Kentucky Utilities Company
Case No. 2025-00113
Incentive Compensation Operating Expense Charged to KU

	KU			
	2023	**2024**	**Base Period****	**Test Period****
LKE Short Term Incentive (STI)				
Amount by Each Goal/Target				
Transition Service Agreement (TSA) Budget	396,312	621,363	-	-
Transition Service Agreement (TSA) GO LIVE	396,312	509,091	-	-
Equivalent Forced Outage Rate (EFOR)	701,708	609,159	568,244	469,958
Customer Reliability	2,160,643	1,411,371	1,988,854	1,644,854
Customer Satisfaction	1,153,113	1,165,164	1,420,610	1,174,896
Equivalent Availability Factor (EAF)	503,904	495,174	568,244	469,958
Gas Leak Response On	754,525	876,723	568,244	469,958
Gas Leak Response Off	683,798	688,588	568,244	469,958
Individual / Team Effectiveness	4,764,397	5,279,152	3,977,708	3,289,708
IT Reinvention SaFe Adoption	-	-	426,183	352,469
IT Reinvention-Managed Services Transition	-	-	426,183	352,469
Annual Strategic Objectives	-	-	852,366	704,937
Total LKE Short Term Incentive Operating	**11,514,712**	**11,655,784**	**11,364,881**	**9,399,165**
PPLS Short Term Incentive (STI) *				
Amount by Each Goal/Target				
Operational	-	-	1,045,501	1,157,383
Corporate Strategic Initiatives	-	-	313,650	347,215
Individual Achievement Assessment	-	-	731,850	810,168
Total PPL Short Term Incentive Operating	**-**	**-**	**2,091,001**	**2,314,767**
Customer Services and Marketing Contact Center	**51,143**	**89,197**	**70,354**	**99,825**
Long Term Incentive	**683,535**	**703,366**	**541,198**	**27,342**

*PPLS allocated amounts related to short term incentive are not shown for 2023 and 2024 as these costs were previously recorded in combination with other benefits and can not be readily separated for these periods. A change was made at the beginning of the base period to track PPLS charged STI costs separately.

**Long term incentive compensation amounts are not tied to any specific targets. Amounts shown represent non-executive awards for KU and do not include amounts related to the services companies. The non-executive awards related to the services companies were incorrectly budgeted and should have been allocated to the Utilities and are qualifying expenses. In addition, the actual period shown of 2023, 2024 and six months of the base period do not include allocated expenses from PPLS. The allocated expense for the forecasted base period is $639,956 and the forecasted test period is $1,989,814.