Ongoing Earnings Reconciliation
Kentucky Regulated – Actual vs. Budget

	May Millions of $		May YTD Millions of $	
2025 Budget - Ongoing Earnings (after-tax)	$ 42		$ 285	
Adjusted gross margins	(8)	A	8	A
Other O&M	(3)	B	(11)	B
Depreciation	1		3	
Taxes, other than income	-		1	
Other income (expense)	-		1	
Interest expense	-		3	
Income taxes	2		1	
Total	(8)		6	
2025 Actual - Ongoing Earnings (after-tax)	$ 34		$ 291	

(Amounts included in the explanations below are pre-tax)

(A) MTD: Lower margins primarily due to $6 million lower sales volumes, of which $7 million is from weather (all electric) and $3 million of revenue stretch, partially offset by $1 million of higher demand revenue.

YTD: Higher margins primarily due to $15 million of higher sales volumes, of which $6 million is from weather ($4 million electric and $2 million gas), $4 million of higher transmission revenue, $3 million of higher off-system sales, $2 million of lower cost of sales and $2 million of other(1), partially offset by $13 million of revenue stretch and $5 million of lower demand revenue (primarily one large customer).

(B) MTD: Higher O&M primarily related to $5 million of storm restoration costs, which will be offset by a regulatory asset in June, partially offset by $2 million of lower labor and burden expenses related to open positions and more labor capitalized.

YTD: Higher O&M primarily related to $15 million of higher storm restoration costs, $11 million of management challenges, $2 million of higher PPLS allocations for IT, $3 million of timing of generation outages expenses and $3 million of timing of maintenance expenses, partially offset by $10 million regulatory asset related to the January 2025 snow storm, $2 million of lower PPLS allocations (excluding IT), $6 million of lower labor and burden expenses related to open positions and more capitalized labor ($10 million of labor favorability offset by $3 million of vacation harmonization and $1 million of 2024 RIA correction), $2 million of lower insurance expense and $3 million of other(1).

Ongoing Earnings Reconciliation
Kentucky Regulated – Actual vs. Budget

	June Millions of $		June QTD Millions of $		June YTD Millions of $	
2025 Budget - Ongoing Earnings (after-tax)	$ 53		$ 131		$ 339	
Adjusted gross margins	11	A	2	A	18	A
Other O&M	5	B	(4)	B	(6)	B
Depreciation	1		2		4	
Taxes, other than income	-		-		1	
Other income (expense)	-		-		-	
Interest expense	-		2		4	
Income taxes	(4)		(1)		(3)	
Total	13		1		18	
2025 Actual - Ongoing Earnings (after-tax)	$ 66		$ 132		$ 357	

(Amounts included in the explanations below are pre-tax)

(A) MTD: Higher margins primarily due to $10 million of higher sales volumes, of which $9 million is from weather (all electric), $2 million of higher fuel recoveries and $2 million of other(1), partially offset by $3 million of revenue stretch.

QTD: Higher margins primarily due to $4 million of higher sales volumes, of which $1 million is from weather ($2 million electric and -$1 million gas), $2 million of higher fuel recoveries, $2 million of transmission revenue, and $2 million of other(1), partially offset by $8 million of revenue stretch.

YTD: Higher margins primarily due to $25 million of higher sales volumes, of which $15 million is from weather ($13 million electric and $2 million gas), $5 million of higher transmission revenue, $3 million of higher off-system sales, $3 million of lower cost of sales and $4 million of other(1), partially offset by $16 million of revenue stretch and $6 million of lower demand revenue (primarily one large customer).

(B) MTD: Lower O&M primarily related to $4 million of May storm regulatory asset booked in June, $2 million of lower labor and burden expenses related to open positions and more labor capitalized and $1 million of other(1), partially offset by $2 million of management challenge.

QTD: Higher O&M primarily related to $6 million of management challenge, $5 million of timing of generation outage projects, $4 million of higher storm restoration costs and $2 million of timing of maintenance, partially offset by $7 million of lower labor and burden expenses related to open positions and more labor capitalized, $4 million of May storm regulatory asset booked in June and $2 million of other(1).

YTD: Higher O&M primarily related to $14 million of higher storm restoration costs, $13 million of management challenges, $4 million of timing of generation outage projects, $3 million of higher PPLS allocations for IT and $2 million of timing of maintenance expenses, partially offset by $14 million regulatory assets related to the January 2025 snow storm and the May 2025 storm, $3 million of lower PPLS allocations (excluding IT), $7 million of lower labor and burden expenses related to open positions and more capitalized labor ($11 million of labor favorability offset by $3 million of vacation harmonization, and $1 million of 2024 RIA correction), $2 million of lower insurance expense and $4 million of other(1).

Ongoing Earnings Reconciliation
Kentucky Regulated – Actual vs. Budget

	July Millions of $		July YTD Millions of $	
2025 Budget - Ongoing Earnings (after-tax)	$ 68		$ 407	
Adjusted gross margins	18	A	36	A
Other O&M	(1)		(7)	B
Depreciation	1		5	C
Taxes, other than income	-		2	
Interest expense	-		4	
Income taxes	(4)	D	(7)	D
Total	14		33	
2025 Actual - Ongoing Earnings (after-tax)	$ 82		$ 440	

(Amounts included in the explanations below are pre-tax)

(A) MTD: Higher margins primarily due to $20 million of higher sales volumes from weather (all electric) and $2 million of higher transmission revenue, partially offset by $3 million of revenue stretch and $1 million of lower demand revenue (primarily one large customer).

YTD: Higher margins primarily due to $45 million of higher sales volumes, of which $35 million is from weather ($33 million electric and $2 million gas), $7 million of higher transmission revenue, $4 million of higher off-system sales, $3 million of lower cost of sales and $2 million of other[(1)], partially offset by $18 million of revenue stretch and $7 million of lower demand revenue (primarily one large customer).

(B) YTD: Higher O&M primarily related to $15 million of higher storm restoration costs, $16 million of management challenges, $4 million of timing of generation outage projects, $2 million of higher PPLS allocations for IT and $4 million of timing of maintenance expenses, partially offset by $14 million regulatory assets related to the January 2025 snow storm and the May 2025 storm, $3 million of lower PPL Services allocations (excluding IT), $10 million of lower labor and burden expenses related to open positions and more capitalized labor ($14 million of labor favorability offset by $3 million of vacation harmonization, and $1 million of 2024 RIA correction), $2 million of lower insurance expense and $5 million of other[(1)].

(C) YTD: Lower depreciation primarily due to lower plant in service.

(D) MTD and YTD: Higher income taxes primarily due to higher pre-tax income.

Ongoing Earnings Reconciliation
Kentucky Regulated – Actual vs. Budget

	August Millions of $	August YTD Millions of $	
2025 Budget - Ongoing Earnings (after-tax)	$ 64	$ 471	
Adjusted gross margins	-	36	A
Other O&M	-	(7)	B
Depreciation	1	6	C
Taxes, other than income	-	1	
Other income (expense)	1	2	
Interest expense	3	7	D
Income taxes	(1)	(8)	E
Total	4	37	
2025 Actual - Ongoing Earnings (after-tax)	$ 68	$ 508	

(Amounts included in the explanations below are pre-tax)

(A) YTD: Higher margins primarily due to $45 million of higher sales volumes, of which $31 million is from weather ($29 million electric and $2 million gas), $8 million of higher transmission revenue, $4 million of higher off-system sales, $3 million of lower cost of sales, $3 million of lower purchased power demand and $2 million of other[1], partially offset by $21 million of revenue stretch and $8 million of lower demand revenue (primarily one large customer).

(B) YTD: Higher O&M primarily related to $17 million of management challenges, $14 million of higher storm restoration costs, $5 million of timing of maintenance expenses and $4 million of timing of generation outage projects, partially offset by $14 million regulatory assets related to the January 2025 snow storm and the May 2025 storm, $10 million of lower labor and burden expenses related to open positions and more capitalized labor ($13 million of labor favorability offset by $3 million of unamortized vacation harmonization and 2024 RIA correction), $3 million of lower PPL Services allocations (excluding IT), $2 million of lower insurance expense, $2 million of lower cloud and gas inline inspections amortization and $2 million of other[1] .

(C) YTD: Lower depreciation primarily due to lower plant in service.

(D) YTD: Lower interest expense due to lower debt balances and lower interest rates.

(E) YTD: Higher income taxes primarily due to higher pre-tax income.