

Kentucky Utilities Company
Case No. 2025-00113
Forecasted Test Period Filing Requirements
(Forecasted Test Period 12ME 12/31/26; Base Period 12ME 8/31/25)

Filing Requirement
Tab 17 - 807 KAR 5:001 Section 16(7)(d)
Sponsoring Witness: Heather D. Metts

Description of Filing Requirement:

The utility's annual and monthly budget for the twelve (12) months preceding the filing date, the base period, and forecasted period.

Response:

See attached. Note that the attached does not reflect any impact from rate case activity beyond 2025.

Kentucky Utilities Company
Case No. 2025-00113
Annual and Monthly Budget for Years 2024-2026
Base Period: Twelve Months Ended August 31, 2025
Forecasted Test Period: Twelve Months Ended December 31, 2026

2024 Budget - Kentucky Utilities Company

Total Company

INCOME STATEMENT

Operating Revenues

Electric Operating Revenues

Total Operating Revenues

Operating Expenses

Fuel for Electric Generation

Power Purchased

Other Operation Expenses

Maintenance

Depreciation & Amortization Expense

Regulatory Debits

Regulatory Credits

Income Taxes

Property and Other Taxes

Loss (Gain) from Disposition of Allowances

Total Operating Expenses

Net Operating Income

AFUDC - Equity

Other Income less deductions

Income before Interest Charges

Interest Charges

Net Income

	January	February	March	April	May	June	July	August	September	October	November	December	Year Total
Electric Operating Revenues	197,525,287	180,977,692	165,884,537	147,864,801	150,734,508	164,434,114	179,767,719	179,641,937	159,212,231	153,830,578	161,795,313	188,696,849	2,030,365,565
Total Operating Revenues	197,525,287	180,977,692	165,884,537	147,864,801	150,734,508	164,434,114	179,767,719	179,641,937	159,212,231	153,830,578	161,795,313	188,696,849	2,030,365,565
Operating Expenses													
Fuel for Electric Generation	44,775,072	39,089,406	37,428,932	35,342,785	34,749,895	41,363,554	46,935,897	47,720,161	40,012,471	38,756,772	35,751,990	43,585,895	485,512,829
Power Purchased	10,294,253	10,319,029	7,122,714	4,584,183	4,344,232	2,739,761	2,452,331	2,661,591	2,958,051	3,873,608	9,802,996	11,347,029	72,499,778
Other Operation Expenses	27,124,692	25,908,453	24,088,932	25,539,425	25,790,008	22,837,645	26,204,231	25,874,386	22,853,072	25,655,588	23,370,689	23,293,539	298,540,659
Maintenance	8,280,585	8,297,683	14,937,939	15,401,745	9,734,397	8,666,399	9,804,712	9,561,473	8,931,291	13,777,267	11,893,096	8,585,805	127,872,393
Depreciation & Amortization Expense	31,762,513	32,046,790	32,054,860	32,126,488	32,214,860	32,393,763	32,540,599	32,479,619	32,428,905	32,455,089	32,482,790	32,818,157	387,804,433
Regulatory Debits	1,477,830	1,481,791	2,754,651	1,489,675	1,497,156	3,544,097	1,505,892	1,510,152	4,178,737	1,520,181	1,522,931	4,547,998	27,031,091
Regulatory Credits	(65,126)	(67,611)	(86,240)	(93,664)	(102,861)	(128,499)	(144,458)	(161,144)	(176,935)	(193,960)	(208,891)	(234,731)	(1,664,120)
Income Taxes	14,398,142	11,970,990	3,137,751	4,338,252	6,570,416	4,462,794	11,100,769	11,025,168	3,298,656	5,503,506	7,842,188	7,452,341	91,100,973
Property and Other Taxes	4,787,666	4,732,678	5,363,924	4,755,096	4,765,448	5,282,966	4,734,366	4,759,271	5,263,907	4,817,543	4,626,135	5,235,203	59,124,203
Loss (Gain) from Disposition of Allowances	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Operating Expenses	142,835,627	133,779,209	126,803,463	123,483,985	119,563,552	121,162,479	135,134,339	135,430,678	119,748,153	126,165,595	127,083,924	136,631,236	1,547,822,239
Net Operating Income	54,689,661	47,198,483	39,081,074	24,380,817	31,170,956	43,271,634	44,633,379	44,211,258	39,464,078	27,664,984	34,711,390	52,065,613	482,543,326
AFUDC - Equity	245,289	255,268	338,574	370,933	411,724	513,564	584,811	659,903	730,913	806,983	873,647	961,287	6,752,898
Other Income less deductions	1,779,708	3,030,726	(3,133,348)	820,475	1,262,456	(2,907,025)	2,130,671	2,074,195	(3,172,578)	956,528	1,394,016	(2,497,008)	1,738,818
Income before Interest Charges	56,714,657	50,484,477	36,286,300	25,572,225	32,845,137	40,878,174	47,348,862	46,945,356	37,022,413	29,428,495	36,979,054	50,529,892	491,035,042
Interest Charges	11,536,267	11,346,001	11,285,042	11,487,731	11,563,486	11,489,851	11,398,534	11,203,824	11,184,041	11,266,797	11,278,409	11,291,224	136,331,208
Net Income	45,178,390	39,138,477	25,001,258	14,084,494	21,281,651	29,388,323	35,950,328	35,741,532	25,838,372	18,161,697	25,700,645	39,238,668	354,703,834

Kentucky Utilities Company
Case No. 2025-00113
Annual and Monthly Budget for Years 2024-2026
Base Period: Twelve Months Ended August 31, 2025
Forecasted Test Period: Twelve Months Ended December 31, 2026

2025 Budget - Kentucky Utilities Company

Total Company	January	February	March	April	May	June	July	August	September	October	November	December	Year Total	Total 12 Months Preceding Filing Date ¹	Budgeted Base Period 08/31/25 ²
INCOME STATEMENT															
Operating Revenues															
Electric Operating Revenues	204,501,349	183,701,639	168,980,024	151,373,619	157,853,166	168,939,566	182,691,284	181,980,119	164,106,575	158,187,087	167,300,069	190,813,425	2,080,427,923	2,046,669,879	2,063,555,739
Total Operating Revenues	204,501,349	183,701,639	168,980,024	151,373,619	157,853,166	168,939,566	182,691,284	181,980,119	164,106,575	158,187,087	167,300,069	190,813,425	2,080,427,923	2,046,669,879	2,063,555,739
Operating Expenses															
Fuel for Electric Generation	52,070,070	44,940,836	42,411,310	38,249,152	39,522,369	44,034,243	48,837,875	48,865,309	42,443,115	42,067,118	39,930,365	45,176,844	528,548,607	506,548,004	517,038,293
Power Purchased	8,177,678	8,104,444	4,489,447	3,458,613	4,535,960	3,759,322	3,465,655	3,584,272	3,871,304	3,209,655	6,551,097	9,314,384	62,521,831	64,409,779	67,557,073
Other Operation Expenses	25,049,293	22,685,340	20,986,731	23,194,956	22,288,556	21,419,845	23,705,840	22,641,303	22,288,316	25,041,315	23,072,220	19,933,650	272,307,363	287,795,476	277,144,750
Maintenance	9,723,409	9,608,026	12,903,214	11,599,716	11,387,327	10,206,537	10,641,127	9,843,012	10,249,718	13,537,811	13,575,887	9,582,273	132,858,056	124,788,804	129,099,825
Depreciation & Amortization Expense	32,679,131	33,047,406	33,018,675	33,024,758	33,081,099	33,116,354	33,191,873	33,269,259	33,276,900	33,289,174	33,361,668	34,227,359	398,583,655	391,583,752	394,613,495
Regulatory Debits	1,547,771	1,553,420	4,086,093	1,570,148	1,579,451	4,216,849	1,596,127	1,598,848	4,251,014	1,604,685	1,606,608	4,766,505	29,977,520	28,584,578	29,518,556
Regulatory Credits	(111,232)	(115,111)	(121,544)	(132,304)	(141,265)	(155,957)	(171,457)	(183,670)	(191,254)	(200,503)	(208,659)	(187,495)	(1,920,452)	(1,831,670)	(1,947,058)
Income Taxes	14,533,078	11,721,550	3,825,091	5,793,847	7,063,280	4,035,555	11,006,724	10,623,636	2,465,292	5,144,013	7,644,907	7,543,375	91,400,350	93,129,405	92,699,453
Property and Other Taxes	5,315,719	5,224,626	5,272,823	5,282,367	5,225,739	5,198,132	5,268,146	5,218,063	5,271,889	5,339,955	5,114,701	5,184,656	62,916,817	60,580,374	61,948,402
Loss (Gain) from Disposition of Allowances	(13,655)	(12,685)	(27,405)	(26,218)	(32,862)	(34,797)	(31,111)	(30,226)	(23,574)	(22,358)	(14,438)	(11,292)	(280,621)	(79,963)	(208,960)
Total Operating Expenses	148,971,261	136,757,852	126,844,435	122,015,034	124,509,654	125,796,083	137,510,798	135,429,805	123,902,722	129,010,866	130,634,357	135,530,259	1,576,913,126	1,555,508,539	1,567,463,830
Net Operating Income	55,530,087	46,943,787	42,135,589	29,358,585	33,343,512	43,143,483	45,180,486	46,550,315	40,203,853	29,176,221	36,665,712	55,283,166	503,514,797	491,161,340	496,091,909
AFUDC - Equity	742,809	774,812	831,893	932,336	1,015,596	1,132,745	1,279,681	1,394,817	1,466,079	1,553,391	1,630,243	1,556,679	14,311,081	8,824,684	11,477,520
Other Income less deductions	2,452,951	2,311,444	(3,183,673)	988,951	1,248,580	(3,225,232)	2,016,246	1,933,861	(2,955,582)	968,366	1,387,500	(2,455,147)	1,488,266	1,810,929	1,224,086
Income before Interest Charges	58,725,848	50,030,043	39,783,809	31,279,872	35,607,687	41,050,996	48,476,414	49,878,992	38,714,351	31,697,978	39,683,455	54,384,699	519,314,144	501,796,953	508,793,514
Interest Charges	11,690,164	11,551,174	11,562,877	11,751,112	11,893,690	11,849,291	11,791,297	14,280,729	13,538,285	13,344,150	13,288,973	13,340,520	149,882,263	137,231,495	141,390,807
Net Income	47,035,683	38,478,868	28,220,932	19,528,760	23,713,997	29,201,705	36,685,117	35,598,263	25,176,066	18,353,829	26,394,482	41,044,178	369,431,881	364,565,459	367,402,708

Total 12 Months Preceding Filing Date¹ - Sum of May through December of 2024 Budget plus January through April of the 2025 Budget.

Budgeted Base Period 08/31/25² - Sum of September through December of 2024 Budget plus January through August of the 2025 Budget.

Kentucky Utilities Company
Case No. 2025-00113
Annual and Monthly Budget for Years 2024-2026
Base Period: Twelve Months Ended August 31, 2025
Forecasted Test Period: Twelve Months Ended December 31, 2026

2026 Budget - Kentucky Utilities Company

Total Company	January	February	March	April	May	June	July	August	September	October	November	December	Year Total/ Test Year 12/31/26
INCOME STATEMENT													
Operating Revenues													
Electric Operating Revenues	209,705,129	186,710,425	173,629,567	156,494,180	162,757,980	173,200,638	187,145,300	186,287,160	165,741,489	159,266,919	169,501,357	194,392,781	2,124,832,926
Total Operating Revenues	209,705,129	186,710,425	173,629,567	156,494,180	162,757,980	173,200,638	187,145,300	186,287,160	165,741,489	159,266,919	169,501,357	194,392,781	2,124,832,926
Operating Expenses													
Fuel for Electric Generation	57,223,823	48,686,484	43,465,160	40,888,103	43,770,357	47,414,753	52,929,478	52,829,452	43,464,296	42,173,192	43,855,425	51,801,891	568,502,412
Power Purchased	5,557,475	5,366,935	6,907,376	4,838,279	3,645,968	2,612,455	2,434,518	2,441,195	3,343,263	3,429,916	4,716,285	5,790,870	51,084,534
Other Operation Expenses	25,974,918	25,349,953	23,836,107	24,442,901	24,221,173	25,612,382	26,206,226	25,273,931	24,470,475	25,111,344	23,528,842	23,725,513	297,753,764
Maintenance	11,111,871	11,076,188	17,773,500	19,165,484	13,091,669	11,765,992	12,516,946	11,723,813	16,638,964	19,152,279	15,934,376	11,127,269	171,078,351
Depreciation & Amortization Expense	39,380,535	39,427,721	39,535,686	39,649,893	39,652,614	39,990,123	40,395,244	40,477,748	40,580,148	40,700,709	40,866,239	41,600,630	482,257,290
Regulatory Debits	1,638,804	1,637,814	1,638,753	1,638,966	1,640,830	1,643,376	1,018,333	1,018,815	1,018,798	1,018,282	1,017,312	1,016,348	15,946,433
Regulatory Credits	(558,080)	(611,291)	(661,271)	(705,044)	(745,925)	(744,417)	(678,733)	(690,386)	(699,062)	(706,330)	(713,642)	(770,824)	(8,285,007)
Income Taxes	12,580,480	9,236,250	145,169	1,849,516	4,525,466	(676,103)	8,176,684	8,388,599	(2,778,018)	2,048,426	5,013,462	3,759,207	52,269,136
Property and Other Taxes	5,659,877	5,615,159	5,705,167	5,677,897	5,588,996	5,650,694	5,675,323	5,641,883	5,686,531	5,707,765	5,567,926	5,596,270	67,773,488
Loss (Gain) from Disposition of Allowances	(12,028)	(20,129)	(26,472)	(27,519)	(33,110)	(34,191)	(31,822)	(30,237)	(26,633)	(21,321)	(15,420)	(12,072)	(290,953)
Total Operating Expenses	158,557,674	145,765,083	138,319,173	137,418,475	135,358,037	133,235,065	148,642,197	147,074,813	131,698,763	138,614,262	139,770,804	143,635,101	1,698,089,449
Net Operating Income	51,147,454	40,945,341	35,310,394	19,075,705	27,399,943	39,965,573	38,503,103	39,212,347	34,042,726	20,652,657	29,730,553	50,757,680	426,743,477
AFUDC - Equity	1,494,306	1,638,451	1,773,844	1,892,422	2,003,166	1,944,441	1,770,600	1,802,168	1,825,669	1,845,359	1,865,168	1,948,962	21,804,556
Other Income less deductions	4,550,863	3,530,989	(3,475,729)	464,811	1,550,987	(4,815,675)	3,064,115	3,115,895	(5,626,293)	547,758	1,735,692	(2,597,423)	2,045,991
Income before Interest Charges	57,192,624	46,114,781	33,608,509	21,432,938	30,954,096	37,094,339	43,337,818	44,130,411	30,242,102	23,045,774	33,331,412	50,109,220	450,594,024
Interest Charges	13,442,841	13,300,228	13,424,933	13,650,005	13,924,943	13,992,968	14,045,179	14,116,982	14,528,361	14,628,633	14,787,654	14,831,152	168,673,879
Net Income	43,749,782	32,814,553	20,183,576	7,782,933	17,029,153	23,101,371	29,292,638	30,013,429	15,713,742	8,417,142	18,543,759	35,278,068	281,920,145

Kentucky Utilities Company
Case No. 2025-00113
Forecasted Test Period Filing Requirements
(Forecasted Test Period 12ME 12/31/26; Base Period 12ME 8/31/25)

Filing Requirement
Tab 18 - 807 KAR 5:001 Section 16(7)(e)
Sponsoring Witness: John R. Crockett III

Description of Filing Requirement:

A statement of attestation signed by the utility's chief officer in charge of Kentucky operations, which shall provide:

- 1. That the forecast is reasonable, reliable, made in good faith, and that all basic assumptions used in the forecast have been identified and justified;*
- 2. That the forecast contains the same assumptions and methodologies as used in the forecast prepared for use by management, or an identification and explanation for differences that exist, if applicable; and*
- 3. That productivity and efficiency gains are included in the forecast.*

Response:

See attached.

**STATEMENT OF ATTESTATION SIGNED BY THE UTILITY'S
CHIEF OFFICER IN CHARGE OF KENTUCKY OPERATIONS**

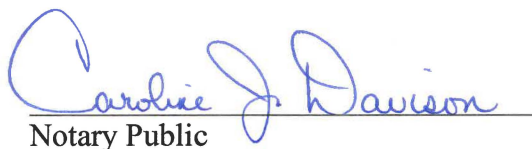
1. The forecast presented in this rate application is reasonable, reliable, made in good faith, and all basic assumptions used in the forecast have been identified and justified;
2. The forecast contains the same assumptions and methodologies as used in the forecast prepared for use by management, except for the differences that have been identified and explained in the filing requirements and schedules thereto; and
3. Productivity and efficiency gains are included in the forecast.



John R. Crockett III

President of LG&E and KU Energy LLC
and Senior Vice President and Chief
Development Officer of PPL Services
Corporation

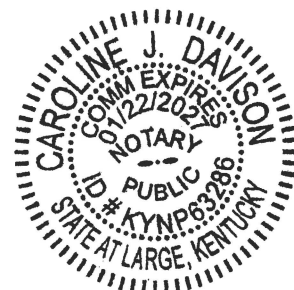
Subscribed and sworn to before me, a Notary Public in and before said County
and State, this 23rd day of May 2025.


Notary Public

Notary Public ID No. KYNP63286

My Commission Expires:

January 22, 2027



Kentucky Utilities Company
Case No. 2025-00113
Forecasted Test Period Filing Requirements
(Forecasted Test Period 12ME 12/31/26; Base Period 12ME 8/31/25)

Filing Requirement
Tab 19 - 807 KAR 5:001 Section 16(7)(f)
Sponsoring Witness: Heather D. Metts

Description of Filing Requirement:

For each major construction project that constitutes five (5) percent or more of the annual construction budget within the three (3) year forecast, the following information shall be filed:

- 1. The date the project was started or estimated starting date;*
- 2. The estimated completion date;*
- 3. The total estimated cost of construction by year exclusive and inclusive of allowance for funds used during construction ("AFUDC") or interest during construction credit; and*
- 4. The most recent available total costs incurred exclusive and inclusive of AFUDC or interest during construction credit.*

Response:

See attached.

Kentucky Utilities Company
Case No. 2025-00113
Fully Forecasted Test Period

Summary of Capital Construction Forecast which Constitute More than five (5%) of the Total and all other Projects

Year 2025											
Plant	Project Description	Unit	Project Amount Without AFUDC	AFUDC	Project Amount With AFUDC	Inception-to-Date 2/28/25 Without AFUDC	AFUDC	Inception-to-Date 2/28/25 With AFUDC	Actual Start Date	Expected Start Date	Expected Completion Date
Mill Creek	MILL CREEK 5 NGCC KU	5	261,774,453	17,463,498	279,237,952	180,522,832	6,003,750	186,526,582	Dec-23		Dec-28
	All Other Projects < 5%		\$ 723,810,824	\$ 10,438,771	\$ 734,249,595	\$ 464,423,078	\$ 13,653,789	\$ 478,076,867			
Year 2026											
Plant	Project Description	Unit	Project Amount Without AFUDC	AFUDC	Project Amount With AFUDC	Inception-to-Date 2/28/25 Without AFUDC	AFUDC	Inception-to-Date 2/28/25 With AFUDC	Actual Start Date	Expected Start Date	Expected Completion Date
Mercer	MERCER CO SOLAR KU		110,519,010	2,202,043	112,721,053	1,700,865	-	1,700,865	Dec-23		Dec-27
Mill Creek	MILL CREEK 5 NGCC KU	5	176,018,479	34,010,470	210,028,949	180,522,832	6,003,750	186,526,582	Dec-23		Dec-28
	All Other Projects < 5%		\$ 1,000,213,746	\$ -	\$ 1,000,213,746	\$ 58,536,485	\$ -	\$ 58,536,485			
Year 2027											
Plant	Project Description	Unit	Project Amount Without AFUDC	AFUDC	Project Amount With AFUDC	Inception-to-Date 2/28/25 Without AFUDC	AFUDC	Inception-to-Date 2/28/25 With AFUDC	Actual Start Date	Expected Start Date	Expected Completion Date
Marion	MARION SOLAR KU		158,819,850	-	158,819,850	803,961	-	803,961	Feb-24		Oct-27
Mill Creek	MILL CREEK 5 NGCC KU	5	49,331,205	18,949,771	68,280,976	180,522,832	6,003,750	186,526,582	Dec-23		Dec-28
Ghent	GHENT 2 SCR PROJENG	2	92,850,000	-	92,850,000	-	-	-		Mar-25	Dec-28
	FP Incremental Defective Str		84,779,795	-	84,779,795	-	-	-		Jan-27	Dec-29
	All Other Projects < 5%		\$ 818,461,210	\$ -	\$ 818,461,210	\$ 12,195,424	\$ -	\$ 12,195,424			
Year 2028											
Plant	Project Description	Unit	Project Amount Without AFUDC	AFUDC	Project Amount With AFUDC	Inception-to-Date 2/28/25 Without AFUDC	AFUDC	Inception-to-Date 2/28/25 With AFUDC	Actual Start Date	Expected Start Date	Expected Completion Date
Ghent	GHENT REV ELG PROJENG	1-4	48,400,000	-	48,400,000	-	-	-		May-25	Dec-30
	All Other Projects < 5%		\$ 899,990,453	\$ -	\$ 899,990,453	\$ 8,361,097	\$ -	\$ 8,361,097			

Kentucky Utilities Company
Case No. 2025-00113
Forecasted Test Period Filing Requirements
(Forecasted Test Period 12ME 12/31/26; Base Period 12ME 8/31/25)

Filing Requirement
Tab 20 - 807 KAR 5:001 Section 16(7)(g)
Sponsoring Witness: Heather D. Metts

Description of Filing Requirement:

For all construction projects that constitute less than five (5) percent of the annual construction budget within the three (3) year forecast, the utility shall file an aggregate of the information requested in paragraph (f)3 and 4 of this subsection.

Response:

See KU's response to Filing Requirement 807 KAR 5:001 Section 16(7)(f) [Tab No. 19].

Kentucky Utilities Company
Case No. 2025-00113
Forecasted Test Period Filing Requirements
(Forecasted Test Period 12ME 12/31/26; Base Period 12ME 8/31/25)

Filing Requirement
Tab 21 - 807 KAR 5:001 Section 16(7)(h)
Sponsoring Witness: Heather D. Metts

Description of Filing Requirement:

A financial forecast corresponding to each of the three (3) forecasted years included in the capital construction budget. The financial forecast shall be supported by the underlying assumptions made in projecting the results of operations and shall include the following information:

Response:

See KU's responses to Tab Nos. 22-38.

Kentucky Utilities Company
Case No. 2025-00113
Forecasted Test Period Filing Requirements
(Forecasted Test Period 12ME 12/31/26; Base Period 12ME 8/31/25)

Filing Requirement
Tab 22 - 807 KAR 5:001 Section 16(7)(h)(1)
Sponsoring Witness: Heather D. Metts

Description of Filing Requirement:

A financial forecast corresponding to each of the three (3) forecasted years included in the capital construction budget. The financial forecast shall be supported by the underlying assumptions made in projecting the results of operations and shall include the following information:

- 1. Operating income statement (exclusive of dividends per share or earnings per share);*

Response:

See attached. Note that the attached does not reflect any impact from rate case activity beyond 2025.

Kentucky Utilities Company
Case No. 2025-00113
Forecasted Income Statements 2025 - 2028
Base Period: Twelve Months Ended August 31, 2025
Forecasted Test Period: Twelve Months Ended December 31, 2026

Kentucky Utilities Company - Total Company

	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>
	\$	\$	\$	\$
INCOME STATEMENT				
Operating Revenues				
Electric Operating Revenues	2,102,257,649	2,124,832,926	2,172,994,901	2,230,210,635
Total Operating Revenues	<u>2,102,257,649</u>	<u>2,124,832,926</u>	<u>2,172,994,901</u>	<u>2,230,210,635</u>
Operating Expenses				
Fuel for Electric Generation	544,985,987	568,502,412	614,571,294	655,859,785
Power Purchased	53,884,455	51,084,534	43,582,328	32,507,503
Other Operation Expenses	270,374,952	297,753,764	289,633,495	301,824,127
Maintenance	133,451,418	171,078,351	176,126,541	193,067,658
Depreciation & Amortization Expense	397,508,424	482,257,290	528,522,453	575,180,727
Regulatory Debits	29,965,939	15,946,433	12,464,354	12,649,675
Regulatory Credits	(1,937,397)	(8,285,007)	(3,678,111)	-
Income Taxes	96,963,770	52,269,136	31,663,277	10,184,628
Property and Other Taxes	61,985,817	67,773,488	73,199,077	80,450,278
Amortization of Investment Tax Credit	-	-	-	-
Loss (Gain) from Disposition of Allowances	(282,798)	(290,953)	(279,890)	(287,590)
Total Operating Expenses	<u>1,586,900,567</u>	<u>1,698,089,449</u>	<u>1,765,804,818</u>	<u>1,861,436,793</u>
Net Operating Income	<u>515,357,082</u>	<u>426,743,477</u>	<u>407,190,084</u>	<u>368,773,842</u>
AFUDC - Equity	14,679,807	21,804,556	12,217,337	-
Other Income less deductions	3,310,847	2,045,991	1,795,542	1,812,976
Income before Interest Charges	<u>533,347,736</u>	<u>450,594,024</u>	<u>421,202,962</u>	<u>370,586,818</u>
Interest Charges	149,619,521	168,673,879	202,663,877	220,932,158
Net Income	<u><u>383,728,216</u></u>	<u><u>281,920,145</u></u>	<u><u>218,539,085</u></u>	<u><u>149,654,660</u></u>

Kentucky Utilities Company
Case No. 2025-00113
Forecasted Test Period Filing Requirements
(Forecasted Test Period 12ME 12/31/26; Base Period 12ME 8/31/25)

Filing Requirement
Tab 23 - 807 KAR 5:001 Section 16(7)(h)(2)
Sponsoring Witness: Heather D. Metts

Description of Filing Requirement:

A financial forecast corresponding to each of the three (3) forecasted years included in the capital construction budget. The financial forecast shall be supported by the underlying assumptions made in projecting the results of operations and shall include the following information:

- 2. Balance sheet;*

Response:

See attached. Note that the attached does not reflect any impact from rate case activity beyond 2025.

**Kentucky Utilities Company
Case No. 2025-00113
Balance Sheet - Total Company
Calendar Years 2025-2028**

	2025	2026	2027	2028
	\$	\$	\$	\$
Kentucky Utilities Company - Total				
ASSETS AND OTHER DEBITS				
UTILITY PLANT				
Gross Utility Plant	13,285,798,597	14,468,680,064	15,559,206,979	16,410,892,227
Accumulated Provision for Depreciation and Amortization	(4,792,640,567)	(5,148,422,846)	(5,555,190,713)	(6,043,043,476)
Total Utility Net Plant	8,493,158,030	9,320,257,218	10,004,016,266	10,367,848,752
INVESTMENTS				
Investment in Subsidiary Companies	250,000	250,000	250,000	250,000
Net Nonutility property	37,881	37,881	37,881	37,881
Other Investments	59,898,610	69,868,673	79,918,519	90,132,069
Total other Property and Investments	60,186,491	70,156,554	80,206,400	90,419,950
CURRENT AND ACCRUED ASSETS				
Cash	5,045,000	5,045,000	5,045,000	5,045,000
Special Deposits and Temporary Cash Investments	71,334,043	-	-	-
Accounts Receivable - Less Reserves	303,135,625	303,129,649	305,144,315	306,663,014
Notes Receivable	883,003	834,640	791,491	764,178
Accounts Receivable from Associated Companies	5,780	5,780	5,780	5,780
Inventories	183,456,784	188,252,908	194,988,659	197,687,979
Prepayments	8,913,711	8,594,819	8,546,163	8,703,957
Other Current and Accrued Assets	9,990,862	9,990,862	9,990,862	9,990,862
Total Current and Accrued Assets	582,764,808	515,853,657	524,512,269	528,860,769
DEFERRED DEBITS AND OTHER				
Unamortized Debt Expenses	32,144,140	31,200,026	34,948,508	32,383,613
Accumulated Deferred Income Tax Asset	200,287,843	199,906,493	199,890,887	198,457,551
Regulatory Assets	533,110,789	520,287,331	499,415,749	471,439,668
Miscellaneous Deferred Debits	73,196,122	73,102,427	84,645,316	77,810,876
Total Deferred Debits & Other	838,738,894	824,496,277	818,900,461	780,091,709
TOTAL ASSETS	9,974,848,222	10,730,763,706	11,427,635,396	11,767,221,181
LIABILITIES AND OTHER CREDITS				
PROPRIETARY CAPITAL				
Common and Preferred Stock Issued	308,139,978	308,139,978	308,139,978	308,139,978
Common Stock Expense	(321,289)	(321,289)	(321,289)	(321,289)
Paid-in-capital	1,251,851,734	1,573,012,532	1,886,351,859	2,016,043,711
Retained Earnings	2,503,328,566	2,586,982,748	2,641,233,547	2,695,729,666
Total Proprietary Capital	4,062,998,989	4,467,813,968	4,835,404,095	5,019,592,066
Total Long-Term Debt	3,635,180,979	3,617,608,067	4,117,910,155	4,118,212,243
TOTAL CAPITALIZATION	7,698,179,968	8,085,422,035	8,953,314,250	9,137,804,310
CURRENT AND ACCRUED LIABILITIES				
Notes Payable		375,615,666	205,038,210	365,507,731
Accounts Payable	119,481,780	123,341,914	118,016,889	115,478,980
Accounts Payable to Associated Companies	77,575,356	77,570,266	77,654,491	77,714,689
Customer Deposits	38,849,587	38,849,587	38,849,587	38,849,587
Taxes Accrued	37,420,439	40,075,441	42,824,008	46,036,757
Interest Accrued	42,090,428	43,363,421	53,379,934	53,381,539
Miscellaneous Current Liabilities	30,943,464	28,491,403	27,617,441	27,529,701
Total Current and Accrued Liabilities	346,361,054	727,307,698	563,380,561	724,498,984
DEFERRED CREDITS				
Accumulated Deferred Income Tax Liability	1,160,760,465	1,184,810,145	1,211,155,442	1,238,113,764
Investment Tax Credits	79,408,911	76,841,901	74,274,890	71,707,880
Regulatory Liabilities	595,944,606	563,268,714	532,689,836	502,211,116
Customer Advances for Construction	19,005,723	19,005,723	19,005,723	19,005,723
Asset Retirement Obligations	49,504,635	51,675,706	53,535,135	55,393,473
Other Deferred Credits	1,550,002	1,550,002	1,550,002	1,550,002
Miscellaneous Long Term Liabilities	11,499,698	7,741,160	5,049,830	2,690,369
Accumulated Provision for Post Retirement Benefits	12,633,161	13,140,622	13,679,728	14,245,559
Total Deferred Credits	1,930,307,201	1,918,033,973	1,910,940,585	1,904,917,887
TOTAL LIABILITIES AND STOCKHOLDER EQUITY	9,974,848,222	10,730,763,706	11,427,635,396	11,767,221,181

Kentucky Utilities Company
Case No. 2025-00113
Forecasted Test Period Filing Requirements
(Forecasted Test Period 12ME 12/31/26; Base Period 12ME 8/31/25)

Filing Requirement
Tab 24 - 807 KAR 5:001 Section 16(7)(h)(3)
Sponsoring Witness: Heather D. Metts

Description of Filing Requirement:

A financial forecast corresponding to each of the three (3) forecasted years included in the capital construction budget. The financial forecast shall be supported by the underlying assumptions made in projecting the results of operations and shall include the following information:

- 3. Statement of cash flows;*

Response:

See attached. Note that the attached does not reflect any impact from rate case activity beyond 2025.

Kentucky Utilities Company
Case No. 2025-00113
Forecasted Cash Flow Statements 2025 - 2028
Base Period: Twelve Months Ended August 31, 2025
Forecasted Test Period: Twelve Months Ended December 31, 2026

Kentucky Utilities Company Cash Flow Statement	2025	2026	2027	2028
	\$	\$	\$	\$
Cash Flows from Operating Activities				
Net Income	383,728,216	281,920,145	218,539,085	149,654,660
Adjustments to reconcile net income to net cash provided by (used in) operating activities				
Depreciation	416,372,780	497,981,267	540,520,877	587,197,606
Amortization	8,090,527	12,130,687	12,601,080	12,796,290
Defined benefit plans - Expense	(3,325,970)	(1,786,643)	(1,539,182)	(1,322,924)
Deferred income taxes and investment tax credits	5,593,437	(13,311,949)	(6,405,073)	622,104
Change in current assets and current liabilities				
Accounts receivable	(20,688,585)	5,976	(2,014,666)	(1,518,699)
Inventories	(10,097,044)	516,094	(4,618,569)	1,028,829
Other assets and other liabilities	(19,587,382)	(22,361,260)	(14,629,530)	(1,451,571)
Regulatory assets and liabilities	(27,273,482)	(10,813,619)	(2,828,156)	(1,889,862)
Accounts payable	7,605,250	(1,597,940)	(2,290,104)	(2,692,569)
Taxes accrued	(33,528)	1,110,179	1,101,802	2,523,162
Interest accrued	17,770,774	1,272,994	10,016,513	1,605
Other operating activities				
ARO expenditures	(21,638,435)	(2,700,563)	(709,804)	(715,348)
Defined benefit plans - funding	(44,109)	(15,994)	(17,685)	(31,292)
Net cash provided by operating activities	<u>736,472,449</u>	<u>742,349,374</u>	<u>747,726,588</u>	<u>744,201,988</u>
Cash Flows from Investing Activities				
Expenditures for property, plant and equipment	(1,002,287,504)	(1,292,518,918)	(1,219,555,174)	(938,834,821)
Other investing activities	<u>23,865</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net cash used in investing activities	<u>(1,002,263,639)</u>	<u>(1,292,518,918)</u>	<u>(1,219,555,174)</u>	<u>(938,834,821)</u>
Cash Flows from Financing Activities				
Issuance of long-term debt	800,000,000	-	500,000,000	-
Net increase (decrease) in short-term debt	(139,768,400)	375,615,666	(170,577,456)	160,469,520
Contributions from LKE	228,493,651	321,160,798	313,339,328	129,691,852
Payment of common stock dividends to parent	(240,997,412)	(198,265,963)	(164,288,286)	(95,158,540)
Retirement of long-term debt	(250,000,000)	(17,875,000)	-	-
Net increase (decrease) in short-term debt (intercompany)	(72,545,349)	-	-	-
Other financing activities	<u>(9,000,000)</u>	<u>(1,800,000)</u>	<u>(6,645,000)</u>	<u>(370,000)</u>
Net Cash provided by financing activities	<u>316,182,490</u>	<u>478,835,501</u>	<u>471,828,586</u>	<u>194,632,832</u>
Net Increase (Decrease) in Cash and Cash Equivalents	50,391,301	(71,334,043)	0	(0)
Cash and Cash Equivalents at Beginning of Period	<u>28,678,601</u>	<u>79,069,901</u>	<u>7,735,858</u>	<u>7,735,858</u>
Cash and Cash Equivalents at End of Period	<u>79,069,901</u>	<u>7,735,858</u>	<u>7,735,858</u>	<u>7,735,858</u>

Kentucky Utilities Company
Case No. 2025-00113
Forecasted Test Period Filing Requirements
(Forecasted Test Period 12ME 12/31/26; Base Period 12ME 8/31/25)

Filing Requirement
Tab 25 - 807 KAR 5:001 Section 16(7)(h)(4)
Sponsoring Witness: Robert M. Conroy

Description of Filing Requirement:

A financial forecast corresponding to each of the three (3) forecasted years included in the capital construction budget. The financial forecast shall be supported by the underlying assumptions made in projecting the results of operations and shall include the following information:

- 4. Revenue requirements necessary to support the forecasted rate of return;*

Response:

See attached. Note that the attached does not reflect any impact from rate case activity beyond 2025.

KENTUCKY UTILITIES COMPANY
CASE NO. 2025-00113
OVERALL FINANCIAL SUMMARY
FORECAST PERIOD FOR THE 12 MONTHS ENDED DECEMBER 31,

LINE NO.	DESCRIPTION	FORECASTED			
		2025	2026	2027	2028
		JURISDICTIONAL REVENUE REQUIREMENT	JURISDICTIONAL REVENUE REQUIREMENT	JURISDICTIONAL REVENUE REQUIREMENT	JURISDICTIONAL REVENUE REQUIREMENT
		\$	\$	\$	\$
1	CAPITALIZATION ALLOCATED TO KENTUCKY JURISDICTION	6,054,659,171	6,428,556,044	7,698,241,269	7,976,926,826
2	ADJUSTED OPERATING INCOME	433,391,796	338,281,951	318,040,732	276,936,387
3	EARNED RATE OF RETURN (2 / 1)	7.16%	5.26%	4.13%	3.47%
4	REQUIRED RATE OF RETURN	8.04%	8.08%	8.16%	8.15%
5	REQUIRED OPERATING INCOME (1 x 4)	486,837,685	519,361,900	627,942,083	650,010,483
6	OPERATING INCOME DEFICIENCY (5 - 2)	53,445,890	181,079,949	309,901,351	373,074,096
7	GROSS REVENUE CONVERSION FACTOR	1.338086	1.338086	1.338086	1.338086
8	REVENUE DEFICIENCY (6 x 7)	71,515,219	242,300,619	414,674,786	499,205,377
9	ADJUSTED OPERATING REVENUES	1,869,312,778	1,869,571,245	1,887,063,373	1,897,440,857
10	REVENUE REQUIREMENTS (8 + 9)	1,940,827,997	2,111,871,863	2,301,738,159	2,396,646,235

Kentucky Utilities Company
Case No. 2025-00113
Forecasted Test Period Filing Requirements
(Forecasted Test Period 12ME 12/31/26; Base Period 12ME 8/31/25)

Filing Requirement
Tab 26 - 807 KAR 5:001 Section 16(7)(h)(5)
Sponsoring Witness: Charles R. Schram
Page 1 of 2

Description of Filing Requirement:

A financial forecast corresponding to each of the three (3) forecasted years included in the capital construction budget. The financial forecast shall be supported by the underlying assumptions made in projecting the results of operations and shall include the following information:

5. *Load forecast including energy and demand (electric);*

Response:

Table 1: KU Energy (GWh)

Rate	2025 *	2026	2027	2028
AES	121	118	117	117
FLS	529	531	531	532
GS	1,763	1,721	1,708	1,698
PS-Pri	86	83	82	81
PS-Sec	1,524	1,465	1,428	1,401
Special Contract	867	1,104	1,104	1,107
RS	6,145	5,982	5,966	5,976
RTS	1,670	1,860	1,908	1,909
TOD-Pri	3,988	3,964	3,931	3,912
TOD-Sec	1,848	1,840	1,849	1,859
EV Charging	0.1	0.2	0.3	0.4
Lighting	117	118	118	118
Total	18,658	18,786	18,743	18,710
*2025 includes 3 months of actual data and 9 months forecast				

Filing Requirement
Tab 26 - 807 KAR 5:001 Section 16(7)(h)(5)
Sponsoring Witness: Charles R. Schram
Page 2 of 2

[illegible]

Kentucky Utilities Company
Case No. 2025-00113
Forecasted Test Period Filing Requirements
(Forecasted Test Period 12ME 12/31/26; Base Period 12ME 8/31/25)

Filing Requirement
Tab 27 - 807 KAR 5:001 Section 16(7)(h)(6)
Sponsoring Witness: Robert M. Conroy

Description of Filing Requirement:

A financial forecast corresponding to each of the three (3) forecasted years included in the capital construction budget. The financial forecast shall be supported by the underlying assumptions made in projecting the results of operations and shall include the following information:

- 6. Access line forecast (telephone);*

Response:

Not applicable to KU's Application.

Kentucky Utilities Company
Case No. 2025-00113
Forecasted Test Period Filing Requirements
(Forecasted Test Period 12ME 12/31/26; Base Period 12ME 8/31/25)

Filing Requirement
Tab 28 - 807 KAR 5:001 Section 16(7)(h)(7)
Sponsoring Witness: Charles R. Schram

Description of Filing Requirement:

A financial forecast corresponding to each of the three (3) forecasted years included in the capital construction budget. The financial forecast shall be supported by the underlying assumptions made in projecting the results of operations and shall include the following information:

- 7. Mix of generation (electric);*

Response:

See attached.

Case No. 2025-00113
Attachment to Filing Requirement
Tab 28 - 807 KAR 5:001 Section 16(7)(h)(7)
Page 1 of 1
Schram

<i>GWh</i> ¹	2025 ²	2026	2027	2028
Coal				
Brown 3	1,230	1,322	917	1,120
Ghent 1	2,598	3,117	2,403	2,335
Ghent 2	2,947	2,787	2,472	2,657
Ghent 3	2,583	2,691	2,893	2,625
Ghent 4	2,660	2,471	2,444	2,185
Mill Creek 2	N/A	N/A	N/A	N/A
Mill Creek 3	N/A	N/A	N/A	N/A
Mill Creek 4	N/A	N/A	N/A	N/A
OVEC	222	219	224	250
Trimble County 1	N/A	N/A	N/A	N/A
Trimble County 2	3,147	2,830	2,902	3,107
SCCT				
Brown 5	53	63	60	46
Brown 6	59	52	38	49
Brown 7	44	39	26	35
Brown 8	10	9	6	7
Brown 9	9	21	9	17
Brown 10	13	25	18	15
Brown 11	8	4	4	1
Haeffling ³	0.09	0.00	0.00	0.00
Paddy's Run 12	N/A	N/A	N/A	N/A
Paddy's Run 13	40	34	22	18
Trimble County 5	206	281	220	264
Trimble County 6	169	218	172	209
Trimble County 7	140	136	107	97
Trimble County 8	28	22	12	16
Trimble County 9	106	107	79	111
Trimble County 10	13	12	7	10
NGCC				
Cane Run 7	4,110	3,909	4,455	3,653
Mill Creek 5 ⁴	0	0	2,054	3,376
Hydro				
Dix Dam	96	90	90	90
Ohio Falls	N/A	N/A	N/A	N/A
Solar				
Brown Solar	10	10	10	10
Marion Co Solar ⁵	0	0	81	168
Mercer Co Solar ⁵	0	133	166	168
Simpsonville Solar	2	3	3	3
Total Coal	15,386	15,437	14,254	14,280
Total SCCT	898	1,023	780	894
Total NGCC	4,110	3,909	6,510	7,029
Total Hydro	96	90	90	90
Total Solar	12	146	260	349
Grand Total	20,502	20,605	21,894	22,642

¹ Generation volumes reflect KU's ownership share of the unit. "N/A" is shown for units with no KU ownership share. Net battery load/discharge not included.

² 2025 generation volumes reflect actual generation for January-February and forecast generation for March-December.

³ Due to their age and relative inefficiency, the Companies do not perform major maintenance on the small-frame Haeffling SCCT Units 1-2 but continue to operate them until they are uneconomic to repair. This exhibit assumes they will be retired in 2026 for planning purposes.

⁴ This exhibit assumes Mill Creek 5 is commissioned in 2027.

⁵ This exhibit assumes the 120 MW Mercer Co Solar Project is added in April 2026, and the 120 MW Marion Co Solar Project is added in June 2027.

Kentucky Utilities Company
Case No. 2025-00113
Forecasted Test Period Filing Requirements
(Forecasted Test Period 12ME 12/31/26; Base Period 12ME 8/31/25)

Filing Requirement
Tab 29 - 807 KAR 5:001 Section 16(7)(h)(8)
Sponsoring Witness: Robert M. Conroy

Description of Filing Requirement:

A financial forecast corresponding to each of the three (3) forecasted years included in the capital construction budget. The financial forecast shall be supported by the underlying assumptions made in projecting the results of operations and shall include the following information:

8. *Mix of gas supply (gas);*

Response:

Not applicable to KU's Application.

Kentucky Utilities Company
Case No. 2025-00113
Forecasted Test Period Filing Requirements
(Forecasted Test Period 12ME 12/31/26; Base Period 12ME 8/31/25)

Filing Requirement
Tab 30 - 807 KAR 5:001 Section 16(7)(h)(9)
Sponsoring Witness: Heather D. Metts

Description of Filing Requirement:

A financial forecast corresponding to each of the three (3) forecasted years included in the capital construction budget. The financial forecast shall be supported by the underlying assumptions made in projecting the results of operations and shall include the following information:

9. *Employee level;*

Response:

See attached.

Kentucky Utilities Company
Case No. 2025-00113
Employee Level
Years 2025-2028

	<u>Estimated Number of Full-Time KU Employees Average</u>	
2025	719	
2026	744	
2027	744	
2028	743	
	<u>Estimated Number of Total KU Employees Average^</u>	
2025	725	
2026	755	
2027	755	
2028	754	
	<u>Estimated Number of Full-Time LG&E and KU Services Company (LKS) Employees Average*</u>	
2025	1015	
2026	1017	
2027	1017	
2028	1016	
	<u>Estimated Number of Total LG&E and KU Services Company (LKS) Employees Average**^</u>	
2025	1075	
2026	1077	
2027	1077	
2028	1076	
	<u>Estimated Number of Full-Time PPL Services Company Employees Average**</u>	
2025	1192	
2026	1117	
2027	1116	
2028	1116	
	<u>Estimated Number of Total PPL Services Company Employees Average***^</u>	
2025	1211	
2026	1152	
2027	1153	
2028	1153	

*LGE and KU Services employees serve LGE, KU, and LGE & KU Energy LLC. Number of LGE and KU Services employees is not allocated; however, labor dollars are allocated via the Cost Allocation Manual (CAM).

**PPL Services Company headcount reflected above represents only those employees who support PPL Electric, Rhode Island Energy, LG&E & KU Energy LLC, LGE and KU. Headcount related to employees that do not support operations in Kentucky is not included.

^ Totals include part-time employees, cooperatives and interns.

2025 amounts are February Actuals

Kentucky Utilities Company
Case No. 2025-00113
Forecasted Test Period Filing Requirements
(Forecasted Test Period 12ME 12/31/26; Base Period 12ME 8/31/25)

Filing Requirement
Tab 31 - 807 KAR 5:001 Section 16(7)(h)(10)
Sponsoring Witness: Heather D. Metts

Description of Filing Requirement:

A financial forecast corresponding to each of the three (3) forecasted years included in the capital construction budget. The financial forecast shall be supported by the underlying assumptions made in projecting the results of operations and shall include the following information:

10. Labor cost changes;

Response:

See attached.

**Kentucky Utilities
Case No. 2025-00113
Labor Cost
Years 2025-2028**

Forecast Year	Total Wages	Amount Over Previous Year	Percentage Over Previous Year
2025	\$ 208,921,798		
2026	\$ 212,699,319	\$ 3,777,521	1.81%
2027	\$ 218,565,043	\$ 5,865,724	2.76%
2028	\$ 223,697,565	\$ 5,132,523	2.35%

Kentucky Utilities Company
Case No. 2025-00113
Forecasted Test Period Filing Requirements
(Forecasted Test Period 12ME 12/31/26; Base Period 12ME 8/31/25)

Filing Requirement
Tab 32 - 807 KAR 5:001 Section 16(7)(h)(11)
Sponsoring Witness: Julissa Burgos

Description of Filing Requirement:

A financial forecast corresponding to each of the three (3) forecasted years included in the capital construction budget. The financial forecast shall be supported by the underlying assumptions made in projecting the results of operations and shall include the following information:

- 11. Capital structure requirements;*

Response:

See attached.

KENTUCKY UTILITIES COMPANY
CASE NO. 2025-00113
CAPITAL STRUCTURE REQUIREMENT
AS OF DECEMBER 31

LINE NO.	CLASS OF CAPITAL	FORECASTED							
		2025		2026		2027		2028	
		JURISDICTIONAL ADJUSTED CAPITAL	PERCENT OF TOTAL	JURISDICTIONAL ADJUSTED CAPITAL	PERCENT OF TOTAL	JURISDICTIONAL ADJUSTED CAPITAL	PERCENT OF TOTAL	JURISDICTIONAL ADJUSTED CAPITAL	PERCENT OF TOTAL
		(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
	(A)	\$		\$		\$		\$	
1	SHORT-TERM DEBT	-	0.00%	286,453,806	4.46%	173,015,418	2.25%	307,860,838	3.86%
2	LONG-TERM DEBT	2,845,809,859	47.00%	2,735,083,565	42.55%	3,445,286,202	44.75%	3,441,422,761	43.14%
3	COMMON EQUITY	3,208,849,312	53.00%	3,407,018,673	53.00%	4,079,939,648	53.00%	4,227,643,228	53.00%
4	TOTAL CAPITAL	6,054,659,171	100.00%	6,428,556,044	100.00%	7,698,241,269	100.00%	7,976,926,826	100.00%

Kentucky Utilities Company
Case No. 2025-00113
Forecasted Test Period Filing Requirements
(Forecasted Test Period 12ME 12/31/26; Base Period 12ME 8/31/25)

Filing Requirement
Tab 33 - 807 KAR 5:001 Section 16(7)(h)(12)
Sponsoring Witness: Heather D. Metts

Description of Filing Requirement:

A financial forecast corresponding to each of the three (3) forecasted years included in the capital construction budget. The financial forecast shall be supported by the underlying assumptions made in projecting the results of operations and shall include the following information:

12. Rate base;

Response:

See attached.

KENTUCKY UTILITIES COMPANY

Net Original Cost Kentucky Jurisdictional Rate Base as of December 31,

Title of Account (1)	FORECASTED			
	2025	2026	2027	2028
	Kentucky Jurisdictional Pro Forma Base Rate Base (2)	Kentucky Jurisdictional Pro Forma Base Rate Base (3)	Kentucky Jurisdictional Pro Forma Base Rate Base (4)	Kentucky Jurisdictional Pro Forma Base Rate Base (5)
1. Utility Plant at Original Cost	\$ 11,247,061,669	\$ 11,973,953,750	\$ 13,591,611,079	\$ 14,301,218,035
2. Deduct:				
3. Reserve for Depreciation	\$ 4,350,874,997	\$ 4,649,676,466	\$ 5,007,605,033	\$ 5,427,900,775
4. Net Utility Plant	6,896,186,673	7,324,277,285	8,584,006,046	8,873,317,260
5. Deduct:				
6. Customer Advances for Construction	\$ 17,950,562	\$ 17,950,562	\$ 17,950,562	\$ 17,950,562
7. Accumulated Deferred Income Taxes	\$ 1,262,745,772	\$ 1,244,751,294	\$ 1,254,596,135	\$ 1,259,383,602
8. Investment Tax Credit	\$ 74,608,825	\$ 72,196,985	\$ 69,785,145	\$ 67,373,304
9. Total Deductions	1,355,305,160	1,334,898,841	1,342,331,842	1,344,707,468
10. Net Plant Deductions	5,540,881,513	5,989,378,444	7,241,674,204	7,528,609,792
11. Add:				
12. Materials and Supplies	\$ 172,208,831	\$ 176,718,479	\$ 183,063,783	\$ 185,586,122
13. Prepayments	\$ 7,382,704	\$ 7,005,705	\$ 6,934,027	\$ 7,053,020
14. Emission Allowances	\$ -	\$ -	\$ -	\$ -
15. Cash Working Capital (page 2)	\$ 155,388,705	\$ 155,388,705	\$ 155,388,705	\$ 155,388,705
16. Total Additions	334,980,240	339,112,889	345,386,514	348,027,846
17. Total Net Original Cost Rate Base	<u>\$ 5,875,861,752</u>	<u>\$ 6,328,491,333</u>	<u>\$ 7,587,060,718</u>	<u>\$ 7,876,637,638</u>

Kentucky Utilities Company
Case No. 2025-00113
Forecasted Test Period Filing Requirements
(Forecasted Test Period 12ME 12/31/26; Base Period 12ME 8/31/25)

Filing Requirement
Tab 34 - 807 KAR 5:001 Section 16(7)(h)(13)
Sponsoring Witness: Robert M. Conroy

Description of Filing Requirement:

A financial forecast corresponding to each of the three (3) forecasted years included in the capital construction budget. The financial forecast shall be supported by the underlying assumptions made in projecting the results of operations and shall include the following information:

- 13. Gallons of water projected to be sold (water);*

Response:

Not applicable to KU's Application.

Kentucky Utilities Company
Case No. 2025-00113
Forecasted Test Period Filing Requirements
(Forecasted Test Period 12ME 12/31/26; Base Period 12ME 8/31/25)

Filing Requirement
Tab 35 - 807 KAR 5:001 Section 16(7)(h)(14)
Sponsoring Witness: Charles R. Schram

Description of Filing Requirement:

A financial forecast corresponding to each of the three (3) forecasted years included in the capital construction budget. The financial forecast shall be supported by the underlying assumptions made in projecting the results of operations and shall include the following information:

- 14. Customer forecast (gas, water);*

Response:

Not applicable to KU's Application.

Kentucky Utilities Company
Case No. 2025-00113
Forecasted Test Period Filing Requirements
(Forecasted Test Period 12ME 12/31/26; Base Period 12ME 8/31/25)

Filing Requirement
Tab 36 - 807 KAR 5:001 Section 16(7)(h)(15)
Sponsoring Witness: Charles R. Schram

Description of Filing Requirement:

A financial forecast corresponding to each of the three (3) forecasted years included in the capital construction budget. The financial forecast shall be supported by the underlying assumptions made in projecting the results of operations and shall include the following information:

- 15. Sales volume forecasts – cubic feet (gas);*

Response:

Not applicable to KU's Application.

Kentucky Utilities Company
Case No. 2025-00113
Forecasted Test Period Filing Requirements
(Forecasted Test Period 12ME 12/31/26; Base Period 12ME 8/31/25)

Filing Requirement
Tab 37 - 807 KAR 5:001 Section 16(7)(h)(16)
Sponsoring Witness: Robert M. Conroy

Description of Filing Requirement:

A financial forecast corresponding to each of the three (3) forecasted years included in the capital construction budget. The financial forecast shall be supported by the underlying assumptions made in projecting the results of operations and shall include the following information:

- 16. Toll and access forecast of number of calls and number of minutes (telephone);
and*

Response:

Not applicable to KU's Application.

Kentucky Utilities Company
Case No. 2025-00113
Forecasted Test Period Filing Requirements
(Forecasted Test Period 12ME 12/31/26; Base Period 12ME 8/31/25)

Filing Requirement
Tab 38 - 807 KAR 5:001 Section 16(7)(h)(17)
Sponsoring Witness: Robert M. Conroy

Description of Filing Requirement:

A financial forecast corresponding to each of the three (3) forecasted years included in the capital construction budget. The financial forecast shall be supported by the underlying assumptions made in projecting the results of operations and shall include the following information:

17. A detailed explanation of other information provided, if applicable.

Response:

Not applicable to KU's Application.

Kentucky Utilities Company
Case No. 2025-00113
Forecasted Test Period Filing Requirements
(Forecasted Test Period 12ME 12/31/26; Base Period 12ME 8/31/25)

Filing Requirement
Tab 39 - 807 KAR 5:001 Section 16(7)(i)
Sponsoring Witness: Drew T. McCombs

Description of Filing Requirement:

The most recent Federal Energy Regulatory Commission or Federal Communications Commission audit reports.

Response:

The most recent Federal Energy Regulatory Commission (“FERC”) audit report relating to KU is attached.

The Federal Communications Commission has not conducted an audit of KU, and, therefore, no such audit reports exist.

FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, DC 20426

In Reply Refer To:
Office of Enforcement
Docket No. PA19-4-000
February 21, 2020

Louisville Gas and Electric Company
and Kentucky Utilities Company
Attention: Beth McFarland
Vice President-Transmission
220 West Main Street
Louisville, KY 40202

Dear Ms. McFarland:

1. The Division of Audits and Accounting (DAA) within the Office of Enforcement (OE) of the Federal Energy Regulatory Commission (Commission) has completed an audit of Louisville Gas and Electric Company and Kentucky Utilities Company (LG&E/KU). The audit covered the period from January 1, 2016, through October 31, 2019.
2. The audit evaluated whether LG&E/KU complied with: (1) the approved terms, conditions, and rates of their Open Access Transmission Tariff (OATT); and (2) the regulations regarding Open Access Same-Time Information Systems (OASIS) prescribed in 18 C.F.R. Part 37.¹ The enclosed audit report did not identify any findings of noncompliance that require LG&E/KU to take corrective action at this time.
3. On February 3, 2020, you notified DAA that LG&E/KU accepts the draft audit report. A copy of your verbatim response is included as an appendix to this report. I hereby approve the audit report.

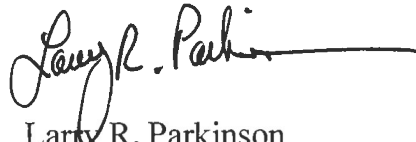
¹ Audit staff did not evaluate LG&E/KU's compliance with the accounting requirements of the Uniform System of Accounts Prescribed for Public Utilities and Licensees under 18 C.F.R. Part 101, or the reporting requirements of the FERC Form No. 1, Annual Report of Major Electric Utilities, Licensees and Others and Supplemental Form 3-Q: Quarterly Financial Report, under 18 C.F.R. section 141.1, and hence does not express any opinion on LG&E/KU's financial reports.

LG&E/KU

McCombs

4. The Commission delegated the authority to act on this matter to the Director of OE under 18 C.F.R. § 375.311. This letter order constitutes final agency action. LG&E/KU may file a request for rehearing with the Commission within 30 days of the date of this order under 18 C.F.R. § 385.713.
5. This letter order is without prejudice to the Commission's right to require hereafter any adjustments it may consider proper from additional information that may come to its attention. In addition, any instance of non-compliance not addressed herein or that may occur in the future may also be subject to investigation and appropriate remedies.
6. I appreciate the courtesies extended to the auditors. If you have any questions, please contact Mr. Steven D. Hunt, Director and Chief Accountant, Division of Audits and Accounting at (202) 502-6084.

Sincerely,



Larry R. Parkinson
Director
Office of Enforcement

Enclosure



Federal Energy Regulatory Commission
Office of Enforcement
Division of Audits and Accounting

AUDIT REPORT

**Audit of Louisville Gas and
Electric Company's and
Kentucky Utilities Company's
Compliance with:**

- The approved terms, conditions, and rates of their Open Access Transmission Tariff; and
- The regulations regarding Open Access Same-Time Information Systems prescribed in 18 C.F.R. Part 37.

Docket No. PA19-4-000
February 21, 2020

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I. Executive Summary

A. Overview

The Division of Audits and Accounting (DAA) within the Office of Enforcement of the Federal Energy Regulatory Commission (Commission) has completed an audit of Louisville Gas and Electric Company and Kentucky Utilities Company (LG&E/KU or the Companies). The audit evaluated whether LG&E/KU complied with: (1) the approved terms, conditions, and rates of their Open Access Transmission Tariff (OATT); and (2) the regulations regarding Open Access Same-Time Information Systems (OASIS) prescribed in 18 C.F.R. Part 37.¹ The audit covered the period from January 1, 2016, through October 31, 2019.

B. Louisville Gas and Electric Company and Kentucky Utilities Company

LG&E/KU are public utility companies and wholly owned subsidiaries of LG&E and KU Energy LLC, a public utility holding company. LG&E and KU Energy LLC is a wholly owned subsidiary of PPL Corporation (PPL). PPL, through its regulated utility subsidiaries, delivers electricity to customers in the United Kingdom, Pennsylvania, Kentucky, and Virginia; delivers natural gas to customers in Kentucky; and generates electricity from power plants in Kentucky. PPL is headquartered in Allentown, Pennsylvania. LG&E is an electric and natural gas utility company based in Louisville, Kentucky. LG&E serves customers in Louisville and 16 surrounding counties in Kentucky. KU is an electric utility company, based in Lexington, Kentucky, serving 77 Kentucky counties and five counties in Virginia.

C. Conclusion

The audit did not result in any findings or recommendations that require LG&E/KU to take corrective actions at this time. Audit staff reached this conclusion based on performance of audit steps outlined in the scope and methodology section of the audit report, an examination of material provided by LG&E/KU in response to data requests, and conducting audit site visits, interviews with LG&E/KU employees, and review of publicly available documents.

¹ Audit staff did not evaluate LG&E/KU's compliance with the accounting requirements of the Uniform System of Accounts Prescribed for Public Utilities and Licensees under 18 C.F.R. Part 101, or the reporting requirements of the FERC Form No. 1, Annual Report of Major Electric Utilities, Licensees and Others and Supplemental Form 3-Q: Quarterly Financial Report, under 18 C.F.R. section 141.1, and hence does not express any opinion on LG&E/KU's financial reports.

II. Background

A. Open Access Transmission Tariff

LG&E/KU maintain a Commission-approved joint OATT that provides terms, conditions, and rates under which LG&E/KU provide transmission services for their combined transmission system. Under the OATT, LG&E/KU offer Point-To-Point (PTP) transmission service and Network Integration Transmission Service (NITS) to wholesale transmission customers. PTP transmission service allows LG&E/KU transmission customers to deliver capacity and energy at designated point(s) of receipt and transfer such capacity and energy to designated point(s) of delivery on either a firm or non-firm basis. NITS allows LG&E/KU network customers to deliver capacity and energy, either from designated network resources to serve designated network load on a firm basis or from nondesignated resources to serve designated network load on a non-firm basis. NITS deliveries from nondesignated resources is termed secondary network transmission service and has a higher curtailment priority than any non-firm PTP transmission service.

In 2010, LG&E/KU's OATT was accepted by the Commission via delegated order.² In 2015, LG&E/KU's re-collation of the documents organized under their Transmission eTariff Title was accepted by the Commission via delegated order.³ Between 2016 and 2019, LG&E/KU filed various changes to certain attachments, appendices, and schedules of the OATT, which the Commission also accepted.⁴

² See *Louisville Gas & Elec. Co.*, Docket Nos. ER10-1509-000 & ER19-1509-001, at 1 (Nov. 17, 2010) (delegated order) (accepting LG&E/KU's baseline eTariff filing of their OATT).

³ See *Louisville Gas & Elec. Co.*, Docket Nos. ER15-897-000 & ER15-898-000, at 2 (Mar. 24, 2015) (delegated order) (accepting LG&E/KU's re-collation of the baseline OATT). LG&E/KU's currently effective OATT is available on the Commission's eTariff website here: <https://etariff.ferc.gov/TariffBrowser.aspx?tid=794>.

⁴ LG&E/KU made changes to Attachments C, G, I, L, M, N, O, Q, and R, and to Schedules 1, 4, 5, 6, and 9, during the audit period. For example, in 2018, LG&E/KU made revisions to Attachment C, Methodology To Assess Available Transfer Capability, to clarify timing requirements and the division of responsibility between LG&E/KU, their Independent Transmission Operator (ITO), and Reliability Coordinator; enhance alignment with revisions to NERC TPL-001 & MOD-030 Reliability Standards; reflect changes in how load served by others is included in the calculation; and change the treatment of counterflows in a way that closely aligns with the methods used by adjacent transmission providers, more accurately reflects expected system conditions, and may

LG&E/KU operate their transmission systems as a single, integrated, and coordinated transmission system and provide transmission service under the terms of their joint OATT. LG&E/KU contract with the Tennessee Valley Authority (TVA) to act as their transmission Reliability Coordinator and with TranServ International, Inc. (TranServ) to act as their Independent Transmission Organization (ITO).

B. TranServ International, Inc.

TranServ is an independent corporation that provides transmission and energy market administrator functions to its transmission-owning customers. These functions include: populating and administering the transmission owner's OASIS; granting or denying requests for transmission services pursuant to the filed transmission service protocol of the transmission provider; and granting or denying requests for generation interconnection service pursuant to the filed generation interconnection procedures of the transmission provider.

On September 1, 2012, TranServ began to perform its obligations as the ITO for LG&E/KU pursuant to the terms of the ITO Agreement between LG&E/KU and TranServ (ITO Agreement), which is included in Attachment Q of the LG&E/KU OATT approved by the Commission.⁵ Under the ITO Agreement, TranServ is responsible for operating and maintaining LG&E/KU's OASIS website and keeping it up-to-date with the Commission and North American Energy Standards Board posting requirements,

potentially have a positive impact on Available Transfer Capability (ATC). *See Louisville Gas & Elec. Co.*, Docket No. ER18-610-000, at 1 (Mar. 6, 2018) (delegated order) (accepting revisions to LG&E/KU's OATT). A few months later, LG&E/KU submitted revised Attachment M (Large Generator Interconnection Procedures) and Attachment N (Small Generator Interconnection Procedures) to comply with the Commission's Order No. 842. *See Louisville Gas & Elec. Co.*, Docket No. ER18-1623-000, at 1 (Aug. 30, 2018) (delegated order) (accepting LG&E/K's compliance filing to Order No. 842, effective May 15, 2018); *Essential Reliability Servs. & the Evolving Bulk-Power Sys. —Primary Frequency Response*, Order No. 842, 162 FERC ¶ 61,128, *order on clarification & reh'g*, 164 FERC ¶ 61,135 (2018). In Docket No. ER17-850-000, LG&E/KU submitted a revised ITO Agreement, with a five-year term of September 1, 2017, through August 30, 2022, between LG&E/KU and TranServ International, Inc., which replaced the prior, expiring ITO Agreement.

⁵ *See Louisville Gas & Elec. Co.*, Transmission, pt. V, Attachment Q (13.0.0). Attachment Q also houses the Amended and Restated Reliability Coordinator Agreement Between LG&E/KU and TVA, which was most recently amended on September 1, 2019, in Docket No. ER19-2701-000.

including all Order No. 890 posting requirements (such as study performance metrics, ATC calculations, etc.). TranServ receives and processes all applications for PTP transmission service, NITS, and Generator Interconnection service. TranServ also calculates ATC as provided for in Attachment C to LG&E/KU's OATT.⁶

C. Available Transfer Capability (ATC)

Under the OATT, the ITO calculates ATC using the flowgate methodology and considers the Available Flowgate Capability (AFC) for the computation. The flowgate methodology assumes that certain elements on the transmission system will begin to reach their limits before other elements. Therefore, by monitoring the more sensitive areas on the transmission system, transfer capability calculations can be simplified regarding the number of contingencies and monitored elements examined during each study.⁷ TVA, acting as the Reliability Coordinator, and TranServ, acting as the ITO, perform LG&E/KU's flowgate methodology of computing ATC/AFC values. TVA builds models each day to calculate base flows and Transfer Distribution Factors (TDF) for various periods over an 18-month horizon.

The base flows capture the impacts of existing transmission commitments such as network resources serving network loads and long term PTP transactions on each flowgate. The TDF represents the percentage of flow impacted due to a specific Point of Receipt to a Point of Delivery transaction on a given flowgate. Using the TDF, new flow impacts are calculated for transmission service requests that were not included in the base flow calculation. TVA's computed base flow and TDF values are made available to the ITO for the computation of the ATC/AFC values to be posted on OASIS. The ITO calculates the final AFC and ultimately ATC values by incorporating the values computed by TVA (TVA-calculated base flows and TDF values) into the algorithms included in Attachment C of LG&E/KU's OATT. The ITO computes the final AFC values using the algorithms and converts those values to ATC using Open Access Technology International, Inc. (OATI) software. The ATC values computed by the OATI software are posted on LG&E/KU's OASIS by the ITO.

⁶ See Louisville Gas & Elec. Co., Transmission, pt. V, Attachment C (12.0.0); *Louisville Gas & Elec Co.*, Docket No. ER18-610-000, at 1 (Mar. 6, 2018) (delegated order).

⁷ See Louisville Gas & Elec. Co., Transmission, pt. V, Attachment C (12.0.0); *Louisville Gas & Elec Co.*, Docket No. ER18-610-000, at 1 (Mar. 6, 2018) (delegated order).

D. OASIS

LG&E/KU's OASIS is a web-based system providing information to transmission customers regarding the Companies' electric transmission system. Timely access to the information is necessary for transmission customers to procure and reserve transmission and ancillary services, as well as make prudent business decisions. TranServ administers LG&E/KU's OASIS and is responsible for making various OASIS postings, including ATC calculations. LG&E/KU require all customers, including LG&E/KU's own marketing functions, to make all transmission service requests, and the designation and undesignation of network resources, through LG&E/KU's OASIS system. In addition, TranServ uses predetermined validation criteria that allow the OASIS system to approve or deny certain transmission service requests, thereby reducing the potential for human error and for preferential treatment of LG&E/KU affiliated companies.

The Commission adopted rules governing OASIS in 1996 in Order No. 889 and its progeny.⁸ The Commission then codified its OASIS regulations in 18 C.F.R. Part 37. Since its issuance of Order No. 889, the Commission has amended its OASIS regulations with new posting requirements adopted in subsequent orders including, but not limited to: Order Nos. 605, 2004, 690, 890, and 890-A.⁹ Order No. 889 also established Standards of Conduct, which require a Transmission Service Provider to separate its affiliated

⁸ *Open Access Same-Time Info. Sys. & Standards of Conduct*, Order No. 889, FERC Stats. & Regs. ¶ 31,035 (1996) (cross-referenced at 75 FERC ¶ 61,078), *order on reh'g*, Order No. 889-A, FERC Stats. & Regs. ¶ 31,049 (cross-referenced at 78 FERC ¶ 61,221), *reh'g denied*, Order No. 889-B, 81 FERC ¶ 61,253 (1997).

⁹ *See Open Access Same-Time Info. Sys.*, Order No. 605, FERC Stats. & Regs. ¶ 31,075 (1999) (cross-referenced at 87 FERC ¶ 61,224) (mandating public access to curtailment information); *Standards of Conduct for Transmission Providers*, Order No. 2004, 105 FERC ¶ 61,248 (2003), *order on reh'g*, Order No. 2004-A, 107 FERC ¶ 61,032, *order on reh'g*, Order No. 2004-B, 108 FERC ¶ 61,118, *order on reh'g*, Order No. 2004-C, 109 FERC ¶ 61,325 (2004), *order on reh'g*, Order No. 2004-D, 110 FERC ¶ 61,320 (2005), *vacated & remanded as it applies to natural gas pipelines sub nom. Nat'l Fuel Gas Supply Corp. v. FERC*, 468 F.3d 831 (D.C. Cir. 2006); *see Standards of Conduct for Transmission Providers*, Order No. 690, 118 FERC ¶ 61,012, *order on reh'g*, Order No. 690-A, 118 FERC ¶ 61,229 (2007); *Preventing Undue Discrimination & Preference in Transmission Serv.*, Order No. 890, 118 FERC ¶ 61,119, *order on reh'g*, Order No. 890-A, 121 FERC ¶ 61,297 (2007), *order on reh'g*, Order No. 890-B, 123 FERC ¶ 61,299 (2008), *order on reh'g*, Order No. 890-C, 126 FERC ¶ 61,228, *order on clarification*, Order No. 890-D, 129 FERC ¶ 61,126 (2009).

marketing function and its transmission function. The Commission codified the Standards of Conduct in 18 C.F.R. Part 358. Most recently, in Order No. 1000, the Commission required Transmission Service Providers to include regional transmission planning as part of their current transmission planning OASIS postings.¹⁰

LG&E/KU's OASIS is the mechanism by which the Companies offer, and their customers can reserve, transmission and procure any necessary ancillary services in compliance with LG&E/KU's OATT. The OASIS is the Commission-mandated control by which LG&E/KU ensure that all transmission customers have equal access to information about LG&E/KU's transmission system and available transmission services at the same time and in a nondiscriminatory manner.

E. Transmission Planning Process

LG&E/KU are required to perform transmission planning for the existing and future requirements of all transmission customers in a coordinated, open, comparable, nondiscriminatory, and transparent manner, both at the local and regional level. At the local level, LG&E/KU's transmission planning involves coordination between LG&E/KU's ITO, LG&E/KU's Stakeholder Planning Committee, LG&E/KU's Reliability Coordinator, which is TVA, and other interested stakeholders. LG&E/KU's coordination plan includes a combination of Stakeholder Planning Committee meetings and twice-yearly stakeholder meetings to discuss various topics. During the stakeholder meetings, LG&E/KU and the ITO provide the Transmission Expansion Plan for stakeholder review and comments. Stakeholders are encouraged to provide written comments to the ITO after the stakeholder meetings. The ITO reviews and comments on the Transmission Expansion Plan and provides such information to LG&E/KU. Based on the information received from the ITO and stakeholders, LG&E/KU finalize the Transmission Expansion Plan and provide it to the ITO for additional review. The ITO provides the final Transmission Expansion Plan and the draft ITO assessment of that Transmission Expansion Plan to stakeholders for their review during a thirty-day review period after the second stakeholder meeting. The ITO also provides the final Transmission Expansion Plan and the draft ITO assessment to the Reliability Coordinator for review.

¹⁰ *Transmission Planning & Cost Allocation by Transmission Owning & Operating Pub. Utils.*, Order No. 1000, 136 FERC ¶ 61,051 (2011), *order on reh'g*, Order No. 1000-A, 139 FERC ¶ 61,132, *order on reh'g & clarification*, Order No. 1000-B, 141 FERC ¶ 61,044 (2012), *aff'd sub nom. S.C. Pub. Serv. Auth. v. FERC*, 762 F.3d 41 (D.C. Cir. 2014).

At the regional level, LG&E/KU actively participate in the Southeastern Regional Transmission Planning (SERTP) process. LG&E/KU's planning staff participates in the SERTP process by providing LG&E/KU's planning data based on their local transmission planning process to support the development of a regional planning study case. LG&E/KU also review regional study scopes and proposed projects to be considered in the regional study. SERTP holds stakeholder meetings open to interested parties as part of the regional transmission expansion planning process each year. LG&E/KU participate in these meetings and during these meetings discuss their portion of the SERTP regional plan with stakeholders.

F. Generator Interconnection Procedures

LG&E/KU's OATT, in Attachments M and N thereof, provides guidance and procedures for the management of the generator interconnection process.¹¹ Attachment M provides generator interconnection request procedures for facilities that are larger than 20 megawatts. Attachment N provides generator interconnection request procedures for facilities not larger than 20 megawatts. Per the ITO Agreement, TranServ manages the generator interconnection requests on behalf of LG&E/KU. Under the OATT, LG&E/KU are required to use reasonable efforts to complete each of the three study phases of the generator interconnection process, to the extent each is applicable, within specific timeframes. The three study phases are a feasibility study, which is to be completed within 45 days; a system impact study, which is to be completed within 90 days after execution of a contract; and a facility study, which is to be completed within 90 or 180 days, depending on cost estimates requested by the customer.

The LG&E/KU generator interconnection request process begins with a customer submitting an application and making a deposit for the processing of the interconnection request. The deposit is applied toward any interconnection studies performed by the ITO. Per the OATT, the ITO is required to acknowledge receipt of the generator interconnection request within five business days of the submission of the application by the customer. After the ITO's acknowledgement of the generator interconnection application, the ITO schedules and holds a scoping meeting with the interconnection customer and the transmission owner (LG&E/KU). The purpose of the scoping meeting is for the ITO, interconnection customer, and LG&E/KU to discuss alternative interconnection options, exchange information, including any transmission data that

¹¹ Louisville Gas & Elec. Co., Transmission, pt. V, Attachments M (14.0.0) & N (13.0.0); *see Louisville Gas & Elec. Co.*, Docket Nos. ER15-897-000 & ER15-898-000, at 2 (Mar. 24, 2005) (delegated order) (accepting LG&E/KU's re-collation of the baseline OATT).

would reasonably be expected to impact the interconnection options, analyze information, and determine the potential feasible points for the generator interconnection.

The ITO, on behalf of LG&E/KU, posts and maintains the status of all generator interconnection requests, and the associated studies, on LG&E/KU's OASIS. In addition to making the postings on OASIS, the ITO sends status updates regarding generator interconnection studies to customers, and updates OASIS with such information, so that all customers in the generator interconnection queue are aware of any delays in the processing of interconnection requests. During the audit period, LG&E/KU had approximately 44 generator interconnection requests in the queue. The ITO analyzes and acts on generator interconnection requests in queue order. This means that the ITO processes one interconnection request at a time and gives priority to the first generator interconnection request in the queue. Audit staff's review of the generator interconnection queue identified delays in the processing of customers' requests. Further review identified signs that a large portion of the delays was caused by customer actions or inactions that were beyond the control of the ITO. Specifically, most customers submitted multiple generator interconnection requests for the same project, apparently in order to hold their position in the generator interconnection queue. Most of these duplicate requests were withdrawn by customers when the most optimal interconnection point became apparent and was selected. In addition, the data provided by most customers for use in the various generator interconnection studies exhibited deficiencies, which required the ITO to follow-up with the customers to make corrections. Since the ITO performs its generator interconnection studies in queue order, the delays relating to correcting the deficiencies in data provided by customers automatically delayed the processing of the generator interconnection requests of customers further down in the queue. However, although there were delays in the processing of generator interconnection requests during the audit period, there were no complaints made by customers during the audit period.

G. Network Resource Designation/Undesignation Process

Under LG&E/KU's business practices, Network Resources may be designated to serve Network Load for a term of one day or greater. Network Customers are required to use the LG&E/KU OASIS to request designation of a new Network Resource, or to temporarily or permanently terminate (undesignate) the designation of an existing Network Resource. The processing of requests to designate Network Resources is managed by the ITO.

Network customers are also required to attest that the Network Resources qualify for designation. In order to make this attestation, a Network Customer must include a statement with each application that attests to the qualification of each Network Resource being designated. The attestation includes a statement that: (1) the Network Customer

owns the resource, has committed to purchase generation pursuant to an executed contract, or has committed to purchase generation where execution of a contract is contingent upon the availability of transmission service under the OATT; and (2) the resources being designated do not include any resources, or any portion thereof, that are committed for sale to non-designated third party load or that otherwise cannot be called upon to meet the Network Customer's Network Load on a non-interruptible basis. During the audit period, LG&E/KU Network Customers submitted and confirmed 170 designations and 19 undesignations of Network Resources.

III. Introduction

A. Objectives

The audit evaluated whether LG&E/KU complied with: (1) the approved terms, conditions, and rates of their OATT; and (2) the regulations regarding OASIS prescribed in 18 C.F.R. Part 37.¹² The audit covered the period from January 1, 2016, through October 31, 2019.

B. Scope and Methodology

Audit staff performed the following to facilitate testing and evaluation of LG&E/KU's compliance with Commission requirements relevant to the audit objectives:

- *Reviewed Public Information* – Conducted an extensive review of public information before commencing the audit. This review provided a high-level understanding of LG&E/KU's corporate structure, the services they provide, major events affecting operations and finances, significant contracts, prior audit issues, and other key regulatory and business activities. Examples of materials reviewed include LG&E/KU's annual reports and SEC Form 10-Ks, FERC Form No. 1s, prior FERC audit reports, Company-related web sites, and other relevant regulatory and media sources.
- *Identified Standards and Audit Criteria* – Identified the regulatory requirements and criteria for evaluating LG&E/KU's compliance with each audit objective. These include the Commission's Order Nos. 888 and 890, LG&E/KU's OATT, FERC Form No. 1 reporting requirements, and other Commission orders relevant to the audit.
- *Issued Data Requests* – Issued data requests to collect information not commonly available to the public. This information included internal policies, procedures and controls, business practices, risk management, corporate structure, contractual agreements, corporate compliance, regulatory filings, and

¹² Audit staff did not evaluate LG&E/KU's compliance with the accounting requirements of the Uniform System of Accounts Prescribed for Public Utilities and Licensees under 18 C.F.R. Part 101, or the reporting requirements of the FERC Form No. 1, Annual Report of Major Electric Utilities, Licensees and Others and Supplemental Form 3-Q: Quarterly Financial Report, under 18 C.F.R. section 141.1; hence, audit staff does not express any opinion on LG&E/KU's financial reports.

other pertinent information. These data were used to test and evaluate compliance with Commission requirements relevant to audit objectives.

- *Conducted Teleconference Interviews* – Conducted multiple teleconferences with LG&E/KU employees to discuss audit objectives, testing, data request responses, technical and administrative matters, and compliance concerns.
- *Conducted Site Visits* – Made two site visits to LG&E/KU’s offices to discuss and observe controls and procedures related to audit objectives. The site visits enabled audit staff to understand LG&E/KU’s structure, activities, functions, systems, and the processes used in their operations. While on-site, audit staff interviewed LG&E/KU personnel directly involved with activities in the audit scope areas and with direct knowledge about processes, procedures, and operations.
- *Conferred with Subject-Matter Experts* – Conferred with other Commission staff on compliance issues to ensure that audit findings were consistent with Commission precedent and policy.
- *Internal Controls* – Audit staff evaluated LG&E/KU’s Internal Audit function to understand the audit function’s place in LG&E/KU’s corporate structure and LG&E/KU’s Board of Directors’ access and ability to assess Internal Audits’ effectiveness and independence. Audit staff also reviewed Internal Audit reports to identify compliance issues relevant to the Commission’s regulatory oversight authority, and the corrective measures taken to resolve such compliance issues.

Audit staff evaluated LG&E/KU’s compliance with relevant requirements relating to the audit objectives through the following:

Compliance with OATT

Audit staff performed these actions to evaluate LG&E/KU’s compliance with the requirements of their OATT:

- *Transmission Service Requests* – Audit staff examined LG&E/KU’s transmission function activities to determine whether LG&E/KU provided transmission and ancillary services on a non-discriminatory basis. Audit staff accomplished this by reviewing LG&E/KU’s policies and procedures for the NITS and PTP transmission service application process, procedures for NITS and PTP transmission service reservations on OASIS, and the procedures for

assigning service priorities to NITS and PTP transmission service customers under LG&E/KU's OATT.

- *Network Integrated Transmission Service* – Audit staff reviewed LG&E/KU's marketing function activities to determine whether the marketing function properly used network service only to serve native load customers and not to support off-system sales.
- *Network Resource Designation/Undesignation Process* – Audit staff reviewed LG&E/KU's network resource designation/undesignation practices to determine whether LG&E/KU properly undesignated network resources when using those resources to make firm off-system sales. Audit staff also reviewed the transmission services related to these off-system sales.
- *ATC Calculation* – Audit staff reviewed inputs to LG&E/KU's ATC calculation, including, but not limited to, transmission capacity set-aside, release of transmission reliability margin, and release of capacity benefit margin data to determine whether LG&E/KU timely and accurately updated ATC values posted on their OASIS.
- *Generator Interconnection Requests* – Audit staff reviewed generator interconnection requests and the associated queue to determine whether LG&E/KU met their obligations to establish each queue position and timely communicated updates to customers relating to their interconnection requests, consistent with the generator interconnection procedures contained in Attachments M and N of LG&E/KU's OATT.
- *Transmission Planning Process* – Audit staff reviewed LG&E/KU's transmission planning process and cost allocation study cases to determine whether LG&E/KU followed the principles adopted in Order No. 1000 for new projects. Audit staff also reviewed LG&E/KU's compliance with requirements in Attachment K of their OATT.
- *Dynamic Schedules and Unreserved Transmission Service* – Audit staff reviewed LG&E/KU's transmission operations to determine whether after-the-fact tags were used at LG&E/KU and, if so, to determine whether there were any related compliance concerns around the possible misuse of transmission services.
- *Ancillary Services* – Audit staff reviewed LG&E/KU's compliance with the rates, terms, and conditions under their different Ancillary Service OATT Schedules. As part of this review, audit staff reviewed LG&E/KU's processes

and procedures for ancillary services to determine whether LG&E/KU allowed their customers to make comparable arrangements for themselves (self-supply) for certain ancillary services as provided for in the OATT.

- *Creditworthiness Procedures* – Audit staff obtained a sample of new transmission service requests to determine whether LG&E/KU followed the creditworthiness procedures in their OATT.
- *Curtailments of Firm Transmission Service* – Audit staff obtained and reviewed LG&E/KU’s Transmission Loading Relief (TLR) procedure used by the Companies during the audit period to determine whether LG&E/KU followed Commission requirements. In addition, audit staff evaluated the role LG&E/KU play in determining when to issue a TLR notice and LG&E/KU’s procedures for selecting transactions to curtail during a TLR.
- *Redirect of Transmission Service* – Audit staff evaluated redirected transmission service requests to ensure LG&E/KU appropriately approved customers’ redirect transmission requests when ATC was available. Audit staff also evaluated instances where redirected transmission service requests displaced any firm or non-firm service reserved or scheduled by third-parties, or by LG&E/KU on behalf of their native load customers.

Compliance with OASIS Postings

Audit staff reviewed information posted on LG&E/KU’s OASIS to determine compliance with Part 37 of the Commission’s regulations. Specifically, audit staff reviewed select items, including, but not limited to: transmission capacity information; designation/re-designation/termination of network resources; curtailments; transmission schedules; discretionary logs; and information on transmission planning and interconnections.

- *Posted Paths* – Audit staff verified whether LG&E/KU posted on OASIS every path that they should post on OASIS.
- *Practices for Capacity Benefit Margin Reevaluation* – Audit staff verified whether LG&E/KU posted on OASIS their practices for reevaluating their capacity benefit margin needs.
- *Daily Load Postings* – Audit staff verified whether LG&E/KU posted on OASIS, on a daily basis, their load forecast, including underlying assumptions, and actual daily peak load for the prior day.

- *Transmission Service Products and Prices* – Audit staff verified whether LG&E/KU posted on OASIS prices and the terms and conditions associated with all transmission products offered to transmission customers.
- *Ancillary Service Offerings and Prices* – Audit staff verified whether LG&E/KU posted on OASIS ancillary services provided or offered under the OATT with the price of that service.
- *Posting and Retention of Requests for the Designation/Termination of Network Resources* – Audit staff verified whether LG&E/KU posted on OASIS any request to designate or terminate a network resource, kept such information on their OASIS for at least 30 days, and retained such information for five years.
- *Justification for Denied Service Requests* – Audit staff verified whether LG&E/KU posted on OASIS the reason for any denied service request.
- *Notices of Transaction Curtailment* – Audit staff verified whether LG&E/KU posted on OASIS a notice of each transaction curtailment and stated on OASIS the reason why the transaction could not be continued or completed.
- *Transmission Service Schedules* – Audit staff verified whether LG&E/KU posted on OASIS transmission service schedules and did so no later than seven calendar days from the start of the service.
- *Notice of Transfers of Personnel between Transmission and Marketing Functions* – Audit staff verified whether LG&E/KU posted on OASIS notices of transfers of personnel between their transmission and marketing functions, as required by the Commission’s regulations.
- *Discretionary Action Log* – Audit staff verified whether LG&E/KU posted on OASIS a log detailing any circumstances in which LG&E/KU or their agents exercised discretion under any terms of the LG&E/KU OATT.
- *Transmission Study Performance Metric Reports* – Audit staff verified whether LG&E/KU provided accurate and complete information in their quarterly transmission study performance metrics reports.
- *Transmission Service Request Metric Reports* – Audit staff verified whether LG&E/KU provided accurate and complete information in their monthly transmission service request metrics reports.

- *Transmission Planning Information* – Audit staff verified whether LG&E/KU posted on OASIS their transmission planning practices, consistent with OATT requirements.
- *Transmission Planning Study List* — Audit staff verified whether LG&E/KU posted on OASIS a list of transmission system-planning studies, facilities studies, and specific network impact studies performed for customers or for LG&E/KU's own network resources.
- *Generator Interconnection Queue* – Audit staff verified whether LG&E/KU posted on OASIS a list of all interconnection requests, consistent with OATT requirements, and kept the list up-to-date.

ITO Responsibility and Independence

Audit staff performed these actions to evaluate the ITO's responsibilities and independence in performing its functions under the requirements of LG&E/KU's OATT:

- *Conducted Interviews* – Interviewed employees of the ITO to understand their responsibilities and independence from LG&E/KU in the administration of LG&E/KU's OASIS and OATT requirements.
- *Standards of Conduct* – Interviewed ITO employees and evaluated their independence from LG&E/KU's transmission function and marketing function employees by understanding the separation of duties and communications between the parties. Audit staff examined the physical and non-physical barriers between the ITO and the marketing function of LG&E/KU. For physical barriers, audit staff reviewed access control procedures for entering and exiting restricted areas. For non-physical controls, audit staff examined system controls and procedures implemented to identify communications between LG&E/KU's transmission function, LG&E/KU's marketing function, and the ITO.
- *Transmission Planning Study* – Interviewed ITO employees and evaluated the ITO's role and responsibilities in the transmission planning process. Specifically, audit staff examined the ITO's responsibility for providing the draft or proposed Transmission Expansion Plan to stakeholders for their review and comments during stakeholder meetings. Audit staff also evaluated how stakeholder comments and questions relating to the Transmission Expansion Plan were addressed and incorporated into the final Transmission Expansion Plan.

- *Generator Interconnection* – Examined the ITO’s management of its responsibilities relating to the following actions under the generator interconnection procedures: (1) processing and managing the generator interconnection queue; (2) performing generator interconnection studies (feasibility, system impact, and overseeing the facility studies performed by LG&E/KU); (3) coordination with LG&E/KU in performing the generator interconnection procedures; and (4) updating stakeholders on the status of generator interconnection requests.
- *OASIS Administration* – Interviewed ITO employees and evaluated the ITO’s performance of its responsibilities for managing LG&E/KU’s OASIS website. Specifically, audit staff examined the ITO’s processes for managing LG&E/KU’s OASIS, including the personnel involved, employee training, and controls, to ensure compliance with the Commission’s OASIS requirements. In addition, audit staff evaluated OASIS settings, and the completeness and timeliness of OASIS postings, and performed walkthroughs with the ITO on OASIS processes including: public and non-public displays of OASIS website materials, manual and automatic functionalities, and posting procedures.

IV. Findings and Recommendations

Conclusion

The audit did not result in any findings or recommendations that require LG&E/KU to take corrective actions. Audit staff reached this conclusion based on performance of audit steps outlined in the scope and methodology section of the audit report, an examination of material provided by LG&E/KU in response to data requests and on-site visits, interviews with LG&E/KU employees, and review of publicly available documents.

V. LG&E/KU's Response to the Draft Audit Report



February 3, 2020

Steven D. Hunt
Director and Chief Accountant
Division of Audits and Accounting
Office of Enforcement
Federal Energy Regulatory Commission
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**Re: Louisville Gas and Electric Company and Kentucky Utilities Company
Docket No. PA19-4-000
Response to Draft Audit Report**

Dear Mr. Hunt:

This letter sets forth the response of Louisville Gas and Electric Company and Kentucky Utilities Company ("LG&E/KU") to the draft audit report ("Draft Audit Report") issued by the Federal Energy Regulatory Commission's Office of Enforcement, Division of Audits and Accounting on January 21, 2020, in the above-referenced docket.

As you noted, the Draft Audit Report evaluated LG&E/KU's compliance, during the period of January 1, 2016, through October 31, 2019, with: (1) the approved terms, conditions, and rates of their Open Access Transmission Tariff (OATT); and (2) the regulations regarding Open Access Same-Time Information Systems (OASIS) prescribed in 18 C.F.R. Part 37. This letter is to confirm that LG&E/KU has reviewed the Draft Audit Report and agrees with the content and conclusions set forth therein.

On behalf of LG&E/KU, I would like to thank the FERC audit team for their professionalism and courtesy, and for the constructive and collaborative manner in which they conducted the audit. Please do not hesitate to contact me should you have any questions.

A handwritten signature in black ink, appearing to read "Beth McFarland".

Beth McFarland, VP Transmission

cc: Nkosi Brooks
Justice Dagadu
Chris Balmer
Jennifer Keisling
Jay Warren

Kentucky Utilities Company
Case No. 2025-00113
Forecasted Test Period Filing Requirements
(Forecasted Test Period 12ME 12/31/26; Base Period 12ME 8/31/25)

Filing Requirement
Tab 40 - 807 KAR 5:001 Section 16(7)(j)
Sponsoring Witness: Julissa Burgos

Description of Filing Requirement:

The prospectuses of the most recent stock or bond offerings.

Response:

See attached.

PROSPECTUS SUPPLEMENT
(To Prospectus dated February 19, 2021)

\$400,000,000



a PPL company

Kentucky Utilities Company
5.450% First Mortgage Bonds due 2033

Kentucky Utilities Company is offering \$400,000,000 in aggregate principal amount of its First Mortgage Bonds, 5.450% Series due 2033 (the “Bonds”). Interest on the Bonds will be payable on April 15 and October 15 of each year, commencing October 15, 2023, and at maturity, as further described in this prospectus supplement. The Bonds will mature on April 15, 2033 unless redeemed on an earlier date. We may, at our option, redeem the Bonds, in whole at any time or in part from time to time, as described herein. See “Description of the Bonds—Redemption.”

The Bonds will be our senior secured indebtedness and will rank equally with all of our other outstanding senior secured indebtedness from time to time outstanding under our 2010 mortgage indenture. See “Description of the Bonds—Security; Lien of the Mortgage” herein.

Investing in the Bonds involves certain risks. See “Risk Factors” on page S-5 of this prospectus supplement, on page 2 of the accompanying prospectus and beginning on page 18 of our Annual Report on Form 10-K for the year ended December 31, 2022.

These securities have not been approved or disapproved by the Securities and Exchange Commission or any state securities commission, nor has the Securities and Exchange Commission or any state securities commission determined that this prospectus supplement or the accompanying prospectus is accurate or complete. Any representation to the contrary is a criminal offense.

	<u>Price to Public(1)</u>	<u>Underwriting Discount</u>	<u>Proceeds, Before Expenses, to Us(1)</u>
Per Bond	99.772%	0.650%	99.122%
Total	\$399,088,000	\$2,600,000	\$396,488,000

(1) Plus accrued interest, if any, from March 20, 2023.

The underwriters expect to deliver the Bonds to the purchasers in book-entry form through the facilities of The Depository Trust Company for the accounts of its participants including Clearstream Banking, S.A., and Euroclear Bank S.A./N.V. on or about March 20, 2023.

Joint Book-Running Managers

Goldman Sachs & Co. LLC

MUFG

Truist Securities

Wells Fargo Securities

Co-Managers

BMO Capital Markets

BNY Mellon Capital Markets, LLC

TD Securities

Academy Securities AmeriVet Securities

MFR Securities, Inc. Mischler Financial Group, Inc.

Siebert Williams Shank

The date of this prospectus supplement is March 9, 2023.

This prospectus supplement, the accompanying prospectus and any free writing prospectus that we prepare or authorize contain and incorporate by reference information that you should consider when making your investment decision. Neither we nor the underwriters have authorized anyone to provide you with different information. Neither we nor the underwriters are making an offer of these securities in any jurisdiction where the offer is not permitted. You should assume that the information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus is accurate only as of its respective dates. Our business, financial condition, results of operations and prospects may have changed since those dates.

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As used in this prospectus supplement and the accompanying prospectus, the terms “we,” “our” and “us” refer to Kentucky Utilities Company.

ABOUT THIS PROSPECTUS SUPPLEMENT

This prospectus supplement is part of a registration statement that Kentucky Utilities Company (“KU” or the “Company”) has filed with the Securities and Exchange Commission (the “SEC”) utilizing a “shelf” registration process. Under this shelf process, we are offering to sell the Bonds using this prospectus supplement and the accompanying prospectus. This prospectus supplement describes the specific terms of this offering. The accompanying prospectus and the information incorporated by reference therein and herein describe our business and give more general information, some of which may not apply to this offering. Generally, when we refer only to the “prospectus,” we are referring to both parts combined. You should read this prospectus supplement together with the accompanying prospectus before making a decision to invest in the Bonds. If the information in this prospectus supplement or the information incorporated by reference in this prospectus supplement is inconsistent with the accompanying prospectus, the information in this prospectus supplement or the information incorporated by reference in this prospectus supplement will apply and supersede that information in the accompanying prospectus.

Certain affiliates of KU, including PPL Corporation and Louisville Gas and Electric Company, have also registered their securities on the “shelf” registration statement referred to above. However, the Bonds are solely obligations of KU, and not of PPL Corporation or any of PPL Corporation’s other subsidiaries or of any other affiliate of KU. None of PPL Corporation or any of KU’s other affiliates will guarantee or provide any credit support for the Bonds.

WHERE YOU CAN FIND MORE INFORMATION

Available Information

KU files reports and other information with the SEC. You may obtain copies of this information from the SEC at its website, <http://www.sec.gov>, which contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC.

KU’s Internet Web site is <http://www.lge-ku.com>. Our ultimate parent, PPL Corporation, maintains an Internet Web site at www.pplweb.com. On the Investor page of that Web site, PPL Corporation provides access to SEC filings of KU free of charge, as soon as reasonably practicable after filing with the SEC. Neither the information at KU’s Web site nor the information at PPL Corporation’s Web site is incorporated in this prospectus supplement by reference, and you should not consider it a part of this prospectus supplement.

In addition, reports and other information concerning KU can be inspected at its offices at One Quality Street, Lexington, Kentucky 40507.

Incorporation by Reference

KU will “incorporate by reference” information into this prospectus supplement by disclosing important information to you by referring you to other documents that it files separately with the SEC. The information incorporated by reference is deemed to be part of this prospectus supplement, and later information that we file with the SEC will automatically update and supersede that information. This prospectus supplement incorporates by reference the documents set forth below that have been previously filed with the SEC. These documents contain important information about KU.

SEC Filings

Annual Report on Form 10-K
Current Report on Form 8-K (Item 8.01 only)

Period/Date

Year ended December 31, 2022
Filed on March 8, 2023

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Additional documents that KU files with the SEC pursuant to Section 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), between the date of this prospectus supplement and the termination of the offering of the Bonds are also incorporated herein by reference.

KU will provide without charge to each person, including any beneficial owner, to whom a copy of this prospectus supplement has been delivered, a copy of any and all of its filings with the SEC. You may request a copy of these filings by writing or telephoning KU at: Kentucky Utilities Company, c/o PPL Services Corporation, Two North Ninth Street, Allentown, Pennsylvania 18101, Attention: Treasury Department, Telephone: (610) 774-5151.

SUMMARY

The following summary contains information about the offering by KU of its Bonds described below. It does not contain all of the information that may be important to you in making a decision to purchase the Bonds. For a more complete understanding of KU and the offering of the Bonds, we urge you to read carefully this entire prospectus supplement, the accompanying prospectus and the documents incorporated by reference herein including the “Risk Factors” sections and our financial statements and the notes to those statements.

The Issuer	Kentucky Utilities Company
Securities Offered	\$400,000,000 aggregate principal amount of KU’s First Mortgage Bonds, 5.450% Series due 2033 (the “Bonds”).
Stated Maturity Date	The Bonds will mature on April 15, 2033.
Interest Payment Dates	Interest on the Bonds will be payable on April 15 and October 15 of each year, commencing on October 15, 2023, and at maturity, or upon earlier redemption.
Interest Rate	The Bonds will bear interest at the rate of 5.450% per annum.
Redemption	The Bonds may be redeemed at our option, in whole at any time or in part from time to time, at the redemption prices set forth in this prospectus supplement. The Bonds will not be entitled to the benefit of any sinking fund or other mandatory redemption and will not be repayable at the option of the Holder of a Bond prior to the Stated Maturity Date. See “Description of the Bonds—Redemption.”
Ranking	The Bonds will be our senior secured indebtedness and will rank equally in right of payment with our existing and future first mortgage bonds issued under our Mortgage. See “Description of the Bonds—General” and “Description of the Bonds—Security; Lien of the Mortgage.”
Security	The Bonds will be secured, equally and ratably, by the lien of the Mortgage, which constitutes a first mortgage lien on substantially all of our real and tangible personal property located in Kentucky and used in the generation, transmission and distribution of electricity, other than property duly released from the lien of the Mortgage in accordance with the provisions thereof and certain other excepted property, and subject to certain Permitted Liens, as described under “Description of the Bonds—Security; Lien of the Mortgage.”
Listing	We do not intend to apply to list the Bonds on any securities exchange.
Form and Denomination	The Bonds will be initially issued in the form of one or more global securities, without coupons, in denominations of \$2,000 and integral multiples of \$1,000 in excess thereof, and deposited with the Trustee (as hereinafter defined) on behalf of The Depository Trust Company

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(“DTC”), as depositary, and registered in the name of DTC or its nominee. See “Description of the Bonds—General” and “Description of the Bonds—Book-Entry Only Issuance—The Depository Trust Company.”

Use of Proceeds We intend to use the net proceeds of this offering to repay debt and for other general corporate purposes. See “Use of Proceeds.”

Conflicts of Interest Certain of the underwriters or their affiliates may hold a portion of the debt that we intend to repay using the net proceeds of this offering. In such event, it is possible that one or more of the underwriters or their affiliates could receive more than 5% of the net proceeds of the offering and in that case, such underwriter would be deemed to have a conflict of interest under FINRA Rule 5121 (Public Offering of Securities with Conflicts of Interest). In the event of any such conflict of interest, such underwriter would be required to conduct the distribution of the Bonds in accordance with FINRA Rule 5121. If the distribution is conducted in accordance with FINRA Rule 5121, such underwriter would not be permitted to confirm a sale to an account over which it exercises discretionary authority without first receiving specific written approval from the account holder.

Reopening of the Series We may, without the consent of the Holders of the Bonds, increase the principal amount of the series and issue additional bonds of such series having the same ranking, interest rate, maturity and other terms as the Bonds other than the date of initial issuance, the price to public, and, in some circumstances, the initial interest accrual date and the initial interest payment date. Any such additional bonds may, together with the Bonds, constitute a single series of securities under the Mortgage. See “Description of the Bonds—General.”

Governing Law The Bonds and the Mortgage are governed by the laws of the State of New York, except to the extent the Trust Indenture Act of 1939, as amended (the “Trust Indenture Act”), is applicable and except where otherwise required by law. The effectiveness of the lien of the Mortgage, and the perfection and priority thereof, will be governed by the laws of the Commonwealth of Kentucky.

RISK FACTORS

Before making a decision to invest in the Bonds, you should carefully consider the risk factors described below, the risk factors described on page 2 of the accompanying prospectus and the risk factors set forth in our Annual Report on Form 10-K for the year ended December 31, 2022, beginning on page 18, as well as the other information included in this prospectus supplement, the accompanying prospectus and the documents incorporated by reference in this prospectus supplement and the accompanying prospectus.

Risks Relating to the Bonds

Our credit ratings and ratings on the Bonds may not reflect all risks of your investment in the Bonds.

Our credit ratings are an assessment by rating agencies of our ability to pay our debts when due. Consequently, real or anticipated changes in our credit ratings will generally affect the market value of the Bonds. These credit ratings may not reflect the potential impact of risks relating to the terms or market for the Bonds. Agency ratings are not a recommendation to buy, sell or hold any security, and may be revised or withdrawn at any time by the issuing organization. Each agency's rating should be evaluated independently of any other agency's rating.

An active trading market for the Bonds may not develop.

The Bonds are a new issue of securities with no established trading market and we do not intend to apply for listing of the Bonds on any securities exchange. We cannot assure that an active trading market for the Bonds will develop. There can be no assurances as to the liquidity of any market that may develop for the Bonds, the ability of Holders to sell their Bonds or the price at which the Holders will be able to sell their Bonds. Future trading prices of the Bonds will depend on many factors including, among other things, prevailing interest rates, our operating results and the market for similar securities.

USE OF PROCEEDS

We intend to use the net proceeds of this offering to repay short-term debt and for other general corporate purposes, which may include repayment of our \$300 million borrowing under our Term Loan Credit Agreement dated July 2022. At December 31, 2022, we had \$101 million of outstanding short-term debt, including commercial paper borrowings, bearing interest at a weighted average interest rate of 4.90%. The loan under the Term Loan Credit Agreement bears interest at floating rates based on the Secured Overnight Financing Rate published by the NY Federal Reserve and matures in July 2024.

CAPITALIZATION

The following table sets forth our consolidated capitalization as of December 31, 2022 on an actual basis, and on an as adjusted basis to give effect to the issuance of the Bonds in this offering. This table should be read in conjunction with our consolidated financial statements, the notes related thereto and the financial and operating data incorporated by reference into this prospectus supplement and the accompanying prospectus.

	As of December 31, 2022	
	Actual	As Adjusted
	(In millions)	
Long-term debt, including current portion	\$ 2,920	\$2,920
Bonds offered hereby	—	400
Total long-term debt	<u>2,920</u>	<u>3,320</u>
Total equity	<u>4,038</u>	<u>4,038</u>
Total capitalization	<u><u>\$ 6,958</u></u>	<u><u>\$7,358</u></u>

DESCRIPTION OF THE BONDS

The following summary description sets forth certain terms and provisions of the Bonds that we are offering by this prospectus supplement. Because this description is a summary, it does not describe every aspect of the Bonds or the Mortgage (as defined below) under which the Bonds will be issued, as described below. The Mortgage is filed as an exhibit to the registration statement of which the accompanying prospectus is a part. The Mortgage and its associated documents contain the full legal text of the matters described in this section. This summary is subject to and qualified in its entirety by reference to all of the provisions of the Bonds and the Mortgage, including definitions of certain terms used in the Mortgage. We also include references in parentheses to certain sections of the Mortgage. Whenever we refer to particular sections or defined terms of the Mortgage in this prospectus supplement, such sections or defined terms are incorporated by reference herein. The Mortgage has been qualified under the Trust Indenture Act, and you should refer to the Trust Indenture Act for provisions that apply to the Bonds.

General

We will issue the Bonds as a series of debt securities under our indenture, dated as of October 1, 2010 (as such indenture has been and may be amended and supplemented from time to time, the “Mortgage”), with The Bank of New York Mellon, as trustee (the “Trustee”). The Mortgage does not effectively limit the aggregate principal amount of bonds or other debt securities that may be issued thereunder, subject to meeting certain conditions to issuance, including those described below under “Issuance of Additional Mortgage Securities.” The Bonds and all other debt securities issued previously or hereafter issued under the Mortgage are collectively referred to herein as “Mortgage Securities.” The Mortgage constitutes a first mortgage lien, subject to Permitted Liens and exceptions and exclusions as described below, on substantially all of our real and tangible personal property located in Kentucky and used or to be used in connection with the generation, transmission and distribution of electricity. See “—Security; Lien of the Mortgage.” As of December 31, 2022, approximately \$2.642 billion of first mortgage bonds are issued and outstanding under the Mortgage, including \$342 million which have been pledged to secure pollution control revenue bonds issued by various counties in Kentucky on our behalf.

The Bonds will be issued in fully registered form only, without coupons. The Bonds will be initially represented by one or more fully registered global securities (the “Global Securities”) deposited with the Trustee, as custodian for The Depository Trust Company (“DTC”), as depository, and registered in the name of DTC or DTC’s nominee. A beneficial interest in a Global Security will be shown on, and transfers or exchanges thereof will be effected only through, records maintained by DTC and its participants, as described below under “—Book-Entry Only Issuance—The Depository Trust Company.” The authorized denominations of the Bonds will be \$2,000 and integral multiples of \$1,000 in excess thereof. Except in limited circumstances described below, the Bonds will not be exchangeable for Bonds in definitive certificated form.

The Bonds are initially being offered in one series in the principal amount of \$400,000,000. We may, without the consent of the Holders of the Bonds, increase the principal amount of the series of Bonds and issue additional bonds of such series having the same ranking, interest rate, maturity and other terms (other than the date of initial issuance, the price to public, and, in some circumstances, the initial interest accrual date and initial interest payment date) as the Bonds, but we will not reopen a series unless the additional bonds are fungible with the previously issued bonds for U.S. federal income tax purposes or such additional bonds are issued with a separate CUSIP number. Any such additional bonds would, together with the Bonds, constitute a single series of securities under the Mortgage and may be treated as a single class for all purposes under the Mortgage, including, without limitation, voting, waivers and amendments.

Maturity; Interest

The Bonds will mature on April 15, 2033 (the “Stated Maturity Date”) and will bear interest from the date of issuance at a rate of 5.450% per annum. Interest on the Bonds will be payable semi-annually in arrears on

April 15 and October 15 of each year (each, an “Interest Payment Date”), commencing on October 15, 2025, and at maturity (whether at the Stated Maturity Date, upon redemption or acceleration, or otherwise, “Maturity”). Subject to certain exceptions, the Mortgage provides for the payment of interest on an Interest Payment Date only to persons in whose names the Bonds are registered at the close of business on (a) the Regular Record Date, which will be the April 1 or October 1 (whether or not a Business Day), as the case may be, immediately preceding the applicable Interest Payment Date or (b) so long as the Bonds are global bonds in book-entry form as described below, on the Business Day immediately preceding such Interest Payment Date; except that interest payable at Maturity will be paid to the person to whom principal is paid.

Interest on the Bonds will be calculated on the basis of a 360-day year of twelve 30-day months, and with respect to any period less than a full calendar month, on the basis of the actual number of days elapsed during the period.

Payment

So long as the Bonds are registered in the name of DTC, as depository for the Bonds as described herein under “—Book-Entry Only Issuance—The Depository Trust Company” or DTC’s nominee, payments on the Bonds will be made as described therein.

If we default in paying interest on a Bond, we will pay such defaulted interest either:

- to Holders as of a special record date between 10 and 15 days before the proposed payment; or
- in any other lawful manner of payment that is consistent with the requirements of any securities exchange on which the Bonds may be listed for trading. (See Section 307.)

We will pay principal of and interest and premium, if any, on the Bonds at Maturity upon presentation of the Bonds at the corporate trust office of The Bank of New York Mellon in New York, New York, as our Paying Agent. In our discretion, we may change the place of payment on the Bonds, and we may remove any Paying Agent and may appoint one or more additional Paying Agents (including us or any of our affiliates). (See Section 702.)

If any Interest Payment Date, Redemption Date or Maturity of a Bond falls on a day that is not a Business Day, the required payment of principal, premium, if any, and/or interest will be made on the next succeeding Business Day as if made on the date such payment was due, and no interest will accrue on such payment for the period from and after such Interest Payment Date, Redemption Date or Maturity, as the case may be, to the date of such payment on the next succeeding Business Day.

“*Business Day*” means any day, other than a Saturday or Sunday, that is not a day on which banking institutions or trust companies in The City of New York, New York, or other city in which a paying agent for such Bond is located, are generally authorized or required by law, regulation or executive order to remain closed. (See Section 116.)

Form; Transfers; Exchanges

So long as the Bonds are registered in the name of DTC, as depository for the Bonds as described herein under “—Book-Entry Only Issuance—The Depository Trust Company,” or DTC’s nominee, transfers and exchanges of beneficial interest in the Bonds will be made as described therein. In the event that the book-entry only system is discontinued and the Bonds are issued in certificated form, you may exchange or transfer Bonds at the corporate trust office of the Trustee.

You may have your Bonds divided into Bonds of the same series of smaller denominations (of at least \$2,000 and any larger amount that is an integral multiple of \$1,000) or combined into Bonds of the same series of larger denominations, as long as the total principal amount is not changed. (See Section 305.)

Burgos

There will be no service charge for any transfer or exchange of the Bonds, but you may be required to pay a sum sufficient to cover any tax or other governmental charge payable in connection therewith. We may block the transfer or exchange of (1) Bonds during a period of 15 days prior to giving any notice of redemption or (2) any Bond selected for redemption in whole or in part, except the unredeemed portion of any Bond being redeemed in part. (See Section 305.)

The Trustee acts as our agent for registering Bonds in the names of Holders and transferring the Bonds. We may appoint another agent (including one of our affiliates) or act as our own agent for this purpose. The entity performing the role of maintaining the list of registered Holders is called the "Security Registrar." It will also perform transfers. In our discretion, we may change the place for registration of transfer of the Bonds and may designate a different entity as the Security Registrar, including us or one of our affiliates. (See Sections 305 and 702.)

Redemption

We may, at our option, redeem the Bonds, in whole at any time or in part from time to time. If we redeem the Bonds before January 15, 2023 (the date that is three months prior to the Stated Maturity Date), or the "Par Call Date," the Bonds will be redeemed by us at a redemption price (expressed as a percentage of principal amount and rounded to three decimal places) equal to the greater of:

- (a) the sum of the present values of the remaining scheduled payments of principal and interest thereon discounted to the Redemption Date (assuming the Bonds matured on the Par Call Date) on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate plus 25 basis points less (b) interest accrued to the date of redemption, and
- 100% of the principal amount of the Bonds to be redeemed,

plus, in either case, accrued and unpaid interest on the principal amount of Bonds to be so redeemed to the Redemption Date.

If we redeem the Bonds on or after the Par Call Date, the Bonds will be redeemed by us at a redemption price equal to 100% of the principal amount of the Bonds to be so redeemed, plus accrued and unpaid interest on the principal amount of the Bonds to be so redeemed to the Redemption Date.

"Treasury Rate" means, with respect to any Redemption Date, the yield determined by the Company in accordance with the following two paragraphs.

The Treasury Rate will be determined by the Company after 4:15 p.m., New York City time (or after such time as yields on U.S. government securities are posted daily by the Board of Governors of the Federal Reserve System), on the third business day preceding the Redemption Date based upon the yield or yields for the most recent day that appear after such time on such day in the most recent statistical release published by the Board of Governors of the Federal Reserve System designated as "Selected Interest Rates (Daily)—H.15" (or any successor designation or publication) ("H.15") under the caption "U.S. government securities—Treasury constant maturities—Nominal" (or any successor caption or heading). In determining the Treasury Rate, the Company shall select, as applicable:

- (1) the yield for the Treasury constant maturity on H.15 exactly equal to the period from the Redemption Date to the Par Call Date (the "Remaining Life"); or
- (2) if there is no such Treasury constant maturity on H.15 exactly equal to the Remaining Life, the two yields—one yield corresponding to the Treasury constant maturity on H.15 immediately shorter than and one yield corresponding to the Treasury constant maturity on H.15 immediately longer than the Remaining Life—and shall interpolate to the Par Call Date on a straight-line basis (using the actual number of days) using such yields and rounding the result to three decimal places; or

- (3) if there is no such Treasury constant maturity on H.15 shorter than or longer than the Remaining Life, the yield for the single Treasury constant maturity on H.15 closest to the Remaining Life.

For purposes of this paragraph, the applicable Treasury constant maturity or maturities on H.15 shall be deemed to have a maturity date equal to the relevant number of months or years, as applicable, of such Treasury constant maturity from the Redemption Date.

If on the third business day preceding the Redemption Date H.15 or any successor designation or publication is no longer published, the Company shall calculate the Treasury Rate based on the rate per annum equal to the semi-annual equivalent yield to maturity at 11:00 a.m., New York City time, on the second business day preceding such Redemption Date of the United States Treasury security maturing on, or with a maturity that is closest to, the Par Call Date, as applicable. If there is no United States Treasury security maturing on the Par Call Date but there are two or more United States Treasury securities with a maturity date equally distant from the Par Call Date, one with a maturity date preceding the Par Call Date and one with a maturity date following the Par Call Date, the Company shall select the United States Treasury security with a maturity date preceding the Par Call Date. If there are two or more United States Treasury securities maturing on the Par Call Date or two or more United States Treasury securities meeting the criteria of the preceding sentence, the Company shall select from among these two or more United States Treasury securities the United States Treasury security that is trading closest to par based upon the average of the bid and asked prices for such United States Treasury securities at 11:00 a.m., New York City time. In determining the Treasury Rate in accordance with the terms of this paragraph, the semi-annual yield to maturity of the applicable United States Treasury security shall be based upon the average of the bid and asked prices (expressed as a percentage of principal amount) at 11:00 a.m., New York City time, of such United States Treasury security, and rounded to three decimal places.

The Company's actions and determinations in determining the redemption price shall be conclusive and binding for all purposes, absent manifest error.

The Bonds will not be subject to a sinking fund or other mandatory redemption provisions and will not be repayable at the option of the Holder prior to the Stated Maturity Date.

The Bonds will be redeemable upon notice of redemption sent between 10 days and 60 days prior to the Redemption Date.

If less than all of the Bonds are to be redeemed, in the case of certificated Bonds, the Trustee will select the Bonds or portions thereof to be redeemed and, in the case of global Bonds, DTC will select the Bonds or portions thereof to be redeemed in accordance with its customary policies and procedures. In the absence of any provision for selection with respect to certificated Bonds, the Trustee will choose a method of random selection that it deems fair and appropriate. (See Sections 503 and 504.)

We may make any redemption at our option conditional upon the receipt by the Paying Agent, on or prior to the date fixed for redemption, of money sufficient to pay the redemption price. If the Paying Agent has not received such money by the date fixed for redemption, we will not be required to redeem such Bonds. (See Section 504.)

Bonds called for redemption will cease to bear interest on the Redemption Date. We will pay the redemption price and any accrued interest once you surrender the Bond for redemption. (See Section 505.) If only part of a Bond is redeemed, the Trustee will deliver to you a new Bond of the same series for the remaining portion without charge. (See Section 506.)

Security; Lien of the Mortgage

General

Except as described below under this heading and under “—Issuance of Additional Mortgage Securities,” and subject to the exceptions described under “—Satisfaction and Discharge,” all Mortgage Securities, including the Bonds, will be secured, equally and ratably, by the lien of the Mortgage, which constitutes, subject to Permitted Liens as described below, a first mortgage lien on substantially all of our real and tangible personal property located in Kentucky and used or to be used in connection with the generation, transmission and distribution of electricity (other than property duly released from the lien of the Mortgage in accordance with the provisions thereof and other than Excepted Property, as described below). We sometimes refer to our property that is subject to the lien of the Mortgage as “Mortgaged Property.”

We may obtain the release of property from the lien of the Mortgage from time to time, upon the bases provided for such release in the Mortgage. See “—Release of Property.”

We may enter into supplemental indentures with the Trustee, without the consent of the Holders, in order to subject additional property (including property that would otherwise be excepted from such lien) to the lien of the Mortgage. (See Section 1401.) This property would constitute Property Additions and would be available as a basis for the issuance of Mortgage Securities. See “—Issuance of Additional Mortgage Securities.”

The Mortgage provides that after-acquired property (other than Excepted Property) will be subject to the lien of the Mortgage. (See Granting Clause Second.) However, in the case of consolidation or merger (whether or not we are the surviving company) or transfer of the Mortgaged Property as or substantially as an entirety, the Mortgage will not be required to be a lien upon any of the properties either owned or subsequently acquired by the successor company except properties acquired from us in or as a result of such transfer, as well as improvements, extensions and additions (as defined in the Mortgage) to such properties and renewals, replacements and substitutions of or for any part or parts thereof. See Section 1303 and “—Consolidation, Merger and Conveyance of Assets as an Entirety.”

Excepted Property. The lien of the Mortgage does not cover, among other things, the following types of property: property located outside of Kentucky and not specifically subjected or required to be subjected to the lien of the Mortgage; property not used by us in our electric generation, transmission and distribution business; cash and securities not paid, deposited or held under the Mortgage or required so to be; contracts, leases and other agreements of all kinds, contract rights, bills, notes and other instruments, revenues, accounts receivable, claims, demands and judgments; governmental and other licenses, permits, franchises, consents and allowances; intellectual property rights and other general intangibles; vehicles, movable equipment, aircraft and vessels; all goods, stock in trade, wares, merchandise and inventory held for the purpose of sale or lease in the ordinary course of business; materials, supplies, inventory and other personal property consumable in the operation of our business; fuel; tools and equipment; furniture and furnishings; computers and data processing, telecommunications and other facilities used primarily for administrative or clerical purposes or otherwise not used in connection with the operation or maintenance of electric generation, transmission and distribution facilities; coal, ore, gas, oil and other minerals and timber rights; electric energy and capacity, gas, steam, water and other products generated, produced, manufactured, purchased or otherwise acquired; real property and facilities used primarily for the production or gathering of natural gas; property which has been released from the lien of the Mortgage; and leasehold interests. We sometimes refer to our property not covered by the lien of the Mortgage as “Excepted Property.” (See Granting Clauses.) Properties held by any of our subsidiaries, as well as properties leased from others, would not be subject to the lien of the Mortgage.

Permitted Liens. The lien of the Mortgage is subject to Permitted Liens described in the Mortgage. Such Permitted Liens include liens existing at the execution date of the Mortgage, purchase money liens and other liens placed or otherwise existing on property acquired by us after the execution date of the Mortgage at the time we acquire it, tax liens and other governmental charges which are not delinquent or which are being contested in

good faith, mechanics', construction and materialmen's liens, certain judgment liens, easements, reservations and rights of others (including governmental entities) in, and defects of title to, our property, certain leases and leasehold interests, liens to secure public obligations, rights of others to take minerals, timber, electric energy or capacity, gas, water, steam or other products produced by us or by others on our property, rights and interests of Persons other than us arising out of agreements relating to the common ownership or joint use of property, and liens on the interests of such Persons in such property and liens which have been bonded or for which other security arrangements have been made. (See Granting Clauses and Section 101.)

The Mortgage also provides that the Trustee will have a lien, prior to the lien on behalf of the Holders of the Mortgage Securities, upon the Mortgaged Property as security for our payment of its reasonable compensation and expenses and for indemnity against certain liabilities. (See Section 1107.) Any such lien would be a Permitted Lien under the Mortgage.

Issuance of Additional Mortgage Securities

The maximum principal amount of Mortgage Securities that may be authenticated and delivered under the Mortgage is subject to the issuance restrictions described below; provided, however, that the maximum principal amount of Mortgage Securities outstanding at any one time shall not exceed One Quintillion Dollars (\$1,000,000,000,000,000,000), which amount may be changed by supplemental indenture. (See Section 301.) Mortgage Securities of any series may be issued from time to time on the basis of, and in an aggregate principal amount not exceeding:

- 66 2/3% of the Cost or Fair Value to the Company (whichever is less) of Property Additions (as described below) which do not constitute Funded Property (generally, Property Additions which have been made the basis of the authentication and delivery of Mortgage Securities, the release of Mortgaged Property or the withdrawal of cash, which have been substituted for retired Funded Property or which have been used for other specified purposes) after certain deductions and additions, primarily including adjustments to offset property retirements;
- the aggregate principal amount of Retired Securities (as described below); or
- an amount of cash deposited with the Trustee. (See Article Four.)

Property Additions generally include any property which is owned by us and is subject to the lien of the Mortgage except (with certain exceptions) goodwill, going concern value rights or intangible property, or any property the acquisition or construction of which is properly chargeable to one of our operating expense accounts in accordance with U.S. generally accepted accounting principles. (See Section 104.)

Retired Securities means, generally, Mortgage Securities which are no longer outstanding under the Mortgage, which have not been retired by the application of Funded Cash and which have not been used as the basis for the authentication and delivery of Mortgage Securities, the release of property or the withdrawal of cash.

We intend to issue the Bonds on the basis of Property Additions. At December 31, 2022, approximately \$1.8 billion of Property Additions and approximately \$759 million of Retired Securities were available to us to be used as the basis for the authentication and delivery of Mortgage Securities (including the Bonds offered hereby).

Release of Property

Unless an Event of Default has occurred and is continuing, we may obtain the release from the lien of the Mortgage of any Mortgaged Property, except for cash held by the Trustee, upon delivery to the Trustee of an amount in cash equal to the amount, if any, by which sixty-six and two-thirds percent (66 2/3%) of the Cost of

the property to be released (or, if less, the Fair Value to us of such property at the time it became Funded Property) exceeds the aggregate of:

- an amount equal to 66 2/3% of the aggregate principal amount of obligations secured by Purchase Money Liens upon the property to be released and delivered to the Trustee;
- an amount equal to 66 2/3% of the Cost or Fair Value to us (whichever is less) of certified Property Additions not constituting Funded Property after certain deductions and additions, primarily including adjustments to offset property retirements (except that such adjustments need not be made if such Property Additions were acquired or made within the 90-day period preceding the release);
- the aggregate principal amount of Mortgage Securities we would be entitled to issue on the basis of Retired Securities (with such entitlement being waived by operation of such release);
- the aggregate principal amount of Mortgage Securities delivered to the Trustee (with such Mortgage Securities to be canceled by the Trustee);
- any amount of cash and/or an amount equal to 66 2/3% of the aggregate principal amount of obligations secured by Purchase Money Liens upon the property released that is delivered to the trustee or other holder of a lien prior to the lien of the Mortgage, subject to certain limitations described in the Mortgage; and
- any taxes and expenses incidental to any sale, exchange, dedication or other disposition of the property to be released.

(See Section 803.)

As used in the Mortgage, the term "Purchase Money Lien" means, generally, a lien on the property being released which is retained by the transferor of such property or granted to one or more other Persons in connection with the transfer or release thereof, or granted to or held by a trustee or agent for any such Persons, and may include liens which cover property in addition to the property being released and/or which secure indebtedness in addition to indebtedness to the transferor of such property. (See Section 101.)

Unless an Event of Default has occurred and is continuing, property which is not Funded Property may generally be released from the lien of the Mortgage without depositing any cash or property with the Trustee as long as (a) the aggregate amount of Cost or Fair Value to us (whichever is less) of all Property Additions which do not constitute Funded Property (excluding the property to be released) after certain deductions and additions, primarily including adjustments to offset property retirements, is not less than zero or (b) the Cost or Fair Value (whichever is less) of property to be released does not exceed the aggregate amount of the Cost or Fair Value to us (whichever is less) of Property Additions acquired or made within the 90-day period preceding the release. (See Section 804.)

The Mortgage provides simplified procedures for the release of minor properties and property taken by eminent domain, and provides for dispositions of certain obsolete property and grants or surrender of certain rights without any release or consent by the Trustee. (See Sections 805, 807 and 808.)

If we retain any interest in any property released from the lien of the Mortgage, the Mortgage will not become a lien on such property or such interest therein or any improvements, extensions or additions to such property or renewals, replacements or substitutions of or for such property or any part or parts thereof. (See Section 809.)

Withdrawal of Cash

Unless an Event of Default has occurred and is continuing, and subject to certain limitations, cash held by the Trustee may, generally, (1) be withdrawn by us (a) to the extent of sixty-six and two-thirds percent (66 2/3%)

of the Cost or Fair Value to us (whichever is less) of Property Additions not constituting Funded Property, after certain deductions and additions, primarily including adjustments to offset retirements (except that such adjustments need not be made if such Property Additions were acquired or made within the 90-day period preceding the withdrawal) or (b) in an amount equal to the aggregate principal amount of Mortgage Securities that we would be entitled to issue on the basis of Retired Securities (with the entitlement to such issuance being waived by operation of such withdrawal) or (c) in an amount equal to the aggregate principal amount of any outstanding Mortgage Securities delivered to the Trustee; or (2) upon our request, be applied to (a) the purchase of Mortgage Securities in a manner and at a price approved by us or (b) the payment (or provision for payment) at stated maturity of any Mortgage Securities or the redemption (or provision for payment) of any Mortgage Securities which are redeemable (see Section 806); provided, however, that cash deposited with the Trustee as the basis for the authentication and delivery of Mortgage Securities may, in addition, be withdrawn in an amount not exceeding the aggregate principal amount of cash delivered to the Trustee for such purpose. (See Section 404.)

Events of Default

An “Event of Default” occurs under the Mortgage if:

- we do not pay any interest on any Mortgage Securities within 30 days of the due date;
- we do not pay principal or premium, if any, on any Mortgage Securities on the due date;
- we remain in breach of any other covenant under the Mortgage (excluding covenants specifically dealt with elsewhere in this section) in respect of any Mortgage Securities for 90 days after we receive a written notice of default stating we are in breach and requiring remedy of the breach; the notice must be sent by either the Trustee or Holders of 25% of the principal amount of outstanding Mortgage Securities; the Trustee or such Holders can agree to extend the 90-day period and such an agreement to extend will be automatically deemed to occur if we initiate corrective action within such 90-day period and we are diligently pursuing such action to correct the default; or
- we file for bankruptcy or certain other events in bankruptcy, insolvency, receivership or reorganization occur.

(See Section 1001.)

Remedies

Acceleration of Maturity

If an Event of Default occurs and is continuing, then either the Trustee or the Holders of not less than 25% in principal amount of the outstanding Mortgage Securities may declare the principal amount of all of the Mortgage Securities to be due and payable immediately. (See Section 1002.)

Rescission of Acceleration

After the declaration of acceleration has been made and before the Trustee has obtained a judgment or decree for payment of the money due, such declaration and its consequences will be rescinded and annulled, if:

- (i) we pay or deposit with the Trustee a sum sufficient to pay:
 - all overdue interest;
 - the principal of and premium, if any, which have become due otherwise than by such declaration of acceleration and interest thereon;
 - interest on overdue interest to the extent lawful; and

- all amounts due to the Trustee under the Mortgage; and
- (ii) all Events of Default, other than the nonpayment of the principal which has become due solely by such declaration of acceleration, have been cured or waived as provided in the Mortgage.

(See Section 1002.)

For more information as to waiver of defaults, see “—Waiver of Default and of Compliance” below.

Appointment of Receiver and Other Remedies

Subject to the Mortgage, under certain circumstances and to the extent permitted by law, if an Event of Default occurs and is continuing, the Trustee has the power to appoint a receiver of the Mortgaged Property, and is entitled to all other remedies available to mortgagees and secured parties under the Uniform Commercial Code or any other applicable law. (See Section 1016.)

Control by Holders; Limitations

Subject to the Mortgage, if an Event of Default occurs and is continuing, the Holders of a majority in principal amount of the outstanding Mortgage Securities will have the right to:

- direct the time, method and place of conducting any proceeding for any remedy available to the Trustee, or
- exercise any trust or power conferred on the Trustee.

The rights of Holders to make direction are subject to the following limitations:

- the Holders’ directions may not conflict with any law or the Mortgage; and
- the Holders’ directions may not involve the Trustee in personal liability where the Trustee believes indemnity is not adequate.

The Trustee may also take any other action it deems proper which is not inconsistent with the Holders’ direction. (See Sections 1012 and 1103.)

In addition, the Mortgage provides that no Holder of any Mortgage Security will have any right to institute any proceeding, judicial or otherwise, with respect to the Mortgage for the appointment of a receiver or for any other remedy thereunder unless:

- that Holder has previously given the Trustee written notice of a continuing Event of Default;
- the Holders of 25% in aggregate principal amount of the outstanding Mortgage Securities have made written request to the Trustee to institute proceedings in respect of that Event of Default and have offered the Trustee reasonable indemnity against costs, expenses and liabilities incurred in complying with such request; and
- for 60 days after receipt of such notice, request and offer of indemnity, the Trustee has failed to institute any such proceeding and no direction inconsistent with such request has been given to the Trustee during such 60-day period by the Holders of a majority in aggregate principal amount of outstanding Mortgage Securities.

Furthermore, no Holder will be entitled to institute any such action if and to the extent that such action would disturb or prejudice the rights of other Holders. (See Sections 1007 and 1103.)

However, each Holder has an absolute and unconditional right to receive payment when due and to bring a suit to enforce that right. (See Section 1008.)

Notice of Default

The Trustee is required to give the Holders of the Mortgage Securities notice of any default under the Mortgage to the extent required by the Trust Indenture Act, unless such default has been cured or waived; except that in the case of an Event of Default of the character specified in the third bullet point under “—Events of Default” (regarding a breach of certain covenants continuing for 90 days after the receipt of a written notice of default), no such notice shall be given to such Holders until at least 60 days after the occurrence thereof. (See Section 1102.) The Trust Indenture Act currently permits the Trustee to withhold notices of default (except for certain payment defaults) if the Trustee in good faith determines the withholding of such notice to be in the interests of the Holders.

We will furnish the Trustee with an annual statement as to our compliance with the conditions and covenants in the Mortgage. (See Section 709.)

Waiver of Default and of Compliance

The Holders of a majority in aggregate principal amount of the outstanding Mortgage Securities may waive, on behalf of the Holders of all outstanding Mortgage Securities, any past default under the Mortgage, except a default in the payment of principal, premium or interest, or with respect to compliance with certain provisions of the Mortgage that cannot be amended without the consent of the Holder of each outstanding Mortgage Security affected. (See Section 1013.)

Compliance with certain covenants in the Mortgage or otherwise provided with respect to Mortgage Securities may be waived by the Holders of a majority in aggregate principal amount of the affected Mortgage Securities, considered as one class. (See Section 710.)

Consolidation, Merger and Conveyance of Assets as an Entirety

Subject to the provisions described below, we have agreed to preserve our corporate existence. (See Section 704.)

We have agreed not to consolidate with or merge with or into any other entity or convey, transfer or lease the Mortgaged Property as or substantially as an entirety to any entity unless:

- the entity formed by such consolidation or into which we merge, or the entity which acquires or which leases the Mortgaged Property substantially as an entirety, is an entity organized and existing under the laws of the United States of America or any State or Territory thereof or the District of Columbia; and
- expressly assumes, by supplemental indenture, the due and punctual payment of the principal of, and premium and interest on, all the outstanding Mortgage Securities and the performance of all of our covenants under the Mortgage; and
- such entity confirms the lien of the Mortgage on the Mortgaged Property; and
- in the case of a lease, such lease is made expressly subject to termination by (i) us or by the Trustee and (ii) the purchaser of the property so leased at any sale thereof, at any time during the continuance of an Event of Default; and
- immediately after giving effect to such transaction, no Event of Default, and no event which after notice or lapse of time or both would become an Event of Default, will have occurred and be continuing.

(See Section 1301.)

In the case of the conveyance or other transfer of the Mortgaged Property as or substantially as an entirety to any other person, upon the satisfaction of all the conditions described above we would be released and

discharged from all obligations under the Mortgage and on the Mortgage Securities then outstanding unless we elect to waive such release and discharge. (See Section 1304.)

The Mortgage does not prevent or restrict:

- any consolidation or merger after the consummation of which we would be the surviving or resulting entity; or
- any conveyance or other transfer, or lease, of any part of the Mortgaged Property which does not constitute the entirety or substantially the entirety thereof.

If following a conveyance or other transfer, or lease, of any part of the Mortgaged Property, the Fair Value of the Mortgaged Property retained by the Company exceeds an amount equal to three-halves ($3/2$) of the aggregate principal amount of all outstanding Mortgage Securities, then the part of the Mortgaged Property so conveyed, transferred or leased shall be deemed not to constitute the entirety or substantially the entirety of the Mortgaged Property. This Fair Value will be determined within 90 days of the conveyance or transfer by an independent expert that we select and that is approved by the Trustee.

(See Sections 1305 and 1306.)

Modification of Mortgage

Without Holder Consent. Without the consent of any Holders of Mortgage Securities, we and the Trustee may enter into one or more supplemental indentures for any of the following purposes:

- to evidence the succession of another entity to us;
- to add one or more covenants or other provisions for the benefit of the Holders of all or any series or tranche of Mortgage Securities, or to surrender any right or power conferred upon us;
- to correct or amplify the description of any property at any time subject to the lien of the Mortgage; or to better assure, convey and confirm unto the Trustee any property subject or required to be subjected to the lien of the Mortgage; or to subject to the lien of the Mortgage additional property (including property of others), to specify any additional Permitted Liens with respect to such additional property and to modify the provisions in the Mortgage for dispositions of certain types of property without release in order to specify any additional items with respect to such additional property;
- to add any additional Events of Default, which may be stated to remain in effect only so long as the Mortgage Securities of any one more particular series remains outstanding;
- to change or eliminate any provision of the Mortgage or to add any new provision to the Mortgage that does not adversely affect the interests of the Holders in any material respect;
- to establish the form or terms of any series or tranche of Mortgage Securities;
- to provide for the issuance of bearer securities;
- to evidence and provide for the acceptance of appointment of a successor Trustee or by a co-trustee or separate trustee;
- to provide for the procedures required to permit the utilization of a noncertificated system of registration for any series or tranche of Mortgage Securities;
- to change any place or places where:
 - we may pay principal, premium and interest,
 - Mortgage Securities may be surrendered for transfer or exchange, and
 - notices and demands to or upon us may be served;

- to amend and restate the Mortgage as originally executed, and as amended from time to time, with such additions, deletions and other changes that do not adversely affect the interest of the Holders in any material respect;
- to cure any ambiguity, defect or inconsistency or to make any other changes that do not adversely affect the interests of the Holders in any material respect; or
- to increase or decrease the maximum principal amount of Mortgage Securities that may be outstanding at any time.

In addition, if the Trust Indenture Act is amended after the date of the Mortgage so as to require changes to the Mortgage or so as to permit changes to, or the elimination of, provisions which, at the date of the Mortgage or at any time thereafter, were required by the Trust Indenture Act to be contained in the Mortgage, the Mortgage will be deemed to have been amended so as to conform to such amendment or to effect such changes or elimination, and we and the Trustee may, without the consent of any Holders, enter into one or more supplemental indentures to effect or evidence such amendment.

(See Section 1401.)

With Holder Consent. Except as provided above, the consent of the Holders of at least a majority in aggregate principal amount of the Mortgage Securities of all outstanding series, considered as one class, is generally required for the purpose of adding to, or changing or eliminating any of the provisions of, the Mortgage pursuant to a supplemental indenture. However, if less than all of the series of outstanding Mortgage Securities are directly affected by a proposed supplemental indenture, then such proposal requires the consent of only the Holders of a majority in aggregate principal amount of the outstanding Mortgage Securities of all directly affected series, considered as one class. Moreover, if the Mortgage Securities of any series have been issued in more than one tranche and if the proposed supplemental indenture directly affects the rights of the Holders of Mortgage Securities of one or more, but less than all, of such tranches, then such proposal requires the consent of only the Holders of a majority in aggregate principal amount of the outstanding Mortgage Securities of all directly affected tranches, considered as one class.

However, no amendment or modification may, without the consent of the Holder of each outstanding Mortgage Security directly affected thereby:

- change the stated maturity of the principal or interest on any Mortgage Security (other than pursuant to the terms thereof), or reduce the principal amount, interest or premium payable (or the method of calculating such rates) or change the currency in which any Mortgage Security is payable, or impair the right to bring suit to enforce any payment;
- create any lien (not otherwise permitted by the Mortgage) ranking prior to the lien of the Mortgage with respect to all or substantially all of the Mortgaged Property, or terminate the lien of the Mortgage on all or substantially all of the Mortgaged Property (other than in accordance with the terms of the Mortgage), or deprive any Holder of the benefits of the security of the lien of the Mortgage;
- reduce the percentages of Holders whose consent is required for any supplemental indenture or waiver of compliance with any provision of the Mortgage or of any default thereunder and its consequences, or reduce the requirements for quorum and voting under the Mortgage; or
- modify certain of the provisions of the Mortgage relating to supplemental indentures, waivers of certain covenants and waivers of past defaults with respect to Mortgage Securities.

A supplemental indenture which changes, modifies or eliminates any provision of the Mortgage expressly included solely for the benefit of Holders of Mortgage Securities of one or more particular series or tranches will be deemed not to affect the rights under the Mortgage of the Holders of Mortgage Securities of any other series or tranche.

(See Section 1402.)

Satisfaction and Discharge

Any Mortgage Securities or any portion thereof will be deemed to have been paid and no longer outstanding for purposes of the Mortgage and, at our election, our entire indebtedness with respect to those securities will be satisfied and discharged, if there shall have been irrevocably deposited with the Trustee or any Paying Agent (other than the Company), in trust:

- money sufficient, or
- in the case of a deposit made prior to the maturity of such Mortgage Securities, non-redeemable Eligible Obligations (as defined in the Mortgage) sufficient, or
- a combination of the items listed in the preceding two bullet points, which in total are sufficient,

to pay when due the principal of, and any premium, and interest due and to become due on such Mortgage Securities or portions of such Mortgage Securities on and prior to their maturity.

(See Section 901.)

Our right to cause our entire indebtedness in respect of the Mortgage Securities of any series to be deemed to be satisfied and discharged as described above will be subject to the satisfaction of any conditions specified in the instrument creating such series.

The Mortgage will be deemed satisfied and discharged when no Mortgage Securities remain outstanding and when we have paid all other sums payable by us under the Mortgage. (See Section 902.)

All moneys we pay to the Trustee or any Paying Agent on Bonds that remain unclaimed at the end of two years after payments have become due may be paid to or upon our order. Thereafter, the Holder of such Bond may look only to us for payment. (See Section 703.)

Resignation and Removal of the Trustee; Deemed Resignation

The Trustee may resign at any time by giving written notice to us.

The Trustee may also be removed by act of the Holders of a majority in principal amount of the then outstanding Mortgage Securities of any series.

No resignation or removal of the Trustee and no appointment of a successor trustee will become effective until the acceptance of appointment by a successor trustee in accordance with the requirements of the Mortgage.

Under certain circumstances, we may appoint a successor trustee and if the successor accepts, the Trustee will be deemed to have resigned.

(See Section 1110.)

Evidence to be Furnished to the Trustee

Compliance with Mortgage provisions is evidenced by written statements of our officers or persons selected or paid by us. In certain cases, opinions of counsel and certifications of an engineer, accountant, appraiser or other expert (who in some cases must be independent) must be furnished. In addition, the Mortgage requires us to give to the Trustee, not less than annually, a brief statement as to our compliance with the conditions and covenants under the Mortgage.

Miscellaneous Provisions

The Mortgage provides that certain Mortgage Securities, including those for which payment or redemption money has been deposited or set aside in trust as described under “—Satisfaction and Discharge” above, will not be deemed to be “outstanding” in determining whether the Holders of the requisite principal amount of the outstanding Mortgage Securities have given or taken any demand, direction, consent or other action under the Mortgage as of any date, or are present at a meeting of Holders for quorum purposes. (See Section 101.)

We will be entitled to set any day as a record date for the purpose of determining the Holders of outstanding Mortgage Securities of any series entitled to give or take any demand, direction, consent or other action under the Mortgage, in the manner and subject to the limitations provided in the Mortgage. In certain circumstances, the Trustee also will be entitled to set a record date for action by Holders. If such a record date is set for any action to be taken by Holders of particular Mortgage Securities, such action may be taken only by persons who are Holders of such Mortgage Securities on the record date. (See Section 107.)

Governing Law

The Mortgage and the Mortgage Securities provide that they are to be governed by and construed in accordance with the laws of the State of New York except where the Trust Indenture Act is applicable or where otherwise required by law. (See Section 115.) The effectiveness of the lien of the Mortgage, and the perfection and priority thereof, will be governed by Kentucky law.

Regarding the Trustee

The Trustee under the Mortgage is The Bank of New York Mellon (“BNYM”). In addition to acting as Trustee, BNYM also maintains various banking and trust relationships with us and some of our affiliates.

Book-Entry Only Issuance—The Depository Trust Company

DTC will act as the initial securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. The global bonds will be deposited with the Trustee as custodian for DTC.

DTC is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Exchange Act. DTC holds securities for its participants (“Direct Participants”) and also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts, thereby eliminating the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). The rules that apply to DTC and those using its system are on file with the SEC. More information about DTC can be found at www.dtcc.com.

Purchases of the Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC’s records. The ownership interest of each actual purchaser (“Beneficial

Owner”) is, in turn, to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchases, but Beneficial Owners should receive written confirmations providing details of the transactions, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which they purchased Bonds. Transfers of ownership interests on the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Bonds with DTC and their registration in the name of Cede & Co. or such other nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts the Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners, will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Notices will be sent to DTC.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC’s procedures. Under its usual procedures, DTC mails an omnibus proxy to us as soon as possible after the record date. The omnibus proxy assigns the voting or consenting rights of Cede & Co. to those Direct Participants to whose accounts the Bonds are credited on the record date. We believe that these arrangements will enable the Beneficial Owners to exercise rights equivalent in substance to the rights that can be directly exercised by a registered Holder of the Bonds.

Payments of principal and interest on the Bonds will be made to Cede & Co. (or such other nominee of DTC). DTC’s practice is to credit Direct Participants’ accounts upon DTC’s receipt of funds and corresponding detail information from us or the Trustee, on payable date in accordance with their respective holdings shown on DTC’s records. Payments by participants to Beneficial Owners will be governed by standing instructions and customary practices and will be the responsibility of such participant and not of DTC, the Trustee or us, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment to Cede & Co. (or such other nominee of DTC) is the responsibility of us or the Trustee. Disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners is the responsibility of Direct and Indirect Participants.

Secondary market trading between Clearstream Banking, société anonyme (“Clearstream”) participants and/or Euroclear Bank S.A./N.V., as operator of the Euroclear System (“Euroclear”) participants will occur in the ordinary way in accordance with the applicable rules and operating procedures of Clearstream and Euroclear, as applicable.

Cross-market transfers between participants in DTC, on the one hand, and participants in Euroclear or Clearstream, on the other hand, will be effected through DTC in accordance with the DTC’s rules on behalf of Euroclear or Clearstream, as the case may be, by their respective U.S. depositaries; however, such cross-market transactions will require delivery of instructions to Euroclear or Clearstream, as the case may be, by the counterparty in such system in accordance with the rules and procedures and within the established deadlines (European time) of such system. Euroclear or Clearstream, as the case may be, will, if the transaction meets its settlement requirements, deliver instructions to its U.S. depositary to take action to effect final settlement on its behalf by delivering or receiving interests in the global securities through DTC, and making or receiving payment in accordance with normal procedures for same-day fund settlement. Participants in Euroclear or Clearstream may not deliver instructions directly to their respective U.S. depositaries.

Due to time zone differences, the securities accounts of a participant in Euroclear or Clearstream purchasing an interest in a global security from a direct participant in DTC will be credited, and any such crediting will be reported to the relevant participant in Euroclear or Clearstream, during the securities settlement processing day (which must be a business day for Euroclear or Clearstream) immediately following the settlement date of DTC. Cash received in Euroclear or Clearstream as a result of sales of interests in a global security by or through a participant in Euroclear or Clearstream to a direct participant in DTC will be received with value on the settlement date of DTC but will be available in the relevant Euroclear or Clearstream cash account only as of the business day for Euroclear or Clearstream following DTC's settlement date.

A Beneficial Owner will not be entitled to receive physical delivery of the Bonds. Accordingly, each Beneficial Owner must rely on the procedures of DTC to exercise any rights under the Bonds.

DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving us or the Trustee reasonable notice. In the event no successor securities depository is obtained, certificates for the Bonds will be printed and delivered.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that we believe to be reliable, but neither we nor the underwriters take any responsibility for the accuracy of this information.

MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES

The following discussion is a general summary of the material U.S. federal income tax consequences of the purchase, ownership and disposition of Bonds sold pursuant to this offering. This summary is based on the Internal Revenue Code of 1986, as amended (the “Code”), Treasury regulations promulgated thereunder, administrative positions of the Internal Revenue Service (“IRS”) and judicial decisions now in effect, all of which are subject to change (possibly with retroactive effect) or to different interpretations. Additionally, it is limited to beneficial owners of Bonds that purchase the Bonds on original issuance in this offering at their “issue price” (i.e., the first price at which a substantial portion of the Bonds is sold for cash to persons other than bond houses, brokers or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers), and that hold the Bonds as a “capital asset” within the meaning of Section 1221 of the Code (generally property held for investment).

This summary does not describe all of the U.S. federal income considerations that may be relevant to holders based on their particular circumstances (such as the potential application of the Medicare contribution tax on “net investment income” or the alternative minimum tax). This summary also does not address the U.S. federal income tax consequences to investors subject to special treatment under the U.S. federal income tax laws, including, for example, brokers and dealers in securities or foreign currency, traders who elect to mark the Bonds to market, partnerships (including entities or arrangements treated as partnerships for U.S. federal income tax purposes) or other pass-through entities, tax-exempt entities, banks and other financial institutions, insurance companies, brokers, regulated investment companies, real estate investment trusts, “controlled foreign corporations,” “passive foreign investment companies,” persons holding a Bond as part of a “straddle,” “hedge,” “conversion transaction” or other risk reduction transaction, persons subject to special rules applicable to former citizens and residents of the United States, persons subject to special tax accounting rules as a result of any item of gross income with respect to the Bonds being taken into account in an applicable financial statement or U.S. Holders (as defined below) whose functional currency is not the U.S. dollar or who hold Bonds through a non-U.S. broker or other non-U.S. intermediary. Finally, this summary does not address the application of state, local or foreign tax laws, or any aspect of U.S. federal tax law other than those pertaining to income taxation.

For purposes of this discussion, a “U.S. Holder” is a beneficial owner of a Bond that, for U.S. federal income tax purposes, is (i) a citizen or resident (as defined in Section 7701(b) of the Code) of the United States, (ii) a corporation (or an entity treated as a corporation) created or organized in the United States or a political subdivision thereof, (iii) an estate the income of which is subject to U.S. federal income taxation regardless of source or (iv) a trust if a U.S. court is able to exercise primary supervision over the administration of the trust and one or more “United States persons” (within the meaning of Section 7701(a)(30) of the Code) have the authority to control all substantial decisions of the trust, or certain trusts which have a valid election in effect under applicable Treasury regulations to be treated as a United States person. Furthermore, a “Non-U.S. Holder” is a beneficial owner (other than a partnership or other entity or arrangement treated as a partnership for U.S. federal income tax purposes) of a Bond other than a U.S. Holder. If a partnership (or other entity or arrangement treated as a partnership for U.S. federal income tax purposes) holds our Bonds, the tax treatment of a partner will generally depend upon the status of the partner and the activities of the partnership. Partnerships holding our Bonds and partners in such partnerships should consult their tax advisors.

We have not sought a ruling from the IRS with respect to the U.S. federal income tax consequences of the purchase, ownership or disposition of a Bond. There can be no assurance that the IRS will not challenge one or more of the conclusions described in this prospectus supplement. Prospective purchasers of the Bonds are advised to consult their tax advisors regarding the U.S. federal, state, local and foreign income and other tax consequences of the purchase, ownership and disposition of the Bonds.

Effect of Certain Contingencies

In certain circumstances described under “Description of the Bonds—Redemption” we may be obligated to make payments on the Bonds in excess of stated interest and principal. These contingencies may implicate the

provisions of the Treasury regulations relating to contingent payment debt instruments. We intend to take the position that the possibility that any such payments will be made is remote and/or that such payments are incidental and therefore the Bonds should not be treated as contingent payment debt instruments because of these additional payments. Our determination that these contingencies are remote is binding on a holder, unless the holder explicitly discloses a contrary treatment in the manner that is required by applicable Treasury regulations. Our determination is not, however, binding on the IRS. It is possible that the IRS might take and sustain a different position from that described above, in which case the timing, character and amount of taxable income in respect of the Bonds may be different from that described herein. Prospective holders are urged to consult their own tax advisors regarding the potential application to the Bonds of the contingent payment debt instrument rules and the consequences thereof. The remainder of this discussion assumes that the Bonds are not treated as contingent payment debt instruments.

U.S. Federal Income Tax Consequences for U.S. Holders

Interest

Generally, payments of stated interest on a Bond will be includible in a U.S. Holder's gross income and taxable as ordinary income for U.S. federal income tax purposes at the time such interest is received or accrued in accordance with the U.S. Holder's regular method of tax accounting. It is expected, and therefore this discussion assumes, that the Bonds will be issued with no more than a *de minimis* amount of original issue discount for U.S. federal income tax purposes.

Sale, Exchange, Retirement or Other Taxable Disposition of the Bonds

Upon a sale, exchange, retirement or other taxable disposition of a Bond, a U.S. Holder generally will recognize gain or loss equal to the difference between (i) the amount realized from such sale, exchange, retirement or other taxable disposition (less an amount equal to any accrued but unpaid interest, which will be taxable as interest income to the extent not previously included in gross income), and (ii) the U.S. Holder's adjusted tax basis in the Bond. A U.S. Holder's tax basis in a Bond generally will be the amount paid for such Bond. Any such gain or loss recognized by a U.S. Holder generally will be capital gain or loss and will be long term capital gain or loss if the Bond is held for more than one year. Long term capital gains of certain non-corporate U.S. Holders may be eligible for preferential tax rates. The deductibility of capital losses is subject to limitations under the Code.

Information Reporting and Backup Withholding

In general, information reporting requirements may apply to payments on a Bond and to the proceeds of the sale or other disposition of the Bond, unless the U.S. Holder is an exempt recipient and, if requested, establishes its status as an exempt recipient. Additionally, backup withholding, currently at a rate of 24%, may apply to such payments if a U.S. Holder (i) fails to provide a taxpayer identification number ("TIN") certified under penalties of perjury, (ii) furnishes an incorrect TIN, (iii) fails to properly report the receipt of interest or dividends or (iv) fails to certify that the holder is not subject to backup withholding. A U.S. Holder who does not provide us with its correct TIN also may be subject to penalties imposed by the IRS.

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules will be allowed as a refund or a credit against a U.S. Holder's U.S. federal income tax liability provided the required information is timely furnished to the IRS.

U.S. Federal Income Tax Consequences for Non-U.S. Holders

Interest

Subject to the discussions below under “—Information Reporting and Backup Withholding” and “FATCA,” payments of interest on the Bonds to a Non-U.S. Holder generally will not be subject to U.S. federal income or withholding tax under the “portfolio interest exemption,” provided that:

- such interest is not effectively connected with such Non-U.S. Holder’s conduct of a trade or business within the United States;
- the Non-U.S. Holder does not actually or constructively own 10% or more of the total combined voting power of all classes of our stock entitled to vote;
- the Non-U.S. Holder is not a “controlled foreign corporation” with respect to which we are a “related person” within the meaning of the Code;
- the Non-U.S. Holder is not a bank for U.S. federal income tax purposes whose receipt of interest is described in Section 881(c)(3)(A) of the Code; and
- the beneficial owner of the Bonds provides a properly completed and executed IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable, (or successor form) certifying, under penalties of perjury, that it is not a United States person (within the meaning of Section 7701(a)(30) of the Code) and providing its name and address; or the Non-U.S. Holder holds the Bonds through certain foreign intermediaries and satisfies the certification requirements of applicable Treasury regulations.

For purposes of the discussion below, interest and gain on the sale, exchange, retirement or other disposition of the Bonds will be considered to be “U.S. trade or business income” if such income or gain is effectively connected with the conduct of a U.S. trade or business (and, if required by an applicable income tax treaty, attributable to a permanent establishment within the United States). Interest that is U.S. trade or business income generally will be taxed at regular graduated rates, in substantially the same manner as a U.S. Holder, but will be exempt from U.S. federal withholding tax as long as the Non-U.S. Holder provides us or another relevant withholding agent with the appropriate documentation (typically, a properly executed IRS Form W-8ECI (or applicable successor form)). In the case of a Non-U.S. Holder that is a corporation, such U.S. trade or business income also may be subject to a branch profits tax of 30% (subject to reduction or elimination under an applicable income tax treaty).

The gross amount of payments of interest that do not qualify for the portfolio interest exemption, and that are not U.S. trade or business income, generally will be subject to U.S. federal withholding tax at a rate of 30% unless a tax treaty applies to reduce or eliminate withholding. To claim the benefits of a tax treaty, a Non-U.S. Holder must provide a properly executed Form W-8BEN or Form W-8BEN-E (or applicable successor form). A Non-U.S. Holder claiming the benefits of a tax treaty may be required to obtain a U.S. taxpayer identification number and to provide certain documentary evidence issued by foreign governmental authorities to prove residence in the foreign country. Also, under Treasury regulations, special procedures are provided for payments through qualified intermediaries.

Sale, Exchange, Retirement or Other Taxable Disposition of the Bonds

Subject to the discussions below under “—Information Reporting and Backup Withholding” and “FATCA,” a Non-U.S. Holder generally will not be subject to U.S. federal income tax in respect of gain recognized on a sale, exchange, retirement or other taxable disposition of the Bonds (other than amounts attributable to accrued but unpaid interest, which will be treated in the manner described above under “—Non-U.S. Holders—Interest”) unless:

- the gain is U.S. trade or business income (as defined above), in which case the Non-U.S. Holder generally will be subject to U.S. federal income tax on such gain at regular graduated rates, in

substantially the same manner as a U.S. Holder (and a branch profits tax also may apply to a corporate Non-U.S. Holder); or

- the Non-U.S. Holder is an individual who is present in the United States for 183 days or more in the taxable year of the disposition and meets certain other requirements (unless an applicable income tax treaty provides otherwise), in which case the gain generally will be taxable at a flat 30% rate (or a lower tax treaty rate, if available), subject to offset by certain U.S.-source capital losses.

Information Reporting and Backup Withholding

Information returns will be filed annually with the IRS in connection with payments that we make on the Bonds. Copies of these information returns also may be made available under the provisions of a specific tax treaty or other agreement to the tax authorities of the country in which the Non-U.S. Holder resides. Unless the Non-U.S. Holder complies with certification procedures to establish that it is not a U.S. person (as defined in the Code), information returns may be filed with the IRS in connection with the proceeds from a sale or other taxable disposition of a Bond, and the Non-U.S. Holder may be subject to backup withholding tax (currently at a rate of 24%) on payments on the Bonds or on the proceeds from a sale or other taxable disposition of the Bonds. The certification procedures required to claim the exemption from withholding tax on interest described above generally will satisfy the certification requirements necessary to avoid the backup withholding tax as well.

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules will be refunded or credited against the Non-U.S. Holder's U.S. federal income tax liability, if any, provided the required information is timely furnished to the IRS.

FATCA

The Foreign Account Tax Compliance Act ("FATCA") generally imposes a U.S. federal withholding tax at a rate of 30% on interest payments on obligations that produce U.S. source income to certain foreign entities, including interest payments on the Bonds. Under current provisions of the Code, gross proceeds from a sale or other disposition of obligations that can produce U.S.-source interest, such as the Bonds, also can be subject to the FATCA withholding tax. Treasury regulations have been proposed, however, that would eliminate FATCA withholding tax on such gross proceeds. According to the preamble to such proposed Treasury regulations, taxpayers generally may rely on the proposed Treasury regulations until final Treasury regulations are issued (which regulations could be subject to change).

In the case of payments made to a foreign financial institution ("FFI"), whether as a beneficial owner or intermediary, FATCA withholding tax generally will be imposed, subject to certain exceptions, unless such institution enters into and complies with an agreement with the IRS to, among other things, collect and provide to the U.S. tax authorities certain information regarding U.S. account holders of such institution (which would include certain equity and debt holders of such institution, as well as certain account holders that are foreign entities with U.S. owners), or qualifies for an exemption from the FATCA rules. In the case of payments made to a foreign entity that is not a FFI, FATCA withholding tax generally will be imposed, subject to certain exceptions, unless such foreign entity provides the withholding agent with a certification that it does not have any substantial U.S. owner (generally, any specified U.S. person that directly or indirectly owns more than 10% of such entity) or that identifies its substantial U.S. owners or qualifies for an exemption from these rules and provides documentation (such as an IRS Form W-8BEN-E). We will not pay additional amounts to holders with respect to any amounts required to be withheld under FATCA. Prospective investors are encouraged to consult their own tax advisors regarding the implications of FATCA to their acquisition, ownership and disposition of the Bonds.

THE U.S. FEDERAL INCOME TAX DISCUSSION SET FORTH ABOVE IS PROVIDED AS GENERAL INFORMATION ONLY, IS LIMITED IN SCOPE AND DOES NOT PURPORT TO COVER ALL OF THE

U.S. FEDERAL INCOME TAX CONSIDERATIONS THAT MAY BE RELEVANT TO HOLDERS BASED ON THEIR PARTICULAR CIRCUMSTANCES. SUCH DISCUSSION IS NOT INTENDED TO CONSTITUTE LEGAL OR TAX ADVICE. PROSPECTIVE HOLDERS ARE URGED TO CONSULT THEIR OWN TAX ADVISORS WITH RESPECT TO THE TAX CONSEQUENCES TO THEM OF THE PURCHASE, OWNERSHIP AND DISPOSITION OF THE BONDS, INCLUDING THE TAX CONSEQUENCES UNDER STATE, LOCAL, FOREIGN AND OTHER TAX LAWS AND THE POSSIBLE EFFECTS OF CHANGES IN U.S. FEDERAL OR OTHER TAX LAWS.

UNDERWRITING (CONFLICTS OF INTEREST)

KU and the underwriters for the offering named below, for whom Goldman Sachs & Co. LLC, MUFG Securities Americas Inc., Truist Securities, Inc. and Wells Fargo Securities, LLC are acting as representatives, have entered into an underwriting agreement with respect to the Bonds. Subject to certain conditions, each underwriter has severally, but not jointly, agreed to purchase the principal amount of Bonds indicated in the following table:

<u>Underwriters</u>	<u>Principal Amount of Bonds</u>
Goldman Sachs & Co. LLC	\$ 80,000,000
MUFG Securities Americas Inc.	80,000,000
Truist Securities, Inc.	80,000,000
Wells Fargo Securities, LLC	80,000,000
BMO Capital Markets Corp.	20,000,000
BNY Mellon Capital Markets, LLC ..	20,000,000
TD Securities (USA) LLC	20,000,000
Academy Securities, Inc.	4,000,000
AmeriVet Securities, Inc.	4,000,000
MFR Securities, Inc.	4,000,000
Mischler Financial Group, Inc.	4,000,000
Siebert Williams Shank & Co., LLC	4,000,000
Total	<u><u>\$400,000,000</u></u>

The underwriters are committed to take and pay for all of the Bonds being offered, if any are taken. The offering of the Bonds by the underwriters is subject to receipt and acceptance and subject to the underwriters' right to reject any order in whole or in part.

The Bonds sold by the underwriters to the public will initially be offered at the price to the public set forth on the cover of this prospectus supplement. Any Bonds sold by the underwriters to securities dealers may be sold at a discount from the price to the public of up to 0.40% of the principal amount of the Bonds. Any such securities dealers may resell any Bonds purchased from the underwriters to certain other brokers or dealers at a discount from the price to the public of up to 0.25% of the principal amount of the Bonds. If all the Bonds are not sold at the price to the public, the underwriters may change the offering price and the other selling terms.

The Bonds are a new issue of securities with no established trading market. KU has been advised by the underwriters that the underwriters intend to make a market in the Bonds as permitted by applicable laws and regulations. The underwriters are not obligated, however, to do so and any such market making may be discontinued at any time without notice at the sole discretion of the underwriters. Accordingly, no assurance can be given as to the liquidity of, or trading markets for, the Bonds.

In connection with the offering, the underwriters may purchase and sell Bonds in the open market. These transactions may include short sales, stabilizing transactions and purchases to cover positions created by short sales. Short sales involve the sale by the underwriters of a greater number of Bonds than they are required to purchase in the offering. Stabilizing transactions consist of certain bids or purchases made for the purpose of preventing or retarding a decline in the market price of the Bonds while the offering is in progress.

The underwriters also may impose a penalty bid. This occurs when a particular underwriter repays to the underwriters a portion of the underwriting discount received by it because the representatives have repurchased Bonds sold by or for the account of such underwriter in stabilizing or short covering transactions.

These activities by the underwriters, as well as other purchases by the underwriters for their own accounts, may stabilize, maintain or otherwise affect the market price of the Bonds. As a result, the price of the Bonds may be higher than the price that otherwise might exist in the open market. If these activities are commenced, they may be discontinued by the underwriters at any time. These transactions may be effected in the over-the-counter market or otherwise.

It is expected that delivery of the Bonds of each series will be made on or about the day specified on the cover page of this prospectus supplement, which will be the seventh business day (T+7) following the date of this prospectus supplement. Under Rule 15c6-1 under the Exchange Act, trades in the secondary market generally are required to settle within two business days (T+2), unless the parties to any such trade expressly agree otherwise. Accordingly, the purchasers who wish to trade the Bonds on the date of this prospectus supplement or the next four succeeding business days will be required to specify an alternative settlement cycle at the time of any such trade to prevent a failed settlement. Purchasers of the Bonds who wish to trade the Bonds on the date of this prospectus supplement or the next four succeeding business days should consult their own advisors.

KU estimates that its share of the total expenses of the offering, excluding the underwriting discount, will be approximately \$1 million.

KU has agreed to indemnify the several underwriters against certain liabilities, including liabilities under the Securities Act of 1933, as amended.

The underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. Certain of the underwriters and their respective affiliates have provided, and may in the future provide, a variety of these services to KU and to persons and entities with relationships with KU, for which they received or will receive customary fees and expenses. In particular, certain of the underwriters or their affiliates are agents or lenders under the credit or other borrowing facilities of KU and its affiliates.

In the ordinary course of their various business activities, the underwriters and their respective affiliates, officers, directors and employees may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of KU (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with KU. If any of the underwriters or their affiliates have a lending relationship with us, certain of those underwriters or their affiliates routinely hedge, and certain other of those underwriters or their affiliates may hedge, their credit exposure to us consistent with their customary risk management policies. Typically, these underwriters and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in our securities, including potentially the Bonds offered hereby. Any such credit default swaps or short positions could adversely affect future trading prices of the Bonds offered hereby. The underwriters and their respective affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

Conflicts of Interest

Certain of the underwriters or their affiliates may hold a portion of the debt that we intend to repay using the net proceeds of this offering. In such event, it is possible that one or more of the underwriters or their affiliates could receive more than 5% of the net proceeds of the offering, and in that case, such underwriter would be

deemed to have a conflict of interest under FINRA Rule 5121 (Public Offering of Securities with Conflicts of Interest). In the event of any such conflict of interest, such underwriter would be required to conduct the distribution of the Bonds in accordance with FINRA Rule 5121. If the distribution is conducted in accordance with FINRA Rule 5121, such underwriter would not be permitted to confirm a sale to an account over which it exercises discretionary authority without first receiving specific written approval from the account holder.

Notice to Prospective Investors

This prospectus supplement does not constitute an offer to sell to, or a solicitation of an offer to buy from, anyone in any country or jurisdiction (i) in which such an offer or solicitation is not authorized, (ii) in which any person making such offer or solicitation is not qualified to do so or (iii) in which any such offer or solicitation would otherwise be unlawful. No action has been taken that would, or is intended to, permit a public offer of the Bonds or possession or distribution of this prospectus or any other offering or publicity material relating to the Bonds in any country or jurisdiction (other than the United States) where any such action for that purpose is required.

Canada

The Bonds may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 *Prospectus Exemptions* or subsection 73.3(1) of the *Securities Act* (Ontario), and are permitted clients, as defined in National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*. Any resale of the Bonds must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this prospectus supplement or the accompanying prospectus (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 of National Instrument 33-105 *Underwriting Conflicts* ("NI 33-105"), the underwriters are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

European Economic Area

The Bonds are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (the "EEA"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "MiFID II"); or (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the "Insurance Distribution Directive"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (as amended, the "Prospectus Regulation"). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "PRIIPs Regulation") for offering or selling the Bonds or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Bonds or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

This prospectus supplement and the accompanying prospectus have been prepared on the basis that any offer of the Bonds in any member state of the EEA will be made pursuant to an exemption under the Prospectus Regulation from the requirement to publish a prospectus for offers of the Bonds. This prospectus supplement and the accompanying prospectus are not a prospectus for the purposes of the Prospectus Regulation.

Hong Kong

The contents of this prospectus supplement and the accompanying prospectus have not been reviewed or approved by any regulatory authority in Hong Kong. The Bonds may not be offered or sold in Hong Kong by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32, Laws of Hong Kong), or (ii) to “professional investors” within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder, or (iii) in other circumstances which do not result in the document being a “prospectus” within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32, Laws of Hong Kong), and no advertisement, invitation or document relating to the Bonds may be issued or has been or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Bonds which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder.

Japan

The Bonds have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948, as amended) (the Financial Instruments and Exchange Law) and the Bonds have not been offered or sold and will not be offered or sold, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Law and any other applicable laws, regulations and ministerial guidelines of Japan.

Singapore

This prospectus supplement and the accompanying prospectus have not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this prospectus supplement, the accompanying prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Bonds may not be circulated or distributed, nor may the Bonds be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the “SFA”), (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions, specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Bonds are subscribed or purchased under Section 275 of the SFA by a relevant person which is: (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor, securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries’ rights and interest (howsoever described) in that trust shall not be transferable for six months after that corporation or that trust has acquired the Bonds pursuant to an offer made under Section 275 of the SFA except: (1) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA, (2) where no consideration is given for the transfer, (3) where the transfer is by operation of law, (4) as specified in Section 276(7) of the SFA; or (5) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018 of Singapore.

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Singapore Securities and Futures Act Product Classification—Solely for the purposes of its obligations pursuant to sections 309B(1)(a) and 309B(1)(c) of the Securities and Futures Act (Chapter 289 of Singapore) (the “SFA”), the issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A of the SFA) that the Bonds are “prescribed capital markets products” (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

Switzerland

This prospectus supplement and the accompanying prospectus are not intended to constitute an offer or solicitation to purchase or invest in the Bonds. The Bonds may not be publicly offered, directly or indirectly, in Switzerland within the meaning of the Swiss Financial Services Act (“FinSA”) and no application has or will be made to admit the Bonds to trading on any trading venue (exchange or multilateral trading facility) in Switzerland. Neither this prospectus supplement, the accompanying prospectus nor any other offering or marketing material relating to the Bonds constitutes a prospectus pursuant to the FinSA, and neither this prospectus supplement, the accompanying prospectus nor any other offering or marketing material relating to the Bonds may be publicly distributed or otherwise made publicly available in Switzerland.

Taiwan

The Bonds have not been and will not be registered with the Financial Supervisory Commission of Taiwan, the Republic of China (“Taiwan”), pursuant to relevant securities laws and regulations and may not be offered or sold in Taiwan through a public offering or in any manner which would constitute an offer within the meaning of the Securities and Exchange Act of Taiwan or would otherwise require registration with or the approval of the Financial Supervisory Commission of Taiwan. No person or entity in Taiwan has been authorized to offer, sell, give advice regarding or otherwise intermediate the offering or sale of the Bonds in Taiwan.

United Arab Emirates

The Bonds have not been, and are not being, publicly offered, sold, promoted or advertised in the United Arab Emirates (including the Dubai International Financial Centre) other than in compliance with the laws of the United Arab Emirates (and the Dubai International Financial Centre) governing the issue, offering and sale of securities. Further, this prospectus supplement and the accompanying prospectus do not constitute a public offer of securities in the United Arab Emirates (including the Dubai International Financial Centre) and are not intended to be a public offer. This prospectus supplement and the accompanying prospectus have not been approved by or filed with the Central Bank of the United Arab Emirates, the Securities and Commodities Authority or the Dubai Financial Services Authority.

United Kingdom

The Bonds are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (“UK”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (“EUWA”); (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (as amended, the “FSMA”) and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA. Consequently, no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the “UK PRIIPs Regulation”) for offering or selling the Bonds or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Bonds or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

VALIDITY OF THE BONDS

Bracewell LLP, New York, New York, and John P. Fendig, Esq., Corporate Secretary of KU and Senior Counsel of PPL Services Corporation will pass upon the validity of the Bonds for KU. Hunton Andrews Kurth LLP, New York, New York, will pass upon the validity of the Bonds for the underwriters. However, all matters pertaining to the organization of KU and KU's title to its property and the liens of the Mortgage upon KU's properties will be passed upon only by Mr. Fendig and Stoll Keenon Ogden PLLC, Louisville, Kentucky. As to matters involving the law of the Commonwealths of Kentucky and Virginia, Bracewell LLP and Hunton Andrews Kurth LLP will rely on the opinion of Mr. Fendig and Stoll Keenon Ogden PLLC, Louisville, Kentucky. Hunton Andrews Kurth LLP acts and, in the past has acted, as counsel to KU and its affiliates in connection with various matters.

PROSPECTUS

PPL Corporation
PPL Capital Funding, Inc.
PPL Electric Utilities Corporation
Two North Ninth Street
Allentown, Pennsylvania 18101-1179
(610) 774-5151

Louisville Gas and Electric Company
220 West Main Street
Louisville, Kentucky 40202
(502) 627-2000

Kentucky Utilities Company
One Quality Street
Lexington, Kentucky 40507
(502) 627-2000

PPL Corporation
Common Stock, Preferred Stock,
Stock Purchase Contracts, Stock Purchase Units and Depositary Shares

PPL Capital Funding, Inc.
Debt Securities and Subordinated Debt Securities
Guaranteed by PPL Corporation as described in a supplement to this prospectus

PPL Electric Utilities Corporation
Debt Securities

Louisville Gas and Electric Company
Debt Securities

Kentucky Utilities Company
Debt Securities

We will provide the specific terms of these securities in supplements to this prospectus. You should read this prospectus and the supplements carefully before you invest.

We may offer the securities directly or through underwriters or agents. The applicable prospectus supplement will describe the terms of any particular plan of distribution.

Investing in the securities involves certain risks. See “Risk Factors” on page 2.

PPL Corporation’s common stock is listed on the New York Stock Exchange and trades under the symbol “PPL.”

These securities have not been approved or disapproved by the Securities and Exchange Commission or any state securities commission, nor has the Securities and Exchange Commission or any state securities commission determined that this prospectus is accurate or complete. Any representation to the contrary is a criminal offense.

The date of this prospectus is February 19, 2021.

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ABOUT THIS PROSPECTUS

This prospectus is part of a registration statement that PPL Corporation, PPL Capital Funding, Inc. (“PPL Capital Funding”), PPL Electric Utilities Corporation (“PPL Electric”), Louisville Gas and Electric Company (“LG&E”) and Kentucky Utilities Company (“KU”) have each filed with the Securities and Exchange Commission, or SEC, using the “shelf” registration process. Under this shelf process, we may, from time to time, sell combinations of the securities described in this prospectus in one or more offerings. Each time we sell securities, we will provide a prospectus supplement that will contain a description of the securities we will offer and specific information about the terms of that offering. The prospectus supplement may also add, update or change information contained in this prospectus. You should read both this prospectus and any prospectus supplement together with additional information described under “Where You Can Find More Information.”

We may use this prospectus to offer from time to time:

- shares of PPL Corporation Common Stock, par value \$.01 per share (“PPL Common Stock”);
- shares of PPL Corporation Preferred Stock, par value \$.01 per share (“PPL Preferred Stock”);
- contracts or other rights to purchase shares of PPL Common Stock or PPL Preferred Stock (“PPL Stock Purchase Contracts”);
- stock purchase units, each representing (1) a PPL Stock Purchase Contract and (2) PPL Preferred Stock or debt securities or preferred trust securities of third parties (such as debt securities or subordinated debt securities of PPL Capital Funding, preferred trust securities of a subsidiary trust or United States Treasury securities) that are pledged to secure the stock purchase unit holders’ obligations to purchase PPL Common Stock or PPL Preferred Stock under the PPL Stock Purchase Contracts (“PPL Stock Purchase Units”);
- PPL Corporation’s Depositary Shares, issued under a deposit agreement and representing a fractional interest in PPL Preferred Stock;
- PPL Capital Funding’s unsecured and unsubordinated debt securities (“PPL Capital Funding Debt Securities”);
- PPL Capital Funding’s unsecured and subordinated debt securities (“PPL Capital Funding Subordinated Debt Securities”);
- PPL Electric’s First Mortgage Bonds issued under PPL Electric’s 2001 indenture, as amended and supplemented (“PPL Electric First Mortgage Bonds”), which will be secured by the lien of the 2001 indenture on PPL Electric’s electricity distribution and certain transmission properties (subject to certain exceptions to be described in a prospectus supplement);
- LG&E’s First Mortgage Bonds issued under LG&E’s 2010 indenture, as amended and supplemented (“LG&E First Mortgage Bonds”), which will be secured by the lien of the 2010 indenture on LG&E’s Kentucky electricity generation, transmission and distribution properties and natural gas distribution properties (subject to certain exceptions to be described in a prospectus supplement); and
- KU’s First Mortgage Bonds issued under KU’s 2010 indenture, as amended and supplemented (“KU First Mortgage Bonds”), which will be secured by the lien of the 2010 indenture on KU’s Kentucky electricity generation, transmission and distribution properties (subject to certain exceptions to be described in a prospectus supplement).

We sometimes refer to the securities listed above collectively as the “Securities.”

PPL Corporation will fully and unconditionally guarantee the payment of principal, premium and interest on the PPL Capital Funding Debt Securities and PPL Capital Funding Subordinated Debt Securities as will be described in supplements to this prospectus. We sometimes refer to PPL Corporation’s guarantees of PPL Capital

Funding Debt Securities as “PPL Guarantees” and PPL Corporation’s guarantees of PPL Capital Funding Subordinated Debt Securities as the “PPL Subordinated Guarantees.” **Burgos**

Information contained herein relating to each registrant is filed separately by such registrant on its own behalf. No registrant makes any representation as to information relating to any other registrant or Securities or guarantees issued by any other registrant, except that information relating to PPL Capital Funding’s Securities is also attributed to PPL Corporation.

As used in this prospectus, the terms “we,” “our” and “us” generally refer to:

- PPL Corporation with respect to Securities, PPL Guarantees or PPL Subordinated Guarantees issued by PPL Corporation or PPL Capital Funding;
- PPL Electric, with respect to Securities issued by PPL Electric;
- LG&E, with respect to Securities issued by LG&E; and
- KU, with respect to Securities issued by KU.

For more detailed information about the Securities, the PPL Guarantees and the PPL Subordinated Guarantees, you can read the exhibits to the registration statement. Those exhibits have been either filed with the registration statement or incorporated by reference to earlier SEC filings listed in the registration statement.

RISK FACTORS

Investing in the Securities involves certain risks. You are urged to read and consider the risk factors relating to an investment in the Securities described in the Annual Reports on Form 10-K of PPL Corporation, PPL Electric, LG&E and KU, as applicable, for the year ended December 31, 2020, and incorporated by reference in this prospectus. Before making an investment decision, you should carefully consider these risks as well as other information we include or incorporate by reference in this prospectus. The risks and uncertainties we have described are not the only ones affecting PPL Corporation, PPL Electric, LG&E and KU. The prospectus supplement applicable to each type or series of Securities we offer may contain a discussion of additional risks applicable to an investment in us and the particular type of Securities we are offering under that prospectus supplement.

FORWARD-LOOKING INFORMATION

Certain statements included or incorporated by reference in this prospectus, including statements concerning expectations, beliefs, plans, objectives, goals, strategies, future events or performance and underlying assumptions and other statements that are other than statements of historical fact are “forward-looking statements” within the meaning of the federal securities laws. Although we believe that the expectations and assumptions reflected in these statements are reasonable, there can be no assurance that these expectations will prove to be correct. Forward-looking statements are subject to many risks and uncertainties, and actual results may differ materially from the results discussed in forward-looking statements. In addition to the specific factors discussed in the “Risk Factors” section in this prospectus and our reports that are incorporated by reference, the following are among the important factors that could cause actual results to differ materially and adversely from the forward-looking statements:

- the COVID-19 pandemic and its impact on economic conditions and financial markets;
- other pandemic health events or other catastrophic events such as fires, earthquakes, explosions, floods, droughts, tornadoes, hurricanes and other storms;

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- strategic acquisitions, dispositions, or similar transactions, including the potential sale of our U.K. utility business, and our ability to consummate these business transactions or realize expected benefits from them;
- the outcome of rate cases or other cost recovery or revenue proceedings;
- changes in U.S. state or federal or U.K. tax laws or regulations;
- the direct or indirect effects on PPL or its subsidiaries or business systems of cyber-based intrusion or the threat of cyberattacks;
- significant decreases in demand for electricity in the U.S.;
- expansion of alternative and distributed sources of electricity generation and storage;
- changes in foreign currency exchange rates for British pound sterling and the related impact on unrealized gains and losses on PPL's foreign currency economic hedges;
- the effectiveness of our risk management programs, including foreign currency and interest rate hedging;
- non-achievement by PPL WPD Limited and its subsidiaries ("WPD") of performance targets set by the Office of Gas and Electricity Markets;
- the effect of changes in the retail price index on WPD's revenues and index linked debt;
- developments related to the U.K.'s withdrawal from the European Union and any responses thereto;
- defaults by counterparties or suppliers for energy, capacity, coal, natural gas or key commodities, goods or services;
- capital market conditions, including the availability of capital or credit, changes in interest rates and certain economic indices, and decisions regarding capital structure;
- a material decline in the market value of PPL's equity;
- significant decreases in the fair value of debt and equity securities and their impact on the value of assets in defined benefit plans, and the potential cash funding requirements if fair value declines;
- interest rates and their effect on pension and retiree medical liabilities, asset retirement obligation liabilities and interest payable on certain debt securities;
- volatility in or the impact of other changes in financial markets and economic conditions;
- the potential impact of any unrecorded commitments and liabilities of PPL and its subsidiaries;
- new accounting requirements or new interpretations or applications of existing requirements;
- changes in the corporate credit ratings or securities analyst rankings of PPL and its securities;
- any requirement to record impairment charges pursuant to GAAP with respect to any of our significant investments;
- laws or regulations to reduce emissions of greenhouse gases or the physical effects of climate change;
- continuing ability to access fuel supply for LG&E and KU, as well as the ability to recover fuel costs and environmental expenditures in a timely manner at LG&E and KU and natural gas supply costs at LG&E;
- weather and other conditions affecting generation, transmission and distribution operations, operating costs and customer energy use;
- war, armed conflicts, terrorist attacks, or similar disruptive events;

- changes in political, regulatory or economic conditions in states, regions or countries where PPL or its subsidiaries conduct business;
- receipt of necessary governmental permits and approvals;
- new state, federal or foreign legislation or regulatory developments;
- the impact of any state, federal or foreign investigations applicable to PPL and its subsidiaries and the energy industry;
- our ability to attract and retain qualified employees;
- the effect of any business or industry restructuring;
- development of new projects, markets and technologies;
- performance of new ventures;
- collective labor bargaining negotiations; and
- the outcome of litigation involving PPL and its subsidiaries.

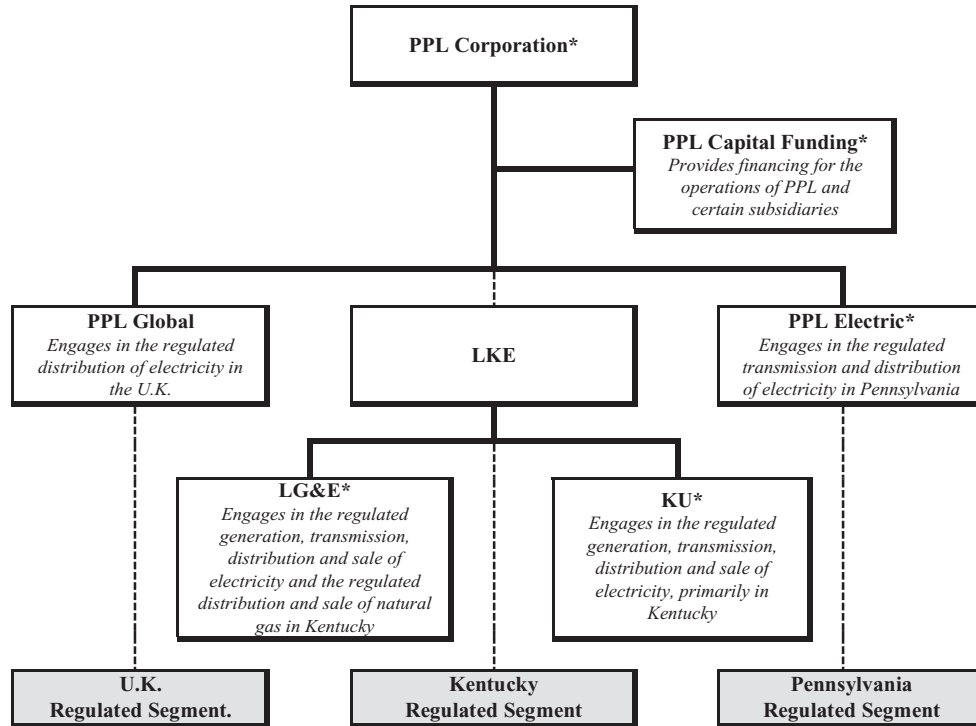
Any such forward-looking statements should be considered in light of these important factors and in conjunction with other documents we file with the SEC.

New factors that could cause actual results to differ materially from those described in forward-looking statements emerge from time to time, and it is not possible for us to predict all such factors, or the extent to which any such factor or combination of factors may cause actual results to differ from those contained in any forward-looking statement. Any forward-looking statement speaks only as of the date on which such statement is made and, we undertake no obligation to update the information contained in the statement to reflect subsequent developments or information.

PPL CORPORATION

PPL Corporation, incorporated in 1994 and headquartered in Allentown, Pennsylvania, is a utility holding company. PPL Corporation, through its regulated utility subsidiaries, delivers electricity to customers in the United Kingdom, Pennsylvania, Kentucky and Virginia; delivers natural gas to customers in Kentucky; and generates electricity from power plants in Kentucky.

PPL Corporation's principal subsidiaries are shown below (* denotes a registrant hereunder):



PPL Corporation conducts its operations through the following segments:

U.K. Regulated

The U.K. Regulated segment consists of PPL Global, LLC, which primarily includes WPD's regulated electricity distribution operations, the results of hedging the translation of WPD's earnings from British pound sterling into U.S. dollars, and certain costs, such as U.S. income taxes, administrative costs and acquisition-related financing costs. Through its subsidiaries, as of December 31, 2020, PPL Global, LLC delivered electricity to approximately 8.0 million end-users in the United Kingdom. PPL Global, LLC is a wholly owned, indirect subsidiary of PPL Corporation.

Kentucky Regulated

The Kentucky Regulated segment consists primarily of LG&E and KU Energy LLC's ("LKE") regulated electricity generation, transmission and distribution operations conducted by LG&E and KU, as well as LG&E's regulated distribution and sale of natural gas. As of December 31, 2020, LG&E provided electric service to approximately 425,000 customers and provided natural gas service to approximately 332,000 customers in Kentucky, and KU delivered electricity to approximately 564,000 customers in Kentucky and Virginia. See "Louisville Gas and Electric Company" and "Kentucky Utilities Company," respectively, for more information.

Pennsylvania Regulated

The Pennsylvania Regulated segment includes the regulated electricity transmission and distribution operations of PPL Electric. As of December 31, 2020, PPL Electric delivered electricity to approximately 1.4 million customers in eastern and central Pennsylvania. See “PPL Electric Utilities Corporation” below for more information.

PPL Corporation’s subsidiaries, including PPL Electric, LKE, LG&E and KU, are separate legal entities and are not liable for the debts of PPL Corporation, and PPL Corporation is not liable for the debts of its subsidiaries (other than under the PPL Guarantees of PPL Capital Funding Debt Securities and PPL Subordinated Guarantees of PPL Capital Funding Subordinated Debt Securities). None of PPL Electric, LKE, LG&E or KU will guarantee or provide other credit or funding support for the Securities to be offered by PPL Corporation pursuant to this prospectus.

PPL CAPITAL FUNDING, INC.

PPL Capital Funding is a Delaware corporation and wholly owned subsidiary of PPL Corporation. PPL Capital Funding’s primary business is to provide PPL Corporation with financing for its operations. PPL Corporation will fully and unconditionally guarantee the payment of principal, premium and interest on the PPL Capital Funding Debt Securities pursuant to the PPL Guarantees and the PPL Capital Funding Subordinated Debt Securities pursuant to the PPL Subordinated Guarantees, as will be described in supplements to this prospectus.

PPL ELECTRIC UTILITIES CORPORATION

PPL Electric, headquartered in Allentown, Pennsylvania, is a wholly owned subsidiary of PPL Corporation, incorporated in Pennsylvania in 1920 and a regulated public utility that is an electricity transmission and distribution service provider in eastern and central Pennsylvania. As of December 31, 2020, PPL Electric delivered electricity to approximately 1.4 million customers in a 10,000 square mile territory in 29 counties of eastern and central Pennsylvania. PPL Electric also provides electricity supply to retail customers in this area as a provider of last resort under the Pennsylvania Electricity Generation Customer Choice and Competition Act.

PPL Electric is subject to regulation as a public utility by the Pennsylvania Public Utility Commission, and certain of its transmission activities are subject to the jurisdiction of the Federal Energy Regulatory Commission (“FERC”) under the Federal Power Act.

Neither PPL Corporation nor any of its subsidiaries or affiliates will guarantee or provide other credit or funding support for the Securities to be offered by PPL Electric pursuant to this prospectus.

LOUISVILLE GAS AND ELECTRIC COMPANY

LG&E, headquartered in Louisville, Kentucky, is a wholly owned subsidiary of LKE and a regulated utility engaged in the generation, transmission, distribution and sale of electricity and distribution and sale of natural gas in Kentucky.

As of December 31, 2020, LG&E provided electric service to approximately 425,000 customers in Louisville and adjacent areas in Kentucky, covering approximately 700 square miles in nine counties and provided natural gas service to approximately 332,000 customers in its electric service area and eight additional counties in Kentucky.

LG&E is subject to regulation as a public utility by the Kentucky Public Service Commission ("KPSC") and certain of its transmission activities are subject to the jurisdiction of the FERC under the Federal Power Act. LG&E was incorporated in 1913.

Neither PPL Corporation nor any of its subsidiaries or affiliates will guarantee or provide other credit or funding support for the Securities to be offered by LG&E pursuant to this prospectus.

KENTUCKY UTILITIES COMPANY

KU, headquartered in Lexington, Kentucky, is a wholly owned subsidiary of LKE and a regulated utility engaged in the generation, transmission, distribution and sale of electricity in Kentucky and Virginia.

As of December 31, 2020, KU provided electric service to approximately 536,000 customers in 77 counties in central, southeastern and western Kentucky, approximately 28,000 customers in five counties in southwestern Virginia, covering approximately 4,800 non-contiguous square miles. As of December 31, 2020, KU also sold wholesale electricity to two municipalities in Kentucky under load following contracts. In Virginia, KU operates under the Old Dominion Power name.

KU is subject to regulation as a public utility by the KPSC and the Virginia State Corporation Commission, and certain of its transmission and wholesale power activities are subject to the jurisdiction of the FERC under the Federal Power Act. KU was incorporated in Kentucky in 1912 and in Virginia in 1991.

Neither PPL Corporation nor any of its subsidiaries or affiliates will guarantee or provide other credit or funding support for the Securities to be offered by KU pursuant to this prospectus.

The offices of PPL Corporation, PPL Capital Funding and PPL Electric are located at Two North Ninth Street, Allentown, Pennsylvania 18101-1179 (Telephone number (610) 774-5151).

The offices of LG&E are located at 220 West Main Street, Louisville, Kentucky 40202 (Telephone number (502) 627-2000).

The offices of KU are located at One Quality Street, Lexington, Kentucky 40507 (Telephone number (502) 627-2000).

The information above concerning PPL Corporation, PPL Capital Funding, PPL Electric, LG&E and KU and, if applicable, their respective subsidiaries is only a summary and does not purport to be comprehensive. For additional information about these companies, including certain assumptions, risks and uncertainties involved in the forward-looking statements contained or incorporated by reference in this prospectus, you should refer to the information described in "Where You Can Find More Information."

USE OF PROCEEDS

Except as otherwise described in a prospectus supplement, the net proceeds from the sale of the PPL Capital Funding Debt Securities and the PPL Capital Funding Subordinated Debt Securities will be loaned to PPL Corporation and/or its subsidiaries, and PPL Corporation and/or its subsidiaries are expected to use the proceeds of such loans, and the proceeds of the other Securities issued by PPL Corporation, for general corporate purposes, including repayment of debt. Except as otherwise described in a prospectus supplement, each of PPL Electric, LG&E and KU is expected to use the proceeds of the Securities it issues for general corporate purposes, including repayment of debt and for capital expenditures.

WHERE YOU CAN FIND MORE INFORMATION

Available Information

PPL Corporation, PPL Electric, LG&E and KU each file reports and other information with the SEC. The SEC maintains an Internet site that contains information PPL Corporation, PPL Electric, LG&E and KU have filed electronically with the SEC, which you can access over the Internet at <http://www.sec.gov>.

PPL Corporation's Internet Web site is www.pplweb.com. Under the "Investors" heading of that website, PPL Corporation provides access to all SEC filings of PPL Corporation, PPL Electric, LG&E and KU free of charge, as soon as reasonably practicable after filing with the SEC. The information at PPL Corporation's Internet Web site is not incorporated in this prospectus by reference, and you should not consider it a part of this prospectus.

In addition, reports, proxy statements and other information concerning PPL Corporation and PPL Electric, as applicable, can be inspected at their offices at Two North Ninth Street, Allentown, Pennsylvania 18101-1179; reports and other information concerning LG&E can be inspected at its offices at 220 West Main Street, Louisville, Kentucky 40202, and reports and other information concerning KU can be inspected at its office at One Quality Street, Lexington, Kentucky 40507.

Incorporation by Reference

Each of PPL Corporation, PPL Electric, LG&E and KU will "incorporate by reference" information into this prospectus by disclosing important information to you by referring you to another document that it files separately with the SEC. The information incorporated by reference is deemed to be part of this prospectus, and later information that we file with the SEC will automatically update and supersede that information. This prospectus incorporates by reference the documents set forth below that have been previously filed with the SEC. These documents contain important information about the registrants.

PPL Corporation

SEC Filings (File No. 1-11459)

Annual Report on Form 10-K
PPL Corporation's 2020 Notice of Annual Meeting and Proxy Statement (portions thereof incorporated by reference into PPL Corporation's Annual Report on Form 10-K for the year ended December 31, 2019)

Current Reports on Form 8-K

Period/Date

Year ended December 31, 2020
Filed on April 2, 2020

Filed on January 25, 2021

PPL Electric

SEC Filings (File No. 1-905)

Annual Report on Form 10-K

Period/Date

Year ended December 31, 2020

LG&E

SEC Filings (File No. 1-2893)

Annual Report on Form 10-K

Period/Date

Year ended December 31, 2020

KU

SEC Filings (File No. 1-3464)

Period/Date

Annual Report on Form 10-K

Year ended December 31, 2020

Additional documents that PPL Corporation, PPL Electric, LG&E and KU file with the SEC pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act, between the date of this prospectus and the termination of the offering of the Securities are also incorporated herein by reference. In addition, any additional documents that PPL Corporation, PPL Electric, LG&E or KU file with the SEC pursuant to these sections of the Exchange Act after the date of the filing of the registration statement containing this prospectus, and prior to the effectiveness of the registration statement, are also incorporated herein by reference. Unless specifically stated to the contrary, none of the information that PPL Corporation, PPL Electric, LG&E or KU files or discloses under Items 2.02 or 7.01 of any Current Report on Form 8-K that have been furnished or may from time to time be furnished with the SEC is or will be incorporated by reference into, or otherwise included in, this prospectus.

Each of PPL Corporation, PPL Electric, LG&E and KU will provide without charge to each person, including any beneficial owner, to whom a copy of this prospectus has been delivered, a copy of any and all of its filings with the SEC. You may request a copy of these filings by writing or telephoning the appropriate registrant at:

For PPL Corporation and PPL Electric:

Two North Ninth Street
Allentown, Pennsylvania 18101-1179
Attention: Treasurer
Telephone: 1-800-345-3085

For LG&E:

220 West Main Street
Louisville, Kentucky 40202
Attention: Treasurer
Telephone: 1-800-345-3085

For KU:

One Quality Street
Lexington, Kentucky 40507
Attention: Treasurer
Telephone: 1-800-345-3085

No separate financial statements of PPL Capital Funding are included herein or incorporated herein by reference. PPL Corporation and PPL Capital Funding do not consider those financial statements to be material to holders of the PPL Capital Funding Debt Securities or PPL Capital Funding Subordinated Debt Securities because (1) PPL Capital Funding is a wholly owned subsidiary that was formed for the primary purpose of providing financing for PPL Corporation and its subsidiaries, (2) PPL Capital Funding does not currently engage in any independent operations and (3) PPL Capital Funding is a finance subsidiary and does not currently plan to engage, in the future, in more than minimal independent operations. See "PPL Capital Funding." Accordingly, PPL Corporation and PPL Capital Funding do not expect PPL Capital Funding to file such reports.

EXPERTS

The consolidated financial statements of PPL Corporation and PPL Electric Utilities Corporation and the financial statements of Louisville Gas and Electric Company and Kentucky Utilities Company incorporated by

reference to the Annual Reports on Form 10-K for the year ended December 31, 2020, and the effectiveness of PPL Corporation's internal control over financial reporting have been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in their reports, which are incorporated herein by reference. Such financial statements have been so incorporated in reliance upon the reports of such firm given upon their authority as experts in accounting and auditing.

VALIDITY OF THE SECURITIES AND THE PPL GUARANTEES

Bracewell LLP, New York, New York or Davis Polk & Wardwell LLP, New York, New York, and W. Eric Marr, Esq., Senior Counsel of PPL Services Corporation will pass upon the validity of the Securities, the PPL Guarantees and the PPL Subordinated Guarantees for PPL Corporation, PPL Capital Funding and PPL Electric. Bracewell LLP and John P. Fendig, Esq., Senior Corporate Attorney of LG&E and KU Energy LLC will pass upon the validity of any LG&E and KU Securities for those issuers. Hunton Andrews Kurth LLP, New York, New York will pass upon the validity of the Securities, the PPL Guarantees and the PPL Subordinated Guarantees for any underwriters or agents. Bracewell LLP, Davis Polk & Wardwell LLP and Hunton Andrews Kurth LLP will rely on the opinion of Mr. Marr as to matters involving the law of the Commonwealth of Pennsylvania and on the opinion of Mr. Fendig as to matters involving the laws of the Commonwealths of Kentucky and Virginia.

NEW ISSUE**BOOK-ENTRY ONLY**

Page 1 of 50

Subject to the conditions and exceptions set forth under the heading "Tax Treatment" in this Official Statement, Dinsmore & Shohl LLP, as Bond Counsel, is of the opinion that, under current law, interest on the Bonds offered hereby (a) is not included in gross income for federal income tax purposes, except when held by a "substantial user" of the Project or a "related person" within the meaning of Section 147(a) of the Internal Revenue Code of 1986, as amended (the "Code"), and (b) is an item of tax preference for purposes of the federal alternative minimum income tax imposed on individuals. Bond Counsel is further of the opinion that interest on the Bonds will be excludable from the gross income of the recipients thereof for Kentucky income tax purposes and that the principal of the Bonds will be exempt from ad valorem taxes in Kentucky. Issuance of the Bonds is subject to receipt of a favorable tax opinion of Bond Counsel as of the date of delivery of the Bonds. See "Tax Treatment" herein.

\$60,000,000

COUNTY OF TRIMBLE, KENTUCKY
Environmental Facilities Revenue Bonds,
2023 Series A, Due June 1, 2054
(Kentucky Utilities Company Project)
(AMT)

Dated: Date of original delivery
Long Term Rate Period: 3 years
Interest Payment Dates: June 1 and December 1
CUSIP: 896221 AE8 *

Due: June 1, 2054
Mandatory Purchase Date: June 1, 2027
Interest Rate: 4.70%

The County of Trimble, Kentucky, Environmental Facilities Revenue Bonds, 2023 Series A (Kentucky Utilities Company Project) (the "Bonds") will be special and limited obligations of the County of Trimble, Kentucky (the "Issuer"), payable by the Issuer solely from and secured by payments to be received by the Issuer pursuant to a Loan Agreement with Kentucky Utilities Company (the "Company"), except as payable from proceeds of such Bonds or investment earnings thereon. The Bonds will not constitute general obligations of the Issuer or a charge against the general credit or taxing powers thereof or of the Commonwealth of Kentucky or any other political subdivision of Kentucky.

Principal of, and interest on, the Bonds are further secured by the delivery to U.S. Bank Trust Company, National Association, as Trustee, of First Mortgage Bonds of

KENTUCKY UTILITIES COMPANY

From and after the date of the issuance and delivery of the Bonds, the Bonds will bear interest at the Long Term Rate of 4.70% per annum from the date of issuance to and including May 31, 2027, and will be subject to mandatory purchase following the initial Long Term Period on June 1, 2027. Interest on the Bonds will be payable on each June 1 and December 1, commencing June 1, 2024. The interest rate period, interest rate and interest rate mode will be subject to change under certain conditions, as described in this Official Statement. The Bonds will not be subject to optional redemption prior to 90 days before the Mandatory Purchase Date, but will be subject to extraordinary optional redemption and mandatory redemption following a determination of taxability prior to maturity, as described in this Official Statement.

PRICE: 100%

The Bonds, when issued, will be registered in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository. Purchases of beneficial ownership interests in the Bonds will be made in book-entry-only form in denominations of \$5,000 and multiples thereof. Purchasers will not receive certificates representing their beneficial interests in the Bonds. See the information contained under the heading "Summary of the Bonds — Book-Entry-Only System" in this Official Statement. The principal or redemption price of and interest on the Bonds will be paid by U.S. Bank Trust Company, National Association, as Trustee, to Cede & Co., as long as Cede & Co. is the registered owner of the Bonds. Disbursement of such payments to the DTC Participants is the responsibility of DTC, and disbursement of such payments to the purchasers of beneficial ownership interests is the responsibility of DTC's Direct and Indirect Participants, as more fully described herein.

The Bonds are offered when, as and if issued and received by the Underwriters, subject to prior sale, withdrawal or modification of the offer without notice, and to the approval of legality by Dinsmore & Shohl LLP, Louisville, Kentucky, as Bond Counsel and upon satisfaction of certain conditions. Certain legal matters will be passed upon for the Company by its counsel, Husch Blackwell LLP, Chicago, Illinois and John P. Fendig, Senior Counsel for the Company, for the Issuer by its County Attorney, and for the Underwriters by their counsel, McGuireWoods LLP, Chicago, Illinois. It is expected that the Bonds will be available for delivery to DTC in New York, New York on or about December 6, 2023.

BofA Securities**Barclays****PNC Capital Markets LLC****Truist Securities****Loop Capital Markets**

November 21, 2023

* Copyright and Registered Trademark, American Bankers Association ("ABA"). CUSIP data herein is provided by CUSIP Global Services, operated on behalf of the ABA by S&P Global Market Intelligence, a division of S&P Global Inc. This data is not intended to create a database and does not serve in any way as a substitute for CUSIP Global Services. CUSIP number is provided for convenience of reference only. CUSIP numbers assigned to securities may change during the term of such securities based upon a number of factors. None of the Issuer, the Company or the Underwriters takes any responsibility for the accuracy or currentness of any CUSIP number.

The Bonds are exempt from registration under the Securities Act of 1933, as amended.

No dealer, broker, salesman or other person has been authorized by the Issuer, the Company or the Underwriters to give any information or to make any representation with respect to the Bonds, other than those contained in this Official Statement, and, if given or made, such other information or representation must not be relied upon as having been authorized by any of the foregoing. The Underwriters have provided the following sentence for inclusion in this Official Statement. The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, their responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the completeness of such information. The information and expressions of opinion in this Official Statement are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the parties referred to above since the date hereof.

In connection with the offering of the Bonds, the Underwriters may over-allot or effect transactions which stabilize or maintain the market prices of such Bonds at levels above those which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time.

IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THESE SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

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OFFICIAL STATEMENT

\$60,000,000
County of Trimble, Kentucky
Environmental Facilities Revenue Bonds,
2023 Series A, Due June 1, 2054
(Kentucky Utilities Company Project)

Introductory Statement

This Official Statement, including the cover page and Appendices, is provided to furnish information in connection with the offer and sale by the County of Trimble, Kentucky (the “Issuer”) of its Environmental Facilities Revenue Bonds, 2023 Series A (Kentucky Utilities Company Project), in the aggregate principal amount of \$60,000,000 (the “Bonds”) to be issued pursuant to an Indenture of Trust dated as of November 1, 2023 (the “Indenture”) between the Issuer and U.S. Bank Trust Company, National Association (the “Trustee”), as Trustee, Paying Agent and Bond Registrar.

Pursuant to a Loan Agreement by and between Kentucky Utilities Company (the “Company”) and the Issuer, dated as of November 1, 2023, (the “Loan Agreement”), proceeds from the sale of the Bonds, other than accrued interest, if any, paid by the initial purchasers thereof, will be loaned by the Issuer to the Company.

The net proceeds of the Bonds (other than any accrued interest) will be applied to finance the acquisition, construction, installation, and equipping of certain solid waste disposal facilities owned by the Company located in Trimble County, Kentucky (the “Project”). For information regarding these solid waste disposal facilities, see “The Project”.

The Company will repay the loan under the Loan Agreement by making payments to the Trustee in sufficient amounts to pay the principal or redemption price of and interest on the Bonds and will further agree under the Loan Agreement to make payments of the purchase price of the Bonds tendered for purchase to the extent funds are not otherwise available under the Indenture. See “Summary of the Loan Agreement — General.” Pursuant to the Indenture, the Issuer’s rights under the Loan Agreement (other than with respect to certain rights to indemnification, reimbursement, notice and payment of expenses) will be assigned to the Trustee as security for the Bonds.

For the purpose of further securing the Bonds, the Company will issue and deliver to the Trustee a series of the Company’s First Mortgage Bonds, Collateral Series 2023TCA (the “First Mortgage Bonds”). The principal amount, maturity date and interest rate (or method of determining interest rates) of such First Mortgage Bonds will correspond to the principal amount, maturity date and interest rate (or method of determining interest rates) of the Bonds. The First Mortgage Bonds will only be payable, and interest thereon will only accrue, as described herein. See “Summary of the Loan Agreement — Issuance and Delivery of First Mortgage Bonds” and “Summary of the First Mortgage Bonds and the First Mortgage Indenture.” The First Mortgage Bonds will not provide a direct source of liquidity to pay the purchase price of Bonds tendered for purchase in accordance with the Indenture.

The First Mortgage Bonds will be issued under, and will be secured by, the Company’s Indenture, dated as of October 1, 2010, as previously supplemented and as to be further supplemented by a supplemental indenture to be dated as of November 1, 2023 relating to the Bonds (the “First Mortgage Supplemental Indenture”, and together with the Indenture, as so supplemented, the “First Mortgage Indenture”), between the Company and The Bank of New York Mellon, as trustee (the “First Mortgage Trustee”).

The Company is an indirect wholly-owned subsidiary of PPL Corporation. The Company's obligations under the Loan Agreement are solely its own, and not those of any of its affiliates. None of PPL Corporation or the Company's other affiliates will be obligated to make any payments due under the Loan Agreement or First Mortgage Bonds or any other payments of principal, interest, redemption price or purchase price of the Bonds.

The Bonds will be special and limited obligations of the Issuer, and the Issuer's obligation to pay the principal or redemption price of and interest on, and purchase price of, the Bonds will be limited solely to the revenues and other amounts received by the Trustee under the Indenture pursuant to the Loan Agreement, including amounts payable on the First Mortgage Bonds. The Bonds will not constitute an indebtedness, general obligation or pledge of the faith and credit or taxing power of the Issuer, the Commonwealth of Kentucky or any political subdivision thereof.

Brief descriptions of the Company, the Issuer, the Bonds, the Loan Agreement, the Indenture, the First Mortgage Bonds and the First Mortgage Indenture are included in this Official Statement. Such descriptions and information do not purport to be complete, comprehensive or definitive and are not to be construed as a representation or a guaranty of completeness. All references in this Official Statement to the documents are qualified in their entirety by reference to such documents, and references in this Official Statement to the Bonds are qualified in their entirety by reference to the definitive form of the Bonds included in the Indenture. Copies of the Loan Agreement and the Indenture will be available for inspection at the principal corporate trust office of the Trustee and, until the issuance of the Bonds, may be obtained from the Underwriters. The First Mortgage Indenture (including the form of the First Mortgage Bonds) is available for inspection at the offices of the Company in Lexington, Kentucky, or of its affiliate, PPL Services Corporation, in Allentown, Pennsylvania, and at the corporate trust office of the First Mortgage Trustee, in Pittsburgh, Pennsylvania. Certain information relating to The Depository Trust Company ("DTC") and the book-entry-only system has been furnished by DTC. Appendix A to this Official Statement and all information contained under the headings "The Project" and "Use of Proceeds" has been furnished by the Company. The Issuer, Bond Counsel and the Underwriters assume no responsibility for the accuracy or completeness of such Appendix A or such information. The Underwriters have reviewed the information in Appendix A to this Official Statement in accordance with, and as part of, their responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the completeness of such Appendix A or such information. Appendix B to this Official Statement contains the proposed form of opinion of Bond Counsel to be delivered in connection with the issuance and delivery of the Bonds.

This Official Statement only describes the terms and provisions applicable to the Bonds while accruing interest at the Long Term Rate.

The Issuer

The Issuer is a public body corporate and politic duly created and existing as a county and political subdivision under the Constitution and laws of the Commonwealth of Kentucky. The Issuer is authorized by Sections 103.200 to 103.285, inclusive, of the Kentucky Revised Statutes (collectively, the "Act") to (a) issue the Bonds, (b) lend the proceeds from the sale of the Bonds to the Company for the Project and to pay certain costs of issuing the Bonds, and (c) enter into and perform its obligations under the Loan Agreement and the Indenture. The Issuer, through its legislative body, the Fiscal Court, has adopted one or more ordinances authorizing the issuance of the Bonds and the execution and delivery of the related documents.

THE BONDS WILL BE SPECIAL AND LIMITED OBLIGATIONS PAYABLE SOLELY AND ONLY FROM CERTAIN SOURCES, INCLUDING AMOUNTS TO BE RECEIVED BY OR ON BEHALF OF THE ISSUER UNDER THE LOAN AGREEMENT, INCLUDING AMOUNTS PAYABLE ON THE FIRST MORTGAGE BONDS. THE BONDS WILL NOT CONSTITUTE AN

INDEBTEDNESS, GENERAL OBLIGATION OR PLEDGE OF THE FAITH AND CREDIT OR TAXING POWER OF THE ISSUER, THE COMMONWEALTH OF KENTUCKY OR ANY POLITICAL SUBDIVISION THEREOF, AND WILL NOT GIVE RISE TO A PECUNIARY LIABILITY OF THE ISSUER OR A CHARGE AGAINST ITS GENERAL CREDIT OR TAXING POWERS.

The Project

The Project consists of certain solid waste disposal facilities at the Trimble County Generating Station located in Trimble County, Kentucky for the collection, storage, treatment, and final disposal of solid waste. The Company and its affiliate, Louisville Gas and Electric Company, a Kentucky corporation ("LG&E"), are the principal users of the Trimble County Generating Station (the "Station") and collectively own a 75% undivided interest therein, as to which the Company will own a 48% undivided interest in future improvements to the Station and LG&E will own a 52% undivided interest in future improvements to the Station. The remaining 25% undivided ownership interest will be owned by governmental entities existing outside of Kentucky.

The solid waste disposal facilities are utilized for collecting, dewatering, processing, transporting, temporarily storing, and permanently containing solid waste, including, without limitation, (a) collecting, dewatering, and transporting ash produced by the generation of electricity, (b) temporarily storing ash while awaiting final disposal or containment, (c) closing existing ash ponds, including draining and treating water from ash ponds and permanently containing ash within in its existing storage footprint at the Station in accordance with regulatory requirements adopted by the United States Environmental Protection Agency, (d) one or more new landfills to be used to store ash produced by the Station, (e) infrastructure to be used to access ash storage facilities and to transport employees or machinery and equipment thereto, (f) collecting, dewatering, and transporting gypsum produced by the generation of electricity, facilities functionally related and subordinate to the new and existing solid waste facilities, and (h) additional or substituted facilities and appurtenances, furnishings, equipment, and machinery deemed necessary for collecting, dewatering, processing, transportation, temporary storage, and final disposal and containment of solid waste, which because of changes in technology, cost, solid waste processes, regulatory requirements, and the like, are added to or substituted for the facilities described herein.

Use of Proceeds

The proceeds from the sale of the Bonds (other than any accrued interest) will be used to (i) finance a portion of the costs of the acquisition, construction, installation, and equipping of the Project, and (ii) to pay certain costs of issuing the Bonds.

Summary of the Bonds

General

The Bonds will be issued in the aggregate principal amount set forth on the cover page of this Official Statement. The Bonds will mature as to principal on June 1, 2054. The Bonds are also subject to redemption prior to maturity as described in this Official Statement.

The Bonds will bear interest at the Long Term Rate of 4.70% per annum from December 6, 2023 to and including May 31, 2027, and, following the expiration of the initial Long Term Rate Period, will be subject to mandatory purchase on June 1, 2027 (the "Mandatory Purchase Date"). Interest on the Bonds will be paid on each June 1 and December 1, commencing June 1, 2024. The Bonds will continue to bear interest at such Long Term Rate until a Conversion to another Interest Rate Mode or until the maturity or redemption of the Bonds. Also, following the expiration of the Long Term Rate Period, the Company may

elect to change the Long Term Rate Period to a different Long Term Rate Period. The permitted Interest Rate Modes for the Bonds are (i) the Flexible Rate, (ii) the Daily Rate, (iii) the Weekly Rate, (iv) the Semi-Annual Rate, (v) the Annual Rate, (vi) the Long Term Rate, (vii) the SIFMA-Based Term Rate, and (viii) the SOFR Index Rate.

This Official Statement only describes the terms and provisions applicable to the Bonds while accruing interest at the Long Term Rate for the initial Long Term Rate Period. In the event of a remarketing of the Bonds beginning on or after 90 days before the Mandatory Purchase Date, as supplement to this Official Statement or a new reoffering circular will be prepared describing the new terms and provisions then applicable to such Bonds.

Interest on the Bonds will be computed on the basis of a 360-day year, consisting of twelve 30-day months. Interest payable on each June 1 and December 1 will be payable to the registered owner of the Bond as of the May 15 and November 15 preceding such June 1 and December 1.

The Bonds initially will be issued solely in book-entry-only form through DTC (or its nominee, Cede & Co.). So long as the Bonds are held in the book-entry-only system, DTC or its nominee will be the registered owner or holder of the Bonds for all purposes of the Indenture, the Bonds and this Official Statement. See “— Book-Entry-Only System” below. Individual purchases of book-entry interests in the Bonds will be made in book-entry-only form in denominations of \$5,000 and multiples thereof.

So long as the Bonds are held in book-entry-only form, the principal or redemption price of and interest on, and purchase price of, the Bonds will be payable by the Trustee, as paying agent (the “Paying Agent”), through the facilities of DTC (or a successor depository).

Bonds may be transferred or exchanged for an equal total amount of Bonds of other authorized denominations upon surrender of such Bonds at the designated office of the Trustee, as bond registrar (the “Bond Registrar”), accompanied by a written instrument of transfer or authorization for exchange in form and with guaranty of signature satisfactory to the Bond Registrar duly executed by the registered owner or the owner’s duly authorized attorney. Except as provided in the Indenture, the Bond Registrar will not be required to register the transfer or exchange of any Bond (i) during the 15 days before any mailing of a notice of redemption of Bonds, (ii) after such Bond has been called for redemption or (iii) which has been purchased (see “Mandatory Purchase of Bonds — Payment of Purchase Price” below). Registration of transfers and exchanges will be made without charge to the registered owners of Bonds, except that the Bond Registrar may require any registered owner requesting registration of transfer or exchange to pay any required tax or governmental charge.

Tender Agent

Owners will be required to tender their Bonds to the Tender Agent for purchase at the times and in the manner described herein under “— Mandatory Purchase of Bonds.” So long as the Bonds are held in DTC’s book-entry-only system, the Trustee will act as Tender Agent under the Indenture. Any successor Tender Agent appointed pursuant to the Indenture will also be a Paying Agent.

Certain Definitions

As used herein, each of the following terms will have the meaning indicated:

“*Beneficial Owner*” means the person in whose name a Bond is recorded as such by the respective systems of DTC and each Participant (as defined herein) or the registered holder of such Bond if such Bond is not then registered in the name of Cede & Co.

“*Business Day*” means any day other than (i) a Saturday or Sunday or legal holiday or a day on which banking institutions in the city in which the designated office of the Trustee, the Bond Registrar, the Tender Agent, the Paying Agent, the Company or the Remarketing Agent is located are authorized by law or executive order to close or (ii) a day on which the New York Stock Exchange is closed.

“*Conversion*” means any conversion from time to time in accordance with the terms of the Indenture of the Bonds from one Interest Rate Mode to another Interest Rate Mode or the establishment of a new Long Term Rate Period. The Bonds will be subject to Conversion on or after March 3, 2027 (90 days before the Mandatory Purchase Date).

“*Interest Rate Mode*” means the Flexible Rate, the Daily Rate, the Weekly Rate, the Semi-Annual Rate, the Annual Rate, the Long Term Rate, the SIFMA-Based Term Rate, or the SOFR Index Rate.

“*Long Term Rate Period*” means the period beginning on, and including, the date of issuance of the Bonds and ending on, and including, May 31, 2027 and thereafter, the period established by the Company under the Indenture and beginning on June 1, 2027 and ending the day preceding the last interest Payment Date for such period and thereafter, each successive period of approximately the same duration ending on the day preceding an interest payment date until the day immediately preceding the earliest of (a) the date of a change to a different Long Term Rate Period, (b) the date of Conversion to a different Interest Rate Mode, or (c) the Maturity Date.

“*Remarketing Agent*” means a remarketing agent to be appointed in accordance with the terms of the Indenture and a remarketing agreement to be entered into between such Remarketing Agent and the Company (the “Remarketing Agreement”). The Remarketing Agent may, without notice to the Company, assign its rights and obligations as Remarketing Agent to a broker-dealer affiliate in accordance with the terms of the Indenture and the Remarketing Agreement.

“*Tender Agent*” means, so long as the Bonds are held in DTC’s book-entry-only system, the Trustee, who will act as Tender Agent under the Indenture, and any properly appointed successor Tender Agent. Any successor Tender Agent appointed pursuant to the Indenture will also be a Paying Agent.

Mandatory Purchase of Bonds

General. The Bonds will be subject to mandatory purchase on the Mandatory Purchase Date at a purchase price equal to the principal amount thereof plus accrued and unpaid interest. Notice to owners of such mandatory purchase will be given by the Bond Registrar by first class mail at least 20 days prior to the Mandatory Purchase Date. The notice of mandatory purchase will state those matters required to be set forth therein under the Indenture.

Remarketing and Purchase of Bonds. The Indenture provides that, subject to the terms of a Remarketing Agreement with the Company, unless otherwise instructed by the Company, the Remarketing Agent will use its commercially reasonable best efforts to remarket Bonds purchased on the Mandatory Purchase Date. Each such sale will be at a price equal to the principal amount thereof, plus unpaid interest accrued to the date of sale. The Remarketing Agent, the Trustee, the Paying Agent, the Bond Registrar or the Tender Agent each may purchase any Bonds offered for sale for its own account.

The purchase price of Bonds tendered for purchase will be paid by the Tender Agent from moneys derived from the remarketing of such Bonds by the Remarketing Agent and, if such remarketing proceeds are insufficient, from moneys made available by the Company.

The Company is obligated to purchase any Bonds tendered for purchase to the extent such Bonds have not been remarketed. Any such purchases by the Company will not result in the extinguishment of the purchased Bonds. The Company currently maintains lines of credit or other liquidity facilities in amounts determined by it to be sufficient to meet its current needs and expects to continue to maintain such lines of credit or other liquidity facilities from time to time to the extent determined by it to be necessary to meet its then-current needs. The Trustee, any Paying Agent, the Tender Agent and the owners of the Bonds have no right to draw under any line of credit or other liquidity facility maintained by the Company. There is no provision in the Indenture or the Loan Agreement requiring the Company to maintain such financing arrangements, which may be discontinued at any time without notice. The First Mortgage Bonds are not intended to provide a direct source of liquidity to pay the purchase price of Bonds tendered for purchase pursuant to the Indenture.

Any deficiency in purchase price payments resulting from the Remarketing Agent's failure to deliver remarketing proceeds of all Bonds with respect to which the Remarketing Agent notified the Tender Agent were remarketed will not result in an Event of Default under the Indenture until the opening of business on the next succeeding Business Day unless the Company fails to provide sufficient funds to pay such purchase price by the opening of business on such next succeeding Business Day. If sufficient funds are not available for the purchase of all tendered Bonds, no purchase of Bonds will be consummated, but failure to consummate such purchase will not be deemed to be an Event of Default under the Indenture if sufficient funds have been provided in a timely manner by the Company to the Tender Agent for such purpose.

Payment of Purchase Price. Payment of the purchase price of any Bond will be payable on the Mandatory Purchase Date upon delivery of such Bond to the Tender Agent on such Mandatory Purchase Date; provided that such Bond must be delivered to the Tender Agent at or prior to 11:00 a.m. (New York City time). When a book-entry-only system is in effect, the requirement for physical delivery of the Bonds will be deemed satisfied when the ownership rights in the Bonds are transferred by Direct Participants on the records of DTC to the participant account of the Tender Agent. If the Mandatory Purchase Date is not a Business Day, the purchase price will be payable on the next succeeding Business Day.

Any Bond delivered for payment of the purchase price must be accompanied by an instrument of transfer thereof in form satisfactory to the Tender Agent executed in blank by the registered owner thereof and with all signatures guaranteed. The Tender Agent may refuse to accept delivery of any Bond for which an instrument of transfer satisfactory to it has not been provided and has no obligation to pay the purchase price of such Bond until a satisfactory instrument is delivered.

If the registered owner of any Bond (or portion thereof) that is subject to purchase pursuant to the Indenture fails to deliver such Bond with an appropriate instrument of transfer to the Tender Agent for purchase on such Mandatory Purchase Date, and if the Tender Agent is in receipt of the purchase price therefor, such Bond (or portion thereof) nevertheless will be deemed purchased on such Mandatory Purchase Date. Any owner who so fails to deliver such Bond for purchase on (or before) the Mandatory Purchase Date will have no further rights thereunder, except the right to receive the purchase price thereof from those moneys deposited with the Tender Agent in the Purchase Fund pursuant to the Indenture upon presentation and surrender of such Bond to the Tender Agent properly endorsed for transfer in blank with all signatures guaranteed.

Redemptions

Optional Redemption. — Except as described below under the subheadings “ — Extraordinary Optional Redemption in Whole” and “ — Extraordinary Optional Redemption in Whole or in Part”, the Bonds are not subject to optional redemption prior to 90 days before the Mandatory Purchase Date. On such ninetieth (90th) day prior to the Mandatory Purchase Date and thereafter, up to and including the Mandatory Purchase Date, the Bonds are subject to redemption at the option of the Issuer at a redemption price of 100% of the principal amount thereof plus accrued interest to the redemption date, if any.

Extraordinary Optional Redemption in Whole. The Bonds may be redeemed by the Issuer in whole at any time at 100% of the principal amount thereof plus accrued interest to the redemption date upon the exercise by the Company of an option under the Loan Agreement to prepay the loan if any of the following events occur within 180 days preceding the giving of written notice by the Company to the Trustee of such election:

(i) if the Project or a portion thereof or other property of the Company in connection with which the Project is used has been damaged or destroyed to such an extent so as, in the judgment of the Company, to render the Project or other property of the Company in connection with which the Project is used unsatisfactory to the Company for its intended use, and such condition continues for a period of six months;

(ii) there has occurred condemnation of all or substantially all of the Project or the taking by eminent domain of such use or control of the Project or other property of the Company in connection with which the Project is used so as, in the judgment of the Company, to render the Project or such other property of the Company unsatisfactory to the Company for its intended use;

(iii) the Loan Agreement has become void or unenforceable or impossible of performance by reason of any changes in the Constitution of the Commonwealth of Kentucky or the Constitution of the United States of America or by reason of legislative or administrative action (whether state or federal) or any final decree, judgment or order of any court or administrative body, whether state or federal; or

(iv) a final order or decree of any court or administrative body after the issuance of the Bonds requires the Company to cease a substantial part of its operation at the Station to such extent that the Company will be prevented from carrying on its normal operations at such Station for a period of six months.

Extraordinary Optional Redemption in Whole or in Part. The Bonds are also subject to redemption in whole or in part at 100% of the principal amount thereof plus accrued interest to the redemption date at the option of the Company in an amount not to exceed the net proceeds received from insurance or any condemnation award received by the Issuer, the Company or the First Mortgage Trustee in the event of damage, destruction or condemnation of all or a portion of the Project, subject to compliance with the terms of the First Mortgage Indenture and receipt of an opinion of Bond Counsel that such redemption will not adversely affect the exclusion of interest on any of the Bonds from gross income for federal income tax purposes. See “Summary of the Loan Agreement — Maintenance; Damage, Destruction and Condemnation.”

Mandatory Redemption; Determination of Taxability. The Bonds are required to be redeemed by the Issuer, in whole, or in such part as described below, at a redemption price equal to 100% of the principal amount thereof, without redemption premium, plus accrued interest, if any, to the redemption date, within 180 days following a “Determination of Taxability.” As used herein, a “Determination of Taxability”

means the receipt by the Trustee of written notice from a current or former registered owner of a Bond or from the Company or the Issuer of (i) the issuance of a published or private ruling or a technical advice memorandum by the Internal Revenue Service in which the Company participated or has been given the opportunity to participate, and which ruling or memorandum the Company, in its discretion, does not contest or from which no further right of administrative or judicial review or appeal exists, or (ii) a final determination from which no further right of appeal exists of any court of competent jurisdiction in the United States in a proceeding in which the Company has participated or has been a party, or has been given the opportunity to participate or be a party, in each case, to the effect that as a result of a failure by the Company to perform or observe any covenant or agreement or the inaccuracy of any representation contained in the Loan Agreement or any other agreement or certificate delivered in connection with the Bonds, the interest on the Bonds is included in the gross income of the owners thereof for federal income tax purposes, other than with respect to a person who is a "substantial user" or a "related person" of a substantial user of the Project within the meaning of Section 147 of the Internal Revenue Code of 1986, as amended (the "Code"); provided, however, that no such Determination of Taxability will be considered to exist as a result of the Trustee receiving notice from a current or former registered owner of a Bond or from the Issuer unless (i) the Issuer or the registered owner or former registered owner of the Bond involved in such proceeding or action (a) gives the Company and the Trustee prompt notice of the commencement thereof, and (b) (if the Company agrees to pay all expenses in connection therewith) offers the Company the opportunity to control unconditionally the defense thereof, and (ii) either (a) the Company does not agree within 30 days of receipt of such offer to pay such expenses and liabilities and to control such defense, or (b) the Company will exhaust or choose not to exhaust all available proceedings for the contest, review, appeal or rehearing of such decree, judgment or action which the Company determines to be appropriate. No Determination of Taxability described above will result from the inclusion of interest on any Bond in the computation of minimum or indirect taxes. All of the Bonds are required to be redeemed upon a Determination of Taxability as described above unless, in the opinion of Bond Counsel, redemption of a portion of such Bonds would have the result that interest payable on the remaining Bonds outstanding after the redemption would not be so included in any such gross income.

In the event any of the Issuer, the Company or the Trustee has been put on notice or becomes aware of the existence or pendency of any inquiry, audit or other proceedings relating to the Bonds being conducted by the Internal Revenue Service, the party so put on notice is required to give immediate written notice to the other parties of such matters. Promptly upon learning of the occurrence of a Determination of Taxability (whether or not the same is being contested), or any of the events described above, the Company is required to give notice thereof to the Trustee and the Issuer.

If the Internal Revenue Service or a court of competent jurisdiction determines that the interest paid or to be paid on any Bond (except to a "substantial user" of the Project or a "related person" within the meaning of Section 147(a) of the Code) is or was includable in the gross income of the recipient for federal income tax purposes for reasons other than as a result of a failure by the Company to perform or observe any of its covenants, agreements or representations in the Loan Agreement or any other agreement or certificate delivered in connection therewith, the Bonds are not subject to redemption. In such circumstances, Bondholders would continue to hold their Bonds, receiving principal and interest at the applicable rate as and when due, but would be required to include such interest payments in gross income for federal income tax purposes. Also, if the lien of the Indenture is discharged or defeased prior to the occurrence of a final Determination of Taxability, Bonds will not be redeemed as described herein.

General Redemption Terms. Notice of redemption will be given by mailing a redemption notice conforming to the provisions and requirements of the Indenture by first class mail to the registered owners of the Bonds to be redeemed not less than 20 days prior to the redemption date.

Any notice mailed as provided in the Indenture will be conclusively presumed to have been given, irrespective of whether the owner receives the notice. Failure to give any such notice by mailing or any defect therein in respect of any Bond will not affect the validity of any proceedings for the redemption of any other Bond. No further interest will accrue on the principal of any Bond called for redemption after the redemption date if funds sufficient for such redemption have been deposited with the Paying Agent as of the redemption date. If the provisions for discharging the Indenture set forth below under the heading "Summary of the Indenture — Discharge of Indenture" have not been complied with, any redemption notice may state that it is conditional on there being sufficient moneys to pay the full redemption price for the Bonds to be redeemed and that if sufficient funds have not been received by the Trustee by the opening of business on the redemption date, such notice shall be of no effect. So long as the Bonds are held in book-entry-only form, all redemption notices will be sent only to Cede & Co.

Conversion of Interest Rate Modes

The Interest Rate Mode for the Bonds is subject to Conversion from time to time on any date that the Bonds are subject to optional redemption, including on the Mandatory Purchase Date following the end of the initial Long Term Rate Period, at the option of the Company in accordance with the terms of the Indenture, upon notice from the Bond Registrar to the registered owners of the Bonds. Upon Conversion, the Bonds will be subject to mandatory purchase as described below. With any notice of Conversion, the Company must also deliver to the Bond Registrar an opinion of Bond Counsel stating that such Conversion is authorized or permitted by the Act and is authorized by the Indenture and will not adversely affect the exclusion from gross income of interest on the Bonds for federal income tax purposes.

Security

Payment of the principal or redemption price of and interest on the Bonds will be secured by an assignment by the Issuer to the Trustee of the Issuer's interest in and to the Loan Agreement and all payments to be made pursuant thereto (other than certain indemnification and expense payments). Pursuant to the Loan Agreement, the Company will agree to pay, among other things, amounts sufficient to pay the aggregate principal amount or redemption price of the Bonds, together with interest thereon as and when the same become due. The Company further will agree to make payments of the purchase price of the Bonds tendered for purchase to the extent that funds are not otherwise available therefor under the provisions of the Indenture.

The payment of the principal or redemption price of and interest on the Bonds will be further secured by the First Mortgage Bonds. The principal amount of the First Mortgage Bonds will equal the principal amount of the Bonds. If the Bonds become immediately due and payable as a result of a default in payment of the principal or redemption price of or interest on the Bonds, or a default in payment of the purchase price of such Bonds, due to an event of default under the Loan Agreement and upon receipt by the First Mortgage Trustee of a written demand from the Trustee for redemption of the First Mortgage Bonds ("Redemption Demand"), or if all first mortgage bonds outstanding under the First Mortgage Indenture shall have become immediately due and payable, such First Mortgage Bonds will begin to bear interest at the same interest rate or rates borne by the Bonds and the principal of such First Mortgage Bonds, together with interest accrued thereon from the last date or dates to which interest on the Bonds has been paid in full, will be payable in accordance with the Supplemental Indenture. See "Summary of the First Mortgage Bonds and the First Mortgage Indenture."

The First Mortgage Bonds are not intended to provide a direct source of liquidity to pay the purchase price of Bonds tendered for purchase in accordance with the Indenture. The Company is not required under the Loan Agreement or Indenture to provide any letter of credit or liquidity support for the Bonds. The First Mortgage Bonds are secured by a lien on certain property owned by the Company. In

certain circumstances, the Company is permitted to reduce the aggregate principal amount of its First Mortgage Bonds held by the Trustee, but in no event to an amount lower than the aggregate outstanding principal amount of the Bonds.

Book-Entry-Only System

Portions of the following information concerning DTC and DTC's book-entry-only system have been obtained from DTC. The Issuer, the Company and the Underwriters make no representation as to the accuracy of such information.

Initially, DTC will act as securities depository for the Bonds and the Bonds initially will be issued solely in book-entry-only form to be held under DTC's book-entry-only system, registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered bond in the aggregate principal amount of the Bonds will be deposited with DTC.

DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934 (the "Exchange Act"). DTC holds and provides asset servicing for U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants" and, together with "Direct Participants," "Participants"). The DTC Rules applicable to its Participants are on file with the SEC. More information about DTC can be found at www.dtcc.com.

Purchases of the Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners, however, are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry-only system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other nominee do not effect any change in beneficial ownership. DTC has no

knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If fewer than all of the Bonds are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Bonds will be made to Cede & Co. or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from the Issuer or the Trustee on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, the Trustee, the Company or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Issuer or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

The requirement for physical delivery of Bonds in connection with a mandatory purchase will be deemed satisfied when the ownership rights in the Bonds are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Bonds to the Tender Agent's DTC account.

DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to the Issuer, the Company, the Tender Agent and the Trustee, or the Issuer, at the request of the Company, may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository for the Bonds). Under such circumstances, in the event that a successor securities depository is not obtained, bond certificates are required to be delivered as described in the Indenture (see "— Revision of Book-Entry-Only System; Replacement Bonds" below). The Beneficial Owner, upon registration of certificates held in the Beneficial Owner's name, will become the registered owner of the Bonds.

So long as Cede & Co. is the registered owner of the Bonds, as nominee of DTC, references herein to the registered owners of the Bonds will mean Cede & Co. and will not mean the Beneficial Owners. Under the Indenture, payments made by the Trustee to DTC or its nominee will satisfy the Issuer's obligations under the Indenture and the Company's obligations under the Loan Agreement and the First Mortgage Bonds, to the extent of the payments so made. Beneficial Owners will not be, and will not be

considered by the Issuer or the Trustee to be, and will not have any rights as, owners of Bonds under the Indenture.

The Trustee and the Issuer, so long as a book-entry-only system is used for the Bonds, will send any notice of redemption or of proposed document amendments requiring consent of registered owners and any other notices required by the document (including notices of Conversion and mandatory purchase) to be sent to registered owners only to DTC (or any successor securities depository) or its nominee. Any failure of DTC to advise any Direct Participant, or of any Direct Participant or Indirect Participant to notify the Beneficial Owner, of any such notice and its content or effect will not affect the validity of the redemption of the Bonds called for redemption, the document amendment, the Conversion, the mandatory purchase or any other action premised on that notice.

The Issuer, the Company, the Trustee and the Underwriters cannot and do not give any assurances that DTC will distribute payments on the Bonds made to DTC or its nominee as the registered owner or any redemption or other notices, to the Participants, or that the Participants or others will distribute such payments or notices to the Beneficial Owners, or that they will do so on a timely basis, or that DTC will serve and act in the manner described in this Official Statement.

THE ISSUER, THE COMPANY, THE UNDERWRITERS AND THE TRUSTEE WILL HAVE NO RESPONSIBILITY OR OBLIGATION TO ANY DIRECT PARTICIPANT, INDIRECT PARTICIPANT OR ANY BENEFICIAL OWNER OR ANY OTHER PERSON NOT SHOWN ON THE REGISTRATION BOOKS OF THE TRUSTEE AS BEING A REGISTERED OWNER WITH RESPECT TO: (1) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT; (2) THE PAYMENT OF ANY AMOUNT DUE BY DTC TO ANY DIRECT PARTICIPANT OR BY ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL AMOUNT OR REDEMPTION OR PURCHASE PRICE OF OR INTEREST ON THE BONDS; (3) THE DELIVERY OF ANY NOTICE BY DTC TO ANY DIRECT PARTICIPANT OR BY ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT TO ANY BENEFICIAL OWNER WHICH IS REQUIRED OR PERMITTED TO BE GIVEN TO REGISTERED OWNERS UNDER THE TERMS OF THE INDENTURE; (4) THE SELECTION OF THE BENEFICIAL OWNERS TO RECEIVE PAYMENT IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE BONDS; OR (5) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS REGISTERED OWNER.

Revision of Book-Entry-Only System; Replacement Bonds

In the event that DTC determines not to continue as securities depository or is removed by the Issuer, at the direction of the Company, as securities depository, the Issuer, at the direction of the Company, may appoint a successor securities depository reasonably acceptable to the Trustee. If the Issuer does not or is unable to appoint a successor securities depository, the Issuer will issue and the Trustee will authenticate and deliver fully registered Bonds, in authorized denominations, to the assignees of DTC or their nominees.

In the event that the book-entry-only system is discontinued, the following provisions will apply. The Bonds may be issued in denominations of \$5,000 and multiples thereof. Bonds may be transferred or exchanged for an equal total amount of Bonds of other authorized denominations upon surrender of such Bonds at the designated office of the Bond Registrar, accompanied by a written instrument of transfer or authorization for exchange in form and with guaranty of signature satisfactory to the Bond Registrar, duly executed by the registered owner or the owner's duly authorized attorney. Except as provided in the Indenture, the Bond Registrar will not be required to register the transfer or exchange of any Bond during the 15 days before any mailing of a notice of redemption, after such Bond has been called for redemption.

in whole or in part, or after such Bond has been tendered or deemed tendered for optional or mandatory purchase as described under “Purchases of Bonds.” Registration of transfers and exchanges will be made without charge to the owners of Bonds, except that the Bond Registrar may require any owner requesting registration of transfer or exchange to pay any required tax or governmental charge.

Summary of the Loan Agreement

The following, in addition to the provisions contained elsewhere in this Official Statement, is a brief description of certain provisions of the Loan Agreement. This description is only a summary and does not purport to be complete and definitive. Reference is made to the Loan Agreement for the detailed provisions thereof.

General

The term of the Loan Agreement will commence as of its date and end on the earliest to occur of June 1, 2054, or the date on which all of the Bonds have been fully paid or provision has been made for such payment pursuant to the Indenture. See “Summary of the Indenture — Discharge of Indenture.”

The Company will agree to repay the loan pursuant to the Loan Agreement by making timely payments to the Trustee in sufficient amounts to pay the principal or redemption price of and interest required to be paid on the Bonds on each date upon which any such payments are due. The Company will also agree to pay (a) the agreed upon fees and expenses of the Trustee, the Bond Registrar, the Tender Agent and the Paying Agent and all other amounts which may be payable to the Trustee, the Bond Registrar, the Paying Agent and the Tender Agent, as may be applicable, under the Indenture, (b) the expenses in connection with any redemption of the Bonds and (c) the reasonable expenses of the Issuer.

The Company will covenant and agree with the Issuer that it will cause the purchase of tendered Bonds that are not remarketed in accordance with the Indenture and, to that end, the Company will cause funds to be made available to the Tender Agent at the times and in the manner required to effect such purchases in accordance with the Indenture (see “Summary of the Bonds — Mandatory Purchase of Bonds — Remarketing and Purchase of Bonds”).

All payments to be made by the Company to the Issuer pursuant to the Loan Agreement (except the fees and reasonable out-of-pocket expenses of the Issuer, the Trustee, the Paying Agent, the Bond Registrar and the Tender Agent, and amounts related to indemnification) will be assigned by the Issuer to the Trustee, and the Company will pay such amounts directly to the Trustee. The obligations of the Company to make the payments pursuant to the Loan Agreement are absolute and unconditional.

Maintenance of Tax Exemption

The Company will agree not to take any action that would result in the interest paid on the Bonds being included in gross income of any Bondholder (other than a holder who is a “substantial user” of the Project or a “related person” within the meaning of Section 147(a) of the Code) for federal income tax purposes or that adversely affects the validity of the Bonds.

Issuance and Delivery of First Mortgage Bonds

For the purpose of providing security for the Bonds, the Company will execute and deliver to the Trustee the First Mortgage Bonds on the date of issuance of the Bonds. The principal amount of the First Mortgage Bonds executed and delivered to the Trustee will equal the aggregate principal amount of the Bonds. If the Bonds become immediately due and payable as a result of a default in payment of the principal

or redemption price of or interest on the Bonds, or a default in payment of the purchase price of such Bonds, due to an event of default under the Loan Agreement and upon receipt by the First Mortgage Trustee of a Redemption Demand, or if all first mortgage bonds outstanding under the First Mortgage Indenture shall have become immediately due and payable, such First Mortgage Bonds will then bear interest at the same interest rate or rates borne by the Bonds and the principal of such First Mortgage Bonds, together with interest accrued thereon from the last date to which interest on the Bonds shall have been paid in full, will then be payable. See, however, "Summary of the Indenture — Waiver of Events of Default."

Upon payment of the principal or redemption price of and interest on any of the Bonds, and the surrender to and cancellation thereof by the Trustee, or upon provision for the payment thereof having been made in accordance with the Indenture, First Mortgage Bonds with corresponding principal amounts equal to the aggregate principal amount of the Bonds so surrendered and canceled or for the payment of which provision has been made, will be surrendered by the Trustee to the First Mortgage Trustee and will be canceled by the First Mortgage Trustee. The First Mortgage Bonds will be registered in the name of the Trustee and will be non-transferable, except to effect transfers to any successor trustee under the Indenture.

Payment of Taxes

The Company will agree to pay certain taxes and other governmental charges that may be lawfully assessed, levied or charged against or with respect to the Project. The Company may contest such taxes or other governmental charges unless the security provided by the Indenture would be materially endangered.

Maintenance; Damage, Destruction and Condemnation

So long as any Bonds are outstanding, the Company will maintain, preserve and keep the Project or cause the Project to be maintained, preserved and kept in good repair, working order and condition and will make or cause to be made all proper repairs, replacements and renewals necessary to continue to constitute the Project as "solid waste disposal facilities" as defined in Section 142(a)(6) of the Code. However, the Company will have no obligation to maintain, preserve, keep, repair, replace or renew any portion of the Project, the maintenance, preservation, keeping, repair, replacement or renewal of which becomes uneconomical to the Company because of certain events, including damage or destruction by a cause not within the Company's control, condemnation of the Project, change in government standards and regulations, economic or other obsolescence or termination of operation of generating facilities to the Project.

The Company, at its own expense, may remodel the Project or make substitutions, modifications and improvements to the Project as it deems desirable, which remodeling, substitutions, modifications and improvements are deemed, under the terms of the Loan Agreement to be a part of the Project. The Company may not, however, change or alter the basic nature of the Project as "solid waste disposal facilities" as defined in Section 142(a)(6) of the Code.

If, prior to the payment of all Bonds outstanding, the Project or any portion thereof is destroyed, damaged or taken by the exercise of the power of eminent domain and the Issuer, the Company or the First Mortgage Trustee receives net proceeds from insurance or a condemnation award in connection therewith, the Company must, subject to the requirements of the First Mortgage Indenture, (i) cause such net proceeds to be used to repair or restore the Project or (ii) take any other action, including the redemption of the Bonds in whole or in part at their principal amount, which, by the opinion of Bond Counsel, will not adversely affect the exclusion of the interest on the Bonds from gross income for federal income tax purposes. See "Summary of the Bonds — Redemptions — Extraordinary Optional Redemption in Whole or in Part."

Project Insurance

The Company will insure the Project in accordance with the provisions of the First Mortgage Indenture.

Assignment, Merger and Release of Obligations of the Company

The Company may assign the Loan Agreement, pursuant to an opinion of Bond Counsel that such assignment will not adversely affect the exclusion of the interest on the Bonds from gross income for federal income tax purposes, without obtaining the consent of either the Issuer or the Trustee. Such assignment, however, will not relieve the Company from primary liability for any of its obligations under the Loan Agreement and performance and observance of the other covenants and agreements to be performed by the Company. The Company may dispose of all or substantially all of its assets or consolidate with or merge into another entity, provided the acquirer of the Company's assets or the entity with which it will consolidate with or merge into is a corporation or other business organization organized and existing under the laws of the United States of America or one of the states of the United States of America or the District of Columbia, is qualified and admitted to do business in the Commonwealth of Kentucky, and assumes in writing all of the obligations and covenants of the Company under the Loan Agreement and delivers a copy of such assumption to the Issuer and the Trustee.

Release and Indemnification Covenant

The Company will indemnify and hold the Issuer harmless against any expense or liability incurred, including attorneys' fees, resulting from any loss or damage to property or any injury to or death of any person occurring on or about or resulting from any defect in the Project or from any action commenced in connection with the financing thereof.

Events of Default

Each of the following events constitutes an "Event of Default" under the Loan Agreement:

- (1) failure by the Company to pay the amounts required for payment of the principal of, including purchase price for tendered Bonds and redemption and acceleration prices, and interest accrued, on the Bonds, at the times specified therein taking into account any periods of grace provided in the Indenture and the Bonds for the applicable payment of interest on the Bonds (see "Summary of the Indenture — Defaults and Remedies"), and such failure shall cause an event of default under the Indenture;
- (2) failure by the Company to observe and perform any covenant, condition or agreement on its part to be observed or performed, other than as referred to in paragraph (1) above, for a period of 30 days after written notice by the Issuer or Trustee, subject to extension by the Issuer and the Trustee, provided, however, that if such failure is capable of being corrected, but cannot be corrected in such 30-day period, the Issuer and the Trustee will not unreasonably withhold their consent to an extension of such time if corrective action with respect thereto is instituted within such period and is being diligently pursued;
- (3) certain events of bankruptcy, dissolution, liquidation, reorganization or insolvency of the Company;

- (4) the occurrence of an Event of Default under the Indenture; or
- (5) all first mortgage bonds outstanding under the First Mortgage Indenture, if not already due, shall have become immediately due and payable, whether by declaration or otherwise, and such acceleration shall not have been rescinded by the First Mortgage Trustee;

Under the Loan Agreement, certain of the Company's obligations (other than the Company's obligations, among others, (i) to execute and deliver the First Mortgage Bonds to the Trustee on or before the date of issuance of the Bonds in an amount equal to the principal amount of the Bonds; (ii) to maintain its corporate existence and good standing, and to neither dispose of all or substantially all of its assets or consolidate with or merge into another entity unless certain provisions of the Loan Agreement are satisfied; and (iii) to make loan payments and certain other payments under the provisions of the Loan Agreement) may be suspended if by reason of force majeure (as defined in the Loan Agreement) the Company is unable to carry out such obligations.

Remedies

Upon the happening and continuance of an Event of Default under the Loan Agreement, the Trustee, on behalf of the Issuer, may, among other things, take whatever action at law or in equity may appear necessary or desirable to collect the amounts then due and thereafter to become due, or to enforce performance and observance of any obligation, agreement or covenant of the Company, under the Loan Agreement, including any remedies available in respect of the First Mortgage Bonds.

In the event of a default in payment of the principal or redemption price of or interest on the Bonds and the acceleration of the maturity date of the Bonds (to the extent not already due and payable) as a consequence of such Event of Default, the Trustee may demand redemption of the First Mortgage Bonds. See "Summary of the First Mortgage Bonds and the First Mortgage Indenture" and "Summary of the Indenture — Defaults and Remedies." Any amounts collected upon the happening of any such Event of Default must be applied in accordance with the Indenture or, if the Bonds have been fully paid (or provision for payment thereof has been made in accordance with the Indenture) and all other liabilities of the Company accrued under the Indenture and the Loan Agreement have been paid or satisfied, made available to the Company.

Options to Prepay; Obligation to Prepay

The Company may prepay the loan pursuant to the Loan Agreement, in whole or in part, on certain dates, at the prepayment prices as shown under the headings "Summary of the Bonds — Redemptions — Optional Redemption," "Extraordinary Optional Redemption in Whole" and "Extraordinary Optional Redemption in Whole or in Part." Upon the occurrence of the event described under the heading "Summary of the Bonds — Redemptions — Mandatory Redemption; Determination of Taxability," the Company will be obligated to prepay the loan in an aggregate amount sufficient to redeem the required principal amount of the Bonds.

In each instance, the loan prepayment price must be a sum sufficient, together with other funds deposited with the Trustee and available for such purpose, to redeem the requisite amount of the Bonds at a price equal to 100% of the principal amount plus accrued interest to the redemption date, and to pay all reasonable and necessary fees and expenses of the Trustee, the Paying Agent, the Bond Registrar and the Tender Agent and all other liabilities of the Company under the Loan Agreement accrued to the redemption date.

Amendments and Modifications

No alteration, amendment, change, supplement or modification of the Loan Agreement is permissible without the written consent of the Trustee. The Issuer and the Trustee may, however, without the consent of or notice to any Bondholders, enter into any alteration, amendment, change, supplement or modification of the Loan Agreement (i) which may be required by the provisions of the Loan Agreement or the Indenture, (ii) for the purpose of curing any ambiguity or formal defect or omission, (iii) in connection with any modification or change necessary to conform the Loan Agreement with changes and modifications in the Indenture or (iv) in connection with any other change which, in the judgment of the Trustee, does not adversely affect the Trustee or the Bondholders. Except for such alterations, amendments, changes, supplements or modifications, the Loan Agreement may be altered, amended, changed, supplemented or modified only with the consent of the Bondholders holding a majority in principal amount of the Bonds then outstanding (see “Summary of the Indenture — Supplemental Indentures” for an explanation of the procedures necessary for Bondholder consent); provided, however, that the approval of the Bondholders holding 100% in principal amount of the Bonds then outstanding is necessary to effectuate an alteration, amendment, change, supplement or modification with respect to the Loan Agreement of the type described in clauses (i) through (iv) of the first sentence of the third paragraph of “Summary of the Indenture — Supplemental Indentures.”

Summary of the First Mortgage Bonds and the First Mortgage Indenture

The following, in addition to the provisions contained elsewhere in this Official Statement, is a brief description of certain provisions of the First Mortgage Bonds and the First Mortgage Indenture. This description is only a summary and does not purport to be complete and definitive. Reference is made to the First Mortgage Indenture and to the form of the First Mortgage Bonds for the detailed provisions thereof.

General

In connection with the issuance of the Bonds, the First Mortgage Bonds will be issued in a principal amount equal to the principal amount of the Bonds and will constitute a new series of first mortgage bonds under the First Mortgage Indenture (see “Summary of the Loan Agreement — Issuance and Delivery of First Mortgage Bonds”). The statements herein made (being for the most part summaries of certain provisions of the First Mortgage Indenture) are subject to the detailed provisions of the First Mortgage Indenture, which is incorporated herein by this reference. Words or phrases italicized are defined in the First Mortgage Indenture.

The First Mortgage Bonds will mature on the same date and bear interest at the same rate or rates as the Bonds; however, the principal of and interest on the First Mortgage Bonds will not be payable other than upon the occurrence of an event of default under the Loan Agreement. If the Bonds become immediately due and payable as a result of a default in payment of the principal or redemption price of or interest on the Bonds, or a default in payment of the purchase price of such Bonds, due to an event of default under the Loan Agreement, and if all first mortgage bonds outstanding under the First Mortgage Indenture shall not have become immediately due and payable following an event of default under the First Mortgage Indenture, the Company will be obligated to redeem the First Mortgage Bonds upon receipt by the First Mortgage Trustee of a Redemption Demand from the Trustee for redemption, at a redemption price equal to the principal amount thereof plus accrued interest at the rates borne by the Bonds from the last date to which interest on the Bonds has been paid.

The First Mortgage Bonds at all times will be in fully registered form registered in the name of the Trustee, will be non-negotiable, and will be non-transferable except to any successor trustee under the

Indenture. Upon payment and cancellation of Bonds by the Trustee or the Paying Agent (other than any Bond or portion thereof that was canceled by the Trustee or the Paying Agent and for which one or more Bonds were delivered and authenticated pursuant to the Indenture), whether at maturity, by redemption or otherwise, or upon provision for the payment of the Bonds having been made in accordance with the Indenture, an equal principal amount of First Mortgage Bonds will be deemed fully paid and the obligations of the Company thereunder will cease.

Security; Lien of the First Mortgage Indenture

General. Except as described below under this heading and under “— Issuance of Additional First Mortgage Bonds,” and subject to the exceptions described under “— Satisfaction and Discharge,” all first mortgage bonds issued under the First Mortgage Indenture, including the First Mortgage Bonds, will be secured, equally and ratably, by the lien of the First Mortgage Indenture, which constitutes, subject to *permitted liens* and exclusions as described below, a first mortgage lien on substantially all of the Company’s real and tangible personal property located in Kentucky and used or to be used in connection with the generation, transmission and distribution of electricity (other than property duly released from the lien of the First Mortgage Indenture in accordance with the provisions thereof and other than *excepted property*, as described below). Property that is subject to the lien of the First Mortgage Indenture is referred to below as “*Mortgaged Property*.”

The Company may obtain the release of property from the lien of the First Mortgage Indenture from time to time, upon the bases provided for such release in the First Mortgage Indenture. See “— Release of Property.”

The Company may enter into supplemental indentures with the First Mortgage Trustee, without the consent of the holders of the first mortgage bonds, in order to subject additional property (including property that would otherwise be excepted from such lien) to the lien of the First Mortgage Indenture. This property would constitute *property additions* and would be available as a basis for the issuance of additional first mortgage bonds. See “— Issuance of Additional First Mortgage Bonds.”

The First Mortgage Indenture provides that after-acquired property (other than *excepted property*) will be subject to the lien of the First Mortgage Indenture. However, in the case of consolidation or merger (whether or not the Company is the surviving company) or transfer of the *Mortgaged Property* as or substantially as an entirety, the First Mortgage Indenture will not be required to be a lien upon any of the properties either owned or subsequently acquired by the successor company except properties acquired from the Company in or as a result of such transfer, as well as improvements, extensions and additions (as defined in the First Mortgage Indenture) to such properties and renewals, replacements and substitutions of or for any part or parts thereof. See “— Consolidation, Merger and Conveyance of Assets as an Entirety.”

Excepted Property. The lien of the First Mortgage Indenture does not cover, among other things, the following types of property: property located outside of the Commonwealth of Kentucky and not specifically subjected or required to be subjected to the lien of the First Mortgage Indenture; property not used by the Company in the business of the generation, transmission and/or distribution of electric energy; cash and securities not paid, deposited or held under the First Mortgage Indenture or required so to be; contracts, leases and other agreements of all kinds, contract rights, bills, notes and other instruments, revenues, accounts receivable, claims, demands and judgments; governmental and other licenses, permits, franchises, consents and allowances; intellectual property rights and other general intangibles; vehicles, movable equipment, aircraft and vessels; all goods, stock in trade, wares, merchandise and inventory held for the purpose of sale or lease in the ordinary course of business; materials, supplies, inventory and other personal property consumable in the operation of the Company’s business; fuel; tools and equipment; furniture and furnishings; computers and data processing, telecommunications and other facilities used

primarily for administrative or clerical purposes or otherwise not used in connection with the operation or maintenance of electric generation, transmission and distribution facilities; coal, ore, gas, oil and other minerals and timber rights; electric energy and capacity, gas, steam, water and other products generated, produced, manufactured, purchased or otherwise acquired; real property and facilities used primarily for the production or gathering of natural gas; property which has been released from the lien of the First Mortgage Indenture; and leasehold interests. Property of the Company not covered by the lien of the First Mortgage Indenture is referred to herein as *excepted property*. Properties held by any of the Company's subsidiaries, as well as properties leased from others, would not be subject to the lien of the First Mortgage Indenture.

Permitted Liens. The lien of the First Mortgage Indenture is subject to permitted liens described in the First Mortgage Indenture. Such permitted liens include liens existing at the execution date of the First Mortgage Indenture, purchase money liens and other liens placed or otherwise existing on property acquired by the Company after the execution date of the First Mortgage Indenture at the time the Company acquires it, tax liens and other governmental charges which are not delinquent or which are being contested in good faith, mechanics', construction and materialmen's liens, certain judgment liens, easements, reservations and rights of others (including governmental entities) in, and defects of title to, the Company's property, certain leases and leasehold interests, liens to secure public obligations, rights of others to take minerals, timber, electric energy or capacity, gas, water, steam or other products produced by the Company or by others on the Company's property, rights and interests of persons other than the Company arising out of agreements relating to the common ownership or joint use of property, and liens on the interests of such persons in such property and liens which have been bonded or for which other security arrangements have been made.

The First Mortgage Indenture also provides that the First Mortgage Trustee will have a lien, prior to the lien on behalf of the holders of the first mortgage bonds, including the First Mortgage Bonds, upon the *Mortgaged Property* as security for the Company's payment of its reasonable compensation and expenses and for indemnity against certain liabilities. Any such lien would be a permitted lien under the First Mortgage Indenture.

Issuance of Additional First Mortgage Bonds

The maximum principal amount of first mortgage bonds that may be authenticated and delivered under the First Mortgage Indenture is subject to the issuance restrictions described below; provided, however, that the maximum principal amount of first mortgage bonds outstanding at any one time shall not exceed One Quintillion Dollars (\$1,000,000,000,000,000,000), which amount may be changed by supplemental indenture. As of September 30, 2023, first mortgage bonds in an aggregate principal amount of \$3,028,952,405 were outstanding under the First Mortgage Indenture, of which \$328,952,405 were issued to secure the Company's payment obligations with respect to its outstanding pollution control and environmental facilities revenue bonds.

First mortgage bonds of any series may be issued from time to time on the basis of, and in an aggregate principal amount not exceeding:

- 66 2/3% of the *cost* or *fair value* to the Company (whichever is less) of *property additions* (as described below) which do not constitute *funded property* (generally, *property additions* which have been made the basis of the authentication and delivery of first mortgage bonds, the release of *Mortgaged Property* or the withdrawal of cash, which have been substituted for retired *funded property* or which have been used for other specified purposes) after certain deductions and additions, primarily including adjustments to offset property retirements;

- the aggregate principal amount of *retired securities* (as described below); or
- an amount of cash deposited with the First Mortgage Trustee.

Property additions generally include any property which is owned by the Company and is subject to the lien of the First Mortgage Indenture except (with certain exceptions) goodwill, going concern value rights or intangible property, or any property the acquisition or construction of which is properly chargeable to one of the Company's operating expense accounts in accordance with U.S. generally accepted accounting principles.

Retired securities means, generally, first mortgage bonds which are no longer outstanding under the First Mortgage Indenture, which have not been retired by the application of *funded cash* and which have not been used as the basis for the authentication and delivery of first mortgage bonds, the release of property or the withdrawal of cash.

At September 30, 2023, approximately \$1.3 billion of *property additions* and \$771 million of *retired securities* were available to be used as the basis for the authentication and delivery of first mortgage bonds. The Company intends to issue the First Mortgage Bonds on the basis of *retired securities*.

Release of Property

Unless an *event of default* under the First Mortgage Indenture has occurred and is continuing, the Company may obtain the release from the lien of the First Mortgage Indenture of any *Mortgaged Property*, except for cash held by the First Mortgage Trustee, upon delivery to the First Mortgage Trustee of an amount in cash equal to the amount, if any, by which sixty-six and two-thirds percent (66-2/3%) of the *cost* of the property to be released (or, if less, the *fair value* to the Company of such property at the time it became *funded property*) exceeds the aggregate of:

- an amount equal to 66 2/3% of the aggregate principal amount of obligations secured by *purchase money liens* upon the property to be released and delivered to the First Mortgage Trustee;
- an amount equal to 66 2/3% of the *cost* or *fair value* to the Company (whichever is less) of certified *property additions* not constituting *funded property* after certain deductions and additions, primarily including adjustments to offset property retirements (except that such adjustments need not be made if such *property additions* were acquired or made within the 90-day period preceding the release);
- the aggregate principal amount of first mortgage bonds the Company would be entitled to issue on the basis of *retired securities* (with such entitlement being waived by operation of such release);
- the aggregate principal amount of first mortgage bonds delivered to the First Mortgage Trustee (with such first mortgage bonds to be canceled by the First Mortgage Trustee);
- any amount of cash and/or an amount equal to 66 2/3% of the aggregate principal amount of obligations secured by *purchase money liens* upon the property released that is delivered to the trustee or other holder of a lien prior to the lien of the First Mortgage Indenture, subject to certain limitations described in the First Mortgage Indenture; and

- any taxes and expenses incidental to any sale, exchange, dedication or other disposition of the property to be released.

As used in the First Mortgage Indenture, the term *purchase money lien* means, generally, a lien on the property being released which is retained by the transferor of such property or granted to one or more other persons in connection with the transfer or release thereof, or granted to or held by a trustee or agent for any such persons, and may include liens which cover property in addition to the property being released and/or which secure indebtedness in addition to indebtedness to the transferor of such property.

Unless an *event of default* has occurred and is continuing, property which is not *funded property* may generally be released from the lien of the First Mortgage Indenture without depositing any cash or property with the First Mortgage Trustee as long as (a) the aggregate amount of *cost* or *fair value* to the Company (whichever is less) of all *property additions* which do not constitute *funded property* (excluding the property to be released) after certain deductions and additions, primarily including adjustments to offset property retirements, is not less than zero or (b) the *cost* or *fair value* (whichever is less) of property to be released does not exceed the aggregate amount of the *cost* or *fair value* to the Company (whichever is less) of *property additions* acquired or made within the 90-day period preceding the release.

The First Mortgage Indenture provides simplified procedures for the release of minor properties and property taken by eminent domain, and provides for dispositions of certain obsolete property and grants or surrender of certain rights without any release or consent by the First Mortgage Trustee.

If the Company retains any interest in any property released from the lien of the First Mortgage Indenture, the First Mortgage Indenture will not become a lien on such property or such interest therein or any improvements, extensions or additions to such property or renewals, replacements or substitutions of or for such property or any part or parts thereof.

Withdrawal of Cash

Unless an *event of default* under the First Mortgage Indenture has occurred and is continuing, and subject to certain limitations, cash held by the First Mortgage Trustee may, generally, (1) be withdrawn by the Company (a) to the extent of sixty-six and two-thirds percent (66-2/3%) of the *cost* or *fair value* to the Company (whichever is less) of *property additions* not constituting *funded property*, after certain deductions and additions, primarily including adjustments to offset retirements (except that such adjustments need not be made if such *property additions* were acquired or made within the 90-day period preceding the withdrawal) or (b) in an amount equal to the aggregate principal amount of first mortgage bonds that the Company would be entitled to issue on the basis of *retired securities* (with the entitlement to such issuance being waived by operation of such withdrawal) or (c) in an amount equal to the aggregate principal amount of any outstanding first mortgage bonds delivered to the First Mortgage Trustee; or (2) upon the Company's request, be applied to (a) the purchase of first mortgage bonds in a manner and at a price approved by the Company or (b) the payment (or provision for payment) at stated maturity of any first mortgage bonds or the redemption (or provision for payment) of any first mortgage bonds which are redeemable; provided, however, that cash deposited with the First Mortgage Trustee as the basis for the authentication and delivery of first mortgage bonds may, in addition, be withdrawn in an amount not exceeding the aggregate principal amount of cash delivered to the First Mortgage Trustee for such purpose.

Events of Default

An “*event of default*” occurs under the First Mortgage Indenture if

- the Company does not pay any interest on any first mortgage bonds within 30 days of the due date;
- the Company does not pay principal or premium, if any, on any first mortgage bonds on the due date;
- the Company remains in breach of any other covenant (excluding covenants specifically dealt with elsewhere in this section) in respect of any first mortgage bonds for 90 days after the Company receives a written notice of default stating the Company is in breach and requiring remedy of the breach; the notice must be sent by either the First Mortgage Trustee or holders of 25% of the principal amount of outstanding first mortgage bonds; the First Mortgage Trustee or such holders can agree to extend the 90-day period and such an agreement to extend will be automatically deemed to occur if the Company initiates corrective action within such 90 day period and the Company is diligently pursuing such action to correct the default; or
- the Company files for bankruptcy or certain other events in bankruptcy, insolvency, receivership or reorganization occur.

Remedies

Acceleration of Maturity. If an event of default under the First Mortgage Indenture occurs and is continuing, then either the First Mortgage Trustee or the holders of not less than 25% in principal amount of the outstanding first mortgage bonds may declare the principal amount of all of the first mortgage bonds to be due and payable immediately.

Rescission of Acceleration. After the declaration of acceleration has been made and before the First Mortgage Trustee has obtained a judgment or decree for payment of the money due, such declaration and its consequences will be rescinded and annulled, if

- the Company pays or deposits with the First Mortgage Trustee a sum sufficient to pay:
 - all overdue interest;
 - the principal of and premium, if any, which have become due otherwise than by such declaration of acceleration and interest thereon;
 - interest on overdue interest to the extent lawful; and
 - all amounts due to the First Mortgage Trustee under the First Mortgage Indenture; and
 - all *events of default*, other than the nonpayment of the principal which has become due solely by such declaration of acceleration, have been cured or waived as provided in the First Mortgage Indenture.

For more information as to waiver of defaults, see “— Waiver of Default and of Compliance” below.

Appointment of Receiver and Other Remedies. Subject to the First Mortgage Indenture, under certain circumstances and to the extent permitted by law, if an *event of default* occurs and is continuing, the First Mortgage Trustee has the power to appoint a receiver of the *Mortgaged Property*, and is entitled to all

other remedies available to mortgagees and secured parties under the Uniform Commercial Code or any other applicable law.

Control by Holders; Limitations. Subject to the First Mortgage Indenture, if an *event of default* occurs and is continuing, the holders of a majority in principal amount of the outstanding first mortgage bonds will have the right to

- direct the time, method and place of conducting any proceeding for any remedy available to the First Mortgage Trustee, or
- exercise any trust or power conferred on the First Mortgage Trustee.

The rights of holders to make direction are subject to the following limitations:

- the holders' directions may not conflict with any law or the First Mortgage Indenture; and
- the holders' directions may not involve the First Mortgage Trustee in personal liability where the First Mortgage Trustee believes indemnity is not adequate.

The First Mortgage Trustee may also take any other action it deems proper which is not inconsistent with the holders' direction.

In addition, the First Mortgage Indenture provides that no holder of any first mortgage bond will have any right to institute any proceeding, judicial or otherwise, with respect to the First Mortgage Indenture for the appointment of a receiver or for any other remedy thereunder unless

- that holder has previously given the First Mortgage Trustee written notice of a continuing *event of default*;
- the holders of 25% in aggregate principal amount of the outstanding first mortgage bonds have made written request to the First Mortgage Trustee to institute proceedings in respect of that *event of default* and have offered the First Mortgage Trustee reasonable indemnity against costs, expenses and liabilities incurred in complying with such request; and
- for 60 days after receipt of such notice, request and offer of indemnity, the First Mortgage Trustee has failed to institute any such proceeding and no direction inconsistent with such request has been given to the First Mortgage Trustee during such 60-day period by the holders of a majority in aggregate principal amount of outstanding first mortgage bonds.

Furthermore, no holder of first mortgage bonds will be entitled to institute any such action if and to the extent that such action would disturb or prejudice the rights of other holders of first mortgage bonds.

However, each holder of first mortgage bonds has an absolute and unconditional right to receive payment when due and to bring a suit to enforce that right.

Notice of Default. The First Mortgage Trustee is required to give the holders of the first mortgage bonds notice of any default under the First Mortgage Indenture to the extent required by the Trust Indenture Act, unless such default has been cured or waived; except that in the case of an *event of default* of the character specified in the third bullet point under “— Events of Default” (regarding a breach of certain covenants continuing for 90 days after the receipt of a written notice of default), no such notice shall be given to such holders until at least 60 days after the occurrence thereof. The Trust Indenture Act currently

permits the First Mortgage Trustee to withhold notices of default (except for certain payment defaults) if the First Mortgage Trustee in good faith determines the withholding of such notice to be in the interests of the holders of the first mortgage bonds.

The Company will furnish the First Mortgage Trustee with an annual statement as to its compliance with the conditions and covenants in the First Mortgage Indenture.

Waiver of Default and of Compliance. The holders of a majority in aggregate principal amount of the outstanding first mortgage bonds may waive, on behalf of the holders of all outstanding first mortgage bonds, any past default under the First Mortgage Indenture, except a default in the payment of principal, premium or interest, or with respect to compliance with certain provisions of the First Mortgage Indenture that cannot be amended without the consent of the holder of each outstanding first mortgage bond affected.

Compliance with certain covenants in the First Mortgage Indenture or otherwise provided with respect to first mortgage bonds may be waived by the holders of a majority in aggregate principal amount of the affected first mortgage bonds, considered as one class.

Consolidation, Merger and Conveyance of Assets as an Entirety

Subject to the provisions described below, the Company has agreed to preserve its corporate existence.

The Company has agreed not to consolidate with or merge with or into any other entity or convey, transfer or lease the *Mortgaged Property* as or substantially as an entirety to any entity unless

- the entity formed by such consolidation or into which the Company merges, or the entity which acquires or which leases the *Mortgaged Property* substantially as an entirety, is an entity organized and existing under the laws of the United States of America or any State or Territory thereof or the District of Columbia; and
 - expressly assumes, by supplemental indenture, the due and punctual payment of the principal of, and premium and interest on, all the outstanding first mortgage bonds and the performance of all of the Company's covenants under the First Mortgage Indenture; and
 - such entity confirms the lien of the First Mortgage Indenture on the *Mortgaged Property*; and
- in the case of a lease, such lease is made expressly subject to termination by (i) the Company or by the First Mortgage Trustee and (ii) the purchaser of the property so leased at any sale thereof, at any time during the continuance of an *event of default*; and
- immediately after giving effect to such transaction, no *event of default*, and no event which after notice or lapse of time or both would become an *event of default*, will have occurred and be continuing.

In the case of the conveyance or other transfer of the *Mortgaged Property* as or substantially as an entirety to any other person, upon the satisfaction of all the conditions described above the Company would be released and discharged from all obligations under the First Mortgage Indenture and on the first mortgage bonds then outstanding unless the Company elects to waive such release and discharge.

The First Mortgage Indenture does not prevent or restrict:

- any consolidation or merger after the consummation of which the Company would be the surviving or resulting entity; or
- any conveyance or other transfer, or lease, of any part of the *Mortgaged Property* which does not constitute the entirety or substantially the entirety thereof.

If following a conveyance or other transfer, or lease, of any part of the *Mortgaged Property*, the *fair value* of the *Mortgaged Property* retained by the Company exceeds an amount equal to three-halves (3/2) of the aggregate principal amount of all outstanding first mortgage bonds, then the part of the *Mortgaged Property* so conveyed, transferred or leased shall be deemed not to constitute the entirety or substantially the entirety of the *Mortgaged Property*. This *fair value* will be determined within 90 days of the conveyance or transfer by an independent expert that the Company selects and that is approved by the First Mortgage Trustee.

Modification of First Mortgage Indenture

Without Holder Consent. Without the consent of any holders of first mortgage bonds, the Company and the First Mortgage Trustee may enter into one or more supplemental indentures for any of the following purposes:

- to evidence the succession of another entity to the Company;
- to add one or more covenants or other provisions for the benefit of the holders of all or any series or tranche of first mortgage bonds, or to surrender any right or power conferred upon the Company;
- to correct or amplify the description of any property at any time subject to the lien of the First Mortgage Indenture; or to better assure, convey and confirm unto the First Mortgage Trustee any property subject or required to be subjected to the lien of the First Mortgage Indenture; or to subject to the lien of the First Mortgage Indenture additional property (including property of others), to specify any additional Permitted Liens with respect to such additional property and to modify the provisions in the First Mortgage Indenture for dispositions of certain types of property without release in order to specify any additional items with respect to such additional property;
- to add any additional *events of default*, which may be stated to remain in effect only so long as the first mortgage bonds of any one more particular series remains outstanding;
- to change or eliminate any provision of the First Mortgage Indenture or to add any new provision to the First Mortgage Indenture that does not adversely affect the interests of the holders in any material respect;
- to establish the form or terms of any series or tranche of first mortgage bonds;
- to provide for the issuance of bearer securities;
- to evidence and provide for the acceptance of appointment of a successor First Mortgage Trustee or by a co-trustee or separate trustee;

- to provide for the procedures required to permit the utilization of a noncertificated system of registration for any series or tranche of first mortgage bonds;
- to change any place or places where
 - the Company may pay principal, premium and interest,
 - first mortgage bonds may be surrendered for transfer or exchange, and
 - notices and demands to or upon the Company may be served;
- to amend and restate the First Mortgage Indenture as originally executed, and as amended from time to time, with such additions, deletions and other changes that do not adversely affect the interest of the holders in any material respect;
- to cure any ambiguity, defect or inconsistency or to make any other changes that do not adversely affect the interests of the holders in any material respect; or
- to increase or decrease the maximum principal amount of first mortgage bonds that may be outstanding at any time.

In addition, if the Trust Indenture Act is amended after the date of the First Mortgage Indenture so as to require changes to the First Mortgage Indenture or so as to permit changes to, or the elimination of, provisions which, at the date of the First Mortgage Indenture or at any time thereafter, were required by the Trust Indenture Act to be contained in the First Mortgage Indenture, the First Mortgage Indenture will be deemed to have been amended so as to conform to such amendment or to effect such changes or elimination, and the Company and the First Mortgage Trustee may, without the consent of any holders, enter into one or more supplemental indentures to effect or evidence such amendment.

With Holder Consent. Except as provided above, the consent of the holders of at least a majority in aggregate principal amount of the first mortgage bonds of all outstanding series, considered as one class, is generally required for the purpose of adding to, or changing or eliminating any of the provisions of, the First Mortgage Indenture pursuant to a supplemental indenture. However, if less than all of the series of outstanding first mortgage bonds are directly affected by a proposed supplemental indenture, then such proposal only requires the consent of the holders of a majority in aggregate principal amount of the outstanding first mortgage bonds of all directly affected series, considered as one class. Moreover, if the first mortgage bonds of any series have been issued in more than one tranche and if the proposed supplemental indenture directly affects the rights of the holders of first mortgage bonds of one or more, but less than all, of such tranches, then such proposal only requires the consent of the holders of a majority in aggregate principal amount of the outstanding first mortgage bonds of all directly affected tranches, considered as one class.

However, no amendment or modification may, without the consent of the holder of each outstanding first mortgage bond directly affected thereby:

- change the stated maturity of the principal or interest on any first mortgage bond (other than pursuant to the terms thereof), or reduce the principal amount, interest or premium payable (or the method of calculating such rates) or change the currency in which any first mortgage bond is payable, or impair the right to bring suit to enforce any payment;

- create any lien (not otherwise permitted by the First Mortgage Indenture) ranking prior to the lien of the First Mortgage Indenture with respect to all or substantially all of the *Mortgaged Property*, or terminate the lien of the First Mortgage Indenture on all or substantially all of the *Mortgaged Property* (other than in accordance with the terms of the First Mortgage Indenture), or deprive any holder of the benefits of the security of the lien of the First Mortgage Indenture;
- reduce the percentages of holders whose consent is required for any supplemental indenture or waiver of compliance with any provision of the First Mortgage Indenture or of any default thereunder and its consequences, or reduce the requirements for quorum and voting under the First Mortgage Indenture; or
- modify certain of the provisions of the First Mortgage Indenture relating to supplemental indentures, waivers of certain covenants and waivers of past defaults with respect to first mortgage bonds.

A supplemental indenture which changes, modifies or eliminates any provision of the First Mortgage Indenture expressly included solely for the benefit of holders of first mortgage bonds of one or more particular series or tranches will be deemed not to affect the rights under the First Mortgage Indenture of the holders of first mortgage bonds of any other series or tranche.

Satisfaction and Discharge

Any first mortgage bonds or any portion thereof will be deemed to have been paid and no longer outstanding for purposes of the First Mortgage Indenture and, at the Company's election, the Company's entire indebtedness with respect to those securities will be satisfied and discharged, if there shall have been irrevocably deposited with the First Mortgage Trustee or any Paying Agent (other than the Company), in trust:

- money sufficient, or
- in the case of a deposit made prior to the maturity of such first mortgage bonds, non-redeemable *eligible obligations* (as defined in the First Mortgage Indenture) sufficient, or
- a combination of the items listed in the preceding two bullet points, which in total are sufficient,

to pay when due the principal of, and any premium, and interest due and to become due on such first mortgage bonds or portions of such first mortgage bonds on and prior to their maturity.

The First Mortgage Indenture will be deemed satisfied and discharged when no first mortgage bonds remain outstanding and when the Company has paid all other sums payable by it under the First Mortgage Indenture.

All moneys the Company pays to the First Mortgage Trustee or any Paying Agent on First Mortgage Bonds that remain unclaimed at the end of two years after payments have become due may be paid to or upon the Company's order. Thereafter, the holder of such First Mortgage Bond may look only to the Company for payment.

Duties of the First Mortgage Trustee; Resignation and Removal of the First Mortgage Trustee; Deemed Resignation

The First Mortgage Trustee will be under no obligation to exercise any of the powers vested in it by the First Mortgage Indenture at the request of any holder of first mortgage bonds, unless offered reasonable indemnity by such holder against the costs, expenses and liabilities which might be incurred thereby. The First Mortgage Trustee will not be required to expend or risk its own funds or otherwise incur financial liability in the performance of its duties if the First Mortgage Trustee reasonably believes that repayment or adequate indemnity is not reasonably assured to it.

The First Mortgage Trustee may resign at any time by giving written notice to the Company.

The First Mortgage Trustee may also be removed by act of the holders of a majority in principal amount of the then outstanding first mortgage bonds.

No resignation or removal of the First Mortgage Trustee and no appointment of a successor trustee will become effective until the acceptance of appointment by a successor trustee in accordance with the requirements of the First Mortgage Indenture.

Under certain circumstances, the Company may appoint a successor trustee and if the successor accepts, the First Mortgage Trustee will be deemed to have resigned.

Evidence to be Furnished to the First Mortgage Trustee

Compliance with First Mortgage Indenture provisions is evidenced by written statements of the Company's officers or persons selected or paid by the Company. In certain cases, opinions of counsel and certifications of an engineer, accountant, appraiser or other expert (who in some cases must be independent) must be furnished. In addition, the First Mortgage Indenture requires the Company to give to the First Mortgage Trustee, not less than annually, a brief statement as to the Company's compliance with the conditions and covenants under the First Mortgage Indenture.

Miscellaneous Provisions

The First Mortgage Indenture provides that certain first mortgage bonds, including those for which payment or redemption money has been deposited or set aside in trust as described under "— Satisfaction and Discharge" above, will not be deemed to be "outstanding" in determining whether the holders of the requisite principal amount of the outstanding first mortgage bonds have given or taken any demand, direction, consent or other action under the First Mortgage Indenture as of any date, or are present at a meeting of holders for quorum purposes.

The Company will be entitled to set any day as a record date for the purpose of determining the holders of outstanding first mortgage bonds of any series entitled to give or take any demand, direction, consent or other action under the First Mortgage Indenture, in the manner and subject to the limitations provided in the First Mortgage Indenture. In certain circumstances, the First Mortgage Trustee also will be entitled to set a record date for action by holders. If such a record date is set for any action to be taken by holders of particular first mortgage bonds, such action may be taken only by persons who are holders of such first mortgage bonds on the record date.

Governing Law

The First Mortgage Indenture and the first mortgage bonds provide that they are to be governed by and construed in accordance with the laws of the State of New York except where the Trust Indenture Act is applicable or where otherwise required by law. The effectiveness of the lien of the First Mortgage Indenture, and the perfection and priority thereof, will be governed by Kentucky law.

Summary of the Indenture

The following, in addition to the provisions contained elsewhere in this Official Statement, is a brief description of certain provisions of the Indenture. This description is only a summary and does not purport to be complete and definitive. Reference is made to the Indenture for the detailed provisions thereof.

Security

Pursuant to the Indenture, the Issuer will assign and pledge to the Trustee its interest in and to the Loan Agreement, including payments and other amounts due the Issuer thereunder, together with all moneys, property and securities from time to time held by the Trustee under the Indenture (with certain exceptions, including moneys held in or earnings on the Rebate Fund and the Purchase Fund).

The Bonds will be further secured by the First Mortgage Bonds to be delivered to the Trustee (see “Summary of the Loan Agreement — Issuance and Delivery of First Mortgage Bonds”). The First Mortgage Bonds will be registered in the name of the Trustee and will be nontransferable, except to effect a transfer to any successor trustee. The Bonds will not be directly secured by the Project (although the Project is subject to the lien of the First Mortgage Indenture).

No Pecuniary Liability of the Issuer

No provision, covenant or agreement contained in the Indenture or in the Loan Agreement, nor any breach thereof, will constitute or give rise to any pecuniary liability of the Issuer or any charge upon any of its assets or its general credit or taxing powers. The Issuer has not obligated itself by making the covenants, agreements or provisions contained in the Indenture or in the Loan Agreement, except with respect to the application of the amounts assigned to payment of the principal or redemption price of and interest on the Bonds.

The Construction Fund

The net proceeds of the Bonds will be deposited in a Construction Fund (the “Construction Fund”) established under the Indenture. Moneys in the Construction Fund will be expended in accordance with the Loan Agreement to pay the costs of construction of the Project or to reimburse the Company for any amount of the costs of construction of the Project paid or incurred by the Company.

The Bond Fund

The payments to be made by the Company pursuant to the Loan Agreement to the Issuer and certain other amounts specified in the Indenture will be deposited into a Bond Fund established pursuant to the Indenture (the “Bond Fund”) and will be maintained in trust by the Trustee. Moneys in the Bond Fund will be used solely and only for the payment of the principal or redemption price of and interest on the Bonds, and for the payment of the reasonable fees and expenses to which the Trustee, Bond Registrar, Tender

Agent, Authenticating Agent, any Paying Agent and the Issuer are entitled pursuant to the Indenture or the Loan Agreement. Any moneys held in the Bond Fund will be invested by the Trustee at the specific written direction of the Company in certain Governmental Obligations, investment-grade corporate obligations and other investments permitted under the Indenture.

The Rebate Fund

A Rebate Fund has been created by the Indenture (the “Rebate Fund”) and will be maintained as a separate fund free and clear of the lien of the Indenture. The Issuer, the Trustee and the Company have agreed to comply with all rebate requirements of the Code and, in particular, the Company has agreed that if necessary, it will deposit in the Rebate Fund any such amount as is required under the Code. However, the Issuer, the Trustee and the Company may disregard the Rebate Fund provisions to the extent that they receive an opinion of Bond Counsel that such failure to comply will not adversely affect the exclusion of the interest on the Bonds from gross income for federal income tax purposes.

Discharge of Indenture

When all the Bonds and all fees and charges accrued and to accrue of the Trustee and the Paying Agent have been paid or provided for, and when proper notice has been given to the Bondholders or the Trustee that the proper amounts have been so paid or provided for, and if the Issuer is not in default in any other respect under the Indenture, the Indenture will become null and void. The Bonds will be deemed to have been paid and discharged when there have been irrevocably deposited with the Trustee moneys sufficient to pay the principal or redemption price of and accrued interest on such Bonds to the due date (whether such date be by reason of maturity or upon redemption) or, in lieu thereof, Governmental Obligations have been deposited which mature in such amounts and at such times as will provide the funds necessary to so pay such Bonds, and when all reasonable and necessary fees and expenses of the Trustee, the Tender Agent, the Authenticating Agent, the Bond Registrar and the Paying Agent have been paid or provided for.

Surrender of First Mortgage Bonds

Upon payment of any principal or redemption price of and interest on any of the Bonds which reduces the principal amount of Bonds outstanding, or upon provision for the payment thereof having been made in accordance with the Indenture (see “Discharge of Indenture” above), First Mortgage Bonds in a principal amount equal to the principal amount of the Bonds so paid, or for the payment of which such provision has been made, shall be surrendered by the Trustee to the First Mortgage Trustee. The First Mortgage Bonds so surrendered shall be deemed fully paid and the obligations of the Company thereunder terminated.

Defaults and Remedies

Each of the following events constitutes an “Event of Default” under the Indenture:

- (a) failure to make due and punctual payment of any installment of interest on any Bond within a period of 5 Business Days from the due date;
- (b) failure to make due and punctual payment of the principal of, or premium, if any, on any Bond on the due date, whether at the stated maturity thereof, or upon proceedings for redemption, or upon the maturity thereof by declaration or if payment of the purchase price of any Bond required to be purchased pursuant to the Indenture is not made when such payment has become due and payable, provided that no Event of Default has occurred in respect of failure to

receive such purchase price for any Bond if the Company has made the payment at the opening of business on the next Business Day as described in the last paragraph under “Summary of the Bonds — Mandatory Purchase of Bonds — Remarketing and Purchase of Bonds” above;

(c) failure of the Issuer to perform or observe any other of the covenants, agreements or conditions in the Indenture or in the Bonds which failure continues for a period of 30 days after written notice by the Trustee or by the registered owners holding not less than 25% in aggregate principal amount of all Bonds outstanding, provided, however, that if such failure is capable of being cured, but cannot be cured in such 30-day period, it will not constitute an Event of Default under the Indenture if corrective action in respect of such failure is instituted within such 30-day period and is being diligently pursued;

(d) the occurrence of an “Event of Default” under the Loan Agreement (see “Summary of the Loan Agreement — Events of Default”); or

(e) all first mortgage bonds outstanding under the First Mortgage Indenture, if not already due, shall have become immediately due and payable, whether by declaration or otherwise, and such acceleration shall not have been rescinded by the First Mortgage Trustee.

Upon the occurrence of an Event of Default under the Indenture, the Trustee may, and upon the written request of the registered owners holding not less than 25% in aggregate principal amount of Bonds then outstanding and upon receipt of indemnity reasonably satisfactory to it, must: (i) enforce each and every right granted to the Trustee as a holder of the First Mortgage Bonds (see “Summary of the First Mortgage Bonds and the First Mortgage Indenture”), (ii) declare the principal of all Bonds and interest accrued thereon to be immediately due and payable and (iii) declare all payments under the Loan Agreement to be immediately due and payable and enforce each and every other right granted to the Issuer under the Loan Agreement for the benefit of the Bondholders. Interest on the Bonds will cease to accrue on the date of issuance of a declaration of acceleration of payment of the principal and interest on the Bonds.

In exercising such rights, the Trustee will take any action that, in the judgment of the Trustee, would best serve the interests of the registered owners, taking into account the security and remedies afforded to holders of first mortgage bonds under the First Mortgage Indenture. Upon the occurrence of an Event of Default under the Indenture, the Trustee may also proceed to pursue any available remedy by suit at law or in equity to enforce the payment of the principal or redemption price of and interest on the Bonds then outstanding.

If an Event of Default under the Indenture shall occur and be continuing and the maturity date of the Bonds has been accelerated (to the extent the Bonds are not already due and payable) as a consequence of such event of default, the Trustee may, and upon the written request of the registered owners holding not less than 25% in principal amount of all Bonds then outstanding and upon receipt of indemnity satisfactory to it shall, exercise such rights as it shall possess under the First Mortgage Indenture as a holder of the First Mortgage Bonds and shall also issue a Redemption Demand for such First Mortgage Bonds to the First Mortgage Trustee.

If the Trustee recovers any moneys following an Event of Default, unless the principal of the Bonds has been declared due and payable, all such moneys will be applied in the following order: (i) to the payment of the fees, expenses, liabilities and advances incurred or made by the Trustee and the Paying Agent and the payment of any sums due and payable to the United States pursuant to Section 148(f) of the Code, (ii) to the payment of all interest then due on the Bonds, and (iii) to the payment of unpaid principal and premium, if any, of the Bonds. If the principal of the Bonds has become due or has been accelerated, such moneys will be applied in the following order: (i) to the payment of the fees, expenses, liabilities and

advances incurred or made by the Trustee and the Paying Agent and (ii) to the payment of principal of and interest then due and unpaid on the Bonds.

No Bondholder may institute any suit or proceeding in equity or at law for the enforcement of the Indenture unless an Event of Default has occurred of which the Trustee has been notified or is deemed to have notice, and registered owners holding not less than 25% in aggregate principal amount of Bonds then outstanding have made written request to the Trustee to proceed to exercise the powers granted under the Indenture or to institute such action in their own name and the Trustee fails or refuses to exercise its powers within a reasonable time after receipt of indemnity satisfactory to it.

Any judgment against the Issuer pursuant to the exercise of rights under the Indenture will be enforceable only against specific assigned payments, funds and accounts under the Indenture in the hands of the Trustee. No deficiency judgment will be authorized against the general credit of the Issuer.

Waiver of Events of Default

Except as provided below, the Trustee may in its discretion waive any Event of Default under the Indenture and will do so upon the written request of the registered owners holding a majority in principal amount of all Bonds then outstanding. If, after the principal of all Bonds then outstanding have been declared to be due and payable as a result of a default under the Indenture and prior to any judgment or decree for the appointment of a receiver or for the payment of the moneys due has been obtained or entered, (i) the Company causes to be deposited with the Trustee a sum sufficient to pay all matured installments of interest upon all Bonds and the principal of and premium, if any, on any and all Bonds which would become due otherwise than by reason of such declaration (with interest thereon as provided in the Indenture) and the expenses of the Trustee in connection with such default and (ii) all Events of Default under the Indenture (other than nonpayment of the principal of Bonds due by said declaration) have been remedied, then such Event of Default will be deemed waived and such declaration and its consequences rescinded and annulled by the Trustee. Such waiver, rescission and annulment will be binding upon all Bondholders. No such waiver, rescission and annulment will extend to or affect any subsequent Event of Default or impair any right or remedy consequent thereon.

Upon any waiver or rescission as described above or any discontinuance or abandonment of proceedings under the Indenture, the Trustee shall immediately rescind in writing any Redemption Demand of First Mortgage Bonds previously given to the First Mortgage Trustee. The rescission under the First Mortgage Indenture of a declaration that all first mortgage bonds outstanding under the First Mortgage Indenture are immediately due and payable shall also constitute a waiver of an Event of Default described in paragraph (e) under the subheading "Defaults and Remedies" above and a waiver and rescission of its consequences, provided that no such waiver or rescission shall extend to or affect any subsequent or other default or impair any right consequent thereon.

Notwithstanding the foregoing, nothing in the Indenture will affect the right of a registered owner to enforce the payment of principal or redemption price of and interest on the Bonds after the maturity thereof.

Voting of First Mortgage Bonds Held by Trustee

The Indenture provides that the Trustee, as the holder of the First Mortgage Bonds, will be required to attend such meeting or meetings of bondholders under the First Mortgage Indenture or, at its option, deliver its proxy in connection therewith, as relate to matters with respect to which it, as such holder, is entitled to vote or consent. The Trustee, either at any such meeting or meetings or otherwise when the consent of the holders of the First Mortgage Bonds is sought without a meeting, will be required to vote all

First Mortgage Bonds then held by it, or consent with respect thereto, proportionately with the vote or consent of the holders of all other securities of the Company then outstanding under the First Mortgage Indenture eligible to vote or consent, as evidenced by, and as to be delivered to the Trustee, a certificate signed by the temporary chairman, the temporary secretary, the permanent chairman, the permanent secretary, or an inspector of votes at any meeting or meetings of security holders under the First Mortgage Indenture, or by the First Mortgage Trustee in the case of consents of such security holders which are sought without a meeting, which states what the signer thereof reasonably believes are the proportionate votes or consents of the holders of all securities (other than the First Mortgage Bonds) outstanding under the First Mortgage Indenture and counted for the purposes of determining whether such security holders have approved or consented to the matter put before them; provided, however, that the Trustee shall not so vote in favor of, or so consent to, any amendment or modification of the First Mortgage Indenture, which, if it were an amendment or modification of the Indenture, would require the consent of the Bondholders as described in the third paragraph under the heading "Summary of the Indenture – Supplemental Indenture," without the prior consent and approval of Bondholders which would be so required; provided further that as a condition to the Trustee voting or giving such consent, the Trustee shall have received a certificate of a Company representative or an opinion of counsel, at its election, stating that such voting or consent is authorized or permitted by the Indenture.

Supplemental Indentures

The Issuer and the Trustee may enter into indentures supplemental to the Indenture as shall not be inconsistent with the terms and provisions of the Indenture, without the consent of or notice to the Bondholders, in order (i) to cure any ambiguity or formal defect or omission in the Indenture, (ii) to grant to or confer upon the Trustee, as may lawfully be granted, additional rights, remedies, powers or authorities for the benefit of the Bondholders, (iii) to subject to the Indenture additional revenues, properties or collateral, (iv) to permit qualification of the Indenture under any federal statute or state blue sky law, (v) to add additional covenants and agreements of the Issuer for the protection of the Bondholders or to surrender or limit any rights, powers or authorities reserved to or conferred upon the Issuer, (vi) to make any other modification or change to the Indenture which, in the sole judgment of the Trustee, does not adversely affect the Trustee or any Bondholder, (vii) to make other amendments not otherwise permitted by (i), (ii), (iii), (iv) or (v) of this paragraph to provisions relating to federal income tax matters under the Code or other relevant provisions if, in the opinion of Bond Counsel, those amendments would not adversely affect the exclusion of the interest on the Bonds from gross income for federal income tax purposes, (viii) to make any modification or change to the Indenture necessary to provide liquidity or credit support for the Bonds, including any modifications necessary to upgrade or maintain the then applicable ratings on the Bonds or (ix) to permit the issuance of the Bonds in other than book-entry-only form or to provide changes to or for the book-entry system.

Notwithstanding the foregoing, the Company, with the consent of the Trustee, may at any time further secure the Bonds by means of a letter of credit, other credit facility or other guarantee or collateral.

Exclusive of supplemental indentures for the purposes set forth in the preceding two paragraphs, the consent of registered owners holding a majority in aggregate principal amount of all Bonds then outstanding is required to approve any supplemental indenture, except no such supplemental indenture may permit, without the consent of all of the registered owners of the Bonds then outstanding, (i) an extension of the maturity of the principal of or the interest on any Bond issued under the Indenture or a reduction in the principal amount of any Bond or the rate of interest or time of redemption or redemption premium thereon, (ii) a privilege or priority of any Bond or Bonds over any other Bond or Bonds, (iii) a reduction in the aggregate principal amount of the Bonds required for consent to such supplemental indenture or (iv) the deprivation of any registered owners of the lien of the Indenture.

If at any time the Issuer requests the Trustee to enter into any supplemental indenture requiring the consent of the registered owners of the Bonds, the Trustee, upon being satisfactorily indemnified with respect to expenses, must notify all such registered owners. Such notice must set forth the nature of the proposed supplemental indenture and must state that copies thereof are on file at the designated office of the Trustee for inspection. If, within 60 days (or such longer period as prescribed by the Issuer or the Company) following the giving of such notice, the registered owners holding the requisite amount of the Bonds outstanding have consented to the execution thereof, no Bondholder will have any right to object or question the execution thereof.

No supplemental indenture will become effective unless the Company consents to the execution and delivery of such supplemental indenture. The Company will be deemed to have consented to the execution and delivery of any supplemental indenture if the Trustee does not receive a notice of protest or objection signed by the Company on or before 4:30 p.m., local time in the city in which the designated office of the Trustee is located, on the fifteenth day after the mailing to the Company of a notice of the proposed changes and a copy of the proposed supplemental indenture.

Enforceability of Remedies

The remedies available to the Trustee, the Issuer and the owners upon an Event of Default under the Loan Agreement, the Indenture or the First Mortgage Indenture are in many respects dependent upon judicial actions which are often subject to discretion and delay. Under existing constitutional and statutory law and judicial decisions, the remedies specified by the Loan Agreement, the Indenture and the First Mortgage Indenture may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the Bonds will be qualified as to the enforceability of the various legal instruments by limitations imposed by principles of equity, bankruptcy, reorganization, insolvency, moratorium or other similar laws affecting the rights of creditors generally.

Tax Treatment

Federal Income Tax Matters

The Code establishes certain requirements that must be met subsequent to the issuance and delivery of the Bonds for interest on the Bonds to be and remain excluded from gross income of the owners thereof for federal income tax purposes under Section 103(a) of the Code. Noncompliance with such requirements may cause interest on the Bonds to be included in gross income of the owners thereof retroactive to the date of issuance of the Bonds, regardless of when such noncompliance occurs.

The Company has covenanted to do and perform all acts and things permitted by law and necessary to assure that interest paid on the Bonds be and remain excluded from gross income of the owners thereof for federal income tax purposes under Section 103(a) of the Code (the "Covenants"). The Tax Regulatory Agreement executed by the Company and the Issuer with respect to the Bonds (the "Tax Agreement"), which will be delivered concurrently with the delivery of the Bonds, will contain provisions and procedures regarding compliance with the requirements of the Code. The Company, in executing the Tax Agreement, will certify to the effect that the Company expects and intends to comply with the provisions and procedures contained therein.

In rendering the opinions described below with respect to the Bonds, Bond Counsel has relied upon the Covenants and has assumed the material accuracy of the representations, statements of intention and reasonable expectation, and certifications of fact contained in the Tax Agreement. However, Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken) or events

occurring (or not occurring) after the date of issuance of the Bonds may adversely affect the tax status of interest on the Bonds.

Tax Opinions

Federal Tax Treatment. In the opinion of Bond Counsel, under current law, interest on the Bonds (a) is not included in gross income for federal income tax purposes, except when held by a “substantial user” of the Project or a “related person” within the meaning of Section 147(a) of the Code, and (b) is an item of tax preference for purposes of the federal alternative minimum income tax imposed on individuals. Action by the Company or another person after the date of issue could cause interest on the Bonds to be included in gross income for federal income tax purposes.

Kentucky Tax Treatment. Bond Counsel is further of the opinion that, under current law, interest on the Bonds is exempt from income taxation and the Bonds are exempt from ad valorem taxation by the Commonwealth of Kentucky and all of its political subdivisions and taxing authorities.

No other opinion is expressed by Bond Counsel regarding the tax consequences of the ownership of or the receipt or accrual of interest on the Bonds. The form of the opinion of Dinsmore & Shohl LLP is set forth in Appendix B hereto.

Other Tax Matters

Corporate Alternative Minimum Tax. The Inflation Reduction Act of 2022 imposes a new corporate alternative minimum tax equal to 15% of the “adjusted financial statement income” of “applicable corporations” as defined in Section 59(k) of the Code; generally, corporations (as defined for federal income tax purposes, other than S corporations, regulated investment companies, and real estate investment trusts) having “average annual adjusted financial statement income” of more than \$1,000,000,000 over any preceding period of three tax years (ending with a tax year that ends after December 31, 2021). The new corporate alternative minimum tax applies for tax years beginning after December 31, 2022. Interest on tax-exempt debt instruments, such as interest on the Bonds, will be included (a) in average annual adjusted financial statement income for the purpose of determining whether a corporation is an “applicable corporation” and (b) in the calculation of an applicable corporation’s “adjusted financial statement income” for purposes of calculating the alternative minimum tax imposed on corporations, regardless of the issue date of such tax-exempt debt instruments.

In addition to the matters addressed above, prospective purchasers of the Bonds should be aware that the ownership of tax-exempt obligations may result in collateral federal income tax consequences to certain taxpayers, including without limitation financial institutions, property and casualty insurance companies, S corporations, foreign corporations subject to the branch profits tax, recipients of Social Security or Railroad Retirement benefits and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations.

Prospective purchasers of the Bonds should consult their tax advisors as to the applicability and impact of such consequences. Prospective purchasers of the Bonds should consult their own tax advisors as to the status of interest on the Bonds under the tax laws of any state.

Changes in Federal and State Tax Law

From time to time, legislative proposals are pending in Congress that if enacted would alter or amend one or more of the federal tax matters referred to above in certain respects or adversely affect the market value of the Bonds. It cannot be predicted whether or in what form any of such proposals, either

pending or that could be introduced, may be enacted and there can be no assurance that such proposals will not apply to the Bonds.

In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced that, if implemented or concluded in a particular manner, could adversely affect the market value of the Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Bonds or the market value thereof would be impacted thereby.

THE FEDERAL TAX DISCUSSION SET FORTH ABOVE IS INCLUDED FOR GENERAL INFORMATION ONLY AND MAY NOT BE APPLICABLE DEPENDING UPON A HOLDER'S PARTICULAR SITUATION. IT IS NOT INTENDED TO ADDRESS ALL ASPECTS OF FEDERAL TAXATION THAT MAY BE RELEVANT TO HOLDERS. INVESTORS SHOULD CONSULT THEIR OWN TAX ADVISORS CONCERNING THE TAX IMPLICATIONS OF HOLDING AND DISPOSING OF THE BONDS UNDER FEDERAL OR APPLICABLE STATE OR LOCAL LAWS, INCLUDING THE EFFECT OF ANY PENDING OR PROPOSED LEGISLATION, REGULATORY INITIATIVES OR LITIGATION. FOREIGN INVESTORS SHOULD ALSO CONSULT THEIR OWN TAX ADVISORS REGARDING THE TAX CONSEQUENCES UNIQUE TO INVESTORS WHO ARE NOT U.S. PERSONS.

THE OPINIONS OF BOND COUNSEL ARE BASED ON EXISTING LEGISLATION AND REGULATIONS AS INTERPRETED BY RELEVANT JUDICIAL AND REGULATORY AUTHORITIES AS OF THE DATE OF ISSUANCE AND DELIVERY OF THE BONDS. SUCH OPINIONS ARE FURTHER BASED ON BOND COUNSEL'S KNOWLEDGE OF FACTS AS OF THE DATE THEREOF. BOND COUNSEL ASSUMES NO DUTY TO UPDATE OR SUPPLEMENT ITS OPINIONS TO REFLECT ANY FACTS OR CIRCUMSTANCES THAT MAY THEREAFTER COME TO BOND COUNSEL'S ATTENTION OR TO REFLECT ANY CHANGES IN ANY LAW THAT MAY THEREAFTER OCCUR OR BECOME EFFECTIVE. MOREOVER, BOND COUNSEL'S OPINIONS ARE NOT A GUARANTEE OF RESULT AND ARE NOT BINDING ON THE IRS; RATHER, SUCH OPINIONS REPRESENT BOND COUNSEL'S LEGAL JUDGMENT BASED UPON ITS REVIEW OF EXISTING LAW AND IN RELIANCE UPON THE REPRESENTATIONS AND COVENANTS REFERENCED ABOVE THAT IT DEEMS RELEVANT TO SUCH OPINIONS.

THE IRS HAS AN ONGOING AUDIT PROGRAM TO DETERMINE COMPLIANCE WITH RULES THAT RELATE TO WHETHER INTEREST ON STATE OR LOCAL OBLIGATIONS IS INCLUDABLE IN GROSS INCOME FOR FEDERAL INCOME TAX PURPOSES. NO ASSURANCE CAN BE GIVEN WHETHER OR NOT THE IRS WILL COMMENCE AN AUDIT OF ANY COMPONENT OF THE BONDS. IF AN AUDIT IS COMMENCED, IN ACCORDANCE WITH ITS CURRENT PUBLISHED PROCEDURES, THE IRS IS LIKELY TO TREAT THE ISSUER AS THE TAXPAYER AND THE HOLDERS MAY NOT HAVE A RIGHT TO PARTICIPATE IN SUCH AUDIT. PUBLIC AWARENESS OF ANY FUTURE AUDIT OF THE BONDS COULD ADVERSELY AFFECT THE VALUE OF THE BONDS DURING THE PENDENCY OF THE AUDIT REGARDLESS OF THE ULTIMATE OUTCOME OF THE AUDIT.

Legal Matters

Certain legal matters incident to the authorization, issuance and sale by the Issuer of the Bonds are subject to the approving opinion of Bond Counsel. Bond Counsel has in the past, and may in the future, act as counsel to the Company with respect to certain matters. Certain legal matters will be passed upon for the Issuer by its County Attorney. Certain legal matters will be passed upon for the Company by Husch

Blackwell LLP, Chicago, Illinois, and John P. Fendig, Senior Counsel for the Company. Certain legal matters will be passed upon for the Underwriters by their counsel, McGuireWoods LLP, Chicago, Illinois.

Underwriting

BofA Securities, Inc., Barclays Capital Inc., PNC Capital Markets LLC, Truist Securities, Inc. and Loop Capital Markets LLC (the "Underwriters") have agreed, subject to the terms of the bond purchase agreement between the Issuer and the Underwriters, to purchase the Bonds from the Issuer at the public offering price set forth on the cover page of this Official Statement. The Underwriters have agreed under the terms of a Bond Purchase Agreement to purchase all of the Bonds, if any of the Bonds are to be purchased, at a purchase price equal to 100% of the principal amount of the Bonds, less an underwriters' discount of \$195,000 and underwriting expenses of \$4,804.39.

The Underwriters may offer and sell the Bonds to certain dealers and others at prices lower than the public offering price set forth on the cover page of this Official Statement. After the Bonds are released for sale to the public, the public offering price and other selling terms may from time to time be varied by the Underwriters.

Pursuant to an Inducement Letter, the Company has agreed to indemnify the Underwriters and the Issuer against certain civil liabilities, including liabilities under the federal securities laws, or contribute to payments that the Underwriters or the Issuer may be required to make in respect thereof.

The Underwriters and their affiliates comprise full service financial institution engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities. Such activities may involve or relate to assets, securities and/or instruments of the Issuer and/or the Company or its affiliates (whether directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with (or that are otherwise involved with transactions by) the Issuer and/or the Company. The Underwriters and their affiliates may have, from time to time, engaged, and may in the future engage, in transactions with, and performed and may in the future perform, various investment banking services for the Issuer and/or the Company for which they received or will receive customary fees and expenses. Under certain circumstances, the Underwriters and their affiliates may have certain creditor and/or other rights against the Issuer and/or the Company and any affiliates thereof in connection with such transactions and/or services. In addition, the Underwriters and their affiliates may currently have and may in the future have investment and commercial banking, trust and other relationships with parties that may relate to assets of, or be involved in the issuance of securities and/or instruments by, the Issuer and/or the Company and any affiliates thereof. The Underwriters and their affiliates also may communicate independent investment recommendations, market advice or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and at any time may hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

BofA Securities, Inc. has entered into a distribution agreement with its affiliate, Merrill Lynch, Pierce, Fenner & Smith Incorporated ("MLPF&S"). As part of this arrangement, BofA Securities, Inc. may distribute securities to MLPF&S, which may in turn distribute such securities to investors through the financial advisor network of MLPF&S. As part of this arrangement, BofA Securities, Inc. may compensate MLPF&S as a dealer for its selling efforts with respect to the Bonds.

PNC Capital Markets LLC and PNC Bank, National Association are both wholly-owned subsidiaries of PNC Financial Services Group, Inc. PNC Capital Markets LLC is not a bank, and is a distinct legal entity from PNC Bank, National Association. PNC Capital Markets LLC may offer to sell to its

affiliate, PNC Investments, LLC (“PNCI”), securities in PNC Capital Markets LLC’s inventory for resale to PNCI’s customers.

Truist Securities, Inc. has entered into distribution agreements with certain of its affiliates (the “Retail Affiliates”) for the retail distribution of certain municipal securities offerings, including the Bonds. Pursuant to these distribution agreements, Truist Securities, Inc. may share a portion of its underwriting compensation, as applicable, with respect to the Bonds with the Retail Affiliates. Truist Securities, Inc. and the Retail Affiliates are subsidiaries of Truist Financial Corporation. Truist Securities is the trade name for the corporate and investment banking services of Truist Financial Corporation and its subsidiaries. Securities and strategic advisory services are provided by Truist Securities, Inc., member FINRA and SIPC. Lending, financial risk management, and treasury management and payment services are offered by Truist Bank. Deposit products are offered by Truist Bank, Member FDIC. In its normal course of business Truist Bank may currently, or in the future, provide credit, treasury management, or other commercial banking services to the Company and Issuer.

Continuing Disclosure

Because the Bonds will be special and limited obligations of the Issuer, the Issuer is not an “obligated person” for purposes of Rule 15c2-12 (the “Rule”) promulgated by the SEC under the Exchange Act, and does not have any continuing obligations thereunder. Accordingly, the Issuer will not provide any continuing disclosure information with respect to the Bonds or the Issuer.

In order to enable the Underwriters to comply with the requirements of the Rule, the Company will covenant in a continuing disclosure undertaking agreement to be delivered to the Trustee for the benefit of the holders of the Bonds (the “Continuing Disclosure Agreement”) to provide certain continuing disclosure for the benefit of the holders of the Bonds. Under its Continuing Disclosure Agreement, the Company will covenant to take the following actions:

- (i) The Company will provide to the Municipal Securities Rulemaking Board (“MSRB”) (in electronic format) (a) annual financial information of the type set forth in Appendix A to this Official Statement (including any information incorporated by reference in Appendix A) and (b) audited financial statements prepared in accordance with generally accepted accounting principles, in each case not later than 120 days after the end of the Company’s fiscal year.
- (ii) The Company will file in a timely manner not in excess of 10 Business Days after the occurrence of the event with the MSRB notice of the occurrence of any of the following events (if applicable) with respect to the Bonds: (a) principal and interest payment delinquencies; (b) non-payment related defaults, if material; (c) any unscheduled draws on debt service reserves reflecting financial difficulties; (d) unscheduled draws on credit enhancement facilities reflecting financial difficulties; (e) substitution of credit or liquidity providers, or their failure to perform; (f) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds; (g) modifications to rights of the holders of the Bonds, if material; (h) the giving of notice of optional or unscheduled redemption of any Bonds, if material, and tender offers; (i) defeasance of the Bonds or any portion thereof; (j) release, substitution, or sale of property securing repayment of the Bonds, if material; (k) rating changes; (l) bankruptcy, insolvency, receivership or similar event of the Company; (m) the consummation of a merger, consolidation or acquisition involving the Company, or the sale of all or substantially all of the assets of the Company, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions,

other than pursuant to its terms, if material; and (n) appointment of a successor or additional trustee or a change of name of a trustee, if material; (o) incurrence by the Company of a Financial Obligation, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Company, any of which affect security holders, if material; and (p) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Company, any of which reflect financial difficulties.

(iii) The Company will file in a timely manner with the MSRB notice of a failure by the Company to file any of the information referred to in paragraph (i) above by the due date.

A Financial Obligation, as referred to above, is defined as (i) a debt obligation; (ii) a derivative instrument entered into in connection with, or pledged as a security or a source of payment for, an existing or planned debt obligation; or (iii) a guarantee of (i) or (ii). The term Financial Obligation does not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

The Company may amend its Continuing Disclosure Agreement (and the Trustee shall agree to any amendment so requested by the Company that does not change the duties of the Trustee thereunder) or waive any provision thereof, but only with a change in circumstances that arises from a change in legal requirements, change in law, or change in the nature or status of the Company with respect to the Bonds or the type of business conducted by the Company; provided that the undertaking, as amended or following such waiver, would have complied with the requirements of the Rule on the date of issuance of the Bonds, after taking into account any amendments to the Rule as well as any change in circumstances, and the amendment or waiver does not materially impair the interests of the holders of the Bonds to which such undertaking relates, in the opinion of the Trustee or counsel expert in federal securities laws acceptable to both the Company and the Trustee, or is approved by the Beneficial Owners of a majority in aggregate principal amount of the outstanding Bonds. The Company acknowledges that its undertakings pursuant to the Rule described under this heading are intended to be for the benefit of the holders of the Bonds and shall be enforceable by the holders of those Bonds or by the Trustee on behalf of such holders. Any breach by the Company of these undertakings pursuant to the Rule will not constitute an event of default under the Indenture, the Loan Agreement or the Bonds.

The Company is a party to continuing disclosure agreements with respect to five series of pollution control bonds. The MSRB's Electronic Municipal Market Access ("EMMA") website reflects that, within the past five years, all required disclosures were timely posted. The Company has had, and continues to have, procedures in place in order to make material event notices and financial statement filings on an ongoing basis.

This Official Statement has been duly approved, executed and delivered by the County Judge/Executive of the Issuer, on behalf of the Issuer. However, the Issuer has not and does not assume any responsibility as to the accuracy or completeness of any of the information in this Official Statement except for information furnished by the Issuer under the heading "The Issuer."

COUNTY OF TRIMBLE, KENTUCKY

By: /s/ John D. Ogburn Jr.
County Judge/Executive

THE COMPANY

Kentucky Utilities Company (the “Company”), incorporated in Kentucky in 1912 and in Virginia in 1991, is a regulated utility engaged in the generation, transmission, distribution and sale of electricity in Kentucky and Virginia. As of December 31, 2022, the Company provides electric service to approximately 541,000 customers in 77 counties in central, southeastern, and western Kentucky, and approximately 28,000 customers in five counties in southwestern Virginia, covering approximately 4,800 non-contiguous square miles. The Company’s coal-fired electric generating stations produce most of the Company’s electricity. The remainder is generated by natural gas fueled combined cycle combustion turbines, a hydroelectric power plant, natural gas and oil fueled combustion turbines and a small solar facility. In Virginia, the Company operates under the name Old Dominion Power Company. The Company also sells wholesale electricity to two municipalities in Kentucky under load following contracts.

The Company is a wholly-owned subsidiary of LG&E and KU Energy LLC and an indirect wholly-owned subsidiary of PPL Corporation. The Company’s affiliate, Louisville Gas and Electric Company (“LG&E”), is a regulated utility engaged in the generation, transmission, distribution and sale of electricity and distribution and sale of natural gas in Kentucky. The Company’s obligations under the Loan Agreement are solely its own, and not those of any of its affiliates. None of LG&E, PPL Corporation or the Company’s other affiliates will be obligated to make any payment on the Loan Agreement or the Bonds.

The Company’s offices are located at One Quality Street, Lexington, Kentucky 40507. Telephone: (610) 774-5151 (c/o PPL Services Corporation, Treasury Department).

The information above concerning the Company is only a summary and does not purport to be comprehensive. Additional information regarding the Company, including audited financial statements, is available in the documents listed under the heading “Documents Incorporated by Reference,” which documents are incorporated by reference herein.

Selected Financial Data
(Dollars in millions)

	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022	Year Ended December 31, 2022	Year Ended December 31, 2021	Year Ended December 31, 2020
Operating revenues	\$1,439	\$1,569	\$2,074	\$1,826	\$1,690
Operating income	\$393	\$411	\$507	\$468	\$453
Net income	\$240	\$268	\$322	\$296	\$280
Total assets	\$9,635	\$9,424	\$9,542	\$9,272	\$9,072
Long-term debt obligations (including amounts due within one year)	\$3,004	\$2,919	\$2,920	\$2,618	\$2,618

Capitalization:

	September 30, 2023	% of Capitalization
Long-term debt and notes payable	\$3,050	43%
Common equity	\$4,123	57%
Total capitalization	\$7,173	100%

The selected financial data presented above for the three fiscal years ended December 31, 2022, and as of December 31 for each of those years, have been derived from the Company's audited financial statements. The selected financial data presented above for the nine months ended September 30, 2023 and 2022 have been derived from the Company's unaudited financial statements for the nine months ended September 30, 2023 and 2022. The Company's audited financial statements for the three fiscal years ended December 31, 2022, and as of December 31 for each of those years, are included in the Company's Form 10-K for the year ended December 31, 2022 incorporated by reference herein. The Company's unaudited financial statements for the nine months ended September 30, 2023 are included in the Company's Form 10-Q for the quarter ended September 30, 2023 incorporated by reference herein. "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" in the Company's Form 10-K for the year ended December 31, 2022 and "Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations" in the Company's Form 10-Q for the quarter ended September 30, 2023, as well as the Combined Notes to Financial Statements as of December 31, 2022, 2021 and 2020 and the Combined Notes to Condensed Financial Statements (Unaudited) as of September 30, 2023 and December 31, 2022 and for the three and nine-month periods ended September 30, 2023 and 2022, should be read in conjunction with the above information. Deloitte & Touche LLP, an independent registered public accounting firm, audited the Company's financial statements as of December 31, 2022, 2021, 2020 and for the three fiscal years ended December 31, 2022.

Risk Factors

Investing in the Bonds involves risk. Please see the risk factors in the Company's Annual Report on Form 10-K for the year ended December 31, 2022, which is incorporated by reference in this Appendix A. Before making an investment decision, you should carefully consider these risks as well as the other information contained or incorporated by reference in this Appendix A. Risks and uncertainties not presently known to the Company or that the Company currently deems immaterial may also impair its business operations, its financial results and the value of the Bonds.

Available Information

The Company is subject to the information requirements of the Securities Exchange Act of 1934, as amended, and, accordingly, files reports and other information with the Securities and Exchange Commission (the "SEC"). Such reports and other information on file are available on the SEC's Web Site (<http://www.sec.gov>).

Documents Incorporated by Reference

The following documents, as filed by the Company with the SEC, are incorporated herein by reference:

1. Form 10-K Annual Report of the Company for the year ended December 31, 2022;
2. Form 10-Q Quarterly Report of the Company for the quarters ended March 31, 2023, June 30, 2023, and September 30, 2023; and
3. Form 8-K Current Reports of the Company filed with the SEC on March 8, 2023, March 10, 2023, March 20, 2023 and November 7, 2023.

All documents filed by the Company with the SEC pursuant to Section 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934 subsequent to the date of this Official Statement and prior to the termination of the offering of the Bonds shall be deemed to be incorporated by reference in this Appendix and to be made a part hereof from their respective dates of filing. Any statement contained in a document incorporated or deemed to be incorporated by reference in this Official Statement shall be deemed to be modified or superseded for purposes of this Official Statement to the extent that a statement contained in this Official Statement or in any other subsequently filed document which also is or is deemed to be incorporated by reference in this Official Statement modifies or supersedes such statement. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Official Statement.

The Company hereby undertakes to provide without charge to each person (including any beneficial owner) to whom a copy of this Official Statement has been delivered, on the written or oral request of any such person, a copy of any or all of the documents referred to above which have been or may be incorporated in this Official Statement by reference, other than certain exhibits to such documents. Requests for such copies should be directed to Treasurer, Kentucky Utilities Company, One Quality Street, Lexington, Kentucky 40507, c/o PPL Services Corporation, Two North Ninth Street, Allentown, Pennsylvania 18101, Attention: Treasury Department, Telephone: (610) 774-5151.

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(FORM OF OPINION OF BOND COUNSEL)

Burgos

The form of the legal approving opinion of Dinsmore & Shohl LLP, Bond Counsel, is set forth below. The actual opinion will be delivered on the date of delivery of the Bonds referred to therein and may vary from the form set forth to reflect circumstances both factual and legal at the time of such delivery. Recirculation of the final Official Statement shall create no implication that Dinsmore & Shohl LLP has reviewed any of the matters set forth in such opinion after the date of such opinion.

[Date of Delivery]

Re: \$60,000,000 County of Trimble, Kentucky, Environmental Facilities Revenue Bonds, 2023 Series A (Kentucky Utilities Company Project)

Ladies and Gentlemen:

We have acted as bond counsel to the County of Trimble, Kentucky (the "Issuer") in connection with its issuance of \$60,000,000 aggregate principal amount of its County of Trimble, Kentucky, Environmental Facilities Revenue Bonds, 2023 Series A (Kentucky Utilities Company Project) (the "Bonds"), in accordance with an Indenture of Trust dated as of November 1, 2023 (the "Indenture"), by and between the Issuer and U.S. Bank Trust Company, National Association, as trustee (the "Trustee"). Each of the capitalized terms not otherwise defined herein shall have the meaning specified in the Indenture.

The proceeds of the Bonds will be made available to Kentucky Utilities Company (the "Company") in accordance with a Loan Agreement relating to the Bonds dated as of November 1, 2023 (the "Loan Agreement"), by and between the Issuer and the Company, to be used, together with other funds of the Company, to (i) finance a portion of the costs of acquiring, constructing, installing, and equipping solid waste disposal facilities to be located in Trimble County, Kentucky that will be used in the collection, transportation, landfilling, and storage of coal ash, and (ii) pay certain costs of issuing the Bonds. Under the Loan Agreement, the Company is obligated to make loan payments in amounts and at times sufficient to pay, when due, the principal or redemption price of and interest on the Bonds.

Under the Indenture, the Issuer has assigned certain of its interests under the Loan Agreement, including its right to receive the payments under the Loan Agreement in respect of the Bonds, to the Trustee for the benefit of the holders of the Bonds.

In our capacity as bond counsel we have examined such documents and other instruments and matters of law as we deemed necessary to enable us to express the opinions set forth below, including original counterparts or certified copies of the Indenture, the Loan Agreement, the other documents listed in the Closing Memorandum in respect of the Bonds filed with the Trustee, and an executed Bond authenticated by the Trustee. We assume that all other Bonds have been similarly executed and authenticated. We also assume that the Indenture has been duly authorized, executed, and delivered by the Trustee, and the Loan Agreement has been duly authorized, executed, and delivered by the Company. We also have relied on the representations of the Issuer and the Company contained in the Indenture and the Loan Agreement and certifications furnished to us by or on behalf of the Issuer and the Company. We also have relied on the legal opinions of Crystal Heinz, counsel to the Issuer, John P. Fendig, Senior Counsel for the Company, and Husch Blackwell LLP, counsel to the Company, dated the date hereof, as to the matters stated therein.

Based on and subject to the foregoing, we are of the opinion that:

[Date of Delivery]

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1. The Bonds have been duly authorized and issued in accordance with the Act, and constitute valid and binding special and limited obligations of the Issuer, payable as to principal, premium, if any, and interest solely from the revenues and receipts derived from the Loan Agreement and the Trust Estate. The Bonds do not create or constitute a debt or pledge of the faith and credit of the Commonwealth of Kentucky or any political subdivision thereof, including the Issuer.

2. The Indenture has been duly authorized, executed, and delivered by the Issuer, constitutes a valid and binding agreement of the Issuer, assigns and pledges to the Trustee, as security for the Bonds, all rights of the Issuer under the Loan Agreement (except for its rights to indemnification, payment of fees and expenses, and receipt of certain notices) and is enforceable against the Issuer in accordance with its terms; subject, however, to the requirement under current law that it is necessary that the Trustee file a Uniform Commercial Code continuation statement at such intervals required by applicable law and that the Trustee maintain physical possession of any money or instruments that may constitute or evidence revenues. The rights of the holders of the Bonds and the enforceability of such rights, including enforcement by the Trustee of the obligations of the Issuer under the Indenture, may be limited or otherwise affected by (a) bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance and other laws affecting the rights of creditors generally, and (b) principles of equity, whether considered at law or in equity.

3. Assuming the accuracy of the certifications of the Issuer and the Company and their continuing compliance with the requirements of the Internal Revenue Code of 1986, as amended (the "Code"), interest on the Bonds is excludable from gross income for purposes of federal income tax purposes under existing laws as enacted and construed on the date hereof, except that no opinion is expressed regarding such exclusion from gross income with respect to any Bond during any period in which it is held by a substantial user of the financed facilities or a related person within the meaning of Section 147(a) of the Code. Interest on the Bonds is an item of tax preference for purposes of the federal alternative minimum tax. We express no opinion regarding other federal tax consequences of ownership or disposition of, or the accrual or receipt of interest on, the Bonds. Failure to comply with certain of such requirements may cause the inclusion of interest on the Bonds in gross income for federal income tax purposes to be retroactive to the date of issuance of the Bonds.

4. Interest on the Bonds is excluded from gross income of the recipients thereof for Kentucky income tax purposes and the Bonds are exempt from ad valorem taxation by the Commonwealth of Kentucky and all of its political subdivisions.

Our services as bond counsel to the Issuer have been limited to delivering the foregoing opinion based on our review of such proceedings and documents as we deem necessary. We express no opinion herein as to the financial resources of the Company or the accuracy or completeness of any information that may have been relied on by anyone in making the decision to purchase Bonds, including the Preliminary Official Statement of the Issuer dated November 9, 2023, and the final Official Statement of the Issuer dated November 21, 2023, respectively.

We are not passing upon, and do not assume any responsibility for the factual accuracy, completeness, or fairness of the statements contained in the Preliminary Official Statement, the final Official Statement, or the other documents executed and delivered in connection with the issuance of the Bonds, including without limitation the financial information disclosed therein.

The opinions set forth above are expressly limited to the laws of the Commonwealth of Kentucky and the federal income tax laws of the United States of America. The opinions rendered in this letter are stated only as of this date, and no other opinion shall be implied or inferred as a result of anything contained

[Date of Delivery]

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in or omitted from this letter. Our opinions expressed herein are predicated upon present laws and interpretations thereof. We assume no affirmative obligation with respect to any change of circumstances or law that may adversely affect after the date hereof the exclusion from gross income for federal income tax purposes of interest on the Bonds. Our engagement as bond counsel with respect to the Bonds has concluded on this date.

Sincerely,

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