total of all accounts for reconciliation with the balance sheet, page 112. 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 briefly explain the origin and purpose of each donation.
b. Reduction in Par or Stated Value of Capital Stock (Account 209) - State amount and briefly explain the capital changes that gave rise to amounts reported under this caption including identification with the class and series of stock to which related.
c. Gain or 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 that, together with brief explanations, disclose the general nature of the transactions that gave rise to the reported amounts.

Line No.	Item (a)	Amount (b)
1	**Donations Received from Stockholders (Account 208)**	
2	Beginning Balance Amount	
3.1	Increases (Decreases) from Sales of Donations Received from Stockholders	
4	Ending Balance Amount	
5	**Reduction in Par or Stated Value of Capital Stock (Account 209)**	
6	Beginning Balance Amount	
7.1	Increases (Decreases) Due to Reductions in Par or Stated Value of Capital Stock	
8	Ending Balance Amount	
9	**Gain or Resale or Cancellation of Reacquired Capital Stock (Account 210)**	
10	Beginning Balance Amount	
11.1	Increases (Decreases) from Gain or Resale or Cancellation of Reacquired Capital Stock	
12	Ending Balance Amount	
13	**Miscellaneous Paid-In Capital (Account 211)**	
14	Beginning Balance Amount	824,358,083
15.1	Increases (Decreases) Due to Miscellaneous Paid-In Capital	100,000,000
16	Ending Balance Amount	924,358,083
17	**Historical Data - Other Paid in Capital**	
18	Beginning Balance Amount	
19.1	Increases (Decreases) in Other Paid-In Capital	
20	Ending Balance Amount	
40	Total	924,358,083

Name of Respondent: Kentucky Utilities Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 03/28/2022	Year/Period of Report End of: 2021/ 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
22	TOTAL	321,289

Name of Respondent: Kentucky Utilities Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 03/28/2022	Year/Period of Report End of: 2021/ Q4

LONG-TERM DEBT (Account 221, 222, 223 and 224)

1. Report by Balance Sheet Account the details concerning long-term debt included in Accounts 221, Bonds, 222, Reacquired Bonds, 223, Advances fr Debt.
2. For bonds assumed by the respondent, include in column (a) the name of the issuing company as well as a description of the bonds, and in column (
3. For Advances from Associated Companies, report separately advances on notes and advances on open accounts. Designate demand notes as such from which advances were received, and in column (b) include the related account number.
4. For receivers' certificates, show in column (a) the name of the court and date of court order under which such certificates were issued, and in column
5. In a supplemental statement, give explanatory details for Accounts 223 and 224 of net changes during the year. With respect to long-term advances, year (b) interest added to principal amount, and (c) principal repaid during year. Give Commission authorization numbers and dates.
6. If the respondent has pledged any of its long-term debt securities, give particulars (details) in a footnote, including name of the pledgee and purpose
7. If the respondent has any long-term securities that have been nominally issued and are nominally outstanding at end of year, describe such securitie
8. If interest expense was incurred during the year on any obligations retired or reacquired before end of year, include such interest expense in column total of column (m) and the total Account 427, Interest on Long-Term Debt and Account 430, Interest on Debt to Associated Companies.
9. Give details concerning any long-term debt authorized by a regulatory commission but not yet issued.

Line No.	Class and Series of Obligation, Coupon Rate (For new issue, give commission Authorization numbers and dates) (a)	Related Account Number (b)	Principal Amount of Debt Issued (c)	Total Expense, Premium or Discount (d)	Total Expense (e)	Total Premium (f)	Total Discount (g)	Nominal Date of Issue (h)	Date of Maturity (i)	AMORTIZATI PERIOD Dat From (j)
1	Bonds (Account 221)									
2	(a) Pollution Control Bonds:									
3	Mercer County 2000 Series A, due 05/01/2023, 1.300%	221	12,900,000		737,536			05/19/2000	05/01/2023	05/19/2000
4	Carroll County 2002 Series A, due 02/01/2032, Variable	221	20,930,000		120,138			05/23/2002	02/01/2032	05/23/2002
5	Carroll County 2002 Series B, due 02/01/2032, Variable	221	2,400,000		83,078			05/23/2002	02/01/2032	05/23/2002
6	Mercer County 2002 Series A, due 02/01/2032, Variable	221	7,400,000		92,678			05/23/2002	02/01/2032	05/23/2002
7	Muhlenberg County 2002 Series A, due 02/01/2032, Variable	221	2,400,000		93,078			05/23/2002	02/01/2032	05/23/2002
8	Carroll County 2004 Series A, due 10/01/2034, 1.750%	221	50,000,000		1,795,795			10/20/2004	10/01/2034	10/20/2004

9	Carroll County 2006 Series B, due 10/01/2034, 2.125%	221	54,000,000		2,013,646			02/23/2007	10/01/2034	02/23/2007
10	Carroll County 2008 Series A, due 02/01/2032, 2.000%	221	77,947,405		1,569,861			10/17/2008	02/01/2032	10/17/2008
11	Carroll County 2016 Series A, due 09/01/2042, 1.550%	221	96,000,000		1,446,180			08/25/2016	09/01/2042	08/25/2016
12	Carroll County 2018 Series A, due 02/01/2026, 3.375%	221	17,875,000		580,514			09/05/2018	02/01/2026	09/05/2018
13	(b) First Mortgage Bonds:									
14	2010 due 11/01/2040, 5.125%	221	750,000,000		7,480,434		8,137,500	11/16/2010	11/01/2040	11/16/2010
15	2013 due 11/15/2043, 4.650%	221	250,000,000		2,773,770		1,800,000	11/14/2013	11/15/2043	11/14/2013
16	2015 due 10/01/2025, 3.300%	221	250,000,000		2,014,576		107,500	09/28/2015	10/01/2025	09/28/2015
17	2015 due 10/01/2045, 4.375%	221	550,000,000		5,907,847	(5,535,000)	207,500	09/28/2015	10/01/2045	09/28/2015
18	2020 due 06/01/2050, 3.300%	221	500,000,000		5,482,003		2,455,000	06/03/2020	06/01/2050	06/03/2020
19	Subtotal		2,641,852,405		32,191,134	(5,535,000)	12,707,500			
20	Reacquired Bonds (Account 222)									
21										
22										
23										
24	Subtotal									
25	Advances from Associated Companies (Account 223)									
26										
27										
28										
29	Subtotal									
30										

	Other Long Term Debt (Account 224)									
31										
32										
33										
34	Subtotal									
33	TOTAL		2,641,852,405							

Name of Respondent: Kentucky Utilities Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 03/28/2022	Year/Period of Report End of: 2021/ Q4

FOOTNOTE DATA

(a) Concept: ClassAndSeriesOfObligationCouponRateDescription

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.

(b) Concept: ClassAndSeriesOfObligationCouponRateDescription

Proceeds from KU's First Mortgage Bonds issued in 2010 were used to repay the loans from a PPL subsidiary and for general corporate purposes. Proceeds from KU's First Mortgage Bond issued in 2013 were used for capital expenditures and general corporate purposes. Proceeds from KU's First Mortgage Bonds issued in 2015 were used to pay maturing debt, pay down short-term debt, and general corporate purposes. The First Mortgage Bonds were issued at a discount. Proceeds from KU's First Mortgage Bonds issued in 2019 were used to repay short-term debt. Proceeds from KU's First Mortgage Bonds issued in 2020 were used to repay the maturing 2010 First Mortgage Bonds. The First Mortgage Bonds were issued at a discount.

As of December 31, 2021, all the Company's long-term debt is collateralized by a first mortgage lien on substantially all the assets of the Company in Kentucky.

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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)	296,204,624
2	Reconciling Items for the Year	
3		
4	Taxable Income Not Reported on Books	
5	Contributions in Aid of Construction	6,500,000
6	Demand Side Management	963,000
9	Deductions Recorded on Books Not Deducted for Return	
10	Federal Income Taxes: Utility Operating Income	58,971,077
11	Provision for Deferred Income Taxes	2,573,582
12	AFUDC Flow Through	869,965
13	Amortization of Regulatory Asset/Liablity Associated with Net Forward Starting Swaps	957,732
14	Amortization of Storm Regulatory Assets	2,193,588
15	Bad Debt Reserve	1,063,812
16	Brown Inventory Regulatory Asset	587,363
17	Capitalized Interest	8,500,000
18	Contingent Liabilities	1,104,636
19	Customer Advances for Construction	1,184,365
20	Economic Relief Surcredit - Regulatory Liability	920,442
21	Investment Tax Credit	187,250
22	Non-Deductible Expenses	1,525,627
23	Other	2,487,730
14	Income Recorded on Books Not Included in Return	
15	Environmental Cost Recovery	4,000,000
16	Fuel Adjustment Clause KY	4,805,000
17	Investment Tax Credit	1,901,281
18	Over/Under Collections - VA Fuel Clause	663,000
19	Refined Coal Regulatory Liability	1,078,666

20	TCJA-FERC Regulatory Liability	162,211
19	Deductions on Return Not Charged Against Book Income	
20	Federal Income Taxes: Other Income and Deductions	1,044,530
21	Coal Combustion Residual ARO	22,349,151
22	Cost of Removal	33,799,517
23	Deferred Payroll Taxes	3,588,006
24	Life Insurance	2,094,339
25	Pensions	8,059,525
26	Plant Outage Normalization	4,681,409
27	Post Employment Benefits	1,630,085
28	Post Retirement Benefits	835,641
29	Tax Over Book Depreciation, Net and Repairs	19,413,215
30	Other	2,496,556
27	Federal Tax Net Income	274,192,661
28	Show Computation of Tax:	
29	Federal Tax Net Income	274,192,661
30	21% Rounded	57,580,459
31	Add: Tax Credits and Adjustments to Prior Years' Taxes to Accrual	346,088
32	Total	57,926,547

Name of Respondent: Kentucky Utilities Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 03/28/2022	Year/Period of Report End of: 2021/ Q4

TAXES ACCRUED, PREPAID AND CHARGES 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 durin been charged to the accounts to which the taxed material was charged. If the actual, or estimated amounts of such taxes are known, show the amou
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 the inclusion of these taxes.
3. Include in column (g) taxes charged during the year, taxes charged to operations and other accounts through (a) accruals credited to taxes accrued, (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.
5. If any tax (exclude Federal and State income taxes) covers more than one year, show the required information separately for each tax year, identifyin
6. Enter all adjustments of the accrued and prepaid tax accounts in column (i) and explain each adjustment in a foot- note. Designate debit adjustments
7. Do not include on this page entries with respect to deferred income taxes or taxes collected through payroll deductions or otherwise pending transmit
8. Report in columns (l) through (o) how the taxes were distributed. Report in column (o) only the amounts charged to Accounts 408.1 and 409.1 pertair Accounts 408.1 and 409.1 pertaining to other utility departments and amounts charged to Accounts 408.2 and 409.2. Also shown in column (o) the ta
9. For any tax apportioned to more than one utility department or account, state in a footnote the basis (necessity) of apportioning such tax.

Line No.	Kind of Tax (See Instruction 5) (a)	Type of Tax (b)	State (c)	Tax Year (d)	BALANCE AT BEGINNING OF YEAR: Taxes Accrued (Account 236) (e)	BALANCE AT BEGINNING OF YEAR: Prepaid Taxes (Include in Account 165) (f)	Taxes Charged During Year (g)	Taxes Paid During Year (h)	Adjustments (i)	BALANCE A[T END OF] YEA[R]: Taxes Accrued (Account 236) (j)
1	(e) Income	Income Tax	Federal	2021	4,745,991		59,402,488	64,148,479		0
2	**Subtotal Federal Tax**				4,745,991		59,402,488	64,148,479		0
3	Income	Income Tax	Kentucky	2021	29,695		8,172,072	8,201,767		0
4	Public Service Commission	Other License And Fees Tax	Kentucky	2021	0	1,634,339	3,225,786	3,182,893		0
5	**Subtotal State Tax**				29,695	1,634,339	11,397,858	11,384,660		0
6	Kentucky and Virginia	Property Tax	Kentucky and Virginia	2021	20,393,108		38,809,640	43,476,370		15,726,378
7	**Subtotal Property Tax**				20,393,108		38,809,640	43,476,370		15,726,378
8	Federal and Kentucky Unemployment Insurance	Unemployment Tax	Federal and Kentucky	2021	24,645		134,017	141,112		17,550
9	**Subtotal Unemployment Tax**				24,645		134,017	141,112		17,550
10	Kentucky Use Tax	Sales And Use Tax	Kentucky	2021	1,075,509		7,671,862	8,226,305		521,066
11	Virginia Use Tax	Sales And Use Tax	Virginia	2021	12,267		351,406	334,820		28,853
12	**Subtotal Sales And Use Tax**				1,087,776		8,023,268	8,561,125		549,919
13	Miscellaneous	Miscellaneous Other Tax	Federal and Kentucky	2021	0					0

14	**Subtotal Miscellaneous Other Tax**				0					0
15	FICA	Payroll Tax	Federal	2021	4,234,345		7,514,058	9,124,276		2,624,127
16	**Subtotal Payroll Tax**				4,234,345		7,514,058	9,124,276		2,624,127
40	TOTAL				30,515,560	1,634,339	125,281,329	136,836,022		18,917,974

Name of Respondent: Kentucky Utilities Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 03/28/2022	Year/Period of Report End of: 2021/ Q4

FOOTNOTE DATA

(a) Concept: DescriptionOfTaxesAccruedPrepaidAndCharged

Segregation of Other	Other (I)	Page 117 Other Inc & Deductions 408.2 - 409.2	Other Accounts
Income	$ 431,411	$ (1,044,530)	$ 1,475,941
FICA	(2,804,276)	—	(2,804,276)
Total Federal Tax	(2,372,865)	(1,044,530)	(1,328,335)
Income	(82,193)	(261,787)	179,594
Public Service Commission	—	—	—
Total State Tax	(82,193)	(261,787)	179,594
Kentucky and Virginia	731,203	17,796	713,407
Total Property Tax	731,203	17,796	713,407
Federal and Kentucky Unemployment Insurance	5,526	—	5,526
Total Unemployment Tax	5,526	—	5,526
Kentucky Use Tax	7,636,445	—	7,636,445
Virginia Use Tax	351,406	—	351,406
Total Sales and Use Tax	7,987,851	—	7,987,851
Miscellaneous	(81,051)	—	(81,051)
Total Miscellaneous Tax	(81,051)	—	(81,051)
TOTAL	$ 6,188,471	$ (1,288,521)	$ 7,476,992

Reconciliation to Page: 114, Line No.: 14, Column: c

Other:			
Electric Total	$	119,092,858	
Less Federal Income		(58,971,077)	
Less State Income		(8,254,265)	Form 1 114 -14
Total	$	51,867,516	$ 51,867,516

Name of Respondent: Kentucky Utilities Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 03/28/2022	Year/Period of Report End of: 2021/ 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)	Balance at End of Year (h)	Average Period of Allocation to Income (i)	ADJUSTMENT EXPLANATION (j)
			Account No. (c)	Amount (d)	Account No. (e)	Amount (f)				
1	Electric Utility									
2	3%									
3	4%									
4	7%									
5	10%									
6	15	81,666,999			420	1,599,144		80,067,855		63 years
7	Various	6,767,680	411.4	187,250	420	302,137		6,652,793		25 and 63 years
8	TOTAL Electric (Enter Total of lines 2 thru 7)	88,434,679		187,250		1,901,281		86,720,648		
9	Other (List separately and show 3%, 4%, 7%, 10% and TOTAL)									
10										
47	OTHER TOTAL									
48	GRAND TOTAL	88,434,679		187,250		1,901,281		86,720,648		

Name of Respondent: Kentucky Utilities Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 03/28/2022	Year/Period of Report End of: 2021/ Q4

OTHER DEFERRED 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	17,468			1,502	18,970
2	Uncertain Tax Position - Federal	526,030	409.1	43,038	61,287	544,279
3	Long Term Retainage - Non ARO	55,126	232	55,126	3,292,984	3,292,984
4	Virginia Relief Funds - VA Only	1,889,747	142	1,889,747		
5	Def Gain - Carrollton Sale/Leaseback	11,317	421.1	4,381		6,936
47	TOTAL	2,499,688		1,992,292	3,355,773	3,863,169

Name of Respondent: Kentucky Utilities Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 03/28/2022	Year/Period of Report End of: 2021/ 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.
3. Use footnotes as required.

Line No.	Account (a)	Balance at Beginning of Year (b)	CHANGES DURING YEAR				ADJUSTMENTS				Balance at End of Year (k)
							Debits		Credits		
			Amounts Debited to Account 410.1 (c)	Amounts Credited to Account 411.1 (d)	Amounts Debited to Account 410.2 (e)	Amounts Credited to Account 411.2 (f)	Account Credited (g)	Amount (h)	Account Debited (I)	Amount (j)	
1	Accelerated Amortization (Account 281)										
2	Electric										
3	Defense Facilities										
4	Pollution Control Facilities										
5	Other										
5.1	Other										
8	TOTAL Electric (Enter Total of lines 3 thru 7)										
9	Gas										
10	Defense Facilities										
11	Pollution Control Facilities										
12	Other										
12.1	Other										
15	TOTAL Gas (Enter Total of lines 10 thru 14)										
16	Other										
16.1	Other										
16.2	Other										
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										

Name of Respondent: Kentucky Utilities Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 03/28/2022	Year/Period of Report End of: 2021/ Q4

ACCUMULATED DEFERRED 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 accelerate amortization.
2. For other (Specify),include deferrals relating to other income and deductions.
3. Use footnotes as required.

			CHANGES DURING YEAR				ADJUSTMENTS				
							Debits		Credits		
Line No.	Account (a)	Balance at Beginning of Year (b)	Amounts Debited to Account 410.1 (c)	Amounts Credited to Account 411.1 (d)	Amounts Debited to Account 410.2 (e)	Amounts Credited to Account 411.2 (f)	Account Credited (g)	Amount (h)	Account Debited (i)	Amount (j)	Ba Enc
1	Account 282										
2	Electric	(a)974,209,655	112,432,183	123,024,529			182/254	1,720,048	182/254	17,786,507	(b)97
3	Gas										
4	Other (Specify)										
5	Total (Total of lines 2 thru 4)	974,209,655	112,432,183	123,024,529				1,720,048		17,786,507	97
6	Other	(1,061,890)									(1
9	TOTAL Account 282 (Total of Lines 5 thru 8)	973,147,765	112,432,183	123,024,529				1,720,048		17,786,507	97
10	Classification of TOTAL										
11	Federal Income Tax	813,548,570	88,249,721	103,544,808				1,585,255		16,546,534	81
12	State Income Tax	159,599,195	24,182,462	19,479,721				134,793		1,239,973	16
13	Local Income Tax										

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FOOTNOTE DATA

(a) Concept: AccumulatedDeferredIncomeTaxesOtherProperty

The ARO balance in Accumulated Deferred Income Taxes - Other Property (282) at December 31, 2020, is $3,569,622 and the Coal Combustion Residual ARO balance is $10,706,672.

The Regulatory Tax Adjustments balance in Accumulated Deferred Income Taxes - Other Property (282) at December 31, 2020, is ($426,835,571). 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, 2020, is $7,655,986.

(b) Concept: AccumulatedDeferredIncomeTaxesOtherProperty

The ARO balance in Accumulated Deferred Income Taxes - Other Property (282) at December 31, 2021, is $5,691,093 and the Coal Combustion Residual ARO balance is $5,468,565.

The Regulatory Tax Adjustments balance in Accumulated Deferred Income Taxes - Other Property (282) at December 31, 2021, is ($410,769,112). 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, 2021, is $6,631,435.

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ACCUMULATED DEFERRED 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.
3. Provide in the space below explanations for Page 276. Include amounts relating to insignificant items listed under Other.
4. Use footnotes as required.

Line No.	Account (a)	Balance at Beginning of Year (b)	CHANGES DURING YEAR: Amounts Debited to Account 410.1 (c)	Amounts Credited to Account 411.1 (d)	Amounts Debited to Account 410.2 (e)	Amounts Credited to Account 411.2 (f)	ADJUSTMENTS: Debits: Account Credited (g)	Debits: Amount (h)	Credits: Account Debited (i)	Credits: Amount (j)	Balance at End of Year (k)
1	Account 283										
2	Electric										
3	Interest Rate Swaps	7,758,350	25,110	621,773							7,161,687
4	Regulatory Tax Adjustments	8,270,335					182	235,238	182	64,358	8,099,455
5	Coal Combustion Residual ARO	51,048,269	5,740,634	231,833							56,557,070
6	Excess Deferred Taxes	40,259,895	1,605,278	21,021,240							20,843,933
7	Pension - Regulatory Asset	21,177,976	1,475,066	2,083,413							20,569,629
8	Asset Retirement Obligation	2,671,974	659,664	26,640							3,304,998
9	Rate Case Expenses	498,145	9,444	233,862							273,727
10	Pensions	12,365,102	3,833,922	1,289,008							14,910,016
11	Other	333,542	163,980	367,183							130,339
12	Loss on Reacquired Debt	2,158,136	6,741	166,913							1,997,964
13	Plant Outage Normalization Regulatory Asset	8,476,907	1,397,283	229,271							9,644,919
14	Casualty Loss - Storm Damages	1,424,070	23,033	570,333							876,770
9	TOTAL Electric (Total	156,442,701	14,940,155	26,841,469				235,238		64,358	144,370,507

	of lines 3 thru 8)										
10	Gas										
11											
12											
13											
14											
15											
16											
17	TOTAL Gas (Total of lines 11 thru 16)										
18	TOTAL Other										
19	TOTAL (Acct 283) (Enter Total of lines 9, 17 and 18)	156,442,701	14,940,155	26,841,469				235,238		64,358	144,370,507
20	Classification of TOTAL										
21	Federal Income Tax	129,958,690	12,416,842	24,163,637				190,427		53,791	118,075,259
22	State Income Tax	26,484,011	2,523,313	2,677,832				44,811		10,567	26,295,248
23	Local Income Tax										

NOTES

Name of Respondent: Kentucky Utilities Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 03/28/2022	Year/Period of Report End of: 2021/ 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 (a)	Balance at Beginning of Current Quarter/Year (b)	DEBITS Account Credited (c)	DEBITS Amount (d)	Credits (e)	Balance at End of Current Quarter/Year (f)
1	(a) ASC 740- Income Taxes	634,891,414	410/411/190/282	23,259,981	(10,402,205)	601,229,228
2	ASC 715 - Pension and Postretirement	33,235,019	228	(82,772)	9,605,197	42,922,988
3	Forward Starting Swaps Gains	32,810,216	427	1,433,704		31,376,512
4	Economic Relief Surcredit		411/410/190/454/456/501	6,901,959	13,054,627	6,152,668
5	KY Fuel Adjustment Clause	4,805,000	440-445	5,486,000	681,000	
6	Environmental Cost Recovery	4,000,000	440-445	15,036,000	11,036,000	
7	DSM Cost Recovery	888,000	440-445	546,000	1,509,000	1,851,000
8	VA Fuel Component	663,000	440-442	678,000	15,000	
9	Off-Systems Sales Tracker	32,000	440-445	1,520,000	1,488,000	
10	Refined Coal - Virginia	107,509	454/456/501	366,849	259,340	
11	Refined Coal - Kentucky	971,157	454/456/501	5,772,472	4,801,315	
12	Brown 1 Stack Repairs	309,591	511	783,369	473,778	
13	TCJA - FERC	162,211	456	162,211		
41	TOTAL	712,875,117		61,863,773	32,521,052	683,532,396

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FOOTNOTE DATA

(a) Concept: DescriptionAndPurposeOfOtherRegulatoryLiabilities

The information below includes the rate order or document number, if applicable and the period of amortization for each regulatory liability listed on page 278.

ASC 740 - Income Taxes
Order/docket number:
KPSC 2020-00349
VSCC PUR 2019-00060
Amortization Period: Ongoing

ASC 715 - Pension and Postretirement
Order/docket number:
KPSC 2020-00349
FERC AI07-1-000
VSCC PUR 2019-00060
Amortization Period: Ongoing

Forward Starting Swap Gains
Order/docket number:
KPSC 2020-00349
VSCC PUR 2019-00060
Amortization Period: September 2015 to October 2045

Economic Relief Surcredit
Order/docket number:
KPSC 2020-00349
Amortization Period: July 2021 to June 2022

KY Fuel Adjustment Clause
Order/docket number:
807 KAR 5:056
Amortization Period: Ongoing

Environmental Cost Recovery
Order/docket number:
KRS 278.183
Amortization Period: Ongoing

DSM Cost Recovery
Order/docket number:
KRS 278.285
Amortization Period: Ongoing

VA Fuel Component
Order/docket number:
Title 56 of the Code of Virginia Chapter 10, Section 56-249.6
Amortization Period: Ongoing

Off-System Sales Tracker
Order/docket number:
KPSC 2020-00349
807 KAR 5:056
Amortization Period: Ongoing

Refined Coal – Virginia
Order/docket number:
VSCC PUR 2019-00060
Amortization Period: June 2018 to September 2021

Refined Coal – Kentucky
Order/docket number:
KPSC 2020-00349
FERC EL 15-92-000

Brown 1 Stack Repairs
Order/docket number:
KPSC 2020-00349
Amortization Period: May 2019 to June 2021

Tax Cuts and Job Act - FERC
Order/docket number:
FERC RM. 19-5-000
Amortization Period: June 2020 to May 2021

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Electric Operating Revenues

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.
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 page 108, 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.

Line No.	Title of Account (a)	Operating Revenues Year to Date Quarterly/Annual (b)	Operating Revenues Previous year (no Quarterly) (c)	MEGAWATT HOURS SOLD Year to Date Quarterly/Annual (d)	MEGAWATT HOURS SOLD Amount Previous year (no Quarterly) (e)	AVG.NO. CUSTOMERS PER MONTH Current Year (no Quarterly) (f)	AVG.NO. CUSTOMERS PER MONTH Previous Year (no Quarterly) (g)
1	Sales of Electricity						
2	(440) Residential Sales	704,813,934	671,608,261	6,323,749	6,307,233	465,040	461,707
3	(442) Commercial and Industrial Sales						
4	Small (or Comm.) (See Instr. 4)	456,629,768	427,335,400	3,973,078	3,893,011	87,382	86,638
5	Large (or Ind.) (See Instr. 4)	407,159,200	366,379,537	6,245,694	5,744,368	1,766	1,801
6	(444) Public Street and Highway Lighting	8,495,995	9,762,686	24,605	28,980	1,294	1,205
7	(445) Other Sales to Public Authorities	146,549,001	133,083,912	1,572,049	1,492,126	9,671	9,571
8	(446) Sales to Railroads and Railways						
9	(448) Interdepartmental Sales						
10	TOTAL Sales to Ultimate Consumers	1,723,647,898	1,608,169,796	18,139,175	17,465,718	565,153	560,922
11	(447) Sales for Resale	61,089,075	45,377,849	1,674,655	1,425,929	15	15
12	TOTAL Sales of Electricity	1,784,736,973	1,653,547,645	19,813,830	18,891,647	565,168	560,937
13	(Less) (449.1) Provision for Rate Refunds						
14	TOTAL Revenues Before Prov. for Refunds	1,784,736,973	1,653,547,645	19,813,830	18,891,647	565,168	560,937
15	Other Operating Revenues						
16		3,623,606	1,115,553				

	(450) Forfeited Discounts						
17	(451) Miscellaneous Service Revenues	1,191,252	574,228				
18	(453) Sales of Water and Water Power						
19	(454) Rent from Electric Property	8,285,476	12,365,365				
20	(455) Interdepartmental Rents						
21	(456) Other Electric Revenues	[a]1,107,139	[c]428,465				
22	(456.1) Revenues from Transmission of Electricity of Others	[b]27,583,673	[d]22,932,181				
23	(457.1) Regional Control Service Revenues						
24	(457.2) Miscellaneous Revenues						
25	Other Miscellaneous Operating Revenues						
25.1	Other Miscellaneous Operating Revenues						
26	TOTAL Other Operating Revenues	41,791,146	37,415,792				
27	TOTAL Electric Operating Revenues	1,826,528,119	1,690,963,437				

Line12, column (b) includes $ [e]8,705,329.00 of unbilled revenues.
Line12, column (d) includes [f]160,176.00 MWH relating to unbilled revenues

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FOOTNOTE DATA

(a) Concept: OtherElectricRevenue

East Kentucky Power Cooperative	$	290,178
Other items less than $250,000 each		816,961
Total for Other Electric Revenues (456)	$	1,107,139

(b) Concept: RevenuesFromTransmissionOfElectricityOfOthers

East Kentucky Power Cooperative	$	10,144,393
Owensboro Municipal Utilities		5,042,893
Kentucky Municipal Energy Agency		4,945,927
Kentucky Municipal Power Agency		2,443,131
Tennessee Valley Authority		1,467,973
Midcontinent Independent System Operator		986,766
City of Nicholasville		909,333
City of Bardstown		704,880
Louisville Gas and Electric Company		684,778
Other items less than $250,000 each		253,599
Total for Revenues from Transmission of Electricity of Others (456.1)	$	27,583,673

(c) Concept: OtherElectricRevenue

Refined Coal Amortization	$	262,820
Other items less than $250,000 each		165,645
Total for Other Electric Revenues (456)	$	428,465

(d) Concept: RevenuesFromTransmissionOfElectricityOfOthers

East Kentucky Power Cooperative	$	7,711,835
Owensboro Municipal Utilities		4,953,390
Kentucky Municipal Energy Agency		4,487,248
Kentucky Municipal Power Agency		2,119,085
Tennessee Valley Authority		1,204,606
Midcontinent Independent System Operator		920,304
City of Nicholasville		566,166
City of Bardstown		544,479
Louisville Gas and Electric Company		257,017
Other items less than $250,000 each		168,051
Total for Revenues from Transmission of Electricity of Others (456.1)	$	22,932,181

(e) Concept: RevenueFromSalesOfElectricityUnbilled

The net unbilled revenue represents the following:

Base Revenue	$	(7,348,000)
Fuel Adjustment Clause Accrual		11,339,000
Environmental Cost Recovery Accrual		4,238,000
Levelized Fuel Factor Accrual		1,107,000
Off-System Sales Tracker Accrual		312,000
Solar Capacity Charge Accrual		21,573
Demand Side Management Accrual		(963,000)
Economic Relief Surcredit Accrual		(1,244)
Net Unbilled	$	8,705,329

(f) Concept: MegawattHoursOfElectricitySoldUnbilled

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.

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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					
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Name of Respondent: Kentucky Utilities Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 03/28/2022	Year/Period of Report End of: 2021/ 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 Page 310.
2. Provide a subheading and total for each prescribed operating revenue account in the sequence followed in "Electric Operating Revenues," Page 300. 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	Residential Service - KY (440)	6,097,794	(b)664,307,256	440,614	13,839	0.1089
2	Residential Time-of-Day E - KY (440)	1,498	(c)146,937	96	15,604	0.0981
3	Residential Time-of-Day D - KY (440)	129	(d)14,848	5	25,800	0.1151
4	General Service - KY (440)	1,265	(e)177,105	1,073	1,179	0.1400
5	Lighting Service - KY (440)	19,388	(f)5,005,023	37,629	515	0.2582
6	Restricted Lighting Service - KY (440)	2,195	(g)419,687	2,737	802	0.1912
7	Residential Service - VA (440)	345,655	41,577,945	23,051	14,995	0.1203
8	General Service - VA (440)	67	9,632	164	409	0.1438
9	Private Outdoor Lighing - VA (440)	2,620	(h)844,587	4,508	581	0.3224
10	Street Lighting Service - VA (440)	223	60,521	5	44,600	0.2714
11	Duplicate Customers (440)			(44,842)		
12	(a) Reclassifications and Adjustments (440)	49	6,074			0.1240
41	TOTAL Billed Residential Sales	6,470,883	712,569,615	465,040	13,915	0.1101
42	TOTAL Unbilled Rev. (See Instr. 6)	(i)147,134	(7,755,681)			(0.0527)
43	TOTAL	6,323,749	704,813,934	465,040	13,598	0.1115

Name of Respondent: Kentucky Utilities Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 03/28/2022	Year/Period of Report End of: 2021/ Q4

FOOTNOTE DATA

(a) Concept: DescriptionOfNumberAndTitleOfRateSchedule
Includes current and prior period reclassifications between FERC accounts and net billing adjustments.
(b) Concept: ResidentialSalesBilled
Includes Fuel Adjustment Clause of $(7,115,398)
(c) Concept: ResidentialSalesBilled
Includes Fuel Adjustment Clause of $(1,872)
(d) Concept: ResidentialSalesBilled
Includes Fuel Adjustment Clause of $(161)
(e) Concept: ResidentialSalesBilled
Includes Fuel Adjustment Clause of $(1,438)
(f) Concept: ResidentialSalesBilled
Includes Fuel Adjustment Clause of $(19,457)
(g) Concept: ResidentialSalesBilled
Includes Fuel Adjustment Clause of $(2,257)
(h) Concept: ResidentialSalesBilled
Includes fuel adjustment clause of $(198)
(i) Concept: MegawattHoursSoldResidentialSalesUnbilled
Volume amounts are are actually negative due to adjustments or the net presentation of unbilled volumes.

Name of Respondent: Kentucky Utilities Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 03/28/2022	Year/Period of Report End of: 2021/ 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 Page 310.
2. Provide a subheading and total for each prescribed operating revenue account in the sequence followed in "Electric Operating Revenues," Page 300. 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	Residential Service - KY (442)	352	[(b)]38,536	213	1,653	0.1095
2	General Service - KY (442)	1,502,394	[(c)]216,351,859	76,211	19,714	0.1440
3	All Electric School - KY (442)	13,548	[(d)]1,377,709	72	188,167	0.1017
4	Power Service - KY (442)	1,268,444	[(e)]132,705,532	3,366	376,840	0.1046
5	Time of Day Secondary Svc - KY (442)	741,230	[(f)]55,306,092	345	2,148,493	0.0746
6	Time of Day Primary Service - KY (442)	234,213	[(g)]15,928,689	44	5,323,023	0.0680
7	Retail Transmission Service - KY (442)	23,585	[(h)]1,614,385	2	11,792,500	0.0684
8	Lighting Service - KY (442)	40,241	[(i)]9,266,742	17,513	2,298	0.2303
9	Restricted Lighting Service - KY (442)	8,160	[(j)]1,687,791	2,721	2,999	0.2068
10	Lighting Energy Service - KY (442)	1,160	[(k)]82,197	56	20,714	0.0709
11	Elec Vehicle Charging Svc - KY (442)	17	[(l)]3,164	10	1,700	0.1861
12	Outdoor Sports Lighting Svc - KY (442)	84	[(m)]15,222	1	84,000	0.1812
13	Residential Service - VA (442)	2,422	275,593	152	15,934	0.1138
14	General Service - VA (442)	61,125	7,855,277	3,377	18,100	0.1285
15	Power Service - VA (442)	75,287	7,104,102	136	553,581	0.0944
16	Time of Day Secondary Svc - VA (442)	17,667	1,539,031	6	2,944,500	0.0871
17	Time of Day Primary Service - VA (442)	13,759	1,322,542	4	3,439,750	0.0961
18	Private Outdoor Lighing - VA (442)	1,193	349,675	835	1,429	0.2931
19	Street Lighting Service - VA (442)	41	9,169	4	10,250	0.2236
20	Duplicate Customers (442)			(17,686)		

21	(a) Reclassifications and Adjustments (442)	597	65,432			0.1096
41	TOTAL Billed Small or Commercial	4,005,519	452,898,739	87,382	45,839	0.1131
42	TOTAL Unbilled Rev. Small or Commercial (See Instr. 6)	(b)32,441	3,731,029			(0.1150)
43	TOTAL Small or Commercial	3,973,078	456,629,768	87,382	45,468	0.1149

Name of Respondent: Kentucky Utilities Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 03/28/2022	Year/Period of Report End of: 2021/ Q4

FOOTNOTE DATA

(a) Concept: DescriptionOfNumberAndTitleOfRateSchedule

Includes current and prior period reclassifications between FERC accounts and net billing adjustments.

(b) Concept: SmallOrCommercialSalesElectricOperatingRevenueBilled

Includes Fuel Adjustment Clause of $(393)

(c) Concept: SmallOrCommercialSalesElectricOperatingRevenueBilled

Includes Fuel Adjustment Clause of $(1,695,515)

(d) Concept: SmallOrCommercialSalesElectricOperatingRevenueBilled

Includes Fuel Adjustment Clause of $(15,487)

(e) Concept: SmallOrCommercialSalesElectricOperatingRevenueBilled

Includes Fuel Adjustment Clause of $(1,409,606)

(f) Concept: SmallOrCommercialSalesElectricOperatingRevenueBilled

Includes Fuel Adjustment Clause of $(809,524)

(g) Concept: SmallOrCommercialSalesElectricOperatingRevenueBilled

Includes fuel adjustment clause of $(250,669)

(h) Concept: SmallOrCommercialSalesElectricOperatingRevenueBilled

Includes fuel adjustment clause of $(25,602)

(i) Concept: SmallOrCommercialSalesElectricOperatingRevenueBilled

Includes fuel adjustment clause of $(41,112)

(j) Concept: SmallOrCommercialSalesElectricOperatingRevenueBilled

Includes fuel adjustment clause of $(8,740)

(k) Concept: SmallOrCommercialSalesElectricOperatingRevenueBilled

Includes Fuel Adjustment Clause of $(1,439)

(l) Concept: SmallOrCommercialSalesElectricOperatingRevenueBilled

Includes Fuel Adjustment Clause of $(54)

(m) Concept: SmallOrCommercialSalesElectricOperatingRevenueBilled

Includes Fuel Adjustment Clause of $(113)

(n) Concept: MegawattHoursSoldSmallOrCommercialUnbilled

Volume amounts are are actually negative due to adjustments or the net presentation of unbilled volumes.

Name of Respondent: Kentucky Utilities Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 03/28/2022	Year/Period of Report End of: 2021/ 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 Page 310.
2. Provide a subheading and total for each prescribed operating revenue account in the sequence followed in "Electric Operating Revenues," Page 300. 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	General Service - KY (442)	67,132	[c]8,333,187	794	84,549	0.1241
2	Power Service - KY (442)	164,207	[d]18,807,732	377	435,562	0.1145
3	Time of Day Secondary Svc - KY (442)	790,021	[e]61,881,542	244	3,237,791	0.0783
4	Time of Day Primary Service - KY (442)	3,112,845	[f]202,618,134	158	19,701,551	0.0651
5	Retail Transmission Service - KY (442)	1,327,542	[g]75,332,433	17	78,090,706	0.0567
6	Fluctuating Load Servcie - KY (442)	667,224	[h]21,187,921	1	667,224,000	0.0318
7	Lighting Service - KY (442)	1,846	[i]361,252	672	2,747	0.1957
8	Restricted Lighting Service - KY (442)	664	[j]107,813	130	5,108	0.1624
9	Special Contract - KY (442)		105,025	1		
10	General Service - VA (442)	1,666	192,364	36	46,278	0.1155
11	Power Service - VA (442)	22,052	2,393,519	8	2,756,500	0.1085
12	Time of Day Secondary Svc - VA (442)	793	170,531	1	793,000	0.2150
13	Time of Day Primary Service - VA (442)	53,317	5,063,882	5	10,663,400	0.0950
14	Retail Transmission Service - VA (442)	8,274	1,037,971	2	4,137,000	0.1254
15	Private Outdoor Lighing - VA (442)	18	5,561	33	545	0.3089
16	Duplicate Customers (442)			(713)		
17	[a] Reclassifications and Adjustments (442)	[b]1	614			(0.6140)
41	TOTAL Billed Large (or Ind.) Sales	6,217,600	397,599,481	1,766	3,520,725	0.0639
42	TOTAL Unbilled Rev. Large (or Ind.) (See Instr. 6)	28,094	9,559,719			0.3403

43	TOTAL Large (or Ind.)	6,245,694	407,159,200	1,766	3,536,633	0.0652

Name of Respondent: Kentucky Utilities Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 03/28/2022	Year/Period of Report End of: 2021/ Q4

FOOTNOTE DATA

(a) Concept: DescriptionOfNumberAndTitleOfRateSchedule
Includes current and prior period reclassifications between FERC accounts and net billing adjustments.
(b) Concept: MegawattHoursSoldLargeOrIndustrialBilled
Volume amounts are are actually negative due to adjustments or the net presentation of unbilled volumes.
(c) Concept: LargeOrIndustrialSalesElectricOperatingRevenueBilled
Includes Fuel Adjustment Clause of $(72,289)
(d) Concept: LargeOrIndustrialSalesElectricOperatingRevenueBilled
Includes Fuel Adjustment Clause of $(182,994)
(e) Concept: LargeOrIndustrialSalesElectricOperatingRevenueBilled
Includes Fuel Adjustment Clause of $(849,888)
(f) Concept: LargeOrIndustrialSalesElectricOperatingRevenueBilled
Includes Fuel Adjustment Clause of $(3,446,069)
(g) Concept: LargeOrIndustrialSalesElectricOperatingRevenueBilled
Includes Fuel Adjustment Clause of $(2,419,285)
(h) Concept: LargeOrIndustrialSalesElectricOperatingRevenueBilled
Includes fuel adjustment clause of $(1,629,023)
(i) Concept: LargeOrIndustrialSalesElectricOperatingRevenueBilled
Includes fuel adjustment clause of $(1,840)
(j) Concept: LargeOrIndustrialSalesElectricOperatingRevenueBilled
Includes fuel adjustment clause of $(662)

Name of Respondent: Kentucky Utilities Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 03/28/2022	Year/Period of Report End of: 2021/ 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 Page 310.
2. Provide a subheading and total for each prescribed operating revenue account in the sequence followed in "Electric Operating Revenues," Page 300. 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						
2						
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41	TOTAL Billed Commercial and Industrial Sales					
42	TOTAL Unbilled Rev. (See Instr. 6)					
43	TOTAL					

Name of Respondent: Kentucky Utilities Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 03/28/2022	Year/Period of Report End of: 2021/ 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 Page 310.
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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	General Service - KY (444)	1	(c)1,054	495	2	1.0540
2	Lighting Service - KY (444)	19,600	(d)7,130,442	959	20,438	0.3638
3	Restricted Lighting Service - KY (444)	3,541	(e)1,087,849	128	27,664	0.3072
4	Lighting Energy Service - KY (444)	309	(f)21,830	21	14,714	0.0706
5	Traffic Energy Service - KY (444)	1,149	(g)138,386	880	1,306	0.1204
6	Private Outdoor Lighing - VA (444)	5	1,374	8	625	0.2748
7	Street Lighting Service - VA (444)	1,070	280,876	26	41,154	0.2625
8	Duplicate Customers (444)			(1,223)		
9	(a) Reclassifications and Adjustments (444)	(b)540	(64,714)			(0.1198)
41	TOTAL Billed Public Street and Highway Lighting	25,135	8,597,097	1,294	19,424	0.3420
42	TOTAL Unbilled Rev. (See Instr. 6)	(b)530	(101,102)			(0.1908)
43	TOTAL	24,605	8,495,995	1,294	19,015	0.3453

Name of Respondent: Kentucky Utilities Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 03/28/2022	Year/Period of Report End of: 2021/ Q4

FOOTNOTE DATA

(a) Concept: DescriptionOfNumberAndTitleOfRateSchedule

Includes current and prior period reclassifications between FERC accounts and net billing adjustments.

(b) Concept: MegawattHoursSoldPublicStreetAndHighwayLightingBilled

Volume amounts are are actually negative due to adjustments or the net presentation of unbilled volumes.

(c) Concept: PublicStreetAndHighwayLightingBilled

Includes fuel adjustment clause of $(1)

(d) Concept: PublicStreetAndHighwayLightingBilled

Includes fuel adjustment clause of $(26,293)

(e) Concept: PublicStreetAndHighwayLightingBilled

Includes fuel adjustment clause of $(4,913)

(f) Concept: PublicStreetAndHighwayLightingBilled

Includes fuel adjustment clause of $(416)

(g) Concept: PublicStreetAndHighwayLightingBilled

Includes fuel adjustment clause of $(1,455)

(h) Concept: MegawattHoursSoldPublicStreetAndHighwayLightingUnbilled

Volume amounts are are actually negative due to adjustments or the net presentation of unbilled volumes.

Name of Respondent: Kentucky Utilities Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 03/28/2022	Year/Period of Report End of: 2021/ 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 Page 310.
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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	Residential Service - KY (445)	4,773	[c]598,665	695	6,868	0.1254
2	Volunteer Fire Department - KY (445)	1,059	[d]112,611	63	16,810	0.1063
3	General Service - KY (445)	135,378	[e]19,140,198	5,631	24,042	0.1414
4	All Electric School - KY (445)	112,001	[f]11,185,624	349	320,920	0.0999
5	Power Service - KY (445)	284,086	[g]31,357,440	676	420,246	0.1104
6	Time of Day Secondary Svc - KY (445)	261,497	[h]22,364,893	168	1,556,530	0.0855
7	Time of Day Primary Service - KY (445)	634,628	[i]41,969,005	46	13,796,261	0.0661
8	Retail Transmission Service - KY (445)	48,447	[j]2,602,459	1	48,447,000	0.0537
9	Lighting Service - KY (445)	18,615	[k]5,198,462	2,915	6,386	0.2793
10	Restricted Lighting Service - KY (445)	2,716	[l]772,471	445	6,103	0.2844
11	Lighting Energy - KY (445)	4,785	[m]338,954	91	52,582	0.0708
12	Traffic Energy Service - KY (445)	1,032	[n]122,117	506	2,040	0.1183
13	Outdoor Sports Lighting Svc - KY (445)	239	[o]71,027	3	79,667	0.2972
14	Residential Service - VA (445)	640	81,985	76	8,421	0.1281
15	General Service - VA (445)	13,038	1,657,803	675	19,316	0.1272
16	Power Service - VA (445)	17,129	1,732,839	36	475,806	0.1012
17	Time of Day Secondary Svc - VA (445)	2,949	267,720	2	1,474,500	0.0908
18	Time of Day Primary Service - VA (445)	12,110	902,823	1	12,110,000	0.0746
19	Private Outdoor Lighing - VA (445)	712	204,794	262	2,718	0.2876
20	Street Lighting Service - VA (445)	237	74,976	33	7,182	0.3164
21	School Service - VA (445)	23,645	2,482,436	121	195,413	0.1050

22	Water Pumping Service - VA (445)	601	43,093	16	37,563	0.0717
23	Duplicate Customers (445)			(3,140)		
24	(a) Reclassifications and Adjustments (445)	(b)103	(4,758)			(0.0462)
41	TOTAL Billed Other Sales to Public Authorities	1,580,214	143,277,637	9,671	163,397	0.0907
42	TOTAL Unbilled Rev. (See Instr. 6)	(c)8,165	3,271,364			0.4007
43	TOTAL	1,572,049	146,549,001	9,671	162,553	0.0932

Name of Respondent: Kentucky Utilities Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 03/28/2022	Year/Period of Report End of: 2021/ Q4

FOOTNOTE DATA

(a) Concept: DescriptionOfNumberAndTitleOfRateSchedule

Includes current and prior period reclassifications between FERC accounts and net billing adjustments.

(b) Concept: MegawattHoursSoldOtherSalesToPublicAuthoritiesBilled

Volume amounts are are actually negative due to adjustments or the net presentation of unbilled volumes.

(c) Concept: OtherSalesToPublicAuthoritiesBilled

Includes fuel adjustment clause of $(5,611)

(d) Concept: OtherSalesToPublicAuthoritiesBilled

Includes fuel adjustment clause of $(1,237)

(e) Concept: OtherSalesToPublicAuthoritiesBilled

Includes fuel adjustment clause of $(160,414)

(f) Concept: OtherSalesToPublicAuthoritiesBilled

Includes fuel adjustment clause of $(131,137)

(g) Concept: OtherSalesToPublicAuthoritiesBilled

Includes fuel adjustment clause of $(323,081)

(h) Concept: OtherSalesToPublicAuthoritiesBilled

Includes fuel adjustment clause of $(298,538)

(i) Concept: OtherSalesToPublicAuthoritiesBilled

Includes fuel adjustment clause of $(827,182)

(j) Concept: OtherSalesToPublicAuthoritiesBilled

Includes fuel adjustment clause of $(53,579)

(k) Concept: OtherSalesToPublicAuthoritiesBilled

Includes fuel adjustment clause of $(19,428)

(l) Concept: OtherSalesToPublicAuthoritiesBilled

Includes Fuel Adjustment Clause of $(2,977)

(m) Concept: OtherSalesToPublicAuthoritiesBilled

Includes Fuel Adjustment Clause of $(5,922)

(n) Concept: OtherSalesToPublicAuthoritiesBilled

Includes Fuel Adjustment Clause of $(1,245)

(o) Concept: OtherSalesToPublicAuthoritiesBilled

Includes Fuel Adjustment Clause of $(329)

(p) Concept: MegawattHoursSoldOtherSalesToPublicAuthoritiesUnbilled

Volume amounts are are actually negative due to adjustments or the net presentation of unbilled volumes.

Name of Respondent: Kentucky Utilities Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 03/28/2022	Year/Period of Report End of: 2021/ 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 Page 310.
2. Provide a subheading and total for each prescribed operating revenue account in the sequence followed in "Electric Operating Revenues," Page 300. 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)
41	TOTAL Billed - All Accounts	(a)18,139,175	1,714,942,569	565,153	32,096	0.0945
42	TOTAL Unbilled Rev. (See Instr. 6) - All Accounts		8,705,329			(0.0543)
43	TOTAL - All Accounts	18,139,175	1,723,647,898	565,153	32,096	0.0950

Name of Respondent: Kentucky Utilities Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 03/28/2022	Year/Period of Report End of: 2021/ Q4

FOOTNOTE DATA

(a) Concept: MegawattHoursOfElectricitySoldByRateSchedules

Includes ($160,017) MWh of negative unbilled volumes.

Name of Respondent: Kentucky Utilities Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 03/28/2022	Year/Period of Report End of: 2021/ 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 dur 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).
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 intere 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 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 ou 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 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.

   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 ar 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). Th 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 the schedule. Report subtotals and total for columns (g) 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 bi demand in column (d), the average monthly non-coincident peak (NCP) demand in column (e), and the average monthly coincident peak (CP) demar 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, 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 tl 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- amount in column (g) must be reported as Non-Requirements Sales For Resale on Page 401,line 24.
10. Footnote entries as required and provide explanations following all required data.

Line No.	Name of Company or Public Authority (Footnote Affiliations) (a)	Statistical Classification (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)	Megawatt Hours Sold (g)	REVENUE Demand Charges ($) (h)	REVENUE Energy Charges ($) (i)	REVENUE Other Charges ($) (j)	Tota (h+i (k
1	City of Bardstown	RQ	185	30	30	31	187,113	6,338,201	983,022	(a)4,559,413	11,88
2	City of Nicholasville	RQ	157	30	30	30	185,814	6,128,525	971,721	(a)4,366,655	11,46

3	Big Rivers Electric Corp.	(c) OS	(z) (17)							(ay)196	
4	Dynasty Power, Inc.	(d) OS	(aa) (3)				650		32,652		3
5	East Kentucky Power Cooperative	(e) OS	(ab) (SA 4)							(az)144,527	14
6	ETC Endure Energy, LLC	(f) OS	(ac) (3)				148		9,163		9
7	Evergy Kansas Central, Inc.	(g) OS	(ad) (3)				5,330		382,155		38
8	Exelon Generation Company, LLC	(h) OS	(ae) (3)				657		40,071		4
9	Hoosier Energy Rural Electric Coop	(i) OS	(af) (17)							(ba)1,111	
10	(a) Indiana Municipal Power Agency	(j) OS	(ag) (7)				492		21,369		2
11	Indiana Municipal Power Agency	(k) OS	(ah) (SA 3)				548		15,619		1
12	Kentucky Municipal Energy Agency	(l) OS	(ai) (SA 23)				5,593		164,784	(bb)525,861	69
13	Kentucky Municipal Power Agency	(m) OS	(aj) (SA 13)				429		13,784	(bc)251,023	26
14	(b) Louisville Gas and Electric Company	(n) SF	(ak) (RS 508)				1,025,062		22,186,234		22,18
15	Louisville Gas and Electric Company	(o) OS	(al) (17)							(bd)15,125	1
16	Macquarie Energy, LLC	(p) OS	(am) (3)				26,214		1,538,292		1,53
17	Midcontinent Independent System Operat.	(q) OS	(an) (3)				126,877		5,939,803		5,93
18	Owensboro Municipal Utilities	(r) OS	(ao) (SA 15)				1,072		32,866	(be)339,334	37
19	PJM Settlements, Inc.	(s) OS	(ap) (3)				72,398		3,644,094		3,64
20							4,962		281,524		28

	Rainbow Energy Marketing Corporation	(t) OS	(aq) (3)									
21	Tennessee Valley Authority	(u) OS	(ar) (3)				30,605		1,681,767		1,68
22	Tennessee Valley Authority	(v) OS	(as) (14)				4		40		
23	Tennessee Valley Authority	(w) OS	(at) (SA 11)				18		767	(bf) 21,028	2
24	The Energy Authority	(x) OS	(au) (10)				649		25,682		2
25	City of Bardstown	AD	185					40,622	167,841		20
26	City of Nicholasville	AD	157					42,272	179,394		22
27	Appalachian Power Company	(y) RQ	(av) 408				20		1,423	(bg) 1,115	:
15	Subtotal - RQ						372,947	12,466,726	1,956,166	8,927,183	23,35
16	Subtotal-Non-RQ						1,301,708	82,894	36,357,901	1,298,205	37,73
17	Total						1,674,655	12,549,620	38,314,067	10,225,388	61,08

Name of Respondent: Kentucky Utilities Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 03/28/2022	Year/Period of Report End of: 2021/ Q4

FOOTNOTE DATA

(a) Concept: NameOfCompanyOrPublicAuthorityReceivingElectricityPurchasedForResale

Indiana Municipal Power Agency has a 12.88% ownership interest in LG&E's and KU's Trimble County Generating Unit No. 2.

(b) Concept: NameOfCompanyOrPublicAuthorityReceivingElectricityPurchasedForResale

KU and LG&E are owned by LKE.

(c) Concept: StatisticalClassificationCode

Schedule 2 Reactive Supply and Voltage Control

(d) Concept: StatisticalClassificationCode

Market Based Sales

(e) Concept: StatisticalClassificationCode

Schedule 2 Reactive Supply and Voltage Control
Schedule 12 Distribution of Penalty Revenues.

(f) Concept: StatisticalClassificationCode

Market Based Sales

(g) Concept: StatisticalClassificationCode

Market Based Sales

(h) Concept: StatisticalClassificationCode

Market Based Sales

(i) Concept: StatisticalClassificationCode

Schedule 2 Reactive Supply and Voltage Control
Schedule 12 Distribution of Penalty Revenues

(j) Concept: StatisticalClassificationCode

Cost Based Sales

(k) Concept: StatisticalClassificationCode

Schedule 9 Generator Imbalance

(l) Concept: StatisticalClassificationCode

Schedule 4 Energy Imbalance Service
Schedule 2 Reactive Supply and Voltage Control
Schedule 3 Regulation and Frequency Response Service
Schedule 5 Operating Reserve-Spinning Reserve Service
Schedule 6 Operating Reserve-Supp. Reserve Service
Schedule 12 Distribution of Penalty Revenues

(m) Concept: StatisticalClassificationCode

Schedule 4 Energy Imbalance Service
Schedule 2 Reactive Supply and Voltage Control
Schedule 3 Regulation and Frequency Response Service
Schedule 5 Operating Reserve-Spinning Reserve Service
Schedule 6 Operating Reserve-Supp. Reserve Service
Schedule 12 Distribution of Penalty Revenues

(n) Concept: StatisticalClassificationCode

LG&E and KU PSSA - Amended in 2018

(o) Concept: StatisticalClassificationCode

Schedule 2 Reactive Supply and Voltage Control

(p) Concept: StatisticalClassificationCode

Market Based Sales

(q) Concept: StatisticalClassificationCode

Market Based Sales

(r) Concept: StatisticalClassificationCode

Schedule 4 Energy Imbalance Service
Schedule 2 Reactive Supply and Voltage Control
Schedule 3 Regulation and Frequency Response Service
Schedule 5 Operating Reserve-Spinning Reserve Service
Schedule 6 Operating Reserve-Supp. Reserve Service

Schedule 12 Distribution of Penalty Revenues

(s) Concept: StatisticalClassificationCode

Market Based Sales

(t) Concept: StatisticalClassificationCode

Market Based Sales

(u) Concept: StatisticalClassificationCode

Market Based Sales

(v) Concept: StatisticalClassificationCode

Imbalance (TVA Costs)

(w) Concept: StatisticalClassificationCode

Schedule 4 Energy Imbalance Service
Schedule 2 Reactive Supply and Voltage Control
Schedule 12 Distribution of Penalty Revenues

(x) Concept: StatisticalClassificationCode

Cost Based Sales

(y) Concept: StatisticalClassificationCode

Transaction is a Borderline Service Agreement between Old Dominion Power and Appalachian Power Company.

(z) Concept: RateScheduleTariffNumber

(17) LG&E and KU Joint ProForma Open Access Transmission Tariff Attachment F ProForma NITSA

(aa) Concept: RateScheduleTariffNumber

(3) LG&E and KU Joint Market Based Rate Tariff (MBRT) (Short Form Tariff)

(ab) Concept: RateScheduleTariffNumber

(SA 4) LG&E and KU Joint ProForma Open Access Transmission Tariff - Attachment F NITSA FERC No. 4

(ac) Concept: RateScheduleTariffNumber

(3) LG&E and KU Joint Market Based Rate Tariff (MBRT) (Short Form Tariff)

(ad) Concept: RateScheduleTariffNumber

(3) LG&E and KU Joint Market Based Rate Tariff (MBRT) (Short Form Tariff)

(ae) Concept: RateScheduleTariffNumber

(3) LG&E and KU Joint Market Based Rate Tariff (MBRT) (Short Form Tariff)

(af) Concept: RateScheduleTariffNumber

(17) LG&E and KU Joint ProForma Open Access Transmission Tariff - Attachment F ProForma NITSA

(ag) Concept: RateScheduleTariffNumber

(7) LG&E and KU CBR Tariff Service Agreement No. 4

(ah) Concept: RateScheduleTariffNumber

(SA 3) LG&E and KU Joint Pro Forma Open Access Transmission Tariff Attachment A Long-Term Firm PTP Transmission Service Agreement FERC No. 3

(ai) Concept: RateScheduleTariffNumber

(SA 23) LG&E and KU Joint ProForma Open Access Transmission Tariff - Attachment F NITSA FERC No. 23

(aj) Concept: RateScheduleTariffNumber

(SA 13) LG&E and KU Joint ProForma Open Access Transmission Tariff - Attachment F NITSA FERC No. 13

(ak) Concept: RateScheduleTariffNumber

(RS 508) FERC Rate Schedule No. 1. The Power Supply System Agreement, FERC Docket No. ER-98-111-000; Effective June 4, 2018 LG&E and KU Joint Rate Schedule No. 508 Amended and Restated Power Supply System Agreement.

(al) Concept: RateScheduleTariffNumber

(17) LG&E and KU Joint ProForma Open Access Transmission Tariff Attachment F ProForma NITSA

(am) Concept: RateScheduleTariffNumber

(3) LG&E and KU Joint Market Based Rate Tariff (MBRT) (Short Form Tariff)

(an) Concept: RateScheduleTariffNumber

(3) LG&E and KU Joint Market Based Rate Tariff (MBRT) (Short Form Tariff)

(ao) Concept: RateScheduleTariffNumber

(SA 15) LG&E and KU Joint ProForma Open Access Transmission Tariff - Attachment F NITSA FERC No. 15

(ap) Concept: RateScheduleTariffNumber

(3) LG&E and KU Joint Market Based Rate Tariff (MBRT) (Short Form Tariff)

(aq) Concept: RateScheduleTariffNumber
(3) LG&E and KU Joint Market Based Rate Tariff (MBRT) (Short Form Tariff)
(ar) Concept: RateScheduleTariffNumber
(3) LG&E and KU Joint Market Based Rate Tariff (MBRT) (Short Form Tariff)
(as) Concept: RateScheduleTariffNumber
(14) TVA's Transmission Service Guidelines Schedule 4 Energy Imbalance Service
(at) Concept: RateScheduleTariffNumber
(SA 11) LG&E and KU Joint ProForma Open Access Transmission Tariff - Attachment F NITSA FERC No. 11
(au) Concept: RateScheduleTariffNumber
(10) LG&E and KU CBR Tariff
(av) Concept: RateScheduleTariffNumber
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 accommodating 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).
(aw) Concept: OtherChargesRevenueSalesForResale
Amounts include RQ's related to $181,444 for direct assignment charge and $4,377,969 for wholesale municipal fuel adjustment clause.
(ax) Concept: OtherChargesRevenueSalesForResale
Amounts include RQ's related to $8,880 for direct assignment charge and $4,357,775 for wholesale municipal fuel adjustment clause.
(ay) Concept: OtherChargesRevenueSalesForResale
Transmission revenues-Schedule 2, $197; Transmission revenue credits-Schedule 12, $1
(az) Concept: OtherChargesRevenueSalesForResale
Transmission revenues-Schedule 2, $145,711; Transmission revenue credits-Schedule 12, $1,184
(ba) Concept: OtherChargesRevenueSalesForResale
Transmission revenues-Schedule 2, $1,118; Transmission revenue credits-Schedule 12, $7.
(bb) Concept: OtherChargesRevenueSalesForResale
Transmission revenues-Schedule 2, $72,178; Schedule 3, $110,676; Schedule 5, $171,547; Schedule 6, $171,547; Transmission revenue credits-Schedule 12, $87
(bc) Concept: OtherChargesRevenueSalesForResale
Transmission revenues-Schedule 2, $33,985; Schedule 3, $52,975; Schedule 5, $82,110; Schedule 6, $82,110; Transmission revenue credits-Schedule 12, $157
(bd) Concept: OtherChargesRevenueSalesForResale
Schedule 2 transmission revenues
(be) Concept: OtherChargesRevenueSalesForResale
Transmission revenues-Schedule 2, $74,771; Schedule 3, $64,637; Schedule 5, $100,187; Schedule 6, $100,187; Transmission revenue credits-Schedule 12, $448
(bf) Concept: OtherChargesRevenueSalesForResale
Transmission revenues-Schedule 2, $21,229; Transmission revenue credits-Schedule 12, $201
(bg) Concept: OtherChargesRevenueSalesForResale
Amounts include RQ's related to $540 for direct assignment charge and $575 for wholesale municipal fuel adjustment clause.

Name of Respondent: Kentucky Utilities Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 03/28/2022	Year/Period of Report End of: 2021/ 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) (c)
1	1. POWER PRODUCTION EXPENSES		
2	A. Steam Power Generation		
3	Operation		
4	(500) Operation Supervision and Engineering	5,046,798	5,180,777
5	(501) Fuel	311,647,960	296,805,138
6	(502) Steam Expenses	18,421,410	18,142,350
7	(503) Steam from Other Sources		
8	(Less) (504) Steam Transferred-Cr.		
9	(505) Electric Expenses	7,756,389	7,500,009
10	(506) Miscellaneous Steam Power Expenses	26,871,711	27,210,648
11	(507) Rents		
12	(509) Allowances	2,215	1,953
13	TOTAL Operation (Enter Total of Lines 4 thru 12)	369,746,483	354,840,875
14	Maintenance		
15	(510) Maintenance Supervision and Engineering	12,683,273	11,580,462
16	(511) Maintenance of Structures	11,678,664	10,379,814
17	(512) Maintenance of Boiler Plant	50,207,452	42,892,574
18	(513) Maintenance of Electric Plant	8,468,067	9,216,374
19	(514) Maintenance of Miscellaneous Steam Plant	3,394,246	3,260,103
20	TOTAL Maintenance (Enter Total of Lines 15 thru 19)	86,431,702	77,329,327
21	TOTAL Power Production Expenses-Steam Power (Enter Total of Lines 13 & 20)	456,178,185	432,170,202
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-Nuclear. Power (Enter Total of 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		
48	(539) Miscellaneous Hydraulic Power Generation Expenses	54,617	42,580
49	(540) Rents		
50	TOTAL Operation (Enter Total of Lines 44 thru 49)	54,617	42,580
51	C. Hydraulic Power Generation (Continued)		
52	Maintenance		
53	(541) Mainentance Supervision and Engineering	4,226	70,143
54	(542) Maintenance of Structures	101,405	234,187
55	(543) Maintenance of Reservoirs, Dams, and Waterways	4,855	
56	(544) Maintenance of Electric Plant	365,948	72,456
57	(545) Maintenance of Miscellaneous Hydraulic Plant	21,981	10,725
58	TOTAL Maintenance (Enter Total of lines 53 thru 57)	498,415	387,511
59	TOTAL Power Production Expenses-Hydraulic Power (Total of Lines 50 & 58)	553,032	430,091
60	D. Other Power Generation		
61	Operation		
62	(546) Operation Supervision and Engineering	758,556	921,819
63	(547) Fuel	135,637,591	89,523,149
64	(548) Generation Expenses	616,373	712,785
64.1	(548.1) Operation of Energy Storage Equipment		

65	(549) Miscellaneous Other Power Generation Expenses	5,047,640	4,889,495
66	(550) Rents	418	3,698
67	TOTAL Operation (Enter Total of Lines 62 thru 67)	142,060,578	96,050,946
68	Maintenance		
69	(551) Maintenance Supervision and Engineering	867,552	931,664
70	(552) Maintenance of Structures	1,075,771	1,555,554
71	(553) Maintenance of Generating and Electric Plant	5,873,116	3,734,107
71.1	(553.1) Maintenance of Energy Storage Equipment		
72	(554) Maintenance of Miscellaneous Other Power Generation Plant	3,085,561	2,662,542
73	TOTAL Maintenance (Enter Total of Lines 69 thru 72)	10,902,000	8,883,867
74	TOTAL Power Production Expenses-Other Power (Enter Total of Lines 67 & 73)	152,962,578	104,934,813
75	E. Other Power Supply Expenses		
76	(555) Purchased Power	40,034,915	36,280,962
76.1	(555.1) Power Purchased for Storage Operations	0	
77	(556) System Control and Load Dispatching	2,589,498	2,523,382
78	(557) Other Expenses	215,390	154,050
79	TOTAL Other Power Supply Exp (Enter Total of Lines 76 thru 78)	42,839,803	38,958,394
80	TOTAL Power Production Expenses (Total of Lines 21, 41, 59, 74 & 79)	652,533,598	576,493,500
81	2. TRANSMISSION EXPENSES		
82	Operation		
83	(560) Operation Supervision and Engineering	1,849,767	1,790,335
85	(561.1) Load Dispatch-Reliability	718,839	801,880
86	(561.2) Load Dispatch-Monitor and Operate Transmission System	2,586,799	2,622,197
87	(561.3) Load Dispatch-Transmission Service and Scheduling	699,576	578,861
88	(561.4) Scheduling, System Control and Dispatch Services		
89	(561.5) Reliability, Planning and Standards Development	618,692	202,844
90	(561.6) Transmission Service Studies	(159)	2,614
91	(561.7) Generation Interconnection Studies	56,146	92,033
92	(561.8) Reliability, Planning and Standards Development Services		
93	(562) Station Expenses	1,173,281	1,113,482
93.1	(562.1) Operation of Energy Storage Equipment		
94	(563) Overhead Lines Expenses	880,650	873,579
95	(564) Underground Lines Expenses		
96	(565) Transmission of Electricity by Others	2,826,949	3,193,655

97	(566) Miscellaneous Transmission Expenses	27,121,086	25,767,838
98	(567) Rents	331,636	166,185
99	TOTAL Operation (Enter Total of Lines 83 thru 98)	38,863,262	37,205,503
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	2,013,517	1,986,654
107.1	(570.1) Maintenance of Energy Storage Equipment		
108	(571) Maintenance of Overhead Lines	14,010,960	9,832,130
109	(572) Maintenance of Underground Lines		
110	(573) Maintenance of Miscellaneous Transmission Plant	239,517	222,210
111	TOTAL Maintenance (Total of Lines 101 thru 110)	16,263,994	12,040,994
112	TOTAL Transmission Expenses (Total of Lines 99 and 111)	55,127,256	49,246,497
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	9,687	1,938
122	(575.8) Rents		
123	Total Operation (Lines 115 thru 122)	9,687	1,938
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		9,687	1,938

	TOTAL Regional Transmission and Market Operation Expenses (Enter Total of Lines 123 and 130)		
132	4. DISTRIBUTION EXPENSES		
133	Operation		
134	(580) Operation Supervision and Engineering	2,532,353	1,887,931
135	(581) Load Dispatching	356,403	447,091
136	(582) Station Expenses	2,059,733	1,975,139
137	(583) Overhead Line Expenses	6,979,280	6,722,511
138	(584) Underground Line Expenses	1,516,010	1,643,448
138.1	(584.1) Operation of Energy Storage Equipment		
139	(585) Street Lighting and Signal System Expenses		
140	(586) Meter Expenses	9,878,317	9,363,123
141	(587) Customer Installations Expenses	412	
142	(588) Miscellaneous Expenses	8,235,177	7,301,409
143	(589) Rents		
144	TOTAL Operation (Enter Total of Lines 134 thru 143)	31,557,685	29,340,652
145	Maintenance		
146	(590) Maintenance Supervision and Engineering	113,049	13,118
147	(591) Maintenance of Structures		
148	(592) Maintenance of Station Equipment	1,640,589	1,517,872
148.1	(592.2) Maintenance of Energy Storage Equipment		
149	(593) Maintenance of Overhead Lines	32,139,354	29,520,742
150	(594) Maintenance of Underground Lines	437,444	358,461
151	(595) Maintenance of Line Transformers	26,984	6,051
152	(596) Maintenance of Street Lighting and Signal Systems		
153	(597) Maintenance of Meters		
154	(598) Maintenance of Miscellaneous Distribution Plant	799,571	375,527
155	TOTAL Maintenance (Total of Lines 146 thru 154)	35,156,991	31,791,771
156	TOTAL Distribution Expenses (Total of Lines 144 and 155)	66,714,676	61,132,423
157	5. CUSTOMER ACCOUNTS EXPENSES		
158	Operation		
159	(901) Supervision	4,029,020	3,996,528
160	(902) Meter Reading Expenses	9,245,227	9,507,306
161	(903) Customer Records and Collection Expenses	20,384,213	20,945,409
162	(904) Uncollectible Accounts	7,908,768	4,300,702
163	(905) Miscellaneous Customer Accounts Expenses	31	664
164	TOTAL Customer Accounts Expenses (Enter Total of Lines 159 thru 163)	41,567,259	38,750,609

165	6. CUSTOMER SERVICE AND INFORMATIONAL EXPENSES		
166	Operation		
167	(907) Supervision	498,026	499,396
168	(908) Customer Assistance Expenses	6,228,309	6,749,466
169	(909) Informational and Instructional Expenses	2,080,819	1,417,582
170	(910) Miscellaneous Customer Service and Informational Expenses	2,271,148	1,938,951
171	TOTAL Customer Service and Information Expenses (Total Lines 167 thru 170)	11,078,302	10,605,395
172	7. SALES EXPENSES		
173	Operation		
174	(911) Supervision		
175	(912) Demonstrating and Selling Expenses	742,476	69,324
176	(913) Advertising Expenses	1,150,181	993,472
177	(916) Miscellaneous Sales Expenses		
178	TOTAL Sales Expenses (Enter Total of Lines 174 thru 177)	1,892,657	1,062,796
179	8. ADMINISTRATIVE AND GENERAL EXPENSES		
180	Operation		
181	(920) Administrative and General Salaries	32,664,676	33,281,716
182	(921) Office Supplies and Expenses	9,869,161	9,150,962
183	(Less) (922) Administrative Expenses Transferred-Credit	5,920,006	5,865,751
184	(923) Outside Services Employed	17,165,583	19,196,624
185	(924) Property Insurance	8,509,674	7,187,890
186	(925) Injuries and Damages	3,831,342	3,755,203
187	(926) Employee Pensions and Benefits	25,434,919	27,816,809
188	(927) Franchise Requirements	4,653	4,483
189	(928) Regulatory Commission Expenses	1,977,434	2,195,557
190	(929) (Less) Duplicate Charges-Cr.	4,653	4,483
191	(930.1) General Advertising Expenses		
192	(930.2) Miscellaneous General Expenses	4,380,790	4,042,778
193	(931) Rents	3,861,384	3,474,789
194	TOTAL Operation (Enter Total of Lines 181 thru 193)	101,774,957	104,236,577
195	Maintenance		
196	(935) Maintenance of General Plant	1,995,513	1,729,232
197	TOTAL Administrative & General Expenses (Total of Lines 194 and 196)	103,770,470	105,965,809
198	TOTAL Electric Operation and Maintenance Expenses (Total of Lines 80, 112, 131, 156, 164, 171, 178, and 197)	932,693,905	843,258,967

Name of Respondent: Kentucky Utilities Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 03/28/2022	Year/Period of Report End of: 2021/ Q4

PURCHASED POWER (Account 555)

1. Report all power purchases made during the year. Also report exchanges of electricity (i.e., transactions involving a balancing of debits and credits fo 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. Explai 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 prc 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

   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 adverse conditions (e.g., the supplier must attempt to buy emergency energy from third parties to maintain deliveries of LF service). This category sh 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 def 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 f 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

   EX - For exchanges of electricity. Use this category for transactions involving a balancing of debits and credits for energy, capacity, etc. and any settl

   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 service from designated units of Less than one year. Describe the nature of the service in a footnote for each adjustment.

   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 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 co 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 avera average monthly non-coincident peak (NCP) demand in column (e), and the average monthly coincident peak (CP) demand in column (f). For all othe (e) and (f). Monthly NCP demand is the maximum metered hourly (60-minute integration) demand in a month. Monthly CP demand is the metered de integration) in which the supplier's system reaches its monthly peak. Demand reported in columns (e) and (f) must be in megawatts. Footnote any de explain.
6. Report in column (g) the megawatthours shown on bills rendered to the respondent, excluding purchases for energy storage. Report in column (h) th the respondent for energy storage purchases. Report in columns (i) and (j) the megawatthours of power exchanges received and delivered, used as t exchange.
7. Report demand charges in column (k), energy charges in column (l), and the total of any other types of charges, including out-of-period adjustments, components of the amount shown in column (m). Report in column (n) the total charge shown on bills received as settlement by the respondent. For settlement amount for the net receipt of energy. If more energy was delivered than received, enter a negative amount. If the settlement amount (m) in incremental generation expenses, or (2) excludes certain credits or charges covered by the agreement, provide an explanatory footnote.
8. The data in columns (g) through (n) must be totaled on the last line of the schedule. The total amount in columns (g) and (h) must be reported as Pur amount in column (i) must be reported as Exchange Received on Page 401, line 12. The total amount in column (j) must be reported as Exchange D
9. Footnote entries as required and provide explanations following all required data.

Line No.	Name of Company or Public Authority (Footnote Affiliations) (a)	Statistical Classification (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)	MegaWatt Hours Purchased (Excluding for Energy Storage) (g)	MegaWatt Hours Purchased for Energy Storage (h)	POWER EXCHANGES MegaWatt Hours Received (i)	POWER EXCHANGES MegaWatt Hours Delivered (j)	Demar Charg ($) (k)
1	Carlisle Armory	(j) OS	(al) (12)				41				
2	Department of Military Affairs	(k) OS	(am) (12)				214				
3	Douglas Langley	(l) OS	(an) (12)				20				

4	East Kentucky Power Cooperative, Inc.	(m) OS	(ao) (11)				2,182				
5	Fayette County Public Schools	(n) OS	(ap) (12)				81				
6	(a) Illinois Municipal Electric Agency	(o) OS	(aq) (5)				2				
7	(b) Indiana Municipal Power Agency	(p) OS	(ar) (15)				42				
8	(c) Indiana Municipal Power Agency	(q) OS	(as) (8)				1,016				
9	Kentucky Municipal Energy Agency	(r) OS	(at) (9)				1,083				
10	Kentucky Municipal Power Agency	(s) OS	(au) (9)				2,269				
11	Kentucky National Guard	(t) OS	(av) (12)				107				
12	(d) Louisville Gas and Electric Company	(u) SF	(aw) (2)				1,106,761				
13	Lynch Water Works	(v) OS	(ax) (12)								
14	(e) Ohio Valley Electric Corporation - Demand	(w) OS	(ay) (6)								9,999,3
15	Ohio Valley Electric Corporation - Demand	(x) AD	(az) (6)								
16	(f) Ohio Valley Electric Corporation - Energy	(y) OS	(ba) (6)				226,052				
17	Ohio Valley Electric Corporation - Energy	(z) AD	(bb) (6)								
18	Owensboro Municipal Utilities	(aa) OS	(bc) (9)				1,027				
19		(ab) OS	(bd) (12)				47				

	Rockcastle Hospital Annex										
20	SEKISUI S-LEC America, LLC	[ec] OS	[be] (12)				4				
21	Shelbyville Armory	[ad] OS	[bf] (12)				49				
22	Trinity Industrial Corp	[ae] OS	[bg] (12)				3				
23	Tennessee Valley Authority	[af] OS	[bh] (13)				4,482				
24	Tennessee Valley Authority	[ag] OS	[bi] (4)				418				
25	Tennessee Valley Authority	[ah] OS	[bj] (9)				2				
26	[g] Simpsonville Solar	[ai] OS	[bk] (12)								
27	[h] Business Solar	[aj] OS	[bl] (12)								
28	[i] Net Metering Service - 2	[ak] OS	[bm] (12)				42				
29	Inadvertent								466,593		
15	TOTAL						1,345,944		466,593		9,999,3

Name of Respondent: Kentucky Utilities Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 03/28/2022	Year/Period of Report End of: 2021/ Q4

FOOTNOTE DATA

(a) Concept: NameOfCompanyOrPublicAuthorityProvidingPurchasedPower

Illinois Municipal Electric Agency has a 12.12% ownership interest in LG&E's Trimble County Generating Unit No. 1. They additionally have a 12.12% ownership interest in LG&E's and KU's Trimble County Generating Unit No. 2.

(b) Concept: NameOfCompanyOrPublicAuthorityProvidingPurchasedPower

Indiana Municipal Power Agency has a 12.88% ownership interest in LG&E's Trimble County Generating Unit No. 1. They additionally have a 12.88% ownership interest in LG&E's and KU's Trimble County Generating Unit No. 2.

(c) Concept: NameOfCompanyOrPublicAuthorityProvidingPurchasedPower

Indiana Municipal Power Agency has a 12.88% ownership interest in LG&E's Trimble County Generating Unit No. 1. They additionally have a 12.88% ownership interest in LG&E's and KU's Trimble County Generating Unit No. 2.

(d) Concept: NameOfCompanyOrPublicAuthorityProvidingPurchasedPower

KU and LG&E are owned by LKE.

(e) Concept: NameOfCompanyOrPublicAuthorityProvidingPurchasedPower

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.

(f) Concept: NameOfCompanyOrPublicAuthorityProvidingPurchasedPower

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.

(g) Concept: NameOfCompanyOrPublicAuthorityProvidingPurchasedPower

Company Community Solar Share Program located in Simpsonville, Kentucky.

(h) Concept: NameOfCompanyOrPublicAuthorityProvidingPurchasedPower

Makers Mark

(i) Concept: NameOfCompanyOrPublicAuthorityProvidingPurchasedPower

Net Metering Service-2

(j) Concept: StatisticalClassificationCode

Small Capacity Cogeneration and Small Power Production Qualifying Facility

(k) Concept: StatisticalClassificationCode

Large Capacity Cogeneration and Large Power Production Qualifying Facility

(l) Concept: StatisticalClassificationCode

Small Capacity Cogeneration and Small Power Production Qualifying Facility

(m) Concept: StatisticalClassificationCode

Market Based Purchases

(n) Concept: StatisticalClassificationCode

Small Capacity Cogeneration and Small Power Production Qualifying Facility

(o) Concept: StatisticalClassificationCode

Market Based Purchases

(p) Concept: StatisticalClassificationCode

Market Based Purchases

(q) Concept: StatisticalClassificationCode

Imbalance

(r) Concept: StatisticalClassificationCode

Imbalance

(s) Concept: StatisticalClassificationCode

Imbalance

(t) Concept: StatisticalClassificationCode

Large Capacity Cogeneration and Large Power Production Qualifying Facility

(u) Concept: StatisticalClassificationCode

LG&E and KU PSSA - Amended in 2018

(v) Concept: StatisticalClassificationCode
Small Capacity Cogeneration and Small Power Production Qualifying Facility
(w) Concept: StatisticalClassificationCode
Available Energy and Available Power
(x) Concept: StatisticalClassificationCode
December 2020 true-up of accrual estimate for both energy and demand charges made in January 2021.
(y) Concept: StatisticalClassificationCode
Available Energy and Available Power
(z) Concept: StatisticalClassificationCode
December 2020 true-up of accrual estimate for both energy and demand charges made in January 2021.
(aa) Concept: StatisticalClassificationCode
Imbalance
(ab) Concept: StatisticalClassificationCode
Small Capacity Cogeneration and Small Power Production Qualifying Facility
(ac) Concept: StatisticalClassificationCode
Large Capacity Cogeneration and Large Power Production Qualifying Facility
(ad) Concept: StatisticalClassificationCode
Small Capacity Cogeneration and Small Power Production Qualifying Facility
(ae) Concept: StatisticalClassificationCode
Small Capacity Cogeneration and Small Power Production Qualifying Facility
(af) Concept: StatisticalClassificationCode
Market Purchase
(ag) Concept: StatisticalClassificationCode
Emergency Power Purchases
(ah) Concept: StatisticalClassificationCode
Imbalance
(ai) Concept: StatisticalClassificationCode
Large Capacity Cogeneration and Large Power Production Qualifying Facility
(aj) Concept: StatisticalClassificationCode
Large Capacity Cogeneration and Large Power Production Qualifying Facility
(ak) Concept: StatisticalClassificationCode
Residential Customers
(al) Concept: RateScheduleTariffNumber
(12) KPSC Standard Rate Rider
(am) Concept: RateScheduleTariffNumber
(12) KPSC Standard Rate Rider
(an) Concept: RateScheduleTariffNumber
(12) KPSC Standard Rate Rider
(ao) Concept: RateScheduleTariffNumber
(11) EEI Master Power Purchase and Sale Agreement dated September 14, 2006.
(ap) Concept: RateScheduleTariffNumber
(12) KPSC Standard Rate Rider
(aq) Concept: RateScheduleTariffNumber
(5) EEI Master Power Purchase and Sale Agreement dated January 1, 2016.
(ar) Concept: RateScheduleTariffNumber
(15) Interchange Agreement FERC Rate Schedule 31
(as) Concept: RateScheduleTariffNumber
(8) LG&E and KU Joint ProForma Open Access Transmission Tariff Schedule 9.
(at) Concept: RateScheduleTariffNumber
(9) LG&E and KU Joint Pro Forma Open Access Transmission Tariff Schedule 4
(au) Concept: RateScheduleTariffNumber

(9) LG&E and KU Joint Pro Forma Open Access Transmission Tariff Schedule 4
(av) Concept: RateScheduleTariffNumber
(12) KPSC Standard Rate Rider
(aw) Concept: RateScheduleTariffNumber
(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.
(ax) Concept: RateScheduleTariffNumber
(12) KPSC Standard Rate Rider
(ay) Concept: RateScheduleTariffNumber
(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.
(az) Concept: RateScheduleTariffNumber
(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.
(ba) Concept: RateScheduleTariffNumber
(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.
(bb) Concept: RateScheduleTariffNumber
(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.
(bc) Concept: RateScheduleTariffNumber
(9) LG&E and KU Joint Pro Forma Open Access Transmission Tariff Schedule 4
(bd) Concept: RateScheduleTariffNumber
(12) KPSC Standard Rate Rider
(be) Concept: RateScheduleTariffNumber
(12) KPSC Standard Rate Rider
(bf) Concept: RateScheduleTariffNumber
(12) KPSC Standard Rate Rider
(bg) Concept: RateScheduleTariffNumber
(12) KPSC Standard Rate Rider
(bh) Concept: RateScheduleTariffNumber
(13) FERC Electric Rate Schedule No. 28 Interchange Agreement dated 7/1/1977
(bi) Concept: RateScheduleTariffNumber
(4) Contingency Reserve Sharing Agreement dated November 20, 2009.
(bj) Concept: RateScheduleTariffNumber
(9) LG&E and KU Joint Pro Forma Open Access Transmission Tariff Schedule 4
(bk) Concept: RateScheduleTariffNumber
(12) KPSC Standard Rate Rider
(bl) Concept: RateScheduleTariffNumber
(12) KPSC Standard Rate Rider
(bm) Concept: RateScheduleTariffNumber
(12) KPSC Standard Rate Rider
(bn) Concept: OtherChargesOfPurchasedPower
December 2020 true-up of accrual estimate for both energy and demand charges made in January 2021.
(bo) Concept: OtherChargesOfPurchasedPower
December 2020 true-up of accrual estimate for both energy and demand charges made in January 2021.

Name of Respondent: Kentucky Utilities Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 03/28/2022	Year/Period of Report End of: 2021/ Q4

TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456.1) (Including transactions referred to as

1. Report all transmission of electricity, i.e., wheeling, provided for other electric utilities, cooperatives, other public authorities, qualifying facilities, non-tr 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 company or public authority that the energy was delivered to. Provide the full name of each company or public authority. Do not abbreviate or truncat 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 Netw Transmission Service for Self, LFP - "Long-Term Firm Point to Point Transmission Service, OLF - Other Long-Term Firm Transmission Service, SFP - Reservation, NF - non-firm transmission service, OS - Other Transmission Service and AD - Out-of-Period Adjustments. Use this code for any accou prior reporting periods. Provide an explanation in a footnote for each adjustment. See General Instruction for definitions of codes.
5. In column (e), identify the FERC Rate Schedule or Tariff Number, On separate lines, list all FERC rate schedules or contract designations under whic
6. Report receipt and delivery locations for all single contract path, "point to point" transmission service. In column (f), report the designation for the sub energy was received as specified in the contract. In column (g) report the designation for the substation, or other appropriate identification for where e
7. Report in column (h) the number of megawatts of billing demand that is specified in the firm transmission service contract. Demand reported in colum stated on a megawatts basis and explain.
8. Report in column (i) and (j) the total megawatthours received and delivered.
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 t (l), provide revenues from energy charges related to the amount of energy transferred. In column (m), provide the total revenues from all other charg 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 settlement was made, enter zero (0) in column (n). Provide a footnote explaining the nature of the non-monetary settlement, including the amount an
10. The total amounts in columns (i) and (j) must be reported as Transmission Received and Transmission Delivered for annual report purposes only on
11. Footnote entries and provide explanations following all required data.

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 Classification (d)	Ferc Rate Schedule of Tariff Number (e)	Point of Receipt (Substation or Other Designation) (f)	Point of Delivery (Substation or Other Designation) (g)	Billing Demand (MW) (h)	TRANSFER OF ENERGY Megawatt Hours Received (i)	TRANSFER OF ENERGY Megawat Hours Delivered (j)
1	Midwest ISO	Various	Various	OS	Joint OATT	Various	Various			
2	East Kentucky Power Cooperative	East Kentucky Power Cooperative	East Kentucky Power Cooperative	FNO	Joint OATT	East Kentucky Power Cooperative	East Kentucky Power Cooperative	297	1,820,681	1,820,68
3	East Kentucky Power Cooperative	East Kentucky Power Cooperative	East Kentucky Power Cooperative	NF	Joint OATT	East Kentucky Power Cooperative	East Kentucky Power Cooperative		154,984	154,98
4	East Kentucky Power Cooperative	East Kentucky Power Cooperative	East Kentucky Power Cooperative	AD	Joint OATT	East Kentucky Power Cooperative	East Kentucky Power Cooperative			
5	Kentucky Municipal Power Agency	Midwest ISO	Kentucky Municipal Power Agency	FNO	SA 13	Various	LGEE.KMPA	76	445,470	445,47
6	Owensboro Municipal Utilities	Owensboro Municipal Utilities	Various	FNO	SA 15	Owensboro Municipal Utilities	Various	93	606,768	606,76
7	Owensboro Municipal Utilities	Owensboro Municipal Utilities	Various	LFP	Joint OATT	Owensboro Municipal Utilities	Various	75		
8			Various	NF	Joint OATT		Various	0		

	Owensboro Municipal Utilities	Owensboro Municipal Utilities				Owensboro Municipal Utilities				
9	Tennessee Valley Authority	Tennessee Valley Authority	Tennessee Valley Authority	FNO	Joint OATT	TVA	TVA	47	261,182	261,18
10	Tennessee Valley Authority	Tennessee Valley Authority	Tennessee Valley Authority	NF	Joint OATT	TVA	TVA		361	36
11	Tennessee Valley Authority	Tennessee Valley Authority	Tennessee Valley Authority	AD	Joint OATT	TVA	TVA			
12	Big Rivers Electric Corporation	Big Rivers Electric Corporation	Big Rivers Electric Corporation	FNO	Joint OATT	Big Rivers Electric Corporation	Big Rivers Electric Corporation		2,999	2,99
13	Kentucky Municipal Energy Agency	Midwest ISO	Kentucky Municipal Energy Agency	FNO	Joint OATT	Various	LGEE.KYMEA	159	980,428	980,42
14	Hoosier Energy	Midwest ISO	Hoosier Energy	FNO	Joint OATT	Midwest ISO	Hoosier Energy	3	20,734	20,73
15	The Energy Authority	Various	Various	NF	Joint OATT	Various	Various		1	
16	[a] KU/LG&E	Various	Various	NF	Joint OATT	Various	Various			
17	[b] KU/LG&E	Various	Various	SFP	Joint OATT	Various	Various			
18	TCJA Order 864, FERC Doc. No. RM19-5-000	Various	Various	AD	Various	Various	Various			
19	Appalachian Power Company	Various	Various	FNO	408	Various	City of Norton			
20	City of Bardstown	Various	City of Bardstown	FNO	185	Various	City of Bardstown	22		
21	City of Nicholasville	Various	City of Nicholasville	FNO	157	Various	City of Nicholasville	22		
35	TOTAL							794	4,293,608	4,293,60

Name of Respondent: Kentucky Utilities Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 03/28/2022	Year/Period of Report End of: 2021/ Q4

FOOTNOTE DATA

(a) Concept: PaymentByCompanyOrPublicAuthority

KU and LG&E are owned by LKE.

(b) Concept: PaymentByCompanyOrPublicAuthority

KU and LG&E are owned by LKE.

(c) Concept: DemandChargesRevenueTransmissionOfElectricityForOthers

True-up of prior periods

(d) Concept: DemandChargesRevenueTransmissionOfElectricityForOthers

True-up of prior periods

(e) Concept: OtherChargesRevenueTransmissionOfElectricityForOthers

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.

(f) Concept: OtherChargesRevenueTransmissionOfElectricityForOthers

True-up of prior periods

(g) Concept: OtherChargesRevenueTransmissionOfElectricityForOthers

On November 21, 2019, FERC issued FERC Docket No. RM19-5-00; Order No. 864, requiring all public utility transmission providers with transmission formula rates under an Open Access Transmission Tariff (OATT) rate schedule to revise those transmission formula rates to account for changes caused by the TCJA. Amounts include the deferral of 2018 amortized excess ADIT through May 2020 and the amortization of this excess ADIT beginning June 1, 2020 when updated transmission formula rates were implemented.

(h) Concept: OtherChargesRevenueTransmissionOfElectricityForOthers

Schedule 1 charges

(i) Concept: OtherChargesRevenueTransmissionOfElectricityForOthers

Schedule 1 charges

(j) Concept: RevenuesFromTransmissionOfElectricityForOthers

Reconciliation of revenues from transmission of electricity of others to amount reported in electric operating revenues:

Schedule Page: 330, Line No.: 35, Column: n	$	28,857,498
Elimination of intracompany transmission revenues		(1,273,825)
Schedule Page: 300, Line No.: 22, Column: b	$	27,583,673

Name of Respondent: Kentucky Utilities Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 03/28/2022	Year/Period of Report End of: 2021/ 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 Tariff (d)	Total Revenue (e)
1					
2					
3					
4					
5					
6					
7					
8					
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45					
46					
47					
48					
49					
40	TOTAL				

Name of Respondent: Kentucky Utilities Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 03/28/2022	Year/Period of Report End of: 2021/ Q4

TRANSMISSION OF ELECTRICITY BY OTHERS (Account 565)

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: MegaWatt Hours Received (c)	TRANSFER OF ENERGY: MegaWatt Hours Delivered (d)	EXPENSES FOR TRANSMISSION OF ELECTRICITY BY OTHERS: Demand Charges ($) (e)	EXPENSES: Energy Charges ($) (f)	EXPENSES: Other Charges ($) (g)	EXPENSES: Total Cost of Transmission ($) (h)
1	EKPC	LFP					[c]284,442	284,442
2	[a] LG&E	SFP	165	165	5,604		[d]178	5,782
3	[b] LG&E	NF	76,711	76,711		477,090	[e]13,066	490,156
4	PJM Intercompany	LFP	1,216	1,216	2,040,687			2,040,687
5	PJM Interconnect	NF				1,297	[f]4,263	5,560
6	PJM Interconnect	AD					[g]130	130
7	TVA	NF				192		192
	TOTAL		78,092	78,092	2,046,291	478,579	302,079	2,826,949

FOOTNOTE DATA
(a) Concept: NameOfCompanyOrPublicAuthorityTransmissionOfElectricityByOthers
KU and LG&E are owned by LKE.
(b) Concept: NameOfCompanyOrPublicAuthorityTransmissionOfElectricityByOthers
KU and LG&E are owned by LKE.
(c) Concept: OtherChargesTransmissionOfElectricityByOthers
Schedule 1 and Schedule 2 charges
(d) Concept: OtherChargesTransmissionOfElectricityByOthers
Schedule 1 and Schedule 2 charges
(e) Concept: OtherChargesTransmissionOfElectricityByOthers
Schedule 1 and Schedule 2 charges
(f) Concept: OtherChargesTransmissionOfElectricityByOthers
Schedule 1 and Schedule 2 charges
(g) Concept: OtherChargesTransmissionOfElectricityByOthers
Black Start Service Charges

Name of Respondent: Kentucky Utilities Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 03/28/2022	Year/Period of Report End of: 2021/ Q4

MISCELLANEOUS GENERAL EXPENSES (Account 930.2) (ELECTRIC)

Line No.	Description (a)	Amount (b)
1	Industry Association Dues	912,122
2	Nuclear Power Research Expenses	
3	Other Experimental and General Research Expenses	2,717,607
4	Pub and Dist Info to Stkhldrs...expn servicing outstanding Securities	
5	Oth Expn greater than or equal to 5,000 show purpose, recipient, amount. Group if less than $5,000	
6	PPL Service Corporation: Stockholder and Debt Service Expenses	739,302
7	Miscellaneous: Kentucky River Authority	5,371
8	Other Miscellaneous Expenses: 6 Items <$5,000 each Various Vendors	6,388
46	TOTAL	4,380,790

Name of Respondent: Kentucky Utilities Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 03/28/2022	Year/Period of Report End of: 2021/ Q4

Depreciation and Amortization of Electric Plant (Account 403, 404, 405)

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 B 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 of 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			19,154,757		19,154,757
2	Steam Production Plant	208,537,347				208,537,347
3	Nuclear Production Plant					
4	Hydraulic Production Plant-Conventional	1,336,012				1,336,012
5	Hydraulic Production Plant-Pumped Storage					
6	Other Production Plant	36,605,794				36,605,794
7	Transmission Plant	31,883,674				31,883,674
8	Distribution Plant	40,597,256				40,597,256
9	Regional Transmission and Market Operation					
10	General Plant	13,954,496				13,954,496
11	Common Plant-Electric					
12	TOTAL	332,914,579		19,154,757		(a)352,069,336

B. Basis for Amortization Charges

(b)
See footnote

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	Intangible Plant						

13	301 Organization	0.044					
14	302 Franchises and Consent	0.056	20 years		3.63%	20-SQ	1 year, 7 months
15	303 Miscellaneous Intangible Plant	80.99	5 years		20.96%	5-SQ	3 years, 1 month
16	303.10 CCS Software	21.435	25 years		10.06%	SQUARE	3 years, 6 months
17	303.30 Cloud Software Non Current	1.947	5 years		20.96%	5-SQ	3 years, 1 month
18	303.40 Cloud Software Prepaids	0.481	5 years		20.96%	5-SQ	3 years, 1 month
19	Steam Production Plant						
20	310.20 - Land	26.294					
21	311 Structures and Improvements						
22	5621 Brown Unit 1 (311)	11.506	100 years	(4)%		100-R2.5	0 years
23	5622 Brown Unit 2 (311)	8.663	100 years	(4)%		100-R2.5	0 years
24	5623 Brown Unit 3 (311)	30.331	100 years	(4)%	3.17%	100-R2.5	8 years
25	5630 Brown Units 1-3 FGD (311)	45.553	100 years	(4)%	4.54%	100-R2.5	8 years
26	5650 Ghent Unit 1 FGD (311)	8.419	100 years	(7)%	2.12%	100-R2.5	13 years, 10 months
27	5651 Ghent Unit 1 (311)	22.913	100 years	(7)%	4.24%	100-R2.5	13 years, 10 months
28	5652 Ghent Unit 2 (311)	17.416	100 years	(7)%	3.7%	100-R2.5	13 years, 8 months
29	5658 Ghent Unit 2 FGD (311)	15.65	100 years	(7)%	2.34%	100-R2.5	13 years, 10 months
30	5653 Ghent Unit 3 (311)	52.417	100 years	(7)%	2.71%	100-R2.5	16 years, 8 months
31	5654 Ghent Unit 4 (311)	50.399	100 years	(7)%	4.09%	100-R2.5	16 years, 10 months
32	5661 Ghent Unit 4 FGD (311)	0.13	100 years	(7)%		100-R2.5	0 years
33	5591 System Laboratory (311)	1.194	100 years	(1)%		100-R2.5	0 years
34	0321 Trimble County Unit 2 (311)	98.203	100 years	(13)%		100-R2.5	0 years
35		5.782	100 years	(13)%		100-R2.5	0 years

	0322 Trimble County Unit 2 FGD (311)						
36	0330 Trimble County Training Center (311)	1.264	100 years	(5)%		100-R2.5	0 years
37	312 Boiler Plant Equipment						
38	5623 Brown Unit 3 (312)	491.38	65 years	(4)%	5.19%	65-R1.5	7 years, 11 months
39	5623 Brown Unit 3 Ash Pond (312)	19.802	100 years		4.11%	100-S4	0 years
40	5630 Brown Units 1-3 FGD (312)	335.983	65 years	(4)%	4.92%	65-R1.5	7 years, 11 months
41	5650 Ghent Unit 1 FGD (312)	141.253	65 years	(7)%	4.15%	65-R1.5	13 years, 7 months
42	5651 Ghent Unit 1 (312)	387.115	65 years	(7)%	5.41%	65-R1.5	13 years, 7 months
43	5652 Ghent Unit 2 (312)	282.916	65 years	(7)%	5.62%	65-R1.5	13 years, 6 months
44	5658 Ghent Unit 2 FGD (312)	72.209	65 years	(7)%	1.17%	65-R1.5	13 years, 7 months
45	5653 Ghent Unit 3 (312)	450.388	65 years	(7)%	3.86%	65-R1.5	16 years, 2 months
46	5660 Ghent Unit 3 FGD (312)	120.173	65 years	(7)%	4.11%	65-R1.5	16 years, 4 months
47	5654 Ghent Unit 4 (312)	974.223	65 years	(7)%	5.14%	65-R1.5	16 years, 5 months
48	5654 Ghent Unit 4 Ash Pond (312)	32.693	100 years		3.71%	100-S4	0 years
49	5661 Ghent Unit 4 FGD (312)	255.711	65 years	(7)%	3.87%	65-R1.5	16 years, 5 months
50	0321 Trimble County Unit 2 (312)	701.261	65 years	(13)%	2.34%	65-R1.5	40 years, 4 months
51	0321 Trimble County Unit 2 Ash Pond (312)	4.474	100 years		2.2%	100-S4	0 years
52	0321 Trimble County Unit 2 Ash Pond Gypsum (312)	4.611	100 years		2.16%	100-S4	0 years
53	0322 Trimble County Unit 2 FGD (312)	73.236	65 years	(13)%	2.04%	65-R1.5	39 years, 7 months
54	314 Turbogenerator Units						
55		51.224	60 years	(4)%	5.29%	60-R1.5	7 years, 10 months

	5623 Brown Unit 3 (314)						
56	5651 Ghent Unit 1 (314)	57.854	60 years	(7)%	3.72%	60-R1.5	13 years, 5 months
57	5652 Ghent Unit 2 (314)	37.392	60 years	(7)%	3.7%	60-R1.5	13 years, 2 months
58	5653 Ghent Unit 3 (314)	56.295	60 years	(7)%	3.87%	60-R1.5	15 years, 11 months
59	5654 Ghent Unit 4 (314)	77.076	60 years	(7)%	2.75%	60-R1.5	15 years, 8 months
60	0321 Trimble County Unit 2 (314)	92.711	60 years	(13)%	2.26%	60-R1.5	38 years, 8 months
61	315 Accessory Electric Equipment						
62	5623 Brown Unit 3 (315)	16.288	70 years	(4)%	3.74%	70-R4	7 years, 11 months
63	5630 Brown Units 1-3 FGD (315)	29.187	70 years	(4)%	4.75%	70-R4	8 years
64	5650 Ghent Unit 1 FGD (315)	12.223	70 years	(7)%	3.59%	70-R4	14 years
65	5651 Ghent Unit 1 (315)	13.846	70 years	(7)%	3.11%	70-R4	13 years, 10 months
66	5652 Ghent Unit 2 (315)	22.328	70 years	(7)%	3.94%	70-R4	13 years, 10 months
67	5658 Ghent Unit 2 FGD (315)	0.951	70 years	(7)%	4.77%	70-R4	14 years
68	5653 Ghent Unit 3 (315)	33.68	70 years	(7)%	1.69%	70-R4	16 years, 5 months
69	5660 Ghent Unit 3 FGD (315)	12.042	70 years	(7)%	3.58%	70-R4	17 years
70	5654 Ghent Unit 4 (315)	53.099	70 years	(7)%	3.85%	70-R4	16 years, 10 months
71	5661 Ghent Unit 4 FGD (315)	15.148	70 years	(7)%	4.35%	70-R4	17 years
72	0321 Trimble County Unit 2 (315)	46.513	70 years	(13)%	2.03%	70-R4	43 years, 5 months
73	0322 Trimble County Unit 2 FGD (315)	1.415	70 years	(13)%	1.41%	70-R4	37 years, 7 months
74	316 Miscellaneous Power Plant Equipment						
75	5623 Brown Unit 3 (316)	7.759	70 years	(4)%	3.36%	70-R1.5	7 years, 11 months
76	5650 Ghent Unit 1 FGD (316)	0.962	70 years	(7)%	0.79%	70-R1.5	13 years, 6 months

77	5651 Ghent Unit 1 (316)	1.893	70 years	(7)%	1.06%	70-R1.5	13 years, 5 months
78	5652 Ghent Unit 2 (316)	1.706	70 years	(7)%	1.08%	70-R1.5	13 years, 5 months
79	5653 Ghent Unit 3 (316)	3.79	70 years	(7)%	1.98%	70-R1.5	16 years, 1 month
80	5654 Ghent Unit 4 (316)	14.852	70 years	(7)%	4.4%	70-R1.5	16 years, 5 months
81	0321 Trimble County Unit 2 (316)	7.92	70 years	(13)%	2.41%	70-R1.5	41 years
82	5591 System Laboratory (316)	5.053	70 years	(1)%	3.73%	70-R1.5	19 years, 2 months
83	317 Asset Retirement Obligations	131.369					
84	Hydraulic Production Plant						
85	330.10 Land Rights	0.856	100 years			100-S4	0 years
86	331 Structures and Improvements	4.618	85 years	(2)%	4.35%	85-S2.5	20 years, 10 months
87	332 Reservoirs, Dams, and Waterways	21.932	110 years	(2)%	2.58%	110-S2.5	20 years, 8 months
88	333 Water Wheels, Turbines, Generators	14.047	75 years	(2)%	3.82%	75-R3	20 years, 10 months
89	334 Accessory Electric Equipment	1.357	40 years	(2)%	3.86%	40-L2.5	19 years, 1 month
90	335 Miscellaneous Power Plant Equipment	0.383	45 years	(2)%	2.93%	45-S0	16 years, 8 months
91	336 Roads, Railroads, and Bridges	0.199	65 years	(2)%	3.41%	65-R4	20 years, 4 months
92	337 Asset Retirement Obligations	0.864					
93	Other Production Plant						
94	340.10 Land Rights	0.176	25 years		1.14%	SQUARE	21 years
95	340.20 Land	0.718					
96	341 Structures and Improvements						
97	0172 Cane Run Unit 7 (341)	51.01	55 years	(10)%	2.94%	55-R2.5	32 years, 10 months

98	5697 Paddys Run 13 (341)	2.199	55 years	(6)%	2.31%	55-R2.5	19 years, 10 months
99	5635 Brown CT 5 (341)	1.052	55 years	(6)%	3.04%	55-R2.5	20 years
100	5636 Brown CT 6 (341)	0.216	55 years	(6)%	3%	55-R2.5	18 years, 2 months
101	5637 Brown CT 7 (341)	0.556	55 years	(6)%	2.09%	55-R2.5	17 years, 11 months
102	5638 Brown CT 8 (341)	2.626	55 years	(6)%	1.29%	55-R2.5	14 years, 1 month
103	5639 Brown CT 9 (341)	4.66	55 years	(6)%	2.03%	55-R2.5	13 years, 4 months
104	5640 Brown CT 10 (341)	1.866	55 years	(6)%	2.02%	55-R2.5	14 years, 1 month
105	5641 Brown CT 11 (341)	1.919	55 years	(6)%	1.61%	55-R2.5	15 years, 1 month
106	0470 Trimble County CT 5 (341)	3.849	55 years	(8)%	2.19%	55-R2.5	20 years, 7 months
107	0471 Trimble County CT 6 (341)	3.589	55 years	(8)%	2.18%	55-R2.5	20 years, 7 months
108	0474 Trimble County CT 7 (341)	3.559	55 years	(8)%	2.28%	55-R2.5	22 years, 5 months
109	0475 Trimble County CT 8 (341)	3.549	55 years	(8)%	2.28%	55-R2.5	22 years, 5 months
110	0476 Trimble County CT 9 (341)	3.656	55 years	(8)%	2.28%	55-R2.5	22 years, 5 months
111	0477 Trimble County CT 10 (341)	4.414	55 years	(8)%	2.63%	55-R2.5	22 years, 7 months
112	5696 Haefling Units 1,2,3 (341)	0.291	55 years	(12)%	3.07%	55-R2.5	4 years, 11 months
113	5468 Brown Solar (341)	1.444	40 years	(3)%	4.25%	40-S3	20 years, 10 months
114	6001 Simpsonville Solar (341)	0.82	40 years	(1)%	4.1%	40-S3	23 years, 10 months
115	342 Fuel holders, producers, and Accessories						
116	0172 Cane Run Unit 7 (342)	6.596	50 years	(10)%	1.53%	50-R2	31 years, 7 months
117	0173 Cane Run CT Pipeline (342)	23.41	50 years	(10)%	3.01%	50-R2	31 years, 7 months
118	0433 Paddys Run CT Pipeline (342)	6.852	50 years	(6)%	4.69%	50-R2	20 years, 1 month
119		1.978	50 years	(6)%	2.23%	50-R2	19 years

	5697 Paddys Run 13 (342)						
120	5635 Brown CT 5 (342)	0.796	50 years	(6)%	2.66%	50-R2	19 years, 4 months
121	5636 Brown CT 6 (342)	0.993	50 years	(6)%	3.46%	50-R2	18 years, 2 months
122	5637 Brown CT 7 (342)	1.031	50 years	(6)%	3.41%	50-R2	18 years, 1 month
123	5638 Brown CT 8 (342)	0.263	50 years	(6)%	2.08%	50-R2	14 years, 6 months
124	5639 Brown CT 9 (342)	3.155	50 years	(6)%	3.69%	50-R2	13 years, 4 months
125	5640 Brown CT 10 (342)	0.282	50 years	(6)%	3.98%	50-R2	14 years, 5 months
126	5641 Brown CT 11 (342)	0.302	50 years	(6)%	2.85%	50-R2	15 years, 4 months
127	5645 Brown CT 9 Pipeline (342)	28.454	50 years	(6)%	1.64%	50-R2	18 years, 4 months
128	0470 Trimble County CT 5 (342)	0.24	50 years	(8)%	2.26%	50-R2	19 years, 11 months
129	0471 Trimble County CT 6 (342)	0.239	50 years	(8)%	2.26%	50-R2	19 years, 11 months
130	0473 Trimble County Pipeline (342)	5.642	50 years	(8)%	2.47%	50-R2	21 years, 8 months
131	0474 Trimble County CT 7 (342)	0.578	50 years	(8)%	2.36%	50-R2	21 years, 7 months
132	0475 Trimble County CT 8 (342)	0.576	50 years	(8)%	2.36%	50-R2	21 years, 7 months
133	0476 Trimble County CT 9 (342)	0.594	50 years	(8)%	2.36%	50-R2	21 years, 7 months
134	0477 Trimble County CT 10 (342)	0.787	50 years	(8)%	2.79%	50-R2	22 years
135	5696 Haefling Units 1,2,3 (342)	0.496	50 years	(12)%	4.75%	50-R2	5 years
136	343 Prime Movers						
137	0172 Cane Run Unit 7 (343)	272.28	40 years	(10)%	3.49%	40-R1.5	29 years
138	5697 Paddys Run 13 (343)	19.579	40 years	(6)%	3.08%	40-R1.5	18 years
139	5635 Brown CT 5 (343)	16.691	40 years	(6)%	3.07%	40-R1.5	18 years, 4 months
140	5636 Brown CT 6 (343)	43.296	40 years	(6)%	3.59%	40-R1.5	16 years, 11 months
141	5637 Brown CT 7 (343)	44.714	40 years	(6)%	2.49%	40-R1.5	14 years, 4 months

142	5638 Brown CT 8 (343)	26.71	40 years	(6)%	1.87%	40-R1.5	13 years, 5 months
143	5639 Brown CT 9 (343)	29.386	40 years	(6)%	3.63%	40-R1.5	12 years, 8 months
144	5640 Brown CT 10 (343)	25.934	40 years	(6)%	3.57%	40-R1.5	13 years, 6 months
145	5641 Brown CT 11 (343)	42.712	40 years	(6)%	2.72%	40-R1.5	14 years, 5 months
146	0470 Trimble County CT 5 (343)	43.771	40 years	(8)%	2.96%	40-R1.5	18 years, 10 months
147	0471 Trimble County CT 6 (343)	34.969	40 years	(8)%	2.84%	40-R1.5	18 years, 8 months
148	0474 Trimble County CT 7 (343)	26.968	40 years	(8)%	2.99%	40-R1.5	20 years, 5 months
149	0475 Trimble County CT 8 (343)	27.217	40 years	(8)%	2.84%	40-R1.5	20 years, 2 months
150	0476 Trimble County CT 9 (343)	27.441	40 years	(8)%	2.79%	40-R1.5	20 years, 2 months
151	0477 Trimble County CT 10 (343)	26.545	40 years	(8)%	2.83%	40-R1.5	20 years, 4 months
152	344 Generators						
153	0172 Cane Run Unit 7 (344)	63.157	60 years	(10)%	2.8%	60-S1.5	33 years, 1 month
154	5697 Paddys Run 13 (344)	5.327	60 years	(6)%	2.7%	60-S1.5	19 years, 8 months
155	5635 Brown CT 5 (344)	3.011	60 years	(6)%	2.46%	60-S1.5	19 years, 10 months
156	5636 Brown CT 6 (344)	3.276	60 years	(6)%	2.33%	60-S1.5	17 years, 10 months
157	5637 Brown CT 7 (344)	3.83	60 years	(6)%	2.42%	60-S1.5	18 years
158	5638 Brown CT 8 (344)	5.069	60 years	(6)%	1.57%	60-S1.5	14 years, 2 months
159	5639 Brown CT 9 (344)	5.572	60 years	(6)%	2.32%	60-S1.5	13 years, 2 months
160	5640 Brown CT 10 (344)	4.99	60 years	(6)%	2.49%	60-S1.5	14 years, 2 months
161	5641 Brown CT 11 (344)	5.73	60 years	(6)%	2.47%	60-S1.5	15 years, 4 months
162	0470 Trimble County CT 5 (344)	4.002	60 years	(8)%	2.39%	60-S1.5	20 years, 8 months
163	0471 Trimble County CT 6 (344)	3.906	60 years	(8)%	2.44%	60-S1.5	20 years, 7 months
164		3.066	60 years	(8)%	2.48%	60-S1.5	22 years, 6 months

	0474 Trimble County CT 7 (344)						
165	0475 Trimble County CT 8 (344)	3.053	60 years	(8)%	2.48%	60-S1.5	22 years, 6 months
166	0476 Trimble County CT 9 (344)	3.484	60 years	(8)%	3.28%	60-S1.5	22 years, 10 months
167	0477 Trimble County CT 10 (344)	3.438	60 years	(8)%	2.56%	60-S1.5	22 years, 7 months
168	5696 Haefling Units 1,2,3 (344)	2.682	60 years	(12)%	1.2%	60-S1.5	4 years, 10 months
169	5468 Brown Solar (344)	13.069	25 years	(3)%	4.63%	25-S2.5	18 years, 2 months
170	6001 Simpsonville Solar (344)	1.393	25 years	(1)%	4.54%	25-S2.5	21 years, 5 months
171	6102 Business Solar (344)	0.248	25 years	(10)%	4.37%	25-S2.5	24 years, 10 months
172	345 Accessory Electric Equipment						
173	0172 Cane Run Unit 7 (345)	24.588	55 years	(10)%	2.87%	55-R3	33 years, 5 months
174	5697 Paddys Run 13 (345)	2.504	55 years	(6)%	2.16%	55-R3	19 years, 11 months
175	5635 Brown CT 5 (345)	2.323	55 years	(6)%	2.22%	55-R3	19 years, 11 months
176	5636 Brown CT 6 (345)	2.236	55 years	(6)%	2.39%	55-R3	18 years, 2 months
177	5637 Brown CT 7 (345)	2.278	55 years	(6)%	2.51%	55-R3	18 years, 2 months
178	5638 Brown CT 8 (345)	3.472	55 years	(6)%	2.08%	55-R3	14 years, 6 months
179	5639 Brown CT 9 (345)	4.722	55 years	(6)%	2.8%	55-R3	13 years, 6 months
180	5640 Brown CT 10 (345)	3.246	55 years	(6)%	2.72%	55-R3	14 years, 5 months
181	5641 Brown CT 11 (345)	2.454	55 years	(6)%	1.84%	55-R3	15 years, 6 months
182	0470 Trimble County CT 5 (345)	1.96	55 years	(8)%	2.52%	55-R3	21 years
183	0471 Trimble County CT 6 (345)	4.577	55 years	(8)%	2.55%	55-R3	20 years, 11 months
184	0474 Trimble County CT 7 (345)	3.691	55 years	(8)%	2.5%	55-R3	22 years, 11 months
185	0475 Trimble County CT 8 (345)	3.323	55 years	(8)%	2.39%	55-R3	22 years, 10 months

186	0476 Trimble County CT 9 (345)	3.247	55 years	(8)%	2.29%	55-R3	22 years, 8 months
187	0477 Trimble County CT 10 (345)	10.727	55 years	(8)%	2.98%	55-R3	23 years, 1 month
188	5696 Haefling Units 1,2,3 (345)	0.816	55 years	(12)%	4.23%	55-R3	5 years
189	5468 Brown Solar (345)	0.487	45 years	(3)%	4.04%	45-R2.5	20 years, 2 months
190	6001 Simpsonville Solar (345)	0.34	45 years	(1)%	4.36%	45-R2.5	23 years, 1 month
191	6102 Business Solar (345)	0.156	45 years	(5)%	2.32%	45-R2.5	44 years, 10 months
192	346 Miscellaneous Power Plant Equipment						
193	0172 Cane Run Unit 7 (346)	3.421	45 years	(10)%	3.12%	45-R2.5	31 years, 5 months
194	5697 Paddys Run 13 (346)	1.105	45 years	(6)%	2.1%	45-R2.5	18 years, 7 months
195	5635 Brown CT 5 (346)	2.112	45 years	(6)%	2.09%	45-R2.5	18 years, 7 months
196	5636 Brown CT 6 (346)	0.118	45 years	(6)%	3.38%	45-R2.5	18 years, 1 month
197	5637 Brown CT 7 (346)	0.083	45 years	(6)%	3.04%	45-R2.5	18 years, 1 month
198	5638 Brown CT 8 (346)	0.438	45 years	(6)%	2.19%	45-R2.5	14 years, 1 month
199	5639 Brown CT 9 (346)	0.842	45 years	(6)%	2.85%	45-R2.5	13 years
200	5640 Brown CT 10 (346)	0.237	45 years	(6)%	2.57%	45-R2.5	13 years, 6 months
201	5641 Brown CT 11 (346)	0.599	45 years	(6)%	2.34%	45-R2.5	14 years, 11 months
202	0470 Trimble County CT 5 (346)	0.029	45 years	(8)%	2.25%	45-R2.5	20 years, 2 months
203	0474 Trimble County CT 7 (346)	0.009	45 years	(8)%	2.32%	45-R2.5	21 years, 4 months
204	0475 Trimble County CT 8 (346)	0.009	45 years	(8)%	2.32%	45-R2.5	21 years, 2 months
205	0476 Trimble County CT 9 (346)	0.009	45 years	(8)%	2.33%	45-R2.5	21 years, 4 months
206	0477 Trimble County CT 10 (346)	0.042	45 years	(8)%	2.74%	45-R2.5	22 years, 1 month
207	5696 Haefling Units 1,2,3 (346)	0.112	45 years	(12)%	5.26%	45-R2.5	5 years

208	5468 Brown Solar (346)	0.425	45 years	(3)%	4.38%	45-R2.5	20 years
209	6001 Simpsonville Solar (346)	0.046	45 years	(1)%	4.4%	45-R2.5	22 years, 11 months
210	347 Asset Retirement Obligations	0.62					
211	Electric Transmission Plant						
212	350.1 Land Rights	29.995	70 years		0.86%	70-R3	48 years, 11 months
213	350.2 Land	2.554					
214	352.1 Structures and Improvements Non System Control	34.902	70 years	(25)%	1.66%	70-R3	59 years, 6 months
215	352.2 Structures and Improvements System Control	0.009	65 years	(25)%	1.83%	65-R4	47 years, 11 months
216	353.1 Station Equipment Non System Control	402.371	60 years	(15)%	1.9%	60-R2	46 years
217	353.2 Station Equipment System Control	0.075	45 years	(15)%		45-R2	0 years
218	354 Towers and Fixtures	77.912	70 years	(40)%	1.69%	70-R4	44 years, 10 months
219	355 Poles and Fixtures	583.226	58 years	(75)%	2.93%	58-R2	48 years, 10 months
220	356 Overhead Conductors and Devices	268.188	65 years	(75)%	2.54%	65-R3	43 years, 10 months
221	357 Underground Conduit	0.385	50 years		1.7%	50-R4	28 years, 8 months
222	358 Underground Conductors and Devices	9.693	40 years		0.74%	40-R3	23 years, 7 months
223	359 Asset Retirement Obligations	0.254					
224	Electric Distribution Plant						
225	360.1 Land Rights	2.621	70 years		0.64%	70-R4	51 years, 5 months
226	360.2 Land	6.534					
227	361 Structures and Improvements	27.64	60 years	(25)%	2.15%	60-R2.5	48 years, 5 months
228	362 Station Equipment	309.257	54 years	(20)%	1.54%	54-R2	40 years, 4 months

229	364 Poles, Towers and Fixtures	491.708	50 years	(50)%	1.56%	50-R1.5	40 years, 1 month
230	365 Overhead Conductors and Devices	491.075	47 years	(30)%	1.56%	47-R1	38 years, 4 months
231	366 Underground Conduit	2.687	50 years		2.32%	50-R4	25 years, 7 months
232	367 Underground Conductors and Devices	236.233	48 years	(20)%	1.56%	48-R2	40 years, 2 months
233	368 Line Transformers	336.536	46 years	(5)%	1.79%	46-R2	33 years
234	369 Services	141.209	48 years	(25)%	1.63%	48-R1	36 years, 7 months
235	370 Meters	63.962	28 years		3.51%	28-L1	4 years, 4 months
236	370.10 AMS Meters	3.013	15 years		6.85%	15-S2.5	14 years, 6 months
237	370.11 AMI Meters	0.361	15 years		6.88%	15-S2.5	13 years
238	370.20 Meters CT and PT	12.17	28 years		4.29%	28-L1	14 years, 8 months
239	371 Installations Charging Station	0.165	10 years		10%	10-L2.5	19 years, 4 months
240	373 Street Lighting	147.217	28 years	(10)%	4%	28-L0.5	22 years, 1 month
241	374 Asset Retirement Obligations	0.588					
242	Electric General Plant						
243	389.20 Land	6.951					
244	390.10 Structures and Improvements	97.978	50 years	(15)%	2.43%	50-S0	39 years, 2 months
245	390.20 Structures and Improvements Leased Property	0.025	33 years	(10)%	1.43%	33-R1.5	18 years
246	391.10 Office Equipment	10.543	20 years		4.36%	20-SQ	9 years, 11 months
247	391.20 Non PC Computer Equipment	27.496	5 years		11.69%	5-SQ	4 years
248	391.31 Personal Computers	4.507	4 years		25.02%	4-SQ	2 years, 2 months
249	392.0 Transportation Cars and Light Trucks	2.385	14 years		1.97%	14-S2	10 years, 10 months
250		6.603	16 years		3.19%	16-L2.5	13 years, 11 months

	392.1 Transportation Heavy Trucks						
251	393 Stores Equipment	0.754	25 years		4.4%	25-SQ	18 years
252	394 Tools, Shop, and Garage Equipment	16.373	25 years		4.02%	25-SQ	17 years, 6 months
253	396.1 Power Operated Equipment Large Machinery	5.303	16 years		5.65%	16-L5	12 years
254	396.2 Power Operated Equipment Other	1.147	16 years		5.65%	16-L5	12 years
255	397.0 Communication Equipment Microwave, Fiber, Other	38.976	18 years		4.9%	18-L3	13 years, 5 months
256	397.1 Communication Equipment Radio and Telephone	30.396	10 years		10.84%	10-SQ	5 years, 7 months
257	397.20 DSM Communication Equipment	7.611	10 years		14.08%	10-SQ	6 years, 6 months
258	398 Miscellaneous Equipment	0.062	20 years		4.36%	20-SQ	9 years, 11 months

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FOOTNOTE DATA

(a) Concept: DepreciationAndAmortization

Depreciation rates were updated effective July1, 2021 based on a depreciation study dated June 30, 2020.

(b) Concept: BasisAmortizationCharges

B: Basis for Amortization Charges

Account	Rate	Plant Balance @ 12/31/2021	Amortization	
130200	4%	55,919	2,030	
130300	21%	80,989,535	16,639,284	
130310	10%	21,434,535	2,172,756	
130330	21%	1,947,286	273,131	
130340	21%	480,842	67,556	
			19,154,757	Column (d)

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REGULATORY COMMISSION EXPENSES

1. Report particulars (details) of regulatory commission expenses incurred during the current year (or incurred in previous years, if being amortized) rela 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 previ
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 columns (f), (g), and (h), expenses incurred during the 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 DUR	
						CURRENTLY CHARGED TO					
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 Expenses for Current Year (d)	Deferred in Account 182.3 at Beginning of Year (e)	Department (f)	Account No. (g)	Amount (h)	Deferred to Account 182.3 (i)	Contra Account (j)	Amount (k)
1	FERC - Annual Charge	459,035		459,035		Electric	928	459,035			
2	VSCC - Rate Case (Ongoing)		257,933	257,933		Electric	928	257,933			
3	KPSC 2020-00349		1,253,195	1,253,195	1,996,571				353,726	928	1,253,19
17	Other		7,271	7,271		Electric	928	7,271			
46	TOTAL	459,035	1,518,399	1,977,434	1,996,571			724,239	353,726		1,253,19

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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 and 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 and 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 and 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 and D Performed Externally:
     1. Research Support to the electrical Research Council or the Electric Power Research Institute
     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 and 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 and 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 and 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 and 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.

Line No.	Classification (a)	Description (b)	Costs Incurred Internally Current Year (c)	Costs Incurred Externally Current Year (d)	AMOUNTS CHARGED IN CURRENT YEAR: Amounts Charged In Current Year: Account (e)	AMOUNTS CHARGED IN CURRENT YEAR: Amounts Charged In Current Year: Amount (f)	Unamortized Accumulation (g)
1	A(1)e: Energy Storage	Amortization of EW Brown Energy Storage	343,868		930	343,868	
2	B4: Research support to Others	Research related to the integration of intermittent renewables, energy storage, carbon capture, and other technologies to reduce emissions or improve environmental sustainability.	31,349	402,088	930	433,437	
3	A6: Other	Internal Labor	333,462		930	333,462	
4	B(1): EPRI	Annual Membership and Annual Research Portfolio (Expense)		1,606,841	930	1,606,841	
5	B(1): EPRI	Annual Membership and Annual Research Portfolio (Capital)		61,106	107	61,106	

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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	25,481,809		
4	Transmission	5,458,555		
5	Regional Market			
6	Distribution	12,261,504		
7	Customer Accounts	13,625,975		
8	Customer Service and Informational	1,354,967		
9	Sales			
10	Administrative and General	24,870,111		
11	TOTAL Operation (Enter Total of lines 3 thru 10)	83,052,921		
12	Maintenance			
13	Production	20,409,265		
14	Transmission	1,016,430		
15	Regional Market			
16	Distribution	5,704,746		
17	Administrative and General	631,126		
18	TOTAL Maintenance (Total of lines 13 thru 17)	27,761,567		
19	Total Operation and Maintenance			
20	Production (Enter Total of lines 3 and 13)	45,891,074		
21	Transmission (Enter Total of lines 4 and 14)	6,474,985		
22	Regional Market (Enter Total of Lines 5 and 15)			
23	Distribution (Enter Total of lines 6 and 16)	17,966,250		
24	Customer Accounts (Transcribe from line 7)	13,625,975		
25	Customer Service and Informational (Transcribe from line 8)	1,354,967		
26	Sales (Transcribe from line 9)			
27	Administrative and General (Enter Total of lines 10 and 17)	25,501,237		

28	TOTAL Oper. and Maint. (Total of lines 20 thru 27)	110,814,488	28,006,355	138,820,843
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			
59	Customer Service and Informational			
60	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			
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)	110,814,488	28,006,355	138,820,843
66	Utility Plant			
67	Construction (By Utility Departments)			
68	Electric Plant	30,931,736	25,990,082	56,921,818
69	Gas Plant			
70	Other (provide details in footnote):			
71	TOTAL Construction (Total of lines 68 thru 70)	30,931,736	25,990,082	56,921,818
72	Plant Removal (By Utility Departments)			
73	Electric Plant	3,117,686	1,475,765	4,593,451
74	Gas Plant			
75	Other (provide details in footnote):			
76	TOTAL Plant Removal (Total of lines 73 thru 75)	3,117,686	1,475,765	4,593,451
77	Other Accounts (Specify, provide details in footnote):			
78	Accounts Receivable	63,126	13,593	76,719
79	Other Accounts (Specify, provide details in footnote):			
80	Certain Civic, Political and Related Activities and Other	269,786	70,542	340,328
81	Accounts Receivable (Non-jurisdictional - Trimble County)	2,438,715	659,838	3,098,553
82	Deferred Debits	(49,889)	11,781	(38,108)
83				
84				
85				
86				
87				
88				
89				
90				
91				
92				
93				
94				
95	TOTAL Other Accounts	2,721,738	755,754	3,477,492

96	TOTAL SALARIES AND WAGES	147,585,648	56,227,956	203,813,604

Name of Respondent: Kentucky Utilities Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 03/28/2022	Year/Period of Report End of: 2021/ 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 Electric 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 the order of the Commission or other authorization.

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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)				
2.1	Net Purchases (Account 555.1)				
3	Net Sales (Account 447)	(1,134,489)	(3,172,840)	(8,926,594)	(9,583,897)
4	Transmission Rights				
5	Ancillary Services				
6	Other Items (list separately)				
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46	TOTAL	(1,134,489)	(3,172,840)	(8,926,594)	(9,583,897)

Name of Respondent: Kentucky Utilities Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 03/28/2022	Year/Period of Report End of: 2021/ 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), and (e) report the amount of ancillary services purchased and sold during the year.
2. On Line 2 columns (b), (c), (d), and (e) report the amount of reactive supply and voltage control services purchased and sold during the year.
3. On Line 3 columns (b), (c), (d), and (e) report the amount of regulation and frequency response services purchased and sold during the year.
4. On Line 4 columns (b), (c), (d), and (e) report the amount of energy imbalance services purchased and sold during the year.
5. On Lines 5 and 6, columns (b), (c), (d), and (e) report the amount of operating reserve spinning and supplement services purchased and sold during the period.
6. On Line 7 columns (b), (c), (d), and (e) 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)	Dollar (d)	Number of Units (e)	Unit of Measure (f)	Dollars (g)
1	Scheduling, System Control and Dispatch	78,092	MWH	221,840	4,293,608	MWH	772,990
2	Reactive Supply and Voltage	78,092	MWH	80,109	4,293,608	MWH	364,313
3	Regulation and Frequency Response				2,032,666	MWH	228,287
4	Energy Imbalance	5,397	MWH	155,371	7,664	MWH	227,861
5	Operating Reserve - Spinning				2,032,666	MWH	353,845
6	Operating Reserve - Supplement				2,032,666	MWH	353,845
7	Other			[(a)] [(b)] 130			[(c)] [(d)] 986,766
8	Total (Lines 1 thru 7)	[(e)] 161,581		457,450	[(f)] 14,692,878		3,287,907

Name of Respondent: Kentucky Utilities Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 03/28/2022	Year/Period of Report End of: 2021/ Q4

FOOTNOTE DATA

(a) Concept: AncillaryServicesPurchasedAmount
The amount consists of Black Start services.
(b) Concept: AncillaryServicesPurchasedAmount
The other services amounts are not associated with a number of units or a unit of measure.
(c) Concept: AncillaryServicesSoldAmount
The amount consists of MISO Joint Party Settlement Payments.
(d) Concept: AncillaryServicesSoldAmount
The other services amounts are not associated with a number of units or a unit measure.
(e) Concept: AncillaryServicesPurchasedNumberOfUnits
The number of units per ancillary service type cover multiple schedules and should not be accumulated in total.
(f) Concept: AncillaryServicesSoldNumberOfUnits
The number of units per ancillary service type cover multiple schedules and should not be accumulated in total.

Name of Respondent: Kentucky Utilities Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 03/28/2022	Year/Period of Report End of: 2021/ 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.

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)
	NAME OF SYSTEM: Kentucky Utilities Company									
1	January	4,610	29	9	3,623	685	302			
2	February	4,786	17	9	3,828	656	302			
3	March	3,937	3	8	3,030	605	302			
4	Total for Quarter 1				10,481	1,946	906			
5	April	3,621	2	7	2,759	560	302			
6	May	4,137	25	15	3,167	668	302			
7	June	4,534	29	16	3,456	767	311			
8	Total for Quarter 2				9,382	1,995	915			
9	July	4,480	26	16	3,402	767	311			
10	August	4,702	12	16	3,577	814	311			
11	September	4,212	14	17	3,182	719	311			
12	Total for Quarter 3				10,161	2,300	933			
13	October	3,683	14	16	2,784	588	311			
14	November	4,141	23	8	3,254	576	311			
15	December	3,991	20	9	3,114	566	311			
16	Total for Quarter 4				9,152	1,730	933			
17	Total				39,176	7,971	3,687			

Name of Respondent: Kentucky Utilities Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 03/28/2022	Year/Period of Report End of: 2021/ 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).

Line No.	Month (a)	Monthly Peak MW - Total (b)	Day of Monthly Peak (c)	Hour of Monthly Peak (d)	Import 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)
	NAME OF SYSTEM: Enter System									
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: Kentucky Utilities Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 2022-03-28	Year/Period of Report End of: 2021/ 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)	18,139,175
3	Steam	14,718,058	23	Requirements Sales for Resale (See instruction 4, page 311.)	372,947
4	Nuclear		24	Non-Requirements Sales for Resale (See instruction 4, page 311.)	1,301,708
5	Hydro-Conventional	88,976	25	Energy Furnished Without Charge	51
6	Hydro-Pumped Storage		26	Energy Used by the Company (Electric Dept Only, Excluding Station Use)	26,587
7	Other	4,393,361	27	Total Energy Losses	1,172,464
8	Less Energy for Pumping		27.1	Total Energy Stored	
9	Net Generation (Enter Total of lines 3 through 8)	19,200,395	28	TOTAL (Enter Total of Lines 22 Through 27.1) MUST EQUAL LINE 20 UNDER SOURCES	21,012,932
10	Purchases (other than for Energy Storage)	1,345,944			
10.1	Purchases for Energy Storage				
11	Power Exchanges:				
12	Received	466,593			
13	Delivered				
14	Net Exchanges (Line 12 minus line 13)	466,593			
15	Transmission For Other (Wheeling)				
16	Received	4,293,608			
17	Delivered	4,293,608			
18	Net Transmission for Other (Line 16 minus line 17)				
19	Transmission By Others Losses				
20	TOTAL (Enter Total of Lines 9, 10, 10.1, 14, 18 and 19)	21,012,932			

Name of Respondent: Kentucky Utilities Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 03/28/2022	Year/Period of Report End of: 2021/ 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).

Line No.	Month (a)	Total Monthly Energy (b)	Monthly Non-Requirement Sales for Resale & Associated Losses (c)	Monthly Peak - Megawatts (d)	Monthly Peak - Day of Month (e)	Monthly Peak - Hour (f)
	NAME OF SYSTEM: Kentucky Utilities Company					
29	January	1,930,674	9,852	3,620	29	9
30	February	1,941,190	86,032	3,824	17	9
31	March	1,688,403	147,031	3,026	3	8
32	April	1,424,979	5,353	2,755	2	7
33	May	1,503,337	32,037	3,163	25	15
34	June	1,840,416	159,357	3,452	29	16
35	July	2,034,293	247,055	3,424	28	16
36	August	2,015,883	172,170	3,582	12	15
37	September	1,654,626	118,472	3,180	14	17
38	October	1,732,230	272,849	2,785	14	15
39	November	1,631,525	26,224	3,249	23	8
40	December	1,615,376	25,276	3,110	20	9
41	Total	21,012,932	1,301,708			

Name of Respondent: Kentucky Utilities Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 03/28/2022	Year/Period of Report End of: 2021/ Q4

Steam Electric Generating Plant Statistics

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.
9. Items under Cost of Plant are based on USofA 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.

Line No.	Item (a)	Plant Name: (a) Brown CT	Plant Name: (b) Cane Run NGCC	Plant Name: (c) EW Brown	Plant Name: Ghent	Plant Name: (d) Haefling	Plant Name: (e) Paddy's Run 13 CT	Plant Name: (f) Trimble County	Plant Nar (g) Trimbl County (
1	Kind of Plant (Internal Comb, Gas Turb, Nuclear)	Combustion Turbine	Combined Cycle	Steam	Steam	Combustion Turbine	Combustion Turbine	(h) Steam	Combust Turb
2	Type of Constr (Conventional, Outdoor, Boiler, etc)	Conventional	Conventional	Conventional	Conventional	Outdoor	Conventional	Conventional	Conventic
3	Year Originally Constructed	1994	2015	1957	1973	1970	2001	2011	2
4	Year Last Unit was Installed	2001	2015	1971	1984	1970	2001	2011	2
5	Total Installed Cap (Max Gen Name Plate Ratings-MW)	781.43	630.24	464.00	2,226.06	41.40	83.75	509.09	783
6	Net Peak Demand on Plant - MW (60 minutes)	373	542	423	1,939	26	67	467	[illegible]
7	Plant Hours Connected to Load	294	6,254	5,449	7,377	6	172	6,376	[illegible]
8	Net Continuous Plant Capability (Megawatts)	726	516	412	1,919	24	69	445	[illegible]
9	When Not Limited by Condenser Water	726	516	412	1,919	24	69	445	[illegible]

10	When Limited by Condenser Water	0	0				0		
11	Average Number of Employees	13	43	108	251	0	1	91	
12	Net Generation, Exclusive of Plant Use - kWh	112,208,000	3,706,240,000	932,832,000	10,582,328,000	(19,000)	17,646,000	3,202,898,000	545,702,
13	Cost of Plant: Land and Land Rights	333,128	6,243	3,129,331	21,381,408		6,286	1,782,993	26,
14	Structures and Improvements	12,895,623	51,009,655	96,053,129	168,538,531	291,451	2,198,886	105,248,596	22,616,
15	Equipment Costs	321,360,148	393,452,490	951,622,599	3,136,872,644	4,106,953	37,344,279	932,142,954	244,136,
16	Asset Retirement Costs	372,729	69,574	39,678,834	70,143,495		32,134	21,458,084	145,
17	Total cost (total 13 thru 20)	334,961,628	444,537,962	1,090,483,893	3,396,936,078	4,398,404	39,581,585	1,060,632,627	266,924,
18	Cost per KW of Installed Capacity (line 17/5) Including	428.6521	705.3471	2,350.1808	1,525.9859	106.2416	472.6159	2,083.3892	340.6
19	Production Expenses: Oper, Supv, & Engr	190,419	568,138	1,403,456	2,298,453			1,344,889	
20	Fuel	7,164,658	86,671,076	30,869,137	220,873,999	17,009	2,467,433	59,904,823	39,317,
21	Coolants and Water (Nuclear Plants Only)		0						
22	Steam Expenses		0	4,705,582	11,160,968			2,526,525	
23	Steam From Other Sources		0						
24	Steam Transferred (Cr)		0						
25	Electric Expenses	123,418	4,903,477	1,334,085	5,673,054	150	80,614	749,250	556,
26	Misc Steam (or Nuclear) Power Expenses		0	3,451,527	17,827,094			5,552,164	
27	Rents		0				418		
28	Allowances		0	63	2,151				
29	Maintenance Supervision and Engineering	181,075	668,663	3,590,180	7,477,764		17,814	1,549,881	

30	Maintenance of Structures	502,804	571,826	2,198,663	8,687,974		1,141	788,623	
31	Maintenance of Boiler (or reactor) Plant		0	10,729,768	32,813,548			6,664,136	
32	Maintenance of Electric Plant	2,185,451	5,117,437	810,602	6,406,011	22,746	400,183	1,251,454	1,127,
33	Maintenance of Misc Steam (or Nuclear) Plant		0	1,208,487	1,490,846			533,400	
34	Total Production Expenses	10,347,825	98,500,617	60,301,550	314,711,862	39,905	2,967,603	80,865,145	41,001,
35	Expenses per Net kWh	0.0922	0.0266	0.0646	0.0297	(2.1003)	0.1682	0.0252	0.0

35	**Plant Name**	Brown CT	Brown CT	Cane Run NGCC	EW Brown	EW Brown	Ghent	Ghent	Haefling	Paddy's Run 13 CT	Trimble County	Trimble County	Trimb Coun CT
36	Fuel Kind	Gas	Oil	Gas	Coal	Oil	Coal	Oil	Gas	Gas	Coal	Gas	Gas
37	Fuel Unit	Mcf	bbl	Mcf	T	bbl	T	bbl	Mcf	Mcf	T	Mcf	Mcf
38	Quantity (Units) of Fuel Burned	1,404,057	697	23,916,252	495,403	4,866	4,671,580	17,993	2,091	197,207	1,819,668	75,979	5,80
39	Avg Heat Cont - Fuel Burned (btu/indicate if nuclear)	1,025	3,333	1,065	11,273	3,333	12,140	3,333	1,025	1,065	10,879	1,065	
40	Avg Cost of Fuel/unit, as Delvd f.o.b. during year	5	92	4	59	76	47	77	8	13	44	13	
41	Average Cost of Fuel per Unit Burned	5	92	4	62	76	47	77	8	13	33	13	
42	Average Cost of Fuel Burned per Million BTU	5	16	3	3	13	2	13	8	12	2	12	
43	Average Cost of Fuel Burned per kWh Net Gen								(1)				
44	Average BTU per kWh Net Generation	12,845	24,111	6,872	11,974		10,719		(112,789)	11,902	12,361		1

Name of Respondent: Kentucky Utilities Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 03/28/2022	Year/Period of Report End of: 2021/ Q4

FOOTNOTE DATA

(a) Concept: PlantName

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.

(b) Concept: PlantName

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.

(c) Concept: PlantName

EW Brown had units 1, 2 and 3 in operation at the beginning of 2019. Units 1 and 2 were retired in February 2019.

(d) Concept: PlantName

Haefling turbines are peak load service units.

(e) Concept: PlantName

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 represents KU's share.

(f) Concept: PlantName

Partnership Expenses included in Column d:

Line No.: 19	Production Expenses: Oper, Supv & Engr	$	(448,297)
Line No.: 20	Fuel		(21,210,867)
Line No.: 22	Steam Expenses		(869,205)
Line No.: 25	Electric Expenses		(249,750)
Line No.: 26	Misc Steam Power Expenses		(1,850,724)
Line No.: 29	Maintenance Supervision and Engineering		(530,575)
Line No.: 30	Maintenance of Structures		(260,477)
Line No.: 31	Maintenance of Boiler Plant		(1,946,134)
Line No.: 32	Maintenance of Electric Plant		(324,555)
Line No.: 33	Maintenance of Misc Steam Plant		(177,800)
Line No.: 34	Total Production Expenses	$	(27,868,384)

Total Power Production Expenses per Schedule Page: 402-403, Sum of Line No.: 34, Column: b-f	$	636,604,306
Operation and Maintenance Expenses on Retired Plants		299,626
Maintenance Expenses on Solar Plant per Schedule Page: 410-411, Line No.: 1, Column: j		105,214
IMEA-IMPA Partnership Expenses		(27,868,384)
Rounding	$	1
Total Power Production Expenses per Schedule Page: 320-321, Sum of Line No.: 21 & 74, Column: b	$	609,140,763

(g) Concept: PlantName

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.

(h) Concept: PlantKind

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.

Name of Respondent: Kentucky Utilities Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 03/28/2022	Year/Period of Report End of: 2021/ Q4

Hydroelectric Generating Plant Statistics

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.
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.

Line No.	Item (a)	FERC Licensed Project No. 0 Plant Name: Dix Dam
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
6	Net Peak Demand on Plant-Megawatts (60 minutes)	35
7	Plant Hours Connect to Load	3,616
8	**Net Plant Capability (in megawatts)**	
9	(a) Under Most Favorable Oper Conditions	34
10	(b) Under the Most Adverse Oper Conditions	
11	Average Number of Employees	1
12	Net Generation, Exclusive of Plant Use - kWh	88,976,000
13	**Cost of Plant**	
14	Land and Land Rights	855,637
15	Structures and Improvements	4,617,644
16	Reservoirs, Dams, and Waterways	21,932,146
17	Equipment Costs	15,786,747
18	Roads, Railroads, and Bridges	198,900
19	Asset Retirement Costs	863,913
20	Total cost (total 13 thru 20)	44,254,987
21	Cost per KW of Installed Capacity (line 20 / 5)	1,317
22	**Production Expenses**	
23	Operation Supervision and Engineering	
24	Water for Power	
25	Hydraulic Expenses	

26	Electric Expenses	
27	Misc Hydraulic Power Generation Expenses	54,617
28	Rents	
29	Maintenance Supervision and Engineering	4,226
30	Maintenance of Structures	101,405
31	Maintenance of Reservoirs, Dams, and Waterways	4,855
32	Maintenance of Electric Plant	365,948
33	Maintenance of Misc Hydraulic Plant	21,981
34	Total Production Expenses (total 23 thru 33)	553,032
35	Expenses per net kWh	0.0062

Name of Respondent: Kentucky Utilities Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 03/28/2022	Year/Period of Report End of: 2021/ Q4

Pumped Storage Generating Plant Statistics

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 that 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."
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.

Line No.	Item (a)	FERC Licensed Project No. 0 Plant Name: 0
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	0
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)	
39	Expenses per KWh of Generation and Pumping (line 37/(line 9 + line 10))	0

Name of Respondent: Kentucky Utilities Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 03/28/2022	Year/Period of Report End of: 2021/ 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 pumpec 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, anı statement of the facts in a footnote. If licensed project, give project number in footnote.
3. List plants appropriately under subheadings for steam, hydro, nuclear, internal combustion and gas turbine plants. For nuclear, see instruction 11, Pa
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, i 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.

Line No.	Name of Plant (a)	Year Orig. Const. (b)	Installed Capacity Name Plate Rating (MW) (c)	Net Peak Demand MW (60 min) (d)	Net Generation Excluding Plant Use (e)	Cost of Plant (f)	Plant Cost (Incl Asset Retire. Costs) Per MW (g)	Operation Exc'l. Fuel (h)	Production Expenses: Fuel Production Expenses (i)	Production Expenses: Maintenance Production Expenses (j)	Kind of Fuel (k)	I
1	Brown Solar	2016	[a]6.10	6	10,083,000	15,585,924	2,555,070			59,368		
2	Simpsonville Solar	2019	[b]0.94	1	1,262,000	2,958,539	3,144,706			42,346		
3	Business Solar - Maker's Mark	2020	0.20		239,000	403,730	2,018,650			3,500		

Name of Respondent: Kentucky Utilities Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 03/28/2022	Year/Period of Report End of: 2021/ Q4

FOOTNOTE DATA

(a) Concept: InstalledCapacityOfPlant

The name plate rating for Brown Photovoltanic Solar Unit represents 61% ownership of the 10 MW unit. The remaining percentage of the unit is owned by LG&E.

(b) Concept: InstalledCapacityOfPlant

The nameplate rating for Simsponville 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: Kentucky Utilities Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 03/28/2022	Year/Period of Report End of: 2021/ Q4

ENERGY STORAGE OPERATIONS (

1. Large Plants are plants of 10,000 Kw or more.
2. In columns (a) (b) and (c) report the name of the energy storage project, functional classification (Production, Transmission, Distribution), and locatio
3. In column (d), report Megawatt hours (MWH) purchased, generated, or received in exchange transactions for storage.
4. In columns (e), (f) and (g) report MWHs delivered to the grid to support production, transmission and distribution. The amount reported in column (d)
5. In columns (h), (i), and (j) report MWHs lost during conversion, storage and discharge of energy.
6. In column (k) report the MWHs sold.
7. In column (l), report revenues from energy storage operations. In a footnote, disclose the revenue accounts and revenue amounts related to the inco
8. In column (m), report the cost of power purchased for storage operations and reported in Account 555.1, Power Purchased for Storage Operations. If fuel costs for storage operations associated with self-generated power included in Account 501 and other costs associated with self-generated power
9. In columns (q), (r) and (s) report the total project plant costs including but not exclusive of land and land rights, structures and improvements, energy purpose is to integrate or tie energy storage assets into the power grid, and any other costs associated with the energy storage project included in the

Line No.	Name of the Energy Storage Project (a)	Functional Classification (b)	Location of the Project (c)	MWHs (d)	MWHs delivered to the grid to support Production (e)	MWHs delivered to the grid to support Transmission (f)	MWHs delivered to the grid to support Distribution (g)	MWHs Lost During Conversion, Storage and Discharge of Energy Production (h)	MWHs Lost During Conversion, Storage and Discharge of Energy Transmission (i)	MWHs Lost During Conversion, Storage and Discharge of Energy Distribution (j)
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Name of Respondent: Kentucky Utilities Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 03/28/2022	Year/Period of Report End of: 2021/ 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 kilov for each voltage. If required by a State commission to report individual lines for all voltages, do so but do not group totals for each voltage under 132
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 s
3. Exclude from this page any transmission lines for which plant costs are included in Account 121, Nonutility Property.
4. 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; c 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 line.
5. 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 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 footn such structures are included in the expenses reported for the line designated.
6. 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 y 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 oth
7. Designate any transmission line or portion thereof for which the respondent is not the sole owner. If such property is leased from another company, g 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 sha 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, a affected. Specify whether lessor, co-owner, or other party is an associated company.
8. Designate any transmission line leased to another company and give name of Lessee, date and terms of lease, annual rent for year, and how determ
9. Base the plant cost figures called for in columns (j) to (l) on the book cost at end of year.

Line No.	DESIGNATION		VOLTAGE (KV) - (Indicate where other than 60 cycle, 3 phase)		Type of Supporting Structure	LENGTH (Pole miles) - (In the case of underground lines report circuit miles)		Number of Circuits	Size of Conductor and Material	COST OF LI Land, Land ri
	From (a)	To (b)	Operating (c)	Designated (d)	(e)	On Structure of Line Designated (f)	On Structures of Another Line (g)	(h)	(i)	Land (j)
1	Pocket	Pineville	500.00	500.00	ST	35.48		(a)0	954 mcm	3,117,591
2	Pocket	Phipps Bend	500.00	500.00	ST	21.39		(b)0	954 mcm	280,371
3	Ghent Plant	Brown North	345.00	345.00	ST	113.87		(c)0	795 mcm	2,495,681
4	Ghent Plant	Batesville	345.00	345.00	ST,SP	7.80		(d)0	954 mcm	379,474
5	Brown Plant	Elmer Smith	345.00	345.00	HF,SP,ST	171.06		(e)0	954 mcm	5,490,631
6	Brown North	K.U. Park	345.00	345.00	ST	102.47		2	954 mcm	1,111,580
7	Green River	AEC Buss	161.00	161.00	HF,SP,ST,WP	183.09		(f)0	556 mcm	1,284,447
8	Green River	Morganfield	161.00	161.00	HF,WP	55.38		(g)0	556 mcm	268,660
9	Elihu	Dorchester	161.00	161.00	HF,ST	86.06		(h)0	556 mcm	270,147
10	Lake Reba	Dorchester	161.00	161.00	HF,ST	99.15		1	556 mcm	559,988
11	Pineville	Harlan	161.00	161.00	HF,WP	48.34		(i)0	795 mcm	300,849
12	Pineville 149	Pineville 192	161.00	161.00	HF	0.12		1	954 mcm	
13	East Ky. Power Cooperative	Taylor County	161.00	161.00	SP	3.97		1	556 mcm	261,988
14	Imboden	Harlan	161.00	161.00	HF,SP,WP,ST	43.82		(j)0	795 mcm	84,143
15	Ghent Plant	Brown Plant	138.00	138.00	ST	90.59		(k)0	954 mcm	419,701

16	Brown Plant	Green River	138.00	138.00	HF,SP,WP,ST	169.43		(l)0	556 mcm	450,190	
17	Kenton	Rodburn	138.00	138.00	HF	45.74		1	397 mcm	98,119	
18	Green River	Brown North	138.00	138.00	HF,SP,ST	167.77		(m)0	795 mcm	736,912	
19	Fawkes	Rodburn	138.00	138.00	HF,ST,WP	64.58		1	556 mcm	579,168	
20	Clifty Creek	Carrollton	138.00	138.00	HF,SP,ST,WP	144.71		(n)0	795 mcm	891,092	
21	Brown Plant	Lake Reba	138.00	138.00	HF,SP	29.44		1	556 mcm	80,240	
22	Brown Plant	Haefling	138.00	138.00	HF,SP,ST,WP	29.32		(o)0	795 mcm	191,989	
23	Ghent Plant	Kenton Station	138.00	138.00	HF,WF	72.78		1	795 mcm	446,861	
24	Ghent Plant	Adams	138.00	138.00	HF,SP,ST	56.77		(p)0	795 mcm	245,501	
25	Hardin County	Rogersville	138.00	138.00	HF	10.24		1	795 mcm	245,092	
26	Virginia City	Clinch River (AEP Int. Pt)	138.00	138.00	HF	7.89		1	795 mcm	344,980	
27	69KV Lines		69.00	69.00	Various	2,194.66		(q)0	Various	9,313,787	
28	Exp Applicable to All Lines										
36	TOTAL					4,056	0	11		29,949,182	

Name of Respondent: Kentucky Utilities Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 03/28/2022	Year/Period of Report End of: 2021/ Q4

FOOTNOTE DATA

(a) Concept: NumberOfTransmissionCircuits

Contains both single and double circuitry.

(b) Concept: NumberOfTransmissionCircuits

Contains both single and double circuitry.

(c) Concept: NumberOfTransmissionCircuits

Contains both single and double circuitry.

(d) Concept: NumberOfTransmissionCircuits

Contains both single and double circuitry.

(e) Concept: NumberOfTransmissionCircuits

Contains both single and double circuitry.

(f) Concept: NumberOfTransmissionCircuits

Contains both single and double circuitry.

(g) Concept: NumberOfTransmissionCircuits

Contains both single and double circuitry.

(h) Concept: NumberOfTransmissionCircuits

Contains both single and double circuitry.

(i) Concept: NumberOfTransmissionCircuits

Contains both single and double circuitry.

(j) Concept: NumberOfTransmissionCircuits

Contains both single and double circuitry.

(k) Concept: NumberOfTransmissionCircuits

Contains both single and double circuitry.

(l) Concept: NumberOfTransmissionCircuits

Contains both single and double circuitry.

(m) Concept: NumberOfTransmissionCircuits

Contains both single and double circuitry.

(n) Concept: NumberOfTransmissionCircuits

Contains both single and double circuitry.

(o) Concept: NumberOfTransmissionCircuits

Contains both single and double circuitry.

(p) Concept: NumberOfTransmissionCircuits

Contains both single and double circuitry.

(q) Concept: NumberOfTransmissionCircuits

Contains both single and double circuitry.

Name of Respondent: Kentucky Utilities Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 03/28/2022	Year/Period of Report End of: 2021/ 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 o
2. Provide separate subheadings for overhead and under- ground construction and show each transmission line separately. If actual costs of competed columns (l) to (o), it is permissible to report in these columns the costs. Designate, however, if estimated amounts are reported. Include costs of Clea 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 cha

Line No.	LINE DESIGNATION		Line Length in Miles	SUPPORTING STRUCTURE		CIRCUITS PER STRUCTURE		CONDUCTORS			Voltage KV (Operating)		
	From	To		Type	Average Number per Miles	Present	Ultimate	Size	Specification	Configuration and Spacing		Land and Land Rights	Pole Tow an Fixtu
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m
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44	TOTAL		0		0	0	0						

Name of Respondent: Kentucky Utilities Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 03/28/2022	Year/Period of Report End of: 2021/ 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 cha 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 unattend summarize according to function the capacities reported for the individual stations in column (f).
5. Show in columns (I), (j), and (k) special equipment such as rotary converters, rectifiers, condensers, etc. and auxiliary equipment for increasing capa
6. Designate substations or major items of equipment leased from others, jointly owned with others, or operated otherwise than by reason of sole owne any substation or equipment operated under lease, give name of lessor, date and period of lease, and annual rent. For any substation or equipment 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, accounts affected in respondent's books of account. Specify in each case whether lessor, co-owner, or other party is an associated company.

Line No.	Name and Location of Substation (a)	Character of Substation: Transmission or Distribution (b)	Character of Substation: Attended or Unattended (b-1)	VOLTAGE (In MVa): Primary Voltage (In MVa) (c)	VOLTAGE (In MVa): Secondary Voltage (In MVa) (d)	VOLTAGE (In MVa): Tertiary Voltage (In MVa) (e)	Capacity of Substation (In Service) (In MVa) (f)	Number of Transformers In Service (g)	Number of Spare Transformers (h)	Cor: Type Equipn (i)
1	A. O. Smith - Mt. Sterling	Transmission	Unattended	69.00	0.00	0.00	0	0	0	NONE
2	Adams - Georgetown	Transmission	Unattended	138.00	69.00	13.20	186	2	0	NONE
3	Alcalde - Somerset	Transmission	Unattended	345.00	161.00	13.20	448	1	0	NONE
4	American Avenue - Lexington	Transmission	Unattended	138.00	69.00	13.20	150	1	0	NONE
5	Arnold - Cumberland	Transmission	Unattended	161.00	69.00	13.20	56	1	0	NONE
6	Artemus - Pineville	Transmission	Unattended	161.00	69.00	13.20	56	1	0	NONE
7	Avon-Fayette	Transmission	Unattended	69.00	0.00	0.00	0	0	0	NONE
8	Bardstown-Campbellsville	Transmission	Unattended	138.00	69.00	13.20	149	1	0	NONE
9	Bardstown City-Campbellsville	Transmission	Unattended	69.00	0.00	0.00	0	0	0	NONE
10	Bardwell	Transmission	Unattended	69.00	0.00	0.00	0	0	0	NONE
11	Barlow	Transmission	Unattended	69.00	0.00	0.00	0	0	0	NONE
12	Beattyville - Richmond	Transmission	Unattended	161.00	69.00	13.20	90	1	0	NONE
13	Bevier - Earlington	Transmission	Unattended	69.00	0.00	0.00	0	0	0	NONE
14	Bimble	Transmission	Unattended	69.00	0.00	0.00	0	0	0	NONE
15	Blackwell	Transmission	Unattended	138.00	0.00	0.00	0	0	0	NONE
16	Bluegrass Ordnance	Transmission	Unattended	69.00	0.00	0.00	0	0	0	NONE

17	Bond-Coeburn	Transmission	Unattended	69.00	0.00	0.00	0	0	0	NONE
18	Bonds Mill	Transmission	Unattended	69.00	0.00	0.00	0	0	0	NONE
19	Bonnieville - Horse Cave	Transmission	Unattended	138.00	69.00	13.20	33	1	0	NONE
20	Boone Avenue - Winchester	Transmission	Unattended	69.00	0.00	0.00	0	0	0	NONE
21	Boonesboro North - Winchester	Transmission	Unattended	138.00	69.00	13.20	150	1	0	NONE
22	Boyle County	Transmission	Unattended	69.00	0.00	0.00	0	0	0	NONE
23	Brodhead Switching	Transmission	Unattended	69.00	0.00	0.00	0	0	0	NONE
24	Bromley	Transmission	Unattended	69.00	0.00	0.00	0	0	0	NONE
25	Brown CT - Harrodsburg	Transmission	Unattended	138.00	0.00	0.00	0	0	0	NONE
26	Brown North - Harrodsburg	Transmission	Unattended	345.00	138.00	13.20	448	1	0	NONE
27	Brown Plant-Harrodsburg	Transmission	Unattended	138.00	0.00	0.00	0	0	0	NONE
28	Buchanan - Lexington	Transmission	Unattended	69.00	0.00	0.00	0	0	0	NONE
29	Camargo - Mt. Sterling	Transmission	Unattended	69.00	0.00	0.00	0	0	0	NONE
30	Campbellsville 1 - Campbellsville	Transmission	Unattended	69.00	0.00	0.00	0	0	0	NONE
31	Carlisle	Transmission	Unattended	69.00	0.00	0.00	0	0	0	NONE
32	Carntown - Augusta	Transmission	Unattended	138.00	69.00	13.20	50	1	0	NONE
33	Carrollton - Carrollton	Transmission	Unattended	138.00	69.00	13.20	187	2	0	NONE
34	Cary Switching	Transmission	Unattended	69.00	0.00	0.00	0	0	0	NONE
35	Cawood - Harlan	Transmission	Unattended	69.00	0.00	0.00	0	0	0	NONE
36	Clark County - Winchester	Transmission	Unattended	138.00	69.00	13.20	93	1	0	NONE
37	Clinton	Transmission	Unattended	69.00	0.00	0.00	0	0	0	NONE
38	Clinton 12kV	Transmission	Unattended	69.00	0.00	0.00	0	0	0	NONE
39	Coleman Road - McCracken Co	Transmission	Unattended	161.00	0.00	0.00	0	0	0	NONE
40	Corbin East - Corbin	Transmission	Unattended	69.00	0.00	0.00	0	0	0	NONE
41	Corning 12KV	Transmission	Unattended	69.00	0.00	0.00	0	0	0	NONE
42	Corydon - Henderson	Transmission	Unattended	161.00	69.00	13.20	112	1	0	NONE
43		Transmission	Unattended	161.00	69.00	13.20	112	1	0	NONE

	Crittendon County - Marion									
44	Cynthiana	Transmission	Unattended	69.00	0.00	0.00	0	0	0	NONE
45	Danville East - Danville	Transmission	Unattended	69.00	0.00	0.00	0	0	0	NONE
46	Danville Industrial - Danville	Transmission	Unattended	69.00	0.00	0.00	0	0	0	NONE
47	Danville North - Danville	Transmission	Unattended	138.00	69.00	13.20	112	1	0	NONE
48	Daviess County	Transmission	Unattended	345.00	0.00	0.00	0	0	0	NONE
49	Delaplain - Georgetown	Transmission	Unattended	69.00	0.00	0.00	0	0	0	NONE
50	Delvinta	Transmission	Unattended	161.00	0.00	0.00	0	0	0	NONE
51	Dix Dam-Mercer	Transmission	Unattended	69.00	0.00	0.00	0	0	0	NONE
52	Donerail - Lexington	Transmission	Unattended	69.00	0.00	0.00	0	0	0	NONE
53	Dow Corning West	Transmission	Unattended	138.00	0.00	0.00	0	0	0	NONE
54	Dorchester - Norton	Transmission	Unattended	161.00	69.00	13.20	187	2	0	NONE
55	Earlington	Transmission	Unattended	69.00	0.00	0.00	0	0	0	NONE
56	Earlington North - Earlington	Transmission	Unattended	161.00	69.00	13.20	150	1	0	NONE
57	East Bernstadt - London	Transmission	Unattended	69.00	0.00	0.00	0	0	0	NONE
58	East Frankfort - Frankfort	Transmission	Unattended	138.00	69.00	13.20	224	2	0	NONE
59	Eastland - Lexington	Transmission	Unattended	69.00	0.00	0.00	0	0	0	NONE
60	Eastview	Transmission	Unattended	69.00	0.00	0.00	0	0	0	NONE
61	Elihu - Somerset	Transmission	Unattended	161.00	69.00	13.20	187	2	0	NONE
62	Elizabethtown - Elizabethtown	Transmission	Unattended	138.00	69.00	13.20	149	1	0	NONE
63	Elizabethtown 5 - Elizabethtown	Transmission	Unattended	69.00	0.00	0.00	0	0	0	NONE
64	Eminence	Transmission	Unattended	69.00	0.00	0.00	0	0	0	NONE
65	Evarts	Transmission	Unattended	69.00	0.00	0.00	0	0	0	NONE
66	Fariston	Transmission	Unattended	69.00	0.00	0.00	0	0	0	NONE
67	Farley - Corbin	Transmission	Unattended	161.00	69.00	13.20	149	1	0	NONE
68	Farmers - Morehead	Transmission	Unattended	138.00	69.00	13.20	61	1	0	NONE

69	Fawkes - Richmond	Transmission	Unattended	138.00	69.00	13.20	299	2	0	NONE
70	Finchville	Transmission	Unattended	69.00	0.00	0.00	0	0	0	NONE
71	FMC - Lexington	Transmission	Unattended	69.00	0.00	0.00	0	0	0	NONE
72	Frankfort - Frankfort	Transmission	Unattended	69.00	0.00	0.00	0	0	0	NONE
73	GE Lamp Works - Lexington	Transmission	Unattended	69.00	0.00	0.00	0	0	0	NONE
74	Georgetown - Georgetown	Transmission	Unattended	69.00	0.00	0.00	0	0	0	NONE
75	Ghent Plant - Carrollton - 450	Transmission	Unattended	345.00	138.00	0.00	450	1	0	NONE
76	Ghent Plant - Carrollton - 448	Transmission	Unattended	345.00	138.00	25.00	448	1	0	NONE
77	Goddard	Transmission	Unattended	138.00	0.00	0.00	0	0	0	NONE
78	Gorge Switching	Transmission	Unattended	69.00	0.00	0.00	0	0	0	NONE
79	Grahamville - Barlow	Transmission	Unattended	161.00	69.00	13.20	93	1	0	NONE
80	Green River Plant - Greenville	Transmission	Unattended	138.00	69.00	13.20	261	2	0	NONE
81	Green River Plant - Greenville - 161	Transmission	Unattended	161.00	138.00	13.20	312	3	1	NONE
82	Green River Steel - Greenville - 138	Transmission	Unattended	138.00	69.00	13.80	90	1	0	NONE
83	Greensburg - Campellsville	Transmission	Unattended	69.00	0.00	0.00	0	0	0	NONE
84	Haefling - Lexington	Transmission	Unattended	138.00	69.00	13.20	149	1	0	NONE
85	Hardesty - Earlington	Transmission	Unattended	69.00	0.00	0.00	0	0	0	NONE
86	Hardin County - Elizabethtown - 345	Transmission	Unattended	345.00	138.00	13.20	896	2	0	NONE
87	Hardin County - Elizabethtown - 138	Transmission	Unattended	138.00	69.00	13.20	370	2	1	NONE
88	Hardinsburg - Hardinsburg	Transmission	Unattended	138.00	0.00	0.00	0	0	0	NONE
89	Harrodsburg	Transmission	Unattended	69.00	0.00	0.00	0	0	0	NONE
90	Harlan "Y" - Harlan	Transmission	Unattended	161.00	69.00	13.20	93	1	0	NONE
91	Higby Mill - Lexington	Transmission	Unattended	138.00	69.00	13.20	344	3	0	NONE

92	Hillside	Transmission	Unattended	69.00	0.00	0.00	0	0	0	NONE
93	Hodgenville	Transmission	Unattended	69.00	0.00	0.00	0	0	0	NONE
94	Hoover 1-Georgetown	Transmission	Unattended	69.00	0.00	0.00	0	0	0	NONE
95	Howards Branch	Transmission	Unattended	161.00	0.00	0.00	0	0	0	NONE
96	Hughes Lane - Lexington	Transmission	Unattended	69.00	0.00	0.00	0	0	0	NONE
97	Hume Road	Transmission	Unattended	69.00	0.00	0.00	0	0	0	NONE
98	IBM	Transmission	Unattended	69.00	0.00	0.00	0	0	0	NONE
99	Imboden - Big Stone Gap	Transmission	Unattended	161.00	69.00	13.20	149	1	0	NONE
100	Indian Hill	Transmission	Unattended	69.00	0.00	0.00	0	0	0	NONE
101	Innovation Drive	Transmission	Unattended	138.00	0.00	0.00	0	0	0	NONE
102	Kenton - Maysville	Transmission	Unattended	138.00	69.00	13.20	145	2	0	NONE
103	Kentucky River	Transmission	Unattended	69.00	0.00	0.00	0	0	0	NONE
104	KU Park - Pineville	Transmission	Unattended	69.00	0.00	0.00	0	0	0	NONE
105	LaGrange East	Transmission	Unattended	69.00	0.00	0.00	0	0	0	NONE
106	Lancaster 2	Transmission	Unattended	69.00	0.00	0.00	0	0	0	NONE
107	Lake Reba - Richmond	Transmission	Unattended	138.00	69.00	13.20	149	1	0	NONE
108	Lake Reba Tap - Richmond	Transmission	Unattended	161.00	138.00	6.60	200	1	0	NONE
109	Lancaster Switching	Transmission	Unattended	69.00	0.00	0.00	0	0	0	NONE
110	Lansdowne - Lexington	Transmission	Unattended	138.00	69.00	13.20	112	1	0	NONE
111	Lawrence	Transmission	Unattended	69.00	0.00	0.00	0	0	0	NONE
112	Lawrenceburg - Lawrenceburg	Transmission	Unattended	69.00	0.00	0.00	0	0	0	NONE
113	Lebanon - Lebanon	Transmission	Unattended	80.00	40.00	13.20	143	4	1	NONE
114	Lebanon City	Transmission	Unattended	69.00	0.00	0.00	0	0	0	NONE
115	Leitchfield - Leitchfield	Transmission	Unattended	138.00	69.00	13.20	93	1	0	NONE
116	Leitchfield East	Transmission	Unattended	69.00	0.00	0.00	0	0	0	NONE
117	Lexington Plant - Lexington	Transmission	Unattended	69.00	0.00	0.00	0	0	0	NONE
118	Livingston County	Transmission	Unattended	161.00	0.00	0.00	0	0	0	NONE
119	Lockport	Transmission	Unattended	138.00	0.00	0.00	0	0	0	NONE

120	London - London	Transmission	Unattended	69.00	0.00	0.00	0	0	0	NONE
121	Loudon Ave - Lexington	Transmission	Unattended	138.00	69.00	13.20	262	2	2	NONE
122	Lynch - Harlan	Transmission	Unattended	69.00	0.00	0.00	0	0	0	NONE
123	Manchester	Transmission	Unattended	69.00	0.00	0.00	0	0	0	NONE
124	Marion	Transmission	Unattended	69.00	0.00	0.00	0	0	0	NONE
125	Matanzas	Transmission	Unattended	161.00	138.00	13.20	400	2	0	NONE
126	Meldrum SW	Transmission	Unattended	69.00	0.00	0.00	0	0	0	NONE
127	Meredith	Transmission	Unattended	138.00	0.00	0.00	0	0	0	NONE
128	Middlesboro - Middlesboro	Transmission	Unattended	69.00	0.00	0.00	0	0	0	NONE
129	Midway - Versailles	Transmission	Unattended	138.00	0.00	0.00	0	0	0	NONE
130	Mill Creek	Transmission	Unattended	69.00	0.00	0.00	0	0	0	NONE
131	Millersburg - Millersburg	Transmission	Unattended	69.00	0.00	0.00	0	0	0	NONE
132	Morehead	Transmission	Unattended	69.00	0.00	0.00	0	0	0	NONE
133	Morehead East - Morehead	Transmission	Unattended	69.00	0.00	0.00	0	0	0	NONE
134	Morganfield - Morganfield	Transmission	Unattended	161.00	69.00	13.20	112	1	0	NONE
135	Mt. Vernon - Mt. Vernon	Transmission	Unattended	69.00	0.00	0.00	0	0	0	NONE
136	N.A.S.	Transmission	Unattended	345.00	138.00	0.00	450	1	1	NONE
137	Nebo - Nebo	Transmission	Unattended	69.00	0.00	0.00	0	0	0	NONE
138	Newtown	Transmission	Unattended	69.00	0.00	0.00	0	0	0	NONE
139	Nicholasville	Transmission	Unattended	69.00	0.00	0.00	0	0	0	NONE
140	North London -London	Transmission	Unattended	69.00	0.00	0.00	0	0	0	NONE
141	North Princeton - Princeton	Transmission	Unattended	161.00	0.00	0.00	0	0	0	NONE
142	Oak Hill	Transmission	Unattended	69.00	0.00	0.00	0	0	0	NONE
143	Ohio County - Beaver Dam	Transmission	Unattended	138.00	69.00	13.20	93	1	0	NONE
144	Okonite - Richmond	Transmission	Unattended	69.00	0.00	0.00	0	0	0	NONE
145	Paducah Primary - Paducah	Transmission	Unattended	161.00	0.00	0.00	0	0	0	NONE
146	Paint Lick	Transmission	Unattended	69.00	0.00	0.00	0	0	0	NONE
147	Paris	Transmission	Unattended	138.00	69.00	13.20	150	1	0	NONE
148	Paris 12kV	Transmission	Unattended	69.00	0.00	0.00	0	0	0	NONE
149	Parkers Mill	Transmission	Unattended	69.00	0.00	0.00	0	0	0	NONE

150	Paynes Mill	Transmission	Unattended	69.00	0.00	0.00	0	0	0	NONE
151	Pineville - Pineville - 345	Transmission	Unattended	345.00	161.00	13.20	560	1	0	NONE
152	Pineville - Pineville - 500	Transmission	Unattended	500.00	345.00	34.50	504	1	0	NONE
153	Pineville - Pineville - 161	Transmission	Unattended	161.00	69.00	13.20	299	2	1	NONE
154	Pineville Switching - Pineville	Transmission	Unattended	161.00	0.00	0.00	0	0	0	NONE
155	Pisgah - Lexington	Transmission	Unattended	138.00	69.00	13.20	112	1	0	NONE
156	Pittsburg - London	Transmission	Unattended	161.00	69.00	13.20	112	1	0	NONE
157	Pocket - Pennington Gap	Transmission	Unattended	161.00	69.00	13.20	187	1	0	NONE
158	Pocket North - Pennington Gap	Transmission	Unattended	500.00	161.00	0.00	448	1	0	NONE
159	Princeton - Princeton	Transmission	Unattended	69.00	0.00	0.00	0	0	0	NONE
160	Race Street - Lexington	Transmission	Unattended	69.00	0.00	0.00	0	0	0	NONE
161	Reynolds - Lexington	Transmission	Unattended	138.00	0.00	0.00	0	0	0	NONE
162	Richmond - Richmond	Transmission	Unattended	69.00	0.00	0.00	0	0	0	NONE
163	Richmond 3 (EKU)	Transmission	Unattended	69.00	0.00	0.00	0	0	0	NONE
164	Richmond 4	Transmission	Unattended	69.00	0.00	0.00	0	0	0	NONE
165	Richmond North	Transmission	Unattended	138.00	0.00	0.00	0	0	0	NONE
166	River Queen - Muhlenberg	Transmission	Unattended	161.00	69.00	13.20	112	1	0	NONE
167	Robbins	Transmission	Unattended	69.00	0.00	0.00	0	0	0	NONE
168	Rockwell - Winchester	Transmission	Unattended	69.00	0.00	0.00	0	0	0	NONE
169	Rocky Branch	Transmission	Unattended	69.00	0.00	0.00	0	0	0	NONE
170	Rodburn - Morehead	Transmission	Unattended	138.00	69.00	13.20	90	1	0	NONE
171	Rogersville - Radcliff	Transmission	Unattended	138.00	69.00	13.20	93	1	0	NONE
172	Rumsey	Transmission	Unattended	69.00	0.00	0.00	0	0	0	NONE
173	Scott County	Transmission	Unattended	138.00	69.00	13.20	93	1	0	NONE
174	Shadrack	Transmission	Unattended	69.00	0.00	0.00	0	0	0	NONE
175	Sharon	Transmission	Unattended	69.00	0.00	0.00	0	0	0	NONE
176	Shawnee Gas	Transmission	Unattended	69.00	0.00	0.00	0	0	0	NONE
177		Transmission	Unattended	69.00	0.00	0.00	0	0	0	NONE

	Shelbyville - Shelbyville									
178	Shrewsbury Sw	Transmission	Unattended	138.00	0.00	0.00	0	0	0	NONE
179	Simmons	Transmission	Unattended	69.00	0.00	0.00	0	0	0	NONE
180	Simpsonville - Shelbyville	Transmission	Unattended	69.00	0.00	0.00	0	0	0	NONE
181	Somerset N - Somerset	Transmission	Unattended	69.00	0.00	0.00	0	0	0	NONE
182	Somerset 1	Transmission	Unattended	69.00	0.00	0.00	0	0	0	NONE
183	South Paducah	Transmission	Unattended	161.00	69.00	13.20	50	1	0	NONE
184	Spears SW	Transmission	Unattended	69.00	0.00	0.00	0	0	0	NONE
185	Spencer Road - Mt. Sterling	Transmission	Unattended	138.00	69.00	13.20	89	2	0	NONE
186	Springfield - Campbellsville	Transmission	Unattended	69.00	0.00	0.00	0	0	0	NONE
187	St. Paul	Transmission	Unattended	69.00	0.00	0.00	0	0	0	NONE
188	Stanford	Transmission	Unattended	69.00	0.00	0.00	0	0	0	NONE
189	Stanford North	Transmission	Unattended	69.00	0.00	0.00	0	0	0	NONE
190	Stonewall - Lexington	Transmission	Unattended	69.00	0.00	0.00	0	0	0	NONE
191	Sweet Hollow	Transmission	Unattended	69.00	0.00	0.00	0	0	0	NONE
192	Taylor County - Campellsville	Transmission	Unattended	161.00	69.00	13.20	90	1	0	NONE
193	Toyota North	Transmission	Unattended	138.00	0.00	0.00	0	0	0	NONE
194	Toyota South	Transmission	Unattended	138.00	0.00	0.00	0	0	0	NONE
195	Tyrone - Versailles	Transmission	Unattended	138.00	69.00	13.20	112	1	0	NONE
196	UK Medical Center - Lexington	Transmission	Unattended	69.00	0.00	0.00	0	0	0	NONE
197	Versailles Bypass - Versailles	Transmission	Unattended	69.00	0.00	0.00	0	0	0	NONE
198	Viley Road - Lexington	Transmission	Unattended	138.00	0.00	0.00	0	0	0	NONE
199	Virginia City - Norton	Transmission	Unattended	138.00	69.00	13.20	120	1	0	NONE
200	Walker - Earlington	Transmission	Unattended	161.00	69.00	13.20	112	1	0	NONE
201	Warsaw	Transmission	Unattended	69.00	0.00	0.00	0	0	0	NONE
202	Warsaw East - Owenton	Transmission	Unattended	69.00	0.00	0.00	0	0	0	NONE
203	West Cliff - Harrodsburg	Transmission	Unattended	138.00	69.00	13.20	392	3	0	NONE
204		Transmission	Unattended	345.00	138.00	13.20	450	1	0	NONE

	West Frankfort - Shelbyville - 345									
205	West Frankfort - Shelbyville - 138	Transmission	Unattended	138.00	69.00	13.20	112	1	0	NONE
206	West Garrard - Lancaster	Transmission	Unattended	345.00	0.00	0.00	0	0	0	NONE
207	West Hickman - Lexington	Transmission	Unattended	69.00	0.00	0.00	0	0	0	NONE
208	West Irvine - Irvine	Transmission	Unattended	161.00	69.00	13.20	56	1	0	NONE
209	West Lexington - Lexington	Transmission	Unattended	345.00	138.00	13.20	448	1	0	NONE
210	West Shelby	Transmission	Unattended	69.00	0.00	0.00	0	0	0	NONE
211	Wheatcroft	Transmission	Unattended	69.00	0.00	0.00	0	0	0	NONE
212	White Oak	Transmission	Unattended	69.00	0.00	0.00	0	0	0	NONE
213	White Sulphur	Transmission	Unattended	138.00	0.00	0.00	0	0	0	NONE
214	Wickliffe - Barlow	Transmission	Unattended	161.00	69.00	13.20	93	1	0	NONE
215	Williamsburg Switching	Transmission	Unattended	69.00	0.00	0.00	0	0	0	NONE
216	Wilson Downing - Lexington	Transmission	Unattended	69.00	0.00	0.00	0	0	0	NONE
217	Winchester	Transmission	Unattended	69.00	0.00	0.00	0	0	0	NONE
218	Wofford	Transmission	Unattended	69.00	0.00	0.00	0	0	0	NONE
219	Total Transmission			25,414.00	6,112.00	924.70	14536	94	7	
220	A.O. Smith - Mt. Sterling	Distribution	Unattended	69.00	12.47	0.00	22	1	0	NONE
221	Adams - 20	Distribution	Unattended	69.00	34.50	0.00	20	1	0	NONE
222	Adams - 22	Distribution	Unattended	69.00	12.47	0.00	22	1	0	NONE
223	Airgas	Distribution	Unattended	138.00	13.80	0.00	22	1	0	NONE
224	Aisin	Distribution	Unattended	69.00	12.47	0.00	14	1	0	NONE
225	Alexander - Versailles	Distribution	Unattended	69.00	12.47	0.00	22	1	0	NONE
226	American Avenue - Lexington	Distribution	Unattended	69.00	12.47	0.00	36	2	0	NONE
227	Andover - Norton	Distribution	Unattended	69.00	34.50	0.00	22	1	0	NONE
228	Appalachia	Distribution	Unattended	69.00	12.47	0.00	11	1	0	NONE
229	Ashland Avenue - Lexington	Distribution	Unattended	69.00	4.16	0.00	28	2	0	NONE
230	Ashland Pipe - Lexington	Distribution	Unattended	69.00	12.47	0.00	20	2	0	NONE

231	Atoka	Distribution	Unattended	69.00	12.47	0.00	14	1	0	NONE
232	Augusta 12KV	Distribution	Unattended	69.00	12.47	0.00	14	1	0	NONE
233	Bardstown City	Distribution	Unattended	69.00	12.47	0.00	22	1	0	NONE
234	Bardstown Industrial	Distribution	Unattended	69.00	12.47	0.00	45	2	0	NONE
235	Barlow	Distribution	Unattended	69.00	12.47	0.00	11	1	0	NONE
236	Barton-Bardstown	Distribution	Unattended	69.00	12.47	0.00	22	1	0	NONE
237	Beaver Dam - Beaver Dam	Distribution	Unattended	69.00	12.47	0.00	14	1	0	NONE
238	Beaver Dam North - Beaver Dam	Distribution	Unattended	69.00	12.47	0.00	14	1	0	NONE
239	Belt Line - Lexington	Distribution	Unattended	69.00	12.47	0.00	22	1	0	NONE
240	Bevier - Earlington	Distribution	Unattended	69.00	34.50	0.00	14	2	0	NONE
241	Big Stone Gap - Big Stone Gap	Distribution	Unattended	69.00	12.47	0.00	42	3	0	NONE
242	Black Branch Road	Distribution	Unattended	138.00	12.47	0.00	28	1	0	NONE
243	Bond - Coeburn - 45	Distribution	Unattended	69.00	12.47	0.00	45	2	0	NONE
244	Bond - Coeburn - 22	Distribution	Unattended	69.00	23.00	0.00	22	1	0	NONE
245	Boone Avenue - Winchester	Distribution	Unattended	69.00	12.47	0.00	22	1	0	NONE
246	Boonesboro Park	Distribution	Unattended	69.00	12.47	0.00	11	1	0	NONE
247	Borg Warner - Earlington	Distribution	Unattended	69.00	12.47	0.00	22	1	0	NONE
248	Bryant Road - Lexington	Distribution	Unattended	69.00	12.47	0.00	67	3	0	NONE
249	Buchanan - Lexington	Distribution	Unattended	69.00	4.16	0.00	14	1	0	NONE
250	Buena Vista	Distribution	Unattended	69.00	12.47	0.00	14	1	0	NONE
251	Burnside - Somerset	Distribution	Unattended	69.00	12.47	0.00	14	1	0	NONE
252	Calloway	Distribution	Unattended	69.00	12.47	0.00	11	1	0	NONE
253	Camargo - Mt. Sterling	Distribution	Unattended	69.00	12.47	0.00	28	2	0	NONE
254	Camp Breckinridge	Distribution	Unattended	69.00	12.47	0.00	14	1	0	NONE
255	Campbellsville 1 - Campbellsville	Distribution	Unattended	69.00	12.47	0.00	45	2	0	NONE
256		Distribution	Unattended	69.00	12.47	0.00	22	1	0	NONE

	Campbellsville Industrial - Campbellsville									
257	Carlisle	Distribution	Unattended	69.00	12.47	0.00	14	2	0	NONE
258	Carntown - Augusta	Distribution	Unattended	69.00	12.47	0.00	22	1	0	NONE
259	Caron - London	Distribution	Unattended	69.00	12.47	0.00	22	1	0	NONE
260	Carrollton - Carrollton	Distribution	Unattended	69.00	12.47	0.00	19	2	0	NONE
261	Catrons Creek	Distribution	Unattended	69.00	12.47	0.00	11	1	0	NONE
262	Cawood - Harlan	Distribution	Unattended	69.00	12.47	0.00	14	1	0	NONE
263	Central City	Distribution	Unattended	69.00	12.47	0.00	14	1	0	NONE
264	Central City South	Distribution	Unattended	69.00	12.47	0.00	14	1	0	NONE
265	Clarkson	Distribution	Unattended	69.00	12.47	0.00	14	1	0	NONE
266	Clays Mill - Lexington	Distribution	Unattended	138.00	12.47	0.00	37	1	0	NONE
267	Clinch Valley - Norton	Distribution	Unattended	69.00	12.47	0.00	22	1	0	NONE
268	Clinton	Distribution	Unattended	69.00	12.47	0.00	11	1	0	NONE
269	Columbia - Columbia	Distribution	Unattended	69.00	12.47	0.00	14	1	0	NONE
270	Columbia South - Columbia	Distribution	Unattended	69.00	12.47	0.00	14	1	0	NONE
271	Corbin East - Corbin	Distribution	Unattended	69.00	12.47	0.00	36	2	0	NONE
272	Corbin US Steel	Distribution	Unattended	69.00	12.47	0.00	25	2	0	NONE
273	Corning 12KV	Distribution	Unattended	69.00	12.47	0.00	56	2	0	NONE
274	Corning Harrodsburg	Distribution	Unattended	69.00	12.47	0.00	15	7	0	NONE
275	Corporate Drive	Distribution	Unattended	69.00	12.47	0.00	60	2	0	NONE
276	Cynthiana	Distribution	Unattended	69.00	12.47	0.00	20	2	0	NONE
277	Cynthiana South	Distribution	Unattended	69.00	12.47	0.00	14	1	0	NONE
278	Danville Central - Danville	Distribution	Unattended	69.00	12.47	0.00	29	2	0	NONE
279	Danville East - Danville	Distribution	Unattended	69.00	12.47	0.00	29	2	0	NONE
280	Danville Industrial - Danville	Distribution	Unattended	69.00	12.47	0.00	45	2	0	NONE
281	Danville North - Danville	Distribution	Unattended	69.00	12.47	0.00	14	1	1	NONE
282	Danville West - Danville	Distribution	Unattended	69.00	12.47	0.00	22	1	0	NONE

283	Dark Hollow - Richmond	Distribution	Unattended	69.00	12.47	0.00	14	1	0	NONE
284	Dayhoit	Distribution	Unattended	69.00	12.47	0.00	11	1	0	NONE
285	Days Branch	Distribution	Unattended	69.00	12.47	0.00	14	1	0	NONE
286	Dayton - Walther - Carrollton	Distribution	Unattended	138.00	12.47	0.00	14	1	0	NONE
287	Delaplain - Georgetown - 1	Distribution	Unattended	69.00	12.47	0.00	14	1	0	NONE
288	Delaplain - Georgetown - 2	Distribution	Unattended	69.00	13.80	0.00	28	1	0	NONE
289	Denham Street - Somerset	Distribution	Unattended	69.00	12.47	0.00	14	1	0	NONE
290	Detroit Harvester - Paris	Distribution	Unattended	69.00	12.47	0.00	22	1	0	NONE
291	Donerail - Lexington	Distribution	Unattended	69.00	12.47	0.00	14	1	0	NONE
292	Dorchester - Norton	Distribution	Unattended	69.00	22.00	0.00	25	1	0	NONE
293	Dorchester - Norton - 1	Distribution	Unattended	69.00	34.50	0.00	14	1	0	NONE
294	Dorchester - Norton - 2	Distribution	Unattended	69.00	12.47	0.00	14	1	0	NONE
295	Dow Corning - Carrollton	Distribution	Unattended	69.00	12.47	0.00	14	1	0	NONE
296	Dozier Heights	Distribution	Unattended	69.00	12.47	0.00	14	1	0	NONE
297	Earlington - Earlington - 20	Distribution	Unattended	69.00	34.50	0.00	20	1	0	NONE
298	Earlington - Earlington - 14	Distribution	Unattended	69.00	12.47	0.00	14	1	0	NONE
299	East Bernstadt - London	Distribution	Unattended	69.00	12.47	0.00	14	1	0	NONE
300	East Stone Gap- Big Stone Gap	Distribution	Unattended	69.00	12.47	0.00	25	2	0	NONE
301	Eastland - Lexington	Distribution	Unattended	69.00	12.47	0.00	22	1	0	NONE
302	Eastview	Distribution	Unattended	69.00	12.47	0.00	14	1	0	NONE
303	Eddyville	Distribution	Unattended	69.00	12.47	0.00	14	1	0	NONE
304	Eddyville Prison	Distribution	Unattended	69.00	12.47	0.00	14	1	0	NONE
305	Elizabethtown Industrial - Elizabethtown	Distribution	Unattended	69.00	12.47	0.00	22	1	0	NONE
306	Eminence - Shelbyville	Distribution	Unattended	69.00	12.47	0.00	28	2	0	NONE

307	Esserville - Norton	Distribution	Unattended	69.00	12.47	0.00	22	1	0	NONE
308	Elizabethtown 2 - Elizabethtown	Distribution	Unattended	69.00	12.47	0.00	45	2	0	NONE
309	Elizabethtown 3 - Elizabethtown	Distribution	Unattended	69.00	12.47	0.00	33	2	0	NONE
310	Elizabethtown 4 - Elizabethtown	Distribution	Unattended	69.00	12.47	0.00	22	1	0	NONE
311	Elizabethtown 5 - Elizabethtown	Distribution	Unattended	69.00	12.47	0.00	14	1	0	NONE
312	Elizabethtown West - Elizabethtown	Distribution	Unattended	69.00	12.47	0.00	22	1	0	NONE
313	Evarts	Distribution	Unattended	69.00	12.47	0.00	11	1	0	NONE
314	Ewington - Mt. Sterling	Distribution	Unattended	69.00	12.47	0.00	36	2	0	NONE
315	Fairfield - Fairfield	Distribution	Unattended	69.00	12.47	0.00	14	1	0	NONE
316	Farmers	Distribution	Unattended	69.00	12.47	0.00	11	1	0	NONE
317	Ferguson South - Somerset	Distribution	Unattended	69.00	12.47	0.00	14	1	0	NONE
318	Finchville	Distribution	Unattended	69.00	12.47	0.00	14	1	0	NONE
319	Flemingsburg	Distribution	Unattended	138.00	12.47	0.00	14	1	0	NONE
320	Florida Tile - Lawrenceburg	Distribution	Unattended	69.00	12.47	0.00	14	1	0	NONE
321	FMC - Lexington	Distribution	Unattended	69.00	12.47	0.00	22	1	0	NONE
322	Forrestdale	Distribution	Unattended	69.00	12.47	0.00	14	1	0	NONE
323	Forks of Elkhorn - Georgetown	Distribution	Unattended	34.50	12.47	0.00	14	1	0	NONE
324	Frankfort - Frankfort	Distribution	Unattended	69.00	34.50	0.00	22	1	0	NONE
325	GE Lamp Works - Lexington	Distribution	Unattended	69.00	4.16	0.00	14	1	0	NONE
326	Georgetown - Georgetown	Distribution	Unattended	69.00	12.47	0.00	21	2	0	NONE
327	Ghent City	Distribution	Unattended	69.00	12.47	0.00	11	1	0	NONE
328	Ghent Plant	Distribution	Unattended	138.00	13.20	0.00	56	2	0	NONE
329	Green River Steel	Distribution	Unattended	69.00	12.47	0.00	25	2	0	NONE
330	Green River	Distribution	Unattended	69.00	34.50	0.00	17	1	0	NONE
331	Greensburg - Campellsville	Distribution	Unattended	69.00	12.47	0.00	14	1	0	NONE
332		Distribution	Unattended	69.00	12.47	0.00	14	1	0	NONE

	Greenville 12KV - Muhlenburg									
333	Greenville 4KV - Muhlenburg	Distribution	Unattended	69.00	4.16	0.00	11	1	0	NONE
334	Greenville North - Muhlenburg	Distribution	Unattended	69.00	12.47	0.00	14	1	0	NONE
335	Guest River - Ramsey, VA	Distribution	Unattended	23.00	4.16	0.00	11	3	0	NONE
336	Haefling - Lexington	Distribution	Unattended	138.00	12.47	0.00	39	1	0	NONE
337	Haley - Lexington	Distribution	Unattended	69.00	12.47	0.00	14	1	0	NONE
338	Hamblin - Pennington Gap	Distribution	Unattended	69.00	12.47	0.00	14	1	0	NONE
339	Hanson - Earlington	Distribution	Unattended	69.00	12.47	0.00	22	1	0	NONE
340	Hardesty - Earlington	Distribution	Unattended	69.00	34.50	0.00	13	1	0	NONE
341	Harlan - Harlan	Distribution	Unattended	69.00	12.47	0.00	21	2	0	NONE
342	Harlan Wye - Harlan	Distribution	Unattended	69.00	12.47	0.00	28	2	0	NONE
343	Harrodsburg East - Harrodsburg	Distribution	Unattended	69.00	12.47	0.00	20	2	0	NONE
344	Harrodsburg Industrial - Harrodsburg	Distribution	Unattended	69.00	12.47	0.00	14	1	0	NONE
345	Harrodsburg North	Distribution	Unattended	69.00	12.47	0.00	14	1	0	NONE
346	Hartford	Distribution	Unattended	69.00	4.16	0.00	11	1	0	NONE
347	Higby Mill - Lexington - 138	Distribution	Unattended	138.00	12.47	0.00	37	1	0	NONE
348	Higby Mill - Lexington - 69	Distribution	Unattended	69.00	12.47	0.00	22	1	0	NONE
349	Highsplint - Harlan	Distribution	Unattended	69.00	12.47	0.00	14	1	0	NONE
350	Hodgenville 12KV	Distribution	Unattended	69.00	12.47	0.00	19	2	0	NONE
351	Hoover 1- Georgetown	Distribution	Unattended	69.00	12.47	0.00	22	1	0	NONE
352	Hopewell - Corbin	Distribution	Unattended	69.00	12.47	0.00	28	2	0	NONE
353	Horse Cave	Distribution	Unattended	69.00	12.47	0.00	28	2	0	NONE
354	Horse Cave Industrial - Horse Cave	Distribution	Unattended	69.00	12.47	0.00	45	2	0	NONE
355	Hughes Lane - Lexington	Distribution	Unattended	69.00	12.47	0.00	14	1	0	NONE

356	Hume Road	Distribution	Unattended	69.00	12.47	0.00	60	2	0	NONE
357	IBM - Lexington	Distribution	Unattended	69.00	12.47	0.00	75	2	0	NONE
358	IBM North	Distribution	Unattended	138.00	12.47	0.00	34	1	0	NONE
359	Innovation Drive	Distribution	Unattended	138.00	12.47	0.00	75	2	0	NONE
360	Irvine - Richmond	Distribution	Unattended	69.00	12.47	0.00	14	1	0	NONE
361	Joyland - Lexington	Distribution	Unattended	69.00	12.47	0.00	36	2	0	NONE
362	Kawneer - Cynthiana	Distribution	Unattended	69.00	12.47	0.00	14	1	0	NONE
363	Kentenia	Distribution	Unattended	69.00	12.47	0.00	11	1	0	NONE
364	Kenton - Maysville	Distribution	Unattended	69.00	12.47	0.00	28	2	1	NONE
365	Kentucky State Hospital	Distribution	Unattended	69.00	12.47	0.00	11	1	0	NONE
366	Kentucky River	Distribution	Unattended	69.00	4.16	0.00	35	3	0	NONE
367	LaGrange East	Distribution	Unattended	69.00	12.47	0.00	36	2	0	NONE
368	LaGrange Penal - LaGrange	Distribution	Unattended	69.00	12.47	0.00	22	1	0	NONE
369	Lakeshore - Lexington	Distribution	Unattended	69.00	12.47	0.00	75	2	0	NONE
370	Lancaster - Danville	Distribution	Unattended	69.00	4.16	0.00	14	1	0	NONE
371	Lansdowne - Lexington	Distribution	Unattended	69.00	12.47	0.00	75	2	0	NONE
372	Lawrenceburg - Lawrenceburg	Distribution	Unattended	69.00	12.47	0.00	45	2	0	NONE
373	Lebanon - Lebanon	Distribution	Unattended	69.00	12.47	0.00	14	1	0	NONE
374	Lebanon East	Distribution	Unattended	69.00	12.47	0.00	28	2	0	NONE
375	Lebanon Industrial	Distribution	Unattended	69.00	12.47	0.00	11	1	0	NONE
376	Lebanon South - Lebanon	Distribution	Unattended	69.00	12.47	0.00	14	1	0	NONE
377	Lebanon Junction	Distribution	Unattended	161.00	12.47	0.00	45	2	0	NONE
378	Lebanon West	Distribution	Unattended	138.00	12.47	0.00	14	1	0	NONE
379	Leitchfield - Leitchfield	Distribution	Unattended	69.00	12.47	0.00	14	1	0	NONE
380	Leitchfield East - Leitchfield	Distribution	Unattended	69.00	12.47	0.00	14	1	0	NONE
381	Lemons Mill - Georgetown	Distribution	Unattended	69.00	12.47	0.00	45	2	0	NONE

382	Lexington Water Company - 45	Distribution	Unattended	69.00	12.47	0.00	45	2	0	NONE
383	Lexington Water Company - 11	Distribution	Unattended	69.00	4.16	0.00	11	1	0	NONE
384	Lexington Plant - Lexington	Distribution	Unattended	69.00	4.16	0.00	28	2	0	NONE
385	Liberty - Liberty	Distribution	Unattended	69.00	12.47	0.00	14	1	0	NONE
386	Liberty Road - Lexington	Distribution	Unattended	69.00	12.47	0.00	37	1	0	NONE
387	Liggett	Distribution	Unattended	69.00	12.47	0.00	11	1	0	NONE
388	Lockport	Distribution	Unattended	138.00	12.47	0.00	11	1	0	NONE
389	London - London	Distribution	Unattended	69.00	12.47	0.00	45	2	0	NONE
390	Loudon Avenue - Lexington	Distribution	Unattended	138.00	12.47	0.00	37	1	0	NONE
391	Manchester South	Distribution	Unattended	69.00	12.47	0.00	14	1	0	NONE
392	Marion South - Marion	Distribution	Unattended	69.00	12.47	0.00	14	1	0	NONE
393	Maysville East - Maysville	Distribution	Unattended	69.00	4.16	0.00	11	1	0	NONE
394	Maysville Mid - Maysville	Distribution	Unattended	69.00	4.16	0.00	14	1	0	NONE
395	McKee Road	Distribution	Unattended	69.00	12.47	0.00	14	1	0	NONE
396	Meldrum - Middlesboro	Distribution	Unattended	69.00	12.47	0.00	14	1	0	NONE
397	Metal & Thermit - Carrollton	Distribution	Unattended	69.00	12.47	0.00	14	1	0	NONE
398	Middlesboro #1	Distribution	Unattended	69.00	12.47	0.00	75	2	0	NONE
399	Middlesboro #2	Distribution	Unattended	69.00	12.47	0.00	28	2	0	NONE
400	Midway - Versailles	Distribution	Unattended	138.00	12.47	0.00	14	1	0	NONE
401	Mill Creek	Distribution	Unattended	69.00	12.47	0.00	11	1	0	NONE
402	Minor Farm	Distribution	Unattended	69.00	12.47	0.00	14	1	0	NONE
403	Morehead - Morehead - 14	Distribution	Unattended	69.00	12.47	0.00	14	1	0	NONE
404	Morehead - Morehead - 11	Distribution	Unattended	69.00	4.16	0.00	11	1	0	NONE
405	Morehead East - Morehead	Distribution	Unattended	69.00	4.16	0.00	11	1	0	NONE
406	Morehead West - Morehead	Distribution	Unattended	69.00	12.47	0.00	11	1	0	NONE

407	Morganfield City - Morganfield	Distribution	Unattended	69.00	4.16	0.00	11	1	0	NONE
408	Morganfield Industrial - Morganfield	Distribution	Unattended	69.00	12.47	0.00	14	1	0	NONE
409	Mount Sterling - Mt. Sterling	Distribution	Unattended	69.00	12.47	0.00	14	1	0	NONE
410	Mount Vernon - Mt. Vernon	Distribution	Unattended	69.00	12.47	0.00	14	1	0	NONE
411	Mount Vernon Tap- Mt Vernon	Distribution	Unattended	69.00	12.47	0.00	22	1	0	NONE
412	Muhlenburg Prison - Muhlenburg	Distribution	Unattended	69.00	12.47	0.00	14	1	0	NONE
413	Munfordville	Distribution	Unattended	69.00	12.47	0.00	11	1	0	NONE
414	New Haven	Distribution	Unattended	69.00	12.47	0.00	11	1	0	NONE
415	Newtown	Distribution	Unattended	69.00	12.47	0.00	14	1	0	NONE
416	Norton East - Norton	Distribution	Unattended	69.00	12.47	0.00	14	1	0	NONE
417	Nortonville	Distribution	Unattended	34.50	12.47	0.00	14	1	0	NONE
418	Oakhill - Earlington	Distribution	Unattended	69.00	34.50	0.00	20	1	0	NONE
419	Okonite - Richmond	Distribution	Unattended	69.00	12.47	0.00	36	2	0	NONE
420	Owingsville	Distribution	Unattended	69.00	12.47	0.00	14	1	0	NONE
421	Oxford - Georgetown	Distribution	Unattended	69.00	12.47	0.00	28	2	0	NONE
422	Paris - Paris	Distribution	Unattended	69.00	12.47	0.00	28	2	0	NONE
423	Parker Seal - Winchester	Distribution	Unattended	69.00	12.47	0.00	22	1	0	NONE
424	Parkers Mill	Distribution	Unattended	69.00	12.47	0.00	45	2	0	NONE
425	Paynes Mill-Versailles	Distribution	Unattended	69.00	12.47	0.00	37	1	0	NONE
426	Pepper Pike - Georgetown	Distribution	Unattended	34.50	12.47	0.00	14	1	0	NONE
427	Picadome - Lexington	Distribution	Unattended	69.00	12.47	0.00	45	2	0	NONE
428	Pineville	Distribution	Unattended	69.00	12.47	0.00	28	2	0	NONE
429	Pocket - Norton	Distribution	Unattended	69.00	34.50	0.00	25	4	0	NONE
430	Poor Valley - Pennington Gap	Distribution	Unattended	69.00	12.47	0.00	14	1	0	NONE
431	Powderly - Muhlenburg	Distribution	Unattended	69.00	12.47	0.00	14	1	0	NONE
432	Princeton - Princeton	Distribution	Unattended	69.00	34.50	0.00	13	1	0	NONE
433		Distribution	Unattended	69.00	4.16	0.00	14	1	0	NONE

	Proctor & Gamble									
434	Race Street - Lexington - 14	Distribution	Unattended	69.00	12.47	0.00	14	1	0	NONE
435	Race Street - Lexington - 21	Distribution	Unattended	69.00	4.16	0.00	21	2	0	NONE
436	Radcliff - Radcliff	Distribution	Unattended	69.00	12.47	0.00	22	1	0	NONE
437	Radcliff South-Radcliff	Distribution	Unattended	69.00	12.47	0.00	11	1	0	NONE
438	Red House	Distribution	Unattended	69.00	12.47	0.00	14	1	0	NONE
439	Reynolds - Lexington	Distribution	Unattended	138.00	12.47	0.00	77	2	0	NONE
440	Richmond	Distribution	Unattended	69.00	12.47	0.00	45	2	0	NONE
441	Richmond 2	Distribution	Unattended	69.00	12.47	0.00	22	1	0	NONE
442	Richmond 3 (EKU)	Distribution	Unattended	69.00	12.47	0.00	45	2	0	NONE
443	Richmond East	Distribution	Unattended	69.00	12.47	0.00	22	1	0	NONE
444	Richmond Industrial	Distribution	Unattended	69.00	12.47	0.00	22	1	0	NONE
445	Richmond South	Distribution	Unattended	69.00	12.47	0.00	22	1	0	NONE
446	Richmond North	Distribution	Unattended	138.00	12.47	0.00	37	1	0	NONE
447	Rineyville	Distribution	Unattended	69.00	12.47	0.00	14	1	0	NONE
448	Robbins	Distribution	Unattended	69.00	12.47	0.00	11	1	0	NONE
449	Rockwell - Winchester	Distribution	Unattended	69.00	12.47	0.00	22	1	0	NONE
450	Rogers Gap-Georgetown	Distribution	Unattended	138.00	12.47	0.00	28	1	0	NONE
451	Rogersville - Radcliff	Distribution	Unattended	69.00	12.47	0.00	22	1	0	NONE
452	Rose Hill	Distribution	Unattended	69.00	12.47	0.00	11	1	0	NONE
453	Rumsey - Earlington	Distribution	Unattended	69.00	34.50	0.00	13	1	0	NONE
454	Russell Springs	Distribution	Unattended	69.00	12.47	0.00	14	1	0	NONE
455	Salem - Earlington	Distribution	Unattended	69.00	34.50	0.00	14	1	0	NONE
456	Shadrack	Distribution	Unattended	69.00	12.47	0.00	11	1	0	NONE
457	Shannon Run	Distribution	Unattended	69.00	12.47	0.00	14	1	0	NONE
458	Sharon - Augusta	Distribution	Unattended	69.00	12.47	0.00	14	1	0	NONE
459	Shavers Chapel	Distribution	Unattended	69.00	12.47	0.00	14	1	0	NONE
460	Shawnee Gas	Distribution	Unattended	69.00	12.47	0.00	15	1	0	NONE
461		Distribution	Unattended	69.00	12.47	0.00	22	1	0	NONE

	Shelbyville North									
462	Shelbyville East	Distribution	Unattended	69.00	12.47	0.00	45	2	0	NONE
463	Shelbyville South	Distribution	Unattended	69.00	12.47	0.00	36	2	0	NONE
464	Shun Pike	Distribution	Unattended	69.00	12.47	0.00	14	1	0	NONE
465	Simpsonville - Shelbyville	Distribution	Unattended	69.00	12.47	0.00	25	2	0	NONE
466	Somerset 2	Distribution	Unattended	69.00	4.16	0.00	11	1	0	NONE
467	Somerset 3	Distribution	Unattended	69.00	12.47	0.00	14	1	0	NONE
468	Somerset South	Distribution	Unattended	69.00	12.47	0.00	14	1	0	NONE
469	Sonora	Distribution	Unattended	69.00	12.47	0.00	11	1	0	NONE
470	Springfield - Campbellsville	Distribution	Unattended	69.00	12.47	0.00	25	2	0	NONE
471	St. Paul	Distribution	Unattended	69.00	12.47	0.00	45	2	0	NONE
472	Stamping Ground	Distribution	Unattended	34.50	12.47	0.00	14	1	0	NONE
473	Stanford	Distribution	Unattended	69.00	12.47	0.00	14	1	0	NONE
474	Stanford North	Distribution	Unattended	69.00	12.47	0.00	14	1	0	NONE
475	Stonewall - Lexington	Distribution	Unattended	69.00	12.47	0.00	75	2	0	NONE
476	Sylvania - Winchester	Distribution	Unattended	69.00	12.47	0.00	22	1	0	NONE
477	Taylorsville - Shelbyville	Distribution	Unattended	69.00	12.47	0.00	14	1	0	NONE
478	Toms Creek	Distribution	Unattended	69.00	4.16	0.00	11	1	0	NONE
479	Toyota North	Distribution	Unattended	138.00	13.20	0.00	84	3	1	NONE
480	Toyota South	Distribution	Unattended	138.00	13.20	0.00	112	4	0	NONE
481	Trafton Avenue - Lexington - 22	Distribution	Unattended	69.00	12.47	0.00	22	1	0	NONE
482	Trafton Avenue - Lexington - 14	Distribution	Unattended	69.00	4.16	0.00	14	1	0	NONE
483	UK Scott Street	Distribution	Unattended	69.00	12.47	0.00	37	1	0	NONE
484	UK Medical Center - Lexington	Distribution	Unattended	69.00	12.47	0.00	75	2	0	NONE
485	UK West - Lexington	Distribution	Unattended	69.00	13.09	0.00	42	2	0	NONE
486	Union Underwear - Russell Springs	Distribution	Unattended	69.00	12.47	0.00	28	2	0	NONE
487	Uniontown	Distribution	Unattended	69.00	12.47	0.00	14	1	0	NONE
488		Distribution	Unattended	69.00	12.47	0.00	14	1	0	NONE

	Vaksdahl Avenue									
489	Verda - Harlan	Distribution	Unattended	69.00	12.47	0.00	14	1	0	NONE
490	Versailles West - Versailles	Distribution	Unattended	69.00	12.47	0.00	22	1	0	NONE
491	Versailles Bypass - Versailles	Distribution	Unattended	69.00	12.47	0.00	45	2	0	NONE
492	Viley Road - Lexington	Distribution	Unattended	138.00	12.47	0.00	77	2	0	NONE
493	Vine Street - Lexington	Distribution	Unattended	69.00	12.47	0.00	20	2	0	NONE
494	Waco	Distribution	Unattended	69.00	12.47	0.00	14	1	0	NONE
495	Waitsboro - Somerset	Distribution	Unattended	69.00	12.47	0.00	14	1	0	NONE
496	Warsaw East - Owenton	Distribution	Unattended	69.00	12.47	0.00	14	1	0	NONE
497	West Hickman - Lexington	Distribution	Unattended	69.00	12.47	0.00	45	2	0	NONE
498	West High Street - Lexington	Distribution	Unattended	69.00	12.47	0.00	75	2	0	NONE
499	Westvaco	Distribution	Unattended	69.00	13.80	0.00	67	3	0	NONE
500	White Sulphur-Georgetown	Distribution	Unattended	138.00	12.47	0.00	37	1	0	NONE
501	Whitley	Distribution	Unattended	69.00	12.47	0.00	11	1	0	NONE
502	Wickliffe	Distribution	Unattended	69.00	13.80	0.00	14	1	0	NONE
503	Wilson Downing - Lexington	Distribution	Unattended	69.00	12.47	0.00	75	2	0	NONE
504	Williamsburg South - Williamsburg	Distribution	Unattended	69.00	12.47	0.00	25	2	0	NONE
505	Wilmore - Versailles	Distribution	Unattended	69.00	12.47	0.00	18	2	0	NONE
506	Winchester Industrial - Winchester	Distribution	Unattended	69.00	12.47	0.00	22	1	0	NONE
507	Winchester Water	Distribution	Unattended	69.00	12.47	0.00	14	1	0	NONE
508	Wise - Norton	Distribution	Unattended	69.00	12.47	0.00	22	1	0	NONE
509	Woodlawn	Distribution	Unattended	69.00	12.47	0.00	14	1	0	NONE
510	181 Stations Less Than 10,000 KVA	Distribution	Unattended	0.00	0.00	0.00	813	230	133	NONE
511	Total Distribution			21,367.00	3,764.68	0.00	7740	621	136	
512				0.00	0.00	0.00	0	0	0	
513	* Unattended			0.00	0.00	0.00	0	0	0	

514	Summary			0.00	0.00	0.00	0	0	0	
515	Transmission 211			0.00	0.00	0.00	14536	94	11	
516	Distribution 460			0.00	0.00	0.00	7740	621	136	
517	Total 671-130 shared=541			0.00	0.00	0.00	22276	715	147	
518	Shared 130			0.00	0.00	0.00	0	0	0	
519	Total									

Name of Respondent: Kentucky Utilities Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 03/28/2022	Year/Period of Report End of: 2021/ 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 Good or Service (a)	Name of Associated/Affiliated Company (b)	Account(s) 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	(a) see footnote	17,807,170
3	Direct-Indirect Labor	Louisville Gas and Electric Company	(b) see footnote	22,633,220
4	Equipment and Facilities	Louisville Gas and Electric Company	(c) see footnote	618,638
5	Materials and Fuels	Louisville Gas and Electric Company	(d) see footnote	463,304
6	Office and Administrative Services	Louisville Gas and Electric Company	(e) see footnote	61,153
7	Outside Services	Louisville Gas and Electric Company	(f) see footnote	814,945
8	Transmission	Louisville Gas and Electric Company	(g) see footnote	1,060,955
9	Capital Expenditures	LG&E and KU Services Company	(h) see footnote	31,855,478
10	Direct-Indirect Labor	LG&E and KU Services Company	(i) see footnote	105,697,615
11	Equipment and Facilities	LG&E and KU Services Company	(j) see footnote	17,240,670
12	Materials	LG&E and KU Services Company	(k) see footnote	1,256,662
13	Office and Administrative Services	LG&E and KU Services Company	(l) see footnote	4,615,312
14	Outside Services	LG&E and KU Services Company	(m) see footnote	15,552,659
15	Equipment and Facilities	PPL Services Corporation	(n) see footnote	130,206
16	Office and Administrative Services	PPL Services Corporation	(o) see footnote	6,449
17	Outside Services	PPL Services Corporation	(p) see footnote	2,936,083
19				
20	**Non-power Goods or Services Provided for Affiliated**			
21	Capital Expenditures	Louisville Gas and Electric Company	(r) see footnote	6,168,002
22	Direct-Indirect Labor	Louisville Gas and Electric Company		(ad) 1,357,898

			[s] see footnote	
23	Equipment and Facilities	Louisville Gas and Electric Company	[t] see footnote	281,213
24	Materials and Fuels	Louisville Gas and Electric Company	[u] see footnote	2,410,777
25	Office and Administrative Services	Louisville Gas and Electric Company	[v] see footnote	35,420
26	Outside Services	Louisville Gas and Electric Company	[w] see footnote	159,435
27	Transmission	Louisville Gas and Electric Company	[x] see footnote	932,577
28	Direct-Indirect Labor	LG&E and KU Services Company	[y] see footnote	[ae] 1,034,414
29	Equipment and Facilities	LG&E and KU Services Company	[z] see footnote	3,822
30	Materials	LG&E and KU Services Company	[aa] see footnote	61,138
31	Office and Administrative Services	LG&E and KU Services Company	[ab] see footnote	42,329
32	Outside Services	LG&E and KU Services Company	[ac] see footnote	20,993
33	[g] See footnote for allocation process			
42				

Name of Respondent: Kentucky Utilities Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 03/28/2022	Year/Period of Report End of: 2021/ Q4

FOOTNOTE DATA

(a) Concept: AccountsChargedOrCreditedTransactionsWithAssociatedAffiliatedCompanies

Accounts charged include: 107 and 108

(b) Concept: AccountsChargedOrCreditedTransactionsWithAssociatedAffiliatedCompanies

Accounts charged include: 151, 163, 182.3, 183, 184, 186, 232, 408.1, 426.5, 500-502, 505, 506, 510-514, 546, 548, 549, 551-553, 553.1, 554, 560, 561.1, 566, 570, 580, 586, 588, 593, 595, 901, 903, 910, 920, 925, 926 and 935

(c) Concept: AccountsChargedOrCreditedTransactionsWithAssociatedAffiliatedCompanies

Accounts charged include:151, 163, 165, 173, 183, 184, 186, 426.5, 500-502, 506, 511-513, 553, 554, 560, 561.1, 562, 563, 566, 570, 571, 580, 582-584, 586, 588, 590, 592-595, 598, 901-903, 910, 921, 931 and 935

(d) Concept: AccountsChargedOrCreditedTransactionsWithAssociatedAffiliatedCompanies

Accounts charged include: 163, 183, 184, 511-514, 544, 552, 553, 554, 580, 582-584, 586, 588, 590, 592, 593, 598, 902, 903, 908 and 921

(e) Concept: AccountsChargedOrCreditedTransactionsWithAssociatedAffiliatedCompanies

Accounts charged include: 184, 186, 426.5, 500, 506, 561.7, 580, 583, 586, 588, 593, 598, 901, 902, 921 and 930.2

(f) Concept: AccountsChargedOrCreditedTransactionsWithAssociatedAffiliatedCompanies

Accounts charged include: 163, 184, 186, 510, 511, 513, 514, 553, 561.5, 571, 580, 588, 592, 593, 921, 923 and 935

(g) Concept: AccountsChargedOrCreditedTransactionsWithAssociatedAffiliatedCompanies

Accounts charged include: 456.1 and 565

(h) Concept: AccountsChargedOrCreditedTransactionsWithAssociatedAffiliatedCompanies

Accounts charged include: 107 and 108

(i) Concept: AccountsChargedOrCreditedTransactionsWithAssociatedAffiliatedCompanies

Accounts charged include: 163, 182.3, 183, 184, 186, 232, 408.1, 426.4, 426.5, 500-502, 506, 510, 512-514, 556, 560, 561.1-561.3, 561.5-561.7, 562, 563, 566, 570, 571, 580-583, 586, 588, 590, 592, 593, 595, 598, 901-903, 907, 908, 910, 920, 921, 925, 926, 930.2 and 935

(j) Concept: AccountsChargedOrCreditedTransactionsWithAssociatedAffiliatedCompanies

Accounts charged include: 163, 165, 182.3, 183, 184, 426.4, 426.5, 454, 500-502, 506, 510, 512-514, 556, 560, 561.1-561.3, 561.5-561.7, 562, 563, 566, 570, 571, 573, 580, 582, 583, 586, 588, 592, 593, 595, 598, 901-903, 907, 908, 910, 921, 923 and 931

(k) Concept: AccountsChargedOrCreditedTransactionsWithAssociatedAffiliatedCompanies

Accounts charged include: 146, 163, 184, 186, 500, 510, 511, 513, 514, 560, 570, 573, 580, 586, 588, 598, 921 and 935

(l) Concept: AccountsChargedOrCreditedTransactionsWithAssociatedAffiliatedCompanies

Accounts charged include: 183, 184, 421.2, 426.4, 426.5, 454, 500, 501, 506, 510-514, 556, 560, 561.1, 561.2, 561.5, 562, 563, 566, 570, 571, 573, 580, 582, 583, 586, 588, 590, 592, 593, 595, 598, 901-903, 905, 907, 908, 910, 912, 920, 921, 925, 930.2, 931 and 935

(m) Concept: AccountsChargedOrCreditedTransactionsWithAssociatedAffiliatedCompanies

Accounts charged include: 165, 183, 184, 186, 426.4, 500, 502, 506, 510, 511, 513, 514, 556, 560, 561.1, 561.5, 561.6, 561.7, 562, 566, 570, 571, 573, 580, 582, 583, 586, 588, 593, 598, 902, 903, 908-910, 921, 923, 928, 930.2 and 935

(n) Concept: AccountsChargedOrCreditedTransactionsWithAssociatedAffiliatedCompanies

Accounts charged include: 931

(o) Concept: AccountsChargedOrCreditedTransactionsWithAssociatedAffiliatedCompanies

Accounts charged include: 921

(p) Concept: AccountsChargedOrCreditedTransactionsWithAssociatedAffiliatedCompanies

Accounts charged include: 163, 184, 500, 903, 921, 923 and 930.2

(q) Concept: DescriptionOfNonPowerGoodOrService

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 and PPL Services are as follows:

FOOTNOTE DATA

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.

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 Analysts 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.

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.

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.

Network Users Ratio – Based on the number of IT network users 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 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.

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.

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.

FOOTNOTE DATA

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.

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.

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.

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.

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.

Transmission Ratio –The Transmission Coordination Agreement (TCA) provides "the contractual basis for the 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.

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

FOOTNOTE DATA

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.

(r) Concept: AccountsChargedOrCreditedTransactionsWithAssociatedAffiliatedCompanies

Accounts charged include: 107 and 108

(s) Concept: AccountsChargedOrCreditedTransactionsWithAssociatedAffiliatedCompanies

Accounts charged include: 182.3, 183, 184, 232, 408.1, 426.5, 500, 501, 506, 513, 546, 551-554, 560, 561.5, 570, 580, 583, 584, 586, 588, 593, 594, 598, 887, 901, 903, 908, 920, 922, 925, 926 and 935

(t) Concept: AccountsChargedOrCreditedTransactionsWithAssociatedAffiliatedCompanies

Accounts charged include: 163, 165, 173, 183, 184, 186, 426.5, 500, 505, 506, 510-514, 544, 548, 549, 553, 560, 561.5, 561.7, 562, 566, 567, 570, 571, 580, 582-584, 586, 588, 591-

596, 598, 814, 816-818, 821, 830, 832-837, 850, 856, 863, 874-876, 878-880, 887, 890-892, 901-903, 908, 921, 926, 931 and 935
(u) Concept: AccountsChargedOrCreditedTransactionsWithAssociatedAffiliatedCompanies
Accounts charged include: 151, 184, 456, 501, 502, 506, 511-514, 549, 553, 554, 570, 580, 582, 583, 592, 593, 598, 863, 902, 921 and 935
(v) Concept: AccountsChargedOrCreditedTransactionsWithAssociatedAffiliatedCompanies
Accounts charged include: 426.5, 506, 549, 554, 561.7, 566, 580, 581, 586, 588, 593, 880, 901, 921 and 935
(w) Concept: AccountsChargedOrCreditedTransactionsWithAssociatedAffiliatedCompanies
Accounts charged include: 163, 184, 186, 500, 506, 511, 513, 560, 566, 571, 588, 593, 902 903, 921, 923 and 935
(x) Concept: AccountsChargedOrCreditedTransactionsWithAssociatedAffiliatedCompanies
Accounts charged include: 456.1
(y) Concept: AccountsChargedOrCreditedTransactionsWithAssociatedAffiliatedCompanies
Accounts charged include: 184, 506, 560, 561.5, 570, 580, 588, 901, 903, 908, 920 and 935
(z) Concept: AccountsChargedOrCreditedTransactionsWithAssociatedAffiliatedCompanies
Accounts charged include: 146, 184, 921 and 931
(aa) Concept: AccountsChargedOrCreditedTransactionsWithAssociatedAffiliatedCompanies
Accounts charged include: 146, 184, 570, 921 and 935
(ab) Concept: AccountsChargedOrCreditedTransactionsWithAssociatedAffiliatedCompanies
Accounts charged include: 184, 426.5, 580, 921 and 935
(ac) Concept: AccountsChargedOrCreditedTransactionsWithAssociatedAffiliatedCompanies
Accounts charged include: 184 and 903
(ad) Concept: DueFromOrCreditedByTheTransactionsWithAssociatedAffiliatedCompanies
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 identifiable as services provided by or for affiliate, but are included as a reduction to the amount reported in line 3, Column d.
(ae) Concept: DueFromOrCreditedByTheTransactionsWithAssociatedAffiliatedCompanies
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.

THIS FILING IS
Item 1: ☑ An Initial (Original) Submission OR ☐ Resubmission No.

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
Louisville Gas and Electric Company	End of: 2021/ Q4

LOUISVILLE GAS AND ELECTRIC COMPANY

PUBLIC SERVICE COMMISSION OF KENTUCKY

PRINCIPAL PAYMENT AND INTEREST INFORMATION FOR THE YEAR ENDING DECEMBER 31, 2021

1. Amount of Principal Payment during calendar year $ 0

2. Is Principal current? (Yes) X (No) ______

3. Is Interest current? (Yes) X (No) ______

LOUISVILLE GAS AND ELECTRIC COMPANY

PUBLIC SERVICE COMMISSION OF KENTUCKY

SERVICES PERFORMED BY
INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT

Are your financial statements examined by a Certified Public Accountant?

(Yes) ____X____ (No) __________

If yes, which service is performed?

Audit ____X____

Compilation __________

Review __________

Please enclose a copy of the accountant's report with annual report.

LOUISVILLE GAS AND ELECTRIC COMPANY
ADDITIONAL INFORMATION TO BE FURNISHED WITH
2021 ANNUAL REPORT

ELECTRIC UTILITIES

Please furnish the following information, for Kentucky Operations only, and attach to your Annual Report:

Number of Rural Customers (Other than Farms)	INFORMATION NOT AVAILABLE
Number of Farms Served (A farm is any agricultural operating unit consisting of 3 acres or more)	INFORMATION NOT AVAILABLE
Number of KWH sold to all Rural Customers	INFORMATION NOT AVAILABLE
Total Revenue from all Rural Customers	INFORMATION NOT AVAILABLE

LINE DATA

Total number of Miles of Wire Energized (Located in Kentucky)	12,459
Total number of Miles of Pole line (Located in Kentucky)	7,305

Name of Counties in which you furnish Electric Service:
(If additional space is required, add additional sheet)

Bullitt, Hardin, Henry, Jefferson, Meade, Oldham, Shelby, Spencer and Trimble

Louisville Gas and Electric Company
Supplemental Electric Information
Revenues, Customers and KWH Sales
For Reporting Year 2021

	Revenues	KWHs Sold	Customers
440 Residential	$ 479,087,634	4,193,141,957	375,455
442 Commercial & Industrial Sales			
Small (or Commercial)	$ 381,667,629	3,607,268,029	45,930
Large (or Industrial)	$ 170,349,327	2,449,628,354	547
444 Public Street & Highway Lighting	$ 1,821,622	9,083,552	620
445 Other Sales to Public Authorities	$ 94,655,844	1,030,294,863	4,611
446 Sales to Railroads and Railways	$ -	-	-
448 Interdepartmental Sales	$ -	-	-
TOTAL Sales to Ultimate Customers	$ 1,127,582,056	11,289,416,755	427,163
447 Sales for Resale	$ 37,858,290	1,345,364,000	12
TOTAL Sales of Electricity	$ 1,165,440,346	12,634,780,755	427,175

THIS PAGE MUST BE COMPLETED AND RETURNED WITH THE ANNUAL REPORT

LOUISVILLE GAS AND ELECTRIC COMPANY
NUMBER OF ELECTRIC DEPARTMENT EMPLOYEES
SUPPLEMENTAL INFORMATION TO 2021 ANNUAL REPORT

NUMBER OF ELECTRIC DEPARTMENT EMPLOYEES

1. The data on number of employees should be reported for the payroll period ending nearest to October 31, or any payroll period ending 60 days before or after October 31.

2. If the respondent's payroll for the reporting period includes any special construction personnel, include such employees on line 3, and show the number of such special construction employees in a footnote.

3. The number of employees assignable to the electric department from joint functions of combination utilities may be determined by estimate, on the basis of employee equivalents. Show the estimated number of equivalent employees attributed to the electric department from joint functions.

1.	Payroll Period Ended (Date)	12/31/2021
2.	Total Regular Full-Time Employees	673
3.	Total Part-Time and Temporary Employees	11
4.	Total Employees	684

Additional Requested Information

Utility Name Louisville Gas and Electric Company

FEIN# (Federal Employer Identification Number)

6	1	-	0	2	6	4	1	5	0

Contact Person Drew T. McCombs

Contact Person's E-Mail Address Drew.McCombs2@lge-ku.com

Utility's Web Address www.lge-ku.com

Please complete the above information, if it is available.

If there are multiple staff who may be contacts please include their names and e-mail addresses also.

FERC FORM NO. 1 REPORT OF MAJOR ELECTRIC UTILITIES, LICENSEES AND OTHER		
IDENTIFICATION		
01 Exact Legal Name of Respondent Louisville Gas and Electric Company		02 Year/ Period of Report End of: 2021/ 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) 220 West Main Street, Louisville, KY 40202		
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 An Original / A Resubmission (1) ☑ An Original (2) ☐ A Resubmission	10 Date of Report (Mo, Da, Yr) 03/28/2022

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 Kent W Blake	04 Date Signed (Mo, Da, Yr) 03/28/2022
02 Title Chief Financial Officer		
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.		

Utility ID: 500

OATH

Commonwealth of Kentucky)
) ss:
County of Jefferson)

Kent W. Blake makes oath and says
(Name of Officer)

that he/she is Chief Financial Officer of
(Official title of officer)

Louisville Gas and Electric Company
(Exact legal title or name of respondent)

that it is his/her duty to have supervision over the books of account of the respondent and to control the manner in which such books are kept; that he/she knows that such books have, during the period covered by the foregoing report, been kept in good faith in accordance with the accounting and other orders of the Public Service Commission of Kentucky, effective during the said period; that he/she has carefully examined the said report and to have the best of his/her knowledge and belief the entries contained in the said report have, so far as they relate to matters of account, been accurately taken from the said books of account and are in exact accordance therewith; that he/she believes that all other statements of fact contained in the said report are true; and that the said report is a correct and complete statement of the business and affairs of the above-named respondent during the period of time from and including

January 1, 2021 , to and including December 31, 2021

Kent W Blake
(Signature of Officer)

subscribed and sworn to before me, a Notary Public , in and for

the State and County named in the above this 28th day of March, 2022

(Apply Seal Here)

My Commission expires November 9, 2022

Tammy J. Elzy
(Signature of officer authorized to administer oath)

[Persons making willful false statements in this report may be punished by fine or imprisonment under KRS 523.040 and 523.100.]

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, Licensees, and Others 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 Form Nos. 1 and 3-Q electronically through the eCollection portal at https://eCollection.ferc.gov, and according to the specifications in the Form 1 and 3-Q taxonomies.

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.)

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

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 [COMPANY NAME] for the year ended on which we have reported separately under date of [DATE], we have also reviewed schedules [NAME OF 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. Further instructions are found on the Commission's website at https://www.ferc.gov/ferc-online/ferc-online/frequently-asked-questions-faqs-efilingferc-online.

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 https://www.ferc.gov/general-information-0/electric-industry-forms.

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

Notes to Financial Statements 122-123

e. The following format must be used for the CPA Certification Statement unless unusual circumstances or conditions,

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, 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.

X. Schedule specific instructions are found in the applicable taxonomy and on the applicable blank rendered form.

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

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

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 by 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 shall 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

adjustments or "true-ups" for service provided in prior reporting periods. Provide an explanation in a footnote for each adjustment.

DEFINITIONS

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..."

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

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
REPORT OF MAJOR ELECTRIC UTILITIES, LICENSEES AND OTHER

IDENTIFICATION

01 Exact Legal Name of Respondent Louisville Gas and Electric Company		02 Year/ Period of Report End of: 2021/ 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) 220 West Main Street, Louisville, KY 40202		
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 An Original / A Resubmission (1) ☑ An Original (2) ☐ A Resubmission	10 Date of Report (Mo, Da, Yr) 03/28/2022

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 Kent W. Blake	04 Date Signed (Mo, Da, Yr) 03/28/2022
02 Title Chief Financial Officer		

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: Louisville Gas and Electric Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 03/28/2022	Year/Period of Report End of: 2021/ 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".

60	**Monthly ISO/RTO Transmission System Peak Load**	400a	None
61	**Electric Energy Account**	401a	
62	**Monthly Peaks and Output**	401b	
63	**Steam Electric Generating Plant Statistics**	402	
64	**Hydroelectric Generating Plant Statistics**	406	
65	**Pumped Storage Generating Plant Statistics**	408	None
66	**Generating Plant Statistics Pages**	410	
0	**Energy Storage Operations (Large Plants)**	414	
67	**Transmission Line Statistics Pages**	422	
68	**Transmission Lines Added During Year**	424	None
69	**Substations**	426	
70	**Transactions with Associated (Affiliated) Companies**	429	
71	**Footnote Data**	450	
	Stockholders' Reports (check appropriate box)		
	Stockholders' Reports Check appropriate box: ☐ Two copies will be submitted ☑ No annual report to stockholders is prepared		

Name of Respondent: Louisville Gas and Electric Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 03/28/2022	Year/Period of Report End of: 2021/ 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.

State of Incorporation: KY

Date of Incorporation: 1913-07-02

Incorporated Under Special Law:

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

(a) Name of Receiver or Trustee Holding Property of the Respondent:

(b) Date Receiver took Possession of Respondent Property:

(c) Authority by which the Receivership or Trusteeship was created:

(d) Date when possession by receiver or trustee ceased:

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 and natural gas services in Metro Louisville and adjacent territory in Kentucky.

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

(2) ☑ No

Name of Respondent: Louisville Gas and Electric Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 03/28/2022	Year/Period of Report End of: 2021/ Q4

CONTROL OVER RESPONDENT

1. If any corporation, business trust, or similar organization or a combination of such organizations jointly held control over the respondent 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 beneficiaries for whom trust was maintained, and purpose of the trust.

Louisville Gas and Electric Company (LG&E) is a wholly-owned subsidiary of LG&E and KU Energy LLC (LKE). PPL Corporation (PPL), based in Allentown, PA, holds all of the membership interests in LKE.

Name of Respondent: Louisville Gas and Electric Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 03/28/2022	Year/Period of Report End of: 2021/ 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: Louisville Gas and Electric Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 03/28/2022	Year/Period of Report End of: 2021/ 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)	Date Started in Period (d)	Date Ended in Period (e)
1	(a) President	(b) John R. Crockett III		2021-10-01	
2	Chief Operating Officer	Lonnie E. Bellar			
3	Chief Financial Officer	Kent W. Blake			
4	VP Human Resources	Gregory J. Meiman			
5	FORMER EXECUTIVE OFFICER DURING 2021				
6	President and Chief Executive Officer	(c) Paul W. Thompson			2022-01-01

Name of Respondent: Louisville Gas and Electric Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 03/28/2022	Year/Period of Report End of: 2021/ Q4

FOOTNOTE DATA

(a) Concept: OfficerTitle
Salary information for all officers is on file in the office of the respondent.
(b) Concept: OfficerName
John R. Crockett, General Counsel, Chief Compliance Officer and Corporate Secretary, was named President, effective October 1, 2021.
(c) Concept: OfficerName
Paul W. Thompson, President and Chief Executive Officer, transitioned to Executive Vice President as of October 1, 2021 until his retirement on January 1, 2022.

Name of Respondent: Louisville Gas and Electric Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 03/28/2022	Year/Period of Report End of: 2021/ 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), name and abbreviated titles of the directors who are officers of the respondent.
2. Provide the principle place of business in column (b), designate members of the Executive Committee in column (c), and the Chairman of the Executive Committee in column (d).

Line No.	Name (and Title) of Director (a)	Principal Business Address (b)	Member of the Executive Committee (c)	Chairman of the Executive Committee (d)
1	BOARD OF DIRECTORS AT DECEMBER 31, 2021			
2	(a) John R. Crockett III, President	220 West Main Street, Louisville, KY 40202	true	true
3	Lonnie E. Bellar, Chief Operating Officer	220 West Main Street, Louisville, KY 40202	true	false
4	Kent W. Blake, Chief Financial Officer	220 West Main Street, Louisville, KY 40202	true	false
5	Joseph P. Bergstein, Jr., Senior Vice President and Chief Financial Officer of PPL	2 North Ninth Street, Allentown, PA 18101	true	false
6	(b) Gregory N. Dudkin, Executive Vice President and Chief Operating Officer of PPL	2 North Ninth Street, Allentown, PA 18101	true	false
7	FORMER DIRECTORS DURING 2021			
8	(c) Paul W. Thompson, President and Chief Executive Officer	220 West Main Street, Louisville, KY 40202	true	false

Name of Respondent: Louisville Gas and Electric Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 03/28/2022	Year/Period of Report End of: 2021/ Q4

FOOTNOTE DATA

(a) Concept: NameAndTitleOfDirector
John R. Crockett, General Counsel, Chief Compliance Officer and Corporate Secretary, was named President and Director, effective October 1, 2021.
(b) Concept: NameAndTitleOfDirector
Gregory N. Dudkin, Executive Vice President and Chief Operating Officer, was elected to the Board of Directors April 9, 2021.
(c) Concept: NameAndTitleOfDirector
Paul W. Thompson, President and Chief Executive Officer, transitioned to Executive Vice President as of October 1, 2021 and resigned as Director as of January 1, 2022 upon retirement.

Name of Respondent: Louisville Gas and Electric Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 03/28/2022	Year/Period of Report End of: 2021/ Q4

INFORMATION ON FORMULA RATES

Does the respondent have formula rates?	☑ 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 (a)	FERC Proceeding (b)
1	Open Access Transmission Tariff (OATT) Attachment O - Schedule 7, 8, and 10	Docket No. ER19-984-000
2	Open Access Transmission Tariff (OATT) Attachment O - Schedule 7, 8, and 10	
3	Open Access Transmission Tariff (OATT) - Schedule 1	Docket No. ER16-1543-000
4	Open Access Transmission Tariff (OATT) - Schedule 4	Docket No. ER17-588-000
5	Open Access Transmission Tariff (OATT) - Schedule 9	Docket No. ER17-588-000

Name of Respondent: Louisville Gas and Electric Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 03/28/2022	Year/Period of Report End of: 2021/ 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)?	☑ Yes ☐ No

2. If yes, provide a listing of such filings as contained on the Commission's eLibrary website.

Line No.	Accession No. (a)	Document Date / Filed Date (b)	Docket No. (c)	Description (d)	Formula Rate FERC Rate Schedule Number or Tariff Number (e)
1	20210315-5286	03/15/2021	ER21-1416-000	Annual Information Attachment O Filing	Attachment O - Schedule 7, 8, and 10
2	20200401-5192	04/01/2020	ER20-1466-000	Compliance Filing Addressing Accumulated Deferred Income Tax in FERC Order No. 864; Pending FERC Action	Attachment O - Schedule 7, 8, and 10
3	20210315-5286 - Schedule 1	03/15/2021	ER21-1416-000	Annual Rate Update	Schedule 1
4	Not Applicable - Schedule 4			Schedule Does Not Use Form 1 Inputs	Schedule 4
5	Not Applicable - Schedule 9			Schedule Does Not Use Form 1 Inputs	Schedule 9

Name of Respondent: Louisville Gas and Electric Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 03/28/2022	Year/Period of Report End of: 2021/ 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). (a)	Schedule (b)	Column (c)	Line No. (d)
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Name of Respondent: Louisville Gas and Electric Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 03/28/2022	Year/Period of Report End of: 2021/ 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 Pages 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.

1.None.

2. None.

3. None.

4. None of a material nature.

5. None.

6. LG&E received FERC authorization in FERC Docket No. ES20-20-000 for up to $750 million in the form of money pool debt, commercial paper or any other type of short-term loan through June 17, 2022. LG&E's money pool balance was $324 million at December 31, 2021 and zero at December 31, 2020. LG&E's commercial paper program was established on April 30, 2013 and the program limit was amended to $425 million on March 8, 2021. As of December 31, 2021, and December 31, 2020, the outstanding commercial paper balance was $69 and $262 million, respectively.
LG&E has a revolving credit facility totaling $500 million. The facility was approved by the Kentucky Public Service Commission Order, Case No. 2015-00138 on July 2, 2015. LG&E amended and restated this revolving credit facility on December 6, 2021, to extend the termination date from January 26, 2024 to December 6, 2026. At December 31, 2021 and December 31, 2020, the outstanding balance was zero.

In April 2021, the Louisville/Jefferson County Metro Government of Kentucky remarketed $128 million of Pollution Control Revenue Bonds, 2003 Series A due 2033 previously issued on behalf of LG&E. The bonds were remarketed at a long-term rate and will bear interest at 2.00% through their maturity date of October 1, 2033.

In May 2021, the County of Trimble, Kentucky remarketed $35 million of Pollution Control Revenue Bonds, 2001 Series B due 2027 previously issued on behalf of LG&E. The bonds were remarketed at a long-term rate and will bear interest at 1.35% through their maturity date of November 1, 2027.

In May 2021, the Louisville/Jefferson County Metro Government of Kentucky remarketed $35 million of Pollution Control Revenue Bonds, 2001 Series B due 2027 previously issued on behalf of LG&E. The bonds were remarketed at a long-term rate and will bear interest at 1.35% through their maturity date of November 1, 2027.

In June 2021, LG&E converted the $31 million of Louisville/Jefferson County Metro Government of Kentucky Environmental Facilities Revenue Refunding Bonds, 2007 Series A issued on its behalf to a weekly interest rate. The bonds mature on June 1, 2033.

In June 2021, LG&E converted the $35 million of Louisville/Jefferson County Metro Government, of Kentucky Environmental Facilities Revenue Refunding Bonds, 2007 Series B issued on its behalf to a weekly interest rate. The bonds mature on June 1, 2033.

In September 2021, the County of Trimble, Kentucky remarketed $28 million of Pollution Control Revenue Bonds, 2001 Series A due 2026, previously issued on behalf of LG&E. The bonds
were remarketed at a long-term rate and will bear interest at 0.625% through their maturity date of September 1, 2026.

7. None.

8. During the first quarter of 2021, exempt and non-exempt employees received routine wage increases in accordance with annual salary reviews. During the fourth quarter of 2021, the LG&E IBEW received negotiated wage increases.

9. See Notes 7 and 14 of Notes to Financial Statements on page 122.

10. None.

12. See Notes to Financial Statements on page 122.

13. Gregory N. Dudkin was appointed a director, effective April 12, 2021. Paul W. Thompson, President and Chief Executive Officer and a director, retired effective January 1, 2022. John R. Crockett III, General Counsel, Chief Compliance Officer and Corporate Secretary, was named President effective October 1, 2021. On December 13, 2021, John P. Fendig was named Corporate Secretary and Deborah Christine Gregor was named Assistant Corporate Secretary.

14. LG&E is a participant in a cash pooling arrangement, but its proprietary capital ratio is above 30 percent.

Name of Respondent: Louisville Gas and Electric Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 03/28/2022	Year/Period of Report End of: 2021/ 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	8,385,227,771	7,945,013,412
3	Construction Work in Progress (107)	200	245,669,757	320,349,704
4	TOTAL Utility Plant (Enter Total of lines 2 and 3)		8,630,897,528	8,265,363,116
5	(Less) Accum. Prov. for Depr. Amort. Depl. (108, 110, 111, 115)	200	2,611,131,405	2,471,541,416
6	Net Utility Plant (Enter Total of line 4 less 5)		6,019,766,123	5,793,821,700
7	Nuclear Fuel in Process of Ref., Conv., Enrich., and Fab. (120.1)	202		
8	Nuclear Fuel Materials and Assemblies-Stock Account (120.2)			
9	Nuclear Fuel Assemblies in Reactor (120.3)			
10	Spent Nuclear Fuel (120.4)			
11	Nuclear Fuel Under Capital Leases (120.6)			
12	(Less) Accum. Prov. for Amort. of Nucl. Fuel Assemblies (120.5)	202		
13	Net Nuclear Fuel (Enter Total of lines 7-11 less 12)			
14	Net Utility Plant (Enter Total of lines 6 and 13)		6,019,766,123	5,793,821,700
15	Utility Plant Adjustments (116)			
16	Gas Stored Underground - Noncurrent (117)		2,139,990	2,139,990
17	**OTHER PROPERTY AND INVESTMENTS**			
18	Nonutility Property (121)		903,703	896,591
19	(Less) Accum. Prov. for Depr. and Amort. (122)		63,360	63,360
20	Investments in Associated Companies (123)			
21	Investment in Subsidiary Companies (123.1)	224	594,286	594,286
23	Noncurrent Portion of Allowances	228		
24	Other Investments (124)			
25	Sinking Funds (125)			
26	Depreciation Fund (126)			
27	Amortization Fund - Federal (127)			
28	Other Special Funds (128)		(a)84,690,591	(a)77,847,583
29	Special Funds (Non Major Only) (129)			
30	Long-Term Portion of Derivative Assets (175)			

31	Long-Term Portion of Derivative Assets - Hedges (176)			
32	TOTAL Other Property and Investments (Lines 18-21 and 23-31)		86,125,220	79,275,100
33	**CURRENT AND ACCRUED ASSETS**			
34	Cash and Working Funds (Non-major Only) (130)			
35	Cash (131)		9,131,504	6,400,689
36	Special Deposits (132-134)			
37	Working Fund (135)		24,790	24,790
38	Temporary Cash Investments (136)			668,000
39	Notes Receivable (141)		2,064,132	396,440
40	Customer Accounts Receivable (142)		132,742,637	128,495,292
41	Other Accounts Receivable (143)		20,725,060	34,521,857
42	(Less) Accum. Prov. for Uncollectible Acct.-Credit (144)		3,413,022	3,202,508
43	Notes Receivable from Associated Companies (145)			
44	Accounts Receivable from Assoc. Companies (146)		34,846,262	15,743,313
45	Fuel Stock (151)	227	31,509,061	38,423,340
46	Fuel Stock Expenses Undistributed (152)	227		
47	Residuals (Elec) and Extracted Products (153)	227		
48	Plant Materials and Operating Supplies (154)	227	48,158,123	47,916,473
49	Merchandise (155)	227		
50	Other Materials and Supplies (156)	227		
51	Nuclear Materials Held for Sale (157)	202/227		
52	Allowances (158.1 and 158.2)	228	135	137
53	(Less) Noncurrent Portion of Allowances	228		
54	Stores Expense Undistributed (163)	227	(b)648,058	(c)2,556,900
55	Gas Stored Underground - Current (164.1)		54,184,489	29,861,205
56	Liquefied Natural Gas Stored and Held for Processing (164.2-164.3)			
57	Prepayments (165)		20,831,581	19,612,596
58	Advances for Gas (166-167)			
59	Interest and Dividends Receivable (171)			2,577
60	Rents Receivable (172)		1,044,206	1,290,710
61	Accrued Utility Revenues (173)		80,173,363	79,750,721
62	Miscellaneous Current and Accrued Assets (174)			
63	Derivative Instrument Assets (175)			
64	(Less) Long-Term Portion of Derivative Instrument Assets (175)			
65	Derivative Instrument Assets - Hedges (176)			

66	(Less) Long-Term Portion of Derivative Instrument Assets - Hedges (176)			
67	Total Current and Accrued Assets (Lines 34 through 66)		432,670,379	402,462,532
68	**DEFERRED DEBITS**			
69	Unamortized Debt Expenses (181)		16,234,169	15,196,034
70	Extraordinary Property Losses (182.1)	230a		
71	Unrecovered Plant and Regulatory Study Costs (182.2)	230b		
72	Other Regulatory Assets (182.3)	232	370,609,867	366,994,725
73	Prelim. Survey and Investigation Charges (Electric) (183)		460,442	855,250
74	Preliminary Natural Gas Survey and Investigation Charges 183.1)			
75	Other Preliminary Survey and Investigation Charges (183.2)			100,703
76	Clearing Accounts (184)			
77	Temporary Facilities (185)			
78	Miscellaneous Deferred Debits (186)	233	4,103,315	9,087,647
79	Def. Losses from Disposition of Utility Plt. (187)			
80	Research, Devel. and Demonstration Expend. (188)	352		201,470
81	Unamortized Loss on Reaquired Debt (189)		12,257,457	13,318,104
82	Accumulated Deferred Income Taxes (190)	234	(e)219,479,984	(f)253,973,688
83	Unrecovered Purchased Gas Costs (191)			
84	Total Deferred Debits (lines 69 through 83)		623,145,234	659,727,621
85	TOTAL ASSETS (lines 14-16, 32, 67, and 84)		7,163,846,946	6,937,426,943

Name of Respondent: Louisville Gas and Electric Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 03/28/2022	Year/Period of Report End of: 2021/ Q4

FOOTNOTE DATA

(a) Concept: OtherSpecialFunds

Balance represents prepaid pension.

(b) Concept: StoresExpenseUndistributed

Balance at Beginning of Year	$	2,556,900
Total Debits		1,939,744
Total Credits		(3,848,586)
Balance at End of Year	$	648,058

(c) Concept: AccumulatedDeferredIncomeTaxes

Balance at Beginning of Year	$	253,973,688
Less Debits to:		
Account 410.1		36,877,158
Account 410.2		8,919
Other Balance Sheet Accounts		15,376,344
Plus Credits to:		
Account 411.1		17,768,357
Account 411.2		360
Balance at End of Year	$	219,479,984

(d) Concept: OtherSpecialFunds

Balance represents prepaid pension.

(e) Concept: StoresExpenseUndistributed

Balance at Beginning of Year	$	2,165,244
Total Debits		8,675,686
Total Credits		(8,284,030)
Balance at End of Year	$	2,556,900

(f) Concept: AccumulatedDeferredIncomeTaxes

Balance at Beginning of Year	$	258,040,885
Less Debits to:		
Account 410.1		12,295,967
Account 410.2		12,620
Other Balance Sheet Accounts		5,037,549
Plus Credits to:		
Account 411.1		13,278,429
Account 411.2		510
Balance at End of Year	$	253,973,688

Name of Respondent: Louisville Gas and Electric Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 03/28/2022	Year/Period of Report End of: 2021/ 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	425,170,424	425,170,424
3	Preferred Stock Issued (204)	250		
4	Capital Stock Subscribed (202, 205)			
5	Stock Liability for Conversion (203, 206)			
6	Premium on Capital Stock (207)			
7	Other Paid-In Capital (208-211)	253	803,081,499	729,081,499
8	Installments Received on Capital Stock (212)	252		
9	(Less) Discount on Capital Stock (213)	254		
10	(Less) Capital Stock Expense (214)	254b	835,889	835,889
11	Retained Earnings (215, 215.1, 216)	118	1,462,933,475	1,405,810,021
12	Unappropriated Undistributed Subsidiary Earnings (216.1)	118		
13	(Less) Reaquired Capital Stock (217)	250		
14	Noncorporate Proprietorship (Non-major only) (218)			
15	Accumulated Other Comprehensive Income (219)	122(a)(b)		
16	Total Proprietary Capital (lines 2 through 15)		2,690,349,509	2,559,226,055
17	**LONG-TERM DEBT**			
18	Bonds (221)	256	2,024,200,000	2,024,200,000
19	(Less) Reaquired Bonds (222)	256		
20	Advances from Associated Companies (223)	256		
21	Other Long-Term Debt (224)	256		
22	Unamortized Premium on Long-Term Debt (225)			
23	(Less) Unamortized Discount on Long-Term Debt-Debit (226)		3,904,319	4,102,775
24	Total Long-Term Debt (lines 18 through 23)		2,020,295,681	2,020,097,225
25	**OTHER NONCURRENT LIABILITIES**			
26	Obligations Under Capital Leases - Noncurrent (227)		12,105,030	14,558,032
27	Accumulated Provision for Property Insurance (228.1)			
28	Accumulated Provision for Injuries and Damages (228.2)		2,030,543	2,402,112
29	Accumulated Provision for Pensions and Benefits (228.3)		54,306,510	68,740,675

30	Accumulated Miscellaneous Operating Provisions (228.4)			
31	Accumulated Provision for Rate Refunds (229)			
32	Long-Term Portion of Derivative Instrument Liabilities		16,881,331	21,472,034
33	Long-Term Portion of Derivative Instrument Liabilities - Hedges			
34	Asset Retirement Obligations (230)		92,322,159	77,676,260
35	Total Other Noncurrent Liabilities (lines 26 through 34)		177,645,573	184,849,113
36	**CURRENT AND ACCRUED LIABILITIES**			
37	Notes Payable (231)		68,992,123	261,901,188
38	Accounts Payable (232)		168,734,926	170,379,353
39	Notes Payable to Associated Companies (233)		324,069,725	
40	Accounts Payable to Associated Companies (234)		30,915,995	30,999,101
41	Customer Deposits (235)		31,873,036	31,499,927
42	Taxes Accrued (236)	262	34,448,703	34,069,863
43	Interest Accrued (237)		14,943,461	15,492,801
44	Dividends Declared (238)			
45	Matured Long-Term Debt (239)			
46	Matured Interest (240)			
47	Tax Collections Payable (241)		2,157,609	2,215,513
48	Miscellaneous Current and Accrued Liabilities (242)		22,398,550	22,210,081
49	Obligations Under Capital Leases-Current (243)		5,570,045	5,799,928
50	Derivative Instrument Liabilities (244)		18,450,388	23,298,057
51	(Less) Long-Term Portion of Derivative Instrument Liabilities		16,881,331	21,472,034
52	Derivative Instrument Liabilities - Hedges (245)			
53	(Less) Long-Term Portion of Derivative Instrument Liabilities-Hedges			
54	Total Current and Accrued Liabilities (lines 37 through 53)		705,673,230	576,393,778
55	**DEFERRED CREDITS**			
56	Customer Advances for Construction (252)		5,963,492	7,333,699
57	Accumulated Deferred Investment Tax Credits (255)	266	32,168,275	32,877,347
58	Deferred Gains from Disposition of Utility Plant (256)			
59	Other Deferred Credits (253)	269	2,760,127	906,218
60	Other Regulatory Liabilities (254)	278	558,446,619	585,715,502
61	Unamortized Gain on Reaquired Debt (257)			
62	Accum. Deferred Income Taxes-Accel. Amort.(281)	272		

63	Accum. Deferred Income Taxes-Other Property (282)			848,144,909	827,132,587
64	Accum. Deferred Income Taxes-Other (283)			122,399,531	142,895,419
65	Total Deferred Credits (lines 56 through 64)			1,569,882,953	1,596,860,772
66	TOTAL LIABILITIES AND STOCKHOLDER EQUITY (lines 16, 24, 35, 54 and 65)			7,163,846,946	6,937,426,943

Name of Respondent: Louisville Gas and Electric Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 03/28/2022	Year/Period of Report End of: 2021/ 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 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) 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) t 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

6. Do not report fourth quarter data in columns (e) and (f)
7. Report amounts for accounts 412 and 413, Revenues and Expenses from Utility Plant Leased to Others, in another utility column in a similar manner Spread the amount(s) over Lines 2 thru 26 as appropriate. Include these amounts in columns (c) and (d) totals.
8. Report amounts in account 414, Other Utility Operating Income, in the same manner as accounts 412 and 413 above.
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 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 revenue 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 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 proc received or costs incurred for power or gas purchases, and a summary of the adjustments made to balance sheet, income, and expense accounts.
12. If any notes appearing in the report to stockholders 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, incl 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 th

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)	Electric Utility Current Year to Date (in dollars) (g)	Electric Utility Previous Year to Date (in dollars) (h)	Gas Utility Current Year to Date (in dollars) (i)	Gas Ut Previ Year Date dolla (j)
1	UTILITY OPERATING INCOME									
2	Operating Revenues (400)	300	1,556,992,835	1,463,208,605			1,195,792,935	1,139,319,369	361,199,900	323,88
3	Operating Expenses									
4	Operation Expenses (401)	320	710,608,031	653,954,702			521,630,291	490,507,912	188,977,740	163,44
5	Maintenance Expenses (402)	320	120,220,168	107,886,666			96,838,521	85,768,331	23,381,647	22,11
6	Depreciation Expense (403)	336	257,988,437	241,441,698			218,712,952	206,107,090	39,275,485	35,33
7	Depreciation Expense for Asset Retirement Costs (403.1)	336								
8		336	18,828,743	15,679,461			12,991,799	10,818,795	5,836,944	4,86

	Amort. & Depl. of Utility Plant (404-405)									
9	Amort. of Utility Plant Acq. Adj. (406)	336								
10	Amort. Property Losses, Unrecov Plant and Regulatory Study Costs (407)									
11	Amort. of Conversion Expenses (407.2)									
12	Regulatory Debits (407.3)		2,524,653	1,935,111			2,524,653	1,935,111		
13	(Less) Regulatory Credits (407.4)		20,487				15,031		5,456	
14	Taxes Other Than Income Taxes (408.1)	262	55,175,165	48,196,310			41,430,579	36,441,681	13,744,586	11,75
15	Income Taxes - Federal (409.1)	262	42,431,627	52,566,318			34,895,685	43,346,028	7,535,942	9,22
16	Income Taxes - Other (409.1)	262	5,064,715	7,193,399			4,094,042	5,921,164	970,673	1,27
17	Provision for Deferred Income Taxes (410.1)	234, 272	154,413,530	132,241,708			115,554,039	105,273,112	38,859,491	26,96
18	(Less) Provision for Deferred Income Taxes-Cr. (411.1)	234, 272	145,740,965	128,950,958			114,154,472	107,606,938	31,586,493	21,34
19	Investment Tax Credit Adj. - Net (411.4)	266	(709,072)	(794,391)			(708,172)	(791,911)	(900)	(2
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)		20	24			20	24		
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)		1,220,784,525	1,131,350,000			933,794,866	877,720,351	286,989,659	253,62
27	Net Util Oper Inc (Enter Tot line 2 less 25)		336,208,310	331,858,605			261,998,069	261,599,018	74,210,241	70,25
28	Other Income and Deductions									
29	Other Income									
30	Nonutilty Operating Income									
31	Revenues From Merchandising, Jobbing and Contract Work (415)		1,728,003	1,929,638						
32	(Less) Costs and Exp. of Merchandising, Job. & Contract Work (416)		1,382,557	1,494,471						
33	Revenues From Nonutility Operations (417)		1,166,439	1,060,728						
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)		4,783	31,090						
38	Allowance for Other Funds Used During Construction (419.1)		(a)10,979	(c)0						
39	Miscellaneous Nonoperating Income (421)		9,183	10,770						
40	Gain on Disposition of Property (421.1)		222,972	8,931						
41	TOTAL Other Income (Enter Total of lines 31 thru 40)		1,759,802	1,546,686						

42	Other Income Deductions									
43	Loss on Disposition of Property (421.2)		328,950							
44	Miscellaneous Amortization (425)									
45	Donations (426.1)		6,431,438	307,645						
46	Life Insurance (426.2)									
47	Penalties (426.3)		356,500	532,376						
48	Exp. for Certain Civic, Political & Related Activities (426.4)		713,657	665,351						
49	Other Deductions (426.5)		713,322	736,183						
50	TOTAL Other Income Deductions (Total of lines 43 thru 49)		8,543,867	2,241,555						
51	Taxes Applic. to Other Income and Deductions									
52	Taxes Other Than Income Taxes (408.2)	262	11,568	8,652						
53	Income Taxes-Federal (409.2)	262	(1,148,451)	38,809						
54	Income Taxes-Other (409.2)	262	(287,832)	9,727						
55	Provision for Deferred Inc. Taxes (410.2)	234, 272	8,919	12,620						
56	(Less) Provision for Deferred Income Taxes-Cr. (411.2)	234, 272	360	510						
57	Investment Tax Credit Adj.-Net (411.5)									
58	(Less) Investment Tax Credits (420)									
59			(1,416,156)	69,298						

	TOTAL Taxes on Other Income and Deductions (Total of lines 52-58)									
60	Net Other Income and Deductions (Total of lines 41, 50, 59)		(5,367,909)	(764,167)						
61	Interest Charges									
62	Interest on Long-Term Debt (427)		77,368,516	81,262,450						
63	Amort. of Debt Disc. and Expense (428)		2,114,137	2,350,508						
64	Amortization of Loss on Reaquired Debt (428.1)		1,060,648	1,037,015						
65	(Less) Amort. of Premium on Debt-Credit (429)									
66	(Less) Amortization of Gain on Reaquired Debt-Credit (429.1)									
67	Interest on Debt to Assoc. Companies (430)		326,162	244,621						
68	Other Interest Expense (431)		852,207	2,787,690						
69	(Less) Allowance for Borrowed Funds Used During Construction-Cr. (432)		[b]4,723	[d]0						
70	Net Interest Charges (Total of lines 62 thru 69)		81,716,947	87,682,284						
71	Income Before Extraordinary Items (Total of lines 27, 60 and 70)		249,123,454	243,412,154						
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								
77	Extraordinary Items After Taxes (line 75 less line 76)									
78	Net Income (Total of line 71 and 77)		249,123,454	243,412,154						

Name of Respondent: Louisville Gas and Electric Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 03/28/2022	Year/Period of Report End of: 2021/ Q4

FOOTNOTE DATA

(a) Concept: AllowanceForOtherFundsUsedDuringConstruction
In 2020, the Company adopted waiver described in FERC Docket No. AC 20-127-000 permitting the computation of the AFUDC rate for the 12-month period starting with March 2020 using the company's simple average of the actual historical short-term debt balance for 2019, instead of current period short-term debt balance.
(b) Concept: AllowanceForBorrowedFundsUsedDuringConstructionCredit
In 2020, the Company adopted waiver described in FERC Docket No. AC 20-127-000 permitting the computation of the AFUDC rate for the 12-month period starting with March 2020 using the company's simple average of the actual historical short-term debt balance for 2019, instead of current period short-term debt balance.
(c) Concept: AllowanceForOtherFundsUsedDuringConstruction
In 2020, the Company adopted waiver described in FERC Docket No. AC 20-127-000 permitting the computation of the AFUDC rate for the 12-month period starting with March 2020 using the company's simple average of the actual historical short-term debt balance for 2019, instead of current period short-term debt balance.
(d) Concept: AllowanceForBorrowedFundsUsedDuringConstructionCredit
In 2020, the Company adopted waiver described in FERC Docket No. AC 20-127-000 permitting the computation of the AFUDC rate for the 12-month period starting with March 2020 using the company's simple average of the actual historical short-term debt balance for 2019, instead of current period short-term debt balance.

Name of Respondent: Louisville Gas and Electric Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 03/28/2022	Year/Period of Report End of: 2021/ Q4

STATEMENT OF RETAINED EARNINGS

1. Do not report Lines 49-53 on the quarterly report.
2. Report all changes in appropriated retained earnings, unappropriated retained earnings, 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 for 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 for 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, attach them at page 122.

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		1,405,810,021	1,323,397,867
2	Changes			
3	Adjustments to Retained Earnings (Account 439)			
4	Adjustments to Retained Earnings Credit			
4.1	Adjustments to Retained Earning Credit			
9	TOTAL Credits to Retained Earnings (Acct. 439)			
10	Adjustments to Retained Earnings Debit			
10.1	Adjustments to Retained Earnings Debit			
15	TOTAL Debits to Retained Earnings (Acct. 439)			
16	Balance Transferred from Income (Account 433 less Account 418.1)		249,123,454	243,412,154
17	Appropriations of Retained Earnings (Acct. 436)			
22	TOTAL Appropriations of Retained Earnings (Acct. 436)			
23	Dividends Declared-Preferred Stock (Account 437)			
29	TOTAL Dividends Declared-Preferred Stock (Acct. 437)			
30	Dividends Declared-Common Stock (Account 438)			
30.1	Dividends Declared-Common Stock		192,000,000	161,000,000
36	TOTAL Dividends Declared-Common Stock (Acct. 438)		192,000,000	161,000,000
37	Transfers from Acct 216.1, Unapprop. Undistrib. Subsidiary Earnings			
38	Balance - End of Period (Total 1,9,15,16,22,29,36,37)		1,462,933,475	1,405,810,021
39				

	APPROPRIATED RETAINED EARNINGS (Account 215)			
39.1	APPROPRIATED RETAINED EARNINGS (Account 215)			
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)		1,462,933,475	1,405,810,021
	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	TOTAL other Changes in unappropriated undistributed subsidiary earnings for the year			
52.1	TOTAL other Changes in unappropriated undistributed subsidiary earnings for the year			
53	Balance-End of Year (Total lines 49 thru 52)			

Name of Respondent: Louisville Gas and Electric Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 03/28/2022	Year/Period of Report End of: 2021/ 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 Instructions 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)	249,123,454	243,412,154
3	Noncash Charges (Credits) to Income:		
4	Depreciation and Depletion	257,988,437	241,441,698
5	Amortization of (Specify) (footnote details)		
5.1	Amortization of Plant and Regulatory Debits and Credits	19,846,970	23,007,703
5.2	Amortization of Debt Discount and Debt Issuance Costs	3,174,785	3,412,570
5.3	Amortization of Research and Development and Demonstration Expenditures	201,470	184,483
5.4	Provision for Pension and Postretirement Benefits	469,680	2,698,074
5.5	(Gain)/Loss on Sales of Assets	105,978	(8,931)
8	Deferred Income Taxes (Net)	8,681,124	3,302,861
9	Investment Tax Credit Adjustment (Net)	(709,072)	(794,391)
10	Net (Increase) Decrease in Receivables	(28,980,628)	(1,006,318)
11	Net (Increase) Decrease in Inventory	(15,197,761)	4,008,026
12	Net (Increase) Decrease in Allowances Inventory	2	3
13	Net Increase (Decrease) in Payables and Accrued Expenses	10,824,078	(23,273,907)
14	Net (Increase) Decrease in Other Regulatory Assets	(25,637,089)	17,244,714
15	Net Increase (Decrease) in Other Regulatory Liabilities	6,038,435	20,369,814
16	(Less) Allowance for Other Funds Used During Construction	10,979	
17	(Less) Undistributed Earnings from Subsidiary Companies		
18	Other (provide details in footnote):		
18.1	Net (Increase) Decrease in Prepayments and Other Assets	(1,218,985)	(1,268,031)
18.2	Net Increase (Decrease) in Customer Advances for Construction	(1,370,207)	(628,444)
18.3	Pension and Postretirement Funding	(2,622,670)	(11,131,960)

18.4	Net Increase (Decrease) in Other Liabilities	439,456	1,390,637
18.5	Net Increase (Decrease) in ARO liabilities		(16,872,746)
18.6	Net (Increase) Decrease in Special Funds	91	(91)
18.7	Other	(4)	(1)
18.8	Net (Increase) Decrease in Other Deferred Debits	7,936,003	468,828
18.9	Net Increase (Decrease) in Other Deferred Credits	2,637	244,212
18.10	Payments for Asset Retirement Obligations	(26,731,052)	(20,148,995)
22	Net Cash Provided by (Used in) Operating Activities (Total of Lines 2 thru 21)	462,354,153	486,051,962
24	Cash Flows from Investment Activities:		
25	Construction and Acquisition of Plant (including land):		
26	Gross Additions to Utility Plant (less nuclear fuel)	(405,168,448)	(373,064,347)
27	Gross Additions to Nuclear Fuel		
28	Gross Additions to Common Utility Plant	(44,310,877)	(63,337,700)
29	Gross Additions to Nonutility Plant		
30	(Less) Allowance for Other Funds Used During Construction	(10,979)	
31	Other (provide details in footnote):		
31.1	Costs of Removal of Utility Plant	(21,029,836)	(21,619,943)
34	Cash Outflows for Plant (Total of lines 26 thru 33)	(470,498,182)	(458,021,990)
36	Acquisition of Other Noncurrent Assets (d)		
37	Proceeds from Disposal of Noncurrent Assets (d)		
39	Investments in and Advances to Assoc. and Subsidiary Companies		
40	Contributions and Advances from Assoc. and Subsidiary Companies	324,069,725	
41	Disposition of Investments in (and Advances to)		
42	Disposition of Investments in (and Advances to) Associated and Subsidiary Companies		
44	Purchase of Investment Securities (a)		
45	Proceeds from Sales of Investment Securities (a)		
46	Loans Made or Purchased		
47	Collections on Loans		
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):		
57	Net Cash Provided by (Used in) Investing Activities (Total of lines 34 thru 55)	(146,428,457)	(458,021,990)
59	Cash Flows from Financing Activities:		

60	Proceeds from Issuance of:		
61	Long-Term Debt (b)		
62	Preferred Stock		
63	Common Stock		
64	Other (provide details in footnote):		
64.1	LG&E and KU Energy LLC Equity Contribution	74,000,000	103,000,000
64.2	Issuance of Commercial Paper		41,000,000
66	Net Increase in Short-Term Debt (c)		
67	Other (provide details in footnote):		
67.1	Remarketing of reacquired long-term debt		
70	Cash Provided by Outside Sources (Total 61 thru 69)	74,000,000	144,000,000
72	Payments for Retirement of:		
73	Long-term Debt (b)		
74	Preferred Stock		
75	Common Stock		
76	Other (provide details in footnote):		
76.1	Debt Issuance Costs	(2,953,816)	(882,474)
76.2	Acquisition of outstanding long-term debt		
76.3	Retirement of Commercial Paper	(41,000,000)	
78	Net Decrease in Short-Term Debt (c)	(151,909,065)	(17,509,182)
80	Dividends on Preferred Stock		
81	Dividends on Common Stock	(192,000,000)	(161,000,000)
83	Net Cash Provided by (Used in) Financing Activities (Total of lines 70 thru 81)	(313,862,881)	(35,391,656)
85	Net Increase (Decrease) in Cash and Cash Equivalents		
86	Net Increase (Decrease) in Cash and Cash Equivalents (Total of line 22, 57 and 83)	2,062,815	(7,361,684)
88	Cash and Cash Equivalents at Beginning of Period	(a)7,093,479	14,455,163
90	Cash and Cash Equivalents at End of Period	(b)9,156,294	(c)7,093,479

Name of Respondent: Louisville Gas and Electric Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 03/28/2022	Year/Period of Report End of: 2021/ Q4

FOOTNOTE DATA

(a) Concept: CashAndCashEquivalents

Cash and cash equivalents are comprised of the following amounts:

Cash (131)	$	6,400,689
Working Fund (135)		24,790
Temporary Cash Investments (136)		668,000
Total Cash and Cash Equivalents	$	7,093,479

(b) Concept: CashAndCashEquivalents

Cash and cash equivalents are comprised of the following amounts:

Cash (131)	$	9,131,504
Working Fund (135)		24,790
Total Cash and Cash Equivalents	$	9,156,294

(c) Concept: CashAndCashEquivalents

Cash and cash equivalents are comprised of the following amounts:

Cash (131)	$	6,400,689
Working Fund (135)		24,790
Temporary Cash Investments (136)		668,000
Total Cash and Cash Equivalents	$	7,093,479

Name of Respondent: Louisville Gas and Electric Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 03/28/2022	Year/Period of Report End of: 2021/ 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 Commission 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.

GLOSSARY OF TERMS AND ABBREVIATIONS

PPL Corporation and its subsidiaries

KU - Kentucky Utilities Company, a public utility subsidiary of LKE engaged in the regulated generation, transmission, distribution and sale of electricity, primarily in Kentucky.

LG&E - Louisville Gas and Electric Company, a public utility subsidiary of LKE engaged in the regulated generation, transmission, distribution and sale of electricity and the distribution and sale of natural gas in Kentucky.

LKE - LG&E and KU Energy LLC, a subsidiary of PPL and the parent of LG&E, KU and other subsidiaries.

LKS - LG&E and KU Services Company, a subsidiary of LKE that provides administrative, management and support services primarily to LG&E and KU, as well as to LKE and its other subsidiaries.

PPL - PPL Corporation, the ultimate parent holding company of PPL Electric, PPL Energy Funding, PPL Capital Funding, LKE and other subsidiaries.

PPL Capital Funding - PPL Capital Funding, Inc., a financing subsidiary of PPL that provides financing for the operations of PPL and certain subsidiaries. Debt issued by PPL Capital Funding is fully and unconditionally guaranteed as to payment by PPL.

PPL Electric - PPL Electric Utilities Corporation, a public utility subsidiary of PPL engaged in the regulated transmission and distribution of electricity in its Pennsylvania service area and that provides electricity supply to its retail customers in this area as a PLR.

PPL Energy Funding - PPL Energy Funding Corporation, a subsidiary of PPL and the parent holding company of PPL Global and other subsidiaries.

PPL Energy Holdings - PPL Energy Holdings, LLC, a subsidiary of PPL and the parent holding company of PPL Energy Funding, LKE and other subsidiaries. As of January 1, 2022, PPL Energy Holdings became the parent holding company of PPL Electric and PPL Services.

PPL EU Services - PPL EU Services Corporation, a subsidiary of PPL that provided administrative, management and support services primarily to PPL Electric. On December 31, 2021, PPL EU Services merged into PPL Services.

PPL Global - PPL Global, LLC, a subsidiary of PPL Energy Funding that, prior to the sale of the U.K. utility business on June 14, 2021, primarily through its subsidiaries, owned and operated WPD, PPL's regulated electricity distribution businesses in the U.K. PPL Global was not included in the sale of the U.K. utility business on June 14, 2021.

PPL Rhode Island Holdings - PPL Rhode Island Holdings, LLC, a subsidiary of PPL Energy Holdings formed for the purpose of acquiring Narragansett Electric to which certain interests of PPL Energy Holdings in the Narragansett SPA were assigned.

PPL Services - PPL Services Corporation, a subsidiary of PPL that provides administrative, management and support services to PPL and its subsidiaries.

PPL WPD Limited - PPL WPD Limited, a U.K. subsidiary of PPL Global. Prior to the sale of the U.K. utility business on June 14, 2021, PPL WPD Limited was an indirect parent to WPD. PPL WPD Limited was not included in the sale of the U.K. utility business on June 14, 2021.

Safari Energy - Safari Energy, LLC, a subsidiary of PPL that provides solar energy solutions for commercial customers in the U.S.

Other terms and abbreviations

£ - British pound sterling.

401(h) account(s) - a sub-account established within a qualified pension trust to provide for the payment of retiree medical costs.

Act 11 - Act 11 of 2012 that became effective on April 16, 2012. The Pennsylvania legislation authorized the PUC to approve two specific ratemaking mechanisms: the use of a fully projected future test year in base rate proceedings and, subject to certain conditions, a DSIC.

Act 129 - Act 129 of 2008 that became effective in October 2008. The law amended the Pennsylvania Public Utility Code and created an energy efficiency and conservation program and smart metering technology requirements, adopted new PLR electricity supply procurement rules, provided remedies for market misconduct and changed the Alternative Energy Portfolio Standard (AEPS).

Act 129 Smart Meter program - PPL Electric's system-wide meter replacement program that installs wireless digital meters that provide secure communication between PPL Electric and the meter as well as all related infrastructure.

Adjusted Gross Margins - a non-GAAP financial measure of performance used in "Item 7. Combined Management's Discussion and Analysis of Financial Condition and Results of Operations" (MD&A).

Advanced Metering Infrastructure - meters and meter reading infrastructure that provide two-way communication capabilities, which communicate usage and other relevant data to LG&E and KU at regular intervals, and are also able to receive information from LG&E and KU, such as software upgrades and requests to provide meter readings in real time.

AFUDC - allowance for funds used during construction. The cost of equity and debt funds used to finance construction projects of regulated businesses, which is capitalized as part of construction costs.

AOCI - accumulated other comprehensive income or loss.

ARO - asset retirement obligation.

ATM Program - at-the-market stock offering program.

Cane Run Unit 7 - a natural gas combined-cycle generating unit in Kentucky, jointly owned by LG&E and KU.

CCR(s) - coal combustion residual(s). CCRs include fly ash, bottom ash and sulfur dioxide scrubber wastes.

CDP - a not-for-profit organization based in the United Kingdom formerly known as the Carbon Disclosure Project; that runs the global disclosure system that enables investors, companies, cities, states and regions to measure and manage their environmental impacts.

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.

COVID-19 - the disease caused by the novel coronavirus identified in 2019 that has caused a global pandemic.

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. A CPCN is required for any capital addition, subject to KPSC jurisdiction, in excess of $100 million.

Customer Choice Act - the Pennsylvania Electricity Generation Customer Choice and Competition Act, legislation enacted to restructure the state's electric utility industry to create retail access to a competitive market for generation of electricity.

DDCP - Directors Deferred Compensation Plan.

DNO - Distribution Network Operator in the U.K.

DRIP - PPL Amended and Restated Direct Stock Purchase and Dividend Reinvestment Plan.

DSIC - Distribution System Improvement Charge. Authorized under Act 11, which is an alternative ratemaking mechanism providing more-timely cost recovery of qualifying distribution system capital expenditures.

DSM - Demand Side Management. Pursuant to Kentucky Revised Statute 278.285, the KPSC may determine the reasonableness of DSM programs proposed by any utility under its jurisdiction. DSM programs consist of energy efficiency programs intended to reduce peak demand and delay the investment in additional power plant construction, provide customers with tools and information regarding their energy usage and support energy efficiency.

Earnings from Ongoing Operations - a non-GAAP financial measure of earnings adjusted for the impact of special items and used in "Item 7. Combined Management's Discussion and Analysis of Financial Condition and Results of Operations" (MD&A).

EBPB - Employee Benefit Plan Board. The administrator of PPL's U.S. qualified retirement plans, which is charged with the fiduciary responsibility to oversee and manage those plans and the investments associated with those plans.

ECR - Environmental Cost Recovery. Pursuant to Kentucky Revised Statute 278.183, Kentucky electric utilities are entitled to the current recovery of costs of complying with the Clean Air Act, as amended, and those federal, state or local environmental requirements that apply to coal combustion wastes and byproducts from the production of energy from coal.

ELG(s) - Effluent Limitation Guidelines, regulations promulgated by the EPA.

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

EPS - earnings per share.

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.

GBP - British pound sterling.
GHG(s) - greenhouse gas(es).

GLT - gas line tracker. The KPSC approved mechanism for LG&E's recovery of costs associated with gas transmission lines, gas service lines and leak mitigation.

Green Tariff - a KPSC approved rate schedule, permitting customers to contract with LG&E or KU for the purchase of renewable energy certificates, construction of solar generation and use of the energy produced, or the purchase of energy from a renewable energy generator.

GWh - gigawatt-hour, one million kilowatt hours.

IBEW - International Brotherhood of Electrical Workers.

ICP - The PPL Incentive Compensation Plan. This plan provides for incentive compensation to PPL's executive officers and certain other senior executives. New awards under the ICP were suspended in 2012 upon adoption of PPL's 2012 Stock Incentive Plan.

ICPKE - The PPL Incentive Compensation Plan for Key Employees. The ICPKE provides for incentive compensation to certain employees below the level of senior executive.

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.

kVA - kilovolt ampere.

kWh - kilowatt hour, basic unit of electrical energy.

LCIDA - Lehigh County Industrial Development Authority.

LG&E 2010 Mortgage Indenture - LG&E's Indenture, dated as of October 1, 2010, to The Bank of New York Mellon, as supplemented.

LIBOR - London Interbank Offered Rate.

Mcf - one thousand cubic feet, a unit of measure for natural gas.

MMBtu - one million British Thermal Units.

Moody's - Moody's Investors Service, Inc., a credit rating agency.

MW - megawatt, one thousand kilowatts.

NAAQS - National Ambient Air Quality Standards periodically adopted pursuant to the Clean Air Act.
Narragansett Electric - The Narragansett Electric Company, an entity that serves electric and natural gas customers in Rhode Island. In March 2021, PPL and its subsidiary, PPL Energy Holdings announced a pending acquisition of Narragansett Electric.

NERC - North American Electric Reliability Corporation.

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

OCI - other comprehensive income or loss.

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

PEDFA - Pennsylvania Economic Development Financing Authority.

Performance unit - stock-based compensation award that represents a variable number of shares of PPL common stock that a recipient may receive based on PPL's attainment of (i) relative total shareowner return (TSR) over a three-year performance period as compared to companies in the PHLX Utility Sector Index; or (ii) corporate return on equity (ROE) based on the average of the annual ROE for each year of the three-year performance period. In light of the transformational nature of the potential sale of the U.K. utility business in 2021, PPL's ROE-based performance units issued for 2021 were based on a one-year performance period from January 1, 2021 to December 31, 2021; however, these units retained the three year vesting schedule and other characteristics.

PJM - PJM Interconnection, L.L.C., operator of the electricity transmission network and electricity energy market in all or parts of Delaware, Illinois, Indiana, Kentucky, Maryland, Michigan, New Jersey, North Carolina, Ohio, Pennsylvania, Tennessee, Virginia, West Virginia and the District of Columbia.

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

PP&E - property, plant and equipment.

PPL EnergyPlus - prior to the June 1, 2015 spinoff of PPL Energy Supply, LLC, PPL EnergyPlus, LLC, a subsidiary of PPL Energy Supply that marketed and traded wholesale and retail electricity and gas, and supplied energy and energy services in competitive markets.

PPL Energy Supply - prior to the June 1, 2015 spinoff, PPL Energy Supply, LLC, a subsidiary of PPL Energy Funding and the indirect parent company of PPL Montana, LLC.

PPL Montana - prior to the June 1, 2015 spinoff of PPL Energy Supply, PPL Montana, LLC, an indirect subsidiary of PPL Energy Supply that generated electricity for wholesale sales in Montana

PPL Montana - prior to the June 1, 2015 spinoff of PPL Energy Supply, PPL Montana, LLC, an indirect subsidiary of PPL Energy Supply that generated electricity for wholesale sales in Montana and the Pacific Northwest.

PPL WPD Investments Limited - PPL WPD Investments Limited, which was, prior to the sale of the U.K. utility business on June 14, 2021, a subsidiary of PPL WPD Limited and parent to WPD plc. PPL WPD Investments Limited was included in the sale of the U.K. utility business on June 14, 2021.

PUC - Pennsylvania Public Utility Commission, the state agency that regulates certain ratemaking, services, accounting and operations of Pennsylvania utilities.
RCRA - Resource Conservation and Recovery Act of 1976.

Registrant(s) - refers to the Registrants named on the cover of this Report (each a "Registrant" and collectively, the "Registrants").

Riverstone - Riverstone Holdings LLC, a Delaware limited liability company and, as of December 6, 2016, ultimate parent company of the entities that own the competitive power generation business contributed to Talen Energy.

RTO - Regional Transmission Operator, an electric power transmission system operator that coordinates, controls and monitors a multi-state electric grid.

Sarbanes-Oxley - Sarbanes-Oxley Act of 2002, which sets requirements for management's assessment of internal controls for financial reporting. It also requires an independent auditor to make its own assessment.

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.

SIP - PPL Corporation's Amended and Restated 2012 Stock Incentive Plan.

Smart metering technology - technology that can measure, among other things, time of electricity consumption to permit offering rate incentives for usage during lower cost or demand intervals. The use of this technology also has the potential to strengthen network reliability.

S&P - S&P Global Ratings, a credit rating agency.

Superfund - federal environmental statute that addresses remediation of contaminated sites; states also have similar statutes.

Talen Energy - Talen Energy Corporation, the Delaware corporation formed to be the publicly traded company and owner of the competitive generation assets of PPL Energy Supply and certain affiliates of Riverstone, which as of December 6, 2016, became wholly owned by Riverstone.

Talen Energy Marketing - Talen Energy Marketing, LLC, the successor name of PPL EnergyPlus, after the spinoff of PPL Energy Supply that marketed and traded wholesale and retail electricity and gas, and supplied energy and energy services in competitive markets, after the June 1, 2015 spinoff of PPL Energy Supply.

TCJA - Tax Cuts and Jobs Act. Comprehensive U.S. federal tax legislation enacted on December 22, 2017.

Total shareowner return - the change in market value of a share of the company's common stock plus the value of all dividends paid on a share of the common stock during the applicable performance period, divided by the price of the common stock as of the beginning of the performance period. The price used for purposes of this calculation is the average share price for the 20 trading days at the beginning and end of the applicable period.

Treasury Stock Method - a method applied to calculate diluted EPS that assumes any proceeds that could be obtained upon exercise of options and warrants (and their equivalents) would be used to purchase common stock at the average market price during the relevant period.
U.K. utility business - PPL WPD Investments Limited and its subsidiaries, including, notably, WPD plc and the four DNOs, which substantially represented PPL's U.K. Regulated segment. The U.K. utility business was sold on June 14, 2021.

VEBA - Voluntary Employee Beneficiary Association. A tax-exempt trust under the Internal Revenue Code Section 501 (c)(9) used by employers to fund and pay eligible medical, life and similar benefits.

VSCC - Virginia State Corporation Commission, the state agency that has jurisdiction over the regulation of Virginia corporations, including utilities.

WPD - Prior to the sale of the U.K. utility business on June 14, 2021, refers to PPL WPD Limited and its subsidiaries. WPD was included in the sale of the U.K. utility business on June 14, 2021.

WPD (East Midlands) - Western Power Distribution (East Midlands) plc, a British regional electricity distribution utility company. WPD (East Midlands) was included in the sale of the U.K. utility business on June 14, 2021.

WPD plc - Western Power Distribution plc, a U.K. indirect subsidiary of PPL WPD Limited. Its principal indirectly owned subsidiaries are WPD (East Midlands), WPD (South Wales), WPD (South West) and WPD (West Midlands). WPD plc was included in the sale of the U.K. utility business on June 14, 2021.

WPD Midlands - refers to WPD (East Midlands) and WPD (West Midlands), collectively. WPD Midlands was included in the sale of the U.K. utility business on June 14, 2021.

WPD (South Wales) - Western Power Distribution (South Wales) plc, a British regional electricity distribution utility company. WPD (South Wales) was included in the sale of the U.K. utility business on June 14, 2021.

WPD (South West) - Western Power Distribution (South West) plc, a British regional electricity distribution utility company. WPD (South West) was included in the sale of the U.K. utility business on June 14, 2021.

WPD (West Midlands) - Western Power Distribution (West Midlands) plc, a British regional electricity distribution utility company. WPD (West) Midlands) was included in the sale of the U.K. utility business on June 14, 2021.

1. Summary of Significant Accounting Policies

As permitted by the FERC for the Year Ended December 31, 2021 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, 2021, which was filed with the SEC on February 18, 2022. Accordingly, these Notes do not reflect updated information since the Form 10-K filing date.
(All Registrants)

General

Capitalized terms and abbreviations appearing in the combined notes to financial statements are defined in the glossary. Dollars are in millions, except per share data, unless otherwise noted. The

Capitalized terms and abbreviations appearing in the combined notes to financial statements are defined in the glossary. Dollars are in millions, except per share data, unless otherwise noted. The specific Registrant to which disclosures are applicable is identified in parenthetical headings in italics above the applicable disclosure or within the applicable disclosure for each Registrants' related activities and disclosures. Within combined disclosures, amounts are disclosed for any Registrant when significant.

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.
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.
Implementation costs incurred in a cloud computing arrangement that is considered a service contract.	Reported in PP&E. Reported as investing activity on statement of cash flows.	Reported in other noncurrent assets. Reported as operating activity on statement of cash flows.
Borrowings from associated companies.	Reported as investing activity on statement of cash flows.	Reported as financing activity on statement of cash flows.
Natural gas pipeline inspection retesting costs incurred related to new federal regulations.	Reported in PP&E. Reported as investing activity on statement of cash flows.	Reported in noncurrent regulatory assets. Reported as operating activity on statement of cash flows.
Prepaid inventory use tax.	Reported as prepaid asset.	Reported as fuel, materials and supplies inventory.
Amounts presented within the Balance Sheet and Income Statement	Reported without purchase accounting adjustments.	Reported with purchase accounting adjustments.

Business and Consolidation

(PPL)

PPL is a utility holding company that, through its regulated subsidiaries, is primarily engaged in: 1) the generation, transmission, distribution and sale of electricity and the distribution and sale of natural gas, primarily in Kentucky; and 2) the transmission, distribution and sale of electricity in Pennsylvania. Headquartered in Allentown, PA, PPL's principal subsidiaries are LKE (including its principal subsidiaries, LG&E and KU) and PPL Electric. PPL's corporate level financing subsidiary is PPL Capital Funding.

On March 17, 2021, PPL WPD Limited entered into a share purchase agreement to sell PPL's U.K. utility business, which substantially represented PPL's U.K. Regulated segment, to a subsidiary of National Grid plc. The sale was completed on June 14, 2021. The results of operations of the U.K. utility business are classified as Discontinued Operations on PPL's Statements of Income. The assets and liabilities of the U.K. utility business as of December 31, 2020 are classified as assets and liabilities held for sale on PPL's Balance Sheets. PPL has elected to separately report the cash flows of continuing and discontinued operations on the Statements of Cash Flows. Unless otherwise noted, the notes to these financial statements exclude amounts related to discontinued operations and assets and liabilities held for sale for all periods presented. See Note 9 for additional information.

On July 1, 2021, LKE redeemed, at par, its $250 million 4.375% Senior Notes due 2021 and on July 9, 2021, LKE filed a Form 15 with the SEC to suspend its duty to file reports under sections 13 and 15(d) of the Securities Exchange Act of 1934. As a result, beginning with the June 30, 2021 Form 10-Q, LKE was no longer reported as a Registrant.

(PPL and PPL Electric)

PPL Electric is a cost-based rate-regulated utility subsidiary of PPL. PPL Electric's principal business is the transmission and distribution of electricity to serve retail customers in its franchised territory in eastern and central Pennsylvania and the regulated supply of electricity to retail customers in that territory as a PLR.

(PPL, LG&E and KU)

LG&E and KU are 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 their separate identities and serve customers in Kentucky under their respective names. KU also serves customers in Virginia under the Old Dominion Power name.

(All Registrants)

The financial statements of the Registrants include each company's own 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). The Registrants consolidate a VIE when they are determined to have a controlling interest in the VIE and, as a result, are the primary beneficiary of the entity. Amounts consolidated under the VIE guidance are not material to the Registrants.

All significant intercompany transactions have been eliminated.

The financial statements of PPL, LG&E and KU include their share of any undivided interests in jointly owned facilities, as well as their share of the related operating costs of those facilities. See Note 13 for additional information.

Regulation

(All Registrants)

PPL Electric, LG&E and KU are cost-based rate-regulated utilities for which rates are set by regulators to enable PPL Electric, LG&E and KU to recover the costs of providing electric or gas service, as applicable, and to provide a reasonable return to shareholders. 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 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 7 for additional details regarding regulatory matters.

Accounting Records

The system of accounts for domestic regulated entities 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 in conformity with GAAP 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 uncertain future events and (2) the amount of loss can be reasonably estimated. Accounting guidance defines "probable" as cases in which "the future event or events are likely to occur." The Registrants continuously assess 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.

Earnings Per Share *(PPL)*

EPS is computed using the two-class method, which is an earnings allocation method for computing EPS that treats a participating security as having rights to earnings that would otherwise have been available to common shareowners. Share-based payment awards that provide recipients a non-forfeitable right to dividends or dividend equivalents are considered participating securities.

Price Risk Management

(All Registrants)

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. Foreign currency exchange contracts are used to hedge foreign currency exposures. 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 the 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.

PPL and its subsidiaries have 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.

(PPL)

Processes exist that allow for subsequent review and validation of contract information as it relates to interest rate derivatives and foreign currency 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, but are not limited to:

- Transactions to lock in an interest rate prior to a debt issuance can be designated as cash flow hedges, to the extent the forecasted debt issuances remain probable of occurring.
- Cross-currency transactions to hedge interest and principal repayments can be designated as cash flow hedges.
- Transactions to hedge fluctuations in the fair value of existing debt can be designated as fair value hedges.
- Transactions to hedge the value of a net investment of foreign operations can be designated as net investment hedges.
- Derivative transactions that do not qualify for cash flow or net investment hedge treatment are marked to fair value through earnings. As such, these transactions reduce earnings volatility due solely to changes in foreign currency exchange rates. PPL also hedges anticipated transactions, including the previously completed sale of its U.K utility business and net investments.

(All Registrants)

Derivative transactions may be marked to fair value through regulatory assets/liabilities at PPL Electric, LG&E and KU, if approved by the appropriate regulatory body. These transactions generally include the effect of interest rate swaps that are included in customer rates.

(PPL and PPL Electric)

To meet its obligation as a PLR to its customers, PPL Electric has entered into certain contracts that meet the definition of a derivative. However, NPNS has been elected for these contracts.

See Notes 17 and 18 for additional information on derivatives.

Revenue *(All Registrants)*

Operating revenues are primarily recorded based on energy deliveries through the end of each 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. For LG&E and KU, unbilled revenues for a month are calculated by multiplying an estimate of unbilled kWh or Mcf by the estimated average cents per kWh or Mcf. Any difference between estimated and actual revenues is adjusted the following month when the previous unbilled estimate is reversed and actual billings occur. For

PPL Electric, unbilled revenues for a month are calculated by multiplying the actual unbilled volumes by the price per tariff.

PPL Electric's, LG&E's and KU's base rates are determined based on cost of service. Some regulators have also authorized the use of additional alternative revenue programs, which enable PPL Electric, LG&E and 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 3 for additional information.

Financing and Other Receivables

(All Registrants)

Accounts receivable are reported on the Balance Sheets at the gross outstanding amount adjusted for an allowance for doubtful accounts. Financing receivables include accounts receivable, with the exception of those items within accounts receivable that are not subject to the credit loss model.

Financing receivable collectibility is evaluated using a current expected credit loss model, consisting of 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. The Registrants periodically evaluate the impact of observable external factors on the collectibility of the financing receivables to determine if adjustments to the allowance for doubtful accounts should be made based on current conditions or reasonable and supportable forecasts. Accounts receivable are written off in the period in which the receivable is deemed uncollectible.

(PPL and PPL Electric)

PPL Electric has identified one class of financing receivables, "accounts receivable - customer", which includes financing receivables for all billed and unbilled sales with residential and non-residential customers. All other financing receivables are classified as other. Within the credit loss model for the residential customer accounts receivables, customers are disaggregated based on their projected propensity to pay, which is derived from historical trends and the current activity of the individual customer accounts. Conversely, the non-residential customer accounts receivables are not further segmented due to the varying nature of the individual customers, which lack readily identifiable risk characteristics for disaggregation.

(PPL, LG&E and KU)

LG&E and KU have identified one class of financing receivables, "accounts receivable - customer", which includes financing receivables for all billed and unbilled sales with customers. All other financing receivables are classified as other.

(All Registrants)

The changes in the allowance for doubtful accounts are included in the following table. Amounts relate to financing receivables, except as noted.

	Balance at Beginning of Period		Additions: Charged to Income	Additions: Charged to Other Accounts	Deductions (b)	Balance at End of Period	
PPL							
2021	$ 73		$ 26	$ —	$ 30	$ 69	(d)
2020 (a)	58	(a)	28	—	13	73	(d)
2019	54		34	3	35	56	
PPL Electric							
2021	$ 41		$ 13	$ —	$ 19	$ 35	(c)
2020	30	(a)	19	—	8	41	(c)
2019	27		26	—	25	28	
LG&E							
2021	$ 3		$ 4	$ —	$ 4	$ 3	
2020	1		4	—	2	3	
2019	1		2	2	4	1	
KU							
2021	$ 2		$ 8	$ —	$ 7	$ 3	
2020	1		4	—	3	2	
2019	2		4	1	6	1	

(a) Adjusted for $2 million cumulative-effect adjustment upon adoption of current expected credit loss guidance.
(b) Primarily related to uncollectible accounts written off.
(c) Includes $3 million related to other accounts receivables at December 31, 2021 and 2020.
(d) Includes $32 million and $30 million related to other accounts receivables at December 31, 2021 and 2020.

Cash

(All Registrants)

Cash Equivalents

All highly liquid investments with original maturities of three months or less are considered to be cash equivalents.

(PPL)

Restricted Cash and Cash Equivalents

Bank deposits and other cash equivalents that are restricted by agreement or that have been clearly designated for a specific purpose are classified as restricted cash and cash equivalents. On the Balance Sheets, the current portion of restricted cash and cash equivalents is included in "Other current assets," while the noncurrent portion is included in "Other noncurrent assets."

Reconciliation of Cash, Cash Equivalents and Restricted Cash

The following provides a reconciliation of Cash, Cash Equivalents and Restricted Cash reported within the Balance Sheets to the amounts shown on the Statements of Cash Flows:

	December 31, 2021	December 31, 2020

Cash and cash equivalents	$ 3,571	$ 442
Restricted cash - current	1	1
Total Cash, Cash Equivalents and Restricted Cash	$ 3,572	$ 443

(All Registrants)

Fair Value Measurements

The Registrants value 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. PPL and its subsidiaries use, 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.

The Registrants classify 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, the Registrants' 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.

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. These investments are included in "Other noncurrent assets" on the Balance Sheets. Earnings from these investments are recorded in "Other Income (Expense) - net" on the Statements of Income.

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

<u>Property, Plant and Equipment</u>

(All Registrants)

PP&E is recorded at original cost, unless impaired. PP&E acquired in business combinations is recorded at fair value at the time of acquisition. 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. The Registrants record costs associated with planned major maintenance projects in the period in which work is performed and costs are incurred.

AFUDC is capitalized at PPL Electric as part of the construction costs for cost-based rate-regulated projects for which a return on such costs is recovered after the project is placed in service. The debt component of AFUDC is credited to "Interest Expense" and the equity component is credited to "Other Income (Expense) - net" on the Statements of Income. LG&E and KU generally do not record AFUDC as a return is provided on construction work in progress.

(PPL and PPL Electric)

PPL and PPL Electric capitalize interest costs as part of construction costs. Capitalized interest, including the debt component of AFUDC, for the years ended December 31 is as follows:

	2021	2020	2019
PPL	$ 6	$ 7	$ 9
PPL Electric	6	7	8

<u>Depreciation</u> *(All Registrants)*

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. LG&E and KU accrue 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 LG&E and KU, all ARO depreciation expenses are reclassified to a regulatory asset or regulatory liability. See "Asset Retirement Obligations" below and Note 7 for additional information. PPL Electric records net costs of removal when incurred as a regulatory asset. The regulatory asset is subsequently amortized through depreciation over a five-year period, which is recoverable in customer rates in accordance with regulatory practices.

Following are the weighted-average annual rates of depreciation, for regulated utility plant, for the years ended December 31:

	2021	2020	2019
PPL	3.61%	3.53%	3.54%
PPL Electric	3.05%	2.99%	3.05%
LG&E	3.90%	4.00%	3.87%

LG&E	3.99%	4.00%	3.87%
KU	4.17%	4.00%	4.02%

Goodwill and Other Intangible Assets *(All Registrants)*

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, PPL and its subsidiaries consider:

- 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)

(All Registrants)

The Registrants review 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.

PPL, LG&E and KU review 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. PPL's, LG&E's and KU's reporting units are primarily at the operating segment level.
PPL, for its Kentucky Regulated segment and LKE reporting units, and individually LG&E and 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 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 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, an impairment loss is recognized in an amount equal to that excess, limited to the total amount of goodwill allocated to that reporting unit.

In the fourth quarter of 2021, PPL, for its Kentucky Regulated segment and LKE reporting units, and individually, LG&E and KU, elected to perform qualitative step zero evaluations for their annual goodwill impairment tests, as of October 1, 2021. Based on these evaluations, management concluded it was not "more likely than not" that the fair value of these reporting units was less than their carrying values. As such, quantitative impairment tests were not performed.

(PPL)

During the three month-period ended June 30, 2021, Safari Energy determined that the carrying value of its solar panel inventory would not be fully recoverable due to a decrease in the net realizable value of the modules. The decrease was due primarily to the combination of the three following factors: (1) a continued decrease in the fair value of the modules on hand due to more efficient modules being available on the market, (2) the federal government's extension of certain investment tax credits which make modules on the open market eligible for those credits at higher levels of credits and (3) an increase in commodity prices for materials used in various types of solar projects, all of which place pressure on the economics of those projects, making the cost of Safari's solar panels uncompetitive. As a result, Safari Energy recorded a loss of $37 million ($28 million after-tax) in June 2021 to record the solar panels at fair value. The loss was recorded to "Other operation and maintenance" expense on the Statement of Income. Solar panel inventories of $32 million are included in "Other noncurrent assets" on PPL's Balance Sheet at December 31, 2021.

PPL considered whether the events and circumstances that led to the impairment of Safari Energy's solar panels would more likely than not reduce the fair value of PPL's Distributed Energy Resources reporting unit below its carrying amount. Based on PPL's assessment, a quantitative impairment test was not required as of June 30, 2021.

In the fourth quarter of 2021, PPL elected to perform a quantitative goodwill impairment test in conjunction with the annual goodwill impairment assessment for the Distributed Energy Resources reporting unit. The test did not indicate impairment of the reporting unit , however, it is possible that an impairment charge could occur in future periods if any of the assumptions used in determining fair value of the reporting unit are negatively impacted.

(PPL, LG&E and KU)

Asset Retirement Obligations

PPL and its subsidiaries record 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. For LG&E and KU, all ARO accretion and depreciation expenses are reclassified as a regulatory asset or regulatory liability. ARO regulatory assets associated with certain CCR projects are amortized to expense in accordance with regulatory approvals. For other AROs, deferred accretion and depreciation expense is recovered through cost of removal.
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 7 and Note 20 for additional information on AROs.

Compensation and Benefits

Defined Benefits *(All Registrants)*

Certain PPL subsidiaries sponsor various defined benefit pension and other postretirement plans. An asset or liability is recorded to recognize the funded status of all defined benefit plans with an offsetting entry to AOCI or, for LG&E, KU and PPL Electric, 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.

PPL 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 required amortization period. 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 full required amortization period.

See Note 7 for a discussion of the regulatory treatment of defined benefit costs and Note 12 for a discussion of defined benefits.

Stock-Based Compensation *(PPL and PPL Electric)*

PPL has several stock-based compensation plans for purposes of granting stock options, restricted stock, restricted stock units and performance units to certain employees as well as stock units and restricted stock units to directors. PPL grants most stock-based awards in the first quarter of each year. PPL and its subsidiaries recognize compensation expense for stock-based awards based on the fair value method. Forfeitures of awards are recognized when they occur. See Note 11 for a discussion of stock-based compensation. All awards are recorded as equity or a liability on the Balance Sheets. Stock-based compensation is primarily included in "Other operation and maintenance" on the Statements of Income. Stock-based compensation expense for PPL Electric includes an allocation of PPL Services' expense.

Taxes

Income Taxes

(All Registrants)

PPL and its domestic subsidiaries file a consolidated U.S. federal income tax return.

Significant management judgment is required in developing the Registrants' provision for income taxes, primarily due to the uncertainty related to tax positions taken or expected to be taken on tax returns and valuation allowances on deferred tax assets.

The Registrants use a two-step process to evaluate tax positions. The first step requires an entity 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 an entity to recognize in its 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 the 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 the financial statements of the Registrants in future periods. At December 31, 2021, no significant changes in unrecognized tax benefits were 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.

The Registrants record valuation allowances to reduce deferred income tax assets to the amounts that are more-likely-than-not to be realized. The need for valuation allowances requires significant management judgment. If the Registrants determine that they are 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 the Registrants determine that they are 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 allowances and may materially impact the financial statements in the future.

The Registrants defer investment tax credits when the credits are generated and amortize the deferred amounts over the average lives of the related assets.

The Registrants recognize tax-related interest and penalties in "Income Taxes" on their Statements of Income.

The Registrants use the portfolio approach method of accounting for deferred taxes related to pre-tax OCI transactions. The portfolio approach involves a strict period-by-period cumulative incremental allocation of income taxes to the change in income and losses reflected in OCI. Under this approach, the net cumulative tax effect is ignored. The net change in unrealized gains and losses recorded in AOCI under this approach would be eliminated only on the date the investment portfolio is classified as held for sale or is liquidated.

See Note 6 to the Financial Statements for income tax disclosures.

The provision for the Registrants' deferred income taxes related to regulatory assets and liabilities is based upon the ratemaking principles reflected in rates established by relevant regulators. The difference in the provision for deferred income taxes for regulatory 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."

(PPL Electric, LG&E and KU)

The income tax provision for PPL Electric, LG&E and KU is calculated in accordance with an intercompany tax sharing agreement, which provides that taxable income be calculated as if PPL Electric, LG&E, KU and any domestic subsidiaries each filed a separate return. Tax benefits are not shared between companies. The entity that generates a tax benefit is the entity that is entitled to the tax benefit. 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.
At December 31, the following intercompany tax receivables (payables) were recorded:

	2021	2020
PPL Electric	$ (4)	$ (9)
LG&E	4	(1)
KU	1	(5)

Taxes, Other Than Income *(All Registrants)*

The Registrants present sales taxes in "Other current liabilities" on the Balance Sheets. These taxes are not reflected on the Statements of Income. See Note 6 for details of taxes included in "Taxes, other than income" on the Statements of Income.

Other

(All Registrants)

Leases

The Registrants evaluate whether arrangements entered into contain leases for accounting purposes. See Note 10 for additional information.

Fuel, Materials and Supplies

Fuel, natural gas stored underground and materials and supplies are valued using the average cost method. Fuel costs for electricity generation are charged to expense as used. For LG&E, natural gas supply costs are charged to expense as delivered to the distribution system. See Note 7 for further discussion of the fuel adjustment clauses and gas supply clause.

"Fuel, materials and supplies" on the Balance Sheets consisted of the following at December 31:

	2021			
	PPL	PPL Electric	LG&E	KU
Fuel	$ 90	$ —	$ 32	$ 58
Natural gas stored underground	54	—	54	—
Materials and supplies	178	61	51	66
Total	$ 322	$ 61	$ 137	$ 124

	2020			
	PPL	PPL Electric	LG&E	KU
Fuel	$ 95	$ —	$ 38	$ 57
Natural gas stored underground	30	—	30	—
Materials and supplies	177	59	51	66
Total	$ 302	$ 59	$ 119	$ 123

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 14 for further discussion of recorded and unrecorded guarantees.

(PPL)

Treasury Stock

PPL generally restores all shares of common stock acquired to authorized but unissued shares of common stock upon or soon after acquisition. In connection with its recent share repurchases in the third and fourth quarter of 2021, PPL has not yet returned these shares to authorized but unissued shares, as it is determining if it will retain some portion of these shares as Treasury stock to use in connection with certain compensation plans.

Foreign Currency Translation and Transactions

Adjustments resulting from foreign currency translation are recorded in AOCI and reclassified to income when the related foreign entity is sold. See Note 21 for additional information.

2. Segment and Related Information

(PPL)

PPL is organized into two segments: Kentucky Regulated and Pennsylvania Regulated. PPL's segments are segmented by geographic location.

The Kentucky Regulated segment consists primarily of LG&E's and KU's regulated electricity generation, transmission and distribution operations, as well as LG&E's regulated distribution and sale of natural gas.

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

"Corporate and Other" primarily includes financing costs incurred at the corporate level that have not been allocated or assigned to the segments, certain other unallocated costs, as well as the financial results of Safari Energy, which is presented to reconcile segment information to PPL's consolidated results. For the periods ended December 31, 2020 and 2019, these amounts have been adjusted for certain costs that were previously included in the U.K. Regulated segment.

On March 17, 2021, PPL WPD Limited entered into a share purchase agreement to sell PPL's U.K. utility business, which substantially represented PPL's U.K. Regulated segment. As a result, PPL determined segment information for the U.K. Regulated segment would no longer be provided beginning with the March 31, 2021 Form 10-Q. The sale of the U.K. utility business was completed on June 14, 2021. See Note 9 for additional information.

Income Statement data for the segments and reconciliation to PPL's consolidated results for the years ended December 31 are as follows:

	2021	2020	2019
Operating Revenues from external customers (a)			
Kentucky Regulated	$ 3,348	$ 3,106	$ 3,206
Pennsylvania Regulated	2,402	2,330	2,358
Corporate and Other	33	38	38
Total	$ 5,783	$ 5,474	$ 5,602
Depreciation			
Kentucky Regulated	$ 647	$ 606	$ 547
Pennsylvania Regulated	424	403	386
Corporate and Other	11	13	16
Total	$ 1,082	$ 1,022	$ 949
Amortization (b)			
Kentucky Regulated	$ 15	$ 19	$ 27
Pennsylvania Regulated	19	26	24

Corporate and Other	5	13	7
Total	$ 39	$ 58	$ 58
Interest Expense (c)			
Kentucky Regulated	$ 249	$ 300	$ 298
Pennsylvania Regulated	162	172	169
Corporate and Other (d)	507	162	154
Total	$ 918	$ 634	$ 621
Income Before Income Taxes			
Kentucky Regulated	$ 562	$ 516	$ 530
Pennsylvania Regulated	599	664	607
Corporate and Other	(640)	(226)	(218)
Total	$ 521	$ 954	$ 919
Income Taxes (e)			
Kentucky Regulated	$ 94	$ 98	$ 94
Pennsylvania Regulated	154	167	149
Corporate and Other	255	49	(60)
Total	$ 503	$ 314	$ 183
Deferred income taxes and investment tax credits (f)			
Kentucky Regulated	$ 272	$ 64	$ 82
Pennsylvania Regulated	79	82	90
Corporate and Other	(264)	23	(3)
Total	$ 87	$ 169	$ 169
Net Income			
Kentucky Regulated	$ 468	$ 418	$ 436
Pennsylvania Regulated	445	497	458
Corporate and Other (d)	(895)	(275)	(158)
Discontinued Operations	(1,498)	829	1,010
Total	$ (1,480)	$ 1,469	$ 1,746

(a) See Note 1 and Note 3 for additional information on Operating Revenues.
(b) Represents non-cash expense items that include amortization of operating lease right-of-use assets, regulatory assets and liabilities, debt discounts and premiums and debt issuance costs.
(c) Beginning in 2021, corporate level financing costs are no longer allocated to the reportable segments and are being reported in Corporate and Other. For the years ended December 31, 2020 and 2019, corporate level financing costs of $32 million, net of $8 million of income taxes, and $32 million, net of $9 million of income taxes, were allocated to the Kentucky Regulated segment. For the years ended December 31, 2020 and 2019, an immaterial amount of financing costs were allocated to the Pennsylvania Regulated segment.
(d) 2021 includes losses from the extinguishment of PPL Capital Funding debt. See Note 8 for additional information.
(e) Represents both current and deferred income taxes, including investment tax credits.
(f) Represents a non-cash expense item that is also included in "Income Taxes."

Cash Flow data for the segments and reconciliation to PPL's consolidated results for the years ended December 31 are as follows:

	2021	2020	2019
Expenditures for long-lived assets			
Kentucky Regulated	$ 1,026	$ 966	$ 1,097
Pennsylvania Regulated	904	1,154	1,121
Corporate and Other	49	158	32
Total	$ 1,979	$ 2,278	$ 2,250

The following provides Balance Sheet data for the segments and reconciliation to PPL's consolidated results as of:

	As of December 31,	
	2021	2020
Total Assets		
Kentucky Regulated	$ 16,360	$ 15,943
Pennsylvania Regulated	13,336	12,347
Corporate and Other (a)	3,527	843
Assets held for sale (b)	—	18,983
Total	$ 33,223	$ 48,116

(a) Primarily consists of unallocated items, including cash, PP&E, goodwill, the elimination of inter-segment transactions as well as the assets of Safari Energy.
(b) See Note 9 for additional information.

(PPL Electric, LG&E and KU)

PPL Electric has two operating segments that are aggregated into a single reportable segment. LG&E and KU are individually single operating and reportable segments.

3. Revenue from Contracts with Customers

(All Registrants)

The following is a description of the principal activities from which the Registrants and PPL's segments generate their revenues.

(PPL and PPL Electric)

<u>Pennsylvania Regulated Segment Revenue</u>

The Pennsylvania Regulated Segment generates substantially all of its revenues from contracts with customers from PPL Electric's tariff-based distribution and transmission of electricity.

Distribution Revenue

PPL Electric provides distribution services to residential, commercial, industrial, municipal and governmental end users of energy. PPL Electric satisfies its performance obligation to its distribution

PPL Electric provides distribution services to residential, commercial, industrial, municipal and governmental end users of energy. PPL Electric satisfies its performance obligation to its distribution customers and revenue is recognized over-time as electricity is delivered and simultaneously consumed by the customer. The amount of revenue recognized is the volume of electricity delivered during the period multiplied by the price per tariff, plus a monthly fixed charge. This method of recognition fairly presents PPL Electric's transfer of electric service to the customer as the calculation is based on actual volumes, and the price per tariff and the monthly fixed charge are set by the PUC. Customers are typically billed monthly and outstanding amounts are normally due within 21 days of the date of the bill.

Distribution customers are "at will" customers of PPL Electric with no term contract and 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 PPL Electric's retail account contracts.

Transmission Revenue

PPL Electric generates transmission revenues from a FERC-approved PJM Open Access Transmission Tariff. An annual revenue requirement for PPL Electric to provide transmission services is calculated using a formula-based rate. This revenue requirement is converted into a daily rate (dollars per day). PPL Electric satisfies its performance obligation to provide transmission services and revenue is recognized over-time as transmission services are provided and consumed. This method of recognition fairly presents PPL Electric's transfer of transmission services as the daily rate is set by a FERC approved formula-based rate. PJM remits payment on a weekly basis.

PPL Electric's agreement to provide transmission services contains no minimum purchase commitment. The performance obligation is limited to the service requested and received to date. Accordingly, PPL Electric has no unsatisfied performance obligations.

(PPL, LG&E and KU)

Kentucky Regulated Segment Revenue

The Kentucky Regulated Segment generates substantially all of its revenues from contracts with customers from LG&E's and KU's regulated tariff-based sales of electricity and LG&E's regulated tariff-based sales of natural gas.

LG&E and KU are engaged in the generation, transmission, distribution and sale of electricity in Kentucky and, in KU's case, Virginia. LG&E also engages in the distribution and sale of natural gas in Kentucky. Revenue from these activities is generated from tariffs approved by applicable regulatory authorities including the FERC, KPSC and VSCC. LG&E and KU satisfy their performance obligations upon LG&E's and KU's delivery of electricity and LG&E's delivery of natural gas to customers. This revenue is recognized over-time as the customer simultaneously receives and consumes the benefits provided by LG&E and KU. The amount of revenue recognized is the billed volume of electricity or natural gas 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 being rendered at the end of the month. Unbilled revenues for a month are calculated by multiplying an estimate of unbilled kWh or Mcf delivered but not yet billed by the estimated average cents per kWh or Mcf. 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 LG&E's and KU's transfer of electricity and LG&E's transfer of natural gas 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.

LG&E's and KU's 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.

(All Registrants)

The following table reconciles "Operating Revenues" included in each Registrant's Statement of Income with revenues generated from contracts with customers for the years ended December 31:

	2021			
	PPL	PPL Electric	LG&E	KU
Operating Revenues (a)	$ 5,783	$ 2,402	$ 1,569	$ 1,826
Revenues derived from:				
Alternative revenue programs (b)	77	83	(3)	(3)
Other (c)	(22)	(3)	(8)	(9)
Revenues from Contracts with Customers	$ 5,838	$ 2,482	$ 1,558	$ 1,814

	2020			
	PPL	PPL Electric	LG&E	KU
Operating Revenues (a)	$ 5,474	$ 2,331	$ 1,456	$ 1,690
Revenues derived from:				
Alternative revenue programs (b)	(24)	(12)	(8)	(4)
Other (c)	(21)	(3)	(7)	(10)
Revenues from Contracts with Customers	$ 5,429	$ 2,316	$ 1,441	$ 1,676

	2019			
	PPL	PPL Electric	LG&E	KU
Operating Revenues (a)	$ 5,602	$ 2,358	$ 1,500	$ 1,740
Revenues derived from:				
Alternative revenue programs (b)	(30)	(6)	(10)	(14)
Other (c)	(31)	(10)	(9)	(12)
Revenues from Contracts with Customers	$ 5,541	$ 2,342	$ 1,481	$ 1,714

(a) Amounts for PPL Electric represent revenues from external customers reported by the Pennsylvania Regulated segment and amounts for LG&E and KU, net of intercompany power sales and transmission revenues, represent revenues from external customers reported by the Kentucky Regulated segment. See Note 2 for additional information.

(b) Alternative revenue programs include the transmission formula rate for PPL Electric, the ECR and DSM programs for LG&E and KU, the GLT and GSC programs for LG&E, and the generation formula rate for KU. For PPL Electric, revenue in 2021 was reduced by $78 million for a reduction in the transmission formula rate return on equity. See Note 7 for additional information. This line item shows the over/under collection of these rate mechanisms with over-collections of revenue shown as positive amounts in the table above and under-collections shown as negative amounts.

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

The following table shows revenues from contracts with customers disaggregated by customer class for the years ended December 31:

	2021							
	Residential	Commercial	Industrial	Other (a)	Wholesale - municipality	Wholesale - other (b)	Transmission	Revenues from Contracts with Customers
PPL								
PA Regulated	$ 1,299	$ 350	$ 53	$ 50	$ —	$ —	$ 730	$ 2,482
KY Regulated	1,416	928	586	305	24	66	—	3,325
Corp and Other	—	—	—	31	—	—	—	31

Total PPL	$ 2,715	$ 1,278	$ 639	$ 386	$ 24	$ 66	$ 730	$ 5,838
PPL Electric	$ 1,299	$ 350	$ 53	$ 50	$ —	$ —	$ 730	$ 2,482
LG&E	$ 711	$ 473	$ 180	$ 145	$ —	$ 49	$ —	$ 1,558
KU	$ 705	$ 455	$ 406	$ 160	$ 24	$ 64	$ —	$ 1,814

2020	Residential	Commercial	Industrial	Other (a)	Wholesale - municipality	Wholesale - other (b)	Transmission	Revenues from Contracts with Customers
PPL								
PA Regulated	$ 1,238	$ 314	$ 44	$ 50	$ —	$ —	$ 670	$ 2,316
KY Regulated	1,347	871	538	261	20	40	—	3,077
Corp and Other	—	—	—	36	—	—	—	36
Total PPL	$ 2,585	$ 1,185	$ 582	$ 347	$ 20	$ 40	$ 670	$ 5,429
PPL Electric	$ 1,238	$ 314	$ 44	$ 50	$ —	$ —	$ 670	$ 2,316
LG&E	$ 676	$ 444	$ 173	$ 114	$ —	$ 34	$ —	$ 1,441
KU	$ 671	$ 427	$ 365	$ 147	$ 20	$ 46	$ —	$ 1,676

2019	Residential	Commercial	Industrial	Other (a)	Wholesale - municipality	Wholesale - other (b)	Transmission	Revenues from Contracts with Customers
PPL								
PA Regulated	$ 1,288	$ 349	$ 59	$ 52	$ —	$ —	$ 594	$ 2,342
KY Regulated	1,322	908	562	277	43	49	—	3,161
Corp and Other	—	—	—	38	—	—	—	38
Total PPL	$ 2,610	$ 1,257	$ 621	$ 367	$ 43	$ 49	$ 594	$ 5,541
PPL Electric	$ 1,288	$ 349	$ 59	$ 52	$ —	$ —	$ 594	$ 2,342
LG&E	$ 668	$ 466	$ 180	$ 121	$ —	$ 46	$ —	$ 1,481
KU	$ 654	$ 442	$ 382	$ 156	$ 43	$ 37	$ —	$ 1,714

(a) Primarily includes revenues from pole attachments, street lighting, other public authorities and other non-core businesses.
(b) Includes wholesale power and transmission revenues. LG&E and KU amounts include intercompany power sales and transmission revenues, which are eliminated upon consolidation at PPL.

As discussed in Note 2, PPL segments its business by geographic location. Revenues from external customers for each segment/geographic location are reconciled to revenues from contracts with customers in the footnotes to the tables above. PPL Electric's revenues from contracts with customers are further disaggregated by distribution and transmission as indicated in the above tables.

Contract receivables from customers are primarily included in "Accounts receivable - Customer" and "Unbilled revenues" on the Balance Sheets.

The following table shows the accounts receivable and unbilled revenues balances that were impaired for the year ended December 31:

	2021	2020	2019
PPL	$ 22	$ 25	$ 27
PPL Electric	10	17	21
LG&E	4	4	2
KU	8	4	4

The following table shows the balances and certain activity of contract liabilities resulting from contracts with customers:

	PPL	PPL Electric	LG&E	KU
Contract liabilities as of December 31, 2021	$ 42	$ 25	$ 6	$ 6
Contract liabilities as of December 31, 2020	40	23	5	6
Revenue recognized during the year ended December 31, 2021 that was included in the contract liability balance at December 31, 2020	24	11	5	6
Contract liabilities as of December 31, 2020	$ 40	$ 23	$ 5	$ 6
Contract liabilities as of December 31, 2019	37	21	5	4
Revenue recognized during the year ended December 31, 2020 that was included in the contract liability balance at December 31, 2019	22	9	5	4
Contract liabilities as of December 31, 2019	$ 37	$ 21	$ 5	$ 4
Contract liabilities as of December 31, 2018	40	23	5	4
Revenue recognized during the year ended December 31, 2019 that was included in the contract liability balance at December 31, 2018	25	11	5	4

Contract liabilities result from recording contractual billings in advance for customer attachments to the Registrants' infrastructure and payments received in excess of revenues earned to date. Advanced billings for customer attachments are 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.

At December 31, 2021, PPL had $46 million of performance obligations attributable to Corporate and Other that have not been satisfied. Of this amount, PPL expects to recognize approximately $41 million within the next 12 months.

4. Preferred Securities

(PPL)

PPL is authorized to issue up to 10 million shares of preferred stock. No PPL preferred stock was issued or outstanding in 2021, 2020 or 2019.

(PPL Electric)

PPL Electric is authorized to issue up to 20,629,936 shares of preferred stock. No PPL Electric preferred stock was issued or outstanding in 2021, 2020 or 2019.

(LG&E)

LG&E is authorized to issue up to 1,720,000 shares of preferred stock at a $25 par value and 6,750,000 shares of preferred stock without par value. LG&E had no preferred stock issued or outstanding in 2021, 2020 or 2019.

(KU)

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 2021, 2020 or 2019.

5. Earnings Per Share

(PPL)

Basic EPS is computed by dividing income available to PPL common shareowners by the weighted-average number of common shares outstanding during the applicable period. Diluted EPS is computed by dividing income available to PPL common shareowners by the weighted-average number of common shares outstanding, increased by incremental shares that would be outstanding if potentially dilutive non-participating securities were converted to common shares as calculated using the Treasury Stock Method. Incremental non-participating securities that have a dilutive impact are detailed in the table below. These securities also included the remaining shares of PPL common stock forward sale agreements, which were settled in 2019. The forward sale agreements were dilutive under the Treasury Stock Method to the extent the average stock price of PPL's common shares exceeded the forward sale price prescribed in the agreements.
Reconciliations of the amounts of income and shares of PPL common stock (in thousands) for the periods ended December 31, used in the EPS calculation are:

	2021	2020	2019
Income (Numerator)			
Income from continuing operations after income taxes	$ 18	$ 640	$ 736
Less amounts allocated to participating securities	—	1	1
Income from continuing operations after income taxes available to PPL common shareowners - Basic and Diluted	$ 18	$ 639	$ 735
Income (loss) from discontinued operations (net of income taxes) available to PPL common shareowners - Basic and Diluted	$ (1,498)	$ 829	$ 1,010
Net income (loss) attributable to PPL	$ (1,480)	$ 1,469	$ 1,746
Less amounts allocated to participating securities	—	1	1
Net income (loss) available to PPL common shareowners - Basic and Diluted	$ (1,480)	$ 1,468	$ 1,745
Shares of Common Stock (Denominator)			
Weighted-average shares - Basic EPS	762,902	768,590	728,512
Add incremental non-participating securities:			
Add: Dilutive share-based payment awards (a)	1,917	794	1,101
Add: Forward sale agreements	—	—	7,141
Weighted-average shares - Diluted EPS	764,819	769,384	736,754
Basic EPS			
Available to PPL common shareowners:			
Income from continuing operations after income taxes	$ 0.03	$ 0.83	$ 1.01
Income (loss) from discontinued operations (net of income taxes)	(1.96)	1.08	1.38
Net Income (Loss) available to PPL common shareowners	$ (1.93)	$ 1.91	$ 2.39
Diluted EPS			
Available to PPL common shareowners:			
Income from continuing operations after income taxes	$ 0.03	$ 0.83	$ 1.00
Income (loss) from discontinued operations (net of income taxes)	(1.96)	1.08	1.37
Net Income (Loss) available to PPL common shareowners	$ (1.93)	$ 1.91	$ 2.37

(a) The Treasury Stock Method was applied to non-participating share-based payment awards.

For the years ended December 31, PPL issued common stock related to stock-based compensation plans and DRIP as follows (in thousands):

	2021	2020
Stock-based compensation plans (a)	983	731
DRIP	—	943

(a) Includes stock options exercised, vesting of performance units, vesting of restricted stock and restricted stock units and conversion of stock units granted to directors.

For the years ended December 31, the following shares (in thousands) were excluded from the computations of diluted EPS because the effect would have been antidilutive:

	2021	2020	2019
Stock-based compensation awards	1,783	452	8

6. Income and Other Taxes

(PPL)

"Income (Loss) from Continuing Operations Before Income Taxes" is from domestic operations.

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for accounting purposes and their basis for income tax purposes and the tax effects of net operating loss and tax credit carryforwards. The provision for PPL's deferred income taxes for regulated assets and liabilities is based upon the ratemaking principles of the applicable jurisdiction. See Notes 1 and 7 for additional information.

Net deferred tax assets have been recognized based on management's estimates of future taxable income.

Significant components of PPL's deferred income tax assets and liabilities were as follows:

	2021	2020

Deferred Tax Assets		
Deferred investment tax credits	$ 30	$ 30
Regulatory liabilities	94	68
Income taxes due to customers	422	444
Accrued pension and postretirement costs	75	106
Federal loss carryforwards (a)	—	234
State loss carryforwards	483	448
Federal and state tax credit carryforwards (a)	15	401
Leases	67	68
Contributions in aid of construction	120	115
Other	84	68
Valuation allowances	(462)	(536)
Total deferred tax assets	928	1,446
Deferred Tax Liabilities		
Plant - net	3,812	3,700
Regulatory assets	180	195
Other	75	70
Total deferred tax liabilities	4,067	3,965
Net deferred tax liability	$ 3,139	$ 2,519

(a) PPL utilized federal net operating losses of $1,115 million and tax credit carryforwards of $272 million in June 2021 as a result of the completion of the sale of the U.K. utility business on June 14, 2021. The related deferred tax assets decreased by approximately $506 million, with a corresponding reduction in current income taxes.

State deferred taxes are determined by entity and by jurisdiction. As a result, $12 million and $17 million of net deferred tax assets are shown as "Other noncurrent assets" on the Balance Sheets for 2021 and 2020.

At December 31, 2021, PPL had the following loss and tax credit carryforwards, related deferred tax assets and valuation allowances recorded against the deferred tax assets:

	Gross	Deferred Tax Asset	Valuation Allowance	Expiration
Loss and other carryforwards				
State net operating losses	$ 6,468	$ 483	$ (459)	2022-2041
Credit carryforwards				
State recycling credit		14	—	2028
State - other		1	—	Indefinite

Valuation allowances have been established for the amount that, more likely than not, will not be realized. The changes in deferred tax valuation allowances were as follows:

	Balance at Beginning of Period	Additions: Charged to Income	Additions: Charged to Other Accounts	Deductions	Balance at End of Period
2021	$ 536	$ 48 (a)	$ —	$ 122 (b)	$ 462
2020	514	26	—	4	536
2019	495	24	—	5	514

(a) In 2021, PPL recorded a $31 million increase in a valuation allowance on a state net operating loss carryforward in connection with the loss on extinguishment associated with a tender offer to purchase and retire PPL Capital Funding's outstanding Senior Notes. See Note 8 for additional information on the tender offer.
(b) In light of the disposition of PPL's U.K. utility business, there was a decrease in the valuation allowance of approximately $113 million.

A U.S. based company with foreign subsidiaries may be required to record deferred taxes associated with the differences in the outside book-tax basis of those subsidiaries. The primary component of such outside basis differences is ordinarily accumulated unremitted earnings. In anticipation of the WPD sale, indefinite reinvestment of accumulated unremitted earnings of WPD was no longer relevant and, in the first quarter of 2021, PPL recorded a deferred tax liability reflecting the expected tax cost associated with the realization of the outside book-tax basis difference in the investment in WPD. In the second quarter of 2021, following completion of the WPD sale, that deferred tax was recorded to current tax expense.

Details of the components of income tax expense, 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 as follows:

	2021	2020	2019
Income Tax Expense (Benefit)			
Current - Federal	$ (1)	$ (8)	$ (10)
Current - State	36	24	19
Current - Foreign	(1)	(2)	—
Total Current Expense (Benefit)	34	14	9
Deferred - Federal	28	135	141
Deferred - State	105	94	76
Deferred - Foreign (a)	383	101	(14)
Total Deferred Expense (Benefit), excluding operating loss carryforwards	516	330	203
Amortization of investment tax credit	(3)	(3)	(3)
Tax expense (benefit) of operating loss carryforwards			
Deferred - Federal	12	6	7
Deferred - State	(56)	(33)	(33)
Total Tax Expense (Benefit) of Operating Loss Carryforwards	(44)	(27)	(26)
Total income tax expense (benefit)	$ 503	$ 314	$ 183
Total income tax expense (benefit) - Federal	$ 36	$ 130	$ 135
Total income tax expense (benefit) - State	85	85	62
Total income tax expense (benefit) - Foreign	382	99	(14)
Total income tax expense (benefit)	$ 503	$ 314	$ 183

(a) In 2021, the U.K. Finance Act 2021 increased the U.K. corporation tax rate from 19% to 25%, effective April 1, 2023. The primary impact of the corporation tax rate increase was an increase in deferred tax liabilities of the U.K. utility business, which was sold on June 14, 2021, and a corresponding deferred tax expense of $383 million, which was recognized in continuing operations in the second quarter of 2021.
In 2020, the U.K. Finance Act 2020 cancelled the tax rate reduction from 19% to 17%. The primary impact of the cancellation of the corporation tax rate reduction was an increase in deferred tax liabilities and a corresponding deferred tax expense of $106 million.

In the table above, the following income tax expense (benefit) are excluded from income taxes:

	2021	2020	2019
Discontinued operations - PPL U.K. utility business	$ 759	$ 188	$ 226
Reclassification from AOCI due to sale of UK utility business	660	—	—
Other comprehensive income	150	(19)	(93)
Total	$ 1,569	$ 169	$ 133

	2021	2020	2019
Reconciliation of Income Tax Expense (Benefit)			
Federal income tax on Income Before Income Taxes at statutory tax rate - 21%	$ 109	$ 200	$ 193
State income taxes, net of federal income tax benefit	23	48	45
Valuation allowance adjustments (a)	48	24	22
Federal and state income tax return adjustments	(3)	(9)	1
Impact of the U.K. Finance Acts on deferred tax balances (b)	383	101	(14)
Depreciation and other items not normalized	(5)	(5)	(10)
Amortization of excess deferred federal and state income taxes	(54)	(43)	(40)
Non-deductible officer's salary	6	7	4
Kentucky recycling credit, net of federal income tax expense (c)	—	—	(18)
Other	(4)	(9)	—
Total increase (decrease)	394	114	(10)
Total income tax expense (benefit)	$ 503	$ 314	$ 183
Effective income tax rate	96.5%	32.9%	19.9%

(a) In 2021, PPL recorded a $31 million state deferred tax benefit on a net operating loss and an offsetting valuation allowance in connection with the loss on extinguishment associated with a tender offer to purchase and retire PPL Capital Funding's outstanding Senior Notes. See Note 8 for additional information on the tender offer.

In 2021, 2020, and 2019, PPL recorded deferred income tax expense of $15 million, $24 million and $25 million for valuation allowances primarily related to increased Pennsylvania net operating loss carryforwards expected to be unutilized.

(b) In 2020, the U.K. Finance Act 2020 cancelled the tax rate reduction to 17%, thereby maintaining the corporation tax rate at 19% for financial years 2020 and 2021. The primary impact of the cancellation of the corporation tax rate reduction was an increase in deferred tax liabilities and a corresponding deferred tax expense of $106 million.

In 2021, the U.K. Finance Act 2021 increased the U.K. corporation tax rate from 19% to 25%, effective April 1, 2023. The primary impact of the corporation tax rate increase was an increase in deferred tax liabilities of the U.K. utility business, which was sold on June 14, 2021, and a corresponding deferred tax expense of $383 million, which was recognized in continuing operations in the second quarter of 2021.

(c) In 2019, LG&E 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.

	2021	2020	2019
Taxes, other than income			
State gross receipts	$ 113	$ 100	$ 107
Domestic - other	94	80	79
Total	$ 207	$ 180	$ 186

(PPL Electric)

The provision for PPL Electric's deferred income taxes for regulated assets and liabilities is based upon the ratemaking principles reflected in rates established by the PUC 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.

Significant components of PPL Electric's deferred income tax assets and liabilities were as follows:

	2021	2020
Deferred Tax Assets		
Accrued pension and postretirement costs	$ 14	$ 25
Contributions in aid of construction	95	91
Regulatory liabilities	52	24
Income taxes due to customers	154	162
Federal loss carryforwards (a)	—	52
Other	21	29
Total deferred tax assets	336	383
Deferred Tax Liabilities		
Electric utility plant - net	1,891	1,826
Regulatory assets	74	86
Other	39	30
Total deferred tax liabilities	2,004	1,942
Net deferred tax liability	$ 1,668	$ 1,559

(a) PPL Electric utilized their remaining federal net operating losses and recorded the related deferred tax assets to current expense in June 2021 as a result of the completion of the sale of the U.K. utility business on June 14, 2021.

PPL Electric expects to have adequate levels of taxable income to realize its recorded deferred income tax assets.

Details of the components of income tax expense, 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 as follows:

	2021	2020	2019
Income Tax Expense (Benefit)			
Current - Federal	$ 40	$ 61	$ 44
Current - State	35	23	15
Total Current Expense (Benefit)	75	84	59
Deferred - Federal	59	45	51
Deferred - State	20	38	39
Total Deferred Expense (Benefit), excluding operating loss carryforwards	79	83	90

Total Deferred Expense (Benefit), excluding operating loss carryforwards	[illegible]	[illegible]	[illegible]
Total income tax expense (benefit)	$ 154	$ 167	$ 149
Total income tax expense (benefit) - Federal	$ 99	$ 106	$ 95
Total income tax expense (benefit) - State	55	61	54
Total income tax expense (benefit)	$ 154	$ 167	$ 149

	2021	2020	2019
Reconciliation of Income Tax Expense (Benefit)			
Federal income tax on Income Before Income Taxes at statutory tax rate - 21%	$ 126	$ 139	$ 127
Increase (decrease) due to:			
State income taxes, net of federal income tax benefit	46	52	47
Federal and state income tax return adjustments	—	(4)	1
Depreciation and other items not normalized	(5)	(5)	(10)
Amortization of excess deferred federal income taxes (a)	(14)	(16)	(18)
Other	1	1	2
Total increase (decrease)	28	28	22
Total income tax expense (benefit)	$ 154	$ 167	$ 149
Effective income tax rate	25.7%	25.2%	24.6%

(a) In 2021, 2020 and 2019, PPL Electric recorded lower income tax expense for the amortization of excess deferred taxes that primarily resulted from the U.S. federal corporate income tax rate reduction from 35% to 21% 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.

	2021	2020	2019
Taxes, other than income			
State gross receipts	$ 113	$ 100	$ 107
Property and other	7	7	5
Total	$ 120	$ 107	$ 112

(LG&E)

The provision for LG&E's deferred income taxes for regulated assets and liabilities is based upon the ratemaking principles reflected in rates established by the KPSC 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.

Significant components of LG&E's deferred income tax assets and liabilities were as follows:

	2021	2020
Deferred Tax Assets		
Contributions in aid of construction	$ 15	$ 15
Regulatory liabilities	18	20
Deferred investment tax credits	8	8
Income taxes due to customers	125	132
State tax credit carryforwards	11	12
Lease liabilities	4	5
Valuation allowances	(11)	(12)
Other	11	11
Total deferred tax assets	181	191
Deferred Tax Liabilities		
Plant - net	854	833
Regulatory assets	65	66
Lease right-of-use assets	4	4
Other	9	4
Total deferred tax liabilities	932	907
Net deferred tax liability	$ 751	$ 716

At December 31, 2021 LG&E had $11 million of state credit carryforwards that expire in 2028 and an $11 million valuation allowance related to state credit carryforwards due to insufficient projected Kentucky taxable income.

Details of the components of income tax expense, 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:

	2021	2020	2019
Income Tax Expense (Benefit)			
Current - Federal	$ 41	$ 53	$ 4
Current - State	5	7	4
Total Current Expense (Benefit)	46	60	8
Deferred - Federal	1	(4)	46
Deferred - State	8	7	10
Total Deferred Expense (Benefit)	9	3	56
Amortization of investment tax credit - Federal	(1)	(1)	(1)
Total income tax expense (benefit)	$ 54	$ 62	$ 63
Total income tax expense (benefit) - Federal	$ 41	$ 48	$ 49
Total income tax expense (benefit) - State	13	14	14
Total income tax expense (benefit)	$ 54	$ 62	$ 63

	2021	2020	2019
Reconciliation of Income Tax Expense (Benefit)			
Federal income tax on Income Before Income Taxes at statutory tax rate - 21%	$ 64	$ 64	$ 62
Increase (decrease) due to:			

State income taxes, net of federal income tax benefit	12	12	12
Amortization of excess deferred federal and state income taxes	(20)	(11)	(10)
Kentucky recycling credit, net of federal income tax expense (a)	—	—	(14)
Valuation allowance adjustments (a)	—	—	14
Other	(2)	(3)	(1)
Total increase (decrease)	(10)	(2)	1
Total income tax expense (benefit)	$ 54	$ 62	$ 63
Effective income tax rate	17.8%	20.3%	21.4%

(a) In 2019, LG&E 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 LG&E.

	2021	2020	2019
Taxes, other than income			
Property and other	$ 46	$ 40	$ 39
Total	$ 46	$ 40	$ 39

(KU)

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.

Significant components of KU's deferred income tax assets and liabilities were as follows:

	2021	2020
Deferred Tax Assets		
Contributions in aid of construction	$ 9	$ 8
Regulatory liabilities	23	23
Deferred investment tax credits	22	22
Income taxes due to customers	143	150
State tax credit carryforwards	4	5
Lease liabilities	7	8
Valuation allowances	(3)	(4)
Other	4	4
Total deferred tax assets	209	216
Deferred Tax Liabilities		
Plant - net	1,012	992
Regulatory assets	41	43
Pension and postretirement costs	13	8
Lease right-of-use assets	6	7
Other	2	1
Total deferred tax liabilities	1,074	1,051
Net deferred tax liability	$ 865	$ 835

At December 31, 2021 KU had $4 million of state credit carryforwards of which $3 million will expire in 2028 and $1 million that has an indefinite carryforward period. At December 31, 2021 KU had a $3 million valuation allowance related to state credit carryforwards due to insufficient projected Kentucky taxable income.

Details of the components of income tax expense, 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:

	2021	2020	2019
Income Tax Expense (Benefit)			
Current - Federal	$ 58	$ 40	$ 35
Current - State	8	3	5
Total Current Expense (Benefit)	66	43	40
Deferred - Federal	(4)	11	28
Deferred - State	7	11	13
Total Deferred Expense (Benefit)	3	22	41
Amortization of investment tax credit - Federal	(2)	(2)	(2)
Total income tax expense (benefit)	$ 67	$ 63	$ 79
Total income tax expense (benefit) - Federal	$ 52	$ 49	$ 61
Total income tax expense (benefit) - State	15	14	18
Total income tax expense (benefit)	$ 67	$ 63	$ 79

	2021	2020	2019
Reconciliation of Income Tax Expense (Benefit)			
Federal income tax on Income Before Income Taxes at statutory tax rate - 21%	$ 76	$ 72	$ 78
Increase (decrease) due to:			
State income taxes, net of federal income tax benefit	14	14	15
Amortization of investment tax credit	(2)	(2)	(2)
Amortization of excess deferred federal and state income taxes	(20)	(17)	(13)
Kentucky recycling credit, net of federal income tax expense (a)	—	—	(4)
Valuation allowance adjustments (a)	—	—	4
Other	(1)	(4)	1
Total increase (decrease)	(9)	(9)	1
Total income tax expense (benefit)	$ 67	$ 63	$ 79
Effective income tax rate	18.4%	18.4%	21.2%

(a) In 2019, KU recorded a deferred income tax benefit associated with a project 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.

	2021	2020	2019
Taxes, other than income			
Property and other	$ 41	$ 37	$ 35
Total	$ 41	$ 37	$ 35

(All Registrants)

Unrecognized Tax Benefits

PPL or its subsidiaries file tax returns in four major tax jurisdictions. The income tax provisions for PPL Electric, LG&E and KU are calculated in accordance with an intercompany tax sharing agreement, which provides that taxable income be calculated as if each domestic subsidiary filed a separate consolidated return. PPL Electric or its subsidiaries indirectly or directly file tax returns in two major tax jurisdictions, and LG&E and KU indirectly or directly file tax returns in two major tax jurisdictions. With few exceptions, at December 31, 2021, these jurisdictions, as well as the tax years that are no longer subject to examination, were as follows.

	PPL	PPL Electric	LG&E	KU
U.S. (federal)	2017 and prior	2017 and prior	2017 and prior	2017 and prior
Pennsylvania (state)	2017 and prior	2017 and prior		
Kentucky (state)	2014 and prior		2014 and prior	2014 and prior
U.K. (foreign)	2019 and prior			

<u>*Regulatory Treatment of the TCJA*</u>

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.

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, LG&E'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 Electric and Gas jurisdictions, 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, LG&E 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. As a result of the most recent Kentucky final order in Case No. 2020-00350, LG&E is amortizing the remaining unprotected excess ADIT balances related to the TCJA and HB 487 over a one-year period beginning July 1, 2021, through the economic relief billing credit.

For the FERC Jurisdiction, LG&E made a compliance filing on April 1, 2020 to address Order No. 864, *Public Utility Transmission Rate Changes to Address Accumulated Deferred Income Taxes*. In this filing, KU established a 15-year amortization period for unprotected excess ADIT in FERC Transmission formula rates.

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 12/31/20 (a)	2021 Amortization of Excess ADIT (b)	Unamortized Net Excess ADIT as of 12/31/21
Plant Related (c):			
Account 282 - Property Related	$ 395,097,114	$ 11,087,343	$ 384,009,771
Account 282 - Coal Combustion Residual AROs	1,084,122	52,884	1,031,238
Account 190 - Net Operating Losses	(20,213,764)	(576,128)	(19,637,636)
Plant Related (c):	$ 375,967,472	$ 10,564,099	$ 365,403,373
Unprotected Non Plant Related:			
Account 190 - Other Temporary Differences	(30,303,077)	(15,778,936)	(14,524,141)
Account 282 - Other Temporary Differences	$ 5,852,674	$ 3,047,502	$ 2,805,172
Account 283 - Other Temporary Differences	41,965,218	21,851,418	20,113,800
Total Unprotected Non Plant Related	17,514,815	9,119,984	8,394,831
Total Excess Deferred Tax	393,482,287	19,684,083	373,798,204
Tax Gross-up Factor			$ 1.33245
Excess Deferred Tax Regulatory Liability			$ 498,065,562
Regulatory Liability on Unamortized Investment Tax Credits (ITC)			$ 10,694,183
Total Tax Regulatory Liability			$ 508,759,745
ASC 740 Regulatory Liability - FERC Form 1 page 278			497,574,085
Unamortized Excess ADIT Balance in Economic Relief Surcredit			$ 11,185,660
Total ASC 740 Regulatory Liability			$ 508,759,745
Difference			$ —

(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.
(c) Plant related excess ADIT balances are currently treated as "protected" by the company and amortized using ARAM.

7. Utility Rate Regulation

Regulatory Assets and Liabilities

(All Registrants)

PPL, PPL Electric, LG&E and KU reflect the effects of regulatory actions in the financial statements for their cost-based rate-regulated utility operations. Regulatory assets and liabilities are classified as current if, upon initial recognition, the entire amount related to an item will be recovered or refunded within a year of the balance sheet date.

(PPL, LG&E and KU)

LG&E is subject to the jurisdiction of the KPSC and FERC, and KU is subject to the jurisdiction of the KPSC, FERC and VSCC.

LG&E's and KU's Kentucky base rates are calculated based on recovery of costs as well as 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, LG&E and KU generally earn a return on regulatory assets.

(PPL and KU)

KU's Virginia base rates are calculated based on recovery of costs as well as 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, accumulated deferred income taxes, 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, except accumulated deferred income taxes, are excluded from the return on rate base utilized in the development of municipal rates, no return is earned on the related assets.

(PPL and PPL Electric)

PPL Electric's distribution base rates are calculated based on recovery of costs as well as a return on distribution rate base (net utility plant plus a working capital allowance less plant-related deferred taxes and other miscellaneous additions and deductions). PPL Electric's transmission revenues are billed in accordance with a FERC tariff that allows for recovery of transmission costs incurred, a return on transmission-related rate base (net utility plant plus a working capital allowance less plant-related deferred taxes and other miscellaneous additions and deductions) and an automatic annual update. See "Transmission Formula Rate" below for additional information on this tariff. All regulatory assets and liabilities are excluded from distribution and transmission return on investment calculations; therefore, generally no return is earned on PPL Electric's regulatory assets.

(All Registrants)

The following table provides information about the regulatory assets and liabilities of cost-based rate-regulated utility operations at December 31:

	PPL		PPL Electric	
	2021	2020	2021	2020
Current Regulatory Assets:				
Plant outage costs	$ —	$ 46	$ —	$ —
Gas supply clause	21	4	—	—
Smart meter rider	11	17	11	17
Transmission formula rate	6	15	6	15
Storm costs	—	7	—	7
Fuel adjustment clause	11	—	—	—
Other	15	10	5	1
Total current regulatory assets (a)	$ 64	$ 99	$ 22	$ 40
Noncurrent Regulatory Assets:				
Defined benefit plans	$ 523	$ 570	$ 256	$ 290
Plant outage cost	54	—	—	—
Storm costs	11	17	—	—
Unamortized loss on debt	24	30	4	8
Interest rate swaps	18	23	—	—
Terminated interest rate swaps	70	75	—	—
Accumulated cost of removal of utility plant	228	240	228	240
AROs	302	300	—	—
Other	6	7	—	3
Total noncurrent regulatory assets	$ 1,236	$ 1,262	$ 488	$ 541

	PPL		PPL Electric	
	2021	2020	2021	2020
Current Regulatory Liabilities:				
Generation supply charge	$ 10	$ 21	$ 10	$ 21
Transmission service charge	21	1	21	1
Universal service rider	17	22	17	22
TCJA customer refund	22	11	22	11
Act 129 compliance rider	10	7	10	7
Transmission formula rate return on equity (b)	73	—	73	—
Economic relief billing rate	27	—	—	—
Other	2	17	—	6
Total current regulatory liabilities	$ 182	$ 79	$ 153	$ 68
Noncurrent Regulatory Liabilities:				
Accumulated cost of removal of utility plant	$ 639	$ 653	$ —	$ —
Power purchase agreement - OVEC	35	43	—	—
Net deferred taxes	1,591	1,690	531	560
Defined benefit plans	95	60	28	18
Terminated interest rate swaps	62	66	—	—

Other	—	18	—	—
Total noncurrent regulatory liabilities	$ 2,422	$ 2,530	$ 559	$ 578

	LG&E		KU	
	2021	2020	2021	2020
Current Regulatory Assets:				
Gas supply clause	$ 21	$ 4	$ —	$ —
Fuel adjustment clause	4	—	7	—
Gas line tracker	3	4	—	—
Generation formula rate	—	—	2	2
Plant outage costs	—	12	—	34
Other	5	3	—	—
Total current regulatory assets	$ 33	$ 23	$ 9	$ 36
Noncurrent Regulatory Assets:				
Defined benefit plans	$ 164	$ 174	$ 103	$ 106
Storm costs	8	11	3	6
Unamortized loss on debt	12	13	8	9
Interest rate swaps	18	23	—	—
Terminated interest rate swaps	41	44	29	31
AROs	75	85	227	215
Plant outage costs	15	—	39	—
Other	4	1	2	3
Total noncurrent regulatory assets	$ 337	$ 351	$ 411	$ 370

	LG&E		KU	
	2021	2020	2021	2020
Current Regulatory Liabilities:				
Economic relief billing credit	$ 21	$ —	$ 6	$ —
Fuel adjustment clauses	—	—	—	5
Environmental cost recovery	—	—	—	4
Other	—	—	2	2
Total current regulatory liabilities	$ 21	$ —	$ 8	$ 11
Noncurrent Regulatory Liabilities:				
Accumulated cost of removal of utility plant	$ 262	$ 274	$ 377	$ 379
Power purchase agreement - OVEC	24	30	11	13
Net deferred taxes	491	528	569	602
Defined benefit plans	10	—	57	42
Terminated interest rate swaps	31	33	31	33
Other	—	17	—	1
Total noncurrent regulatory liabilities	$ 818	$ 882	$ 1,045.00	$ 1,070.00

(a) For PPL, these amounts are included in "Other current assets" on the Balance Sheets.
(b) See "Regulatory Matters - Federal Matters - PPL Electric Transmission Formula Rate Return on Equity" below for additional information.

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

(All Registrants)

Defined benefit plan regulatory assets and liabilities represent prior service cost and net actuarial gains and losses that will be recovered in defined benefit plans expense through future base rates based upon established 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.
(PPL, LG&E and KU)

As a result of previous rate case settlements and orders, the difference between pension cost calculated in accordance with LG&E's and KU's pension accounting policy and pension cost calculated using a 15-year amortization period for actuarial gains and losses and settlements are recorded as a regulatory asset. As of December 31, 2021, the balances were $98 million for PPL, $54 million for LG&E and $44 million for KU. As of December 31, 2020, the balances were $79 million for PPL, $44 million for LG&E and $35 million for KU.

(All Registrants)

Storm Costs

PPL Electric, LG&E and KU have the ability to request from the PUC, 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, LG&E and KU can request recovery of those expenses in a base rate case and begin amortizing the costs when recovery starts. PPL Electric can recover qualifying expenses caused by major storm events, as defined in its retail tariff, over three years through the Storm Damage Expense Rider commencing in the application year after the storm occurred. Storm costs incurred in PPL Electric's territory from a March 2018 storm were amortized through 2021. LG&E's and KU's regulatory assets for storm costs are being amortized through various dates ending in 2031.

Unamortized Loss on Debt

Unamortized loss on reacquired debt represents losses on long-term debt refinanced, 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 2029 for PPL Electric, through 2042 for KU, and through 2044 for LG&E.

Accumulated Cost of Removal of Utility Plant

LG&E and KU charge costs of removal through depreciation expense with an offsetting credit to a regulatory liability. The regulatory liability is relieved as costs are incurred.

PPL Electric does not accrue for costs of removal. When costs of removal are incurred, PPL Electric records the costs as a regulatory asset. Such deferral is included in rates and amortized over the subsequent five-year period.

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.

(PPL and PPL Electric)

Generation Supply Charge (GSC)

The GSC is a cost recovery mechanism that permits PPL Electric to recover costs incurred to provide generation supply to PLR customers who receive basic generation supply service. The recovery includes charges for generation supply, as well as administration of the acquisition process. In addition, the GSC contains a reconciliation mechanism whereby any over- or under-recovery from prior periods is refunded to, or recovered from, customers through the adjustment factor determined for the subsequent rate filing period.

Transmission Service Charge (TSC)

PPL Electric is charged by PJM for transmission service-related costs applicable to its PLR customers. PPL Electric passes these costs on to customers, who receive basic generation supply service through the PUC-approved TSC cost recovery mechanism. The TSC contains a reconciliation mechanism whereby any over- or under-recovery from customers is either refunded to, or recovered from, customers through the adjustment factor determined for the subsequent year.

Transmission Formula Rate

PPL Electric's transmission revenues are billed in accordance with a FERC-approved Open Access Transmission Tariff that utilizes a formula-based rate recovery mechanism. Under this formula, rates are put into effect in June of each year based upon prior year actual expenditures and current year forecasted capital additions. Rates are then adjusted the following year to reflect actual annual expenses and capital additions, as reported in PPL Electric's annual FERC Form 1, filed under the FERC's Uniform System of Accounts. Any difference between the revenue requirement in effect for the prior year and actual expenditures incurred for that year is recorded as a regulatory asset or regulatory liability.

Storm Damage Expense Rider (SDER)

The SDER is a reconcilable automatic adjustment clause under which PPL Electric annually will compare actual storm costs to storm costs allowed in base rates and refund or recover any differences from customers. In the 2015 rate case settlement approved by the PUC in November 2015, it was determined that reportable storm damage expenses to be recovered annually through base rates will be set at $20 million. The SDER will recover from or refund to customers the applicable expenses from reportable storms as compared to the $20 million recovered annually through base rates.

Act 129 Compliance Rider

In compliance with Pennsylvania's Act 129 of 2008 and implementing regulations, PPL Electric is currently in Phase IV of the energy efficiency and conservation plan which was approved in March 2021. Phase IV allows PPL Electric to recover the maximum $313 million over the five-year period, June 1, 2021 through May 31, 2026. The plan includes programs intended to reduce electricity consumption. The recoverable costs include direct and indirect charges, including design and development costs, general and administrative costs and applicable state evaluator costs. The rates are applied to customers who receive distribution service through the Act 129 Compliance Rider. The actual Phase IV program costs are reconcilable after each 12 month period, and any over- or under-recovery from customers will be refunded or recovered over the next rate filing period. PPL Electric's Act 129 Phase III plan ended May 31, 2021 and any over-or under-recovery from customers related to Phase III will be refunded or recovered over the next rate filing period.

Smart Meter Rider (SMR)

Act 129 requires each electric distribution company (EDC) with more than 100,000 customers to have a PUC approved Smart Meter Technology Procurement and Installation Plan (SMP). As of December 31, 2019, PPL Electric replaced substantially all of its old meters with meters that meet the Act 129 requirements under its SMP. In accordance with Act 129, EDCs are able to recover the costs and earn a return on capital of providing smart metering technology. PPL Electric uses the SMR to recover the costs to implement its SMP. The SMR is a reconciliation mechanism whereby any over- or under-recovery from prior years is refunded to, or recovered from, customers through the adjustment factor determined for the subsequent quarters.

Universal Service Rider (USR)

The USR provides for recovery of costs associated with universal service programs, OnTrack and Winter Relief Assistance Program (WRAP), provided by PPL Electric to residential customers. OnTrack is a special payment program for low-income
households and WRAP provides low-income customers a means to reduce electric bills through energy saving methods. The USR rate is applied to residential customers who receive distribution service. The actual program costs are reconcilable, and any over- or under-recovery from customers will be refunded or recovered annually in the subsequent year.

TCJA Customer Refund

As a result of the reduced U.S federal corporate income tax rate as enacted by the TCJA, the PUC ruled that these tax benefits should be refunded to customers. Timing differences between the recognition of these tax benefits and the refund of the benefit to the customer creates a regulatory liability. PPL Electric's liability is being credited back to distribution customers through a temporary negative surcharge and remains in place until PPL Electric files and the PUC approves new base rates. The TCJA is reconcilable, and any over- or under-recovery from customers will be refunded or recovered annually in the subsequent year.

(PPL, LG&E and KU)

Environmental Cost Recovery

Kentucky law permits LG&E and 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 9.35% for existing approved ECR 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

LG&E's and KU's retail electric rates contain a fuel adjustment clause, whereby variances in power purchases and the cost of fuel to generate electricity, including transportation costs, from the costs embedded in base rates are adjusted in LG&E's and KU's rates. The KPSC requires formal reviews 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, may conduct public hearings and 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 and load for the fuel year (12 months ending March 31). The Virginia levelized fuel factor allows fuel recovery based on projected fuel costs for the fuel year plus an adjustment for any under- or over-recovery of fuel expenses from the prior fuel 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.

Economic Relief Billing Credit

The Economic Relief Billing Credit represents regulatory liabilities to be returned to customers through June 30, 2022, as agreed to in the Kentucky rate case in recognition of the economic impact of COVID-19. See "Regulatory Matters - Kentucky Activities - Rate Case Proceedings" below for additional information.

AROs

As discussed in Note 1, for LG&E and KU, all ARO accretion and depreciation expenses are reclassified as a regulatory asset or regulatory liability. ARO regulatory assets associated with certain CCR projects are amortized to expense in accordance with regulatory approvals. For other AROs, deferred accretion and depreciation expense is recovered through cost of removal.

Power Purchase Agreement - OVEC

As a result of purchase accounting associated with PPL's acquisition of LG&E and KU, the fair values of the OVEC power purchase agreement were recorded on the balance sheets of LG&E and KU with offsets to regulatory liabilities. The regulatory liabilities are being amortized using the units-of-production method until March 2026, the expiration date of the agreement at the date of the acquisition. LG&E's and KU's customer rates continue to reflect the original contracts. See Notes 14 and 19 for additional discussion of the power purchase agreement.

Interest Rate Swaps

LG&E's unrealized gains and losses are recorded as regulatory assets or regulatory liabilities until they are realized as interest expense. Interest expense from existing swaps is realized and recovered over the terms of the associated debt, which matures in 2033.

Terminated Interest Rate Swaps

Net realized gains and losses on all interest rate swaps are recovered 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

From July 1, 2017 through June 30, 2021, plant outage costs in Kentucky were normalized for ratemaking purposes based on an average level of expenses. Plant outage expenses that were greater or less than the average will be collected from or returned to customers, through future base rates. Effective July 1, 2021 under-recovered plant outage costs are being amortized through 2029 for LG&E and KU.

Gas Supply Clause *(PPL and LG&E)*

LG&E's natural gas rates contain a gas supply clause, whereby the expected cost of natural gas supply and variances between actual and expected costs and customer usage from prior periods are adjusted quarterly in LG&E's rates, subject to approval by the KPSC. The gas supply clause also includes a separate natural gas procurement incentive mechanism, which allows LG&E's rates to be adjusted annually to share savings between the actual cost of gas purchases and market indices, with the shareholders and the customers during each performance-based rate year (12 months ending October 31). The regulatory assets or liabilities represent the total amounts that have been under- or over-recovered due to timing or adjustments to the mechanisms and are typically recovered or refunded within 18 months.

Regulatory Matters

Kentucky Activities *(PPL, LG&E and KU)*

Rate Case Proceedings

On November 25, 2020, LG&E and KU filed requests with the KPSC for an increase in annual electricity and gas revenues of approximately $331 million ($131 million and $170 million in electricity revenues at LG&E and KU and $30 million in gas revenues at LG&E). The revenue increases represented an increase of 11.6% and 10.4% in electricity revenues at LG&E and KU, and an increase of 8.3% in gas revenues at LG&E. In recognition of the economic impact of COVID-19, LG&E and KU requested approval of a one-year billing credit which will credit customers approximately $53 million ($41 million at LG&E and $12 million at KU). The billing credit represents the return to customers of certain regulatory liabilities on LG&E's and KU's Balance Sheets and serves to partially mitigate the rate increases during the first year in which the new rates are in effect.

LG&E's and KU's applications also included a request for a CPCN to deploy Advanced Metering Infrastructure across LG&E's and KU's service territories in Kentucky.
The applications were based on a forecasted test year of July 1, 2021 through June 30, 2022 and requested an authorized return on equity of 10.0%.

On April 19, 2021, LG&E and KU entered into an agreement with all intervening parties to the proceedings resolving all matters in their applications, with the explicit exception of LG&E's and KU's net metering proposals.

On June 30, 2021 and December 6, 2021, the KPSC issued orders approving the proposed agreement filed in April 2021, with certain modifications. The orders provided for increases in annual revenues of $207 million ($74 million and $110 million in electricity revenues at LG&E and KU and $23 million in gas revenues at LG&E) based on an authorized return on equity of 9.425%. The orders grant an authorized 9.35% return on equity for the ECR and GLT mechanisms and do not modify the requested one-year billing credit. The orders approved the CPCN to deploy Advanced Metering Infrastructure and provide regulatory asset treatment for the remaining net book value of legacy meters upon full implementation of the Advanced Metering Infrastructure program. The orders also approved the establishment of a Retired Asset Recovery (RAR) rider to provide for recovery of and return on the remaining investment in certain electric generating units upon their retirement over a ten-year period following retirement. In respect of the RAR rider, LG&E and KU continue to use currently approved depreciation rates for Mill Creek Units 1 and 2 and Brown Unit 3. The orders also approved a four-year "stay out" commitment from LG&E and KU to refrain from effective base rate increases before July 1, 2025, subject to certain exceptions. On September 24, 2021, the KPSC issued orders providing adjustments to previous net metering proposals. These adjustments did not impact the annual revenue increases.

Pennsylvania Activities *(PPL and PPL Electric)*

Act 129

Act 129 requires Pennsylvania Electric Distribution Companies (EDCs) to meet, by specified dates, specified goals for reduction in customer electricity usage and peak demand. EDCs not meeting the requirements of Act 129 are subject to significant penalties. PPL Electric filed with the PUC its Act 129 Phase IV Energy Efficiency and Conservation Plan on November 30, 2020, for the five-year period starting June 1, 2021 and ending on May 31, 2026. PPL Electric's Phase IV Act 129 Plan was approved by the PUC at its March 25, 2021, public meeting.
Act 129 also requires EDCs to act as a default service provider (DSP), which provides electricity generation supply service to customers pursuant to a PUC-approved default service procurement plan. A DSP is able to recover the costs associated with its default service procurement plan.

Federal Matters

PPL Electric Transmission Formula Rate Return on Equity (PPL and PPL Electric)

On May 21, 2020, PP&L Industrial Customer Alliance (PPLICA) filed a complaint with the FERC alleging that PPL Electric's base return on equity (ROE) of 11.18% used to determine PPL Electric's formula transmission rate was unjust and unreasonable.

On August 20, 2021, PPL Electric entered into a settlement agreement (the Settlement) with PPLICA and all other parties, including intervenors, with respect to the complaint filed by PPLICA on May 21, 2020.

The key aspects of the Settlement include:

- changes to PPL Electric's base ROE:
  - beginning as of May 21, 2020 and continuing through May 31, 2022, the ROE shall be 9.90%;
  - beginning on June 1, 2022 and continuing through May 31, 2023, the ROE shall be 9.95%;
  - beginning on June 1, 2023, the ROE shall be 10.00%, which shall continue in effect unless and until changed as permitted by the terms of the Settlement;
- changes the equity component of PPL Electric's capital structure to be the lower of (i) PPL Electric's actual equity component, calculated in accordance with the formula rate template, or (ii) 56.00%;
- allows modification of the current rate year of June 1 to May 31 to a calendar year of January 1 to December 31; and
- allows modification of the current formula rate based on a historic test year to a projected test year.

In 2021, PPL Electric recorded a revenue reduction of $78 million ($55 million after-tax), of which $73 million ($52 million after-tax) represents revenue subject to refund for the period May 21, 2020 through November 30, 2021. The reduction recorded includes $28 million ($20 million after-tax) related to the period from May 21, 2020 to December 31, 2020. The $73 million of revenue to be refunded will be returned to customers from January 1, 2022 through May 31, 2022 and is based on the difference between charges that were calculated using the ROE in effect at the time and charges calculated using the revised ROE provided for the Settlement, plus interest at the FERC interest rate.

The FERC approved the Settlement on November 5, 2021. Interim rates reflecting the agreed-to-base ROE in the Settlement were effective December 1, 2021.

(PPL, LG&E and KU)

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 sought termination of LG&E's and KU's commitment to provide certain Kentucky municipalities mitigation for certain horizontal market power concerns arising out of the 1998 LG&E and KU merger and 2006 MISO withdrawal. The amounts at issue are generally waivers or credits granted to a limited number of Kentucky municipalities for either certain LG&E and KU or MISO transmission charges incurred for transmission service received. In 2019, the FERC granted LG&E's and KU's request to remove the ongoing credits, conditioned upon the implementation by LG&E and KU of a transition mechanism for certain existing power supply arrangements, which was subsequently filed, modified, and approved by the FERC in 2020 and 2021. In 2020, LG&E and KU and other parties filed appeals with the D.C. Circuit Court of Appeals regarding FERC's orders on the elimination of the mitigation and required transition mechanism. Oral arguments in the appellate proceeding occurred on February 14, 2022. LG&E and KU cannot predict the outcome of the respective appellate and FERC proceedings. LG&E and KU currently receive recovery of the waivers and credits provided through other rate mechanisms and such rate recovery would be anticipated to be adjusted consistent with potential changes or terminations of the waivers and credits, as such become effective.

Other

Purchase of Receivables Program

(PPL and PPL Electric)

In accordance with a PUC-approved purchase of accounts receivable program, PPL Electric purchases certain accounts receivable from alternative electricity suppliers at a discount, which reflects a provision for uncollectible accounts. The alternative electricity suppliers have no continuing involvement or interest in the purchased accounts receivable. Accounts receivable that are acquired are initially recorded at fair value on the date of acquisition. During 2021, 2020 and 2019, PPL Electric purchased $1.2 billion, $1.1 billion and $1.2 billion of accounts receivable from alternative suppliers.

8. Financing Activities

Credit Arrangements and Short-term Debt

(All Registrants)

The Registrants maintain credit facilities to enhance liquidity, provide credit support and provide a backstop to commercial paper programs. For reporting purposes, on a consolidated basis, the credit facilities and commercial paper programs of PPL Electric, LG&E and KU also apply to PPL. The amounts listed in the borrowed column below are recorded as "Short-term debt" on the Balance Sheets except for borrowings under PPL Capital Funding's term loan agreement due March 2022, which are reflected in "Long-term debt" at December 31, 2020. The following credit facilities were in place at:

	December 31, 2021					December 31, 2020	
	Expiration Date	Capacity	Borrowed	Letters of Credit and Commercial Paper Issued	Unused Capacity	Borrowed	Letters of Credit and Commercial Paper Issued
PPL							
PPL Capital Funding							
Syndicated Credit Facility (a) (b)	Dec 2026	$ 1,250	$ —	$ —	$ 1,250	$ —	$ 402
Bilateral Credit Facility (a) (b)	Mar 2022	50	—	—	50	—	—
Bilateral Credit Facility (a) (b)	Mar 2022	50	—	15	35	—	15
Term Loan Credit Facility (a) (b)	Mar 2021	—	—	—	—	200	—
Term Loan Credit Facility (a) (b)	Mar 2021	—	—	—	—	100	—
Term Loan Credit Facility (a) (b)	Mar 2022	—	—	—	—	100	—
Total PPL Capital Funding Credit Facilities		$ 1,350	$ —	$ 15	$ 1,335	$ 400	$ 417
PPL Electric							
Syndicated Credit Facility (a) (b)	Dec 2026	$ 650	$ —	$ 1	$ 649	$ —	$ 1
LG&E							
Syndicated Credit Facility (a) (b)	Dec 2026	$ 500	$ —	$ 69	$ 431	$ —	$ 262
KU							

Syndicated Credit Facility (a) (b)	Dec 2026	$ 400	$ —	$ —	$ 400	$ —	$ 203

(a) Each company pays customary fees under its respective facility 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% for PPL Capital Funding, PPL Electric, LG&E and KU, as calculated in accordance with the facilities and other customary covenants. Additionally, subject to certain conditions, PPL Capital Funding may request that the capacity of one of its bilateral credit facilities expiring in March 2022 be increased by up to $30 million and PPL Capital Funding, PPL Electric, LG&E and KU may each request up to a $250 million increase in its syndicated credit facility's capacity. Participation in any such increase is at the sole discretion of each lender.

(PPL)

In December 2021, PPL Capital Funding amended and restated its existing $1.450 billion revolving credit facility to extend the termination date from January 26, 2024 to December 6, 2026, to decrease the borrowing capacity to $1.250 billion and to provide for the option to add Narragansett Electric as an additional borrower upon acquisition by PPL Rhode Island Holdings, LLC.

(PPL and PPL Electric)

In December 2021, PPL Electric Utilities Corporation amended and restated its existing $650 million revolving credit facility to extend the termination date from January 26, 2024 to December 6, 2026.

(PPL and LG&E)

In December 2021, LG&E amended and restated its existing $500 million revolving credit facility to extend the termination date from January 26, 2024 to December 6, 2026.

(PPL and KU)

In December 2021, KU amended and restated its existing $400 million revolving credit facility to extend the termination date from January 26, 2024 to December 6, 2026.

(All Registrants)

PPL, PPL Electric, LG&E and KU maintain commercial paper programs to provide an additional financing source to fund short-term liquidity needs. Commercial paper issuances, included in "Short-term debt" on the Balance Sheets, are supported by the respective Registrant's credit facilities. The following commercial paper programs were in place at:

	December 31, 2021				December 31, 2020	
	Weighted - Average Interest Rate	Capacity	Commercial Paper Issuances	Unused Capacity	Weighted - Average Interest Rate	Commercial Paper Issuances
PPL Capital Funding		$ 1,500	$ —	$ 1,500	0.25%	$ 402
PPL Electric		650	—	650		—
LG&E (a)	0.31%	425	69	356	0.28%	262
KU		350	—	350	0.28%	203
Total		$ 2,925	$ 69	$ 2,856		$ 867

(a) In March 2021, the capacity for the LG&E commercial paper program was increased from $350 million to $425 million.

(PPL Electric, LG&E and KU)

See Note 15 for a discussion of intercompany borrowings.

Long-term Debt *(All Registrants)*

	Weighted-Average Rate (d)	Maturities (d)	December 31, 2021	December 31, 2020
PPL				
Senior Unsecured Notes	3.81%	2026 - 2047	$ 1,566	$ 4,850
Senior Secured Notes/First Mortgage Bonds (a) (b) (c)	3.59%	2022 - 2050	9,205	8,955
Junior Subordinated Notes	2.89%	2067	480	930
Term Loan Credit Facility			—	100
Total Long-term Debt before adjustments			11,251	14,835
Unamortized premium and (discount), net			(34)	(40)
Unamortized debt issuance costs			(77)	(106)
Total Long-term Debt			11,140	14,689
Less current portion of Long-term Debt			474	1,074
Total Long-term Debt, noncurrent			$ 10,666	$ 13,615
PPL Electric				
Senior Secured Notes/First Mortgage Bonds (a) (b)	3.37%	2022 - 2049	$ 4,539	$ 4,289
Total Long-term Debt Before Adjustments			4,539	4,289
Unamortized discount			(22)	(23)
Unamortized debt issuance costs			(33)	(30)
Total Long-term Debt			4,484	4,236
Less current portion of Long-term Debt			474	400
Total Long-term Debt, noncurrent			$ 4,010	$ 3,836
LG&E				
First Mortgage Bonds (a) (c)	3.59%	2025 - 2049	$ 2,024	$ 2,024
Total Long-term Debt Before Adjustments			2,024	2,024
Unamortized discount			(4)	(4)
Unamortized debt issuance costs			(14)	(13)
Total Long-term Debt			2,006	2,007
Less current portion of Long-term Debt			—	292
Total Long-term Debt, noncurrent			$ 2,006	$ 1,715
KU				

First Mortgage Bonds (a) (c)	3.97%	2023 - 2050	$ 2,642	$ 2,642
Total Long-term Debt Before Adjustments			2,642	2,642
Unamortized premium			5	5
Unamortized discount			(9)	(9)
Unamortized debt issuance costs			(20)	(20)
Total Long-term Debt			2,618	2,618
Less current portion of Long-term Debt			—	132
Total Long-term Debt, noncurrent			$ 2,618	$ 2,486

(a) Includes PPL Electric's senior secured and first mortgage bonds that are secured by the lien of PPL Electric's 2001 Mortgage Indenture, which covers substantially all of PPL Electric's tangible distribution properties and certain of its tangible transmission properties located in Pennsylvania, subject to certain exceptions and exclusions. The carrying value of PPL Electric's property, plant and equipment was approximately $11.3 billion and $10.8 billion at December 31, 2021 and 2020.

Includes LG&E's first mortgage bonds that are secured by the lien of the LG&E 2010 Mortgage Indenture which creates a lien, subject to certain exceptions and exclusions, on substantially all of LG&E'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 and the storage and distribution of natural gas. The aggregate carrying value of the property subject to the lien was $5.7 billion and $5.5 billion at December 31, 2021 and 2020.

Includes KU's first mortgage bonds that 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 $6.9 billion and $6.7 billion at December 31, 2021 and 2020.

(b) Includes PPL Electric's series of senior secured bonds that secure its obligations to make payments with respect to each series of Pollution Control Bonds that were issued by the LCIDA and the PEDFA on behalf of PPL Electric. These senior secured bonds were issued in the same principal amount, contain payment and redemption provisions that correspond to and bear the same interest rate as such Pollution Control Bonds. These senior secured bonds were issued under PPL Electric's 2001 Mortgage Indenture and are secured as noted in (a) above. This amount includes $224 million of which PPL Electric is allowed to convert the interest rate mode on the bonds from time to time to a commercial paper rate, daily rate, weekly rate, or term rate of at least one year and $90 million which is subject to mandatory redemption upon determination that the interest rate on the bonds would be included in the holders' gross income for federal tax purposes.

Includes $250 million of notes that may be called on or after September 28, 2021 and $650 million of notes that may be called on or after June 24, 2022, at a redemption price equal to 100% of the principal amount of the bonds, plus accrued and unpaid interest to, but excluding, such redemption date.

(c) Includes LG&E's and KU's series of first mortgage bonds that were issued to the respective trustees of tax-exempt revenue bonds to secure its respective 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. These first mortgage bonds were issued under the LG&E 2010 Mortgage Indenture and the KU 2010 Mortgage Indenture and are secured as noted in (a) above. The related tax-exempt revenue bonds were issued by various governmental entities, principally counties in Kentucky, on behalf of LG&E and KU. The related revenue bond documents allow LG&E and 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, 2021, the aggregate tax-exempt revenue bonds issued on behalf of LG&E and KU that were in a term rate mode totaled $782 million for PPL, comprised of $473 million and $309 million for LG&E and KU. At December 31, 2021, the aggregate tax-exempt revenue bonds issued on behalf of LG&E and KU that were in a variable rate mode totaled $66 million and $33 million for LG&E and KU. These variable rate tax-exempt revenue bonds are subject to tender for purchase by LG&E and KU at the option of the holder and to mandatory tender for purchase by LG&E and KU upon the occurrence of certain events.

(d) The table reflects principal maturities only, based on stated maturities or earlier put dates, and the weighted-average rates as of December 31, 2021.

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 2022 through 2026 and thereafter are as follows:

	PPL	PPL Electric	LG&E	KU
2022	$ 474	$ 474	$ —	$ —
2023	353	340	—	13
2024	650	650	—	—
2025	550	—	300	250
2026	904	—	90	164
Thereafter	8,320	3,075	1,634	2,215
Total	$ 11,251	$ 4,539	$ 2,024	$ 2,642

(PPL)

In April 2021, PPL Capital Funding repaid its $100 million term loan expiring in March 2022.

In June 2021, PPL Capital Funding commenced a tender offer to purchase for cash and retire (1) any and all of its outstanding 4.20% Senior Notes due 2022, 3.50% Senior Notes due 2022, 3.40% Senior Notes due 2023 and 3.95% Senior Notes due 2024 and (2) up to $1 billion aggregate purchase price of its outstanding 4.70% Senior Notes due 2043, 5.00% Senior Notes due 2044, 4.00% Senior Notes due 2047, 4.125% Senior Notes due 2030 and 3.10% Senior Notes due 2026.

In June 2021, in connection with the tender offer, PPL Capital Funding retired $1,962 million combined aggregate principal amount of its outstanding Senior Notes for $2,293 million aggregate cash purchase price that included the tender premium and accrued interest. These Senior Notes had a weighted average interest rate of 4.14%. The loss on extinguishment associated with
the transaction was $322 million, which included the tender premium, bank fees and unamortized fees, hedges and discounts. This loss on extinguishment was recorded to "Interest Expense" on the Statements of Income.

In July 2021, PPL Capital Funding redeemed the remaining $1,072 million combined aggregate principal amount of its outstanding 4.20% Senior Notes due 2022, 3.50% Senior Notes due 2022, 3.40% Senior Notes due 2023 and 3.95% Senior Notes due 2024 that had not been validly tendered for an aggregate cash purchase price of $1,133 million, which included make-whole premiums and accrued interest. These Senior Notes had a weighted average interest rate of 3.71%. The loss on extinguishment associated with the transaction was $58 million, which included make-whole premiums, unamortized fees, hedges and discounts. PPL Capital Funding also redeemed its $450 million of 5.90% Junior Subordinated Notes due in 2073 at par. The loss on extinguishment associated with this transaction was $15 million, which included unamortized fees.

In July 2021, LKE redeemed at par the $250 million 4.375% Senior Notes due 2021.

PPL has guaranteed PPL Capital Funding's obligations under the credit agreement and notes.

(PPL and PPL Electric)

In June 2021, PPL Electric issued $650 million of First Mortgage Bonds, Floating Rate Series due 2024. PPL Electric received proceeds of $647 million, net of underwriting fees, which were used to redeem its $400 million outstanding First Mortgage Bonds, 3% Series due 2021 in July 2021 and for general corporate purposes.

(PPL and LG&E)

In April 2021, the Louisville/Jefferson County Metro Government of Kentucky remarketed $128 million of Pollution Control Revenue Bonds, 2003 Series A due 2033 previously issued on behalf of LG&E. The bonds were remarketed at a long-term rate and will bear interest at 2.00% through their maturity date of October 1, 2033.

In May 2021, the County of Trimble, Kentucky remarketed $35 million of Pollution Control Revenue Bonds, 2001 Series B due 2027 previously issued on behalf of LG&E. The bonds were remarketed at a long-term rate and will bear interest at 1.35% through their maturity date of November 1, 2027.

In May 2021, the Louisville/Jefferson County Metro Government of Kentucky remarketed $35 million of Pollution Control Revenue Bonds, 2001 Series B due 2027 previously issued on behalf of LG&E. The bonds were remarketed at a long-term rate and will bear interest at 1.35% through their maturity date of November 1, 2027.

In June 2021, LG&E converted the $31 million of Louisville/Jefferson County Metro Government of Kentucky Environmental Facilities Revenue Refunding Bonds, 2007 Series A issued on its behalf to a weekly interest rate. The bonds mature on June 1, 2033.

In June 2021, LG&E converted the $35 million of Louisville/Jefferson County Metro Government, of Kentucky Environmental Facilities Revenue Refunding Bonds, 2007 Series B issued on its behalf to a weekly interest rate. The bonds mature on June 1, 2033.

In September 2021, the County of Trimble, Kentucky remarketed $28 million of Pollution Control Revenue Bonds, 2001 Series A due 2026, previously issued on behalf of LG&E. The bonds were remarketed at a long-term rate and will bear interest at 0.625% through their maturity date of September 1, 2026.
(PPL and KU)

In June 2021, the County of Carroll, Kentucky remarketed $54 million of Environmental Facilities Revenue Refunding 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 2.125% though their maturity date of October 1, 2034.

In June 2021, 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 2.00% through their maturity date of February 1, 2032.

See Note 15 for additional information related to intercompany borrowings.

Legal Separateness *(All Registrants)*

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 PPL Electric are each separate legal entities. These subsidiaries are not liable for the debts of PPL Electric. Accordingly, creditors of PPL Electric may not satisfy its 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, PPL Electric is not liable for the debts of its subsidiaries, nor are its subsidiaries liable for the debts of one another. Accordingly, creditors of these subsidiaries may not satisfy their debts from the assets of PPL Electric (or its other subsidiaries) absent a specific contractual undertaking by PPL Electric or any such other subsidiary to pay such creditors or as required by applicable law or regulation.

(PPL)

Equity Securities

Share Repurchases

In August 2021, PPL's Board of Directors authorized share repurchases of up to $3 billion of PPL common shares. The actual amount repurchased will depend on various factors, including PPL's share price, market conditions, and the determination of other uses for the proceeds from the sale of the U.K. utility business, including for incremental capital expenditures. PPL may purchase shares on each trading day subject to market conditions and principles of best execution.

During the year ended December 31, 2021, PPL repurchased 34.8 million shares at a cost of $1.0 billion. Commission fees incurred, which have been included in the cost of repurchases above, were insignificant through December 31, 2021.

ATM Program

In February 2018, PPL entered into an equity distribution agreement, pursuant to which PPL may sell, from time to time, up to an aggregate of $1.0 billion of its common stock through an at-the-market offering program, including a forward sales component. The compensation paid to the selling agents by PPL may be up to 2% of the gross offering proceeds of the shares. There were no issuances under the ATM program for the twelve months ended December 31, 2021 and 2020. The ATM program expired in February 2021.

Distributions and Related Restrictions

In November 2021, PPL declared its quarterly common stock dividend, payable January 3, 2022, at 41.50 cents per share (equivalent to $1.66 per annum). On February 18, 2022, PPL announced a quarterly common stock dividend of 20.00 cents per share, payable April 1, 2022, to shareowners of record as of March 10, 2022. Future dividends will be declared at the discretion of the Board of Directors and will depend upon future earnings, cash flows, financial and legal requirements and other factors.

Neither PPL Capital Funding nor PPL may declare or pay any cash dividend or distribution on its capital stock during any period in which PPL Capital Funding defers interest payments on its 2007 Series A Junior Subordinated Notes due 2067. At December 31, 2021, no interest payments were deferred.

(All Registrants)

PPL relies on dividends or loans from its subsidiaries to fund PPL's dividends to its common shareholders. The net assets of certain PPL subsidiaries are subject to legal restrictions. LG&E, KU and PPL Electric are 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. LG&E, KU and PPL Electric believe, however, that this statutory restriction, as applied to their 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, LG&E and 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 PPL's 2010 acquisition of LG&E and KU. In May 2012, the FERC approved the petitions with the further condition that each utility may not pay dividends if such payment would cause its adjusted equity ratio to fall below 30% of total capitalization. Accordingly, at December 31, 2021, net assets of $1.4 billion for LG&E and $1.9 billion for KU were restricted for purposes of paying dividends to LKE, and net assets of $1.7 billion for LG&E and $2.0 billion for KU were available for payment of dividends to LKE. LG&E and KU believe they will not be required to change their current dividend practices 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 LG&E and KU, or under Pennsylvania law applicable to PPL Electric. However, orders from the KPSC require LG&E and KU to obtain prior consent or approval before lending amounts to PPL.

9. Acquisitions, Development and Divestitures

(PPL)

Discontinued Operations

Sale of the U.K. Utility Business

On March 17, 2021, PPL WPD Limited (WPD Limited) entered into a share purchase agreement (WPD SPA) to sell PPL's U.K. utility business to National Grid Holdings One plc (National Grid U.K.), a subsidiary of National Grid plc. Pursuant to the WPD SPA, National Grid U.K. would acquire 100% of the issued share capital of PPL WPD Investments Limited (WPD Investments) for £7.8 billion in cash. WPD Limited would also receive an additional amount of £548,000 for each day during the period from January 1, 2021 to the closing date if the dividends usually declared by WPD Investments to WPD Limited were not paid for that period.

On June 14, 2021, the sale of the U.K. utility business was completed. The transaction resulted in cash proceeds of $10.7 billion inclusive of foreign currency hedges executed by PPL. PPL received net proceeds, after taxes and fees, of $10.4 billion.

WPD Limited and National Grid U.K. each made customary representations and warranties in the WPD SPA. National Grid U.K., at its expense, purchased warranty and indemnity insurance. WPD Limited agreed to indemnify National Grid U.K. for certain tax related matters. See Note 14 for additional information. PPL has not had and will not have any significant involvement with the U.K. utility business after completion of the sale.

Loss on Sale

The following table summarizes the pre-tax loss recorded upon completion of the sale.

	Loss on sale for the year ended December 31, 2021
Sales proceeds, net of realized foreign currency hedge losses (a)	$ 10,732
Unrealized foreign currency hedge losses recognized in 2020	125
Less: Costs to sell (b)	69
Less: Carrying value (c)	12,397
Loss on sale	$ (1,609)

(a) Includes the fixed and additional consideration of £7,881 million specified in the WPD SPA, converted at a spot rate of $1.4107 per GBP, offset by $386 million of realized foreign currency hedge losses to hedge the proceeds from the sale.
(b) Includes bank advisory, legal and accounting fees to facilitate the transaction.
(c) Represents the carrying value of the U.K. utility business at the time of sale and includes the realization of AOCI of $3.6 billion, which arose primarily from currency translation adjustments and defined benefit plans associated with the U.K. utility business.

Summarized Results of Discontinued Operations

The operations of the U.K. utility business are included in "Income (Loss) from Discontinued Operations (net of income taxes)" on the Statements of Income. Following are the components of discontinued operations in the Statements of Income for the years ended December 31:

	2021	2020	2019
Operating Revenues	$ 1,344	$ 2,133	$ 2,167
Operating Expenses	467	916	853
Other Income (Expense) - net	202	167	295
Interest Expense (a)	209	367	373
Income before income taxes	870	1,017	1,236
Loss on sale	(1,609)	—	—
Income Taxes	759	188	226
Income (Loss) from Discontinued Operations (net of income taxes)	$ (1,498)	$ 829	$ 1,010

(a) No interest from corporate level debt was allocated to discontinued operations.

Summarized Assets and Liabilities Held for Sale

The following major classes of assets and liabilities of the U.K. utility business were reclassified on PPL's Balance Sheet to "Current assets held for sale" and "Current liabilities held for sale" as of December 31, 2020:

	Held for Sale at December 31, 2020
Cash and cash equivalents	$ 266
Accounts receivable and unbilled revenues	389
Price risk management assets	146
Property, plant and equipment, net (a)	14,392
Goodwill	2,558
Other intangibles	413
Pension benefit asset	682
Other assets	137
Total Assets	$ 18,983
Short-term debt and long-term debt due within one year	$ 994
Accounts payable	220
Customer deposits	217
Accrued interest	190
Long-term debt	7,938
Total deferred income taxes	1,032
Price risk management liabilities	137
Other deferred credits and liabilities	295
Total Liabilities	$ 11,023
Net assets (b)	$ 7,960

(a) Depreciation of fixed assets ceased upon classification as held for sale in the first quarter of 2021.
(b) The net assets and liabilities held for sale exclude $4.0 billion of AOCI related to the U.K. utility business that is required to be included in the carrying value of an entity classified as held for sale when assessing impairment and determining the gain or loss on sale. Prior to the sale, AOCI related to the U.K. utility business was reported as a component of PPL's equity.

Acquisitions

Share Purchase Agreement to Acquire Narragansett Electric

On March 17, 2021, PPL and its subsidiary, PPL Energy Holdings, entered into a share purchase agreement (Narragansett SPA) with National Grid USA (National Grid U.S.), a subsidiary of National Grid plc, to acquire 100% of the outstanding shares of common stock of Narragansett Electric for approximately $3.8 billion in cash. On May 3, 2021, an Assignment and Assumption Agreement was entered into by PPL, PPL Energy Holdings, PPL Rhode Island Holdings and National Grid U.S. whereby certain interests of PPL Energy Holdings in the Narragansett SPA were assigned to and assumed by PPL Rhode Island Holdings. Pursuant to that Assignment and Assumption Agreement, PPL Rhode Island Holdings became the purchasing entity under the Narragansett SPA. The acquisition is expected to be funded with proceeds from the sale of the U.K. utility business. PPL has agreed to guarantee all obligations of PPL Energy Holdings and PPL Rhode Island Holdings under the Narragansett SPA and the related Assignment and Assumption Agreement.

The closing of the acquisition is subject to the receipt of certain U.S. regulatory approvals or waivers, including, among others, authorizations or waivers from the Rhode Island Division of Public Utilities and Carriers, the Massachusetts Department of Public Utilities, the Federal Communications Commission (FCC), and the FERC, as well as review under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and other customary conditions to closing, including the execution and delivery of certain related transaction documents. The waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, with respect to the acquisition, expired on June 2, 2021. On July 14, 2021, the FCC consented to the Transfer of Control Application for the transfer of control of certain communications licenses held by Narragansett Electric from National Grid U.S. to PPL. On July 16, 2021, the Massachusetts Department of Public Utilities (MDPU) granted a waiver of jurisdiction with respect to the acquisition, finding that the acquisition would not adversely impact Massachusetts ratepayers.
On December 3, 2021, the MPDU denied the request by the Attorney General of Massachusetts (AG) to stay the order granting the waiver, and on December 31, 2021, the AG then moved for the Massachusetts Supreme Judicial Court (SJC) to stay the final MDPU order. That request remains pending. If a stay is issued, PPL would not be able to close the acquisition until any stay is lifted or the appeal is resolved. On September 23, 2021, the FERC issued an order authorizing, as consistent with the public interest, the disposition of jurisdictional facilities that will result in PPL Rhode Island Holdings, LLC, acquiring 100% of the outstanding shares of common stock of Narragansett Electric. The regulatory approvals remain subject to any applicable appeal periods. PPL anticipates receiving a final order from the Rhode Island Division of Public Utilities and Carriers with respect to the acquisition by March 2022, however, no assurance can be given as to ultimate outcome of that review or the timing of any final decision.

PPL Energy Holdings and PPL Rhode Island Holdings and National Grid U.S. have each made customary representations, warranties and covenants in the Narragansett SPA, including, among others, customary indemnification provisions and covenants by National Grid U.S. to conduct the Narragansett Electric business in the ordinary course between the execution of the Narragansett SPA and the closing of the acquisition. The consummation of the transaction is not subject to a financing condition.

In connection with the acquisition, National Grid U.S. and one or more of its subsidiaries and Narragansett Electric will enter into a transition services agreement, pursuant to which National Grid U.S. and/or one or more of its affiliates will agree to provide certain transition services to Narragansett Electric and its affiliates to facilitate the operation of Narragansett Electric following the consummation of the acquisition and the transition of operations to PPL, as agreed upon in the Narragansett SPA.

10. Leases

(All Registrants)

The Registrants determine whether contractual arrangements contain a lease by evaluating whether those arrangements either implicitly or explicitly identify an asset, whether the Registrants have the right to obtain substantially all of the economic benefits from use of the asset throughout the term of the arrangement, and whether the Registrants have the right to direct the use of the asset. Renewal options are included in the lease term if it is reasonably certain the Registrants will exercise those options. Periods for which the Registrants are reasonably certain not to exercise termination options are also included in the lease term. The Registrants have certain agreements with lease and non-lease components, such as office space leases, which are generally accounted for separately.

LG&E and KU have entered into various operating leases primarily for office space, vehicles and railcars. The leases generally have fixed payments with expiration dates ranging from 2022 to 2033, some of which have options to extend the leases from one year to ten years and some have options to terminate at LG&E's and KU's discretion.

PPL has also entered into various operating leases primarily for office and warehouse space. These leases generally have fixed payments with expiration dates ranging from 2024 through 2030.

PPL Electric also has operating leases which do not have a significant impact to its operations.

Short-term Leases

Short-term leases are leases with a term that is 12 months or less and do not include a purchase option or option to extend the initial term of the lease to greater than 12 months that the Registrants are reasonably certain to exercise. The Registrants have made an accounting policy election to not recognize the right-of-use 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, the Registrants are required to use their incremental borrowing rate, which is the rate the Registrants 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.

The Registrants receive secured borrowing rates from financial institutions based on their applicable credit profiles. The Registrants use the secured rate which corresponds with the term of the applicable lease.

(PPL, LG&E and KU)

Lessee Transactions

The following table provides the components of lease cost for the Registrants' operating leases for the years ended December 31:

	2021	2020	2019
PPL			
Lease cost:			
Operating lease cost	$ 24	$ 28	$ 30
Short-term lease cost	6	7	5
Total lease cost	$ 30	$ 35	$ 35
LG&E			
Lease cost:			
Operating lease cost	$ 6	$ 8	$ 12
Short-term lease cost	1	1	1
Total lease cost	$ 7	$ 9	$ 13
KU			
Lease cost:			
Operating lease cost	$ 10	$ 13	$ 13
Short-term lease cost	1	1	1

Total lease cost	$ 11	$ 14	$ 14

The following table provides other key information related to the Registrants' operating leases at December 31:

	2021	2020	2019
PPL			
Cash paid for amounts included in the measurement of lease liabilities:			
Operating cash flows from operating leases	$ 23	$ 24	$ 26
Right-of-use asset obtained in exchange for new operating lease liabilities	12	17	45
LG&E			
Cash paid for amounts included in the measurement of lease liabilities:			
Operating cash flows from operating leases	$ 6	$ 7	$ 9
Right-of-use asset obtained in exchange for new operating lease liabilities	4	6	5
KU			
Cash paid for amounts included in the measurement of lease liabilities:			
Operating cash flows from operating leases	$ 10	$ 11	$ 11
Right-of-use asset obtained in exchange for new operating lease liabilities	7	9	11

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, 2021.

	PPL	LG&E	KU
2022	$ 23	$ 6	$ 10
2023	20	5	8
2024	15	4	6
2025	8	3	4
2026	3	1	1
Thereafter	5	1	1
Total	$ 74	$ 20	$ 30
Weighted-average discount rate	3.38%	3.48%	3.67%
Weighted-average remaining lease term (in years)	4	4	4
Current lease liabilities (a)	$ 22	$ 6	$ 9
Non-current lease liabilities (a)	47	12	17
Right-of-use assets (b)	62	15	24

(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.

Lessor Transactions

Third parties leased land from LG&E and KU at certain generation plants to produce refined coal used to generate electricity. The leases were operating leases and expired in 2021. Payments were allocated among lease and non-lease components as stated in the agreements. Lease payments were fixed or determined based on the amount of refined coal used in electricity generation at the facility. Payments received were primarily recorded as a regulatory liability and amortized in accordance with regulatory approvals.

The following table shows the lease income recognized for the years ended December 31:

	PPL	LG&E	KU
Lease income recognized for the twelve months ended December 31, 2021	$ 11	$ 5	$ 5
Lease income recognized for the twelve months ended December 31, 2020	16	6	9
Lease income recognized for the twelve months ended December 31, 2019	14	5	8

11. Stock-Based Compensation

(PPL and PPL Electric)

Under the ICP, SIP and the ICPKE (together, the Plans), restricted shares of PPL common stock, restricted stock units, performance units and stock options may be granted to officers and other key employees of PPL, PPL Electric and other affiliated companies. Awards under the Plans are made by the Compensation Committee of the PPL Board of Directors, in the case of the ICP and SIP, and by the PPL Corporate Leadership Council (CLC), in the case of the ICPKE.

The following table details the award limits under each of the Plans.

Plan	Total Plan Award Limit (Shares)	Annual Grant Limit Total As % of Outstanding PPL Common Stock On First Day of Each Calendar Year	Annual Grant Limit Options (Shares)	Annual Grant Limit For Individual Participants - Performance Based Awards: For awards denominated in shares (Shares)	Annual Grant Limit For Individual Participants - Performance Based Awards: For awards denominated in cash (in dollars)
SIP	15,000,000		2,000,000	750,000	$ 15,000,000
ICPKE	14,199,796	2%	3,000,000		

Any portion of these awards that has not been granted may be carried over and used in any subsequent year. If any award lapses, the rights of the participant terminate, or, with respect to certain awards, is forfeited, and the shares of PPL common stock underlying such an award are again available for grant. Shares delivered under the Plans may be in the form of authorized and unissued PPL common stock, common stock held in treasury by PPL or PPL common stock purchased on the open market (including private purchases) in accordance with applicable securities laws.

Restricted Stock Units

Restricted stock units represent the right to receive shares of PPL common stock in the future, generally three years after the date of grant, in an amount based on the fair value of PPL common stock on the date of grant.

Under the SIP, each restricted stock unit entitles the grant recipient to accrue additional restricted stock units equal to the amount of quarterly dividends paid on PPL stock. These additional restricted stock units are deferred and payable in shares of PPL common stock at the end of the restriction period. Dividend equivalents on restricted stock unit awards granted under the ICPKE are currently paid in cash when dividends are declared by PPL.

The fair value of restricted stock units granted is recognized on a straight-line basis over the restriction period or through the date at which the employee reaches retirement eligibility. The fair value of restricted stock units granted to retirement-eligible employees is recognized as compensation expense immediately upon the date of grant. Recipients of restricted stock units granted under the ICPKE may also be granted the right to receive dividend equivalents through the end of the restriction period or until the award is forfeited. Restricted stock units are subject to forfeiture or accelerated payout under the plan provisions for termination, retirement, disability and death of employees. Restrictions lapse on restricted stock units fully, in certain situations, as defined by each of the Plans.

The weighted-average grant date fair value of restricted stock units granted was:

	2021	2020	2019
PPL	$ 28.00	$ 35.30	$ 31.95
PPL Electric	27.96	35.37	32.33

Restricted stock unit activity for 2021 was:

	Restricted Shares/Units	Weighted-Average Grant Date Fair Value Per Share
PPL		
Nonvested, beginning of period	896,336	$ 32.56
Granted	458,610	28.00
Vested	(303,890)	30.57
Forfeited	(46,473)	30.23
Nonvested, end of period	1,004,583	31.19
PPL Electric		
Nonvested, beginning of period	210,720	$ 32.73
Transfer between registrants	(92,596)	32.99
Granted	51,587	27.96
Vested	(32,266)	29.98
Forfeited	(6,158)	32.16
Nonvested, end of period	131,287	31.50

Substantially all restricted stock unit awards are expected to vest.

The total fair value of restricted stock units vesting for the years ended December 31 was:

	2021	2020	2019
PPL	$ 8	$ 19	$ 13
PPL Electric	1	3	2

Performance Units - Total Shareowner Return

Performance units based on relative Total Shareowner Return (TSR) are intended to encourage and reward future corporate performance. Performance units represent a target number of shares (Target Award) of PPL's common stock that the recipient would receive upon PPL's attainment of the applicable performance goal. Performance is determined based on TSR during a three-year performance period. At the end of the period, payout is determined by comparing PPL's performance to the TSR of the companies included in the PHLX Utility Sector Index. Awards are payable on a graduated basis based on thresholds that measure PPL's performance relative to peers that comprise the applicable index on which each year's awards are measured. Awards can be paid up to 200% of the Target Award or forfeited with no payout if performance is below a minimum established performance threshold. Dividends payable during the performance cycle accumulate and are converted into additional performance units and are payable in shares of PPL common stock upon completion of the performance period based on the Compensation Committee's determination of achievement of the performance goals. Under the plan provisions, TSR performance units are subject to forfeiture upon termination of employment other than retirement, one year or more from commencement of the performance period, disability or death of an employee.

The fair value of TSR performance units granted to retirement-eligible employees is recognized as compensation expense on a straight-line basis over a one-year period, the minimum vesting period required for an employee to be entitled to payout of the awards with no proration. For employees who are not retirement-eligible, compensation expense is recognized over the shorter of the three-year performance period or the period until the employee is retirement-eligible, with a minimum vesting and recognition period of one-year. If an employee retires before the one-year vesting period, the performance units are forfeited. Performance units vest on a pro rata basis, in certain situations, as defined by each of the Plans.

The fair value of each performance unit granted was estimated using a Monte Carlo pricing model that considers stock beta, a risk-free interest rate, expected stock volatility and expected life. The stock beta was calculated comparing the risk of the
individual securities to the average risk of the companies in the index group. The risk-free interest rate reflects the yield on a U.S. Treasury bond commensurate with the expected life of the performance unit. Volatility over the expected term of the performance unit is calculated using daily stock price observations for PPL and all companies in the index group and is evaluated with consideration given to prior periods that may need to be excluded based on events not likely to recur that had impacted PPL and the companies in the index group. PPL uses a mix of historic and implied volatility to value awards.

The weighted-average assumptions used in the model were:

	2021	2020	2019
Expected stock volatility	27.81%	15.64%	17.57%
Expected life	3 years	3 years	3 years

The weighted-average grant date fair value of TSR performance units granted was:

	2021	2020	2019
PPL	$ 32.44	$ 37.63	$ 35.83
PPL Electric	32.92	38.64	35.68

TSR performance unit activity for 2021 was:

	TSR Performance Units	Weighted-Average Grant Date Fair Value Per Share
PPL		
[illegible]	[illegible]	[illegible]

Nonvested, beginning of period	626,254	$	36.98
Granted	306,009		32.44
Vested	(53,340)		34.47
Forfeited (a)	(245,150)		37.75
Nonvested, end of period	633,773		34.68
PPL Electric			
Nonvested, beginning of period	61,807	$	37.44
Transfer between registrants	(53,663)		37.42
Granted	10,010		32.92
Forfeited (a)	(2,800)		38.47
Nonvested, end of period	15,354		34.36

(a) Primarily related to the forfeiture of 2018 domestic performance units as performance during the period was below the minimum established performance threshold, which resulted in no payout.

For the year ended December 31, 2021, $2 million of TSR performance units vested. All awards vested were associated with the sale of the U.K. utility business. See Note 9 for additional information on the sale of the U.K. utility business. No TSR performance units vested for the years ended December 31, 2020 and 2019. Amounts for PPL Electric are insignificant.

Performance Units - Return on Equity

Beginning in 2017, PPL changed its executive compensation mix to add performance units based on achievement of a corporate Return on Equity (ROE). ROE performance units are intended to further align compensation with the company's strategy and reward for future corporate performance.

Payout of these performance units will be based on the calculated average of the annual corporate ROE for each year of the three-year performance period for PPL Corporation. In light of the transformational nature of the potential sale of the U.K. utility business in 2021, PPL's ROE-based performance units issued for 2021 were based on a one-year performance period from January 1, 2021 to December 31, 2021; however, these units retained the three year vesting schedule and other characteristics. ROE performance units represent a target number of shares (Target Award) of PPL's common stock that the recipient would receive upon PPL's attainment of the applicable ROE performance goal. ROE performance units can be paid up to 200% of the Target Award or forfeited with no payout if performance is below a minimum established performance threshold. Dividends payable during the performance cycle accumulate and are converted into additional performance units and are payable in shares of PPL common stock upon completion of the performance period based on the Compensation Committee's determination of achievement of the performance goals. Under the plan provisions, these performance units are subject to forfeiture upon termination of employment other than retirement, disability or death of an employee.

The fair value of each ROE performance unit is based on the closing price of PPL Common Stock on the date of grant. The fair value of ROE performance units is recognized on a straight-line basis over the service period or through the date at which the employee reaches retirement eligibility. The fair value awards granted to retirement-eligible employees is recognized as compensation expense immediately upon the date of grant. As these awards are based on performance conditions, the level of attainment is monitored each reporting period and compensation expense is adjusted based on the expected attainment level.

The weighted-average grant date fair value of ROE performance units granted was:

	2021	2020	2019
PPL	$ 30.08	$ 34.95	$ 30.89
PPL Electric	29.39	35.59	30.76

ROE performance unit activity for 2021 was:

	ROE Performance Unit		Weighted-Average Grant Date Fair Value Per Share
PPL			
Nonvested, beginning of period	728,664	$	32.81
Granted	572,571		30.08
Vested	(570,722)		32.02
Forfeited	(8,160)		30.44
Nonvested, end of period	722,353		31.28
PPL Electric			
Nonvested, beginning of period	61,807	$	33.01
Transfer between registrants	(53,663)		33.00
Granted	12,895		29.39
Vested	(5,685)		32.27
Nonvested, end of period	15,354		30.27

The total fair value of ROE performance units vesting for the years ended December 31 was:

	2021	2020
PPL	$ 16	$ 8
PPL Electric	—	1

Stock Options

PPL's Compensation, Governance and Nominating Committee, now known as the Compensation Committee, eliminated the use of stock options due to changes in its long-term incentive mix beginning in January 2014.

Under the Plans, stock options had been granted with an option exercise price per share not less than the fair value of PPL's common stock on the date of grant. Options outstanding at December 31, 2021, are fully vested. All options expire no later than 10 years from the grant date. The options become exercisable immediately in certain situations, as defined by each of the Plans.

Stock option activity for 2021 was:

	Number of Options		Weighted Average Exercise Price Per Share	Weighted-Average Remaining Contractual Term (years)	Aggregate Total Intrinsic Value
PPL					
Outstanding at beginning of period	1,103,016	$	26.22		
Exercised	(337,014)		25.42		
Outstanding and exercisable at end of period	766,002		26.57	1	$ 3

For 2021, 2020 and 2019, PPL received $10 million, $8 million and $53 million in cash from stock options exercised. The total intrinsic value of stock options exercised was insignificant in 2021 and 2020 and $11 million in 2019. The related income tax benefits realized were not significant.

Compensation Expense

Compensation expense for restricted stock, restricted stock units, performance units and stock options accounted for as equity awards, which for PPL Electric includes an allocation of PPL Services' expense, was:

	2021	2020	2019
PPL	$ 34	$ 28	$ 35
PPL Electric	11	10	12

The income tax benefit related to above compensation expense was as follows:

	2021	2020	2019
PPL	$ 10	$ 8	$ 10
PPL Electric	3	3	3

At December 31, 2021, unrecognized compensation expense related to nonvested stock awards was:

	Unrecognized Compensation Expense	Weighted-Average Period for Recognition
PPL	$ 19	1.7
PPL Electric	2	1.8

12. Retirement and Postemployment Benefits

(All Registrants)

Defined Benefits

Certain employees of PPL's subsidiaries are eligible for pension benefits under non-contributory defined benefit pension plans with benefits based on length of service and final average pay, as defined by the plans. Effective January 1, 2012, PPL's primary defined benefit pension plan was closed to all newly hired salaried employees. Effective July 1, 2014, PPL's primary defined benefit pension plan was closed to all newly hired bargaining unit employees. Newly hired employees are eligible to participate in the PPL Retirement Savings Plan, a 401(k) savings plan with enhanced employer contributions.

The defined benefit pension plans of LKE and its subsidiaries were 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 pension plans sponsored by LKE and LG&E were merged effective January 1, 2020 into the LG&E and KU Pension Plan. The merged plan is sponsored by LKE. LG&E and KU participate in this plan.

PPL and certain of its subsidiaries also provide supplemental retirement benefits to executives and other key management employees through unfunded nonqualified retirement plans.

Certain employees of PPL's subsidiaries are eligible for certain health care and life insurance benefits upon retirement through contributory plans. Effective January 1, 2014, the PPL Postretirement Medical Plan was closed to all newly hired salaried employees. Effective July 1, 2014, the PPL Postretirement Medical Plan was closed to all newly hired bargaining unit employees. Postretirement health benefits may be paid from 401(h) accounts established as part of the PPL Retirement Plan and the LG&E and KU Pension Plan within the PPL Services Corporation Master Trust, funded VEBA trusts and company funds.

(PPL)

The following table provides the components of net periodic defined benefit costs (credits) for PPL's pension and other postretirement benefit plans for the years ended December 31.

	Pension Benefits			Other Postretirement Benefits		
	2021	2020	2019	2021	2020	2019
Net periodic defined benefit costs (credits):						
Service cost	$ 56	$ 56	$ 50	$ 6	$ 6	$ 6
Interest cost	121	146	164	16	19	22
Expected return on plan assets	(255)	(246)	(245)	(23)	(21)	(18)
Amortization of:						
Prior service cost (credit)	8	9	8	1	1	(1)
Actuarial (gain) loss	93	89	56	(1)	—	1
Net periodic defined benefit costs (credits) prior to settlements and termination benefits	23	54	33	(1)	5	10
Settlements (a)	18	23	1	—	—	—
Net periodic defined benefit costs (credits)	$ 41	$ 77	$ 34	$ (1)	$ 5	$ 10
Other Changes in Plan Assets and Benefit Obligations Recognized in OCI and Regulatory Assets/Liabilities - Gross:						
Settlement	(18)	(23)	(1)	—	—	—
Net (gain) loss	42	(221)	(121)	(53)	(6)	(18)
Prior service cost (credit)	3	1	2	—	5	—
Amortization of:						
Prior service (cost) credit	(8)	(9)	(8)	(1)	(1)	1
Actuarial gain (loss)	(93)	(89)	(56)	1	—	(1)
Total recognized in OCI and regulatory assets/liabilities	(74)	(341)	(184)	(53)	(2)	(18)
Total recognized in net periodic defined benefit costs, OCI and regulatory assets/liabilities	$ (33)	$ (264)	$ (150)	$ (54)	$ 3	$ (8)

(a) 2021 and 2020 include a settlement charge for a retired PPL executive as well as a settlement charge incurred as a result of the amount of lump sum payment distributions from the LKE qualified pension plan. In accordance with existing regulatory accounting treatment, LG&E and KU have primarily
maintained the settlement charge in regulatory assets to be amortized in accordance with existing regulatory practice. The portion of the settlement attributed to LKE's operations outside of the jurisdiction of the KPSC has been charged to expense.

For PPL's pension and postretirement benefits, the amounts recognized in OCI and regulatory assets/liabilities for the years ended December 31 were as follows:

	Pension Benefits			Other Postretirement Benefits		
	2021	2020	2019	2021	2020	2019
OCI	$ (70)	$ (428)	$ (194)	$ (42)	$ (12)	$ (13)
Regulatory assets/liabilities	(4)	87	10	(11)	10	(5)
Total recognized in OCI and regulatory assets/liabilities	$ (74)	$ (341)	$ (184)	$ (53)	$ (2)	$ (18)

(LG&E)

The following table provides the components of net periodic defined benefit costs for LG&E's pension benefit plan for the year ended December 31.

	Pension Benefits
	2019 (a)
Net periodic defined benefit costs (credits):	
Service cost	$ 1
Interest cost	11
Expected return on plan assets	(21)
Amortization of:	
Prior service cost (credit)	5
Actuarial loss (b)	9
Net periodic defined benefit costs (credits) (c)	$ 5
Other Changes in Plan Assets and Benefit Obligations Recognized in Regulatory Assets - Gross:	
Net (gain) loss	$ (19)
Amortization of:	
Prior service credit	(5)
Actuarial gain	(9)
Total recognized in regulatory assets/liabilities	(33)
Total recognized in net periodic defined benefit costs and regulatory assets	$ (28)

(a) The pension plans sponsored by LKE and LG&E were merged effective January 1, 2020 into the LG&E and KU Pension Plan, sponsored by LKE.
(b) As a result of the 2014 Kentucky rate case settlement that became effective July 1, 2015, the difference between actuarial (gain)/loss calculated in accordance with LG&E's pension accounting policy and actuarial (gain)/loss calculated using a 15 year amortization period was $3 million in 2019.
(c) Due to the amount of lump sum payment distributions from the LG&E qualified pension plan, settlement charges of $5 million in 2019 was incurred. In accordance with existing regulatory accounting treatment, LG&E has maintained the settlement charge in regulatory assets. The amount will be amortized in accordance with existing regulatory practice.

(All Registrants)

The following net periodic defined benefit costs (credits) were charged to expense or regulatory assets, excluding amounts charged to construction and other non-expense accounts.

	Pension Benefits			Other Postretirement Benefits		
	2021	2020	2019	2021	2020	2019
PPL	$ 12	$ 40	$ 18	$ (1)	$ 4	$ 8
PPL Electric (a)	(9)	(2)	(4)	(1)	2	4
LG&E (a) (b)	(1)	4	3	2	2	2
KU (a) (b)	(3)	1	(1)	—	—	—

(a) PPL Electric and KU do not directly sponsor any defined benefit plans. PPL Electric and KU were allocated these costs of defined benefit plans sponsored by PPL Services (for PPL Electric) and by LKE (for KU), based on their 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. Effective January 1, 2020, the LKE and LG&E defined benefit pension plans were merged into a combined defined benefit pension plan, sponsored by LKE, therefore LG&E does not directly sponsor any defined benefit plans. LG&E and KU were allocated these costs of defined benefit plans sponsored by LKE, based on their participation in those plans, which management believes are reasonable. LG&E and KU are also allocated costs of defined benefit plans from LKS for defined benefit plans sponsored by LKE. See Note 15 for additional information on costs allocated to LG&E and KU from LKS.
(b) As a result of the 2014 Kentucky rate case settlement that became effective July 1, 2015, the difference between net periodic defined benefit costs calculated in accordance with LG&E's and KU's pension accounting policy and the net periodic defined benefit costs calculated using a 15 year amortization period for gains and losses is recorded as a regulatory asset. Of the costs charged to Other operation and maintenance, Other Income (Expense) - net or regulatory assets, excluding amounts charged to construction and other non-expense accounts, insignificant amounts for LG&E and KU were recorded as regulatory assets in 2021, $3 million for LG&E and $1 million for KU were recorded as regulatory assets in 2020 and $2 million for LG&E and $1 million for KU were recorded as regulatory assets in 2019.

(PPL and LG&E)

PPL and LG&E use base mortality tables issued by the Society of Actuaries for all defined benefit pension and other postretirement benefit plans. In 2019, PPL and LG&E used RP-2014 base tables with collar and factor adjustments, where applicable, and the MP-2017 mortality improvement scale from 2006 on a generational basis. In 2020, PPL updated to the Pri-2012 base table and the MP-2020 projection scale with varying adjustment factors based on the underlying demographic and geographic differences and experience of the plan participants.

The following weighted-average assumptions were used in the valuation of the benefit obligations at December 31.

	Pension Benefits		Other Postretirement Benefits	
	2021	2020	2021	2020
PPL				
Discount rate	3.15%	2.92%	3.13%	2.84%
Rate of compensation increase	3.76%	3.76%	3.77%	3.75%

The following weighted-average assumptions were used to determine the net periodic defined benefit costs for the years ended December 31.

	Pension Benefits			Other Postretirement Benefits		
	2021	2020	2019	2021	2020	2019
PPL						
Discount rate	2.92%	3.64%	4.35%	2.84%	3.60%	4.31%
Rate of compensation increase	3.76%	3.79%	3.79%	3.75%	3.76%	3.76%
Expected return on plan assets	7.25%	7.25%	7.25%	6.48%	6.44%	6.46%
LG&E						
Discount rate	—%	—%	4.33%			
Expected return on plan assets (a)	—%	—%	7.25%			

(a) The expected long-term rates of return for pension and other postretirement benefits are based on management's projections using a best-estimate of expected returns, volatilities and correlations for each asset class. Each plan's specific current and expected asset allocations are also considered in developing a reasonable return assumption.

(PPL)

The following table provides the assumed health care cost trend rates for the years ended December 31:

	2021	2020	2019
PPL			
Health care cost trend rate assumed for next year			
– obligations	6.25%	6.50%	6.60%
– cost	6.50%	6.60%	6.60%
Rate to which the cost trend rate is assumed to decline (the ultimate trend rate)			
– obligations	5.00%	5.00%	5.00%
– cost	5.00%	5.00%	5.00%
Year that the rate reaches the ultimate trend rate			
– obligations	2027	2027	2024
– cost	2027	2024	2023

The funded status of PPL's plans at December 31 was as follows:

	Pension Benefits		Other Postretirement Benefits	
	2021	2020	2021	2020
Change in Benefit Obligation				
Benefit Obligation, beginning of period	$ 4,251	$ 4,146	$ 573	$ 557
Service cost	56	56	6	6
Interest cost	121	146	16	19
Participant contributions	—	—	14	15
Plan amendments	2	2	—	5
Actuarial (gain) loss	(88)	256	(50)	29
Settlements	(106)	(114)	—	—
Gross benefits paid	(247)	(241)	(55)	(58)
Benefit Obligation, end of period	3,989	4,251	504	573
Change in Plan Assets				
Plan assets at fair value, beginning of period	4,068	3,585	367	340
Actual return on plan assets	125	723	25	56
Employer contributions	47	115	18	18
Participant contributions	—	—	11	11
Settlements	(106)	(114)	—	—
Gross benefits paid	(247)	(241)	(54)	(58)
Plan assets at fair value, end of period	3,887	4,068	367	367
Funded Status, end of period	$ (102)	$ (183)	$ (137)	$ (206)
Amounts recognized in the Balance Sheets consist of:				
Noncurrent asset	$ 91	$ 24	$ —	$ —
Current liability	(10)	(18)	(15)	(22)
Noncurrent liability	(183)	(189)	(122)	(184)
Net amount recognized, end of period	$ (102)	$ (183)	$ (137)	$ (206)
Amounts recognized in AOCI and regulatory assets/liabilities (pre-tax) consist of:				
Prior service cost (credit)	$ 22	$ 27	$ 12	$ 14
Net actuarial (gain) loss	626	695	(51)	—
Total	$ 648	$ 722	$ (39)	$ 14
Total accumulated benefit obligation for defined benefit pension plans	$ 3,786	$ 4,024		

For PPL's pension and other postretirement benefit plans, the amounts recognized in AOCI and regulatory assets/liabilities at December 31 were as follows:

	Pension Benefits		Other Postretirement Benefits	
	2021	2020	2021	2020
AOCI	$ 239	$ 270	$ (2)	$ 10
Regulatory assets/liabilities	409	452	(37)	4
Total	$ 648	$ 722	$ (39)	$ 14

The actuarial gain for pension plans in 2021 was primarily related to a change in the discount rate used to measure the benefit obligations of those plans. The actuarial loss for pension plans in 2020 was related to a change in the discount rate used to measure the benefit obligations of those plans offset by gains resulting from the updated mortality assumptions noted above and other demographic assumption changes resulting from the completion of a tri-annual demographic experience study.

The following tables provide information on pension plans where the projected benefit obligation (PBO) or accumulated benefit obligation (ABO) exceed the fair value of plan assets:

	PBO in excess of plan assets	
	2021	2020
Projected benefit obligation	$ 193	$ 1,875
Fair value of plan assets	—	1,668

	ABO in excess of plan assets	
	2021	2020
Accumulated benefit obligation	$ 177	$ 184
Fair value of plan assets	—	—

(PPL Electric)

Although PPL Electric does not directly manage any defined benefit plans, it is allocated a portion of the funded status and costs of plans sponsored by PPL Services based on its participation in those

Although PPL Electric does not directly sponsor any defined benefit plans, it is allocated a portion of the funded status and costs of plans sponsored by PPL Services based on its participation in those plans, which management believes are reasonable. The actuarially determined obligations of current active employees and retirees are used as a basis to allocate total plan activity, including active and retiree costs and obligations. Allocations to PPL Electric resulted in assets/(liabilities) at December 31 as follows:

	2021	2020
Pension	$ 42	$ 4
Other postretirement benefits	(78)	(99)

(LG&E)

Although LG&E does not directly sponsor any defined benefit plans, it is allocated a portion of the funded status and costs of plans sponsored by LKE. LG&E is also allocated costs of defined benefits plans from LKS for defined benefit plans sponsored by LKE. See Note 15 for additional information on costs allocated to LG&E from LKS. These allocations are based on LG&E's participation in those plans, which management believes are reasonable. The actuarially determined obligations of current active employees and retired employees of LG&E are used as a basis to allocate total plan activity, including active and retiree costs and obligations. Allocations to LG&E resulted in assets/(liabilities) at December 31 as follows:

	2021	2020
Pension	$ 85	$ 78
Other postretirement benefits	(51)	(68)

(KU)

Although KU does not directly sponsor any defined benefit plans, it is allocated a portion of the funded status and costs of plans sponsored by LKE. KU is also allocated costs of defined benefit plans from LKS for defined benefit plans sponsored by LKE. See Note 15 for additional information on costs allocated to KU from LKS. These allocations are based on KU's participation in those plans, which management believes are reasonable. The actuarially determined obligations of current active employees and retired employees of KU are used as a basis to allocate total plan activity, including active and retiree costs and obligations. Allocations to KU resulted in assets/(liabilities) at December 31 as follows.

	2021	2020
Pension	$ 75	$ 62
Other postretirement benefits	(6)	(16)

Plan Assets - Pension Plans

(PPL)

PPL's primary legacy pension plan and the pension plan sponsored by LKE 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, in combination with PPL's funding policy, 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 2021 are presented below.

The asset allocation for the trust and the target allocation by portfolio at December 31 are as follows:

	Percentage of trust assets		2021
	2021	2020	Target Asset Allocation
Growth Portfolio	**55%**	**56%**	**55%**
Equity securities	32%	34%	
Debt securities (a)	13%	13%	
Alternative investments	10%	9%	
Immunizing Portfolio	**43%**	**43%**	**43%**
Debt securities (a)	35%	33%	
Derivatives	8%	10%	
Liquidity Portfolio	**2%**	**1%**	**2%**
Total	100%	100%	100%

(a) Includes commingled debt funds, which PPL treats as debt securities for asset allocation purposes.

(PPL)

The fair value of net assets in the Master Trust by asset class and level within the fair value hierarchy was:

	December 31, 2021				December 31, 2020			
	Fair Value Measurements Using				Fair Value Measurements Using			
	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3
PPL Services Corporation Master Trust								
Cash and cash equivalents	$ 266	$ 266	$ —	$ —	$ 300	$ 300	$ —	$ —
Equity securities:								
U.S. Equity	41	41	—	—	60	60	—	—
U.S. Equity fund measured at NAV (a)	754	—	—	—	742	—	—	—
International equity fund at NAV (a)	511	—	—	—	566	—	—	—
Commingled debt measured at NAV (a)	677	—	—	—	712	—	—	—
Debt securities:								
U.S. Treasury and U.S. government sponsored [illegible]	[illegible]	[illegible]	[illegible]		[illegible]	[illegible]	[illegible]	

agency	281	280	1	—	336	335	1	—
Corporate	1,039	—	1,019	20	1,045	—	1,030	15
Other	14	—	14	—	13	—	13	—
Alternative investments:								
Real estate measured at NAV (a)	69	—	—	—	76	—	—	—
Private equity measured at NAV (a)	94	—	—	—	68	—	—	—
Hedge funds measured at NAV (a)	236	—	—	—	223	—	—	—
Limited Partnerships at NAV (a)	—	—	—	—	6	—	—	—
Derivatives	35	—	35	—	(37)	—	(37)	—
PPL Services Corporation Master Trust assets, at fair value	4,017	$ 587	$ 1,069	$ 20	4,110	$ 695	$ 1,007	$ 15
Receivables and payables, net (b)	25				116			
401(h) accounts restricted for other postretirement benefit obligations	(155)				(158)			
Total PPL Services Corporation Master Trust pension assets	$ 3,887				$ 4,068			

(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, net represents amounts for investments sold/purchased but not yet settled along with interest and dividends earned but not yet received.

A reconciliation of the Master Trust assets classified as Level 3 at December 31, 2021 is as follows:

	Corporate debt	Total
Balance at beginning of period	$ 15	$ 15
Purchases, sales and settlements	5	5
Balance at end of period	$ 20	$ 20

A reconciliation of the Master Trust assets classified as Level 3 at December 31, 2020 is as follows:

	Corporate debt	Insurance contracts	Total
Balance at beginning of period	$ 20	$ 4	$ 24
Purchases, sales and settlements	(5)	(4)	(9)
Balance at end of period	$ 15	$ —	$ 15

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. At December 31, 2021, the Master Trust had unfunded commitments of $111 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 limited partnerships include Term Asset-Backed Securities Loan Facility (TALF) funds. The Master Trust received notice that the TALF funds are liquidating in an orderly manner and distributing capital back to the partners. Therefore, the Master Trust has no unfunded commitment related to the TALF funds. Fair value of the funds 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 investments in 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 2019, obligations underlying an investment in an immediate participation guaranteed group annuity contract, classified as Level 3, were assumed by the insurance company, with a residual amount remaining in the general account of the insurer that was paid into the master trust or distributed to participants in 2020.

Plan Assets - Other Postretirement Benefit Plans

Plan Assets - 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 and the target allocation, by asset class, at December 31 are detailed below.

	Percentage of plan assets		Target Asset Allocation
	2021	2020	2021
Asset Class			
U.S. Equity securities	45%	42%	45%
Debt securities (a)	52%	55%	50%
Cash and cash equivalents (b)	3%	3%	5%
Total	100%	100%	100%

(a) Includes commingled debt funds and debt securities.
(b) Includes money market funds.

The fair value of assets in the other postretirement benefit plans by asset class and level within the fair value hierarchy was:

	December 31, 2021				December 31, 2020			
		Fair Value Measurement Using				Fair Value Measurement Using		
	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3
Money market funds	$ 6	$ 6	$ —	$ —	$ 5	$ 5	$ —	$ —
U.S. Equity securities:								
Large-cap equity fund measure at NAV (a)	96	—	—	—	89	—	—	—
Commingled debt fund measured at NAV (a)	75	—	—	—	77	—	—	—
Debt securities:								
Corporate bonds	38	—	38	—	37	—	37	—
U.S. Treasury and U.S. government sponsored agency	—	—	—	—	2	—	2	—
Total VEBA trust assets, at fair value	215	$ 6	$ 38	$ —	210	$ 5	$ 39	$ —
Receivables and payables, net (b)	(3)				(1)			
401(h) account assets	155				158			
Total other postretirement benefit plan assets	$ 367				$ 367			

(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.

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.

Investments in U.S. Treasury and U.S. government sponsored agencies represent securities included in a portfolio of investment-grade long-duration fixed income. 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 *(PPL)*

PPL does not plan to contribute to its pension plans in 2022, as PPL's defined benefit pension plans have the option to utilize available prior year credit balances to meet current and future contribution requirements.

PPL sponsors various non-qualified supplemental pension plans for which no assets are segregated from corporate assets. PPL expects to make approximately $10 million of benefit payments under these plans in 2022.

PPL is not required to make contributions to its other postretirement benefit plans but has historically funded these plans in amounts equal to the postretirement benefit costs recognized. Continuation of this past practice would cause PPL to contribute $22 million to its other postretirement benefit plans in 2022.

The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid by the plans and the following federal subsidy payments are expected to be received by PPL.

		Other Postretirement	
	Pension	Benefit Payment	Expected Federal Subsidy
2022	$ 207	$ 44	$ 1
2023	207	42	—
2024	204	41	—
2025	204	40	—
2026	202	38	—
2027-2030	946	176	1

Savings Plans *(All Registrants)*

Substantially all employees of PPL's subsidiaries are eligible to participate in deferred savings plans (401(k)s). Employer contributions to the plans were:

	2021	2020	2019
PPL	$ 29	$ 29	$ 30
PPL Electric	5	6	6
LG&E	7	6	6
KU	5	5	5

13. Jointly Owned Facilities

(PPL, LG&E and KU)

At December 31, 2021 and 2020, the Balance Sheets reflect the owned interests in the generating plants listed below.

	Ownership Interest	Electric Plant	Accumulated Depreciation	Construction Work in Progress
PPL				
December 31, 2021				
Trimble County Unit 1	75.00%	$ 457	$ 79	$ —
Trimble County Unit 2	75.00%	1,360	247	121
December 31, 2020				
Trimble County Unit 1	75.00%	$ 440	$ 64	$ 2
Trimble County Unit 2	75.00%	1,340	227	106
LG&E				
December 31, 2021				
E.W. Brown Units 6-7	38.00%	$ 53	$ 24	$ —
Paddy's Run Unit 13 & E.W. Brown Unit 5	53.00%	51	25	—
Trimble County Unit 1	75.00%	457	79	—
Trimble County Unit 2	14.25%	379	57	64
Trimble County Units 5-6	29.00%	36	15	—
Trimble County Units 7-10	37.00%	81	34	—
Cane Run Unit 7	22.00%	125	19	—
E.W. Brown Solar Unit	39.00%	10	2	—
Solar Share	44.00%	2	—	—
December 31, 2020				
E.W. Brown Units 6-7	38.00%	$ 46	$ 22	$ —
Paddy's Run Unit 13 & E.W. Brown Unit 5	53.00%	51	22	—
Trimble County Unit 1	75.00%	440	64	2
Trimble County Unit 2	14.25%	370	51	54
Trimble County Units 5-6	29.00%	33	14	1
Trimble County Units 7-10	37.00%	77	31	1
Cane Run Unit 7	22.00%	123	15	—
E.W. Brown Solar Unit	39.00%	10	2	—
Solar Share	44.00%	2	—	—
KU				
December 31, 2021				
E.W. Brown Units 6-7	62.00%	$ 88	$ 40	$ —
Paddy's Run Unit 13 & E.W. Brown Unit 5	47.00%	45	22	—
Trimble County Unit 2	60.75%	981	190	57
Trimble County Units 5-6	71.00%	84	36	—
Trimble County Units 7-10	63.00%	133	57	—
Cane Run Unit 7	78.00%	444	70	—
E.W. Brown Solar Unit	61.00%	16	4	—
Solar Share	56.00%	3	—	—
December 31, 2020				
E.W. Brown Units 6-7	62.00%	$ 76	$ 37	$ —
Paddy's Run Unit 13 & E.W. Brown Unit 5	47.00%	45	20	—
Trimble County Unit 2	60.75%	970	176	52
Trimble County Units 5-6	71.00%	77	33	4
Trimble County Units 7-10	63.00%	129	53	2
Cane Run Unit 7	78.00%	443	57	2
E.W. Brown Solar Unit	61.00%	16	3	—
Solar Share	56.00%	2	—	—

Each subsidiary owning these interests provides its own funding for its share of the facility. Each 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.

14. Commitments and Contingencies

Energy Purchase Commitments *(PPL, LG&E and KU)*

LG&E and KU enter into purchase contracts to supply the coal and natural gas requirements for generation facilities and LG&E's retail natural gas supply operations. These contracts include the following commitments:

Contract Type	Maximum Maturity Date
Natural Gas Fuel	2024
Natural Gas Retail Supply	2023
Coal	2026
Coal Transportation and Fleeting Services	2027

LG&E and KU have a power purchase agreement with OVEC expiring in June 2040. See footnote (c) to the table in "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:

	LG&E	KU	Total
2022	$ 23	$ 10	$ 33
2023	23	10	33
2024	22	10	32
2025	22	10	32
2026	22	10	32
Thereafter	218	96	314
Total	$ 330	$ 146	$ 476

LG&E and KU had total energy purchases under the OVEC power purchase agreement for the years ended December 31 as follows:

	2021	2020	2019
LG&E	$ 13	$ 12	$ 15
KU	6	6	7
Total	$ 19	$ 18	$ 22

Legal Matters

(All Registrants)

PPL and its subsidiaries are involved in legal proceedings, claims and litigation in the ordinary course of business. PPL and its subsidiaries cannot predict the outcome of such matters, or whether such matters may result in material liabilities, unless otherwise noted.

Talen Litigation *(PPL)*

Background

In September 2013, one of PPL's former subsidiaries, PPL Montana entered into an agreement to sell its hydroelectric generating facilities. In June 2014, PPL and PPL Energy Supply, the parent company of PPL Montana, entered into various definitive agreements with affiliates of Riverstone to spin off PPL Energy Supply and ultimately combine it with Riverstone's competitive power generation businesses to form a stand-alone company named Talen Energy. In November 2014, after executing the spinoff agreements but prior to the closing of the spinoff transaction, PPL Montana closed the sale of its hydroelectric generating facilities. Subsequently, on June 1, 2015, the spinoff of PPL Energy Supply was completed. Following the spinoff transaction, PPL had no continuing ownership interest in or control of PPL Energy Supply. In connection with the spinoff transaction, PPL Montana became Talen Montana, LLC (Talen Montana), a subsidiary of Talen Energy. Talen Energy Marketing also became a subsidiary of Talen Energy as a result of the June 2015 spinoff of PPL Energy Supply. Talen Energy has owned and operated both Talen Montana and Talen Energy Marketing since the spinoff. At the time of the spinoff, affiliates of Riverstone acquired a 35% ownership interest in Talen Energy. Riverstone subsequently acquired the remaining interests in Talen Energy in a take private transaction in December 2016.

Talen Montana Retirement Plan and Talen Energy Marketing, LLC, Individually and on Behalf of All Others Similarly Situated v. PPL Corporation et al.

On October 29, 2018, Talen Montana Retirement Plan and Talen Energy Marketing filed a putative class action complaint on behalf of current and contingent creditors of Talen Montana who allegedly suffered harm or allegedly will suffer reasonably foreseeable harm as a result of the November 2014 distribution of proceeds from the sale of then-PPL Montana's hydroelectric generating facilities. The action was filed in the Sixteenth Judicial District of the State of Montana, Rosebud County, against PPL and certain of its affiliates and current and former officers and directors (Talen Putative Class Action). Plaintiff asserts claims for, among other things, fraudulent transfer, both actual and constructive; recovery against subsequent transferees; civil conspiracy; aiding and abetting tortious conduct; and unjust enrichment. Plaintiff is seeking avoidance of the purportedly fraudulent transfer, unspecified damages, including punitive damages, the imposition of a constructive trust, and other relief. In December 2018, PPL removed the Talen Putative Class Action from the Sixteenth Judicial District of the State of Montana to the United States District Court for the District of Montana, Billings Division (MT Federal Court). In January 2019, the plaintiff moved to remand the Talen Putative Class Action back to state court, and dismissed without prejudice all current and former PPL Corporation directors from the case. In September 2019, the MT Federal Court granted plaintiff's motion to remand the case back to state court. Although, the PPL defendants petitioned the Ninth Circuit Court of Appeals to grant an appeal of the remand decision, in November 2019, the Ninth Circuit Court of Appeals denied that request and in December 2019, Talen Montana Retirement Plan filed a Second Amended Complaint in the Sixteenth Judicial District of the State of Montana, Rosebud County, which removed Talen Energy Marketing as a plaintiff. In January 2020, PPL defendants filed a motion to dismiss the Second Amended Complaint or, in the alternative, to stay the proceedings pending the resolution of the below mentioned Delaware Action. The Court held a hearing on June 24, 2020 regarding the motions. On September 11, 2020, the Court granted PPL defendants' alternative Motion for a Stay of the proceedings.

PPL Corporation et al. vs. Riverstone Holdings LLC, Talen Energy Corporation et al.

On November 30, 2018, PPL, certain PPL affiliates, and certain current and former officers and directors (PPL plaintiffs) filed a complaint in the Court of Chancery of the State of Delaware seeking various forms of relief against Riverstone, Talen Energy and certain of their affiliates (Delaware Action), in response to and as part of the defense strategy for an action filed by Talen Montana, LLC (the Talen Direct Action, since dismissed) and the Talen Putative Class Action described above (together, the Montana Actions) originally filed in Montana state court in October 2018. In the complaint, the PPL plaintiffs ask the Delaware Court of Chancery for declaratory and injunctive relief. This includes a declaratory judgment that, under the separation agreement governing the spinoff of PPL Energy Supply, all related claims that arise must be heard in Delaware; that the statute of limitations in Delaware and the spinoff agreement bar these claims at this time; that PPL is not liable for the claims in either the Talen Direct Action or the Talen Putative Class Action as PPL Montana was solvent at all relevant times; and that the separation agreement requires that Talen Energy indemnify PPL for all losses arising from the debts of Talen Montana, among other things. PPL's complaint also seeks damages against Riverstone for interfering with the separation agreement and against
Riverstone affiliates for breach of the implied covenant of good faith and fair dealing. The complaint was subsequently amended on January 11, 2019 and March 20, 2019, to include, among other things, claims related to indemnification with respect to the Montana Actions, request a declaration that the Montana Actions are time-barred under the spinoff agreements, and allege additional facts to support the tortious interference claim. In April 2019, the defendants filed motions to dismiss the amended complaint. In July 2019, the Court heard oral arguments from the parties regarding the motions to dismiss, and in October 2019, the Delaware Court of Chancery issued an opinion sustaining all of the PPL plaintiffs' claims except for the claim for breach of implied covenant of good faith and fair dealing. As a result of the dismissal of the Talen Direct Action in December 2019, in January 2020, Talen Energy filed a new motion to dismiss five of the remaining eight claims in the amended complaint. The Court heard oral argument on the motion to dismiss on May 28, 2020, and on June 22, 2020, issued an opinion denying the motion in its entirety. Discovery is proceeding, and the parties have filed certain motions and cross-motions for summary judgment, which are not yet scheduled for hearing. The trial was previously scheduled for February 2022, but has been rescheduled for July 2022.

With respect to each of the Talen-related matters described above, PPL believes that the 2014 distribution of proceeds was made in compliance with all applicable laws and that PPL Montana was solvent at all relevant times. Additionally, the agreements entered into in connection with the spinoff, which PPL and affiliates of Talen Energy and Riverstone negotiated and executed prior to the 2014 distribution, directly address the treatment of the proceeds from the sale of PPL Montana's hydroelectric generating facilities; in those agreements, Talen Energy and Riverstone definitively agreed that PPL was entitled to retain the proceeds.

PPL believes that it has meritorious defenses to the claims made in the Talen Putative Class Action and intends to continue to vigorously defend against this action. The Talen Putative Class Action was stayed at an early stage of litigation. While the Delaware Action is progressing, at this time PPL cannot predict the outcome of either of these matters or estimate the range of possible losses, if any, that PPL might incur as a result of the claims, although they could be material.

Cane Run Environmental Claims *(PPL and LG&E)*

In December 2013, six residents, on behalf of themselves and others similarly situated, filed a class action complaint against LG&E and PPL in the U.S. District Court for the Western District of Kentucky (U.S. District Court) alleging violations of the Clean Air Act, RCRA, and common law claims of nuisance, trespass and negligence. In July 2014, the U.S. District Court dismissed the RCRA claims and all but one Clean Air Act claim, but declined to dismiss the common law tort claims. In February 2017, the U.S. District Court dismissed PPL as a defendant and dismissed the final federal claim against LG&E, and in April 2017, issued an Order declining to exercise supplemental jurisdiction on the state law claims dismissing the case in its entirety. In June 2017, the plaintiffs filed a class action complaint in Jefferson County, Kentucky Circuit Court, against LG&E alleging state law nuisance, negligence and trespass tort claims. The plaintiffs sought compensatory and punitive damages for alleged property damage due to purported plant emissions on behalf of a class of residents within one to three miles of the plant. On January 8, 2020, the Jefferson Circuit Court issued an order denying the plaintiffs' request for class certification. On January 14, 2020, the plaintiffs filed a notice of appeal in the Kentucky Court of Appeals. On December 11, 2020, the Court of Appeals issued an order affirming the lower court's denial of class certification. In December 2020, plaintiffs filed a petition for discretionary review with the Kentucky Supreme Court. On April 20, 2021, the Kentucky Supreme Court denied further review of the lower court order. The case was remanded to the Jefferson Circuit Court for the claims of the three remaining petitioners. Settlements with two of the three remaining petitioners were reached with none of the settlements having or expected to have a significant impact on LG&E's operations or financial condition.

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

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 January 2019, KU filed an answer to plaintiffs' complaint in the U.S. District Court. In May 2021, the U.S. District Court issued an order granting KU's motion for summary judgment and dismissed the case. In June 2021, the plaintiffs appealed the district court's order to the U.S. Court of Appeals for the Sixth Circuit. In September 2021, the parties entered into a settlement agreement, providing for dismissal of the appellate proceedings and release of other claims.

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. On May 31, 2021, the KEEC approved the report and released a response to public comments. On August 6, 2021, KU submitted a Supplemental Remedial Alternatives Analysis (SRAA) report to the KEEC that outlines proposed additional fish, water, and sediment testing. KU has submitted a response to the KEEC's comments and expects to undertake the proposed testing in the spring of 2022.

Air *(PPL and LG&E)*

Sulfuric Acid Mist Emissions

In June 2016, the EPA issued a notice of violation under the Clean Air Act alleging that LG&E violated applicable rules relating to sulfuric acid mist emissions at its Mill Creek plant. The notice alleges failure to install proper controls, failure to operate the facility consistent with good air pollution control practice and causing emissions exceeding applicable requirements or constituting a nuisance or endangerment. LG&E believes it has complied with applicable regulations during the relevant time period. On July 31, 2020, the U.S. Department of Justice and Louisville Metro Air Pollution Control District filed a complaint in the U.S. District Court for the Western District of Kentucky alleging violations specified in the EPA notice of violation and seeking civil penalties and injunctive relief. In October 2020, LG&E filed a motion to dismiss the complaint. In December 2020, the U.S. Department of Justice and the Louisville Metro Air Pollution Control District filed an amended complaint. In February 2021, LG&E filed a renewed motion to dismiss regarding the amended complaint. In September 2021, the parties reached a tentative agreement providing for dismissal of the court action, the payment by LG&E of a penalty amount and performance of a supplemental environmental project (SEP). The parties have entered a Consent Decree, which is awaiting approval from the U.S. District Court for the Western District of Kentucky. PPL and LG&E are unable to predict the final outcome of this matter but do not believe the matter, including the agreed penalty and SEP, will have a significant impact on LG&E's operations or financial condition.

Water/Waste *(PPL, LG&E and KU)*

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 rule to postpone the compliance date for certain requirements. On October 13, 2020, the EPA published final revisions to its best available technology standards for certain wastewaters and potential extensions to compliance dates (the Reconsideration Rule). The rule is expected to be implemented by the states or applicable permitting authorities in the course of their normal permitting activities. LG&E and KU are currently implementing responsive compliance strategies and schedules. 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. Certain costs are included in the Registrants' capital plans and expected to be recovered from customers through rate recovery mechanisms, but additional costs and recovery will depend on further regulatory developments at the state level. In August 2021, the EPA published a notice of rulemaking announcing that it will propose revisions to the Reconsideration Rule and determine "whether more stringent limitations and standards are appropriate." Compliance with the Reconsideration Rule is required during the pendency of the rulemaking process.

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. 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. In August 2020, the EPA published a final rule extending the deadline to initiate closure to April 11, 2021, while providing for certain extensions. The EPA is conducting ongoing rulemaking actions regarding various other amendments to the rule. Certain ongoing legal challenges to various provisions of the CCR Rule have been held in abeyance pending review by the EPA pursuant to the President's executive order. PPL, LG&E, and KU are monitoring the EPA's ongoing efforts to refine and implement the regulatory program under the CCR Rule. In January 2022, the EPA issued several proposed regulatory determinations, facility notifications, and public announcements which indicate increased scrutiny by the EPA to determine the adequacy of measures taken by facility owners and operators to achieve closure of CCR surface impoundments and landfills. In particular, the agency indicated that it will focus on certain practices which it views as posing a threat of continuing groundwater contamination. Future guidance, regulatory determinations, rulemakings, and other developments could potentially require revisions to current LG&E and KU compliance plans including additional monitoring and remediation at surface impoundments and landfills, the cost of which could be substantial. PPL, LG&E and KU are unable to predict the outcome of the ongoing litigation, rulemaking, and regulatory determinations or potential impacts on current LG&E and KU compliance plans. The Registrants are 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. LG&E and KU presently operate their facilities under continuing permits authorized under the former program and do not currently anticipate material impacts as a result of the judicial ruling. Associated costs are expected to be subject to rate recovery.

LG&E and KU received KPSC approval for a compliance plan providing for the closure of impoundments at the Mill Creek, Trimble County, E.W. Brown, and Ghent stations, and construction of process water management facilities at those plants. In addition to the foregoing measures required for compliance with the federal CCR rule, KU also received KPSC approval for its plans to close impoundments at the retired Green River, Pineville and Tyrone plants to comply with applicable state law. As of April 2021, LG&E and KU have commenced closure of all of the subject impoundments and have completed closure of some of their smaller impoundments. LG&E and KU generally expect 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, LG&E and KU recorded adjustments to existing AROs beginning in 2015 and continue to record adjustments as required. See Note 20 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 expected to be subject to rate recovery.

(All Registrants)

Superfund and Other Remediation

PPL Electric, LG&E and KU are potentially responsible for investigating and remediating contamination under the federal Superfund program and similar state programs. Actions are under way at certain sites including former coal gas manufacturing plants in Pennsylvania and Kentucky previously owned or operated by, or currently owned by predecessors or affiliates of, PPL Electric, LG&E and KU. PPL Electric is potentially responsible for a share of clean-up costs at certain sites including the Columbia Gas Plant site and the Brodhead site. Cleanup actions have been or are being undertaken at these sites as requested by governmental agencies, the costs of which have not been and are not expected to be significant to PPL Electric.

At December 31, 2021 and December 31, 2020, PPL Electric had a recorded liability of $10 million representing its best estimate of the probable loss incurred to remediate the sites identified above. Depending on the outcome of investigations at identified sites where investigations have not begun or been completed, or developments at sites for which information is incomplete, additional costs of remediation could be incurred. PPL Electric, LG&E and KU lack sufficient information about such additional sites to estimate any potential liability or range of reasonably possible losses, if any, related to these sites. Such costs, however, are not currently expected to be significant.

The EPA is evaluating the risks associated with polycyclic aromatic hydrocarbons and naphthalene, chemical by-products of coal gas manufacturing. As a result, individual states may establish stricter standards for water quality and soil cleanup, that could require several PPL subsidiaries to take more extensive assessment and remedial actions at former coal gas manufacturing plants. The Registrants cannot reasonably estimate a range of possible losses, if any, related to these matters.

Regulatory Issues

See Note 7 for information on regulatory matters related to utility rate regulation.

Electricity - Reliability Standards

The NERC is responsible for establishing and enforcing mandatory reliability standards (Reliability Standards) regarding the bulk electric system in North America. The FERC oversees this process and independently enforces the Reliability Standards.

The Reliability Standards have the force and effect of law and apply to certain users of the bulk electric system, including electric utility companies, generators and marketers. Under the Federal Power Act, the FERC may assess civil penalties for certain violations.

PPL Electric, LG&E and KU monitor their compliance with the Reliability Standards and self-report or self-log potential violations of applicable reliability requirements whenever identified, and submit accompanying mitigation plans, as required. The resolution of a small number of potential violations is pending. Penalties incurred to date have not been significant. Any Regional Reliability Entity determination concerning the resolution of violations of the Reliability Standards remains subject to the approval of the NERC and the FERC.
In the course of implementing their programs to ensure compliance with the Reliability Standards by those PPL affiliates subject to the standards, certain other instances of potential non-compliance may be identified from time to time. The Registrants cannot predict the outcome of these matters, and an estimate or range of possible losses cannot be determined.

Gas - Security Directives *(PPL and LG&E)*

In May and July of 2021, the Department of Homeland Security's (DHS) Transportation Security Administration (TSA) released two security directives applicable to certain notified owners and operators of natural gas pipeline facilities (including local distribution companies) that TSA has determined to be critical. The first security directive required notified owners/operators to implement cybersecurity incident reporting to the DHS, designate a cybersecurity coordinator, and perform a gap assessment of current entity cybersecurity practices against certain voluntary TSA security guidelines and report relevant results and proposed mitigation to applicable DHS agencies. The second security directive requires notified entities to implement a significant number of specified cyber security controls and processes. LG&E does not believe the security directives will have a significant impact on LG&E's operations or financial condition.

Other

Guarantees and Other Assurances

(All Registrants)

In the normal course of business, the Registrants enter into agreements that provide financial performance assurance to third parties on behalf of certain subsidiaries. Examples of such agreements include: guarantees, stand-by letters of credit issued by financial institutions and surety bonds issued by insurance companies. These agreements are entered into primarily to support or enhance the creditworthiness attributed to a subsidiary on a stand-alone basis or to facilitate the commercial activities in which these subsidiaries engage.

(PPL)

PPL fully and unconditionally guarantees all of the debt obligations of PPL Capital Funding.

(All Registrants)

The table below details guarantees provided as of December 31, 2021. "Exposure" represents the estimated maximum potential amount of future payments that could be required to be made under the guarantee. The probability of expected payment/performance under each of these guarantees is remote. For reporting purposes, on a consolidated basis, the guarantees of PPL include the guarantees of its subsidiary Registrants.

	Exposure at December 31, 2021	Expiration Date
PPL		
Indemnifications related to the sale of the U.K. utility business	(a)	
Indemnifications related to certain tax liabilities related to the sale of the U.K. utility business	£ 50 (b)	2028
LG&E and KU		
LG&E and KU obligation of shortfall related to OVEC	(c)	

(a) PPL WPD Limited agreed to provide a standard indemnity regarding "leakage" amounts, which included amounts taken out of the sold assets through dividends, return of capital, bonuses or similar method, received or waived by WPD (or its affiliates defined as members of the Sellers Group in the SPA) during the period from April 1, 2020 through June 14, 2021, except such amounts permitted under the WPD SPA. The amount of the cap on this indemnity was £7,881 million, the amount paid to PPL WPD Limited at closing. This indemnification expired in December 2021 and no claims have been made.

(b) PPL WPD Limited entered into a Tax Deed dated June 9, 2021 in which it agreed to a tax indemnity regarding certain potential tax liabilities of the entities sold with respect to periods prior to the completion of the sale, subject to customary exclusions and limitations. Because National Grid Holdings
One plc, the buyer, agreed to purchase indemnity insurance, the amount of the cap on the indemnity for these liabilities is £1, except with respect to certain surrenders of tax losses, for which the amount of the cap on the indemnity is £50 million.

(c) Pursuant to the OVEC power purchase contract, LG&E and KU are obligated to pay for their share of OVEC's excess debt service, post-retirement and decommissioning costs, as well as any shortfall from amounts included within a demand charge designed and expected to cover these costs over the term of the contract. PPL's proportionate share of OVEC's outstanding debt was $92 million at December 31, 2021, consisting of LG&E's share of $64 million and KU's share of $28 million. 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. OVEC and other entities challenged the contract rejection, the bankruptcy plan confirmation and regulatory aspects of the plan in various forums. In May 2020, OVEC and the relevant sponsor announced a settlement resolving all disputed matters in the bankruptcy and other proceedings, including providing that the sponsor will withdraw its request to reject the power purchase agreement. The settlement was implemented in July 2020.

The Registrants provide other miscellaneous guarantees through contracts entered into in the normal course of business. These guarantees are primarily in the form of indemnification or warranties related to services or equipment and vary in duration. The amounts of these guarantees often are not explicitly stated, and the overall maximum amount of the obligation under such guarantees cannot be reasonably estimated. Historically, no significant payments have been made with respect to these types of guarantees and the probability of payment/performance under these guarantees is remote.

PPL, on behalf of itself and certain of its subsidiaries, maintains insurance that covers liability assumed under contract for bodily injury and property damage. The coverage provides maximum aggregate coverage of $225 million. This insurance may be applicable to obligations under certain of these contractual arrangements.

Risks and Uncertainties *(All Registrants)*

The COVID-19 pandemic has disrupted the U.S. and global economies and continues to present challenges to businesses, communities, workforces, markets and increasingly to supply chains. In the U.S. and throughout the world, governmental authorities have taken actions to contain the spread of the virus and mitigate known or foreseeable impacts. In the Registrants' service territories, 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. Many restrictions that had been imposed have been lifted but may be reenacted in the future. These actions have the potential to adversely impact the Registrants' business and operations, especially if these measures remain in effect for a prolonged period of time.

To date, there has been no material impact on the Registrants' operations, financial condition, liquidity or on their supply chain as a result of COVID-19; however, the duration and severity of the outbreak and its ultimate effects on the global economy, the financial markets, or the Registrants' workforce, customers and suppliers are uncertain. A protracted slowdown of broad sectors of the economy, prolonged or pervasive restrictions on businesses and their workforces, or significant changes in legislation or regulatory policy to address the COVID-19 pandemic all present significant risks to the Registrants. These or other unpredictable events resulting from the pandemic could reduce customer demand for electricity and gas, impact the Registrants' employees and supply chains, result in an increase in certain costs, delay payments or increase bad debts, or result in changes in the fair value of their assets and liabilities, which could materially and adversely affect the Registrants' business, results of operations, financial condition or liquidity.

15. Related Party Transactions

Wholesale Sales and Purchases *(LG&E and KU)*

LG&E and KU jointly dispatch their generation units with the lowest cost generation used to serve their retail customers. When LG&E has excess generation capacity after serving its own retail customers and its generation cost is lower than that of KU, KU purchases electricity from LG&E 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 *(PPL Electric, LG&E and KU)*

PPL Services, PPL EU Services, prior to its merger into PPL Services as of December 31, 2021, and LKS provide the Registrants and each other with administrative, management and support services. For all services companies, the costs of directly assignable and attributable services are charged to the respective recipients as direct support costs. General costs that cannot be directly attributed to a specific entity are allocated and charged to the respective recipients as indirect support costs. PPL Services and PPL EU Services use a three-factor methodology that includes the applicable recipients' invested capital, operation and maintenance expenses and number of employees to allocate indirect costs. PPL Services may also use a ratio of overall direct and indirect costs or a weighted average cost ratio. LKS bases its indirect allocations on the subsidiaries' number of employees, total assets, revenues, number of customers and/or other statistical information. PPL Services, PPL EU Services and LKS charged the following amounts for the years ended December 31, including amounts applied to accounts that are further distributed between capital and expense on the books of the recipients, based on methods that are believed to be reasonable.

	2021	2020	2019
PPL Electric from PPL Services	$ 54	$ 50	$ 59
PPL Electric from PPL EU Services	222	176	152
LG&E from LKS	169	170	160
KU from LKS	179	180	178

In addition to the charges for services noted above, LKS makes payments on behalf of LG&E and KU for fuel purchases and other costs for products or services provided by third parties. LG&E and KU also provide services to each other and to LKS. Billings between LG&E and KU relate to labor and overheads associated with union and hourly employees performing work for the other company, charges related to jointly-owned generating units and other miscellaneous charges. Tax settlements between PPL and LG&E and KU are reimbursed through LKS.

Intercompany Borrowings

(PPL Electric)

PPL Energy Funding maintains a $1,200 million revolving line of credit with a PPL Electric subsidiary. At December 31, 2021, PPL Energy Funding had borrowings outstanding in the amount of $499 million. This balance is reflected in "Notes receivable from affiliate" on the PPL Electric balance sheet. No balance was outstanding at December 31, 2020. The interest rates on borrowings are equal to one-month LIBOR plus a spread. Interest income is reflected in "Interest Income from Affiliate" on the Income Statements.

(LG&E)

LG&E participates in an intercompany money pool agreement whereby LKE and/or KU make available to LG&E funds up to the difference between LG&E's FERC borrowing limit and LG&E's

LG&E participates in an intercompany money pool agreement whereby LKE and/or KU make available to LG&E funds up to the difference between LG&E's FERC borrowing limit and LG&E's commercial paper limit at an interest rate based on the lower of a market index of commercial paper issues and two additional rate options based on LIBOR. LG&E's money pool borrowing limit is $325 million. At December 31, 2021, LG&E had borrowings outstanding from LKE in the amount of $324 million. This balance is reflected in "Notes payable with affiliates" on the LG&E balance sheets. No balances were outstanding at December 31, 2020.

(KU)

KU participates in an intercompany money pool agreement whereby LKE and/or LG&E make available to KU funds up to the difference between KU's FERC borrowing limit and KU's commercial paper limit at an interest rate based on the lower of a market index of commercial paper issues and two additional rate options based on LIBOR. KU's money pool borrowing limit is $300 million. At December 31, 2021, KU had borrowings outstanding from LKE in the amount of $294 million. This balance is reflected in "Notes payable with affiliates" on the KU balance sheets. No balances were outstanding at December 31, 2020.

VEBA Funds Receivable *(PPL Electric)*

In May 2018, PPL received a favorable private letter ruling from the IRS permitting a transfer of excess funds from the PPL Bargaining Unit Retiree Health Plan VEBA to a new subaccount within the VEBA, to be used to pay medical claims of active bargaining unit employees. Based on PPL Electric's participation in PPL's Other Postretirement Benefit plan, PPL Electric was allocated a portion of the excess funds from PPL Services. These funds have been recorded as an intercompany receivable on the Balance Sheets. The receivable balance decreases as PPL Electric pays incurred medical claims and is reimbursed by PPL Services. The intercompany receivable balance associated with these funds was $11 million as of December 31, 2021, of which $10 million was reflected in "Accounts receivable from affiliates" and $1 million was reflected in "Other noncurrent assets" on the Balance Sheets. The intercompany receivable balance associated with these funds was $22 million as of December 31, 2020, of which $10 million was reflected in "Accounts receivable from affiliates" and $12 million was reflected in "Other noncurrent assets" on the Balance Sheets.

Other *(PPL Electric, LG&E and KU)*

See Note 1 for discussions regarding the intercompany tax sharing agreement (for PPL Electric, LG&E and KU) and intercompany allocations of stock-based compensation expense (for PPL Electric). For PPL Electric, LG&E and KU, see Note 12 for discussions regarding intercompany allocations associated with defined benefits.

16. Other Income (Expense) - net

(PPL)

The components of "Other Income (Expense) - net" for the years ended December 31, were:

	2021	2020	2019
Other Income			
Defined benefit plans - non-service credits (Note 12)	$ 21	$ (2)	$ 8
Interest income	12	9	15
AFUDC - equity component	18	20	23
Miscellaneous	10	7	7
Total Other Income	61	34	53
Other Expense			
Charitable contributions	14	3	17
Miscellaneous	32	29	22
Total Other Expense	46	32	39
Other Income (Expense) - net	$ 15	$ 2	$ 14

(PPL Electric)

The components of "Other Income (Expense) - net" for the years ended December 31, were:

	2021	2020	2019
Other Income			
Defined benefit plans - non-service credits (Note 12)	$ 9	$ 4	$ 4
Interest income	—	2	2
AFUDC - equity component	18	19	23
Total Other Income	27	25	29
Other Expense			
Charitable contributions	3	3	3
Miscellaneous	3	4	1
Total Other Expense	6	7	4
Other Income (Expense) - net	$ 21	$ 18	$ 25

17. Fair Value Measurements

(All Registrants)

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (an exit price). A market approach (generally, data from market transactions), an income approach (generally, present value techniques and option-pricing models), and/or a cost approach (generally, replacement cost) are used to measure the fair value of an asset or liability, as appropriate. These valuation approaches incorporate inputs such as observable, independent market data and/or unobservable data that management believes are predicated on the assumptions market participants would use to price an asset or liability. These inputs may incorporate, as applicable, certain risks such as nonperformance risk, which includes credit risk. The fair value of a group of financial assets and liabilities is measured on a net basis. See Note 1 for information on the levels in the fair value hierarchy.

Recurring Fair Value Measurements

The assets and liabilities measured at fair value were:

	December 31, 2021				December 31, 2020			
	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3
PPL								
Assets								
Cash and cash equivalents	$ 3,571	$ 3,571	$ —	$ —	$ 442	$ 442	$ —	$ —
Restricted cash and cash equivalents (a)	1	1	—	—	1	1	—	—

Special use funds (a):								
Money market fund	2	2	—	—	—	—	—	—
Commingled debt fund measured at NAV (b)	22	—	—	—	26	—	—	—
Commingled equity fund measured at NAV (b)	21	—	—	—	25	—	—	—
Total special use funds	45	2	—	—	51	—	—	—
Total assets	$ 3,617	$ 3,574	$ —	$ —	$ 494	$ 443	$ —	$ —
Liabilities								
Price risk management liabilities (c):								
Interest rate swaps	$ 18	$ —	$ 18	$ —	$ 23	$ —	$ 23	$ —
Total price risk management liabilities	$ 18	$ —	$ 18	$ —	$ 23	$ —	$ 23	$ —
PPL Electric								
Assets								
Cash and cash equivalents	$ 21	$ 21	$ —	$ —	$ 40	$ 40	$ —	$ —
Total assets	$ 21	$ 21	$ —	$ —	$ 40	$ 40	$ —	$ —
LG&E								
Assets								
Cash and cash equivalents	$ 9	$ 9	$ —	$ —	$ 7	$ 7	$ —	$ —
Total assets	$ 9	$ 9	$ —	$ —	$ 7	$ 7	$ —	$ —
Liabilities								
Price risk management liabilities:								
Interest rate swaps	$ 18	$ —	$ 18	$ —	$ 23	$ —	$ 23	$ —
Total price risk management liabilities	$ 18	$ —	$ 18	$ —	$ 23	$ —	$ 23	$ —
KU								
Assets								
Cash and cash equivalents	$ 13	$ 13	$ —	$ —	$ 22	$ 22	$ —	$ —
Total assets	$ 13	$ 13	$ —	$ —	$ 22	$ 22	$ —	$ —

(a) Current portion is included in "Other current assets" and long-term portion is included in "Other noncurrent assets" on the Balance Sheets.
(b) In accordance with accounting guidance, certain investments that are measured at fair value using net asset value per share (NAV), or its equivalent, have not been classified in the fair value hierarchy. The fair value amounts presented in the table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statement of financial position.
(c) Current portion is included in "Other current liabilities" and noncurrent portion is included in "Other deferred credits and noncurrent liabilities" on the Balance Sheets.

Special Use Funds

(PPL)

The special use funds are investments restricted for paying active union employee medical costs. In 2018, PPL received a favorable private letter ruling from the IRS permitting a transfer of excess funds from the PPL Bargaining Unit Retiree Health Plan VEBA to a new subaccount within the VEBA to be used to pay medical claims of active bargaining unit employees. The funds are invested primarily in commingled debt and equity funds measured at NAV and are classified as investments in equity securities. Changes in the fair value of the funds are recorded to the Statement of Income.

Price Risk Management Assets/Liabilities - Interest Rate Swaps/Foreign Currency Contracts/Cross-Currency Swaps *(PPL, LG&E and KU)*

To manage interest rate risk, PPL, LG&E and KU use interest rate contracts such as forward-starting swaps, floating-to-fixed swaps and fixed-to-floating swaps. To manage foreign currency exchange risk, PPL uses foreign currency contracts such as forwards, options, and cross-currency swaps that contain characteristics of both interest rate and foreign currency contracts. 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) and forward foreign currency exchange rates (e.g., GBP), 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 *(All Registrants)*

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, 2021		December 31, 2020	
	Carrying Amount (a)	Fair Value	Carrying Amount (a)	Fair Value
PPL	$ 11,140	$ 12,955	$ 14,689	$ 17,774
PPL Electric	4,484	5,272	4,236	5,338
LG&E	2,006	2,363	2,007	2,499
KU	2,618	3,120	2,618	3,334

(a) Amounts are 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.

18. Derivative Instruments and Hedging Activities

Risk Management Objectives

(All Registrants)

PPL has a risk management policy approved by the Board of Directors to manage market risk associated with commodities, interest rates on debt issuances and foreign exchange (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, value-at-risk analyses (VaR, a statistical model that attempts to estimate the value of potential loss over a given holding period under normal market conditions at a given confidence level) and the coordination and reporting of the Enterprise Risk Management program.

Market Risk

Market Risk

Market risk includes the potential loss that may be incurred as a result of price changes associated with a particular financial or commodity instrument as well as market liquidity and volumetric risks. Forward contracts, futures contracts, options, swaps and structured transactions are utilized as part of risk management strategies to minimize unanticipated fluctuations in earnings caused by changes in commodity prices, interest rates and foreign currency exchange rates. Many of these contracts meet the definition of a derivative. All derivatives are recognized on the Balance Sheets at their fair value, unless NPNS is elected.

The following summarizes the market risks that affect PPL and its subsidiaries.

Interest Rate Risk

- PPL and its subsidiaries are exposed to interest rate risk associated with forecasted fixed-rate and existing floating-rate debt issuances. Prior to the sale of the U.K. utility business on June 14, 2021, PPL and WPD held over-the-counter cross currency swaps to limit exposure to market fluctuations on interest and principal payments from changes in foreign currency exchange rates and interest rates. PPL and LG&E utilize over-the-counter interest rate swaps to limit exposure to market fluctuations on floating-rate debt. PPL, LG&E and KU utilize forward starting interest rate swaps to hedge changes in benchmark interest rates, when appropriate, in connection with future debt issuances.
- PPL and its subsidiaries are exposed to interest rate risk associated with debt securities and derivatives held by defined benefit plans. This risk is significantly mitigated to the extent that the plans are sponsored at, or sponsored on behalf of, the regulated domestic utilities and, prior to the sale of the U.K. utility business on June 14, 2021, for certain plans at WPD due to the recovery methods in place.

Foreign Currency Risk (PPL)

- PPL was exposed to foreign currency exchange risk primarily associated with its investments in and earnings of U.K. affiliates.

(All Registrants)

Commodity Price Risk

PPL is exposed to commodity price risk through its domestic subsidiaries as described below.
- PPL Electric is required to purchase electricity to fulfill its obligation as a PLR. Potential commodity price risk is insignificant and mitigated through its PUC-approved cost recovery mechanism and full-requirement supply agreements to serve its PLR customers which transfer the risk to energy suppliers.
- LG&E's and KU's rates include certain mechanisms for fuel, fuel-related expenses and energy purchases. In addition, LG&E's rates include a mechanism for natural gas supply expenses. These mechanisms generally provide for timely recovery of market price fluctuations associated with these expenses.

Volumetric Risk

Volumetric risk is the risk related to the changes in volume of retail sales due to weather, economic conditions or other factors. PPL is exposed to volumetric risk through its subsidiaries as described below.

- WPD was exposed to volumetric risk which was significantly mitigated as a result of the method of regulation in the U.K.
- PPL Electric, LG&E and KU are exposed to volumetric risk on retail sales, mainly due to weather and other economic conditions for which there is limited mitigation between rate cases.

Equity Securities Price Risk

- PPL and its subsidiaries are exposed to equity securities price risk associated with the fair value of the defined benefit plans' assets. This risk is significantly mitigated due to the recovery methods in place.
- PPL is exposed to equity securities price risk from future stock sales and/or purchases.

Credit Risk

Credit risk is the potential loss that may be incurred due to a counterparty's non-performance.

PPL is exposed to credit risk from "in-the-money" transactions with counterparties, as well as additional credit risk through certain of its subsidiaries, as discussed below.

In the event a supplier of PPL Electric, LG&E or KU defaults on its obligation, those Registrants would be required to seek replacement power or replacement fuel in the market. In general, subject to regulatory review or other processes, appropriate incremental costs incurred by these entities would be recoverable from customers through applicable rate mechanisms, thereby mitigating the financial risk for these entities.

PPL and its subsidiaries have credit policies in place to manage credit risk, including the use of an established credit approval process, daily monitoring of counterparty positions and the use of master netting agreements or provisions. These agreements generally include credit mitigation provisions, such as margin, prepayment or collateral requirements. PPL and its subsidiaries may request additional credit assurance, in certain circumstances, 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.

Master Netting Arrangements *(PPL, LG&E and KU)*

Net derivative positions on the balance sheets are not offset against the right to reclaim cash collateral (a receivable) or the obligation to return cash collateral (a payable) under master netting arrangements.

PPL had no obligation and an immaterial obligation to return cash collateral under master netting arrangements at December 31, 2021 and 2020.

PPL had no obligation to post cash collateral under master netting arrangements at December 31, 2021 and 2020.
LG&E and KU had no obligation to return cash collateral under master netting arrangements at December 31, 2021 and 2020.

LG&E and KU had no cash collateral posted under master netting arrangements at December 31, 2021 and 2020.

See "Offsetting Derivative Instruments" below for a summary of derivative positions presented in the balance sheets where a right of setoff exists under these arrangements.

Interest Rate Risk

(All Registrants)

PPL and its subsidiaries issue debt to finance their operations, which exposes them to interest rate risk. A variety of financial derivative instruments are utilized to adjust the mix of fixed and floating

PPL and its subsidiaries issue debt to finance their operations, which exposes them to interest rate risk. A variety of financial derivative instruments are utilized to adjust the mix of fixed and floating interest rates in their debt portfolios, adjust the duration of the debt portfolios and lock in benchmark interest rates in anticipation of future financing, when appropriate. Risk limits under PPL's risk management program are designed to balance risk exposure to volatility in interest expense and changes in the fair value of the debt portfolio due to changes in benchmark interest rates. In addition, the interest rate risk of certain subsidiaries is potentially mitigated as a result of the existing regulatory framework or the timing of rate cases.

Cash Flow Hedges *(PPL)*

Interest rate risks include exposure to adverse interest rate movements for outstanding variable rate debt and for future anticipated financings. Financial interest rate swap contracts that qualify as cash flow hedges may be entered into to hedge floating interest rate risk associated with both existing and anticipated debt issuances. PPL had no such contracts at December 31, 2021.

As of December 31, 2021, PPL had no aggregate notional value in cross-currency interest rate swap contracts. In March 2021, $500 million of WPD's U.S. dollar-denominated senior notes were repaid prior to maturity and $500 million notional value of cross-currency interest rate swap contracts matured.

Cash flow hedges are discontinued if it is no longer probable that the original forecasted transaction will occur by the end of the originally specified time period and any amounts previously recorded in AOCI are reclassified into earnings once it is determined that the hedged transaction is not probable of occurring.

For 2021, 2020 and 2019, PPL had no cash flow hedges reclassified into earnings associated with discontinued cash flow hedges.

At December 31, 2021, the amount of accumulated net unrecognized after-tax gains (losses) on qualifying derivatives expected to be reclassified into earnings during the next 12 months is insignificant. Amounts are reclassified as the hedged interest expense is recorded.

Economic Activity *(PPL and LG&E)*

LG&E enters into interest rate swap contracts that economically hedge interest payments. Because realized gains and losses from the swaps, including terminated swap contracts, are recoverable through regulated rates, any subsequent changes in fair value of these derivatives are included in regulatory assets or liabilities until they are realized as interest expense. Realized gains and losses are recognized in "Interest Expense" on the Statements of Income at the time the underlying hedged interest expense is recorded. At December 31, 2021, LG&E held contracts with a notional amount of $64 million that mature in 2033.

Foreign Currency Risk

(PPL)

PPL was exposed to foreign currency risk, primarily through investments in and earnings of U.K affiliates. PPL has adopted a foreign currency risk management program designed to hedge certain foreign currency exposures, including firm commitments, recognized assets or liabilities, anticipated transactions, including the sale of its U.K utility business and net investments. In addition, PPL entered into financial instruments to protect against foreign currency translation risk of expected GBP earnings.

Net Investment Hedges

PPL entered into foreign currency contracts on behalf of a subsidiary to protect the value of a portion of its net investment in WPD. There were no contracts outstanding at December 31, 2021.

At December 31, 2020, PPL had $33 million of accumulated net investment hedge after tax gains (losses) that were included in the foreign currency translation adjustment component of AOCI. The remaining balance was transferred out of AOCI and
realized in discontinued operations as a result of the sale of the U.K. utility business.

Economic Activity

PPL entered into foreign currency contracts on behalf of subsidiaries to economically hedge foreign-denominated anticipated earnings and anticipated transactions, including the sale of its U.K. utility business.

Accounting and Reporting

(All Registrants)

All derivative instruments are recorded at fair value on the Balance Sheet as an asset or liability unless the Normal Purchase Normal Sale scope exception (NPNS) is elected. NPNS contracts include certain full-requirement purchase contracts and other physical purchase contracts. Changes in the fair value of derivatives not designated as NPNS are recognized in earnings unless specific hedge accounting criteria are met and designated as such, except for the changes in fair values of LG&E's interest rate swaps that are recognized as regulatory assets or regulatory liabilities. See Note 7 for amounts recorded in regulatory assets and regulatory liabilities at December 31, 2021 and 2020.

See Note 1 for additional information on accounting policies related to derivative instruments.

(PPL)

The following table presents the fair value and location of derivative instruments recorded on the Balance Sheets:

	December 31, 2021				December 31, 2020			
	Derivatives designated as hedging instruments		Derivatives not designated as hedging instruments		Derivatives designated as hedging instruments		Derivatives not designated as hedging instruments	
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
Current:								
Price Risk Management Assets/Liabilities (a):								
Interest rate swaps (b)	$ —	$ —	$ —	$ 1	$ —	$ —	$ —	$ 2
Cross-currency swaps (c)	—	—	—	—	94	—	—	—
Foreign currency contracts (c)	—	—	—	—	—	—	—	137
Total current	—	—	—	1	94	—	—	139
Noncurrent:								
Price Risk Management Assets/Liabilities (a):								
Interest rate swaps (b)	—	—	—	17	—	—	—	21
Cross-currency swaps (c)	—	—	—	—	52	—	—	—
Total noncurrent	—	—	—	17	52	—	—	21
Total derivatives	$ —	$ —	$ —	$ 18	$ 146	$ —	$ —	$ 160

(a) Current portion is included in "Price risk management assets" and "Other current liabilities" and noncurrent portion is included in "Price risk management assets" and "Other deferred credits and noncurrent liabilities" on the Balance Sheets.
(b) Excludes accrued interest, if applicable.
(c) Included in "Current assets held for sale" and "Current liabilities held for sale" on the Balance Sheet.

The following tables present the pre-tax effect of derivative instruments recognized in income, OCI or regulatory assets and regulatory liabilities:

Derivative Relationships	Derivative Gain (Loss) Recognized in OCI	Location of Gain (Loss) Recognized in Income on Derivative	Gain (Loss) Reclassified from AOCI into Income
2021			
Cash Flow Hedges:			
Interest rate swaps	$ —	Interest Expense	$ 11
		Income (Loss) from Discontinued operations (net of taxes)	(2)
Cross-currency swaps	(50)	Income (Loss) from Discontinued operations (net of taxes)	(39)
Total	$ (50)		$ (30)
Net Investment Hedges:			
Foreign currency contracts in Discontinued operations	$ 1		
2020			
Cash Flow Hedges:			
Interest rate swaps	$ (9)	Interest Expense	$ (8)
		Income (Loss) from Discontinued operations (net of taxes)	(2)
Cross-currency swaps	(15)	Income (Loss) from Discontinued operations (net of taxes)	(22)
Total	$ (24)		$ (32)
Net Investment Hedges:			
Foreign currency contracts in Discontinued operations	$ 1		
2019			
Cash Flow Hedges:			
Interest rate swaps	$ (30)	Interest Expense	$ (9)
Cross-currency swaps	17	Income (Loss) from Discontinued operations (net of taxes)	(9)
Total	$ (13)		$ (18)
Net Investment Hedges:			
Foreign currency contracts in Discontinued operations	$ 2		

Derivatives Not Designated as Hedging Instruments	Location of Gain (Loss) Recognized in Income on Derivative	2021	2020	2019
Foreign currency contracts	Income (Loss) from Discontinued Operations (net of taxes)	$ (266)	$ (98)	$ (14)
Interest rate swaps	Interest Expense	(2)	(5)	(5)
	Total	$ (268)	$ (103)	$ (19)

Derivatives Not Designated as Hedging Instruments	Location of Gain (Loss) Recognized as Regulatory Liabilities/Assets	2021	2020	2019
Interest rate swaps	Regulatory assets - noncurrent	$ 5	$ (2)	$ (1)

The following table presents the effect of cash flow hedge activity on the Statement of Income for the year ended December 31, 2021:

	Location and Amount of Gain (Loss) Recognized in Income on Hedging Relationships	
	Interest Expense	Income (Loss) from Discontinued Operations (net of income taxes)
Total income and expense line items presented in the income statement in which the effect of cash flow hedges are recorded	$ 918	$ (1,498)
The effects of cash flow hedges:		
Gain (Loss) on cash flow hedging relationships:		
Interest rate swaps:		
Amount of gain (loss) reclassified from AOCI to income	11	(2)
Cross-currency swaps:		
Hedged items	—	39
Amount of gain (loss) reclassified from AOCI to income	—	(39)

The following table presents the effect of cash flow hedge activity on the Statement of Income for the year ended December 31, 2020:

	Location and Amount of Gain (Loss) Recognized in Income on Hedging Relationships	
	Interest Expense	Income (Loss) from Discontinued Operations (net of income taxes)
Total income and expense line items presented in the income statement in which the effect of cash flow hedges are recorded	$ 634	$ 829
The effects of cash flow hedges:		
Gain (Loss) on cash flow hedging relationships:		
Interest rate swaps:		
Amount of gain (loss) reclassified from AOCI to income	(8)	(2)
Cross-currency swaps:		
Hedged items	—	22
Amount of gain (loss) reclassified from AOCI to income	—	(22)

The following table presents the effect of cash flow hedge activity on the Statement of Income for the year ended December 31,2019:

Location and Amount of Gain (Loss) Recognized in Income on Hedging Relationships

	Interest Expense	Income (Loss) from Discontinued Operations (net of income taxes)
Total income and expense line items presented in the income statement in which the effect of cash flow hedges are recorded	$ 621	$ 1,010
The effects of cash flow hedges:		
Gain (Loss) on cash flow hedging relationships:		
Interest rate swaps:		
Amount of gain (loss) reclassified from AOCI to income	(9)	—
Cross-currency swaps:		
Hedged items	—	9
Amount of gain (loss) reclassified from AOCI to income	—	(9)

(LG&E)

The following table presents the fair value and the location on the Balance Sheets of derivatives not designated as hedging instruments:

	December 31, 2021		December 31, 2020	
	Assets	Liabilities	Assets	Liabilities
Current:				
Price Risk Management Assets/Liabilities:				
Interest rate swaps	$ —	$ 1	$ —	$ 2
Total current	—	1	—	2
Noncurrent:				
Price Risk Management Assets/Liabilities:				
Interest rate swaps	—	17	—	21
Total noncurrent	—	17	—	21
Total derivatives	$ —	$ 18	$ —	$ 23

The following tables present the pre-tax effect of derivatives not designated as cash flow hedges that are recognized in income or regulatory assets:

Derivative Instruments	Location of Gain (Loss)	2021	2020	2019
Interest rate swaps	Interest Expense	$ (2)	$ (5)	$ (5)

Derivative Instruments	Location of Gain (Loss)	2021	2020	2019
Interest rate swaps	Regulatory assets - noncurrent	$ 5	$ (2)	$ (1)

(PPL, LG&E and KU)

Offsetting Derivative Instruments

PPL, LG&E and KU or certain of their subsidiaries have master netting arrangements in place and also enter into agreements pursuant to which they purchase or sell certain energy and other products. Under the agreements, upon termination of the agreement as a result of a default or other termination event, the non-defaulting party typically would have a right to set off amounts owed under the agreement against any other obligations arising between the two parties (whether under the agreement or not), whether matured or contingent and irrespective of the currency, place of payment or place of booking of the obligation.

PPL, LG&E and KU have elected not to offset derivative assets and liabilities and not to offset net derivative positions against the right to reclaim cash collateral pledged (an asset) or the obligation to return cash collateral received (a liability) under derivatives agreements. The table below summarizes the derivative positions presented in the balance sheets where a right of setoff exists under these arrangements and related cash collateral received or pledged.

	Assets				Liabilities			
		Eligible for Offset				Eligible for Offset		
	Gross	Derivative Instruments	Cash Collateral Received	Net	Gross	Derivative Instruments	Cash Collateral Pledged	Net
December 31, 2021								
Treasury Derivatives								
PPL	$ —	$ —	$ —	$ —	$ 18	$ —	$ —	$ 18
LG&E	—	—	—	—	18	—	—	18
December 31, 2020								
Treasury Derivatives								
PPL	$ 146	$ 34	$ —	$ 112	$ 160	$ 34	$ —	$ 126
LG&E	—	—	—	—	23	—	—	23

Credit Risk-Related Contingent Features

Certain derivative contracts contain credit risk-related contingent features which, when in a net liability position, would permit the counterparties to require the transfer of additional collateral upon a decrease in the credit ratings of PPL, LG&E and KU or certain of their subsidiaries. Most of these features would require the transfer of additional collateral or permit the counterparty to terminate the contract if the applicable credit rating were to fall below investment grade. Some of these features also would allow the counterparty to require additional collateral upon each downgrade in credit rating at levels that remain above investment grade. In either case, if the applicable credit rating were to fall below investment grade, and assuming no assignment to an investment grade affiliate were allowed, most of these credit contingent features require either immediate payment of the net liability as a termination payment or immediate and ongoing full collateralization on derivative instruments in net liability positions.

Additionally, certain derivative contracts contain credit risk-related contingent features that require adequate assurance of performance be provided if the other party has reasonable concerns regarding the performance of PPL's, LG&E's and KU's obligations under the contracts. A counterparty demanding adequate assurance could require a transfer of additional collateral or other security, including letters of credit, cash and guarantees from a creditworthy entity. This would typically involve negotiations among the parties. However, amounts disclosed below represent assumed immediate payment or immediate and ongoing full collateralization for derivative instruments in net liability positions with "adequate assurance" features.

(PPL)

At December 31, 2021, there were no derivative contracts in a net liability position that contain credit risk-related contingent features, collateral posted on those positions and the related effect of a decrease in credit ratings below investment grade

19. Goodwill and Other Intangible Assets

Goodwill

(PPL)

Goodwill for the Kentucky Regulated segment was $662 million at December 31, 2021 and 2020. Goodwill for Corporate and Other was $53 million at December 31, 2021 and 2020. There were no accumulated impairment losses related to goodwill.

Other Intangible Assets

(PPL)

The gross carrying amount and the accumulated amortization of other intangible assets were:

	December 31, 2021		December 31, 2020	
	Gross Carrying Amount	Accumulated Amortization	Gross Carrying Amount	Accumulated Amortization
Subject to amortization:				
Contracts (a)	$ 125	$ 90	$ 125	$ 82
Land rights and easements	406	135	401	133
Licenses and other	20	6	21	4
Total subject to amortization	551	231	547	219
Not subject to amortization due to indefinite life:				
Land rights and easements	17	—	17	—
Other	6	—	6	—
Total not subject to amortization due to indefinite life	23	—	23	—
Total	$ 574	$ 231	$ 570	$ 219

(a) Gross carrying amount in 2021 and 2020 includes the fair value at the acquisition date of the OVEC power purchase contract with terms favorable to market recognized as a result of the 2010 acquisition of LKE by PPL.

Current intangible assets are included in "Other current assets" and long-term intangible assets are included in "Other intangibles" on the Balance Sheets.

Amortization expense was as follows:

	2021	2020	2019
Intangible assets with no regulatory offset	$ 9	$ 7	$ 6
Intangible assets with regulatory offset	8	8	9
Total	$ 17	$ 15	$ 15

Amortization expense for each of the next five years is estimated to be:

	2022	2023	2024	2025	2026
Intangible assets with no regulatory offset	$ 5	$ 5	$ 5	$ 5	$ 5
Intangible assets with regulatory offset	8	8	9	9	2
Total	$ 13	$ 13	$ 14	$ 14	$ 7

(PPL Electric)

The gross carrying amount and the accumulated amortization of other intangible assets were:

	December 31, 2021		December 31, 2020	
	Gross Carrying Amount	Accumulated Amortization	Gross Carrying Amount	Accumulated Amortization
Subject to amortization:				
Land rights and easements	$ 382	$ 130	$ 379	$ 129
Licenses and other	2	1	2	1
Total subject to amortization	384	131	381	130
Not subject to amortization due to indefinite life:				
Land rights and easements	17	—	17	—
Total	$ 401	$ 131	$ 398	$ 130

Intangible assets are shown as "Intangibles" on the Balance Sheets.

Amortization expense was as follows:

	2021	2020	2019
Intangible assets with no regulatory offset	$ 4	$ 4	$ 4

Amortization expense for each of the next five years is estimated to be:

	2022	2023	2024	2025	2026
Intangible assets with no regulatory offset	$ 4	$ 4	$ 4	$ 4	$ 4

(LG&E)

The gross carrying amount and the accumulated amortization of other intangible assets were:

	December 31, 2021		December 31, 2020	
	Gross Carrying Amount	Accumulated Amortization	Gross Carrying Amount	Accumulated Amortization
Subject to amortization:				

Land rights and easements	$ 7	$ 1	$ 7	$ 1
OVEC power purchase agreement (a)	86	62	86	57
Total subject to amortization	$ 93	$ 63	$ 93	$ 58

(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 7 for additional information.

Long-term intangible assets are presented as "Other intangibles" on the Balance Sheets.

Amortization expense was as follows:

	2021	2020	2019
Intangible assets with regulatory offset	$ 5	$ 6	$ 6

Amortization expense for each of the next five years is estimated to be:

	2022	2023	2024	2025	2026
Intangible assets with regulatory offset	$ 6	$ 6	$ 6	$ 6	$ 1

(KU)

The gross carrying amount and the accumulated amortization of other intangible assets were:

	December 31, 2021		December 31, 2020	
	Gross Carrying Amount	Accumulated Amortization	Gross Carrying Amount	Accumulated Amortization
Subject to amortization:				
Land rights and easements	$ 16	$ 4	$ 15	$ 3
OVEC power purchase agreement (a)	39	28	39	25
Total subject to amortization	$ 55	$ 32	$ 54	$ 28

(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 7 for additional information.

Long-term intangible assets are presented as "Other intangibles" on the Balance Sheets.

Amortization expense was as follows:

	2021	2020	2019
Intangible assets with no regulatory offset	$ 1	$ —	$ —
Intangible assets with regulatory offset	3	2	3

Amortization expense for each of the next five years is estimated to be:

	2022	2023	2024	2025	2026
Intangible assets with regulatory offset	$ 2	$ 2	$ 3	$ 3	$ 1

20. Asset Retirement Obligations

(PPL and PPL Electric)

PPL Electric has identified legal retirement obligations for the retirement of certain transmission assets that could not be reasonably estimated due to indeterminable settlement dates. These assets are located on rights-of-way that allow the grantor to require PPL Electric to relocate or remove the assets. Since this option is at the discretion of the grantor of the right-of-way, PPL Electric is unable to determine when these events may occur.

(PPL, LG&E and KU)

PPL's, LG&E's and KU's ARO liabilities are primarily related to CCR closure costs. See Note 14 for information on the CCR rule. LG&E also has AROs related to natural gas mains and wells. LG&E's and KU's transmission and distribution lines largely operate under perpetual property easement agreements, which do not generally require restoration upon removal of the property. Therefore, no material AROs are recorded for transmission and distribution assets. For LG&E and KU, all ARO accretion and depreciation expenses are reclassified as a regulatory asset or regulatory liability. ARO regulatory assets associated with certain CCR projects are amortized to expense in accordance with regulatory approvals. For other AROs, deferred accretion and depreciation expense is recovered through cost of removal.

The changes in the carrying amounts of AROs were as follows:

	PPL		LG&E		KU	
	2021	2020	2021	2020	2021	2020
ARO at beginning of period	$ 182	$ 215	$ 67	$ 73	$ 115	$ 142
Accretion	16	15	5	5	11	10
Changes in estimated timing or cost	56	40	40	13	16	27
Obligations settled	(65)	(88)	(28)	(24)	(37)	(64)
ARO at end of period	$ 189	$ 182	$ 84	$ 67	$ 105	$ 115

21. Accumulated Other Comprehensive Income (Loss)

(PPL)

The after-tax changes in AOCI by component for the years ended December 31 were as follows:

			Defined benefit plans		
	Foreign currency translation adjustments	Unrealized gains (losses) on qualifying derivatives	Prior service costs	Actuarial gain (loss)	Total
PPL					
December 31, 2018	$ (1,533)	$ (7)	$ (19)	$ (2,405)	$ (3,964)
Amounts arising during the year	108	(11)	(1)	(592)	(496)

Reclassifications from AOCI	—	13	2	87	102
Net OCI during the year	108	2	1	(505)	(394)
December 31, 2019	$ (1,425)	$ (5)	$ (18)	$ (2,910)	$ (4,358)
Amounts arising during the year	267	(19)	(1)	(341)	(94)
Reclassifications from AOCI	—	24	3	205	232
Net OCI during the year	267	5	2	(136)	138
December 31, 2020	$ (1,158)	$ —	$ (16)	$ (3,046)	$ (4,220)
Amounts arising during the year	372	(39)	—	(1)	332
Reclassifications from AOCI	—	25	2	126	153
Reclassifications from AOCI due to the sale of the U.K. utility business (Note 9)	786	15	8	2,769	3,578
Net OCI during the year	1,158	1	10	2,894	4,063
December 31, 2021	$ —	$ 1	$ (6)	$ (152)	$ (157)

The following table presents PPL's gains (losses) and related income taxes for reclassifications from AOCI for the years ended December 31, 2021, 2020 and 2019. The defined benefit plan components of AOCI are not reflected in their entirety in the statement of income; rather, they are included in the computation of net periodic defined benefit costs (credits) and subject to capitalization. See Note 12 for additional information.

	PPL			
Details about AOCI	**2021**	**2020**	**2019**	**Affected Line Item on the Statements of Income**
Qualifying derivatives				
Interest rate swaps	$ 11	$ (8)	$ (9)	Interest Expense
	(2)	(2)	—	Income (Loss) from Discontinued Operations (net of income taxes)
Cross-currency swaps	(39)	(22)	(9)	Income (Loss) from Discontinued Operations (net of income taxes)
Total Pre-tax	(30)	(32)	(18)	
Income Taxes	5	8	5	
Total After-tax	(25)	(24)	(13)	
Defined benefit plans				
Prior service costs	(3)	(4)	(3)	
Net actuarial loss	(159)	(256)	(109)	
Total Pre-tax	(162)	(260)	(112)	
Income Taxes	34	52	23	
Total After-tax	(128)	(208)	(89)	
Sale of the U.K. utility business (Note 9)				
Foreign currency translation adjustments	(646)	—	—	Income (Loss) from Discontinued Operations (net of income taxes)
Qualifying derivatives	(15)	—	—	Income (Loss) from Discontinued Operations (net of income taxes)
Defined benefit plans	(3,577)	—	—	Income (Loss) from Discontinued Operations (net of income taxes)
Total Pre-tax	(4,238)	—	—	
Income Taxes	660	—	—	
Total After-tax	(3,578)	—	—	
Total reclassifications during the year	$ (3,731)	$ (232)	$ (102)	

22. Notes to Statement of Cash Flows

Supplemental disclosures of cash flow information:

	KU		LG&E	
	December 31, 2021	**December 31, 2020**	**December 31, 2021**	**December 31, 2020**
Cash paid (received) during the period for:				
Income taxes	$ 72	$ 44	$ 52	$ 63
Interest	105	109	77	82
Significant noncash transactions:				
Accrued expenditures for property, plant, and equipment	67	40	60	60

23. Subsequent Events

Management has evaluated the impact of events occurring after December 31, 2021 up to February 18, 2022, the date that LG&E's U.S. GAAP financial statements were issued and has updated such evaluation for disclosure purposes through March 28, 2022. These financial statements include all necessary adjustments and disclosures resulting from these evaluations.

Name of Respondent: Louisville Gas and Electric Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 03/28/2022	Year/Period of Report End of: 2021/ 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)	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 116, Line 78) (i)	Total Comprehensiv Income (j)
1	Balance of Account 219 at Beginning of Preceding Year									
2	Preceding Quarter/Year to Date Reclassifications from Account 219 to Net Income									
3	Preceding Quarter/Year to Date Changes in Fair Value									
4	Total (lines 2 and 3)								243,412,154	
5	Balance of Account 219 at End of Preceding Quarter/Year									
6	Balance of Account 219 at Beginning of Current Year									
7	Current Quarter/Year to Date Reclassifications from Account 219 to Net Income									
8	Current Quarter/Year to Date Changes in Fair Value									
9	Total (lines 7 and 8)								249,123,454	
10	Balance of Account 219 at End of Current Quarter/Year									

Name of Respondent: Louisville Gas and Electric Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 03/28/2022	Year/Period of Report End of: 2021/ 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)	Gas (d)	Other (Specify) (e)	Other (Specify) (f)	Other (Specify) (g)	Common (h)
1	UTILITY PLANT							
2	In Service							
3	Plant in Service (Classified)	7,398,347,125	5,770,506,190	1,373,226,403				254,614,532
4	Property Under Capital Leases	15,398,900	(a)1,704,871					(b)13,694,029
5	Plant Purchased or Sold							
6	Completed Construction not Classified	968,578,612	645,350,540	254,560,152				68,667,920
7	Experimental Plant Unclassified							
8	Total (3 thru 7)	8,382,324,637	6,417,561,601	1,627,786,555				336,976,481
9	Leased to Others							
10	Held for Future Use	2,903,134	2,903,134					
11	Construction Work in Progress	245,669,757	181,039,556	41,028,880				23,601,321
12	Acquisition Adjustments							
13	Total Utility Plant (8 thru 12)	8,630,897,528	6,601,504,291	1,668,815,435				360,577,802
14	Accumulated Provisions for Depreciation, Amortization, & Depletion	2,611,131,405	2,069,924,039	410,416,634				130,790,732
15	Net Utility Plant (13 less 14)	6,019,766,123	4,531,580,252	1,258,398,801				229,787,070
16	DETAIL OF ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION AND DEPLETION							
17	In Service:							
18	Depreciation	2,567,426,568	2,069,924,039	410,416,233				87,086,296
19	Amortization and Depletion of Producing Natural Gas Land and Land Rights							

20	Amortization of Underground Storage Land and Land Rights	401		401				
21	Amortization of Other Utility Plant	43,704,436						43,704,436
22	Total in Service (18 thru 21)	2,611,131,405	2,069,924,039	410,416,634				130,790,732
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	Amortization of Plant Acquisition Adjustment							
33	Total Accum Prov (equals 14) (22,26,30,31,32)	2,611,131,405	2,069,924,039	410,416,634				130,790,732

Name of Respondent: Louisville Gas and Electric Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 03/28/2022	Year/Period of Report End of: 2021/ Q4

FOOTNOTE DATA

(a) Concept: UtilityPlantInServicePropertyUnderCapitalLeases

Amounts represent operating leases recorded as a result of adoption and implementation of ASC 842 - Leases.

(b) Concept: UtilityPlantInServicePropertyUnderCapitalLeases

Amounts represent operating leases recorded as a result of adoption and implementation of ASC 842 - Leases.

Name of Respondent: Louisville Gas and Electric Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 03/28/2022	Year/Period of Report End of: 2021/ 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)	Changes during Year Amortization (d)	Changes during Year Other Reductions (Explain in a footnote) (e)	Balance End of Year (f)
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: Louisville Gas and Electric Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 03/28/2022	Year/Period of Report End of: 2021/ 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 the 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) 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.

Line No.	Account (a)	Balance Beginning of Year (b)	Additions (c)	Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)
1	1. INTANGIBLE PLANT						
2	(301) Organization	2,240					2,240
3	(302) Franchise and Consents						
4	(303) Miscellaneous Intangible Plant						
5	TOTAL Intangible Plant (Enter Total of lines 2, 3, and 4)	2,240					2,240
6	2. PRODUCTION PLANT						
7	A. Steam Production Plant						
8	(310) Land and Land Rights	10,581,050	592,935				11,173,985
9	(311) Structures and Improvements	286,016,335	4,927,181	9,770,475			281,173,041
10	(312) Boiler Plant Equipment	2,673,624,900	65,939,118	14,014,824			2,725,549,194
11	(313) Engines and Engine-Driven Generators						
12	(314) Turbogenerator Units	239,308,391	9,532,552	1,464,248			247,376,695
13	(315) Accessory Electric Equipment	186,559,933	3,006,049	437,245		1,577,026	190,705,763
14	(316) Misc. Power Plant Equipment	24,297,831	1,955,216	564,118			25,688,929

15	(317) Asset Retirement Costs for Steam Production	56,309,536	11,978,571	28,179,705			40,108,402
16	TOTAL Steam Production Plant (Enter Total of lines 8 thru 15)	3,476,697,976	97,931,622	54,430,615		1,577,026	3,521,776,009
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	6					6
28	(331) Structures and Improvements	6,799,202	164,123	217,177			6,746,148
29	(332) Reservoirs, Dams, and Waterways	19,396,784		7,614			19,389,170
30	(333) Water Wheels, Turbines, and Generators	114,618,510		27,349			114,591,161
31	(334) Accessory Electric Equipment	6,648,974	2,346,588	1,848,317		155,678	7,302,923
32	(335) Misc. Power Plant Equipment	280,142	44,882				325,024
33	(336) Roads, Railroads, and Bridges	12,119					12,119
34	(337) Asset Retirement Costs for Hydraulic Production	289,911	317,348				607,259
35	TOTAL Hydraulic Production Plant (Enter Total of lines 27 thru 34)	148,045,648	2,872,941	2,100,457		155,678	148,973,810
36	D. Other Production Plant						
37	(340) Land and Land Rights	406,526					406,526
38	(341) Structures and Improvements	35,513,360	63,107	349,382			35,227,085

39	(342) Fuel Holders, Products, and Accessories	24,505,081	43,978	31,467			24,517,592
40	(343) Prime Movers	250,505,437	14,975,506	1,474,646			264,006,297
41	(344) Generators	58,517,172	654,561	3,431,775			55,739,958
42	(345) Accessory Electric Equipment	31,475,395	6,782	730,793		1,882,284	32,633,668
43	(346) Misc. Power Plant Equipment	5,129,848	201,464	25,453			5,305,859
44	(347) Asset Retirement Costs for Other Production	111,983	119,402				231,385
44.1	(348) Energy Storage Equipment - Production						
45	TOTAL Other Prod. Plant (Enter Total of lines 37 thru 44)	406,164,802	16,064,800	6,043,516		1,882,284	418,068,370
46	TOTAL Prod. Plant (Enter Total of lines 16, 25, 35, and 45)	4,030,908,426	116,869,363	62,574,588		3,614,988	4,088,818,189
47	3. Transmission Plant						
48	(350) Land and Land Rights	11,137,382					11,137,382
48.1	(351) Energy Storage Equipment - Transmission						
49	(352) Structures and Improvements	17,710,738	242,532	3,214			17,950,056
50	(353) Station Equipment	248,050,941	13,294,394	1,162,834			260,182,501
51	(354) Towers and Fixtures	46,357,266				(155,678)	46,201,588
52	(355) Poles and Fixtures	113,681,938	13,121,042	480,289		(3,459,310)	122,863,381
53	(356) Overhead Conductors and Devices	68,984,035	14,084,988	230,608			82,838,415
54	(357) Underground Conduit	1,941,042					1,941,042
55	(358) Underground Conductors and Devices	8,498,391	439				8,498,830
56	(359) Roads and Trails						
57	(359.1) Asset Retirement Costs for Transmission Plant	198,562					198,562
58	TOTAL Transmission Plant (Enter Total of lines 48 thru 57)	516,560,295	40,743,395	1,876,945		(3,614,988)	551,811,757
59	4. Distribution Plant						
60	(360) Land and Land Rights	4,117,062				(7,112)	4,109,950
61	(361) Structures and Improvements	12,734,652	338,478	5,669			13,067,461
62	(362) Station Equipment	180,752,516	16,873,903	271,448			197,354,971
63	(363) Energy Storage Equipment – Distribution						
64		241,830,666	12,552,959	1,577,673			252,805,952

	(364) Poles, Towers, and Fixtures						
65	(365) Overhead Conductors and Devices	390,073,877	32,431,986	5,564,924			416,940,939
66	(366) Underground Conduit	88,837,394	2,813,803	241,237			91,409,960
67	(367) Underground Conductors and Devices	340,353,741	29,928,495	5,594,356			364,687,880
68	(368) Line Transformers	176,822,359	5,608,860	1,959,861			180,471,358
69	(369) Services	39,801,740	3,533,923	18,977			43,316,686
70	(370) Meters	44,642,256	993,537	341,990			45,293,803
71	(371) Installations on Customer Premises	183,393	3,427				186,820
72	(372) Leased Property on Customer Premises						
73	(373) Street Lighting and Signal Systems	131,357,607	8,034,910	1,149,374			138,243,143
74	(374) Asset Retirement Costs for Distribution Plant	165,809	361,634				527,443
75	TOTAL Distribution Plant (Enter Total of lines 60 thru 74)	1,651,673,072	113,475,915	16,725,509		(7,112)	1,748,416,366
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						
87	(390) Structures and Improvements						
88	(391) Office Furniture and Equipment						

89	(392) Transportation Equipment	8,905,767	231,088	241,584		[(b)]64,484	8,959,755
90	(393) Stores Equipment						
91	(394) Tools, Shop and Garage Equipment	7,196,054	516,395	216,869			7,495,580
92	(395) Laboratory Equipment						
93	(396) Power Operated Equipment	2,582,499	962,842				3,545,341
94	(397) Communication Equipment	6,806,535	967				6,807,502
95	(398) Miscellaneous Equipment						
96	SUBTOTAL (Enter Total of lines 86 thru 95)	25,490,855	1,711,292	458,453		64,484	26,808,178
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)	25,490,855	1,711,292	458,453		64,484	26,808,178
100	TOTAL (Accounts 101 and 106)	6,224,634,888	272,799,965	81,635,495		57,372	6,415,856,730
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)	6,224,634,888	272,799,965	81,635,495		57,372	[(c)]6,415,856,730

Name of Respondent: Louisville Gas and Electric Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 03/28/2022	Year/Period of Report End of: 2021/ Q4

FOOTNOTE DATA

(a) Concept: LandAndLandRightsDistributionPlantTransfers
Transfer ($7,112) of land from Utility Plant (101) to Nonutility Property (121).
(b) Concept: TransportationEquipmentGeneralPlantTransfers
Transfer Transportation Equipment (392) to Electric Operations from Gas Operations for use in Electric Operations support.
(c) Concept: ElectricPlantInService
Excludes $1,704,871 of Property Under Operating Leases recorded related to adoption and implementation of ASC 842 – Leases

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ELECTRIC PLANT LEASED TO OTHERS (Account 104)

Line No.	Name of Lessee (a)	* (Designation of Associated Company) (b)	Description of Property Leased (c)	Commission Authorization (d)	Expiration Date of Lease (e)	Balance at End of Year (f)
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47	TOTAL					

Name of Respondent: Louisville Gas and Electric Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 03/28/2022	Year/Period of Report End of: 2021/ 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	US 42: Tract No. D152	01/31/2000	12/31/2022	253,321
3	Fegenbush Lane at the General Electric Plant	05/01/2012	12/31/2022	519,009
4	Tucker Station Distribution Substation - Blankenbaker Station Business Park, Tract 13	07/01/2012	12/31/2022	745,731
5	Land at Green River Facility	11/01/2014	12/31/2029	211,409
6	Land at Billtown Substation	08/01/2016	12/31/2022	871,644
7	Russell Corner Tract No. D143	08/01/2014	12/31/2023	161,322
8	Mt. Washington Tract No. 141	06/01/2013	12/31/2023	60,595
9	River Bluff Tract No. D142	06/01/2013	12/31/2023	49,540
10	Kentucky Street Tract No. D146	06/01/2013	12/31/2023	9,968
11				
21	Other Property:			
22	Site Development - Kentucky Substation, Tract D146	06/30/1992	12/31/2025	20,595
47	TOTAL			2,903,134

Name of Respondent: Louisville Gas and Electric Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 03/28/2022	Year/Period of Report End of: 2021/ 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	TRIMBLE COUNTY COAL COMBUSTION RESIDUALS - LANDFILL	50,015,534
3	EFFLUENT LIMITATIONS GUIDELINES MILL CREEK ENVIRONMENTAL COST RECOVERY	16,597,748
4	EFFLUENT LIMITATIONS GUIDELINES TRIMBLE COUNTY ENVIRONMENTAL COST RECOVERY	8,431,305
5	GYPSUM PRIMARY SLURRY TANK REHABILITATION	2,880,739
6	MILL CREEK STACKER/RECLAIMER 2021	2,517,308
7	TRIMBLE COUNTY COAL COMBUSTION RESIDUALS - TRANSPORT	1,273,503
8	TRIMBLE COUNTY PROCESS WATER	1,174,898
9	TRIMBLE COUNTY COAL COMBUSTION RESIDUALS - FLY ASH	1,083,470
10	STEAM PRODUCTION MINOR	7,882,205
11	HYDRAULIC POWER MAJOR	
12	MASONRY AND TRASH RACK UPGRADES	7,330,031
13	OHIO FALLS TRASH RACK GUIDES	1,386,190
14	HYDRAULIC POWER MINOR	1,286,106
15	OTHER PRODUCTION MAJOR	
16	OTHER PRODUCTION MINOR	350,461
17	TRANSMISSION MAJOR	
18	TRANSMISSION EXPANSION PLAN-BLUE LICK 345/161kV TRANSFORMER REPLACEMENT	7,988,553
19	PRIORITY REPLACEMENTS TRANSMISSION - LINES	3,155,765
20	CENTERFIELD RUSSELL DISTRIBUTION SUBSTATION TRANSFORMER	2,785,116
21	FAIRMOUNT-SMYRNA-MUD LANE POLE REPLACEMENT	2,739,636
22	PRIORITY BREAKER REPLACEMENT FERN VALLEY	2,265,035
23	PRIORITY BREAKER REPLACEMENT FREYS HILL, LYNDON	1,677,264
24	HARRODS CREEK HARMONY LANDING POLE REPLACEMENT	1,085,250
25	TRANSMISSION MINOR	8,799,892
26	DISTRIBUTION MAJOR	
27	PAPER INSULATED LEAD COVERED CABLE REPLACEMENT	10,601,703
28	MAGAZINE SUBSTATION TRANSFORMER UPGRADE 1	7,396,215

29	POLE INSPECTION AND MAINTENANCE TREATMENT PROGRAM - LOUISVILLE	4,300,307
30	MAGAZINE SUBSTATION TRANSFORMER UPGRADE 2	2,740,106
31	CENTERFIELD DISTRIBUTION CIRCUITS	2,251,388
32	LIME KILN SUBSTATION CONSTRUCTION	1,879,779
33	CABLE REJUVENATION/REPLACEMENT	1,631,662
34	DOWNTOWN NETWORK VAULT REPLACEMENT	1,629,668
35	DISTRIBUTION MINOR	15,839,961
36	RESEARCH, DEVELOPMENT, AND DEMONSTRATING MINOR	62,758
43		181,039,556

Name of Respondent: Louisville Gas and Electric Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 03/28/2022	Year/Period of Report End of: 2021/ 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 12, column (c), and that reported for electric plant in service, page 204, column (d), 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.

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)
	Section A. Balances and Changes During Year				
1	Balance Beginning of Year	1,963,272,566	1,963,272,566		
2	Depreciation Provisions for Year, Charged to				
3	(403) Depreciation Expense	211,194,791	211,194,791		
4	(403.1) Depreciation Expense for Asset Retirement Costs				
5	(413) Exp. of Elec. Plt. Leas. to Others				
6	Transportation Expenses-Clearing	361,394	361,394		
7	Other Clearing Accounts				
8	Other Accounts (Specify, details in footnote):				
9.1	Other Accounts (Specify, details in footnote):				
9.2	Fuel Stock	544,052	544,052		
10	TOTAL Deprec. Prov for Year (Enter Total of lines 3 thru 9)	212,100,237	212,100,237		
11	Net Charges for Plant Retired:				
12	Book Cost of Plant Retired	(53,455,790)	(53,455,790)		
13	Cost of Removal	(29,231,058)	(29,231,058)		
14	Salvage (Credit)	537,395	537,395		
15	TOTAL Net Chrgs. for Plant Ret. (Enter Total of lines 12 thru 14)	(82,149,453)	(82,149,453)		
16	Other Debit or Cr. Items (Describe, details in footnote):				
17.1	Accrual for depreciation on asset retirement costs (Other Regulatory Assets FERC 182.3)	3,576,714	3,576,714		
17.2	Customer payments related to construction projects	1,303,680	1,303,680		
18	Book Cost or Asset Retirement Costs Retired	(28,179,705)	(28,179,705)		

19	Balance End of Year (Enter Totals of lines 1, 10, 15, 16, and 18)	2,069,924,039	2,069,924,039		
Section B. Balances at End of Year According to Functional Classification					
20	Steam Production	1,104,706,407	1,104,706,407		
21	Nuclear Production				
22	Hydraulic Production-Conventional	19,080,996	19,080,996		
23	Hydraulic Production-Pumped Storage				
24	Other Production	175,731,073	175,731,073		
25	Transmission	182,204,438	182,204,438		
26	Distribution	574,233,831	574,233,831		
27	Regional Transmission and Market Operation				
28	General	13,967,294	13,967,294		
29	TOTAL (Enter Total of lines 20 thru 28)	2,069,924,039	2,069,924,039		

Name of Respondent: Louisville Gas and Electric Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 03/28/2022	Year/Period of Report End of: 2021/ Q4

INVESTMENTS IN SUBSIDIARY COMPANIES (Account 123.1)

1. Report below investments in Account 123.1, Investments in Subsidiary Companies.
2. Provide a subheading for each company and list thereunder 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.
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 from investments, including such revenues from 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 different 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.

Line No.	Description of Investment (a)	Date Acquired (b)	Date of Maturity (c)	Amount of Investment at Beginning of Year (d)	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)
1	OVEC Common Stock - 700 shares - 2/18/52 - Captial Stock	11/18/1952		70,000			70,000	
2	OVEC Common Stock - 700 shares - 1/8/53 - Captial Stock	01/08/1953		70,000			70,000	
3	OVEC Common Stock - 700 shares - 2/25/53 - Captial Stock	02/25/1953		70,000			70,000	
4	OVEC Common Stock - 700 shares - 4/10/1953 - Captial Stock	04/10/1953		70,000			70,000	
5	OVEC Common Stock - 700 shares - 5/12/53 - Captial Stock	05/12/1953		70,000			70,000	
6	OVEC Common Stock - 1,400 shares - 7/27/53 - Captial Stock	07/27/1953		140,000			140,000	
7	OVEC Common Stock - 730 shares - 3/4/05 - Captial Stock	03/04/2005		104,286			104,286	
42	Total Cost of Account 123.1 $		Total	594,286			594,286	

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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)	38,423,340	31,509,061	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)	37,236,667	39,263,304	Electric
8	Transmission Plant (Estimated)	1,811,906	1,839,080	Electric
9	Distribution Plant (Estimated)	(a)8,867,900	(b)7,055,739	Electric, Gas
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)	47,916,473	48,158,123	
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)	(c)2,556,900	(d)648,058	Electric, Gas
17				
18				
19				
20	TOTAL Materials and Supplies	88,896,713	80,315,242	

Name of Respondent: Louisville Gas and Electric Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 03/28/2022	Year/Period of Report End of: 2021/ Q4

FOOTNOTE DATA

(a) Concept: PlantMaterialsAndOperatingSuppliesDistributionPlant

Gas	$	7,467,410
Electric		1,400,490
Total Distribution at End of Year	$	8,867,900

(b) Concept: PlantMaterialsAndOperatingSuppliesDistributionPlant

Gas	$	5,507,998
Electric		1,547,741
Total Distribution at End of Year	$	7,055,739

(c) Concept: StoresExpenseUndistributed

Balance at Beginning of Year	$	2,165,244
Total Debits		8,675,686
Total Credits		(8,284,030)
Balance at End of Year	$	2,556,900

(d) Concept: StoresExpenseUndistributed

Balance at Beginning of Year	$	2,556,900
Total Debits		1,939,744
Total Credits		(3,848,586)
Balance at End of Year	$	648,058

Name of Respondent: Louisville Gas and Electric Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 03/28/2022	Year/Period of Report End of: 2021/ 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.
6. Report on Line 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 acquired 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 and 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.

Line No.	SO2 Allowances Inventory (Account 158.1) (a)	Current Year No. (b)	Current Year Amt. (c)	Year One No. (d)	Year One Amt. (e)	Year Two No. (f)	Year Two Amt. (g)	Year Three No. (h)	Year Three Amt. (i)	Future Years No. (j)	Future Years Amt. (k)	Totals No. (l)	Totals Amt. (m)
1	Balance-Beginning of Year	553,939	137	76,518		76,518		76,518		1,684,233		2,467,726	137
2													
3	Acquired During Year:												
4	Issued (Less Withheld Allow)	1,838										1,838	
5	Returned by EPA												
6													
7													
8	Purchases/Transfers:												
9	IMEA/IMPA	(1,454)										(1,454)	
10													
11													
12													
13													
14													
15	Total	(1,454)										(1,454)	
16													
17	Relinquished During Year:												
18	Charges to Account 509	10,876	2									10,876	2
19	Other:												
20	Allowances Used												
20.1	Allowances Used												

21	Cost of Sales/Transfers:												
22													
23													
24													
25													
26													
27													
28	Total												
29	Balance-End of Year	543,447	135	76,518		76,518		76,518		1,684,233		2,457,234	135
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			901		901		901		44,149		46,852	
37	Add: Withheld by EPA	1,802										1,802	
38	Deduct: Returned by EPA	901										901	
39	Cost of Sales	901										901	
40	Balance-End of Year			901		901		901		44,149		46,852	
41													
42	Sales												
43	Net Sales Proceeds (Assoc. Co.)												
44	Net Sales Proceeds (Other)	901	12							901	9	1,802	21
45	Gains		12								9		21
46	Losses												

Name of Respondent: Louisville Gas and Electric Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 03/28/2022	Year/Period of Report End of: 2021/ 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.
6. Report on Line 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 acquired 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 and 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.

Line No.	NOx Allowances Inventory (Account 158.1) (a)	Current Year No. (b)	Current Year Amt. (c)	Year One No. (d)	Year One Amt. (e)	Year Two No. (f)	Year Two Amt. (g)	Year Three No. (h)	Year Three Amt. (i)	Future Years No. (j)	Future Years Amt. (k)	Totals No. (l)	Totals Amt. (m)
1	Balance-Beginning of Year	45,892		17,601		13,943		13,943				91,379	
2													
3	Acquired During Year:												
4	Issued (Less Withheld Allow)	5,526										5,526	
5	Returned by EPA												
6													
7													
8	Purchases/Transfers:												
9	IMEA/IMPA	(658)										(658)	
10													
11													
12													
13													
14													
15	Total	(658)										(658)	
16													
17	Relinquished During Year:												
18	Charges to Account 509	9,258										9,258	
19	Other:												
20	Allowances Used												
20.1	Allowances Used	249										249	

21	Cost of Sales/Transfers:												
22													
23													
24													
25													
26													
27													
28	Total												
29	Balance-End of Year	41,253		17,601		13,943		13,943				86,740	
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												

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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 Recognized During Year (c)	WRITTEN OFF DURING YEAR Account Charged (d)	WRITTEN OFF DURING YEAR Amount (e)	Balance at End of Year (f)
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						
20	TOTAL					

Name of Respondent: Louisville Gas and Electric Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 03/28/2022	Year/Period of Report End of: 2021/ 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 Recognized During Year (c)	WRITTEN OFF DURING YEAR Account Charged (d)	WRITTEN OFF DURING YEAR Amount (e)	Balance at End of Year (f)
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: Louisville Gas and Electric Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 03/28/2022	Year/Period of Report End of: 2021/ 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	System Studies				
3	PJM AC1 074 Exp	20,799	561.6	20,799	561.6
4	PJM AB1 -087-088	17,301	561.6	17,301	561.6
5	AFSS PJM AC2-157	16,577	561.6	16,577	561.6
6	AFSS PJM AF2	7,927	561.6	7,927	561.6
20	Total	62,604		62,604	
21	**Generation Studies**				
22	Feasibility Study				
23	Trimble Co 345kV	3,136	561.7	3,136	561.7
24	Mill Creek 138	1,601	561.7		
39	Total	4,737		3,136	
40	Grand Total	67,341		65,740	

Name of Respondent: Louisville Gas and Electric Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 03/28/2022	Year/Period of Report End of: 2021/ 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 Quarter/Year Account Charged (d)	CREDITS: Written off During the Period Amount (e)	Balance at end of Current Quarter/Year (f)
1	(a) ASC 715 - Pension and Postretirement	128,924,458	(1,227,526)	926/107	18,253,373	109,443,559
2	ARO - Generation - Coal Combustion Residuals	71,093,853	5,961,478	407	2,524,652	74,530,679
3	Pension Gain/Loss Amortization - 15 Year	44,417,828	9,496,793	926	(3,653)	53,918,274
4	Forward Starting Swaps Losses	31,095,590		427	2,391,436	28,704,154
5	Interest Rate Swap (Mark To Market)	23,298,058	(4,847,670)			18,450,388
6	Plant Outage Normalization	12,472,166	3,770,937	510-514/549/551-554	1,683,956	14,559,147
7	Gas Supply Clause	4,106,124	19,293,098	803	2,712,698	20,686,524
8	Asset Retirement Obligation - Electric	9,086,282	1,350,330	230	4,786,395	5,650,217
9	Swap Termination - Bank of America	7,452,676		427	558,951	6,893,725
10	Gas Line Tracker	4,075,000	3,453,000	480-482	4,355,000	3,173,000
11	ASC 740 - Income Taxes	6,778,028	28,193	410/411/282/283	162,867	6,643,354
12	Ice Storm 2018	6,504,040		571/580/583/590/593-595/598	325,202	6,178,838
13	Swap Termination - Wachovia	5,569,474		930	388,690	5,180,784
14	Asset Retirement Obligation - Gas	4,433,811	8,851,334	230	7,929,424	5,355,721
15	DSM Cost Recovery	1,522,999	1,752,679	440-445	851,678	2,424,000
16	Summer Storm	2,052,541		593	246,306	1,806,235
17	Rate Case Expenses - Electric	843,643	442,894	928	692,100	594,437
18	Rate Case Expenses - Gas	200,034	117,990	928	210,731	107,293
19	Off-System Sales Tracker		55,000	440-445	55,000	
20	Fuel Adjustment Clause		5,270,000	440-445	1,159,000	4,111,000
21	Environmental Cost Recovery	1,122,000	3,866,000	440-445	3,021,000	1,967,000
22	AMI Capital - Electric		20,168			20,168

23	AMI Capital - Gas		319			319
24	Winter Storm 2009 - Electric	1,259,731		593, 571	1,259,731	
25	Winter Storm 2009 - Gas	4,838		880	4,838	
26	Wind Storm 2008	679,047		593	679,047	
27	Late Payment Charge Waiver	2,504	24,941	450, 487	27,445	
28	AMI O&M - Electric		151,440			151,440
29	AMI O&M - Gas		59,611			59,611
44	TOTAL	366,994,725	57,891,009		54,275,867	370,609,867

Name of Respondent: Louisville Gas and Electric Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 03/28/2022	Year/Period of Report End of: 2021/ Q4

FOOTNOTE DATA

(a) Concept: DescriptionAndPurposeOfOtherRegulatoryAssets

The information below includes the rate order or document number, if applicable and the period of amortization for each regulatory asset listed on page 232.

ASC 715 - Pension and Postretirement
Order/docket number:
KPSC 2020-00350
FERC AI07-1-000
Amortization Period: Ongoing

ARO - Generation - Coal Combustion Residuals
Order/docket number:
KPSC 2020-00350
Amortization Period: Amortization period for closed plants is from July 2016 through June 2026 and amortization period for open plants is from July 2016 extending through June 2041.

Pension Gain/Loss Amortization - 15 Year
Order/docket number:
KPSC 2020-00350
Amortization Period: Ongoing

Forward Starting Swaps Losses
Order/docket number:
KPSC 2020-00350
Amortization Period: September 2015 to October 2045

Interest Rate Swap (Mark to Market)
Order/docket number:
KPSC 2020-00350
Amortization Period: Through 2033

Plant Outage Normalization
Order/docket number:
KPSC 2020-00350
Amortization Period: July 2021 to June 2029

Gas Supply Clause
Order/docket number:
KPSC 2021-00028
KPSC 2020-00350
Amortization Period: Ongoing

Asset Retirement Obligation - Electric
Order/docket number:
KPSC 2020-00350
FERC ER08-1588-000
Amortization Period: Ongoing

Swap Termination - Bank of America
Order/docket number:
KPSC 2020-00350
Amortization Period: July 2017 to May 2034

Gas Line Tracker
Order/docket number:
KPSC 2020-00350
Amortization Period: None

ASC 740 – Income Taxes
Order/docket number:
KPSC 2020-00350
Amortization Period: Ongoing

Ice Storm 2018
Order/docket number:
KPSC 2020-00350
Amortization Period: July 2021 to June 2031

Swap Termination - Wachovia
Order/docket number:
KPSC 2020-00350
Amortization Period: August 2010 to April 2035

Asset Retirement Obligation - Gas
Order/docket number:
KPSC 2020-00350
FERC ER08-1588-000
Amortization Period: Ongoing

DSM Cost Recovery

Order/docket number:
KRS 278.285
Amortization Period: Ongoing

Summer Storm
Order/docket number:
KPSC 2020-00350
Amortization Period: May 2019 to April 2029

Rate Case Expenses - Electric
Order/docket number:
KPSC 2020-00350
Amortization Period: July 2021 through June 2024

Rate Case Expenses - Gas
Order/docket number:
KPSC 2020-00350
Amortization Period: July 2021 through June 2024

Off-System Sales Tracker
Order/docket number:
KPSC 2020-00350
807 KAR 5:056
Amortization Period: Ongoing
Fuel Adjustment Clause
Order/docket number:
807 KAR 5:506
Amortization Period: Ongoing

Environmental Cost Recovery
Order/docket number:
KRS 278.183
Amortization Period: Ongoing

AMI Capital- KY Electric
Order/docket number:
KPSC 2020-00350

AMI Capital- LG&E Gas
Order/docket number:
KPSC 2020-00350

Winter Storm 2009 - Electric
Order/docket number:
KPSC 2020-00350
Amortization Period: August 2010 to June 2021

Winter Storm 2009 - Gas
Order/docket number:
KPSC 2020-00350
Amortization Period: August 10 to June 2021

Wind Storm 2008
Order/docket number:
KPSC 2020-00350
Amortization Period: August 2010 to June 2021

Late Payment Charge Waiver
Order/docket number:
KPSC 2018-00295

AMI O&M - Electric
Order/docket number:
KPSC 2020-00350

AMI O&M - Gas
Order/docket number:
KPSC 2020-00350

Name of Respondent: Louisville Gas and Electric Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 03/28/2022	Year/Period of Report End of: 2021/ 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		Balance at End of Year (f)
				Credits Account Charged (d)	Credits Amount (e)	
1	Long-term Customer AR	253,695	147,772	142	253,695	147,772
2	Financing Expense	33,862	2,921,497	181, 428	2,953,816	1,543
3	Preliminary Cell Site Costs	506,023	441,825	143	902,664	45,184
4	Cane Run 7 LTPC Asset	1,788,793	1,673,236			3,462,029
5	Brown 6 and 7 LTSA Asset	6,505,274	1,455,048	107, 108, 553	7,513,535	446,787
47	Miscellaneous Work in Progress					
48	Deferred Regulatroy Comm. Expenses (See pages 350 - 351)					
49	TOTAL	9,087,647				4,103,315

Name of Respondent: Louisville Gas and Electric Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 03/28/2022	Year/Period of Report End of: 2021/ 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 at Beginning of Year (b)	Balance at End of Year (c)
1	Electric		
2	Coal Combustion Residual ARO	7,855,308	6,819,351
3	Regulatory Tax Adjustment	113,287,120	99,736,031
4	Interest Rate Swaps	11,199,262	9,945,500
5	Excess Deferred Taxes	41,763,036	28,877,370
6	Other Postretirement & Employment Benefits	11,174,700	9,528,709
7	Asset Retirement Obligation	4,578,657	5,177,564
8	Vacation Pay	887,776	952,029
9	Workers Compensation	332,668	289,009
10	Air Permit Fees	774,245	1,024,255
11	Demand Side Management	3,651	
12	Leases	5,079,311	4,409,931
13	State Tax Credit Carryforward	12,102,800	10,589,950
14	Valuation Allowances	(12,102,800)	(10,589,950)
7	Other	6,373,588	3,948,186
8	TOTAL Electric (Enter Total of lines 2 thru 7)	203,309,322	170,707,935
9	Gas		
10	Capitalized Gas Inventory	1,330,215	1,621,668
11	Regulatory Tax Adjustment	26,839,199	25,013,944
12	Interest Rate Swaps	2,799,752	2,486,312
13	Excess Deferred Taxes	8,753,805	5,284,407
14	Other Postretirement & Employment Benefits	3,124,235	2,632,576
15	Asset Retirement Obligation	6,946,261	11,037,465
16	Vacation Pay	280,235	296,298
17	Workers Compensation	120,648	109,733
18	Demand Side Management	29,533	
15	Other	417,155	274,877
16	TOTAL Gas (Enter Total of lines 10 thru 15)	50,641,038	48,757,280
16.17	Other (Specify)		
16.17.1	Non-Qualified Thrift	23,328	14,769

17	Other (Specify)		
18	TOTAL (Acct 190) (Total of lines 8, 16 and 17)	(a)253,973,688	(b)219,479,984

Notes

Name of Respondent: Louisville Gas and Electric Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 03/28/2022	Year/Period of Report End of: 2021/ Q4

FOOTNOTE DATA

(a) Concept: AccumulatedDeferredIncomeTaxes

Balance at Beginning of Year	$	258,040,885
Less Debits to:		
Account 410.1		12,295,967
Account 410.2		12,620
Other Balance Sheet Accounts		5,037,549
Plus Credits to:		
Account 411.1		13,278,429
Account 411.2		510
Balance at End of Year	$	253,973,688

(b) Concept: AccumulatedDeferredIncomeTaxes

Balance at Beginning of Year	$	253,973,688
Less Debits to:		
Account 410.1		36,877,158
Account 410.2		8,919
Other Balance Sheet Accounts		15,376,344
Plus Credits to:		
Account 411.1		17,768,357
Account 411.2		360
Balance at End of Year	$	219,479,984

Name of Respondent: Louisville Gas and Electric Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 03/28/2022	Year/Period of Report End of: 2021/ 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.
3. Give 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 noncumulative.
5. State in a footnote if any capital stock that has been nominally issued is nominally outstanding at end of year.
6. 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 purpose of pledge.

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)	Outstanding per Bal. Sheet (Total amount outstanding without reduction for amounts held by respondent) Shares (e)	Outstanding per Bal. Sheet (Total amount outstanding without reduction for amounts held by respondent) Amount (f)	Held by Respondent As Reacquired Stock (Acct 217) Shares (g)	Held by Respondent As Reacquired Stock (Acct 217) Cost (h)	Held by Respondent In Sinking and Other Funds Shares (i)	Held by Respondent In Sinking and Other Funds Amount (j)
1	Common Stock (Account 201)									
2	Common Stock, Without Par Value	(a) 75,000,000			21,294,223	425,170,424				
6	Total	(b) 75,000,000			21,294,223	425,170,424				
7	Preferred Stock (Account 204)									
8	Peferred Stock, $25 Par Value	1,720,000								
9	Peferred Stock, Without Par Value	6,750,000								
14	Total	(c) 8,470,000								
1	Capital Stock (Accounts 201 and 204) - Data Conversion									
2										
3										
4										
5	Total									

Name of Respondent: Louisville Gas and Electric Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 03/28/2022	Year/Period of Report End of: 2021/ Q4

FOOTNOTE DATA

(a) Concept: CommonStockSharesAuthorized
There is no call price for common stock, without par value.
(b) Concept: CommonStockSharesAuthorized
The common stock of LG&E is owned by its parent company, LKE.
(c) Concept: PreferredStockSharesAuthorized
No shares of preferred stock remain issued or outstanding.

Name of Respondent: Louisville Gas and Electric Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 2022-03-28	Year/Period of Report End of: 2021/ Q4

Other Paid-in Capital

1. 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 a total of all accounts for reconciliation with the balance sheet, page 112. 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 briefly explain the origin and purpose of each donation.
b. Reduction in Par or Stated Value of Capital Stock (Account 209) - State amount and briefly explain the capital changes that gave rise to amounts reported under this caption including identification with the class and series of stock to which related.
c. Gain or 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 that, together with brief explanations, disclose the general nature of the transactions that gave rise to the reported amounts.

Line No.	Item (a)	Amount (b)
1	**Donations Received from Stockholders (Account 208)**	
2	Beginning Balance Amount	
3.1	Increases (Decreases) from Sales of Donations Received from Stockholders	
4	Ending Balance Amount	
5	**Reduction in Par or Stated Value of Capital Stock (Account 209)**	
6	Beginning Balance Amount	
7.1	Increases (Decreases) Due to Reductions in Par or Stated Value of Capital Stock	
8	Ending Balance Amount	
9	**Gain or Resale or Cancellation of Reacquired Capital Stock (Account 210)**	
10	Beginning Balance Amount	
11.1	Increases (Decreases) from Gain or Resale or Cancellation of Reacquired Capital Stock	
12	Ending Balance Amount	
13	**Miscellaneous Paid-In Capital (Account 211)**	
14	Beginning Balance Amount	729,081,499
15.1	Increases (Decreases) Due to Miscellaneous Paid-In Capital	74,000,000
16	Ending Balance Amount	803,081,499
17	**Historical Data - Other Paid in Capital**	
18	Beginning Balance Amount	
19.1	Increases (Decreases) in Other Paid-In Capital	
20	Ending Balance Amount	
40	Total	803,081,499

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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	835,889
22	TOTAL	835,889

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LONG-TERM DEBT (Account 221, 222, 223 and 224)

1. Report by Balance Sheet Account the details concerning long-term debt included in Accounts 221, Bonds, 222, Reacquired Bonds, 223, Advances fr Term Debt.
2. For bonds assumed by the respondent, include in column (a) the name of the issuing company as well as a description of the bonds, and in column (
3. For Advances from Associated Companies, report separately advances on notes and advances on open accounts. Designate demand notes as such companies from which advances were received, and in column (b) include the related account number.
4. For receivers' certificates, show in column (a) the name of the court and date of court order under which such certificates were issued, and in column
5. In a supplemental statement, give explanatory details for Accounts 223 and 224 of net changes during the year. With respect to long-term advances, during year (b) interest added to principal amount, and (c) principal repaid during year. Give Commission authorization numbers and dates.
6. If the respondent has pledged any of its long-term debt securities, give particulars (details) in a footnote, including name of the pledgee and purpose
7. If the respondent has any long-term securities that have been nominally issued and are nominally outstanding at end of year, describe such securitie
8. If interest expense was incurred during the year on any obligations retired or reacquired before end of year, include such interest expense in column the total of column (m) and the total Account 427, Interest on Long-Term Debt and Account 430, Interest on Debt to Associated Companies.
9. Give details concerning any long-term debt authorized by a regulatory commission but not yet issued.

Line No.	Class and Series of Obligation, Coupon Rate (For new issue, give commission Authorization numbers and dates) (a)	Related Account Number (b)	Principal Amount of Debt Issued (c)	Total Expense, Premium or Discount (d)	Total Expense (e)	Total Premium (f)	Total Discount (g)	Nominal Date of Issue (h)	Date of Maturity (i)	AMORTIZATION PERIOD Date From (j)
1	Bonds (Account 221)									
2	(a) Pollution Control Bonds:									
3	Jefferson County 2001 Series A, due 09/01/2026, 0.900%	221	22,500,000		440,697			03/06/2002	09/01/2026	03/06/2002
4	Trimble County 2001 Series A, due 09/01/2026, 0.625%	221	27,500,000		787,857			03/06/2002	09/01/2026	03/06/2002
5	Jefferson County 2001 Series B, due 11/01/2027, 1.350%	221	35,000,000		753,491			03/22/2002	11/01/2027	03/22/2002
6	Trimble County 2001 Series B, due 11/01/2027, 1.350%	221	35,000,000		753,530			03/22/2002	11/01/2027	03/22/2002
7	Louisville Metro 2003 Series A, due 10/01/2033, 2.000%	221	128,000,000		6,791,072			11/20/2003	10/01/2033	11/20/2003
8	Louisville Metro 2005 Series A, due 02/01/2035, 1.750%	221	40,000,000		1,771,967			04/13/2005	02/01/2035	04/13/2005

9	Louisville Metro 2007 Series A, due 06/01/2033, Variable	221	31,000,000		1,518,920			04/26/2007	06/01/2033	04/26/2007
10	Louisville Metro 2007 Series B, due 06/01/2033, Variable	221	35,200,000		1,691,978			04/26/2007	06/01/2033	04/26/2007
11	Trimble County 2016 Series A, due 09/01/2044, 1.300%	221	125,000,000		1,536,442			09/15/2016	09/01/2044	09/15/2016
12	Trimble County 2017 Series A, due 06/01/2033, 3.750%	221	60,000,000		699,660			06/01/2017	06/01/2033	06/01/2017
13	(b) Interest Rate Swaps:									
14	(c) First Mortgage Bonds:									
15	2010 due 11/15/2040, 5.125%	221	285,000,000		3,570,026		3,100,600	11/16/2010	11/15/2040	11/16/2010
16	2013 due 11/15/2043, 4.650%	221	250,000,000		2,742,758		1,800,000	11/14/2013	11/15/2043	11/14/2013
17	2015 due 10/01/2025, 3.300%	221	300,000,000		2,374,181		129,000	09/28/2015	10/01/2025	09/28/2015
18	2015 due 10/01/2045, 4.375%	221	250,000,000		2,569,890		207,500	09/28/2015	10/01/2045	09/28/2015
19	2019 due 04/01/2049, 4.250%	221	400,000,000		4,266,089		472,000	04/01/2019	04/01/2049	04/01/2019
20	Subtotal		2,024,200,000		32,268,558		5,709,100			
21	Reacquired Bonds (Account 222)									
22										
23										
24										
25	Subtotal									
26	Advances from Associated Companies (Account 223)									
27										
28										
29										

30	Subtotal									
31	Other Long Term Debt (Account 224)									
32										
33										
34										
35	Subtotal									
33	TOTAL		2,024,200,000							

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FOOTNOTE DATA

(a) Concept: ClassAndSeriesOfObligationCouponRateDescription

Pollution control series bonds are obligations of LG&E, issued in connection with tax-exempt pollution control revenue bonds issued by various governmental entities, principally counties in Kentucky. A loan agreement obligates LG&E 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.

(b) Concept: ClassAndSeriesOfObligationCouponRateDescription

As of December 31, 2021, the company had in effect two interest-rate swap agreements to hedge its exposure to tax exempt rates related to Pollution Control Bonds, Variable Rate Series. The Company's position under the swap agreements is to pay a fixed rate and receive a variable rate based on the London Interbank Offered Rate (LIBOR). The specifics for each swap agreement related to notional amounts, maturity dates, payable and receivable positions are as follows:

Notional Amount	Maturity	Payable	Receivable
$32,000,000	10/01/2033	Fixed at 3.657%	68% of 1 mo LIBOR
$32,000,000	10/01/2033	Fixed at 3.645%	68% of 1 mo LIBOR

(c) Concept: ClassAndSeriesOfObligationCouponRateDescription

Proceeds from LG&E's First Mortgage Bond issued in 2010 were used to repay loans from a PPL subsidiary and for general corporate purposes. Proceeds from LG&E's First Mortgage Bond issued in 2013 were used for capital expenditures and general corporate purposes. Proceeds from LG&E's First Mortgage Bonds issued in 2015 were used to pay maturing debt, pay short-term debt, and general corporate purposes. The First Mortgage Bonds were issued at a discount. Proceeds from LG&E First Mortgage Bond issued in 2019 were used to repay the US Bank Term Loan Tranches 1 and 2 and pay short-term debt. The First Mortgage Bonds were issued at a discount.

As of December 31, 2021, all the Company's long-term debt is collateralized by a first mortgage lien on substantially all the assets of the Company in Kentucky.

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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)	249,123,454
2	Reconciling Items for the Year	
3		
4	Taxable Income Not Reported on Books	
5	Contribution in Aid of Construction	8,000,000
9	Deductions Recorded on Books Not Deducted for Return	
10	Federal Income Taxes:Utility Operating Income	42,431,627
11	Federal Income Taxes: Other Income and Deductions	(1,148,451)
12	Provision for Deferred Income Taxes	8,681,124
13	481(a) Adjustment	415,000
14	Amortization of Storm Regulatory Assets	2,515,124
15	Amortizatoin of Regulatory Assets/Liability Associated with Terminated Swaps	957,732
16	Capitalized Interest	6,000,000
17	Capitalized Gas Inventory	1,168,162
18	Contingency Reserve	1,002,041
19	Economic Relief Surcredit Regulatory Liability	9,519,968
20	Loss on Recquired Debt Amortization	1,060,648
21	Nondeductible Expenses	1,641,446
22	Swap Termination	947,640
23	Other	1,287,492
14	Income Recorded on Books Not Included in Return	
15	Amortization of Investment Tax Credit	856,725
16	Demand Side Management	133,000
17	Fuel Adjustment Clause KY	137,000
18	Purchased Gas Adjustment	16,580,400
19	Refined Coal Regulatory Liability	2,071,464
19	Deductions on Return Not Charged Against Book Income	

20	Tax over Book Depreciation, Net and Repairs	31,614,995
21	Pensions	4,038,145
22	Cost of Removal	37,964,136
23	Coal Combustion Residual ARO	10,952,712
24	Customer Advances for Construction	1,370,207
25	Current State Income Tax	1,516,785
26	Capitalized Property Tax	1,267,767
27	Deferred Payroll Taxes	3,726,609
28	Other Regulatory Liability	15,000,000
29	Plant Outage Normalization - Reg Asset	2,086,981
30	Post Employment Benefits	1,842,098
31	Leases	643,364
32	Prepaid Insurance	1,071,316
33	Other	1,247,690
27	Federal Tax Net Income	199,481,613
28	Show Computation of Tax:	
29	21 % Rounded	41,891,139
30	Add Tax Credits and Adjustments for Prior Years' Taxes to Actual	(607,963)
31	Total	41,283,176

Name of Respondent: Louisville Gas and Electric Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 03/28/2022	Year/Period of Report End of: 2021/ Q4

TAXES ACCRUED, PREPAID AND CHARGES 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 durin been charged to the accounts to which the taxed material was charged. If the actual, or estimated amounts of such taxes are known, show the amou
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 the inclusion of these taxes.
3. Include in column (g) taxes charged during the year, taxes charged to operations and other accounts through (a) accruals credited to taxes accrued, 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.
5. If any tax (exclude Federal and State income taxes) covers more than one year, show the required information separately for each tax year, identifyin
6. Enter all adjustments of the accrued and prepaid tax accounts in column (i) and explain each adjustment in a foot- note. Designate debit adjustments
7. Do not include on this page entries with respect to deferred income taxes or taxes collected through payroll deductions or otherwise pending transmit
8. Report in columns (l) through (o) how the taxes were distributed. Report in column (o) only the amounts charged to Accounts 408.1 and 409.1 pertair Accounts 408.1 and 409.1 pertaining to other utility departments and amounts charged to Accounts 408.2 and 409.2. Also shown in column (o) the ta
9. For any tax apportioned to more than one utility department or account, state in a footnote the basis (necessity) of apportioning such tax.

Line No.	Kind of Tax (See Instruction 5) (a)	Type of Tax (b)	State (c)	Tax Year (d)	BALANCE AT BEGINNING OF YEAR: Taxes Accrued (Account 236) (e)	BALANCE AT BEGINNING OF YEAR: Prepaid Taxes (Include in Account 165) (f)	Taxes Charged During Year (g)	Taxes Paid During Year (h)	Adjustments (i)	BALANCE A YEA: Taxes Accrued (Account 236) (j)
1	(a) Income	Income Tax	Federal	2021	664,321	0	44,905,447	45,569,768		0
2	**Subtotal Federal Tax**				664,321		44,905,447	45,569,768		0
3	Income	Income Tax	Kentucky	2021	545,550		5,757,769	6,303,319		0
4	Public Service Commission	Other License And Fees Tax	Kentucky	2021	0	1,492,220	2,932,967	2,881,495		0
5	**Subtotal State Tax**				545,550	1,492,220	8,690,736	9,184,814		0
6	Kentucky and Indiana	Property Tax	Kentucky and Indiana	2021	26,860,655		44,090,635	40,428,756		30,522,534
7	**Subtotal Property Tax**				26,860,655		44,090,635	40,428,756		30,522,534
8	Federal and Kentucky Unemployment Insurance	Unemployment Tax	Federal and Kentucky	2021	28,195		158,079	165,364		20,910
9	**Subtotal Unemployment Tax**				28,195		158,079	165,364		20,910
10	Kentucky Use Tax	Sales And Use Tax	Kentucky	2021	914,907		6,852,051	7,048,984		717,974
11	Indiana Use Tax	Sales And Use Tax	Indiana	2021	932		1,974	2,215		691
12	**Subtotal Sales And Use Tax**				915,839		6,854,025	7,051,199		718,665
13	Miscellaneous	Miscellaneous Other Tax	Federal and Kentucky	2021	0					0

14	**Subtotal Miscellaneous Other Tax**				0					0
15	FICA	Payroll Tax	Federal	2021	5,055,303		8,890,941	10,759,650		3,186,594
16	**Subtotal Payroll Tax**				5,055,303		8,890,941	10,759,650		3,186,594
40	TOTAL				34,069,863	1,492,220	113,589,863	113,159,551		34,448,703

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FOOTNOTE DATA

(a) Concept: DescriptionOfTaxesAccruedPrepaidAndCharged

Segregation of Other	Other (I)	Gas Acct. 408.1-409.1	Page 117 Other Inc & Deductions 408-.2-409.2	Other Accounts
Income	$ 10,009,762	$ 7,535,942	$ (1,148,451)	$ 3,622,271
FICA	2,276,594	2,657,783	—	(381,189)
Total Federal Tax	12,286,356	10,193,725	(1,148,451)	3,241,082
Income	1,663,727	970,673	(287,832)	980,886
Public Service Commission	654,253	654,253	—	—
Total State Tax	2,317,980	1,624,926	(287,832)	980,886
Kentucky and Indiana	11,670,859	10,390,507	11,568	1,268,784
Total Property Tax	11,670,859	10,390,507	11,568	1,268,784
Federal and Kentucky Unemployment Insurance	74,931	29,888	—	45,043
Total Unemployment Tax	74,931	29,888	—	45,043
Kentucky Use Tax	6,852,051	—	—	6,852,051
Indiana Use Tax	1,974	—	—	1,974
Total Sales and Use Tax	6,854,025	—	—	6,854,025
Miscellaneous	(34,594)	12,155	—	(46,749)
Total Miscellaneous Tax	(34,594)	12,155	—	(46,749)
TOTAL	$ 33,169,557	$ 22,251,201	$ (1,424,715)	$ 12,343,071

Reconciliation to page 114-115, Line 14-16:

Federal Income:			
Electric	$	34,895,685	
Gas		7,535,942	
Total	$	42,431,627	114-15
State Income:			
Electric	$	4,094,042	
Gas		970,673	
Total	$	5,064,715	114-16

Other:			
Electric Total	$	80,420,306	
Gas Total		22,251,201	
Less Federal Income		(42,431,627)	
Less State Income		(5,064,715)	
Total	$	55,175,165	114-14

Name of Respondent: Louisville Gas and Electric Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 03/28/2022	Year/Period of Report End of: 2021/ 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)	Balance at End of Year (h)	Average Period of Allocation to Income (i)	ADJUSTMENT EXPLANATION (j)
			Account No. (c)	Amount (d)	Account No. (e)	Amount (f)				
1	Electric Utility									
2	3%									
3	4%									
4	7%									
5	10%									
6	15	19,004,600			411.4	412,237		18,592,363	58 years	
7	Various	13,871,582	411.4	147,653	411.4	443,588		13,575,647	25 and 43 years	
8	TOTAL Electric (Enter Total of lines 2 thru 7)	32,876,182		147,653		855,825		32,168,010		
9	Other (List separately and show 3%, 4%, 7%, 10% and TOTAL)									
10										
11	Gas Utility	1,165			411.4	900		265	33 years	
12	TOTAL	1,165				900		265		
47	OTHER TOTAL	32,877,347		147,653		856,725		32,168,275		
48	GRAND TOTAL	32,877,347		147,653		856,725		32,168,275		

Name of Respondent: Louisville Gas and Electric Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 03/28/2022	Year/Period of Report End of: 2021/ Q4

OTHER DEFERRED 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	Fiber Maintenance	36,928	454	36,928	37,949	37,949
2	Deferred Compensation	93,495	131, 926	42,601	8,297	59,191
3	Uncertain Tax Position	328,524			72,716	401,240
4	MCI Amortization (2009 - 2029)	263,707	454	36,796		226,911
5	Long-Term Retainage	183,564	232	183,564	2,034,836	2,034,836
47	TOTAL	906,218		299,889	2,153,798	2,760,127

Name of Respondent: Louisville Gas and Electric Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 03/28/2022	Year/Period of Report End of: 2021/ 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.
3. Use footnotes as required.

			CHANGES DURING YEAR				ADJUSTMENTS				
							Debits		Credits		
Line No.	Account (a)	Balance at Beginning of Year (b)	Amounts Debited to Account 410.1 (c)	Amounts Credited to Account 411.1 (d)	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)
1	Accelerated Amortization (Account 281)										
2	Electric										
3	Defense Facilities										
4	Pollution Control Facilities										
5	Other										
5.1	Other										
8	TOTAL Electric (Enter Total of lines 3 thru 7)										
9	Gas										
10	Defense Facilities										
11	Pollution Control Facilities										
12	Other										
12.1	Other										
15	TOTAL Gas (Enter Total of lines 10 thru 14)										
16	Other										
16.1	Other										
16.2	Other										
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										

Name of Respondent: Louisville Gas and Electric Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 03/28/2022	Year/Period of Report End of: 2021/ Q4

ACCUMULATED DEFERRED 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 accelerate amortization.
2. For other (Specify),include deferrals relating to other income and deductions.
3. Use footnotes as required.

Line No.	Account (a)	Balance at Beginning of Year (b)	CHANGES DURING YEAR				ADJUSTMENTS				Balar End o (I
							Debits		Credits		
			Amounts Debited to Account 410.1 (c)	Amounts Credited to Account 411.1 (d)	Amounts Debited to Account 410.2 (e)	Amounts Credited to Account 411.2 (f)	Account Credited (g)	Amount (h)	Account Debited (i)	Amount (j)	
1	Account 282										
2	Electric	(a)666,542,289	77,880,657	76,404,927			182/254	752,319	182/254	10,545,886	(c)677,8
3	Gas	(b)160,590,298	25,472,972	16,922,651			254	109,539	254	1,302,243	(d)170,3
4	Other (Specify)										
5	Total (Total of lines 2 thru 4)	827,132,587	103,353,629	93,327,578				861,858		11,848,129	848,1
6											
7											
8											
9	TOTAL Account 282 (Total of Lines 5 thru 8)	827,132,587	103,353,629	93,327,578				861,858		11,848,129	848,1
10	Classification of TOTAL										
11	Federal Income Tax	700,131,865	79,599,153	77,498,800				830,724		10,836,795	712,2
12	State Income Tax	127,000,722	23,754,476	15,828,778				31,134		1,011,334	135,9
13	Local Income Tax										

Name of Respondent: Louisville Gas and Electric Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 03/28/2022	Year/Period of Report End of: 2021/ Q4

FOOTNOTE DATA

(a) Concept: AccumulatedDeferredIncomeTaxesOtherProperty

The ARO balance in Accumulated Deferred Income Taxes - Other Property (282) at December 31 2020, is $2,311,630 and the Coal Combustion Residual ARO balance is $1,259,041.

The Regulatory Tax Adjustments balance in Accumulated Deferred Income Taxes - Other Property (282) at December 31, 2020, is $(309,151,183). 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 31,2020, is $5,079,896.

(b) Concept: AccumulatedDeferredIncomeTaxesOtherProperty

The ARO balance in Accumulated Deferred Income Taxes - Other Property (282) at December 31, 2020, is $5,840,025.

The Regulatory Tax Adjustments balance in Accumulated Deferred Income Taxes - Other Property (282) at December 31, 2020, is $(80,859,020). 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, 2020, is $2,945.

(c) Concept: AccumulatedDeferredIncomeTaxesOtherProperty

The ARO balance in Accumulated Deferred Income taxes - Other Property (282) at December 31, 2021, is $3,767,834 and the Coal Combustion Residual ARO balance is $2,098,298.

The Regulatory Tax Adjustments balance in Accumulated Deferred Income Taxes - Other Property (282) at December 31, 2021, is $(299,357,616). 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, 2021, is $4,409,931.

(d) Concept: AccumulatedDeferredIncomeTaxesOtherProperty

T he ARO balance in Accumulated Deferred Income Taxes - Other Property (282) at December 31, 2021, is $9,701,213.

The Regulatory Tax Adjustment balance in Accumulated Deferred Income Taxes - Other Property (282) at December 31, 2021, is $(79,666,316). Please see Footnote 4, Income and Other Taxes, in 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, 2021, is $0.

Name of Respondent: Louisville Gas and Electric Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 03/28/2022	Year/Period of Report End of: 2021/ Q4

ACCUMULATED DEFERRED 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.
3. Provide in the space below explanations for Page 276. Include amounts relating to insignificant items listed under Other.
4. Use footnotes as required.

Line No.	Account (a)	Balance at Beginning of Year (b)	CHANGES DURING YEAR: Amounts Debited to Account 410.1 (c)	Amounts Credited to Account 411.1 (d)	Amounts Debited to Account 410.2 (e)	Amounts Credited to Account 411.2 (f)	ADJUSTMENTS: Debits: Account Credited (g)	Debits: Amount (h)	Credits: Account Debited (i)	Credits: Amount (j)	Balance at End of Year (k)
1	Account 283										
2	Electric										
3	Coal Combustion Residual ARO	17,737,915	893,575	36,087							18,595,403
4	Regulatory Tax Adjustment	1,691,118					182	42,383	182	8,591	1,657,326
5	Interest Rate Swaps	10,857,021	60,808	1,505,734							9,412,095
6	Storm Damages	2,618,587	57,773	684,089							1,992,271
7	Excess Deferred Taxes	34,562,717	1,375,200	19,372,110							16,565,807
8	Pension - Regulatory Asset	25,390,763	1,438,162	1,721,520							25,107,405
9	Prepaid Insurance	437,611	225,619	9,112							654,118
10	Loss on Reacquired Debt	3,166,368	9,344	231,370							2,944,342
11	Pensions	12,569,438	2,653,196	1,619,607							13,603,027
12	Rate Case Expenses	210,489	14,886	77,063							148,312
13	Swap Termination	3,249,024	9,950	246,386							3,012,588
14	Asset Retirement Obligation - Electric	2,267,027	499,111	20,156							2,745,982
15	Plant Outage Normalization - Reg Asset	3,111,806	542,615	21,913							3,632,508

16	Post Retirement - Regulatory Asset	1,250,559	52,629	1,303,188							
17	Other	257,400	85,654	196,647							146,407
9	TOTAL Electric (Total of lines 3 thru 8)	119,377,843	7,918,522	27,044,982				42,383		8,591	100,217,591
10	Gas										
11	Loss on Required Debt	156,499	1,793	44,399							113,893
12	Regulatory Tax Adjustment						182	8	182	199	191
13	Interest Rate Swaps	2,714,191	15,202	376,433							2,352,960
14	Excess Deferred Taxes	7,402,501	294,534	4,149,042							3,547,993
15	Purchased Gas	1,024,477	4,483,137	346,327							5,161,287
16	Pension - Regulatory Asset	7,584,255	429,581	514,220							7,499,616
17	Prepaid Insurance	102,651	52,924	2,137							153,438
18	Pensions	3,002,111	792,513	483,778							3,310,846
19	Rate Case Expenses	49,909	974	24,113							26,770
20	Asset Retirement Obligation - Gas	1,106,236	162,213	1,268,449							
21	Casualty Loss - Storm Damages	1,205	51	1,256							
22	Post Retirement - Regulatory Asset	373,541	15,722	389,263							
23	Other		15,577	631							14,946
17	TOTAL Gas (Total of lines 11 thru 16)	23,517,576	6,264,221	7,600,048				8		199	22,181,940
18	TOTAL Other						—		—		
19	TOTAL (Acct 283) (Enter Total of lines 9, 17 and 18)	142,895,419	14,182,743	34,645,030				42,391		8,790	122,399,531
20	Classification of TOTAL										
21	Federal Income Tax	119,341,853	11,858,994	30,876,581				34,294		7,427	100,297,399
22		23,553,566	2,323,749	3,768,449				8,097		1,363	22,102,132

	State Income Tax										
23	Local Income Tax										

NOTES

Name of Respondent: Louisville Gas and Electric Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 03/28/2022	Year/Period of Report End of: 2021/ 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 (a)	Balance at Beginning of Current Quarter/Year (b)	DEBITS		Credits (e)	Balance at End of Current Quarter/Year (f)
			Account Credited (c)	Amount (d)		
1	[(a)] ASC 740 - Income Taxes	535,223,432	410/411/190/282	15,327,119	(22,322,228)	497,574,085
2	Economic Relief Surcredit		411/410/190/454/456/501	21,470,660	42,176,285	20,705,625
3	Forward Starting Swaps Gains	32,810,216	427	1,433,704		31,376,512
4	Fuel Adjustment Clause	137,000	440-445	1,395,000	1,258,000	
5	Environmental Cost Recovery		440-445	4,436,000	4,436,000	
6	Off-System Sales Tracker	106,000	440-445	3,709,000	4,008,000	405,000
7	Summer Storm 2011	154,849	593	154,849		
8	Refined Coal	2,071,464	454/456/501	4,030,198	1,958,734	
9	Utility Settlement	15,000,000			(15,000,000)	
10	DSM Cost Recovery	133,000	440-445	133,000		
11	TCJA - FERC Only	79,541	456	79,541		
12	ASC 715 - Pension and Postretirement				8,385,397	8,385,397
41	TOTAL	585,715,502		52,169,071	24,900,188	558,446,619

Name of Respondent: Louisville Gas and Electric Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 03/28/2022	Year/Period of Report End of: 2021/ Q4

FOOTNOTE DATA

(a) Concept: DescriptionAndPurposeOfOtherRegulatoryLiabilities

The information below includes the rate order or document number, if applicable and the period of amortization for each regulatory liability listed on page 278.

ASC 740 – Income Taxes
Order/docket number:
KPSC 2020-00350
Amortization Period: Ongoing

Economic Relief Surcredit
Order/docket number:
KPSC 2020-00350
Amortization Period: July 2021 to June 2022

Forward Starting Swaps Gains
Order/docket number:
KPSC 2020-00350
Amortization Period: September 2015 to October 2045

Fuel Adjustment Clause
Order/docket number:
807 KAR 5:506
Amortization Period: Ongoing

Environmental Cost Recovery
Order/docket number:
KRS 278.183
Amortization Period: Ongoing

Off-System Sales Tracker
Order/docket number:
KPSC 2020-00350
807 KAR 5:506
Amortization Period: Ongoing

Summer Storm 2011
Order/docket number:
KPSC 2020-00350
Amortization Period: May 2019 to June 2021

Refined Coal
Order/docket number:
KPSC 2020-00350
FERC EL 15-92-000

Utility Settlement
Order/docket number:
KPSC 2020-00350
DSM Cost Recovery
Order/docket number:
KRS 278.285
Amortization Period: Ongoing

Tax Cuts and Job Act - FERC
Order/docket number:
FERC RM. 19-5-000

ASC 715 - Pension and Postretirement
Order/docket number:
KPSC 2020-00350
FERC AI07-1-000
Amortization Period: Ongoing

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Electric Operating Revenues

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.
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 page 108, 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.

Line No.	Title of Account (a)	Operating Revenues Year to Date Quarterly/Annual (b)	Operating Revenues Previous year (no Quarterly) (c)	MEGAWATT HOURS SOLD Year to Date Quarterly/Annual (d)	MEGAWATT HOURS SOLD Amount Previous year (no Quarterly) (e)	AVG.NO. CUSTOMERS PER MONTH Current Year (no Quarterly) (f)	AVG.NO. CUSTOMERS PER MONTH Previous Year (no Quarterly) (g)
1	Sales of Electricity						
2	(440) Residential Sales	479,087,634	465,439,679	4,193,142	4,122,473	375,455	371,300
3	(442) Commercial and Industrial Sales						
4	Small (or Comm.) (See Instr. 4)	381,667,629	367,825,028	3,607,268	3,517,859	45,930	44,921
5	Large (or Ind.) (See Instr. 4)	170,349,327	166,121,814	2,449,628	2,359,385	547	547
6	(444) Public Street and Highway Lighting	1,821,622	2,018,546	9,084	10,494	620	625
7	(445) Other Sales to Public Authorities	94,655,844	92,594,585	1,030,295	997,838	4,611	4,449
8	(446) Sales to Railroads and Railways						
9	(448) Interdepartmental Sales						
10	TOTAL Sales to Ultimate Consumers	1,127,582,056	1,093,999,652	11,289,417	11,008,049	427,163	421,842
11	(447) Sales for Resale	37,858,290	23,455,371	1,345,364	1,090,488	12	12
12	TOTAL Sales of Electricity	1,165,440,346	1,117,455,023	12,634,781	12,098,537	427,175	421,854
13	(Less) (449.1) Provision for Rate Refunds						
14	TOTAL Revenues Before Prov. for Refunds	1,165,440,346	1,117,455,023	12,634,781	12,098,537	427,175	421,854
15	Other Operating Revenues						
16		2,419,327	600,758				

	(450) Forfeited Discounts						
17	(451) Miscellaneous Service Revenues	871,343	572,728				
18	(453) Sales of Water and Water Power						
19	(454) Rent from Electric Property	7,877,893	9,844,785				
20	(455) Interdepartmental Rents						
21	(456) Other Electric Revenues	(a)8,292,845	(c)819,496				
22	(456.1) Revenues from Transmission of Electricity of Others	(b)10,891,181	(d)10,026,579				
23	(457.1) Regional Control Service Revenues						
24	(457.2) Miscellaneous Revenues						
25	Other Miscellaneous Operating Revenues						
25.1	Other Miscellaneous Operating Revenues						
26	TOTAL Other Operating Revenues	30,352,589	21,864,346				
27	TOTAL Electric Operating Revenues	1,195,792,935	1,139,319,369				

Line12, column (b) includes $ (e)7,867,402 of unbilled revenues.
Line12, column (d) includes (f)18,961 MWH relating to unbilled revenues

Name of Respondent: Louisville Gas and Electric Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 03/28/2022	Year/Period of Report End of: 2021/ Q4

FOOTNOTE DATA

(a) Concept: OtherElectricRevenue

Utility Settlement Amortization	$	7,500,000
Refined Coal Amortization		270,182
Other items less than $250,000 each		522,663
Total for Other Electric Revenues (456)	$	8,292,845

(b) Concept: RevenuesFromTransmissionOfElectricityOfOthers

East Kentucky Power Cooperative	$	3,963,634
Kentucky Municipal Energy Agency		1,963,897
Owensboro Municipal Utilities		1,920,487
Kentucky Municipal Power Agency		946,101
Tennessee Valley Authority		573,625
Kentucky Utilities		482,694
Midcontinent Independent System Operator		385,917
City of Bardstown		273,450
City of Nicholasville		266,204
Other items less than $250,000 each		115,172
Total for Revenues from Transmission of Electricity of Others (456.1)	$	10,891,181

(c) Concept: OtherElectricRevenue

Refined Coal Amortization	$	360,243
Other items less than $250,000 each		459,253
Total for Other Electric Revenues (456)	$	819,496

(d) Concept: RevenuesFromTransmissionOfElectricityOfOthers

East Kentucky Power Cooperative	$	3,274,915
Owensboro Municipal Utilities		2,180,665
Kentucky Municipal Energy Agency		2,010,062
Kentucky Municipal Power Agency		950,309
Tennessee Valley Authority		511,772
Midcontinent Independent System Operator		391,322
Other items less than $250,000 each		707,534
Total for Revenues from Transmission of Electricity of Others (456.1)	$	10,026,579

(e) Concept: RevenueFromSalesOfElectricityUnbilled

This net unbilled revenue represents the following:

Base Revenue	$	1,991,000
Fuel Adjustment Clause Accrual		4,248,000
Environmental Cost Recovery Accrual		845,000
Economic Relief Surcredit Accrual		545,824
Demand Side Management Accrual		519,000
Solar Capacity Charge Accrual		17,578
Off-system Sales Tracker Accrual		(299,000)
Net Unbilled	$	7,867,402

(f) Concept: MegawattHoursOfElectricitySoldUnbilled

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.

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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					
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31					
32					
33					
34					
35					
36					
37					
38					
39					
40					
41					
42					
43					
44					
45					
46	TOTAL				

Name of Respondent: Louisville Gas and Electric Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 03/28/2022	Year/Period of Report End of: 2021/ 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 Page 310.
2. Provide a subheading and total for each prescribed operating revenue account in the sequence followed in "Electric Operating Revenues," Page 300. 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	Residential Service (440)	4,227,814	(b)480,467,963	377,735	11,193	0.1136
2	Residential Time-of-Day En Svc (440)	2,350	(c)239,835	139	16,906	0.1021
3	Residential Time-of-Day Dem Svc (440)	141	(d)16,603	7	20,143	0.1178
4	General Service (440)	374	(e)65,138	290	1,290	0.1742
5	Lighting Service (440)	3,081	(f)960,185	4,499	685	0.3116
6	Restricted Lighting Service (440)	1,747	(g)406,587	1,842	948	0.2327
7	Duplicate Customers (440)			(9,057)		
8	(a) Reclassifications and Adjustments (440)	357	63,538			0.1780
41	TOTAL Billed Residential Sales	4,235,864	482,219,849	375,455	11,282	0.1138
42	TOTAL Unbilled Rev. (See Instr. 6)	(h)42,722	(3,132,215)			0.0733
43	TOTAL	4,193,142	479,087,634	375,455	11,168	0.1143

Name of Respondent: Louisville Gas and Electric Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 03/28/2022	Year/Period of Report End of: 2021/ Q4

FOOTNOTE DATA

(a) Concept: DescriptionOfNumberAndTitleOfRateSchedule
Includes current and prior period reclassifications between FERC accounts and net billing adjustments.
(b) Concept: ResidentialSalesBilled
Includes fuel adjustment clause of $(1,241,643)
(c) Concept: ResidentialSalesBilled
Includes fuel adjustment clause of $(672)
(d) Concept: ResidentialSalesBilled
Includes fuel adjustment clause of $(37)
(e) Concept: ResidentialSalesBilled
Includes fuel adjustment clause of $(53)
(f) Concept: ResidentialSalesBilled
Includes fuel adjustment clause of $(386)
(g) Concept: ResidentialSalesBilled
Includes fuel adjustment clause of $(204)
(h) Concept: MegawattHoursSoldResidentialSalesUnbilled
Volume amounts are are actually negative due to adjustments or the net presentation of unbilled volumes.

Name of Respondent: Louisville Gas and Electric Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 03/28/2022	Year/Period of Report End of: 2021/ 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 Page 310.
2. Provide a subheading and total for each prescribed operating revenue account in the sequence followed in "Electric Operating Revenues," Page 300. 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	Residential Service (442)	75	[(c)]8,077	94	798	0.1077
2	General Service (442)	1,069,496	[(d)]143,824,881	43,567	24,548	0.1345
3	Power Service (442)	1,151,961	[(e)]119,313,182	2,265	508,592	0.1036
4	Time-of-Day Secondary Service (442)	877,299	[(f)]69,169,427	328	2,674,692	0.0788
5	Time-of-Day Primary Service (442)	471,382	[(g)]35,706,670	51	9,242,784	0.0757
6	Lighting Service (442)	30,143	[(h)]6,441,694	7,860	3,835	0.2137
7	Restricted Lighting Service (442)	14,726	[(i)]4,521,798	2,490	5,914	0.3071
8	Lighting Energy Service (442)	2	167	6	333	0.0835
9	Electric Vehicle Charging Service (442)	25	[(j)]4,402	10	2,500	0.1761
10	Duplicate Customers (442)			(10,741)		
11	[(a)] Reclassifications and Adjustments (442)	[(b)]160	(29,858)			
41	TOTAL Billed Small or Commercial	3,614,949	378,960,440	45,930	78,706	0.1048
42	TOTAL Unbilled Rev. Small or Commercial (See Instr. 6)	[(k)]7,681	2,707,189			(0.3525)
43	TOTAL Small or Commercial	3,607,268	381,667,629	45,930	78,538	0.1058

Name of Respondent: Louisville Gas and Electric Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 03/28/2022	Year/Period of Report End of: 2021/ Q4

FOOTNOTE DATA

(a) Concept: DescriptionOfNumberAndTitleOfRateSchedule
Includes current and prior period reclassifications between FERC accounts and net billing adjustments.
(b) Concept: MegawattHoursSoldSmallOrCommercialBilled
Volume amounts are are actually negative due to adjustments or the net presentation of unbilled volumes.
(c) Concept: SmallOrCommercialSalesElectricOperatingRevenueBilled
Includes fuel adjustment clause of $(30)
(d) Concept: SmallOrCommercialSalesElectricOperatingRevenueBilled
Includes fuel adjustment clause of $(280,652)
(e) Concept: SmallOrCommercialSalesElectricOperatingRevenueBilled
Includes fuel adjustment clause of $(296,823)
(f) Concept: SmallOrCommercialSalesElectricOperatingRevenueBilled
Includes fuel adjustment clause of $(206,991)
(g) Concept: SmallOrCommercialSalesElectricOperatingRevenueBilled
Includes fuel adjustment clause of $(107,496)
(h) Concept: SmallOrCommercialSalesElectricOperatingRevenueBilled
Includes fuel adjustment clause of $(3,505)
(i) Concept: SmallOrCommercialSalesElectricOperatingRevenueBilled
Includes fuel adjustment clause of $(1,844)
(j) Concept: SmallOrCommercialSalesElectricOperatingRevenueBilled
Includes fuel adjustment clause of $(19)
(k) Concept: MegawattHoursSoldSmallOrCommercialUnbilled
Volume amounts are are actually negative due to adjustments or the net presentation of unbilled volumes.

Name of Respondent: Louisville Gas and Electric Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 03/28/2022	Year/Period of Report End of: 2021/ 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 Page 310.
2. Provide a subheading and total for each prescribed operating revenue account in the sequence followed in "Electric Operating Revenues," Page 300. 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	General Service (442)	33,263	[b]3,950,316	313	106,272	0.1188
2	Power Service (442)	126,167	[c]14,896,134	180	700,928	0.1181
3	Time-of-Day Secondary Service (442)	298,991	[d]26,256,511	95	3,147,274	0.0878
4	Time-of-Day Primary Service (442)	1,022,537	[e]69,046,622	57	17,939,246	0.0675
5	Retail Transmision Service (442)	906,078	[f]49,448,345	7	129,439,714	0.0546
6	Lighting Service (442)	918	[g]141,416	205	4,478	0.1540
7	Restricted Lighting Service (442)	193	[h]30,493	49	3,939	0.1580
8	Duplicate Customers (442)			(359)		
9	[a] Reclassifications and Adjustments (442)		(1,197)			
41	TOTAL Billed Large (or Ind.) Sales	2,388,147	163,768,640	547	4,365,899	0.0686
42	TOTAL Unbilled Rev. Large (or Ind.) (See Instr. 6)	61,481	6,580,687			0.1070
43	TOTAL Large (or Ind.)	2,449,628	170,349,327	547	4,478,296	0.0695

Name of Respondent: Louisville Gas and Electric Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 03/28/2022	Year/Period of Report End of: 2021/ Q4

FOOTNOTE DATA

(a) Concept: DescriptionOfNumberAndTitleOfRateSchedule
Includes current and prior period reclassifications between FERC accounts and net billing adjustments.
(b) Concept: LargeOrIndustrialSalesElectricOperatingRevenueBilled
Includes fuel adjustment clause of $(7,381)
(c) Concept: LargeOrIndustrialSalesElectricOperatingRevenueBilled
Includes fuel adjustment clause of $(28,905)
(d) Concept: LargeOrIndustrialSalesElectricOperatingRevenueBilled
Includes fuel adjustment clause of $(64,777)
(e) Concept: LargeOrIndustrialSalesElectricOperatingRevenueBilled
Includes fuel adjustment clause of $(249,616)
(f) Concept: LargeOrIndustrialSalesElectricOperatingRevenueBilled
Includes fuel adjustment clause of $(358,416)
(g) Concept: LargeOrIndustrialSalesElectricOperatingRevenueBilled
Includes fuel adjustment clause of $(95)
(h) Concept: LargeOrIndustrialSalesElectricOperatingRevenueBilled
Includes fuel adjustment clause of $(23)

Name of Respondent: Louisville Gas and Electric Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 03/28/2022	Year/Period of Report End of: 2021/ 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 Page 310.
2. Provide a subheading and total for each prescribed operating revenue account in the sequence followed in "Electric Operating Revenues," Page 300. 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						
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
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26						
27						
28						
29						
30						
31						
32						
33						
34						
35						
36						
37						
38						
39						
40						
41	TOTAL Billed Commercial and Industrial Sales					
42	TOTAL Unbilled Rev. (See Instr. 6)					
43	TOTAL					

Name of Respondent: Louisville Gas and Electric Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 03/28/2022	Year/Period of Report End of: 2021/ 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 Page 310.
2. Provide a subheading and total for each prescribed operating revenue account in the sequence followed in "Electric Operating Revenues," Page 300. 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	General Service (444)	4	[b]1,828	26	154	0.4570
2	Lighting Service (444)	3,227	[c]526,566	337	9,576	0.1632
3	Restricted Lighting Service (444)	3,153	[d]1,068,153	499	6,319	0.3388
4	Lighting Energy Service (444)	1,588	[e]113,326	63	25,206	0.0714
5	Traffic Energy Service (444)	1,306	[f]146,693	29	45,034	0.1123
6	Duplicate Customers (444)			(334)		
7	[a] Reclassifications and Adjustments (444)		(1,192)			
41	TOTAL Billed Public Street and Highway Lighting	9,278	1,855,374	620	14,965	0.2000
42	TOTAL Unbilled Rev. (See Instr. 6)	[g]194	(33,752)			(0.1740)
43	TOTAL	9,084	1,821,622	620	14,652	0.2005

Name of Respondent: Louisville Gas and Electric Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 03/28/2022	Year/Period of Report End of: 2021/ Q4

FOOTNOTE DATA

(a) Concept: DescriptionOfNumberAndTitleOfRateSchedule
Includes current and prior period reclassifications between FERC accounts and net billing adjustments.
(b) Concept: PublicStreetAndHighwayLightingBilled
Includes fuel adjustment clause of $(1)
(c) Concept: PublicStreetAndHighwayLightingBilled
Includes fuel adjustment clause of $(509)
(d) Concept: PublicStreetAndHighwayLightingBilled
Includes fuel adjustment clause of $(460)
(e) Concept: PublicStreetAndHighwayLightingBilled
Includes fuel adjustment clause of $(243)
(f) Concept: PublicStreetAndHighwayLightingBilled
Includes fuel adjustment clause of $(270)
(g) Concept: MegawattHoursSoldPublicStreetAndHighwayLightingUnbilled
Volume amounts are are actually negative due to adjustments or the net presentation of unbilled volumes.

Name of Respondent: Louisville Gas and Electric Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 03/28/2022	Year/Period of Report End of: 2021/ 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 Page 310.
2. Provide a subheading and total for each prescribed operating revenue account in the sequence followed in "Electric Operating Revenues," Page 300. 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	Residential Service (445)	2,234	(c) 273,616	512	4,363	0.1225
2	Volunteer Fire Department Service (445)	295	(d) 30,064	5	59,000	0.1019
3	General Service (445)	85,717	(e) 10,809,788	1,965	43,622	0.1261
4	Power Service (445)	203,455	(f) 23,001,582	277	734,495	0.1131
5	Time-of-Day Secondary Service (445)	104,753	(g) 10,037,877	60	1,745,883	0.0958
6	Time-of-Day Primary Service (445)	444,691	(h) 29,612,536	22	20,213,227	0.0666
7	Retail Transmission Service (445)	79,278	(i) 6,047,400	6	13,213,000	0.0763
8	Lighting Service (445)	22,569	(j) 4,758,245	1,660	13,596	0.2108
9	Restricted Lighting Service (445)	16,293	(k) 4,098,570	846	19,259	0.2516
10	Lighting Energy Service (445)	3,640	(l) 259,611	172	21,163	0.0713
11	Traffic Energy Service (445)	1,831	(m) 195,242	1,202	1,523	0.1066
12	Outdoor Sports Lighting Service (445)	39	(n) 11,338	1	39,000	0.2907
13	Special Contracts (445)	57,620	(o) 3,795,738	2	28,810,000	0.0659
14	Duplicate Customers (445)			(2,119)		
15	(a) Reclassifications and Adjustments (445)	(b) 197	(21,257)			
41	TOTAL Billed Other Sales to Public Authorities	1,022,218	92,910,350	4,611	221,691	0.0909
42	TOTAL Unbilled Rev. (See Instr. 6)	8,077	1,745,494			0.2161
43	TOTAL	1,030,295	94,655,844	4,611	223,443	0.0919

Name of Respondent: Louisville Gas and Electric Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 03/28/2022	Year/Period of Report End of: 2021/ Q4

FOOTNOTE DATA

(a) Concept: DescriptionOfNumberAndTitleOfRateSchedule

Includes current and prior period reclassifications between FERC accounts and net billing adjustments.

(b) Concept: MegawattHoursSoldOtherSalesToPublicAuthoritiesBilled

Volume amounts are are actually negative due to adjustments or the net presentation of unbilled volumes.

(c) Concept: OtherSalesToPublicAuthoritiesBilled

Includes fuel adjustment clause of $(566)

(d) Concept: OtherSalesToPublicAuthoritiesBilled

Includes fuel adjustment clause of $(88)

(e) Concept: OtherSalesToPublicAuthoritiesBilled

Includes fuel adjustment clause of $(19,766)

(f) Concept: OtherSalesToPublicAuthoritiesBilled

Includes fuel adjustment clause of $(52,958)

(g) Concept: OtherSalesToPublicAuthoritiesBilled

Includes fuel adjustment clause of $(24,415)

(h) Concept: OtherSalesToPublicAuthoritiesBilled

Includes fuel adjustment clause of $(169,208)

(i) Concept: OtherSalesToPublicAuthoritiesBilled

Includes fuel adjustment clause of $(24,601)

(j) Concept: OtherSalesToPublicAuthoritiesBilled

Includes fuel adjustment clause of $(3,365)

(k) Concept: OtherSalesToPublicAuthoritiesBilled

Includes fuel adjustment clause of $(2,287)

(l) Concept: OtherSalesToPublicAuthoritiesBilled

Includes fuel adjustment clause of $(618)

(m) Concept: OtherSalesToPublicAuthoritiesBilled

Includes fuel adjustment clause of $(348)

(n) Concept: OtherSalesToPublicAuthoritiesBilled

Includes fuel adjustment clause of $(14)

(o) Concept: OtherSalesToPublicAuthoritiesBilled

Includes fuel adjustment clause of $(14,206)

Name of Respondent: Louisville Gas and Electric Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 03/28/2022	Year/Period of Report End of: 2021/ 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 Page 310.
2. Provide a subheading and total for each prescribed operating revenue account in the sequence followed in "Electric Operating Revenues," Page 300. 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)
41	TOTAL Billed - All Accounts	11,270,456	1,119,714,653	427,163	26,384	0.0993
42	TOTAL Unbilled Rev. (See Instr. 6) - All Accounts	18,961	7,867,403			0.4149
43	TOTAL - All Accounts	11,289,417	1,127,582,056	427,163	26,384	0.0999

Name of Respondent: Louisville Gas and Electric Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 03/28/2022	Year/Period of Report End of: 2021/ 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).
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.

   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 (g) 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,line 24.
10. Footnote entries as required and provide explanations following all required data.

Line No.	Name of Company or Public Authority (Footnote Affiliations) (a)	Statistical Classification (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)	Megawatt Hours Sold (g)	REVENUE Demand Charges ($) (h)	REVENUE Energy Charges ($) (i)	REVENUE Other Charges ($) (j)	Total ($) (h+i+j) (k)
1	Big Rivers Electric Corp	(c) OS	(x) (17)							(as) 10	1
2	Dynasty Power, Inc.	(d) OS	(y) (3)				895		39,908		39,90

3	East Kentucky Power Cooperative, Inc.	[e] OS	[z] (SA 4)							[at]7,592	7,59
4	ETC Endure Energy, LLC	[f] OS	[aa] (3)				502		34,287		34,28
5	Evergy Kansas Central, Inc.	[g] OS	[ab] (3)				17,278		1,142,267		1,142,26
6	Exelon Generation Company, LLC	[h] OS	[ac] (3)				1,592		157,236		157,23
7	Hoosier Energy Rural Electric Coop	[i] OS	[ad] (17)							[au]59	5
8	[a] Indiana Municipal Power Agency	[j] OS	[ae] (7)				63		2,399		2,39
9	Indiana Municipal Power Agency	[k] OS	[af] (SA 3)				634		19,324		19,32
10	Kentucky Municipal Energy Agency	[l] OS	[ag] (SA 23)				3,681		115,950	[av]299,982	415,93
11	Kentucky Municipal Power Agency	[m] OS	[ah] (SA 13)				155		5,430	[aw]142,785	148,21
12	[b] Kentucky Utilities Company	[n] SF	[ai] (RS 508)				1,106,761		23,768,326		23,768,32
13	Kentucky Utilities Company	[o] OS	[aj] (17)							[ax]887	88
14	Macquarie Energy LLC	[p] OS	[ak] (3)				28,122		1,738,879		1,738,87
15	Midcontinent Independent System Operator	[q] OS	[al] (3)				67,490		3,635,649		3,635,64
16	Owensboro Municipal Utilities	[r] OS	[am] (SA 15)				1,056		33,076	[ay]175,895	208,97
17	PJM Settlement, Inc.	[s] OS	[an] (3)				95,737		5,304,670		5,304,67
18	Rainbow Energy Marketing Corporation	[t] OS	[ao] (3)				5,750		460,280		460,28
19	Tennessee Valley Authority	[u] OS	[ap] (3)				15,378		763,048		763,04

20	Tennessee Valley Authority	(v) OS	(aq) (SA 11)				86		2,858	(az) 1,091	3,94
21	The Energy Authority, Inc.	(w) OS	(ar) (10)				184		6,402		6,40
15	Subtotal - RQ										
16	Subtotal-Non-RQ						1,345,364		37,229,989	628,301	37,858,29
17	Total						1,345,364		37,229,989	628,301	37,858,29

Name of Respondent: Louisville Gas and Electric Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 03/28/2022	Year/Period of Report End of: 2021/ Q4

FOOTNOTE DATA

(a) Concept: NameOfCompanyOrPublicAuthorityReceivingElectricityPurchasedForResale

Indiana Municipal Power Agency has a 12.88% ownership interest in LG&E's Trimble County Generating Unit No. 1. They additionally have a 12.88% ownership interest in LG&E's and KU's Trimble County Generating Unit No. 2.

(b) Concept: NameOfCompanyOrPublicAuthorityReceivingElectricityPurchasedForResale

LG&E and KU are owned by LKE

(c) Concept: StatisticalClassificationCode

Schedule 2 Reactive Supply and Voltage Control

(d) Concept: StatisticalClassificationCode

Market Based Sales

(e) Concept: StatisticalClassificationCode

Schedule 2 Reactive Supply and Voltage Control Schedule 12 Distribution of Penalty Revenues

(f) Concept: StatisticalClassificationCode

Market Based Sales

(g) Concept: StatisticalClassificationCode

Market Based Sales

(h) Concept: StatisticalClassificationCode

Market Based Sales

(i) Concept: StatisticalClassificationCode

Schedule 2 Reactive Supply and Voltage Control
Schedule 12 Distribution of Penalty Revenues

(j) Concept: StatisticalClassificationCode

Cost Based Sales

(k) Concept: StatisticalClassificationCode

Schedule 9 Generator Imbalance

(l) Concept: StatisticalClassificationCode

Schedule 4 Energy Imbalance Service
Schedule 2 Reactive Supply and Voltage Control
Schedule 3 Regulation and Frequency Response Service
Schedule 5 Operating Reserve-Spinning Reserve Service
Schedule 6 Operating Reserve-Supp. Reserve Service
Schedule 12 Distribution of Penalty Revenues

(m) Concept: StatisticalClassificationCode

Schedule 4 Energy Imbalance Service
Schedule 2 Reactive Supply and Voltage Control
Schedule 3 Regulation and Frequency Response Service
Schedule 5 Operating Reserve-Spinning Reserve Service
Schedule 6 Operating Reserve-Supp. Reserve Service
Schedule 12 Distribution of Penalty Revenues

(n) Concept: StatisticalClassificationCode

LG&E and KU PSSA - Amended in 2018

(o) Concept: StatisticalClassificationCode

Schedule 2 Reactive Supply and Voltage Control

(p) Concept: StatisticalClassificationCode

Market Based Sales

(q) Concept: StatisticalClassificationCode

Market Based Sales

(r) Concept: StatisticalClassificationCode

Schedule 4 Energy Imbalance Service
Schedule 2 Reactive Supply and Voltage Control
Schedule 3 Regulation and Frequency Response Service
Schedule 5 Operating Reserve-Spinning Reserve Service
Schedule 6 Operating Reserve-Supp. Reserve Service

Schedule 12 Distribution of Penalty Revenues
(s) Concept: StatisticalClassificationCode
Market Based Sales
(t) Concept: StatisticalClassificationCode
Market Based Sales
(u) Concept: StatisticalClassificationCode
Market Based Sales
(v) Concept: StatisticalClassificationCode
Schedule 4 Energy Imbalance Service Schedule 2 Reactive Supply and Voltage Control Schedule 12 Distribution of Penalty Revenues
(w) Concept: StatisticalClassificationCode
Cost Based Sales
(x) Concept: RateScheduleTariffNumber
(17) LG&E and KU Joint ProForma Open Access Transmission Tariff Attachment F ProForma NITSA
(y) Concept: RateScheduleTariffNumber
(3) LG&E and KU Joint Market Based Rate Tariff (MBRT) (Short Form Tariff)
(z) Concept: RateScheduleTariffNumber
(SA 4) LG&E and KU Joint ProForma Open Access Transmission Tariff - Attachment F NITSA FERC No. 4
(aa) Concept: RateScheduleTariffNumber
(3) LG&E and KU Joint Market Based Rate Tariff (MBRT) (Short Form Tariff)
(ab) Concept: RateScheduleTariffNumber
(3) LG&E and KU Joint Market Based Rate Tariff (MBRT) (Short Form Tariff)
(ac) Concept: RateScheduleTariffNumber
(3) LG&E and KU Joint Market Based Rate Tariff (MBRT) (Short Form Tariff)
(ad) Concept: RateScheduleTariffNumber
(17) LG&E and KU Joint ProForma Open Access Transmission Tariff - Attachment F ProForma NITSA
(ae) Concept: RateScheduleTariffNumber
(7) LG&E and KU Cost Based Rate CBR Tariff Service Agreement No. 4
(af) Concept: RateScheduleTariffNumber
(SA 3) LG&E and KU Joint Pro Forma Open Access Transmission Tariff Attachment A Long-Term Firm PTP Transmission Service Agreement FERC No. 3
(ag) Concept: RateScheduleTariffNumber
(SA 23) LG&E and KU Joint ProForma Open Access Transmission Tariff - Attachment F NITSA FERC No. 23
(ah) Concept: RateScheduleTariffNumber
(SA 13) LG&E and KU Joint ProForma Open Access Transmission Tariff - Attachment F NITSA FERC No. 13
(ai) Concept: RateScheduleTariffNumber
(RS 508) FERC Rate Schedule No. 1. The Power Supply System Agreement, FERC Docket No. ER-98-111-000; Effective June 4, 2018 LG&E and KU Joint Rate Schedule No. 508 Amended and Restated Power Supply System Agreement.
(aj) Concept: RateScheduleTariffNumber
(17) LG&E and KU Joint ProForma Open Access Transmission Tariff Attachment F ProForma NITSA
(ak) Concept: RateScheduleTariffNumber
(3) LG&E and KU Joint Market Based Rate Tariff (MBRT) (Short Form Tariff)
(al) Concept: RateScheduleTariffNumber
(3) LG&E and KU Joint Market Based Rate Tariff (MBRT) (Short Form Tariff)
(am) Concept: RateScheduleTariffNumber
(SA 15) LG&E and KU Joint ProForma Open Access Transmission Tariff - Attachment F NITSA FERC No. 15
(an) Concept: RateScheduleTariffNumber
(3) LG&E and KU Joint Market Based Rate Tariff (MBRT) (Short Form Tariff)
(ao) Concept: RateScheduleTariffNumber
(3) LG&E and KU Joint Market Based Rate Tariff (MBRT) (Short Form Tariff)
(ap) Concept: RateScheduleTariffNumber
(3) LG&E and KU Joint Market Based Rate Tariff (MBRT) (Short Form Tariff)

(aq) Concept: RateScheduleTariffNumber
(SA 11) LG&E and KU Joint ProForma Open Access Transmission Tariff - Attachment F NITSA FERC No. 11
(ar) Concept: RateScheduleTariffNumber
(10) LG&E and KU CBR Tariff
(as) Concept: OtherChargesRevenueSalesForResale
Transmission revenues-Schedule 2
(at) Concept: OtherChargesRevenueSalesForResale
Transmission revenues-Schedule 2, $8,053; Transmission revenue credits-Schedule 12, $461
(au) Concept: OtherChargesRevenueSalesForResale
Transmission revenues-Schedule 2, $62; Transmission revenue credits-Schedule 12, $3
(av) Concept: OtherChargesRevenueSalesForResale
Transmission revenues-Schedule 2, $4,008; Schedule 3, $72,197; Schedule 5, $111,905; Schedule 6, $111,905; Transmission revenue credits-Schedule 12, $33
(aw) Concept: OtherChargesRevenueSalesForResale
Transmission revenues-Schedule 2, $1,907; Schedule 3, $34,375; Schedule 5, $53,282; Schedule 6, $53,282; Transmission revenue credits-Schedule 12, $61
(ax) Concept: OtherChargesRevenueSalesForResale
Schedule 2 transmission revenues
(ay) Concept: OtherChargesRevenueSalesForResale
Transmission revenues-Schedule 2, $4,173; Schedule 3, $41,926; Schedule 5, $64,985; Schedule 6, $64,985; Transmission revenue credits-Schedule 12, $174
(az) Concept: OtherChargesRevenueSalesForResale
Transmission revenues-Schedule 2, $1,171; Transmission revenue credits-Schedule 12, $80

Name of Respondent: Louisville Gas and Electric Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 03/28/2022	Year/Period of Report End of: 2021/ 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) (c)
1	1. POWER PRODUCTION EXPENSES		
2	A. Steam Power Generation		
3	Operation		
4	(500) Operation Supervision and Engineering	3,583,448	3,897,818
5	(501) Fuel	215,889,406	214,740,585
6	(502) Steam Expenses	18,434,088	18,907,505
7	(503) Steam from Other Sources		
8	(Less) (504) Steam Transferred-Cr.		
9	(505) Electric Expenses	3,213,569	2,995,827
10	(506) Miscellaneous Steam Power Expenses	15,428,640	14,828,238
11	(507) Rents	32,400	27,000
12	(509) Allowances	2	2
13	TOTAL Operation (Enter Total of Lines 4 thru 12)	256,581,553	255,396,975
14	Maintenance		
15	(510) Maintenance Supervision and Engineering	6,927,441	6,824,056
16	(511) Maintenance of Structures	4,749,468	3,854,749
17	(512) Maintenance of Boiler Plant	39,405,598	32,010,184
18	(513) Maintenance of Electric Plant	8,214,029	7,673,375
19	(514) Maintenance of Miscellaneous Steam Plant	2,086,848	1,904,625
20	TOTAL Maintenance (Enter Total of Lines 15 thru 19)	61,383,384	52,266,989
21	TOTAL Power Production Expenses-Steam Power (Enter Total of Lines 13 & 20)	317,964,937	307,663,964
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-Nuclear. Power (Enter Total of lines 33 & 40)		
42	C. Hydraulic Power Generation		
43	Operation		
44	(535) Operation Supervision and Engineering	164,524	167,626
45	(536) Water for Power	40,281	38,884
46	(537) Hydraulic Expenses		
47	(538) Electric Expenses	220,843	332,363
48	(539) Miscellaneous Hydraulic Power Generation Expenses	194,749	245,048
49	(540) Rents	384,959	499,058
50	TOTAL Operation (Enter Total of Lines 44 thru 49)	1,005,356	1,282,979
51	C. Hydraulic Power Generation (Continued)		
52	Maintenance		
53	(541) Mainentance Supervision and Engineering		
54	(542) Maintenance of Structures	245,230	100,045
55	(543) Maintenance of Reservoirs, Dams, and Waterways	198,882	79,413
56	(544) Maintenance of Electric Plant	515,647	185,453
57	(545) Maintenance of Miscellaneous Hydraulic Plant	12,997	21,447
58	TOTAL Maintenance (Enter Total of lines 53 thru 57)	972,756	386,358
59	TOTAL Power Production Expenses-Hydraulic Power (Total of Lines 50 & 58)	1,978,112	1,669,337
60	D. Other Power Generation		
61	Operation		
62	(546) Operation Supervision and Engineering	207,967	253,471
63	(547) Fuel	51,094,314	33,480,755
64	(548) Generation Expenses	271,964	316,997
64.1	(548.1) Operation of Energy Storage Equipment		

65	(549) Miscellaneous Other Power Generation Expenses	1,510,590	1,441,919
66	(550) Rents	471	4,170
67	TOTAL Operation (Enter Total of Lines 62 thru 67)	53,085,306	35,497,312
68	Maintenance		
69	(551) Maintenance Supervision and Engineering	254,534	265,660
70	(552) Maintenance of Structures	291,304	440,410
71	(553) Maintenance of Generating and Electric Plant	2,681,522	1,796,226
71.1	(553.1) Maintenance of Energy Storage Equipment		
72	(554) Maintenance of Miscellaneous Other Power Generation Plant	925,207	784,381
73	TOTAL Maintenance (Enter Total of Lines 69 thru 72)	4,152,567	3,286,677
74	TOTAL Power Production Expenses-Other Power (Enter Total of Lines 67 & 73)	57,237,873	38,783,989
75	E. Other Power Supply Expenses		
76	(555) Purchased Power	58,394,569	53,019,808
76.1	(555.1) Power Purchased for Storage Operations	0	
77	(556) System Control and Load Dispatching	1,784,124	1,798,590
78	(557) Other Expenses	150,005	111,782
79	TOTAL Other Power Supply Exp (Enter Total of Lines 76 thru 78)	60,328,698	54,930,180
80	TOTAL Power Production Expenses (Total of Lines 21, 41, 59, 74 & 79)	437,509,620	403,047,470
81	2. TRANSMISSION EXPENSES		
82	Operation		
83	(560) Operation Supervision and Engineering	1,019,312	967,762
85	(561.1) Load Dispatch-Reliability	396,712	431,781
86	(561.2) Load Dispatch-Monitor and Operate Transmission System	1,424,203	1,411,952
87	(561.3) Load Dispatch-Transmission Service and Scheduling	385,614	311,694
88	(561.4) Scheduling, System Control and Dispatch Services		
89	(561.5) Reliability, Planning and Standards Development	340,582	109,224
90	(561.6) Transmission Service Studies		(35,400)
91	(561.7) Generation Interconnection Studies	1,601	31,624
92	(561.8) Reliability, Planning and Standards Development Services		
93	(562) Station Expenses	738,259	793,010
93.1	(562.1) Operation of Energy Storage Equipment		
94	(563) Overhead Lines Expenses	302,567	248,387
95	(564) Underground Lines Expenses		
96	(565) Transmission of Electricity by Others	1,061,255	266,138

97	(566) Miscellaneous Transmission Expenses	11,606,247	11,481,182
98	(567) Rents	77,810	73,150
99	TOTAL Operation (Enter Total of Lines 83 thru 98)	17,354,162	16,090,504
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	1,418,037	1,397,627
107.1	(570.1) Maintenance of Energy Storage Equipment		
108	(571) Maintenance of Overhead Lines	6,779,735	6,225,031
109	(572) Maintenance of Underground Lines		
110	(573) Maintenance of Miscellaneous Transmission Plant	341,830	263,743
111	TOTAL Maintenance (Total of Lines 101 thru 110)	8,539,602	7,886,401
112	TOTAL Transmission Expenses (Total of Lines 99 and 111)	25,893,764	23,976,905
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	5,845	1,865
122	(575.8) Rents		
123	Total Operation (Lines 115 thru 122)	5,845	1,865
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		5,845	1,865

	TOTAL Regional Transmission and Market Operation Expenses (Enter Total of Lines 123 and 130)		
132	4. DISTRIBUTION EXPENSES		
133	Operation		
134	(580) Operation Supervision and Engineering	2,011,275	1,796,267
135	(581) Load Dispatching	188,147	238,533
136	(582) Station Expenses	2,383,079	2,392,080
137	(583) Overhead Line Expenses	4,895,868	5,038,177
138	(584) Underground Line Expenses	7,088,114	6,609,330
138.1	(584.1) Operation of Energy Storage Equipment		
139	(585) Street Lighting and Signal System Expenses		
140	(586) Meter Expenses	4,684,953	5,456,200
141	(587) Customer Installations Expenses	(98)	
142	(588) Miscellaneous Expenses	7,207,941	6,158,084
143	(589) Rents	14,104	49,063
144	TOTAL Operation (Enter Total of Lines 134 thru 143)	28,473,383	27,737,734
145	Maintenance		
146	(590) Maintenance Supervision and Engineering	7,450	17,531
147	(591) Maintenance of Structures	6,336	5,157
148	(592) Maintenance of Station Equipment	941,612	1,118,296
148.1	(592.2) Maintenance of Energy Storage Equipment		
149	(593) Maintenance of Overhead Lines	16,610,960	17,166,199
150	(594) Maintenance of Underground Lines	1,764,958	1,508,490
151	(595) Maintenance of Line Transformers	119,493	116,316
152	(596) Maintenance of Street Lighting and Signal Systems	535,676	411,090
153	(597) Maintenance of Meters		
154	(598) Maintenance of Miscellaneous Distribution Plant	765,058	611,701
155	TOTAL Maintenance (Total of Lines 146 thru 154)	20,751,543	20,954,780
156	TOTAL Distribution Expenses (Total of Lines 144 and 155)	49,224,926	48,692,514
157	5. CUSTOMER ACCOUNTS EXPENSES		
158	Operation		
159	(901) Supervision	1,431,794	1,369,466
160	(902) Meter Reading Expenses	3,212,119	3,571,856
161	(903) Customer Records and Collection Expenses	7,147,535	7,371,067
162	(904) Uncollectible Accounts	3,695,798	2,725,415
163	(905) Miscellaneous Customer Accounts Expenses	2,742	2,512
164	TOTAL Customer Accounts Expenses (Enter Total of Lines 159 thru 163)	15,489,988	15,040,316

165	6. CUSTOMER SERVICE AND INFORMATIONAL EXPENSES		
166	Operation		
167	(907) Supervision	279,966	279,117
168	(908) Customer Assistance Expenses	8,122,177	8,806,906
169	(909) Informational and Instructional Expenses	1,291,208	1,018,497
170	(910) Miscellaneous Customer Service and Informational Expenses	1,058,777	1,020,657
171	TOTAL Customer Service and Information Expenses (Total Lines 167 thru 170)	10,752,128	11,125,177
172	7. SALES EXPENSES		
173	Operation		
174	(911) Supervision		
175	(912) Demonstrating and Selling Expenses	325,761	30,416
176	(913) Advertising Expenses	1,118,503	1,135,389
177	(916) Miscellaneous Sales Expenses		
178	TOTAL Sales Expenses (Enter Total of Lines 174 thru 177)	1,444,264	1,165,805
179	8. ADMINISTRATIVE AND GENERAL EXPENSES		
180	Operation		
181	(920) Administrative and General Salaries	23,823,740	24,425,921
182	(921) Office Supplies and Expenses	7,016,303	6,517,701
183	(Less) (922) Administrative Expenses Transferred-Credit	4,484,156	4,683,485
184	(923) Outside Services Employed	13,830,106	13,070,279
185	(924) Property Insurance	6,604,508	5,536,637
186	(925) Injuries and Damages	4,965,823	2,008,578
187	(926) Employee Pensions and Benefits	18,775,942	19,182,369
188	(927) Franchise Requirements	27,224	38,246
189	(928) Regulatory Commission Expenses	1,452,205	1,460,476
190	(929) (Less) Duplicate Charges-Cr.	221,732	208,781
191	(930.1) General Advertising Expenses		
192	(930.2) Miscellaneous General Expenses	3,102,197	2,876,649
193	(931) Rents	2,217,448	2,014,475
194	TOTAL Operation (Enter Total of Lines 181 thru 193)	77,109,608	72,239,065
195	Maintenance		
196	(935) Maintenance of General Plant	1,038,669	987,126
197	TOTAL Administrative & General Expenses (Total of Lines 194 and 196)	78,148,277	73,226,191
198	TOTAL Electric Operation and Maintenance Expenses (Total of Lines 80, 112, 131, 156, 164, 171, 178, and 197)	618,468,812	576,276,243

Name of Respondent: Louisville Gas and Electric Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 03/28/2022	Year/Period of Report End of: 2021/ Q4

PURCHASED POWER (Account 555)

1. Report all power purchases made during the year. Also report exchanges of electricity (i.e., transactions involving a balancing of debits and credits fo 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. Explai 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 prc 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

   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 adverse conditions (e.g., the supplier must attempt to buy emergency energy from third parties to maintain deliveries of LF service). This category sh 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 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 f 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

   EX - For exchanges of electricity. Use this category for transactions involving a balancing of debits and credits for energy, capacity, etc. and any settl

   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 service from designated units of Less than one year. Describe the nature of the service in a footnote for each adjustment.

   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

4. In column (c), identify the FERC Rate Schedule Number or Tariff, or, for non-FERC jurisdictional sellers, include an appropriate designation for the co 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 avera monthly non-coincident peak (NCP) demand in column (e), and the average monthly coincident peak (CP) demand in column (f). For all other types c Monthly NCP demand is the maximum metered hourly (60-minute integration) demand in a month. Monthly CP demand is the metered demand durin 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 me
6. Report in column (g) the megawatthours shown on bills rendered to the respondent, excluding purchases for energy storage. Report in column (h) the the respondent for energy storage purchases. Report in columns (i) and (j) the megawatthours of power exchanges received and delivered, used as t exchange.
7. Report demand charges in column (k), energy charges in column (l), and the total of any other types of charges, including out-of-period adjustments, components of the amount shown in column (m). Report in column (n) the total charge shown on bills received as settlement by the respondent. For | settlement amount for the net receipt of energy. If more energy was delivered than received, enter a negative amount. If the settlement amount (m) in incremental generation expenses, or (2) excludes certain credits or charges covered by the agreement, provide an explanatory footnote.
8. The data in columns (g) through (n) must be totaled on the last line of the schedule. The total amount in columns (g) and (h) must be reported as Pur in column (i) must be reported as Exchange Received on Page 401, line 12. The total amount in column (j) must be reported as Exchange Delivered
9. Footnote entries as required and provide explanations following all required data.

Line No.	Name of Company or Public Authority (Footnote Affiliations) (a)	Statistical Classification (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)	MegaWatt Hours Purchased (Excluding for Energy Storage) (g)	MegaWatt Hours Purchased for Energy Storage (h)	POWER EXCHANGES MegaWatt Hours Received (i)	POWER EXCHANGES MegaWatt Hours Delivered (j)	Dema Charg ($) (k)
1	DCL Inc	(i) OS	(af) (12)				342				
2	East Kentucky Power Cooperative, Inc.	(j) OS	(ag) (11)				1,037				
3		(k) OS	(ah) (5)				3				

	(a) Illinois Municipal Electric Agency										
4	(b) Indiana Municipal Power Agency	(l) OS	(ai) (8)				1,019				
5	Kentucky Municipal Energy Agency	(m) OS	(aj) (9)				951				
6	Kentucky Municipal Power Agency	(n) OS	(ak) (9)				1,829				
7	(c) Kentucky Utilities Company	(o) SF	(al) (2)				1,025,063				
8	Mall St. Matthews - SQF	(p) OS	(am) (12)				15				
9	Mall St. Matthews - LQF	(q) OS	(an) (12)				85				
10	(d) Ohio Valley Electric Corporation - Demand	(r) OS	(ao) (6)								22,518
11	Ohio Valley Electric Corporation - Demand	(s) AD	(ap) (6)								
12	(e) Ohio Valley Electric Corporation - Energy	(t) OS	(aq) (6)				508,181				
13	Ohio Valley Electric Corporation - Energy	(u) AD	(ar) (6)								
14	Owensboro Municipal Utilities	(v) OS	(as) (9)				747				
15	Oxmoor Center Management Office	(w) OS	(at) (12)				228				
16	PJM Settlement, Inc.	(x) OS	(au) (16)				1,250				
17	Tennessee Valley Authority	(y) OS	(av) (13)				4,468				
18	Tennessee Valley Authority	(z) OS	(aw) (4)				483				
19		(aa) OS	(ax) (14)				1				

	Tennessee Valley Authority										
20	Tennessee Valley Authority	[ab] OS	[gy] (9)				1				
21	[f] Simpsonville Solar	[ac] OS	[az] (12)								
22	[g] Business Solar	[ad] OS	[ba] (12)								
23	[h] Net Metering Service-2	[ae] OS	(12)				19				
24	Inadvertent Interchange								0	347,376	
15	TOTAL						1,545,722			347,376	22,518

Name of Respondent: Louisville Gas and Electric Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 03/28/2022	Year/Period of Report End of: 2021/ Q4

FOOTNOTE DATA

(a) Concept: NameOfCompanyOrPublicAuthorityProvidingPurchasedPower

Illinois Municipal Electric Agency has a 12.12% ownership interest in LG&E's Trimble County Generating Unit No. 1. They additionally have a 12.12% ownership interest in LG&E's and KU's Trimble County Generating Unit No. 2.

(b) Concept: NameOfCompanyOrPublicAuthorityProvidingPurchasedPower

Indiana Municipal Power Agency has a 12.88% ownership interest in LG&E's Trimble County Generating Unit No. 1. They additionally have a 12.88% ownership interest in LG&E's and KU's Trimble County Generating Unit No. 2.

(c) Concept: NameOfCompanyOrPublicAuthorityProvidingPurchasedPower

LG&E and KU are owned by LKE

(d) Concept: NameOfCompanyOrPublicAuthorityProvidingPurchasedPower

Intercompany Power Agreement dated September 10, 2010. The Company owns 5.63% 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.

(e) Concept: NameOfCompanyOrPublicAuthorityProvidingPurchasedPower

Intercompany Power Agreement dated September 10, 2010. The Company owns 5.63% 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.

(f) Concept: NameOfCompanyOrPublicAuthorityProvidingPurchasedPower

Company Community Solar Share Program with Solar Array One located in Simpsonville, Kentucky.

(g) Concept: NameOfCompanyOrPublicAuthorityProvidingPurchasedPower

Archdiocese of Louisville

(h) Concept: NameOfCompanyOrPublicAuthorityProvidingPurchasedPower

Net Metering Service-2

(i) Concept: StatisticalClassificationCode

Large Capacity Cogeneration and Small Power Production Qualifying Facility

(j) Concept: StatisticalClassificationCode

Market Based Purchases

(k) Concept: StatisticalClassificationCode

Market Based Purchases

(l) Concept: StatisticalClassificationCode

Imbalance

(m) Concept: StatisticalClassificationCode

Imbalance

(n) Concept: StatisticalClassificationCode

Imbalance

(o) Concept: StatisticalClassificationCode

LG&E and KU PSSA - Amended in 2018

(p) Concept: StatisticalClassificationCode

Small Capacity Cogeneration and Small Power Production Qualifying Facility

(q) Concept: StatisticalClassificationCode

Large Capacity Cogeneration and Large Power Production Qualifying Facility

(r) Concept: StatisticalClassificationCode

Available Energy and Available Power

(s) Concept: StatisticalClassificationCode

December 2020 true-up of accrual estimate for both energy and demand charges made in January 2021.

(t) Concept: StatisticalClassificationCode

Available Energy and Available Power

(u) Concept: StatisticalClassificationCode

December 2020 true-up of accrual estimate for both energy and demand charges made in January 2021.

(v) Concept: StatisticalClassificationCode

Imbalance

(w) Concept: StatisticalClassificationCode

Large Capacity Cogeneration and Large Power Production Qualifying Facility

(x) Concept: StatisticalClassificationCode

Market Based Purchases

(y) Concept: StatisticalClassificationCode

Market Based Purchases

(z) Concept: StatisticalClassificationCode

Emergency Purchases

(aa) Concept: StatisticalClassificationCode

Imbalance TVA Costs

(ab) Concept: StatisticalClassificationCode

Imbalance

(ac) Concept: StatisticalClassificationCode

Large Capacity Cogeneration and Large Power Production Qualifying Facility

(ad) Concept: StatisticalClassificationCode

Small Commercial Customers

(ae) Concept: StatisticalClassificationCode

Residential Customers

(af) Concept: RateScheduleTariffNumber

(12) KPSC Standard Rate Rider

(ag) Concept: RateScheduleTariffNumber

(11) EEI Master Power Purchase and Sale Agreement dated September 14, 2006.

(ah) Concept: RateScheduleTariffNumber

(5) EEI Master Power Purchase and Sale Agreement dated January 1, 2016.

(ai) Concept: RateScheduleTariffNumber

(8) LG&E and KU Joint Pro Forma Open Access Transmission Tariff Schedule 9.

(aj) Concept: RateScheduleTariffNumber

(9) LG&E and KU Joint Pro Forma Open Access Transmission Tariff Schedule 4

(ak) Concept: RateScheduleTariffNumber

(9) LG&E and KU Joint Pro Forma Open Access Transmission Tariff Schedule 4

(al) Concept: RateScheduleTariffNumber

(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.

(am) Concept: RateScheduleTariffNumber

(12) KPSC Standard Rate Rider

(an) Concept: RateScheduleTariffNumber

(12) KPSC Standard Rate Rider

(ao) Concept: RateScheduleTariffNumber

(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.

(ap) Concept: RateScheduleTariffNumber

(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.

(aq) Concept: RateScheduleTariffNumber

(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.

(ar) Concept: RateScheduleTariffNumber

(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.

(as) Concept: RateScheduleTariffNumber

(9) LG&E and KU Joint Pro Forma Open Access Transmission Tariff Schedule 4

(at) Concept: RateScheduleTariffNumber
(12) KPSC Standard Rate Rider
(au) Concept: RateScheduleTariffNumber
(16) Operating Agreement of PJM Interconnection, LLC Rate Schedule FERC No. 24
(av) Concept: RateScheduleTariffNumber
(13) FERC Electric Rate Schedule No. 28 Interchange Agreement dated 7/1/1977
(aw) Concept: RateScheduleTariffNumber
(4) Contingency Reserve Sharing Agreement dated November 20, 2009.
(ax) Concept: RateScheduleTariffNumber
(14) TVA's Transmission Service Guidelines Schedule 4 Energy Imbalance Service
(ay) Concept: RateScheduleTariffNumber
(9) LG&E and KU Joint Pro Forma Open Access Transmission Tariff Schedule 4
(az) Concept: RateScheduleTariffNumber
(12) KPSC Standard Rate Rider
(ba) Concept: RateScheduleTariffNumber
(12) KPSC Standard Rate Rider
(bb) Concept: OtherChargesOfPurchasedPower
December 2020 true-up of accrual estimate for both energy and demand charges made in January 2021.
(bc) Concept: OtherChargesOfPurchasedPower
December 2020 true-up of accrual estimate for both energy and demand charges made in January 2021.

Name of Respondent: Louisville Gas and Electric Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 03/28/2022	Year/Period of Report End of: 2021/ Q4

TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456.1) (Including transactions referred to as '

1. Report all transmission of electricity, i.e., wheeling, provided for other electric utilities, cooperatives, other public authorities, qualifying facilities, non-tr 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 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 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 Netw Transmission Service for Self, LFP - "Long-Term Firm Point to Point Transmission Service, OLF - Other Long-Term Firm Transmission Service, SFP - Reservation, NF - non-firm transmission service, OS - Other Transmission Service and AD - Out-of-Period Adjustments. Use this code for any accour prior reporting periods. Provide an explanation in a footnote for each adjustment. See General Instruction for definitions of codes.
5. In column (e), identify the FERC Rate Schedule or Tariff Number, On separate lines, list all FERC rate schedules or contract designations under whic
6. Report receipt and delivery locations for all single contract path, "point to point" transmission service. In column (f), report the designation for the subs energy was received as specified in the contract. In column (g) report the designation for the substation, or other appropriate identification for where e
7. Report in column (h) the number of megawatts of billing demand that is specified in the firm transmission service contract. Demand reported in colum stated on a megawatts basis and explain.
8. Report in column (i) and (j) the total megawatthours received and delivered.
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 t (l), provide revenues from energy charges related to the amount of energy transferred. In column (m), provide the total revenues from all other charge 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 settlement was made, enter zero (0) in column (n). Provide a footnote explaining the nature of the non-monetary settlement, including the amount an
10. The total amounts in columns (i) and (j) must be reported as Transmission Received and Transmission Delivered for annual report purposes only on I
11. Footnote entries and provide explanations following all required data.

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 Classification (d)	Ferc Rate Schedule of Tariff Number (e)	Point of Receipt (Substation or Other Designation) (f)	Point of Delivery (Substation or Other Designation) (g)	Billing Demand (MW) (h)	TRANSFER OF ENERGY Megawatt Hours Received (i)	Megawat Hours Deliverec (j)
1	Midwest ISO	Various	Various	OS	Joint OATT	Various	Various			
2	East Kentucky Power Cooperative	East Kentucky Power Cooperative	East Kentucky Power Cooperative	FNO	Joint OATT	East Kentucky Power Cooperative	East Kentucky Power Cooperative	117	721,707	721,707
3	East Kentucky Power Cooperative	East Kentucky Power Cooperative	East Kentucky Power Cooperative	NF	Joint OATT	East Kentucky Power Cooperative	East Kentucky Power Cooperative		60,195	60,19
4	East Kentucky Power Cooperative	East Kentucky Power Cooperative	East Kentucky Power Cooperative	AD	Joint OATT	East Kentucky Power Cooperative	East Kentucky Power Cooperative			
5	(a) Indiana Municipal Power Agency	Indiana Municipal Power Agency	MISO and PJM	(g) OLF	Joint OATT	Trimble Unit 1	PJM and MISO		407,410	407,41
6	(b) Indiana Municipal Power Agency	Indiana Municipal Power Agency	MISO and PJM	(h) LFP	Joint OATT	Trimble Unit 2	PJM and MISO		738,555	738,55
7		Illinois Municipal Electric Agency	Midwest ISO	(i) OLF	Joint OATT	Trimble Unit 1	Midwest ISO		375,394	375,39

	(c) Illinois Municipal Electric Agency									
8	(d) Illinois Municipal Electric Agency	Illinois Municipal Electric Agency	Midwest ISO	(i) LFP	Joint OATT	Trimble Unit 2	Midwest ISO		650,432	650,43
9	(e) LG&E/KU	Various	Various	NF	Joint OATT	Various	Various			
10	(f) LG&E/KU	Various	Various	SFP	Joint OATT	Various	Various			
11	Hoosier Energy	Midwest ISO	Hoosier Energy	FNO	Joint OATT	Midwest ISO	Hoosier Energy	1	8,090	8,09
12	Kentucky Municipal Power Agency	Midwest ISO	Kentucky Municipal Power Agency	FNO	SA 13	Various	LGEE.KMPA	30	175,494	175,49
13	Owensboro Municipal Utilities	Owensboro Municipal Utilities	Various	FNO	SA 15	Owensboro Municipal Utilities	Various	36	236,379	236,37
14	Owensboro Municipal Utilities	Owensboro Municipal Utilities	Various	LFP	Joint OATT	Owensboro Municipal Utilities	Various	29		
15	Owensboro Municipal Utilities	Owensboro Municipal Utilities	Various	NF	Joint OATT	Owensboro Municipal Utilities	Various			
16	Big Rivers Electric Corporation	Big Rivers Electric Corporation	Big Rivers Electric Corporation	FNO	Joint OATT	Big Rivers Electric Corporation	Big Rivers Electric Corporation		1,204	1,20
17	Kentucky Municipal Energy Agency	Midwest ISO	Kentucky Municipal Energy Agency	FNO	Joint OATT	Various	LGEE.KYMEA	63	386,540	386,54
18	The Energy Authority	Various	Various	NF	Joint OATT	Various	Various	0	1	
19	Tennessee Valley Authority	Tennessee Valley Authority	Tennessee Valley Authority	FNO	Joint OATT	Tennessee Valley Authority	Tennessee Valley Authority	19	103,460	103,46
20	Tennessee Valley Authority	Tennessee Valley Authority	Tennessee Valley Authority	NF	Joint OATT	Tennessee Valley Authority	Tennessee Valley Authority		150	15
21	Tennessee Valley Authority	Tennessee Valley Authority	Tennessee Valley Authority	AD	Joint OATT	Tennessee Valley Authority	Tennessee Valley Authority			
22	TCJA Order 864, FERC Doc. No. RM19-5-000	Various	Various	AD	Various	Various	Various			
23	City of Bardstown	Various	City of Bardstown	FNO	185	Various	City of Bardstown	9		
24	City of Nicholasville	Various	City of Nicholasville	FNO	157	Various	City of Nicholasville	9		
35	TOTAL							313	3,865,011	3,865,01

Name of Respondent: Louisville Gas and Electric Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 03/28/2022	Year/Period of Report End of: 2021/ Q4

FOOTNOTE DATA

(a) Concept: PaymentByCompanyOrPublicAuthority

LG&E transmits electricity for Indiana Municipal Power Agency (IMPA) from Trimble County Unit 1 to the MISO-LGEE interface or the PJM-LGEE interface at no cost to IMPA. This agreement was reached between LG&E and IMPA as a result of LG&E's exit from the MISO.

(b) Concept: PaymentByCompanyOrPublicAuthority

LG&E transmits electricity for IMPA from Trimble County Unit 2 to the MISO-LGEE interface or the PJM-LGEE interface at no cost to IMPA. This agreement was reached between LG&E and IMPA as a result of LG&E's exit from the MISO.

(c) Concept: PaymentByCompanyOrPublicAuthority

LG&E transmits electricity for Illinois Municipal Electric Agency (IMEA) from Trimble County Unit 1 to the MISO-LGEE interface or the PJM-LGEE interface at no cost to IMEA. This agreement was reached between LG&E and IMEA as a result of LG&E's exit from the MISO.

(d) Concept: PaymentByCompanyOrPublicAuthority

LG&E transmits electricity for IMEA from Trimble County Unit 2 to the MISO-LGEE interface or the PJM-LGEE interface at no cost to IMEA. This agreement was reached between LG&E and IMEA as a result of LG&E's exit from the MISO.

(e) Concept: PaymentByCompanyOrPublicAuthority

LG&E and KU are owned by LKE.

(f) Concept: PaymentByCompanyOrPublicAuthority

LG&E and KU are owned by LKE.

(g) Concept: StatisticalClassificationCode

The OLF transmission service agreement between LG&E and IMPA has a termination date of 11/01/2025 for Trimble County Unit 1.

(h) Concept: StatisticalClassificationCode

The LFP transmission service agreement between LG&E and IMPA has a termination date of 4/01/2027 for Trimble County Unit 2.

(i) Concept: StatisticalClassificationCode

The OLF transmission service agreement between LG&E and IMEA has a termination date of 3/01/2028 for Trimble County Unit 1.

(j) Concept: StatisticalClassificationCode

The LFP transmission service agreement between LG&E and IMEA has a termination date of 1/01/2025 for Trimble County Unit 2.

(k) Concept: DemandChargesRevenueTransmissionOfElectricityForOthers

True-up of prior periods.

(l) Concept: DemandChargesRevenueTransmissionOfElectricityForOthers

True-up of prior periods.

(m) Concept: OtherChargesRevenueTransmissionOfElectricityForOthers

LG&E receives ongoing monthly payments from MISO in a Joint Party Settlement Agreement related to uncompensated MISO usage above the 1,000 MW contract right.

(n) Concept: OtherChargesRevenueTransmissionOfElectricityForOthers

True-up of prior periods.

(o) Concept: OtherChargesRevenueTransmissionOfElectricityForOthers

LGE calculated the excess accumulated deferred income taxes (ADIT) that were charged in Transmission rates to customers during 2021, as $79,541. This amount was recorded to a regulatory liability as of December 31, 2021 in anticipation of further refunds.

(p) Concept: OtherChargesRevenueTransmissionOfElectricityForOthers

Schedule 1 charges

(q) Concept: OtherChargesRevenueTransmissionOfElectricityForOthers

Schedule 1 charges

(r) Concept: RevenuesFromTransmissionOfElectricityForOthers

Reconciliation of revenues from transmission of electricity of others to amount reported in electric operating revenues:

Schedule Page: 330, Line No.: 35, Column: n	$	11,260,023
Elimination of intracompany transmission revenues		(368,842)
Schedule Page: 300, Line No.: 22, Column: b	$	10,891,181

Name of Respondent: Louisville Gas and Electric Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 03/28/2022	Year/Period of Report End of: 2021/ 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 Tariff (d)	Total Revenue (e)
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
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44					
45					
46					
47					
48					
49					
40	TOTAL				

Name of Respondent: Louisville Gas and Electric Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 03/28/2022	Year/Period of Report End of: 2021/ Q4

TRANSMISSION OF ELECTRICITY BY OTHERS (Account 565)

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.

			TRANSFER OF ENERGY		EXPENSES FOR TRANSMISSION OF ELECTRICITY BY OTHERS			
Line No.	Name of Company or Public Authority (Footnote Affiliations) (a)	Statistical Classification (b)	MegaWatt Hours Received (c)	MegaWatt Hours Delivered (d)	Demand Charges ($) (e)	Energy Charges ($) (f)	Other Charges ($) (g)	Total Cost of Transmission ($) (h)
1	(a) KU	SFP	3,126	3,126	4,285		(c) 122	4,407
2	(b) KU	NF	171,941	171,941		905,048	(d) 32,441	937,489
3	PJM Interconnect	LFP	10,784	10,784	108,954			108,954
4	PJM Interconnect	NF	1,600	1,600		471	(e) 9,367	9,838
5	PJM Interconnect	AD					(f) 567	567
	TOTAL		187,451	187,451	113,239	905,519	42,497	1,061,255

FOOTNOTE DATA

(a) Concept: NameOfCompanyOrPublicAuthorityTransmissionOfElectricityByOthers
LG&E and KU are owned by LKE.
(b) Concept: NameOfCompanyOrPublicAuthorityTransmissionOfElectricityByOthers
LG&E and KU are owned by LKE.
(c) Concept: OtherChargesTransmissionOfElectricityByOthers
Schedule 1 and Schedule 2 charges.
(d) Concept: OtherChargesTransmissionOfElectricityByOthers
Schedule 1 and Schedule 2 charges.
(e) Concept: OtherChargesTransmissionOfElectricityByOthers
Schedule 1 and Schedule 2 charges.
(f) Concept: OtherChargesTransmissionOfElectricityByOthers
Black Start service charges.

Name of Respondent: Louisville Gas and Electric Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 03/28/2022	Year/Period of Report End of: 2021/ Q4

MISCELLANEOUS GENERAL EXPENSES (Account 930.2) (ELECTRIC)

Line No.	Description (a)	Amount (b)
1	Industry Association Dues	643,620
2	Nuclear Power Research Expenses	
3	Other Experimental and General Research Expenses	1,719,108
4	Pub and Dist Info to Stkhldrs...expn servicing outstanding Securities	
5	Oth Expn greater than or equal to 5,000 show purpose, recipient, amount. Group if less than $5,000	
6	PPL Service Corporation: Stockholder and Debt Service Expenses	404,608
7	Amortization of Regulatory Asset: Swap Termination (Wachovia)	307,061
8	Easements	20,949
9	Other Miscellaneous Expenses: 8 Items <$5,000 Various Vendors	6,851
46	TOTAL	3,102,197

Name of Respondent: Louisville Gas and Electric Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 03/28/2022	Year/Period of Report End of: 2021/ Q4

Depreciation and Amortization of Electric Plant (Account 403, 404, 405)

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 B 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 of 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					
2	Steam Production Plant	138,360,103				138,360,103
3	Nuclear Production Plant					
4	Hydraulic Production Plant-Conventional	4,804,287				4,804,287
5	Hydraulic Production Plant-Pumped Storage					
6	Other Production Plant	14,186,759				14,186,759
7	Transmission Plant	11,386,566				11,386,566
8	Distribution Plant	41,272,952				41,272,952
9	Regional Transmission and Market Operation					
10	General Plant	1,184,124				1,184,124
11	Common Plant-Electric	7,518,161		12,991,799		20,509,960
12	TOTAL	218,712,952		12,991,799		(a)231,704,751

B. Basis for Amortization Charges

(b)
See footnote

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	Electric Plant						

13	Electric Intangible Plant	0.002					
14	Steam Production Plant						
15	310.20 - Land	11.174					
16	311 Structures and Improvements						
17	0190 Riverport Distribution Center (311)	6.589	95 years	(30)%	2.9%	95-R2.5	41 years, 7 months
18	0211 Mill Creek Unit 1 (311)	19.445	95 years	(7)%	1.76%	95-R2.5	4 years, 6 months
19	0212 Mill Creek 1 FGD (311)		95 years	(7)%		95-R2.5	0 years
20	0221 Mill Creek Unit 2 (311)	20.316	95 years	(7)%	2.31%	95-R2.5	7 years, 11 months
21	0222 Mill Creek 2 FGD (311)		95 years	(7)%	5.61%	95-R2.5	0 years
22	0231 Mill Creek Unit 3 (311)	27.318	95 years	(7)%	1.68%	95-R2.5	18 years, 7 months
23	0232 Mill Creek 3 FGD (311)	0.135	95 years	(7)%		95-R2.5	0 years
24	0241 Mill Creek Unit 4 (311)	74.532	95 years	(7)%	2.6%	95-R2.5	18 years, 7 months
25	0242 Mill Creek 4 FGD (311)	2.472	95 years	(7)%	0.77%	95-R2.5	18 years, 7 months
26	0311 Trimble County 1 (311)	107.739	95 years	(11)%	2.03%	95-R2.5	24 years, 1 month
27	0312 Trimble County 1 FGD (311)	0.889	95 years	(11)%	3.79%	95-R2.5	24 years, 7 months
28	0321 Trimble County 2 (311)	20.811	95 years	(11)%	2.12%	95-R2.5	44 years, 4 months
29	0322 Trimble County 2 FGD (311)	0.253	95 years	(11)%	2.33%	95-R2.5	44 years, 6 months
30	0330 Trimble Training Center (311)	0.674	95 years	(5)%	2.29%	95-R2.5	44 years, 7 months
31	312 Boiler Plant Equipment						
32	0211 Mill Creek Unit 1 (312)	187.315	57 years	(7)%	6.15%	57-R1	4 years, 5 months
33	0211 Mill Creek Unit 1 Ash Pond (312)		100 years		2.93%	100-S4	0 years
34	0212 Mill Creek 1 FGD (312)	16.876	57 years	(7)%	3.67%	57-R1	4 years, 5 months
35	0221 Mill Creek Unit 2 (312)	218.166	57 years	(7)%	6.27%	57-R1	7 years, 10 months
36		114.139	57 years	(7)%	6.78%	57-R1	7 years, 10 months

	0222 Mill Creek 2 FGD (312)						
37	0231 Mill Creek Unit 3 (312)	323.36	57 years	(7)%	4.58%	57-R1	17 years, 8 months
38	0232 Mill Creek 3 FGD (312)	150.392	57 years	(7)%	5.46%	57-R1	17 years, 11 months
39	0241 Mill Creek Unit 4 (312)	793.405	57 years	(7)%	4.86%	57-R1	17 years, 10 months
40	0242 Mill Creek 4 FGD (312)	196.426	57 years	(7)%	5.28%	57-R1	17 years, 10 months
41	0311 Trimble County 1 (312)	337.082	57 years	(11)%	3.69%	57-R1	22 years, 5 months
42	0311 Trimble County 1 Ash Pond (312)	4.846	100 years		1.79%	100-S4	0 years
43	0312 Trimble County 1 FGD (312)	68.895	57 years	(11)%	3.02%	57-R1	21 years, 10 months
44	0321 Trimble County 2 (312)	294.173	57 years	(11)%	2.62%	57-R1	38 years, 7 months
45	0322 Trimble County 2 Ash Pond (312)	5.057	100 years		1.72%	100-S4	0 years
46	0322 Trimble County 2 FGD (312)	15.417	57 years	(11)%	2.26%	57-R1	37 years, 10 months
47	314 Turbogenerator Units						
48	0211 Mill Creek Unit 1 (314)	27.349	62 years	(7)%	4.76%	62-R2	4 years, 5 months
49	0221 Mill Creek Unit 2 (314)	34.061	62 years	(7)%	4.22%	62-R2	7 years, 10 months
50	0231 Mill Creek Unit 3 (314)	41.675	62 years	(7)%	3.27%	62-R2	18 years
51	0241 Mill Creek Unit 4 (314)	57.954	62 years	(7)%	3.46%	62-R2	17 years, 11 months
52	0311 Trimble County 1 (314)	63.302	62 years	(11)%	2.58%	62-R2	22 years, 8 months
53	0321 Trimble County 2 (314)	23.036	62 years	(11)%	2.22%	62-R2	39 years, 5 months
54	315 Accessory Electric Equipment						
55	0211 Mill Creek Unit 1 (315)	18.161	70 years	(7)%	3.31%	70-R3	4 years, 6 months
56	0212 Mill Creek 1 FGD (315)	0.202	70 years	(7)%	0.07%	70-R3	4 years, 5 months
57	0221 Mill Creek Unit 2 (315)	14.532	70 years	(7)%	3.77%	70-R3	7 years, 11 months
58	0222 Mill Creek 2 FGD (315)	5.652	70 years	(7)%	4.97%	70-R3	8 years
59	0231 Mill Creek Unit 3 (315)	28.83	70 years	(7)%	2.83%	70-R3	18 years, 7 months

60	0232 Mill Creek 3 FGD (315)	1.089	70 years	(7)%	0.15%	70-R3	17 years, 10 months
61	0241 Mill Creek Unit 4 (315)	33.353	70 years	(7)%	2.74%	70-R3	18 years, 4 months
62	0242 Mill Creek 4 FGD (315)	8.044	70 years	(7)%	5.29%	70-R3	18 years, 10 months
63	0311 Trimble County 1 (315)	66.569	70 years	(11)%	2.58%	70-R3	23 years, 10 months
64	0312 Trimble County 1 FGD (315)	2.737	70 years	(11)%	0.91%	70-R3	23 years, 2 months
65	0321 Trimble County 2 (315)	11.537	70 years	(11)%	2.12%	70-R3	43 years, 4 months
66	316 Miscellaneous Power Plant Equipment						
67	0190 Riverport Distribution Center (316)	2.336	43 years	(5)%	2.72%	43-R2.5	36 years, 2 months
68	0211 Mill Creek Unit 1 (316)	0.719	43 years	(7)%	4.23%	43-R2.5	4 years, 2 months
69	0221 Mill Creek Unit 2 (316)	0.127	43 years	(7)%	3.18%	43-R2.5	7 years, 11 months
70	0231 Mill Creek Unit 3 (316)	0.768	43 years	(7)%	3.57%	43-R2.5	18 years, 5 months
71	0241 Mill Creek Unit 4 (316)	13.861	43 years	(7)%	4.13%	43-R2.5	17 years, 6 months
72	0242 Mill Creek 4 FGD (316)	0.043	43 years	(7)%	0.23%	43-R2.5	18 years
73	0311 Trimble County 1 (316)	3.318	43 years	(11)%	2.86%	43-R2.5	19 years, 2 months
74	0321 Trimble County 2 (316)	4.517	43 years	(11)%	2.85%	43-R2.5	35 years, 5 months
75	317 Asset Retirement Obligations	40.108					
76	Hydraulic Production Plant						
77	Project 289						
78	0451 - Ohio Falls - Proj 289						
79	330.20 Land - Proj 289						
80	331 Structures and Improvements - Proj 289	6.58	95 years	(2)%	2.35%	95-R2	23 years, 2 months
81	332 Reservoirs, Dams, and Waterways - Proj 289	19.389	90 years	(2)%	3.8%	90-R2.5	24 years, 11 months
82		114.591	80 years	(2)%	3.74%	80-R3	24 years, 11 months

	333 Water Wheels, Turbines, Generators - Proj 289						
83	334 Accessory Electric Equipment - Proj 289	7.303	80 years	(2)%	3.59%	80-R3	25 years
84	335 Miscellaneous Power Plant Equipment - Proj 289	0.321	70 years	(2)%	1.58%	70-R3	25 years
85	336 Roads, Railroads, and Bridges - Proj 289	0.011	80 years	(2)%	7.09%	80-S4	10 years, 8 months
86	Other Than Project 289						
87	0451 - Ohio Falls - non Proj 289						
88	330.20 Land - non Proj 289						
89	331 Structures and Improvements - non Proj 289	0.166	95 years	(2)%	4.04%	95-R2	20 years, 8 months
90	335 Miscellaneous Power Plant Equipment - non Proj 289	0.004	70 years	(2)%		70-R3	0 years
91	336 Roads, Railroads, and Bridges - non Proj 289	0.001	80 years			80-S4	0 years
92	337 Asset Retirement Obligations - non Proj 289	0.607					
93	Other Production Plant						
94	340.20 Land	0.407					
95	341 Structures and Improvements						
96	0172 Cane Run Unit 7 (341)	17.766	60 years	(11)%	2.4%	60-R4	32 years, 10 months
97	0410 Zorn and River (341)	0.007	60 years	(9)%		60-R4	0 years
98	0431 Paddys Run Gen 12 (341)	0.064	60 years	(6)%		60-R4	0 years
99	0432 Paddys Run Gen 13 (341)	2.484	60 years	(6)%	2.21%	60-R4	20 years, 7 months
100		1.172	60 years	(7)%	3.02%	60-R4	20 years, 8 months

	0459 Brown CT5 (341)						
101	0460 Brown CT6 (341)	0.123	60 years	(7)%	3.15%	60-R4	18 years, 10 months
102	0461 Brown CT7 (341)	0.142	60 years	(7)%	2.09%	60-R4	18 years, 8 months
103	0470 Trimble County CT5 (341)	1.612	60 years	(9)%	2.2%	60-R4	21 years, 7 months
104	0471 Trimble County CT6 (341)	1.468	60 years	(9)%	2.19%	60-R4	21 years, 6 months
105	0474 Trimble County CT7 (341)	2.084	60 years	(9)%	2.27%	60-R4	23 years, 6 months
106	0475 Trimble County CT8 (341)	2.076	60 years	(9)%	2.27%	60-R4	23 years, 6 months
107	0476 Trimble County CT9 (341)	2.137	60 years	(9)%	2.28%	60-R4	23 years, 6 months
108	0477 Trimble County CT10 (341)	2.525	60 years	(9)%	2.57%	60-R4	23 years, 7 months
109	5648 Brown Solar (341)	0.924	40 years	(3)%	4.25%	40-S3	20 years, 10 months
110	6001 Simpsonville Solar (341)	0.644	40 years	(1)%	4.1%	40-S3	23 years, 10 months
111	342 Fuel holders, producers, and Accessories						
112	0172 Cane Run Unit 7 (342)	1.839	55 years	(11)%	1.52%	55-R2.5	32 years, 10 months
113	0173 Cane Run CT Pipeline (342)	6.602	55 years	(11)%	2.96%	55-R2.5	32 years, 10 months
114	0410 Zorn & River (342)		55 years	(9)%	23.59%	55-R2.5	1 year
115	0431 Paddys Run Gen 12 (342)	0.022	55 years	(6)%		55-R2.5	0 years
116	0432 Paddys Run Gen 13	2.235	55 years	(6)%	2.12%	55-R2.5	19 years, 7 months
117	0433 Paddys Run CT Pipeline (342)	7.693	55 years	(6)%	4.66%	55-R2.5	20 years, 6 months
118	0459 Brown CT5 (342)	0.847	55 years	(7)%	2.29%	55-R2.5	19 years, 8 months
119	0460 Brown CT6 (342)	0.766	55 years	(7)%	3.27%	55-R2.5	18 years, 5 months
120	0461 Brown CT7 (342)	0.528	55 years	(7)%	3.64%	55-R2.5	18 years, 6 months
121	0470 Trimble County CT5 (342)	0.098	55 years	(9)%	2.25%	55-R2.5	20 years, 7 months

122	0471 Trimble County CT6 (342)	0.098	55 years	(9)%	2.25%	55-R2.5	20 years, 7 months
123	0473 Trimble County CT Pipeline (342)	2.32	55 years	(9)%	2.46%	55-R2.5	22 years, 6 months
124	0474 Trimble County CT7 (342)	0.338	55 years	(9)%	2.35%	55-R2.5	22 years, 5 months
125	0475 Trimble County CT8 (342)	0.337	55 years	(9)%	2.35%	55-R2.5	22 years, 5 months
126	0476 Trimble County CT9 (342)	0.347	55 years	(9)%	2.35%	55-R2.5	22 years, 5 months
127	0477 Trimble County CT10 (342)	0.447	55 years	(9)%	2.73%	55-R2.5	22 years, 8 months
128	343 Prime Movers						
129	0172 Cane Run Unit 7 (343)	76.071	35 years	(11)%	3.76%	35-R1.5	27 years, 4 months
130	0432 Paddys Run Gen 13 (343)	22.146	35 years	(6)%	3.16%	35-R1.5	17 years
131	0459 Brown CT5 (343)	18.49	35 years	(7)%	3.37%	35-R1.5	17 years, 5 months
132	0460 Brown CT6 (343)	24.308	35 years	(7)%	4.23%	35-R1.5	16 years, 5 months
133	0461 Brown CT7 (343)	26.323	35 years	(7)%	2.56%	35-R1.5	15 years, 5 months
134	0470 Trimble County CT5 (343)	18.899	35 years	(9)%	3.21%	35-R1.5	17 years, 11 months
135	0471 Trimble County CT6 (343)	14.517	35 years	(9)%	3.08%	35-R1.5	17 years, 7 months
136	0474 Trimble County CT7 (343)	15.817	35 years	(9)%	3.2%	35-R1.5	19 years, 2 months
137	0475 Trimble County CT8 (343)	15.954	35 years	(9)%	3.06%	35-R1.5	19 years
138	0476 Trimble County CT9 (343)	16.025	35 years	(9)%	3.02%	35-R1.5	19 years
139	0477 Trimble County CT10 (343)	15.455	35 years	(9)%	3.04%	35-R1.5	19 years, 1 month
140	344 Generators						
141	0172 Cane Run Unit 7 (344)	17.63	60 years	(11)%	2.73%	60-S3	34 years, 6 months
142	0410 Zorn & River (344)	0.033	60 years	(9)%	4.41%	60-S3	1 year
143		3.335	60 years	(6)%	0.29%	60-S3	5 years

	0431 Paddys Run Gen 12 (344)						
144	0432 Paddys Run Gen 13 (344)	6.036	60 years	(6)%	2.58%	60-S3	20 years, 6 months
145	0459 Brown CT5 (344)	3.449	60 years	(7)%	2.4%	60-S3	20 years, 7 months
146	0460 Brown CT6 (344)	2.449	60 years	(7)%	2.03%	60-S3	18 years, 7 months
147	0461 Brown CT7 (344)	2.508	60 years	(7)%	2.46%	60-S3	18 years, 8 months
148	0470 Trimble County CT5 (344)	1.636	60 years	(9)%	2.35%	60-S3	21 years, 6 months
149	0471 Trimble County CT6 (344)	1.596	60 years	(9)%	2.39%	60-S3	21 years, 6 months
150	0474 Trimble County CT7 (344)	1.793	60 years	(9)%	2.43%	60-S3	23 years, 6 months
151	0475 Trimble County CT8 (344)	1.784	60 years	(9)%	2.43%	60-S3	23 years, 6 months
152	0476 Trimble County CT9 (344)	1.997	60 years	(9)%	3.27%	60-S3	23 years, 7 months
153	0477 Trimble County CT10 (344)	1.975	60 years	(9)%	2.49%	60-S3	23 years, 6 months
154	5648 Brown Solar (344)	8.363	25 years	(3)%	4.63%	25-S2.5	18 years, 2 months
155	6001 Simpsonville Solar (344)	1.098	25 years	(1)%	4.54%	25-S2.5	21 years, 5 months
156	6100 Business Solar (344)	0.058	25 years	(10)%	4.41%	25-S2.5	23 years
157	345 Accessory Electric Equipment						
158	0172 Cane Run Unit 7 (345)	8.328	50 years	(11)%	2.93%	50-S2.5	33 years, 2 months
159	0410 Zorn & River (345)	0.003	50 years	(9)%	9.62%	50-S2.5	1 year
160	0431 Paddys Run Gen 12 (345)	0.901	50 years	(6)%		50-S2.5	0 years
161	0432 Paddys Run Gen 13 (345)	2.866	50 years	(6)%	1.6%	50-S2.5	19 years, 5 months
162	0459 Brown CT5 (345)	2.617	50 years	(7)%	2.09%	50-S2.5	19 years, 4 months
163	0460 Brown CT6 (345)	1.052	50 years	(7)%	3%	50-S2.5	17 years, 11 months
164	0461 Brown CT7 (345)	1.141	50 years	(7)%	2.62%	50-S2.5	18 years

165	0470 Trimble County CT5 (345)	0.801	50 years	(9)%	2.62%	50-S2.5	20 years, 8 months
166	0471 Trimble County CT6 (345)	1.709	50 years	(9)%	2.59%	50-S2.5	20 years, 5 months
167	0474 Trimble County CT7 (345)	2.169	50 years	(9)%	2.58%	50-S2.5	22 years, 6 months
168	0475 Trimble County CT8 (345)	1.944	50 years	(9)%	2.45%	50-S2.5	22 years, 4 months
169	0476 Trimble County CT9 (345)	1.898	50 years	(9)%	2.34%	50-S2.5	22 years, 2 months
170	0477 Trimble County CT10 (345)	6.626	50 years	(9)%	2.96%	50-S2.5	22 years, 10 months
171	5648 Brown Solar (345)	0.285	45 years	(3)%	4.04%	45-R2.5	20 years, 2 months
172	6001 Simpsonville Solar (345)	0.267	45 years	(1)%	4.36%	45-R2.5	23 years, 1 month
173	6100 Business Solar (345)	0.027	45 years	(5)%	2.24%	45-R2.5	43 years, 2 months
174	346 Miscellaneous Power Plant Equipment						
175	0172 Cane Run Unit 7 (346)	1.154	55 years	(11)%	2.94%	55-R4	34 years, 4 months
176	0431 Paddys Run Gen 12 (346)	0.016	55 years			55-R4	0 years
177	0432 Paddys Run Gen 13 (346)	1.309	55 years	(6)%	2.04%	55-R4	20 years, 5 months
178	0459 Brown CT5 (346)	2.399	55 years	(7)%	2.13%	55-R4	20 years, 5 months
179	0460 Brown CT6 (346)	0.033	55 years	(7)%	3.12%	55-R4	18 years, 10 months
180	0461 Brown CT7 (346)	0.023	55 years	(7)%	2.05%	55-R4	18 years, 7 months
181	0470 Trimble County CT5 (346)	0.015	55 years	(9)%	2.33%	55-R4	21 years, 7 months
182	0474 Trimble County CT7 (346)	0.005	55 years	(9)%	2.32%	55-R4	23 years, 4 months
183	0475 Trimble County CT8 (346)	0.005	55 years	(9)%	2.32%	55-R4	23 years, 5 months
184	0476 Trimble County CT9 (346)	0.005	55 years	(9)%	2.33%	55-R4	23 years, 4 months
185	0477 Trimble County CT10 (346)	0.025	55 years	(9)%	2.72%	55-R4	23 years, 8 months

186	5648 Brown Solar (346)	0.272	40 years	(3)%	4.38%	40-R2.5	20 years
187	6001 Simpsonville Solar (346)	0.044	40 years	(1)%	4.4%	40-R2.5	22 years, 11 months
188	347 Asset Retirement Obligations	0.231					
189	Electric Transmission Plant						
190	350.1 Land Rights	8.588	70 years		1.14%	70-R4	57 years, 5 months
191	350.2 Land	2.55					
192	352 Structures and Improvements	17.95	60 years	(10)%	1.75%	60-R1.5	54 years
193	353 Station Equipment	260.183	60 years	(15)%	1.61%	60-R2	47 years, 10 months
194	354 Towers and Fixtures	46.202	70 years	(50)%	1.84%	70-R4	51 years, 2 months
195	355 Poles and Fixtures	122.863	59 years	(75)%	2.98%	59-R2	48 years, 4 months
196	356 Overhead Conductors and Devices	82.838	55 years	(75)%	3.32%	55-R2	37 years, 10 months
197	357 Underground Conduit	1.941	55 years	(5)%	1.83%	55-R3	41 years, 11 months
198	358 Underground Conductors and Devices	8.499	40 years	(10)%	2.44%	40-R2.5	29 years
199	359 Asset Retirement Obligations	0.199					
200	Electric Distribution Plant						
201	360 Land	4.11					
202	361 Structures and Improvements	13.067	48 years	(10)%	2.05%	48-S0.5	39 years, 8 months
203	362 Station Equipment	197.355	50 years	(15)%	2.1%	50-R1	39 years, 6 months
204	364 Poles, Towers and Fixtures	252.806	56 years	(80)%	2.71%	56-R2	43 years, 2 months
205	365 Overhead Conductors and Devices	416.941	53 years	(75)%	2.06%	53-R1.5	42 years, 1 month
206	366 Underground Conduit	91.41	75 years	(30)%	1.6%	75-R4	58 years, 7 months
207		364.688	65 years	(40)%	2.06%	65-R3	54 years, 2 months

	367 Underground Conductors and Devices						
208	368 Line Transformers	180.471	46 years	(20)%	2.33%	46-R3	31 years, 6 months
209	369.1 Underground Services	16.8	47 years	(50)%	3.73%	47-S1.5	34 years, 7 months
210	369.2 Overhead Services	26.517	60 years	(100)%	2.63%	60-R2.5	37 years, 5 months
211	370 Meters	35.537	25 years		2.79%	25-L1	4 years, 4 months
212	370.10 AMS Meters	3.017	25 years		6.85%	15-S2.5	14 years, 6 months
213	370.11 AMI Meters	0.337	15 years		6.78%	15-S2.5	13 years, 11 months
214	370.20 Meters CT and PT	6.403	25 years		3.3%	25-L1	15 years, 8 months
215	371 Installations Charging Stations	0.187	10 years		10%	10-L2.5	4 years, 4 months
216	373.1 Overhead Street Lighting	69.922	27 years	(30)%	5.38%	27-S0	9 years
217	373.2 Underground Street Lighting	68.321	38 years	(40)%	3.64%	38-R2.5	18 years, 8 months
218	374 Asset Retirement Obligations	0.527					
219	Electric General Plant						
220	392.0 Transportation Cars and Light Trucks	1.359	14 years		4.12%	14-S2	10 years, 11 months
221	392.1 Transportation Heavy Trucks	7.21	13 years		4.18%	13-R2	10 years, 8 months
222	392.2 Transportation Trailers	0.391	25 years		5.33%	25-L4	14 years, 5 months
223	394 Tools, Shop, and Garage Equipment	7.496	25 years		4.28%	25-SQ	14 years, 10 months
224	396.1 Power Operated Equipment Large Machinery	3.165	20 years		0.38%	20-S1.5	16 years, 5 months
225	396.2 PowerOperated Equipment Other	0.381	22 years		3.57%	22-S1	17 years, 1 month
226		6.808	10 years		12.28%	10-SQ	6 years, 6 months

	397.20 DSM Communication Equipment						

Name of Respondent: Louisville Gas and Electric Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 03/28/2022	Year/Period of Report End of: 2021/ Q4

FOOTNOTE DATA

(a) Concept: DepreciationAndAmortization

Depreciation rates were updated effective July1, 2021 based on a depreciation study dated June 30, 2020.

(b) Concept: BasisAmortizationCharges

B. Basis for Amortization Charges

Account	Rate		Plant Balance @ 12/31/2021		Amortization	
130300	22%	$	89,885,915	$	11,801,184	
130310	10%		12,645,364		951,546	
130330	22%		1,909,485		190,840	
130340	22%		483,350		48,229	
					12,991,799	Column (d)

Name of Respondent: Louisville Gas and Electric Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 03/28/2022	Year/Period of Report End of: 2021/ 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) rela 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 previ
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 columns (f), (g), and (h), expenses incurred during the 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 DUR	
						CURRENTLY CHARGED TO					
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 Expenses for Current Year (d)	Deferred in Account 182.3 at Beginning of Year (e)	Department (f)	Account No. (g)	Amount (h)	Deferred to Account 182.3 (i)	Contra Account (j)	Amoun (k)
2	FERC - Annual Charge	447,984		447,984		Electric	928	447,984			
3	FERC - Administrative Charge	311,044		311,044		Electric	928	311,044			
6	KPSC - Rate Case - Electric 2020-00350		692,100	692,100	843,643				442,894	928	692,10(
7	KPSC - Rate Case - Gas 2020-00350		210,731	210,731	200,034				117,990	928	210,73'
12	Other - Electric		1,077	1,077		Electric	928	1,077			
13	Other - Gas		484	484		Gas	928	484			
46	TOTAL	759,028	904,392	1,663,420	1,043,677			760,589	560,884		902,83'

Name of Respondent: Louisville Gas and Electric Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 03/28/2022	Year/Period of Report End of: 2021/ 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 and 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 and 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 and 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 and D Performed Externally:

1. Research Support to the electrical Research Council or the Electric Power Research Institute
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 and 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 and 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 and 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 and 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.

Line No.	Classification (a)	Description (b)	Costs Incurred Internally Current Year (c)	Costs Incurred Externally Current Year (d)	AMOUNTS CHARGED IN CURRENT YEAR: Amounts Charged In Current Year: Account (e)	AMOUNTS CHARGED IN CURRENT YEAR: Amounts Charged In Current Year: Amount (f)	Unamortized Accumulation (g)
1	A(1)e: Energy Storage	Amortization of EW Brown Energy Storage	201,470		930	201,470	
2	B(4): Research Support to Others	Research related to the integration of intermittent renewables, energy storage, carbon capture, and other technologies to reduce emissions or improve environmental sustainability	20,043	206,792	930	226,835	
3	A6: Other	Internal Labor	213,198		930	213,198	
4	B(1): EPRI	Annual Membership and Annual Research Portfolio - Expense		1,077,605	930	1,077,605	
5	B(1): EPRI	Annual Membership and Annual Research Portfolio - Capital		62,758	107	62,758	

Name of Respondent: Louisville Gas and Electric Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 03/28/2022	Year/Period of Report End of: 2021/ 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	19,502,034		
4	Transmission	2,804,326		
5	Regional Market			
6	Distribution	8,864,415		
7	Customer Accounts	4,615,116		
8	Customer Service and Informational	972,546		
9	Sales			
10	Administrative and General	17,922,850		
11	TOTAL Operation (Enter Total of lines 3 thru 10)	54,681,287		
12	Maintenance			
13	Production	12,175,652		
14	Transmission	682,218		
15	Regional Market			
16	Distribution	2,152,543		
17	Administrative and General	497,333		
18	TOTAL Maintenance (Total of lines 13 thru 17)	15,507,746		
19	Total Operation and Maintenance			
20	Production (Enter Total of lines 3 and 13)	31,677,686		
21	Transmission (Enter Total of lines 4 and 14)	3,486,544		
22	Regional Market (Enter Total of Lines 5 and 15)			
23	Distribution (Enter Total of lines 6 and 16)	11,016,958		
24	Customer Accounts (Transcribe from line 7)	4,615,116		
25	Customer Service and Informational (Transcribe from line 8)	972,546		
26	Sales (Transcribe from line 9)			
27	Administrative and General (Enter Total of lines 10 and 17)	18,420,183		

28	TOTAL Oper. and Maint. (Total of lines 20 thru 27)	70,189,033	17,404,880	87,593,913
29	Gas			
30	Operation			
31	Production - Manufactured Gas			
32	Production-Nat. Gas (Including Expl. And Dev.)			
33	Other Gas Supply	629,711		
34	Storage, LNG Terminaling and Processing	1,935,774		
35	Transmission	1,867,471		
36	Distribution	6,733,530		
58	Customer Accounts	3,626,163		
59	Customer Service and Informational	257,404		
60	Sales			
40	Administrative and General	6,819,761		
41	TOTAL Operation (Enter Total of lines 31 thru 40)	21,869,814		
42	Maintenance			
43	Production - Manufactured Gas			
44	Production-Natural Gas (Including Exploration and Development)			
45	Other Gas Supply			
46	Storage, LNG Terminaling and Processing	1,753,417		
47	Transmission	859,772		
48	Distribution	5,171,717		
49	Administrative and General	223,439		
50	TOTAL Maint. (Enter Total of lines 43 thru 49)	8,008,345		
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)	629,711		
55	Storage, LNG Terminaling and Processing (Total of lines 31 thru	3,689,191		
56	Transmission (Lines 35 and 47)	2,727,243		
57	Distribution (Lines 36 and 48)	11,905,247		
58	Customer Accounts (Line 37)	3,626,163		
38	Customer Service and Informational (Line 38)	257,404		
60	Sales (Line 39)			
61	Administrative and General (Lines 40 and 49)	7,043,200		

62	TOTAL Operation and Maint. (Total of lines 52 thru 61)	29,878,159	7,555,271	37,433,430
63	Other Utility Departments			
64	Operation and Maintenance			
65	TOTAL All Utility Dept. (Total of lines 28, 62, and 64)	100,067,192	24,960,151	125,027,343
66	Utility Plant			
67	Construction (By Utility Departments)			
68	Electric Plant	12,847,352	15,009,713	27,857,065
69	Gas Plant	6,654,598	7,782,530	14,437,128
70	Other (provide details in footnote):	[a]5,383,330	[b]1,785,279	7,168,609
71	TOTAL Construction (Total of lines 68 thru 70)	24,885,280	24,577,522	49,462,802
72	Plant Removal (By Utility Departments)			
73	Electric Plant	2,107,330	1,115,520	3,222,850
74	Gas Plant	745,584	473,355	1,218,939
75	Other (provide details in footnote):	5,295	1,744	7,039
76	TOTAL Plant Removal (Total of lines 73 thru 75)	2,858,209	1,590,619	4,448,828
77	Other Accounts (Specify, provide details in footnote):			
78	Accounts Receivable	43,688	9,281	52,969
79	Accounts Receivable (Non-jurisdictional - Trimble County)	2,812,048	750,887	3,562,935
80	Certain Civic, Political and Related Activities and Other	273,892	77,953	351,845
81	Deferred Debits	(109,666)	1,383	(108,283)
82	Other Accounts (Specify, provide details in footnote):			
83				
84				
85				
86				
87				
88				
89				
90				
91				
92				
93				
94				
95	TOTAL Other Accounts	3,019,962	839,504	3,859,466

96	TOTAL SALARIES AND WAGES	130,830,643	51,967,796	182,798,439

Name of Respondent: Louisville Gas and Electric Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 03/28/2022	Year/Period of Report End of: 2021/ Q4

FOOTNOTE DATA

(a) Concept: SalariesAndWagesUtilityPlantConstructionOther
The balance consists of direct labor associated with plant construction charged to common utility plants.
(b) Concept: SalariesAndWagesUtilityPlantConstructionOther
The balance consists of indirect and allocated local engineering labor associated with plant construction charged to common utility plants

Name of Respondent: Louisville Gas and Electric Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 03/28/2022	Year/Period of Report End of: 2021/ 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 Electric 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 the order of the Commission or other authorization.

Response:
1. See table below.
2. See table below.
3. Depreciation - Electric \$7,518,161; Gas \$3,377,724. Amortization - Electric \$12,991,799; Gas \$5,836,896. Common Utility expense accounts are not maintained but such expenses are allocated to Electric and Gas Departments as follows:
   - Customer Accounts Expenses (excluding uncollectible accounts)
   - Allocated between departments based on average number of customers served by each department for the year ending December 31, 2020.
   - Customer Service and Informational Expenses
   - Allocated between departments based on gross revenues from ultimate consumers by departments for the twelve month period.
   - Administrative and General Expenses
   - The administrative and general expenses are allocated based on general measures of cost causation.

4. The property original cost studies made pursuant to the Uniform System of Accounts included a separate classification for Common Utility Plant. Orders were issued in connection with such studies by Public Service Commission of Kentucky on September 16, 1941, and January 5, 1945, and the Federal Power Commission on December 15, 1944.

Common Utility Plant (a)
Allocation to Utility Department (b)

	Electric 69%	Gas 31%	Balance End of Year
Accounts 101 and 106			
Intangible Plant			
301 Organization			$ 83,782
303 Miscellaneous Intangible Plant			104,924,114
Total Intangible Plant			105,007,896
Common Plant			
389 Land and Land Rights			1,564,394
390 Structures and Improvements			116,381,657
391 Office and Furniture and Equipment			46,606,013
392 Transportation Equipment			521,878
393 Stores Equipment			664,726
394 Tools, Shop and Garage Equipment			4,016,291
396 Power Operated Equipment			745,821
397 Communication Equipment			47,705,648
398 Miscellaneous Equipment			68,128
Total Common Plant			$ 218,274,556
Total Accounts 101 and 106			$ 323,282,452
Account 107			23,601,321
Total Common Utility Plant (c)	$ 239,349,803	$ 107,533,970	$ 346,883,773
Accumulated Provision for Depreciation of Common Utility Plant			
Balance at end of year	$ 90,245,605	$ 40,545,127	$ 130,790,732

(a) Common plant consists of land, structures and equipment of a general nature used by all departments not specifically assignable to one department, and includes offices, storerooms, communication, transportation and work equipment, etc.

(b) Based on estimated usage by departments.

(c) Amounts presented exclude \$13,694,029 of Property Under Operating Leases recorded related to adoption and implementation of ASC 842 - Leases.

Name of Respondent: Louisville Gas and Electric Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 03/28/2022	Year/Period of Report End of: 2021/ 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)				
2.1	Net Purchases (Account 555.1)				
3	Net Sales (Account 447)	(6,669,301)	(7,819,280)	(8,424,440)	(8,877,695)
4	Transmission Rights				
5	Ancillary Services				
6	Other Items (list separately)				
7					
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44					
45					
46	TOTAL	(6,669,301)	(7,819,280)	(8,424,440)	(8,877,695)

Name of Respondent: Louisville Gas and Electric Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 03/28/2022	Year/Period of Report End of: 2021/ 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), and (e) report the amount of ancillary services purchased and sold during the year.
2. On Line 2 columns (b), (c), (d), and (e) report the amount of reactive supply and voltage control services purchased and sold during the year.
3. On Line 3 columns (b), (c), (d), and (e) report the amount of regulation and frequency response services purchased and sold during the year.
4. On Line 4 columns (b), (c), (d), and (e) report the amount of energy imbalance services purchased and sold during the year.
5. On Lines 5 and 6, columns (b), (c), (d), and (e) report the amount of operating reserve spinning and supplement services purchased and sold during the period.
6. On Line 7 columns (b), (c), (d), and (e) 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)	Dollar (d)	Number of Units (e)	Unit of Measure (f)	Dollars (g)
1	Scheduling, System Control and Dispatch	187,451	MWH	23,176	1,693,220	MWH	428,901
2	Reactive Supply and Voltage	187,451	MWH	18,754	1,693,220	MWH	20,273
3	Regulation and Frequency Response				798,413	MWH	148,498
4	Energy Imbalance	4,548	MWH	124,824	5,612	MWH	176,637
5	Operating Reserve - Spinning				798,413	MWH	230,172
6	Operating Reserve - Supplement				798,413	MWH	230,172
7	Other			[(a)] [(b)] 567			[(c)] [(d)] 385,917
8	Total (Lines 1 thru 7)	[(e)] 379,450		167,321	[(f)] 5,787,291		1,620,570

Name of Respondent: Louisville Gas and Electric Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 03/28/2022	Year/Period of Report End of: 2021/ Q4

FOOTNOTE DATA

(a) Concept: AncillaryServicesPurchasedAmount

The other services amounts are not associated with a number of units or a unit of measure.

(b) Concept: AncillaryServicesPurchasedAmount

The amount consists of Black Start services.

(c) Concept: AncillaryServicesSoldAmount

The amount consists of MISO Joint Party Settlement Payments.

(d) Concept: AncillaryServicesSoldAmount

The other services amounts are not associated with a number of units or a unit of measure.

(e) Concept: AncillaryServicesPurchasedNumberOfUnits

The number of units per ancillary service type cover multiple schedules and should not be accumulated in total.

(f) Concept: AncillaryServicesSoldNumberOfUnits

The number of units per ancillary service type cover multiple schedules and should not be accumulated in total.

Name of Respondent: Louisville Gas and Electric Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 03/28/2022	Year/Period of Report End of: 2021/ 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.

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)
	NAME OF SYSTEM: Louisville Gas and Electric Company									
1	January	2,054	29	9	1,640	288	126			
2	February	2,163	17	9	1,761	276	126			
3	March	1,798	3	8	1,417	255	126			
4	Total for Quarter 1				4,818	819	378			
5	April	1,702	2	7	1,340	236	126			
6	May	2,506	25	15	2,098	282	126			
7	June	2,883	29	16	2,475	291	117			
8	Total for Quarter 2				5,913	809	369			
9	July	2,861	26	16	2,453	291	117			
10	August	2,965	12	16	2,539	309	117			
11	September	2,594	14	17	2,204	273	117			
12	Total for Quarter 3				7,196	873	351			
13	October	2,218	14	16	1,877	224	117			
14	November	1,860	23	8	1,524	219	117			
15	December	1,851	20	9	1,519	215	117			
16	Total for Quarter 4				4,920	658	351			
17	Total				22,847	3,159	1,449			

Name of Respondent: Louisville Gas and Electric Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 03/28/2022	Year/Period of Report End of: 2021/ 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).

Line No.	Month (a)	Monthly Peak MW - Total (b)	Day of Monthly Peak (c)	Hour of Monthly Peak (d)	Import 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)
	NAME OF SYSTEM: Enter System									
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: Louisville Gas and Electric Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 2022-03-28	Year/Period of Report End of: 2021/ 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)	11,289,417
3	Steam	10,296,537	23	Requirements Sales for Resale (See instruction 4, page 311.)	
4	Nuclear		24	Non-Requirements Sales for Resale (See instruction 4, page 311.)	1,345,364
5	Hydro-Conventional	262,720	25	Energy Furnished Without Charge	1,284
6	Hydro-Pumped Storage		26	Energy Used by the Company (Electric Dept Only, Excluding Station Use)	23,581
7	Other	1,402,509	27	Total Energy Losses	500,466
8	Less Energy for Pumping		27.1	Total Energy Stored	
9	Net Generation (Enter Total of lines 3 through 8)	11,961,766	28	TOTAL (Enter Total of Lines 22 Through 27.1) MUST EQUAL LINE 20 UNDER SOURCES	13,160,112
10	Purchases (other than for Energy Storage)	1,545,722			
10.1	Purchases for Energy Storage				
11	Power Exchanges:				
12	Received				
13	Delivered	347,376			
14	Net Exchanges (Line 12 minus line 13)	(347,376)			
15	Transmission For Other (Wheeling)				
16	Received	3,865,011			
17	Delivered	3,865,011			
18	Net Transmission for Other (Line 16 minus line 17)				
19	Transmission By Others Losses				
20	TOTAL (Enter Total of Lines 9, 10, 10.1, 14, 18 and 19)	13,160,112			

Name of Respondent: Louisville Gas and Electric Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 03/28/2022	Year/Period of Report End of: 2021/ 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).

Line No.	Month (a)	Total Monthly Energy (b)	Monthly Non-Requirement Sales for Resale & Associated Losses (c)	Monthly Peak - Megawatts (d)	Monthly Peak - Day of Month (e)	Monthly Peak - Hour (f)
	NAME OF SYSTEM: Louisville Gas and Electric Company					
29	January	1,216,404	222,141	1,640	29	9
30	February	1,187,141	247,958	1,813	16	20
31	March	882,786	22,340	1,457	15	13
32	April	1,147,402	326,893	1,598	28	14
33	May	1,020,146	100,992	2,105	24	16
34	June	1,142,554	27,020	2,475	29	16
35	July	1,265,643	41,120	2,453	26	16
36	August	1,314,485	45,873	2,540	12	16
37	September	1,045,484	24,598	2,204	14	17
38	October	913,000	7,785	1,880	11	16
39	November	1,021,994	160,011	1,532	23	9
40	December	1,003,073	118,633	1,547	7	19
41	Total	13,160,112	1,345,364			

Name of Respondent: Louisville Gas and Electric Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 03/28/2022	Year/Period of Report End of: 2021/ Q4

Steam Electric Generating Plant Statistics

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.
9. Items under Cost of Plant are based on USofA 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.

Line No.	Item (a)	Plant Name: (a) Brown CT	Plant Name: (b) Cane Run NGCC	Plant Name: Mill Creek	Plant Name: (c) Paddy's Run CT	Plant Name: (d) Trimble County	Plant Name: (e) Trimble County CT	Plant Name: (f) Zorn CT
1	Kind of Plant (Internal Comb, Gas Turb, Nuclear)	Combustion Turbine	NGCC	Steam	Combustion Turbine	(g) Steam	Combustion Turbine	Combustion Turbine
2	Type of Constr (Conventional, Outdoor, Boiler, etc)	Conventional	Conventional	Conventional	Conventional	Conventional	Conventional	Conventional
3	Year Originally Constructed	1999	2015	1972	1968	1990	2002	1969
4	Year Last Unit was Installed	2001	2015	1982	2001	2011	2004	1969
5	Total Installed Cap (Max Gen Name Plate Ratings-MW)	199.87	177.76	1,717.20	127.09	543.99	408.73	
6	Net Peak Demand on Plant - MW (60 minutes)	95	153	1,475	101	482	305	
7	Plant Hours Connected to Load	322	1,764	6,500	100	4,108	367	
8	Net Continuous Plant Capability (Megawatts)	180	146	1,465	78	474	328	
9	When Not Limited by Condenser Water	180	146	1,465	78	474	328	
10	When Limited by Condenser Water	0					0	
11	Average Number of Employees	3	12	234	2	114	3	
12		52,007,000	1,045,351,000	7,403,799,000	19,717,000	2,892,738,000	278,013,000	(48,000)

	Net Generation, Exclusive of Plant Use - kWh							
13	Cost of Plant: Land and Land Rights	5,015	1,762	3,179,561	2,957	5,842,695	10,526	
14	Structures and Improvements	1,436,652	17,766,134	144,218,359	2,548,199	130,365,946	11,901,305	7,126
15	Equipment Costs	86,932,446	111,626,120	2,286,496,901	46,559,715	900,487,971	126,635,501	35,215
16	Asset Retirement Costs	0	19,622	15,582,588	36,237	23,253,169	59,502	116,024
17	Total cost (total 13 thru 20)	88,374,113	129,413,638	2,449,477,409	49,147,108	1,059,949,781	138,606,834	158,365
18	Cost per KW of Installed Capacity (line 17/5) Including	442.1580	728.0245	1,426.4369	386.7111	1,948.4729	339.1159	
19	Production Expenses: Oper, Supv, & Engr	47,724	160,244	2,145,167		1,438,281	0	
20	Fuel	2,948,764	24,445,682	158,186,875	3,582,481	57,702,531	20,117,386	
21	Coolants and Water (Nuclear Plants Only)	0					0	
22	Steam Expenses	0		15,561,422		2,872,666	0	
23	Steam From Other Sources	0					0	
24	Steam Transferred (Cr)	0					0	
25	Electric Expenses	38,752	1,383,307	2,378,903	90,905	834,666	261,989	7,600
26	Misc Steam (or Nuclear) Power Expenses	0		10,482,567		4,777,659	0	
27	Rents	0		32,400	471		0	
28	Allowances	0		1			0	
29	Maintenance Supervision and Engineering	45,382	189,064	4,932,015	20,088	1,974,755	0	
30	Maintenance of Structures	130,649	159,369	3,645,694	1,287	1,103,774	0	
31	Maintenance of Boiler (or reactor) Plant	0		28,852,287		10,553,311	0	
32	Maintenance of Electric Plant	769,188	1,467,370	6,117,354	591,648	2,096,676	594,841	111,338
33	Maintenance of Misc Steam (or Nuclear) Plant	0		1,496,132		586,974	0	
34	Total Production Expenses	3,980,459	27,805,036	233,830,817	4,286,880	83,941,293	20,974,216	118,938
35	Expenses per Net kWh	0.0765	0.0266	0.0316	0.2174	0.0290	0.0754	(2.4779)
35	**Plant Name**	Brown CT		Mill Creek	Mill Creek			

			Cane Run NGCC			Paddy's Run CT	Trimble County	Trimble County	Trimble County CT
36	Fuel Kind	Gas	Gas	Coal	Gas	Gas	Coal	Gas	Gas
37	Fuel Unit	Mcf	Mcf	T	Mcf	Mcf	T	Mcf	Mcf
38	Quantity (Units) of Fuel Burned	619,412	6,745,608	3,341,041	269,931	224,247	1,733,463	79,604	2,945,046
39	Avg Heat Cont - Fuel Burned (btu/indicate if nuclear)	1,025	1,065	11,595	1,065	1,065	11,468	1,065	1,065
40	Avg Cost of Fuel/unit, as Delvd f.o.b. during year	5	4	47	13	16	44	12	7
41	Average Cost of Fuel per Unit Burned	5	4	48	13	16	33	12	7
42	Average Cost of Fuel Burned per Million BTU	5	3	2	12	15	1	12	6
43	Average Cost of Fuel Burned per kWh Net Gen								
44	Average BTU per kWh Net Generation	12,208	6,872	10,464		12,113	13,744		11,282

Name of Respondent: Louisville Gas and Electric Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 03/28/2022	Year/Period of Report End of: 2021/ Q4

FOOTNOTE DATA

(a) Concept: PlantName

LG&E owns 53% of Brown CT unit 5, a 123 MW unit, and 38% of Units 6 and 7, 177 MW each. The remaining percentages if Units 5, 6 and 7 are owned by KU. Brown CT units 5, 6, and 7 are peak load service units. The information presented here represent LG&E's share.

(b) Concept: PlantName

LG&E owns 22% of Cane Run NGCC, a 808 MW unit, with the remaining percentage owned by KU. The information presented in here represents LG&E's share.

(c) Concept: PlantName

LG&E owns 100% of Paddy's Run Unit 1, a 16 MW unit, and Unit 12, a 33 MW unit, and 53% of Unit 13, a 178 MW unit. The remaining percentage of Unit 13 is owned by KU. Paddy's Run Units 11, 12 and 13 are peak load service units. The information presented in here represents LG&E's share.

(d) Concept: PlantName

Partnership Expenses included in Column c:

Line No.: 19	Production Expenses: Oper, Supv & Engr	$	(479,428)
Line No.: 20	Fuel		(20,971,096)
Line No.: 22	Steam Expenses		(1,006,388)
Line No.: 25	Electric Expenses		(278,223)
Line No.: 26	Misc Steam Power Expenses		(1,592,556)
Line No.: 29	Maintenance Supervision and Engineering		(656,596)
Line No.: 30	Maintenance of Structures		(373,889)
Line No.: 31	Maintenance of Boiler Plant		(3,584,956)
Line No.: 32	Maintenance of Electric Plant		(528,467)
Line No.: 33	Maintenance of Misc Steam Plant		(195,468)
Line No.: 34	Total Production Expenses	$	(29,667,067)

Total Power Production Expenses per Schedule Page: 402-403, Sum of Line No.: 34, Column: b-f	$	404,604,707
Operation and Maintenance Expenses on Retired Plants		192,827
Maintenance Expenses on Solar Plant per Schedule Page: 410-411, Line No.: 1, Column: j		72,343
IMEA-IMPA Partnership Expenses		(29,667,067)
Rounding		—
Total Power Production Expenses per Schedule Page: 320-321, Sum of Line No.: 21 & 74, Column: b	$	375,202,810

(e) Concept: PlantName

LG&E owns 29% of Trimble County CT units 5 and 6 and 37% of Units 7, 8, 9 and 10. The remaining percentages for Units 5, 6, 7, 8, 9 and 10 are owned by KU. The total Nameplate Ratings for these units are 199 MW per unit and they are peak load services units. The information presented here represents LG&E's share.

(f) Concept: PlantName

No production/operation employees are directly assigned to the Zorn station. Employees from the Cane Run Plant maintain the Zorn station. Zorn station is peak load service unit only and is automatically operated. Zorn station was retired in November 2021.

(g) Concept: PlantKind

LG&E owns 75% of Trimble County Steam Unit 1, a 566 MW unit, with the remaining 25% owned by IMEA and IMPA. LG&E also owns 14.25% of Trimble County Steam Unit 2, a 838 MW unit, with the remaining percentages owned by KU, IMEA and IMPA. The information presented here represents LG&E's share.

Name of Respondent: Louisville Gas and Electric Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 03/28/2022	Year/Period of Report End of: 2021/ Q4

Hydroelectric Generating Plant Statistics

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.
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.

Line No.	Item (a)	FERC Licensed Project No. 0 Plant Name: Ohio Falls
1	Kind of Plant (Run-of-River or Storage)	Run-Of-River
2	Plant Construction type (Conventional or Outdoor)	Conventional
3	Year Originally Constructed	1928
4	Year Last Unit was Installed	1928
5	Total installed cap (Gen name plate Rating in MW)	100.64
6	Net Peak Demand on Plant-Megawatts (60 minutes)	68
7	Plant Hours Connect to Load	6,325
8	**Net Plant Capability (in megawatts)**	
9	(a) Under Most Favorable Oper Conditions	101
10	(b) Under the Most Adverse Oper Conditions	0
11	Average Number of Employees	8
12	Net Generation, Exclusive of Plant Use - kWh	262,720,000
13	**Cost of Plant**	
14	Land and Land Rights	6
15	Structures and Improvements	6,746,148
16	Reservoirs, Dams, and Waterways	19,389,170
17	Equipment Costs	122,219,108
18	Roads, Railroads, and Bridges	12,119
19	Asset Retirement Costs	607,259
20	Total cost (total 13 thru 20)	148,973,810
21	Cost per KW of Installed Capacity (line 20 / 5)	1,480
22	**Production Expenses**	
23	Operation Supervision and Engineering	164,523
24	Water for Power	40,281
25	Hydraulic Expenses	0

26	Electric Expenses	220,843
27	Misc Hydraulic Power Generation Expenses	194,749
28	Rents	384,959
29	Maintenance Supervision and Engineering	0
30	Maintenance of Structures	245,230
31	Maintenance of Reservoirs, Dams, and Waterways	198,882
32	Maintenance of Electric Plant	515,647
33	Maintenance of Misc Hydraulic Plant	12,997
34	Total Production Expenses (total 23 thru 33)	1,978,111
35	Expenses per net kWh	0.0075

Name of Respondent: Louisville Gas and Electric Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 03/28/2022	Year/Period of Report End of: 2021/ Q4

Pumped Storage Generating Plant Statistics

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 that 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."
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.

Line No.	Item (a)	FERC Licensed Project No. 0 Plant Name: 0
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)	0
6	Plant Hours Connect to Load While Generating	0
7	Net Plant Capability (in megawatts)	0
8	Average Number of Employees	
9	Generation, Exclusive of Plant Use - kWh	0
10	Energy Used for Pumping	
11	Net Output for Load (line 9 - line 10) - Kwh	0
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)	
39	Expenses per KWh of Generation and Pumping (line 37/(line 9 + line 10))	0

Name of Respondent: Louisville Gas and Electric Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 03/28/2022	Year/Period of Report End of: 2021/ 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 pumpec 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, an statement of the facts in a footnote. If licensed project, give project number in footnote.
3. List plants appropriately under subheadings for steam, hydro, nuclear, internal combustion and gas turbine plants. For nuclear, see instruction 11, Pa
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, i 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.

Line No.	Name of Plant (a)	Year Orig. Const. (b)	Installed Capacity Name Plate Rating (MW) (c)	Net Peak Demand MW (60 min) (d)	Net Generation Excluding Plant Use (e)	Cost of Plant (f)	Plant Cost (Incl Asset Retire. Costs) Per MW (g)	Operation Exc'l. Fuel (h)	Production Expenses: Fuel Production Expenses (i)	Production Expenses: Maintenance Production Expenses (j)	Kind of Fuel (k)	I C c (M I
1	Brown Solar	2016	(a)3.90	4.0	6,444,000	9,947,589	2,550,664			37,956		
2	Business Solar - Archdiocese of Louisville	2018	0.03	0.0	36,000	84,971	2,832,367			1,115		
3	Simpsonville Solar	2019	(b)0.74	0.7	989,000	2,335,753	3,159,839			33,272		

Name of Respondent: Louisville Gas and Electric Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 03/28/2022	Year/Period of Report End of: 2021/ Q4

FOOTNOTE DATA

(a) Concept: InstalledCapacityOfPlant

The nameplate rating for Brown Photovoltaic Solar Unit represents 39% ownership of the 10MW unit. The remaining percentage of the unit is owned by KU.

(b) Concept: InstalledCapacityOfPlant

The nameplate rating for Simpsonville Solar Array 1 represents 44% ownership of the 420 kW array. The remaining percentage of the unit is owned by KU.

Name of Respondent: Louisville Gas and Electric Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 03/28/2022	Year/Period of Report End of: 2021/ Q4

ENERGY STORAGE OPERATIONS (

1. Large Plants are plants of 10,000 Kw or more.
2. In columns (a) (b) and (c) report the name of the energy storage project, functional classification (Production, Transmission, Distribution), and locatio
3. In column (d), report Megawatt hours (MWH) purchased, generated, or received in exchange transactions for storage.
4. In columns (e), (f) and (g) report MWHs delivered to the grid to support production, transmission and distribution. The amount reported in column (d)
5. In columns (h), (i), and (j) report MWHs lost during conversion, storage and discharge of energy.
6. In column (k) report the MWHs sold.
7. In column (l), report revenues from energy storage operations. In a footnote, disclose the revenue accounts and revenue amounts related to the inco
8. In column (m), report the cost of power purchased for storage operations and reported in Account 555.1, Power Purchased for Storage Operations. If fuel costs for storage operations associated with self-generated power included in Account 501 and other costs associated with self-generated power
9. In columns (q), (r) and (s) report the total project plant costs including but not exclusive of land and land rights, structures and improvements, energy purpose is to integrate or tie energy storage assets into the power grid, and any other costs associated with the energy storage project included in the

Line No.	Name of the Energy Storage Project (a)	Functional Classification (b)	Location of the Project (c)	MWHs (d)	MWHs delivered to the grid to support Production (e)	MWHs delivered to the grid to support Transmission (f)	MWHs delivered to the grid to support Distribution (g)	MWHs Lost During Conversion, Storage and Discharge of Energy Production (h)	MWHs Lost During Conversion, Storage and Discharge of Energy Transmission (i)	MWHs Lost During Conversion, Storage and Discharge of Energy Distribution (j)
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Name of Respondent: Louisville Gas and Electric Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 03/28/2022	Year/Period of Report End of: 2021/ 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 kilo
for each voltage. If required by a State commission to report individual lines for all voltages, do so but do not group totals for each voltage under 132
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
3. Exclude from this page any transmission lines for which plant costs are included in Account 121, Nonutility Property.
4. 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; c
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
line.
5. 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
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 footn
to such structures are included in the expenses reported for the line designated.
6. 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 y
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 oth
7. Designate any transmission line or portion thereof for which the respondent is not the sole owner. If such property is leased from another company, g
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 sha
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,
affected. Specify whether lessor, co-owner, or other party is an associated company.
8. Designate any transmission line leased to another company and give name of Lessee, date and terms of lease, annual rent for year, and how determ
9. Base the plant cost figures called for in columns (j) to (l) on the book cost at end of year.

Line No.	DESIGNATION		VOLTAGE (KV) - (Indicate where other than 60 cycle, 3 phase)		Type of Supporting Structure	LENGTH (Pole miles) - (In the case of underground lines report circuit miles)		Number of Circuits	Size of Conductor and Material	COST OF Land, Lan
	From (a)	To (b)	Operating (c)	Designated (d)	(e)	On Structure of Line Designated (f)	On Structures of Another Line (g)	(h)	(i)	Land (j)
1	Mill Creek Sub	Paddy's West Sub	345	345	ST,SP	15.94	0.00	2	954 mcm	113,337
2	Paddy's West Sub	Kenzig Road	345	345	ST,SP	5.64	0.00	1	1024.5 mcm	102,753
3	Trimble County Sub	Clifty Creek Sub	345	345	ST,WP,SP	12.35	0.00	2	954 mcm	
4	Blue Lick Sub	Middletown Sub	345	345	ST	0.12	19.22	1	954 mcm	
5	Buckner	Wises Landing	345	345	SP	0.32	13.11	1	954 mcm	
6	Middletown	Buckner	345	345	SP	0.16	14.13	1	954 mcm	
7	Middletown Sub	Trimble County Sub	345	345	ST	27.96	0.00	1	954 mcm	479,907
8	Mill Creek Sub	Blue Lick Sub	345	345	SP	0.24	11.80	1	954 mcm	
9	Mill Creek Sub	Middletown Sub	345	345	ST,SP	31.36	0.00	1	954 mcm	314,954
10	Paddy's Run Sub	T.V.A. Tower	161	161	ST	66.16	50.25	2	500 mcm	98,666
11	Appl Park Switching Station	Middletown Sub	138	138	ST	0.08	12.56	1	795 mcm	102,525
12	Appl Park Switching Station	Ethel Sub	138	138	WP,SP	1.95	0.00	1	795 mcm	862

13	Ashbottom Sub	Appl Park Switching Station	138	138	ST	4.61	1.30	1	795 mcm	42,502
14	Grade Lane	Fern Valley Sub	138	138	ST,SP	2.79	0.00	1	795 mcm	
15	Ashbottom	Grade Lane	138	138	ST,SP	0.92	0.00	1	795 mcm	
16	Ashbottom Sub	Manslick Sub	138	138	ST,WP,SP	3.43	0.00	1	795 mcm	
17	Ashby Sub	Pleasure Ridge Park Sub	138	138	WP,SP,CP	2.82	0.00	1	1272 mcm	
18	Beargrass Sub	Lyndon South Sub	138	138	ST	0.10	7.33	1	795 mcm	
19	Beargrass Sub	Middletown Sub	138	138	ST,WP,SP	9.06	5.53	2	795 mcm	159,406
20	Beargrass Sub	Northside Sub	138	138	ST,SP	6.37	0.00	1	1024.5 mcm	67,983
21	Beargrass Sub	Northside Sub	138	138	ST	0.23	6.11	1	1024.5 mcm	6,427
22	Breckenridge Sub	Hurstbourne Sub	138	138	WP,SP,CP	3.89	0.17	1	1272 mcm	15,419
23	Campground	Cane Run Switching Station	138	138	ST,SP	3.08	3.29	2	795 mcm	8,216
24	Canal Sub	Waterside West	138	138	SP	0.23	0.87	1	795 mcm	
25	Cane Run Switching Station	Ashbottom Sub	138	138	ST,WP,SP	9.64	7.87	3	795 mcm	38,205
26	Cane Run	Cane Run Switching Station 1	138	138	ST,WP	2.39	0.00	2	795 mcm	18,788
27	Cane Run	Cane Run Switching Station 2	138	138	ST,WP	2.28	0.00	2	795 mcm	
28	Cane Run	Cane Run Switching Station 3	138	138	ST	2.25	0.00	1	954 mcm	
29	Cane Run	Cane Run Switching Station 4	138	138	ST	0.11	2.19	1	954 mcm	
30	Cane Run Switching Station	International	138	138	ST,SP,WP	1.37	2.26	1	795 mcm	
31	Centerfield Sub	Trimble County Sub	138	138	WP	15.08	0.67	1	795 mcm	85,784
32	Dixie Sub	Algonquin Sub	138	138	WP,SP	0.80	0.00	1	795 mcm	1,446
33	Ethel Sub	Breckenridge Sub	138	138	ST,WP,SP	3.90	0.00	1	1272 mcm	27,072
34	Fern Valley Sub	Okolona Sub	138	138	WP,SP	1.40	0.00	1	1272 mcm	
35	Fern Valley Sub	Watterson Sub	138	138	ST	3.92	1.36	1	795 mcm	2,054

36	Hurstbourne Sub	Bluegrass Sub	138	138	SP	2.02	0.00	1	1272 mcm	37,300
37	Knob Creek Sub	Tip Top Sub	138	138	ST,WP,CP	11.79	0.00	1	636 mcm	7,955
38	Lyndon South Sub	Middletown Sub	138	138	ST,SP	5.58	0.00	1	795 mcm	35,941
39	Magazine Sub	Hancock Sub	138	138	WP,SP	2.38	0.04	1	1272 mcm	
40	Magazine Sub	Waterside West	138	138	ST,SP,WP	3.38	0.00	1	795 mcm	2,600
41	Manslick Sub	Mill Creek Sub	138	138	ST,WP	10.52	0.00	1	636 mcm	16,570
42	Middletown Sub	Centerfield Sub	138	138	ST,WP,SP	12.26	0.00	1	795 mcm	42,761
43	Mill Creek Sub	Ashby Sub	138	138	WP,SP	5.56	0.00	1	1272 mcm	528
44	Mill Creek Sub	Knob Creek Sub	138	138	ST,WP	2.80	3.59	1	636 mcm	10,855
45	Mill Creek Sub	Kosmosdale Prim. Meter Stn.	138	138	ST,WP,SP	1.27	0.44	2	840.2 mcm	
46	Mud Lane Sub	Blue Lick Sub	138	138	SP	5.45	0.00	1	840.2 mcm	46,432
47	Okolona Sub	Mud Lane Sub	138	138	WP,SP	3.86	0.18	1	1272 mcm	79,825
48	Paddy's Run Sub	Campground	138	138	ST	0.45	0.00	1	795 mcm	1,455
49	Paddy's Run Sub	Dixie Sub	138	138	WP,SP	3.58	0.00	1	795 mcm	27,351
50	Paddy's Run Sub	Ohio Falls Sub	138	138	ST,WP,SP	12.41	0.39	3	300 mcm	81,226
51	Paddy's Run Sub	Paddy's West Sub	138	138	ST	0.69	0.12	2	954 mcm	2,763
52	Plainview Sub	Hurstbourne Sub	138	138	WP,SP	2.18	0.00	1	1272 mcm	3,591
53	Paddy's West Sub	PSI Connection Gallagher	138	138	SP	0.42	0.00	1	954 mcm	
54	Northside Sub	Clifty Creek Sub	138	138	ST,SP	32.54	0.00	1	336.4 mcm	73,852
55	Northside Sub	Tower No. 43 at P.S.I. Connection	138	138	ST	0.19	0.04	1	954 mcm	
56	Clifty Creek Sub	Tower No.220 Connection with CG&E Co.	138	138	ST	4.24	2.50	1	336.4 mcm	22,743
57	Watterson Sub	Middletown Sub	138	138	ST,WP	7.20	0.22	1	840.2 mcm	
58	Tip Top Sub	Cloverport Sub	138	138	ST,WP,SP	32.81	2.74	1	397.5 mcm	48,020
59	Waterside West	Beargrass Sub	138	138	ST,SP	2.08	0.00	2	795 mcm	17,803

60	Waterside West	Beargrass Sub	138	138	SP	0.25	1.81	1	795 mcm	
61	Mill Creek Sub	Cane Run Sub	138	138	ST,SP	1.55	13.15	1	954 mcm	20,979
62	Mill Creek	East Fort Knox	345	345	ST,SP	6.89	0.00	1	954 mcm	941,552
63	Middletown	Old Henry	138	138	SP	3.76	0.00	1	954 mcm	
64	Old Henry	Collins	138	138	SP	3.80	0.20	1	954 mcm	10,100
65	Trimble County	Speed	345	345	ST,SP	2.48	0.00	1	954 mcm	188,845
66	Trimble County	Ghent	345	345	ST,SP	0.04	2.44	1	954 mcm	389,276
67	Kenzig Road	Northside	345	345	ST,SP	9.19	0.31	1	954 mcm	
68	Kenzig Road	Speed Tap	345	345	SP	0.86	0.00	1	954 mcm	
69	Kenzig Road	Ramsey Tap	345	345	SP	0.87	0.80	1	954 mcm	
70	Overhead Lines under 132KV		69	69	ST,WP,SP,CP	230.37	54.65	0	Various	5,546,663
71	Ashbottom Sub	Grade Lane Sub	138	138	Undg. (26)	0.58	0.00	1	1500 Kcmil cu	
72	Waterside West	Canal Sub	138	138	Undg. (26)	0.75	0.00	1	1750 mcm ho	
73	Magazine Sub	Waterside West	138	138	Undg. (26)	0.75	0.00	1	1500 mcm ho	
74	Waterside West	Beargrass Sub	138	138	Undg. (26)	0.93	0.00	1	1500 mcm cu	
75	Waterside West	Beargrass Sub	138	138	Undg. (26)	0.93	0.00	1	1500 mcm ho	
76	Underground Lines under 132KV		69	69	Undg. (26)	2.78	0.00	0	Various	
77	Exp Applicable to All Lines									
36	TOTAL					675.39	243.64	88		9,343,292

Name of Respondent: Louisville Gas and Electric Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 03/28/2022	Year/Period of Report End of: 2021/ 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 o
2. Provide separate subheadings for overhead and under- ground construction and show each transmission line separately. If actual costs of competed columns (l) to (o), it is permissible to report in these columns the costs. Designate, however, if estimated amounts are reported. Include costs of Clea 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 cha

Line No.	LINE DESIGNATION		Line Length in Miles	SUPPORTING STRUCTURE		CIRCUITS PER STRUCTURE		CONDUCTORS			Voltage KV (Operating)		
	From	To		Type	Average Number per Miles	Present	Ultimate	Size	Specification	Configuration and Spacing		Land and Land Rights	Pole Tow an Fixtu
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m
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44	TOTAL		0		0	0	0						

Name of Respondent: Louisville Gas and Electric Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 03/28/2022	Year/Period of Report End of: 2021/ 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 cha substations must be shown.
4. Indicate in column (b) the functional character of each substation, designating whether transmission or distribution and whether attended or unattend summarize according to function the capacities reported for the individual stations in column (f).
5. Show in columns (I), (j), and (k) special equipment such as rotary converters, rectifiers, condensers, etc. and auxiliary equipment for increasing capa
6. Designate substations or major items of equipment leased from others, jointly owned with others, or operated otherwise than by reason of sole owne any substation or equipment operated under lease, give name of lessor, date and period of lease, and annual rent. For any substation or equipment 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 sta affected in respondent's books of account. Specify in each case whether lessor, co-owner, or other party is an associated company.

Line No.	Name and Location of Substation (a)	Character of Substation: Transmission or Distribution (b)	Character of Substation: Attended or Unattended (b-1)	VOLTAGE (In MVa): Primary Voltage (In MVa) (c)	VOLTAGE (In MVa): Secondary Voltage (In MVa) (d)	VOLTAGE (In MVa): Tertiary Voltage (In MVa) (e)	Capacity of Substation (In Service) (In MVa) (f)	Number of Transformers In Service (g)	Number of Spare Transformers (h)	Co… Typ… Equip… (i…
1	Aiken	Transmission	Unattended	69.00	0.00	0	0	0	0	NONE
2	Algonquin	Transmission	Unattended	138.00	69.00	13.80	140	1	0	NONE
3	Appliance Park	Transmission	Unattended	138.00	0.00	0.00	0	0	0	NONE
4	Ashbottom	Transmission	Unattended	138.00	69.00	13.80	224	2	0	NONE
5	Ashby	Transmission	Unattended	138.00	12.47	0.00	0	0	0	NONE
6	Beargrass	Transmission	Unattended	138.00	69.00	13.80	185	1	0	NONE
7	Beargrass Pumping	Transmission	Unattended	69.00	0.00	0.00	0	0	0	NONE
8	Bishop	Transmission	Unattended	69.00	12.47	0.00	0	0	0	NONE
9	Blue Lick, Brooks, Ky 1	Transmission	Unattended	345.00	138.00	0.00	448	1	0	NONE
10	Blue Lick, Brooks, Ky 2	Transmission	Unattended	345.00	161.00	0.00	450	1	1	NONE
11	Blue Lick, Brooks, Ky 3	Transmission	Unattended	138.00	69.00	13.80	112	1	0	NONE
12	Breckinridge	Transmission	Unattended	138.00	69.00	13.20	112	1	0	NONE
13	Buckner	Transmission	Unattended	345.00					0	NONE
14	Campground	Transmission	Unattended	138.00	13.80	0.00	0	0	0	NONE
15	Canal	Transmission	Unattended	136.80	66.00	14.00	90	1	0	NONE
16	Cane Run CT	Transmission	Unattended	345.00	138.00	13.80	450	1	0	NONE
17	Cane Run Switching	Transmission	Unattended	138.00	69.00	13.80	224	2	0	NONE
18	Centerfield	Transmission	Unattended	138.00	69.00	13.80	140	1	0	NONE
19	Clay	Transmission	Unattended	69.00	0.00	0.00	0	0	0	NONE
20	Clifton	Transmission	Unattended	69.00	0.00	0.00	0	0	0	NONE

21	Cloverport	Transmission	Unattended	138.00	0.00	0.00	0	0	0	NONE
22	Collins	Transmission	Unattended	138.00	69.00	13.20	149	1	0	NONE
23	Crestwood, Crestwood, Ky	Transmission	Unattended	69.00	12.47	0.00	0	0	0	NONE
24	Dahlia	Transmission	Unattended	69.00	12.47	0.00	0	0	0	NONE
25	Del Park	Transmission	Unattended	69.00	13.80	0.00	0	0	0	NONE
26	Dixie	Transmission	Unattended	138.00	12.47	0.00	0	0	0	NONE
27	Eastwood	Transmission	Unattended	69.00	0.00	0.00	0	0	0	NONE
28	Ethel	Transmission	Unattended	138.00	69.00	13.80	140	1	0	NONE
29	Fairmount	Transmission	Unattended	69.00	12.47	0.00	0	0	0	NONE
30	Farnsley	Transmission	Unattended	69.00	0.00	0.00	0	0	0	NONE
31	Fern Valley	Transmission	Unattended	138.00	69.00	13.80	80	2	0	NONE
32	Floyd	Transmission	Unattended	69.00	13.80	0.00	0	0	0	NONE
33	Ford	Transmission	Unattended	69.00	0.00	0.00	0	0	0	NONE
34	Frey's Hill	Transmission	Unattended	69.00	12.47	0.00	0	0	0	NONE
35	Grade Lane	Transmission	Unattended	138.00	13.80	0.00	0	0	0	NONE
36	Grady	Transmission	Unattended	69.00	0.00	0.00	0	0	0	NONE
37	Hancock	Transmission	Unattended	138.00	69.00	13.80	140	1	0	NONE
38	Harmony Landing, near Goshen , Ky	Transmission	Unattended	69.00	12.47	0	0	0	0	NONE
39	Harrods Creek	Transmission	Unattended	69.00	0.00	0	0	0	0	NONE
40	Highland	Transmission	Unattended	69.00	12.47	0	0	0	0	NONE
41	Hillcrest	Transmission	Unattended	69.00	13.80	0	0	0	0	NONE
42	Hourstbourne	Transmission	Unattended	138.00	12.47	0.00	0	0	0	NONE
43	Jeffersontown	Transmission	Unattended	138.00	12.47	0.00	0	0	0	NONE
44	Kenwood	Transmission	Unattended	69.00	12.47	0.00	0	0	0	NONE
45	Kenzig Road	Transmission	Unattended	345.00	0.00	0.00	0	0	0	NONE
46	Knob Creek, near Shepherdsville, Ky	Transmission	Unattended	138.00	34.50	0.00	0	0	0	NONE
47	Lyndon	Transmission	Unattended	69.00	0.00	0.00	0	0	0	NONE
48	Lyndon South, Lyndon, Ky	Transmission	Unattended	138.00	69.00	13.80	140	1	0	NONE
49	Madison	Transmission	Unattended	69.00	0.00	0.00	0	0	0	NONE
50	Magazine	Transmission	Unattended	69.00	13.80	0.00	0	0	0	NONE
51	Manslick	Transmission	Unattended	138.00	12.47	0.00	0	0	0	NONE
52	Middletown 345, Middletown, Ky	Transmission	Unattended	345.00	138.00	0.00	1794	4	0	NONE
53	Middletown, Middletown, Ky	Transmission	Unattended	138.00	69.00	13.80	448	3	0	NONE

54	Mill Creek, Kosmosdale, Ky - 1	Transmission	Unattended	345.00	138.00	13.80	672	2	1	NONE
55	Mill Creek, Kosmosdale, Ky - 2	Transmission	Unattended	138.00	69.00	13.80	90	2	0	NONE
56	Mud Lane	Transmission	Unattended	138.00	69.00	13.80	120	1	0	NONE
57	Nachand	Transmission	Unattended	69.00	12.47	0.00	0	0	0	NONE
58	Northside, Jeffersonville, Indiana	Transmission	Unattended	345.00	138.00	13.80	448	1	0	NONE
59	Okolona	Transmission	Unattended	138.00	12.47	0.00	0	0	0	NONE
60	Old Henry	Transmission	Unattended	138.00	12.47	0.00	0	0	0	NONE
61	Oxmoor	Transmission	Unattended	69.00	0.00	0.00	0	0	0	NONE
62	Paddy's Run - 1	Transmission	Unattended	161.00	138.00	0.00	200	1	0	NONE
63	Paddy's Run - 2	Transmission	Unattended	138.00	69.00	14.00	187	1	0	NONE
64	Paddy's West - Indiana	Transmission	Unattended	345.00	138.00	13.80	448	1	0	NONE
65	Plainview	Transmission	Unattended	138.00	12.47	0.00	0	0	0	NONE
66	Pleasure Ridge Park	Transmission	Unattended	138.00	12.47	0.00	0	0	0	NONE
67	Seminole	Transmission	Unattended	69.00	0.00	0.00	0	0	0	NONE
68	Shively	Transmission	Unattended	69.00	0.00	0.00	0	0	0	NONE
69	Skylight, Ky	Transmission	Unattended	69.00	12.47	0.00	0	0	0	NONE
70	Smyrna	Transmission	Unattended	69.00	0.00	0.00	0	0	0	NONE
71	South Park	Transmission	Unattended	69.00	34.50	0.00	0	0	0	NONE
72	Stewart	Transmission	Unattended	69.00	13.80	0.00	0	0	0	NONE
73	Taylor	Transmission	Unattended	69.00	0.00	0.00	0	0	0	NONE
74	Terry	Transmission	Unattended	69.00	12.47	0.00	0	0	0	NONE
75	Tip Top, Ky - 1	Transmission	Unattended	138.00	69.00	13.20	33	1	0	NONE
76	Tip Top, Ky - 2	Transmission	Unattended	135.00	66.00	37.00	45	1	1	NONE
77	Trimble County	Transmission	Unattended	345.00	138.00	0.00	448	2	1	NONE
78	Waterside West	Transmission	Unattended	138.00	0.00	0.00	0	0	0	NONE
79	Watterson	Transmission	Unattended	138.00	69.00	14	152	2	0	NONE
80	West County	Transmission	Unattended	69.00	0.00	0	0	0	0	NONE
81	WHAS	Transmission	Unattended	69.00	12.47	0	0	0	0	NONE
82	Worthington	Transmission	Unattended	69.00	0.00	0.00	0	0	0	NONE
83	Total Transmission			10,920.80	3,066.47	353.00	8309	41	4	
84				0.00	0.00	0.00	0	0	0	
85	Aiken	Distribution	Unattended	69.00	12.47	0.00	73	2	0	NONE

86	Algonquin	Distribution	Unattended	69.00	13.80	0.00	101	3	0	Groun Transf
87	Ashbottom	Distribution	Unattended	138.00	13.80	0.00	95	2	0	Groun Transf
88	Ashby	Distribution	Unattended	138.00	12.47	0.00	56	2	0	NONE
89	Bishop	Distribution	Unattended	69.00	12.47	0.00	56	2	0	NONE
90	Bluegrass	Distribution	Unattended	138.00	12.47	0.00	90	2	0	NONE
91	Brandenburg, near Brandenburg, Ky	Distribution	Unattended	69.00	12.47	0.00	11	1	1	NONE
92	Breckenridge - 1	Distribution	Unattended	69.00	13.80	0.00	40	2	0	Groun Transf
93	Breckenridge - 2	Distribution	Unattended	69.00	12.47	0.00	84	3	0	NONE
94	Campground	Distribution	Unattended	138.00	13.80	0.00	45	1	0	Groun Transf
95	Canal	Distribution	Unattended	69.00	13.80	0.00	60	2	0	Groun Transf
96	Cane Run	Distribution	Unattended	69.00	13.80	0.00	36	1	1	Groun Transf
97	Centerfield	Distribution	Unattended	138.00	12.47	0.00	90	2	0	NONE
98	Clay	Distribution	Unattended	69.00	13.80	0.00	53	2	0	Groun Transf
99	Clifton - 1	Distribution	Unattended	69.00	13.80	0.00	48	2	0	Groun Transf
100	Clifton - 2	Distribution	Unattended	69.00	12.47	0.00	56	2	0	NONE
101	Collins	Distribution	Unattended	69.00	12.47	0.00	56	2	0	NONE
102	Conestoga	Distribution	Unattended	69.00	12.47	0.00	28	1	0	NONE
103	Crestwood, Crestwood, Ky	Distribution	Unattended	69.00	12.47	0.00	56	2	0	NONE
104	Crop	Distribution	Unattended	13.80	4.16	0.00	12	2	0	NONE
105	Dahlia	Distribution	Unattended	69.00	12.47	0.00	56	2	0	NONE
106	Del Park	Distribution	Unattended	69.00	13.80	0.00	45	1	0	Groun Transf
107	Dixie	Distribution	Unattended	138.00	12.47	0.00	45	1	0	NONE
108	Eastwood West	Distribution	Unattended	69.00	12.47	0.00	45	1	0	NONE
109	Ethel - 1	Distribution	Unattended	69.00	13.80	0.00	25	1	0	Groun Transf
110	Ethel - 2	Distribution	Unattended	69.00	12.47	0.00	56	2	0	NONE
111	Fairmount	Distribution	Unattended	69.00	12.47	0.00	73	2	0	NONE
112	Farnsley Shively, Ky	Distribution	Unattended	69.00	12.47	0.00	56	2	0	NONE
113	Fern Valley - 1	Distribution	Unattended	138.00	13.80	0.00	78	2	0	Groun Transf
114	Fern Valley - 2	Distribution	Unattended	138.00	12.47	0.00	101	3	0	NONE

115	Floyd	Distribution	Unattended	69.00	13.80	0.00	45	1	0	Groun Transf
116	Ford Truck Plant	Distribution	Unattended	69.00	12.47	0.00	134	2	1	NONE
117	Frey's Hill	Distribution	Unattended	69.00	12.47	0.00	73	2	0	NONE
118	Grade Lane	Distribution	Unattended	138.00	13.80	0.00	202	3	1	Groun Transf
119	Grady	Distribution	Unattended	69.00	13.80	0	66	3	0	Groun Transf
120	Hancock	Distribution	Unattended	138.00	12.47	0	45	1	0	NONE
121	Harmony Landing, near Goshen , Ky	Distribution	Unattended	69.00	12.47	0	28	1	0	NONE
122	Harrod's Creek	Distribution	Unattended	69.00	12.47	0.00	84	3	0	NONE
123	Herman	Distribution	Unattended	13.80	4.16	0.00	11	2	0	NONE
124	Highland - 1	Distribution	Unattended	69.00	12.47	0.00	45	1	0	Groun Transf
125	Highland - 2	Distribution	Unattended	69.00	13.80	0.00	34	1	0	NONE
126	Hillcrest - 1	Distribution	Unattended	69.00	12.47	0.00	45	1	0	Groun Transf
127	Hillcrest - 2	Distribution	Unattended	69.00	13.80	0.00	34	1	0	NONE
128	Hurstbourne, Jeffersontown, Ky	Distribution	Unattended	138.00	12.47	0.00	90	2	0	NONE
129	International	Distribution	Unattended	138.00	12.47	0.00	90	2	0	NONE
130	Jeffersontown	Distribution	Unattended	69.00	12.47	0.00	90	2	0	NONE
131	Kenwood	Distribution	Unattended	69.00	12.47	0.00	56	2	0	NONE
132	Knob Creek, near Shepherdsville, Ky	Distribution	Unattended	138.00	34.50	14.00	30	1	0	NONE
133	Locust	Distribution	Unattended	69.00	12.47	0.00	45	1	0	NONE
134	Lyndon, Ky	Distribution	Unattended	69.00	12.47	0.00	28	1	0	NONE
135	Lyndon South	Distribution	Unattended	69.00	12.47	0.00	73	2	0	NONE
136	Lynn	Distribution	Unattended	13.80	4.16	0.00	12	2	0	NONE
137	Madison	Distribution	Unattended	69.00	13.80	0.00	134	3	0	Groun Transf
138	Magazine - 1	Distribution	Unattended	13.80	4.16	0.00	15	6	0	Groun Transf
139	Magazine - 2	Distribution	Unattended	69.00	13.80	0.00	111	3	0	NONE
140	Manslick	Distribution	Unattended	138.00	12.47	0.00	90	2	0	NONE
141	Mill Creek	Distribution	Unattended	138.00	12.47	0.00	28	1	0	Groun Transf
142	Mud Lane	Distribution	Unattended	138.00	12.47	0.00	90	2	0	NONE
143	Nachand	Distribution	Unattended	69.00	12.47	0.00	84	3	0	NONE
144	Okolona	Distribution	Unattended	138.00	12.47	0.00	45	1	0	NONE

145	Old Henry	Distribution	Unattended	138.00	12.47	0.00	45	1	0	NONE
146	Oxmoor	Distribution	Unattended	69.00	12.47	0.00	56	2	0	NONE
147	Paddy's Run	Distribution	Unattended	138.00	13.80	0.00	210	4	0	Groun Transf
148	Pirtle	Distribution	Unattended	13.80	4.16	0.00	14	2	0	NONE
149	Plainview	Distribution	Unattended	138.00	12.47	0.00	90	2	0	NONE
150	Pleasure Ridge Park	Distribution	Unattended	138.00	12.47	0.00	90	2	0	NONE
151	Seminole - 1	Distribution	Unattended	69.00	12.47	0.00	45	1	0	NONE
152	Seminole - 2	Distribution	Unattended	69.00	13.80	0.00	229	5	0	NONE
153	Seventh Street	Distribution	Unattended	13.80	4.16	0.00	14	2	0	NONE
154	Shepherdsville, Ky	Distribution	Unattended	69.00	12.47	0.00	21	2	0	NONE
155	Shively - 1	Distribution	Unattended	69.00	12.47	0.00	45	1	0	Groun Transf
156	Shively - 2	Distribution	Unattended	69.00	13.80	0.00	25	1	0	NONE
157	Skylight, Ky	Distribution	Unattended	69.00	12.47	0.00	10	1	0	NONE
158	Smyrna	Distribution	Unattended	69.00	12.47	0.00	56	2	0	NONE
159	South Park - 1	Distribution	Unattended	69.00	12.47	0.00	28	1	0	NONE
160	South Park - 2	Distribution	Unattended	69.00	34.50	14	10	1	0	NONE
161	Southern	Distribution	Unattended	13.80	4.16	0	14	2	0	NONE
162	Stewart	Distribution	Unattended	69.00	12.47	0.00	34	2	0	NONE
163	Taylor	Distribution	Unattended	69.00	12.47	0.00	84	3	0	NONE
164	Terry	Distribution	Unattended	69.00	12.47	0.00	73	2	0	NONE
165	Tip Top	Distribution	Unattended	138.00	34.50	28.00	101	2	0	NONE
166	Waterside West	Distribution	Unattended	138.00	13.80	0.00	200	4	0	NONE
167	Watterson	Distribution	Unattended	138.00	12.47	0.00	73	2	0	NONE
168	West Point	Distribution	Unattended	34.50	12.47	0.00	11	1	0	NONE
169	Western	Distribution	Unattended	13.80	4.16	0.00	14	2	0	NONE
170	Worthington	Distribution	Unattended	69.00	12.47	0.00	90	2	0	NONE
171	WHAS	Distribution	Unattended	69.00	12.47	0.00	20	2	0	NONE
172	19 Stations Less Than 10,000 Kva	Distribution	Unattended	0.00	0.00	0.00	100	26	18	NONE
173	Total Distribution			7,182.90	1,113.76	56.00	5485	193	22	
174	Summary			0.00	0.00	0.00	0	0	0	
175	Transmission 77			0.00	0.00	0.00	8309	41	5	
176	Distribution 96			0.00	0.00	0.00	5485	193	0	
177				0.00	0.00	0.00	13794	234	5	

	Total 173-61 shared=112									
178	Shared 61			0.00	0.00	0.00	0	0	0	
179	(1) Located in or near Louisville except as noted.			0.00	0.00	0.00	0	0	0	
180	Total									

Name of Respondent: Louisville Gas and Electric Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 03/28/2022	Year/Period of Report End of: 2021/ 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 Good or Service (a)	Name of Associated/Affiliated Company (b)	Account(s) Charged or Credited (c)	Amount Charged or Credited (d)
1	**Non-power Goods or Services Provided by Affiliated**			
2	Capital Expenditures	Kentucky Utilities Company	[a] see footnote	6,168,002
3	Direct-Indirect Labor	Kentucky Utilities Company	[b] see footnote	1,357,898
4	Equipment and Facilities	Kentucky Utilities Company	[c] see footnote	281,213
5	Materials and Fuels	Kentucky Utilities Company	[d] see footnote	2,410,777
6	Office and Administrative Services	Kentucky Utilities Company	[e] see footnote	35,420
7	Outside Services	Kentucky Utilities Company	[f] see footnote	159,435
8	Transmission	Kentucky Utilities Company	[g] see footnote	932,577
9	Capital Expenditures	LG&E and KU Services Company	[h] see footnote	30,997,157
10	Direct-Indirect Labor	LG&E and KU Services Company	[i] see footnote	97,948,377
11	Equipment and Facilities	LG&E and KU Services Company	[j] see footnote	16,787,542
12	Materials	LG&E and KU Services Company	[k] see footnote	1,127,447
13	Office and Administrative Services	LG&E and KU Services Company	[l] see footnote	4,249,906
14	Outside Services	LG&E and KU Services Company	[m] see footnote	15,157,400
15	Equipment and Facilities	PPL Services Corporation	[n] see footnote	135,520
16	Office and Administrative Services	PPL Services Corporation	[o] see footnote	5,829
17	Outside Services	PPL Services Corporation	[p] see footnote	2,711,733
19				
20	**Non-power Goods or Services Provided for Affiliated**			
21	Capital Expenditures	Kentucky Utilities Company	[r] see footnote	17,807,170
22	Direct-Indirect Labor	Kentucky Utilities Company		[ae] 22,633,220

			(s) see footnote	
23	Equipment and Facilities	Kentucky Utilities Company	(t) see footnote	618,638
24	Materials and Fuels	Kentucky Utilities Company	(u) see footnote	463,304
25	Office and Administrative Services	Kentucky Utilities Company	(v) see footnote	61,153
26	Outside Services	Kentucky Utilities Company	(w) see footnote	814,945
27	Transmission	Kentucky Utilities Company	(x) see footnote	1,060,955
28	Capital Expenditures	LG&E and KU Services Company	(y) see footnote	8,821
29	Direct-Indirect Labor	LG&E and KU Services Company	(z) see footnote	(af) 884,426
30	Equipment and Facilities	LG&E and KU Services Company	(aa) see footnote	425
31	Materials	LG&E and KU Services Company	(ab) see footnote	980
32	Office and Administrative Services	LG&E and KU Services Company	(ac) see footnote	25,546
33	Outside Services	LG&E and KU Services Company	(ad) see footnote	21,273
34	(g) See footnote for allocation process			
42				

Name of Respondent: Louisville Gas and Electric Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 03/28/2022	Year/Period of Report End of: 2021/ Q4

FOOTNOTE DATA

(a) Concept: AccountsChargedOrCreditedTransactionsWithAssociatedAffiliatedCompanies

Accounts charged include: 107 and 108

(b) Concept: AccountsChargedOrCreditedTransactionsWithAssociatedAffiliatedCompanies

Accounts charged include: 182.3, 183, 184, 232, 408.1, 426.5, 500, 501, 506, 513, 546, 551-554, 560, 561.5, 570, 580, 583, 584, 586, 588, 593, 594, 598, 887, 901, 903, 908, 920, 922, 925, 926 and 935

(c) Concept: AccountsChargedOrCreditedTransactionsWithAssociatedAffiliatedCompanies

Accounts charged include: 163, 165, 173, 183, 184, 186, 426.5, 500, 505, 506, 510-514, 544, 548, 549, 553, 560, 561.5, 561.7, 562, 566, 567, 570, 571, 580, 582-584, 586, 588, 591-596, 598, 814, 816-818, 821, 830, 833-837, 850, 856, 863, 874-876, 878-880, 887, 890-892, 901-903, 908, 921, 926, 931 and 935

(d) Concept: AccountsChargedOrCreditedTransactionsWithAssociatedAffiliatedCompanies

Accounts charged include: 151, 184, 456, 501, 502, 506, 511-514, 549, 553, 554, 570, 580, 582, 583, 592, 593, 598, 863, 902, 921 and 935

(e) Concept: AccountsChargedOrCreditedTransactionsWithAssociatedAffiliatedCompanies

Accounts charged include: 426.5, 506, 549, 554, 561.7, 566, 580, 581, 586, 588, 593, 880, 901, 921 and 935

(f) Concept: AccountsChargedOrCreditedTransactionsWithAssociatedAffiliatedCompanies

Accounts charged include: 163, 184, 186, 500, 506, 511, 513, 560, 566, 571, 588, 593, 902, 921, 923 and 935

(g) Concept: AccountsChargedOrCreditedTransactionsWithAssociatedAffiliatedCompanies

Accounts charged include: 565

(h) Concept: AccountsChargedOrCreditedTransactionsWithAssociatedAffiliatedCompanies

Accounts charged include: 107 and 108

(i) Concept: AccountsChargedOrCreditedTransactionsWithAssociatedAffiliatedCompanies

Accounts charged include: 163, 183, 184, 186, 232, 408.1, 416, 426.4, 426.5, 500-502, 506, 510-513, 544, 549, 551, 553, 554, 556, 560, 561.1-561.3, 561.5-561.7, 562, 563, 566, 570, 571, 580-583, 586, 588, 590, 592, 593, 598, 807, 814, 818, 833, 850, 859, 878, 880, 901-903, 907, 908, 910, 920, 921, 925, 926, 930.2 and 935

(j) Concept: AccountsChargedOrCreditedTransactionsWithAssociatedAffiliatedCompanies

Accounts charged include: 163, 165, 183, 184, 186, 416, 426.4, 426.5, 454, 500-502, 506, 510-513, 544, 549, 553, 554, 556, 560, 561.1-561.3, 561.5, 561.7, 562, 563, 566, 570, 571, 580, 582, 583, 586, 588, 592, 593, 598, 807, 818, 833, 850, 859, 863, 874, 878, 880, 887, 894, 901-903, 907, 908, 910, 921, 923 and 931

(k) Concept: AccountsChargedOrCreditedTransactionsWithAssociatedAffiliatedCompanies

Accounts charged include: 163, 500, 510-512, 514, 545, 549, 554, 560, 573, 580, 588, 590, 592, 598, 837, 894, 921 and 935

(l) Concept: AccountsChargedOrCreditedTransactionsWithAssociatedAffiliatedCompanies

Accounts charged include: 184, 186, 416, 421.2, 426.4, 426.5, 454, 500, 501, 506, 510-513, 539, 549, 551, 553, 554, 556, 560, 561.1, 561.2, 561.5, 562, 563, 566, 570, 571, 573, 580, 582, 583, 586, 588, 590, 592, 593, 598, 807, 814, 818, 833, 850, 874, 878, 880, 894, 901-903, 905, 907, 908, 910, 912, 920, 921, 925, 930.2, 931 and 935

(m) Concept: AccountsChargedOrCreditedTransactionsWithAssociatedAffiliatedCompanies

Accounts charged include: 163, 165, 183, 184, 186, 426.4, 500, 502, 506, 510-512, 514, 539, 545, 549, 553, 554, 560, 561.1, 561.5, 561.6, 566, 570, 573, 580, 583, 586, 588, 592, 593, 598, 818, 837, 850, 880, 887, 894, 902, 903, 908-910, 921, 923, 930.2 and 935

(n) Concept: AccountsChargedOrCreditedTransactionsWithAssociatedAffiliatedCompanies

Accounts charged include: 931

(o) Concept: AccountsChargedOrCreditedTransactionsWithAssociatedAffiliatedCompanies

Accounts charged include: 921

(p) Concept: AccountsChargedOrCreditedTransactionsWithAssociatedAffiliatedCompanies

Accounts charged include: 163, 184, 500, 903, 921, 923 and 930.2

(q) Concept: DescriptionOfNonPowerGoodOrService

Costs between Louisville Gas and Electric Company and Kentucky Utilities 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 and PPL Services are as follows:

FOOTNOTE DATA

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.

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 Analysts 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.

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.

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.

Network Users Ratio – Based on the number of IT network users 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 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.

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.

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.

FOOTNOTE DATA

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.

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.

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.

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.

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.

Transmission Ratio –The Transmission Coordination Agreement (TCA) provides "the contractual basis for the 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.

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

FOOTNOTE DATA

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

(r) Concept: AccountsChargedOrCreditedTransactionsWithAssociatedAffiliatedCompanies

Accounts charged include: 107 and 108

(s) Concept: AccountsChargedOrCreditedTransactionsWithAssociatedAffiliatedCompanies

Accounts charged include: 151, 163, 182.3, 183, 184, 186, 232, 408.1, 426.5, 500-502, 505, 506, 510-514, 546, 548, 549, 551-553, 553.1, 554, 560, 561.1, 566, 570, 580, 586, 588, 593, 595, 901, 903, 910, 920, 925, 926 and 935

(t) Concept: AccountsChargedOrCreditedTransactionsWithAssociatedAffiliatedCompanies

Accounts charged include: 151, 163, 165, 173, 183, 184, 186, 426.5, 500-502, 506, 511-513, 553, 554, 560, 561.1, 562, 563, 566, 570, 571, 580, 582-584, 586, 588, 590, 592-595, 598,

901-903, 910, 921, 931 and 935
(u) Concept: AccountsChargedOrCreditedTransactionsWithAssociatedAffiliatedCompanies
Accounts charged include: 163, 183, 184, 511-514, 544, 552, 553, 554, 580, 582-584, 586, 588, 590, 592, 593, 598, 902, 903, 908 and 921
(v) Concept: AccountsChargedOrCreditedTransactionsWithAssociatedAffiliatedCompanies
Accounts charged include: 184, 186, 426.5, 500, 506, 561.7, 580, 583, 586, 588, 593, 598, 901, 902, 921 and 930.2
(w) Concept: AccountsChargedOrCreditedTransactionsWithAssociatedAffiliatedCompanies
Accounts charged include: 163, 184, 186, 510, 511, 513, 514, 553, 561.5, 571, 580, 588, 592, 593, 921, 923 and 935
(x) Concept: AccountsChargedOrCreditedTransactionsWithAssociatedAffiliatedCompanies
Accounts charged include; 456.1
(y) Concept: AccountsChargedOrCreditedTransactionsWithAssociatedAffiliatedCompanies
Accounts charged include: 107
(z) Concept: AccountsChargedOrCreditedTransactionsWithAssociatedAffiliatedCompanies
Accounts charged include: 163, 184, 426.5, 500, 501, 506, 511, 513, 560, 561.1, 566, 570, 580, 586, 588, 901, 903, 910, 920 and 935
(aa) Concept: AccountsChargedOrCreditedTransactionsWithAssociatedAffiliatedCompanies
Accounts charged include: 184, 586 and 588
(ab) Concept: AccountsChargedOrCreditedTransactionsWithAssociatedAffiliatedCompanies
Accounts charged include: 184, 590 and 921
(ac) Concept: AccountsChargedOrCreditedTransactionsWithAssociatedAffiliatedCompanies
Accounts charged include: 426.5, 580, 586, 588, 901 and 921
(ad) Concept: AccountsChargedOrCreditedTransactionsWithAssociatedAffiliatedCompanies
Accounts charged include: 163 and 184
(ae) Concept: DueFromOrCreditedByTheTransactionsWithAssociatedAffiliatedCompanies
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 identifiable as services provided by or for affiliate, but are included as a reduction to the amount reported in line 3, Column d.
(af) Concept: DueFromOrCreditedByTheTransactionsWithAssociatedAffiliatedCompanies
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.

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

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

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

The entire attachment is Confidential and provided separately under seal in Excel format.

The entire attachment is Confidential and provided separately under seal in Excel format.

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The entire attachment is Confidential and provided separately under seal in Excel format.

KENTUCKY UTILITIES COMPANY

Response to Kentuckians for the Commonwealth, Kentucky Solar Energy Society, Mountain Association, and Kentucky Resources Council, Inc. Request for Information Dated November 18, 2022

Case No. 2022-00371

Question No. 1.19

Responding Witness: Michael E. Hornung

Q-1.19. Please refer to Table ES-1 on page 2 of the Marginal Cost of Service Study. Please provide the supporting workbooks, with all formulas and links intact, used to develop the results presented in Table ES-1.

A-1.19. See the attachment being provided in Excel format.

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

KENTUCKY UTILITIES COMPANY

**Response to Kentuckians for the Commonwealth, Kentucky Solar Energy Society, Mountain Association, and Kentucky Resources Council, Inc.
Request for Information
Dated November 18, 2022**

Case No. 2022-00371

Question No. 1.20

Responding Witness: Michael E. Hornung

Q-1.20. Please refer to page 3 of the Marginal Cost of Service study where it says "Marginal production energy costs are derived from the Companies' forecasted marginal variable costs for each hour for the twelve months ended December 2023." Please provide the hourly marginal variable costs in machine readable format.

A-1.20. See the Excel file "CONFIDENTIAL - KU DR1 JI Attach to Q18 - Marginal Cost" provided in response to Question No. 1.18. This file is considered confidential and is being filed under seal pursuant to a Petition for Confidential Protection.

KENTUCKY UTILITIES COMPANY

Response to Kentuckians for the Commonwealth, Kentucky Solar Energy Society, Mountain Association, and Kentucky Resources Council, Inc.
Request for Information
Dated November 18, 2022

Case No. 2022-00371

Question No. 1.21

Responding Witness: Michael E. Hornung / Stuart A. Wilson

Q-1.21. Please refer to page 7 of the Marginal Cost of Service Study. Please provide the annual energy and demand forecast for the planning period evaluated in the IRP.

A-1.21. The energy and demand forecasts can be found on pages 7 and 8, respectively, of the "2021 IRP Long-Term Resource Planning Analysis" found in Volume III of the Company's filed 2021 Integrated Resource Plan, available at: https://psc.ky.gov/pscecf/2021-00393/rick.lovekamp%40lge-ku.com/10192021013101/5-LGE_KU_2021_IRP_Volume_III.pdf).

KENTUCKY UTILITIES COMPANY

Response to Kentuckians for the Commonwealth, Kentucky Solar Energy Society, Mountain Association, and Kentucky Resources Council, Inc.
Request for Information
Dated November 18, 2022

Case No. 2022-00371

Question No. 1.22

Responding Witness: Michael E. Hornung

Q-1.22. Please refer to page 9 of the Marginal Cost of Service Study where it says "Because the fixed O&M expenses were negligible in comparison to the asset costs, they were not included in this analysis." Please provide the fixed O&M expense dollar amounts that were considered for this analysis.

A-1.22. KU did not consider any fixed O&M expenses.

KENTUCKY UTILITIES COMPANY

Response to Kentuckians for the Commonwealth, Kentucky Solar Energy Society, Mountain Association, and Kentucky Resources Council, Inc.
Request for Information
Dated November 18, 2022

Case No. 2022-00371

Question No. 1.23

Responding Witness: Michael E. Hornung / Stuart A. Wilson

Q-1.23. Please refer to Attachment B to the Marginal Cost of Service study.

a. Please provide the supporting calculations, with all formulas and links intact, used to develop the calculations shown on pages 1-5 of Attachment B.

b. Please provide the source of the capital cost investment assumed for the CCGT addition.

c. In Table 5-15, page 5-40, of Volume I of the 2021 IRP, a firm gas cost was reported for new thermal resources. Please explain if this analysis considers the costs for firm gas for the CCGT addition. If not, why not?

d. If the answer to subpart c is yes, please provide all spreadsheets with formulas and links intact showing how firm gas transport was included in these calculations.

A-1.23.

a. See the attachment provided in response to Question No. 1.19.

b. The 2020 NREL Annual Technology Baseline is the source of the NGCC overnight capital cost used in the calculations.[13]

c. The CCGT addition, as it relates to the Marginal Cost of Service Study, was used exclusively to determine the marginal capacity cost. The fuel cost associated with the CCGT has no bearing on the marginal capacity cost associated with the addition of the CCGT.

Marginal variable cost is not calculated based on the energy from a specific unit, such as the CCGT addition. The fuel cost associated with the addition of the CCGT has no effect on marginal variable cost because the CCGT addition

[13] Available at https://atb-archive.nrel.gov/electricity/2020/files/2020-ATB-Data.xlsm.

was not forecasted to go into service until 2028. The marginal energy costs are based on the average forecasted marginal cost per MWh for 2023. The firm gas cost associated with the CCGT addition in 2028 was not included in the forecasted marginal cost per MWh for 2023.

d. N/A

KENTUCKY UTILITIES COMPANY

Response to Kentuckians for the Commonwealth, Kentucky Solar Energy Society, Mountain Association, and Kentucky Resources Council, Inc.
Request for Information
Dated November 18, 2022

Case No. 2022-00371

Question No. 1.24

Responding Witness: Michael E. Hornung / Stuart A. Wilson

Q-1.24. Please refer to Attachment C to the Marginal Cost of Service study.

a. Please provide the supporting calculations, with all formulas and links intact, used to develop the average marginal cost.

b. Please provide the marginal costs for each month broken out by fuel, consumables, ash and waste disposal, and emission allowances.

A-1.24.

a. See the response to Question No. 1.19.

b. See attached. The Companies use their dispatch modeling software, PROSYM, to develop the marginal costs in total. Estimates of the components are shown in the attached Excel file. The requested information is considered confidential and is being filed under seal pursuant to a Petition for Confidential Protection.

The entire attachment is Confidential and provided separately under seal in Excel format.

KENTUCKY UTILITIES COMPANY

Response to Kentuckians for the Commonwealth, Kentucky Solar Energy Society, Mountain Association, and Kentucky Resources Council, Inc.
Request for Information
Dated November 18, 2022

Case No. 2022-00371

Question No. 1.25

Responding Witness: Michael E. Hornung

Q-1.25. Please refer to Attachment D to the Marginal Cost of Service study. Please provide the supporting calculations, with all formulas and links intact, for each of the calculations shown in Attachment D.

A-1.25. See the attachment being providing in Excel format.

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

KENTUCKY UTILITIES COMPANY

Response to Kentuckians for the Commonwealth, Kentucky Solar Energy Society, Mountain Association, and Kentucky Resources Council, Inc. Request for Information Dated November 18, 2022

Case No. 2022-00371

Question No. 1.26

Responding Witness: Michael E. Hornung

Q-1.26. Please refer to the page titled "Comparison of KU Standard Retail Transmission Service Rate with Economic Development Rider to Marginal Cost" included as the last page in the Marginal Cost of Service Study. Please provide the supporting workpapers, with all formulas and links intact, used for each calculation shown on this page.

A-1.26. See the attachment being provided in Excel format.

To clarify, the last page of the EDR Application for Bitiki-KY, LLC ("Comparison of KU Standard Retail Transmission Service Rate with Economic Development Rider to Marginal Cost") is not part of the Marginal Cost of Service Study performed by The PRIME Group as stated above. It is a separate analysis performed by KU.

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

KENTUCKY UTILITIES COMPANY

Response to Kentuckians for the Commonwealth, Kentucky Solar Energy Society, Mountain Association, and Kentucky Resources Council, Inc.
Request for Information
Dated November 18, 2022

Case No. 2022-00371

Question No. 1.27

Responding Witness: Michael E. Hornung

Q-1.27. Given that the Companies have not yet received approval to construct the proposed CCGT why, in the Companies' judgment, is the CC the appropriate benchmark for the marginal cost study?

A-1.27. See the response to PSC 1-2.

KENTUCKY UTILITIES COMPANY

Response to Kentuckians for the Commonwealth, Kentucky Solar Energy Society, Mountain Association, and Kentucky Resources Council, Inc.
Request for Information
Dated November 18, 2022

Case No. 2022-00371

Question No. 1.28

Responding Witness: Michael E. Hornung

Q-1.28. Has the Company attempted to quantify any projected benefits to existing customers from the Proposed Special Contract, in the form of reductions in fixed costs or otherwise? If yes, please provide that quantification and produce copies of any workpapers, with all formulas and links intact, supporting that quantification. If no, please explain why not.

A-1.28. No, KU has not attempted to a full quantification of benefits resulting from Bitiki's service under Rate RTS and the proposed EDR contract. But the "Comparison of KU Standard Retail Transmission Service Rate with Economic Development Rider to Marginal Cost" to which Question 1.26 refers is essentially such a calculation; it demonstrates that Bitki's projected average billing during the EDR credit period exceeds the projected marginal cost of service, which would be a benefit to other customers in subsequent rate proceedings. Having such a customer continue on service after the EDR credit period expires would continue to be a benefit to other customers in later rate cases, particularly because Bitiki is locating where there are currently unused—and therefore non-revenue-producing—facilities, the costs of which are already embedded in rates. Generating revenue from those facilities would be a benefit to all customers.

KENTUCKY UTILITIES COMPANY

Response to Kentuckians for the Commonwealth, Kentucky Solar Energy Society, Mountain Association, and Kentucky Resources Council, Inc.
Request for Information
Dated November 18, 2022

Case No. 2022-00371

Question No. 1.29

Responding Witness: Michael E. Hornung

Q-1.29. Does the Proposed Special Contract include any provisions to address the possibility that Bitiki-KY will not produce the full load of 13,000 kVa identified in the Proposed Special Contract? If yes, please identify the provisions in the Proposed Special Contract that address this situation and explain how they address it. If not, please explain why not.

A-1.29. To clarify, Bitiki does not have a special contract for its electric service; it will take service under Standard Rate Schedule, Retail Transmission Service (Rate RTS).

Regarding the EDR contract, it is unclear precisely what the request intends by asking if "the Proposed Special Contract include[s] any provisions to address the possibility that Bitiki-KY will not produce the full load of 13,000 kVa identified in the Proposed Special Contract." The EDR contract does not provide a set amount of bill credit or discount based on merely projected loads; rather, the EDR contract provides demand discounts that are a percentage of billed demand charges. Thus, Bitiki will not receive EDR credits for demand it does not actually have (in excess of billed minimum demands).