



PPL CORPORATION  
**4<sup>th</sup> Quarter 2023 Investor Update**  
February 16, 2024

# Cautionary Statements and Factors That May Affect Future Results



Statements made in this presentation about future operating results or other future events are forward-looking statements under the Safe Harbor provisions of the Private Securities Litigation Reform Act of 1995. Actual results may differ materially from the forward-looking statements. A discussion of some of the factors that could cause actual results or events to vary is contained in the Appendix of this presentation and in PPL's SEC filings.

Management utilizes non-GAAP financial measures such as "earnings from ongoing operations" or "ongoing earnings" in this presentation. For additional information on non-GAAP financial measures and reconciliations to the appropriate GAAP measure, refer to the Appendix of this presentation and PPL's SEC filings.



# Business Update

Vince Sorgi

President & Chief Executive Officer

4<sup>TH</sup> QUARTER 2023  
INVESTOR UPDATE

February 16, 2024

# 2023 Review: Challenges Met, Promises Kept



## Executed our strategy and achieved each priority set for the year

- ✓ **Delivered electricity and natural gas safely and reliably to our more than 3.5 million customers**
  - Achieved first quartile T&D reliability and first decile generation fleet performance <sup>(1)(2)</sup>
- ✓ **Exceeded the midpoint of our 2023 earnings forecast**
  - Achieved 2023 ongoing earnings of \$1.60 per share → 8.1% growth from pro forma 2022 earnings per share <sup>(3)</sup>
  - Offset over \$0.10 per share impact compared to plan from mild weather and storms
- ✓ **Executed \$2.4 billion capital investment plan**
- ✓ **Exceeded our \$50 - \$60 million O&M savings target for 2023**
  - Achieved \$75 million in savings from 2021 baseline
- ✓ **Achieved constructive outcomes in key regulatory proceedings**
  - Approval of majority of Kentucky generation replacement plan
  - Approval of our first ISR filing and Advanced Meter plan (AMF) in Rhode Island
- ✓ **Completed key milestones in integration of Rhode Island Energy**
  - Remain on track to exit Transition Service Agreements (TSAs) with National Grid in mid-2024
  - Four major IT transition plans completed as scheduled in 2023

Note: See Appendix for the reconciliation of reported earnings to earnings from ongoing operations.

(1) Reliability performance based on System Average Interruption Frequency Index (SAIFI). The average number of interruptions that a customer experiences over a specific period for each customer served.

(2) Generation performance based on Equivalent Forced Outage Rate (EFOR). Represents the number of hours a unit is forced offline, compared to the number of hours a unit is running.

(3) Refers to 2022 pro forma earnings that reflected a full year of earnings contributions from Rhode Island Energy (RIE). RIE was acquired by PPL in May 2022.

# Forward Outlook Remains Strong



## Business plan update extends growth targets through 2027

- **Announced 2024 EPS forecast range of \$1.63 - \$1.75 per share with a midpoint of \$1.69 per share**
  - Midpoint reflects 7.0% growth from midpoint of 2023 ongoing EPS target, in line with targeted growth rate
  - Announces 7.3% increase to quarterly common stock dividend to \$0.2575 per share
- **Extended 6% - 8% annual EPS and dividend growth targets through at least 2027 (previously 2026)**
  - Growth targets based off the midpoint of PPL's 2024 forecast range
- **Increased capital plan to \$14.3 billion for 2024 - 2027 (vs. \$11.9 billion 2023 - 2026)**
  - Rate base growth increases to 6.3% over plan period (vs. 5.6% in prior plan period)
- **Maintained strong credit metrics with no equity needs through at least 2027**
  - Continue to project 16% - 18% FFO/CFO to debt and holding company debt below 25% of total debt
- **Included at least \$175 million of O&M savings by 2026**
  - Remain on track to deliver \$120 - \$130 million of O&M savings by end of 2024; \$150M by 2025
- **No anticipated base rate case filings in 2024 in Pennsylvania, Kentucky, or Rhode Island**

# Our Strategy: Creating Utilities of the Future



Focused on delivering value for BOTH customers AND shareowners



# The Right Strategy for a Changing Energy Landscape



Focused on supporting the growth and decarbonization of our economy



The U.S. has set a goal of **net-zero CO<sub>2</sub> emissions by 2050**



Achieving this will require **economy-wide decarbonization**, resulting in a projected **2-3X increase** in electricity demand



We will need to **reliably meet this demand** while **retiring aging fossil-fueled plants**



Success will require **faster commercialization** of new technology than we've ever achieved

Our “Utility of the Future” strategy positions PPL as a leader in our sector to deliver value for stakeholders



# 2024 Outlook and Priorities

## Continue to deliver on PPL's vision, mission, and strategy

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- Continue to execute our strategy to build the “Utilities of the Future” and enhance value for all stakeholders
- Achieve at least the midpoint of the 2024 earnings forecast range of \$1.69 per share, aligned with the midpoint of our annual 6% to 8% earnings per share growth target
- Execute \$3.1 billion capital expenditure plan to enable the delivery of safe, reliable and affordable energy to our customers and advance the Grid for the clean energy transition
- Deliver our O&M savings targets of \$120 - \$130 million through smart grids, process automation, centralization efforts, and asset optimization
- Complete our integration of Rhode Island Energy and exit TSAs with National Grid







# Financial Update

Joe Bergstein

Executive Vice President & Chief Financial Officer

4<sup>TH</sup> QUARTER 2023  
INVESTOR UPDATE

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# Financial Overview



## Overview of 4<sup>th</sup> Quarter Financial Results

(Earnings per share)

	Q4 2023	Q4 2022
<b>Reported Earnings (GAAP)</b>	<b>\$0.15</b>	<b>\$0.26</b>
Less: Special Items	(\$0.25)	(\$0.02)
<b>Ongoing Earnings</b>	<b>\$0.40</b>	<b>\$0.28</b>
PA Regulated	\$0.20	\$0.16
KY Regulated <sup>(1)</sup>	\$0.17	\$0.11
RI Regulated	\$0.05	\$0.03
Corp. and Other <sup>(1)</sup>	(\$0.02)	(\$0.02)

## Overview of Annual Financial Results

(Earnings per share)

	2023	2022
<b>Reported Earnings (GAAP)</b>	<b>\$1.00</b>	<b>\$1.02</b>
Less: Special Items	(\$0.60)	(\$0.39)
<b>Ongoing Earnings</b>	<b>\$1.60</b>	<b>\$1.41</b>
PA Regulated	\$0.74	\$0.70
KY Regulated <sup>(1)</sup>	\$0.77	\$0.76
RI Regulated	\$0.20	\$0.08
Corp. and Other <sup>(1)</sup>	(\$0.11)	(\$0.13)

Note: See Appendix for the reconciliation of reported earnings to earnings from ongoing operations.

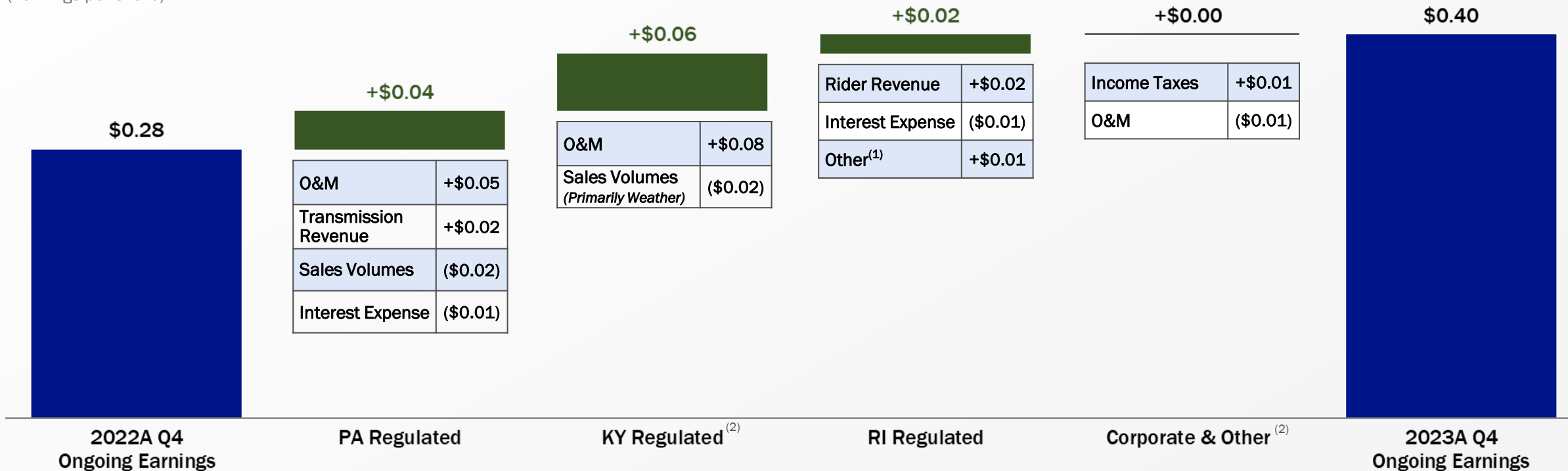
(1) Kentucky holding company costs for intercompany financing activity are now presented in Corporate and Other beginning on January 1, 2023. Prior periods have been adjusted to reflect this change.

# Review of 4<sup>th</sup> Quarter Financial Results



## Ongoing Earnings Walk: Q4 2023 vs. Q4 2022

(Earnings per share)



Segment	PA Regulated	KY Regulated	RI Regulated	Corp. & Other	Total PPL
Q4 2023 Ongoing EPS	\$0.20	\$0.17	\$0.05	(\$0.02)	\$0.40

Note: See Appendix for the reconciliation of reported earnings to earnings from ongoing operations.

(1) Reflects factors that were not individually significant.

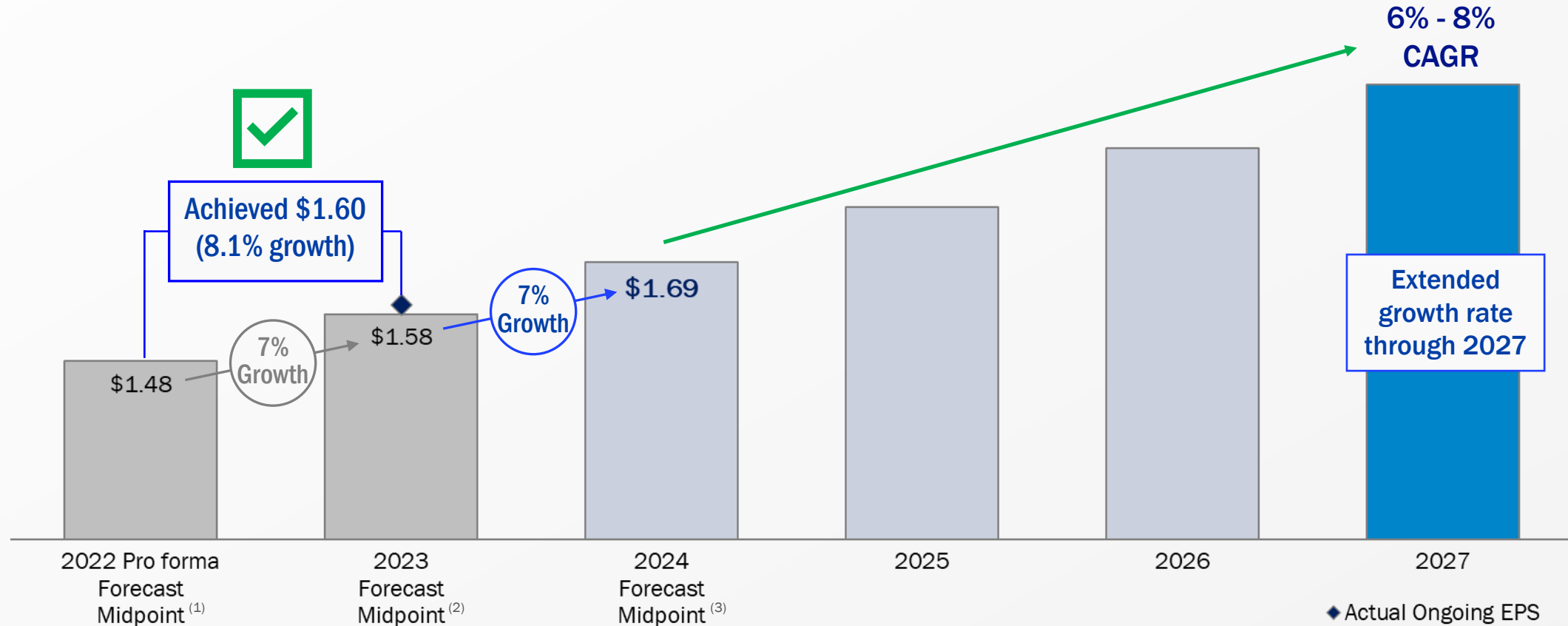
(2) Kentucky holding company costs for intercompany financing activity are now presented in Corporate and Other beginning on January 1, 2023. Prior periods have been adjusted to reflect this change.

# Delivering Strong, Sustainable Growth



Exceeded midpoint of growth target in 2023; extended growth through 2027

(Earnings per share)



(1) Represents the midpoint of PPL's 2022 pro forma forecast range of \$1.40 to \$1.55 per share, reflecting a full year of earnings contributions from Rhode Island Energy (RIE). RIE was acquired by PPL in May 2022.

(2) Represents the midpoint of PPL's 2023 forecast range of \$1.50 - \$1.65 per share.

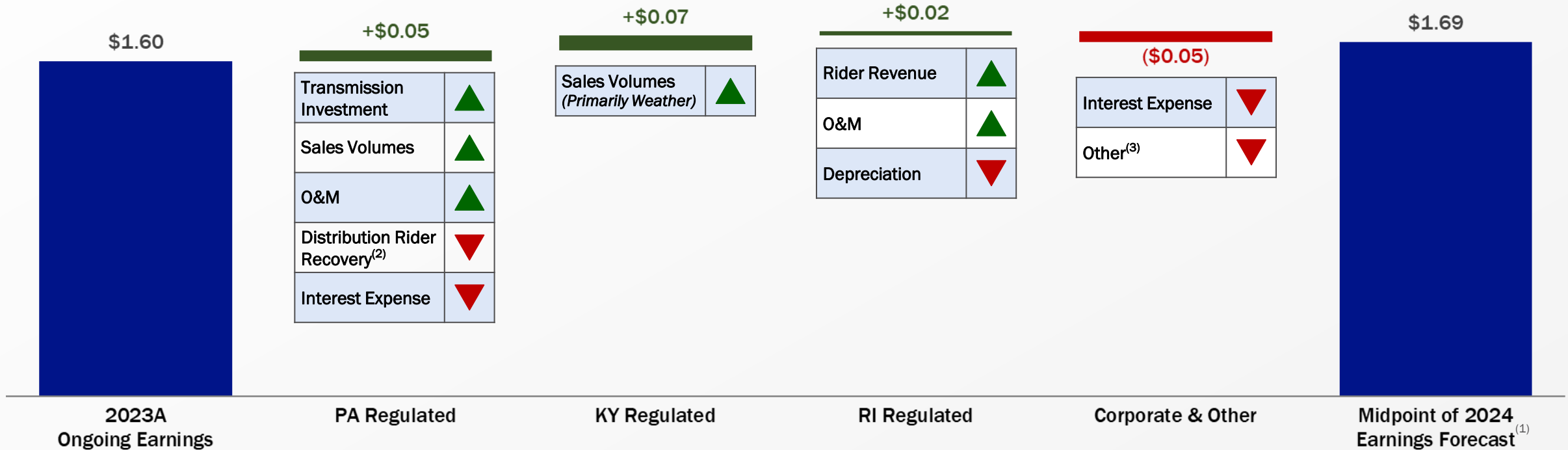
(3) Represents the midpoint of PPL's 2024 forecast range of \$1.63 - \$1.75 per share.

# Walk to Midpoint of 2024 Earnings Forecast



## Projected drivers of annual ongoing EPS change: 2023A to 2024 forecast midpoint

(Earnings per share)



Segment	PA Regulated	KY Regulated	RI Regulated	Corp. & Other	Total PPL
2024 EPS Forecast <sup>(1)</sup>	\$0.79	\$0.84	\$0.22	(\$0.16)	\$1.69

Note: See Appendix for the reconciliation of reported earnings to earnings from ongoing operations.

- (1) Represents the midpoint of PPL's 2024 earnings forecast range of \$1.63 - \$1.75 per share.
- (2) Distribution System Improvement Charge, or DSIC mechanism, is an alternative ratemaking mechanism providing more timely recovery of long-term infrastructure investments between rate cases.
- (3) Reflects factors that were not individually significant.

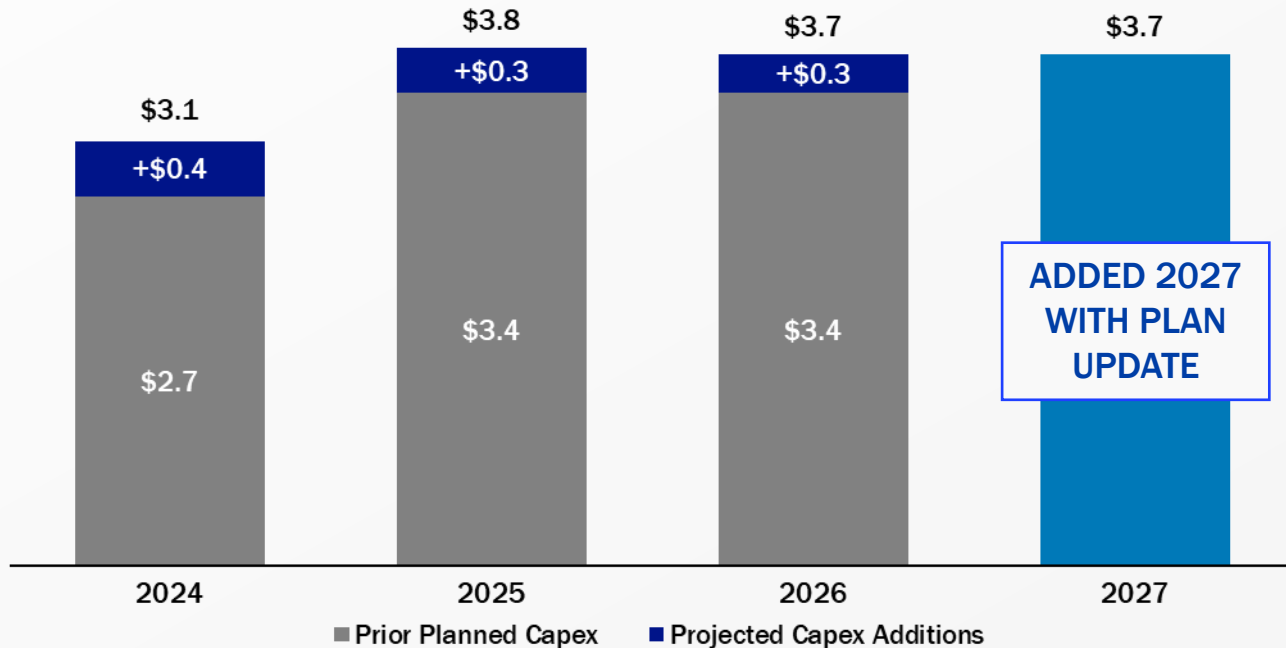
# 2024 – 2027 Capital Investment Plan



\$14.3 billion of projected capital investments that deliver value for customers

(\$ in billions)

4-year plan is \$2.4 billion higher than prior 4-year plan



## Notable Plan Updates:

- **Approximately \$1 billion increase in 2024 – 2026 period, compared to prior capital plan**
  - Primarily related to electric T&D investments in Pennsylvania and Kentucky
- **Update includes \$3.7 billion of projected investment needs in 2027**
  - Investments to replace aging infrastructure, increase resiliency, and execute generation replacement plan in Kentucky

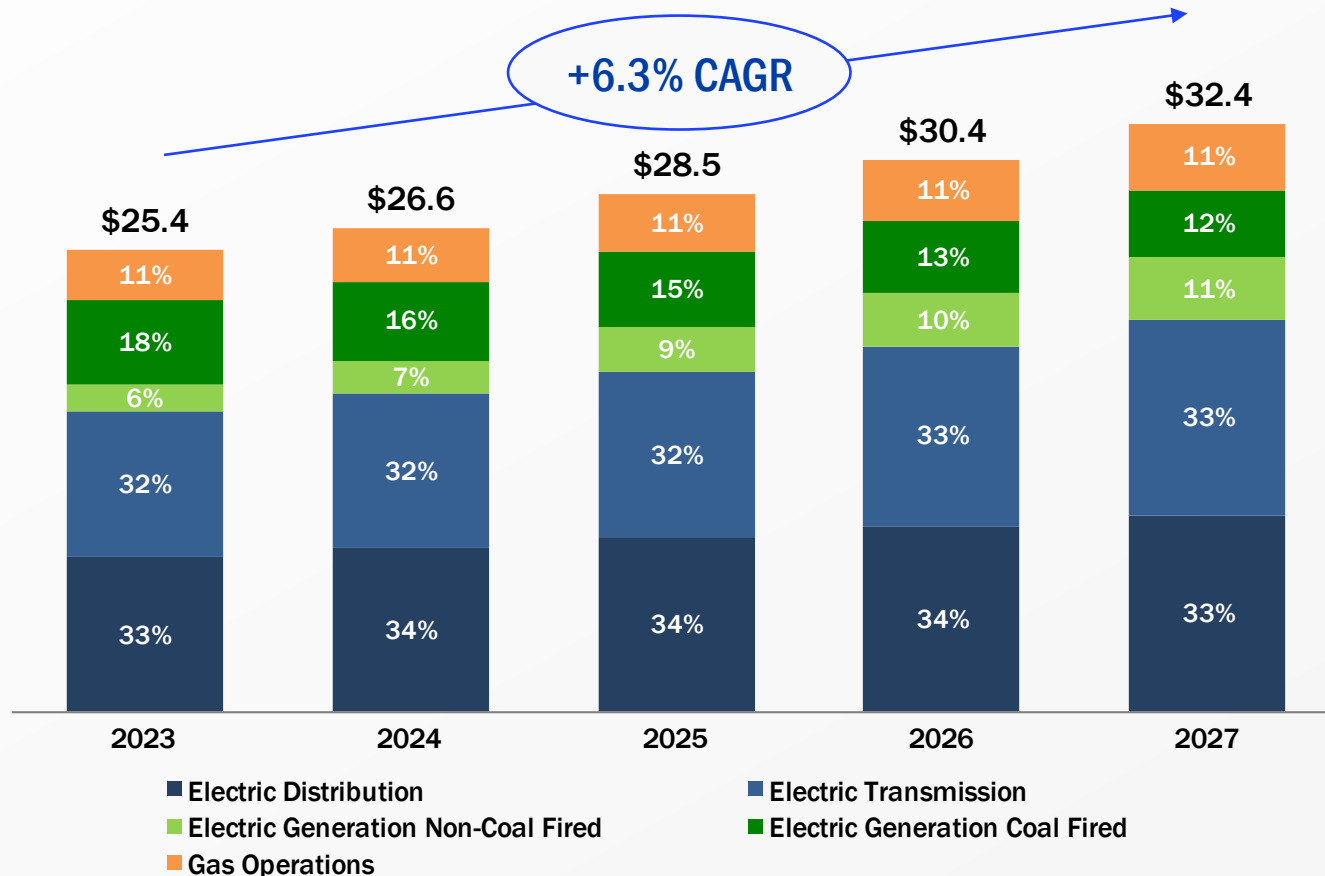
Note: Totals may not sum due to rounding.

# Rate Base CAGR Increased to 6.3% Through 2027



## Projected Annual Rate Base Growth (2023 – 2027)<sup>(1)</sup>

(Year-end rate base, \$ in billions)



- Rate base growth increases to 6.3% over plan vs. 5.6% in prior plan period
- Two-thirds of rate base relates to investments in electric transmission and distribution infrastructure
- Percentage of rate base related to coal generation declines to below 12% by 2027

Note: Totals may not sum due to rounding.

(1) Rhode Island rate base excludes acquisition-related adjustments for non-earning assets.

# Increasing Quarterly Dividend In Line with EPS Growth



## Quarterly dividend increased to \$0.2575 per share

(Dividends per share)



- **Announced 7.3% increase to PPL's quarterly dividend to \$0.2575 per share (from \$0.24)**
  - Annualized dividend now \$1.03 per share<sup>(2)</sup>
- **Payable April 1, 2024 to shareowners of record as of March 8, 2024**
- **Future dividend growth projected to continue to grow in line with projected earnings growth<sup>(2)</sup>**
  - Targeted dividend payout of 60% – 65%
- **Supports total return proposition of 9% - 12%<sup>(3)</sup>**

(1) Based on February 16, 2024, dividend declaration by Board of Directors.

(2) Subject to Board of Directors approval.

(3) Total return reflects PPL's targeted EPS growth rate plus dividend yield based on targeted annualized dividend and PPL's closing share price as of February 14, 2024.



# Credit and Financing Plan Update

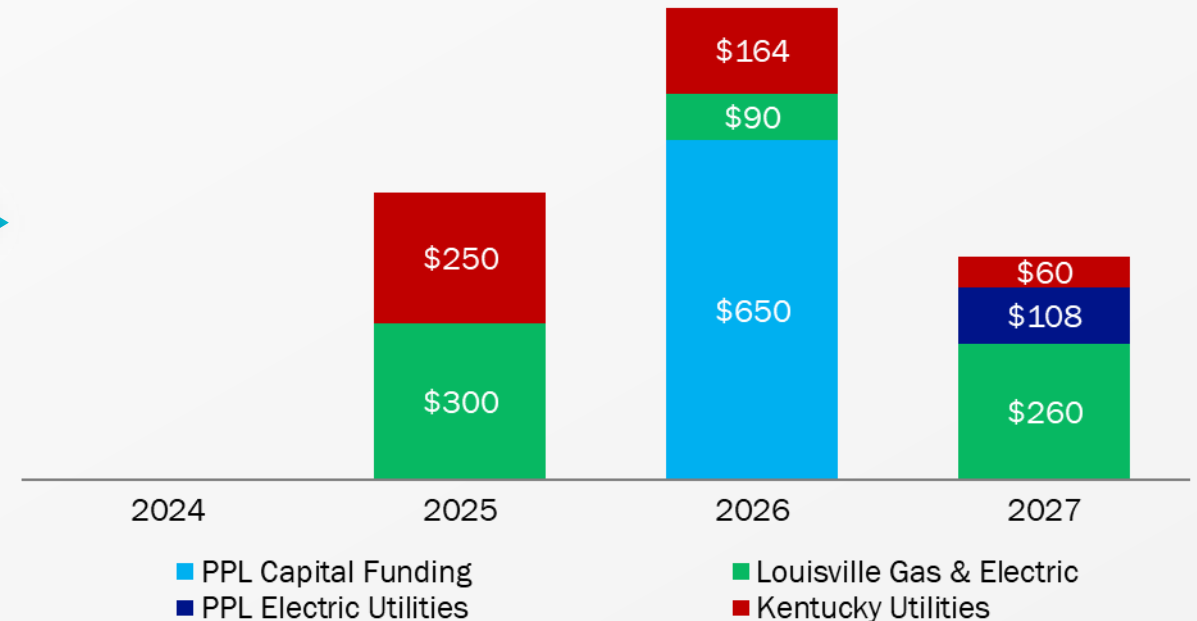


## Plan maintains strong credit metrics without the need for equity issuances

- **Updated plan supports credit metric targets**
  - 16% - 18% FFO/CFO to debt throughout plan
  - Holding company debt projected to remain less than 25% of total debt
- **Manageable debt maturity stack**
  - No maturities in 2024 and \$550 million in 2025
  - Limited floating rate debt exposure (less than 5% of total long-term debt)
- **No equity issuances needed through at least 2027**
- **Executing 2024 Financing Plan:**
  - Issued \$650 million of 10-year First Mortgage Bonds at PPL Electric Utilities in January at 4.85%
  - Expect our first debt issuance at Rhode Island Energy since PPL's acquisition



PPL's Debt Maturity Outlook  
(\$ in millions)





# Closing Remarks

Vince Sorgi

President & Chief Executive Officer

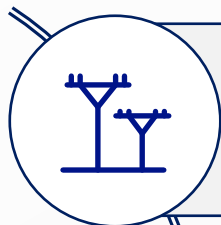
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# PPL Investment Highlights



**A total return proposition of 9% - 12%**<sup>(1)</sup>



## Large-cap, regulated U.S. utility operating in constructive regulatory jurisdictions

- Principal electric/gas utilities serving Kentucky, Pennsylvania, and Rhode Island
- Highlighted by future test years in each jurisdiction, FERC formula rates and real-time recovery mechanisms



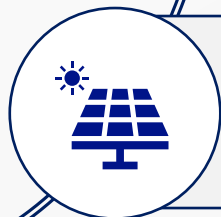
## Visible and predictable 6% - 8% annual EPS and dividend growth<sup>(2)</sup>

- \$14.3B capital investment plan, driving average annual rate base growth of 6.3% through 2027
- Targeted annual O&M savings of at least \$175M by 2026



## Premier balance sheet supports organic growth and provides financial flexibility

- Top-tier credit ratings among peers: Baa1 rating at Moody's and A- rating at S&P
- Targeting 16% - 18% FFO/CFO to Debt and no equity issuances needed through at least 2027



## Compelling opportunity to transition existing coal fleet to cleaner energy resources<sup>(3)</sup>

- Committed to net-zero carbon emissions by 2050<sup>(4)</sup>
- Rate base from coal generation declines to less than 12% by 2027

(1) Total return reflects PPL's targeted EPS growth rate plus dividend yield based on targeted annualized dividend and PPL's closing share price as of February 14, 2024.

(2) Refers to PPL's projected earnings per share growth from 2024 to 2027 and targeted dividend per share growth in line with EPS.

(3) PPL is economically transitioning coal-fired generation and has committed to not burn coal by 2050 unless it can be mitigated with carbon dioxide removal technologies.

(4) PPL is committed to a reasoned and deliberate glidepath to net-zero carbon emissions by 2050; ensuring safety, reliability and affordability remain intact during the transition.



# Quarterly Supplemental Information

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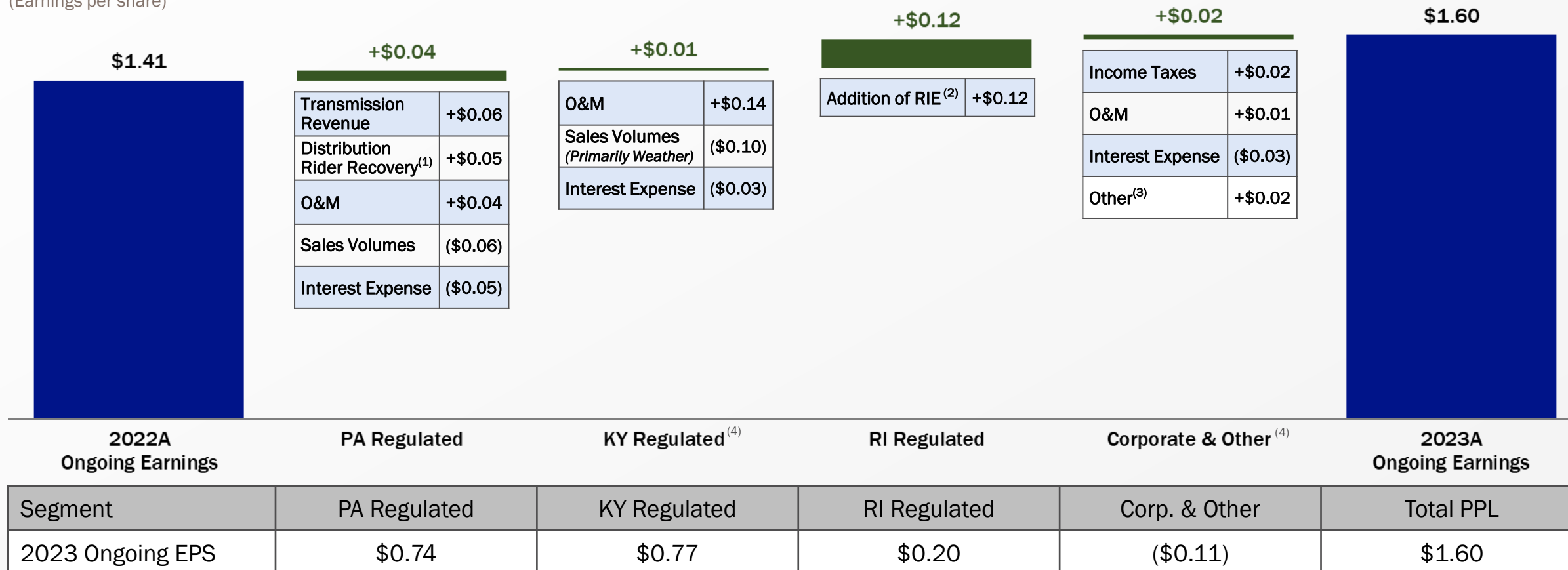
February 16, 2024

# Review of 2023 Financial Results



## Ongoing Earnings Walk: 2023 vs. 2022

(Earnings per share)



Note: See Appendix for the reconciliation of reported earnings to earnings from ongoing operations.

- (1) Distribution System Improvement Charge, or DSIC mechanism, is an alternative ratemaking mechanism providing more timely recovery of long-term infrastructure investments between rate cases.
- (2) RIE - Rhode Island Energy.
- (3) Reflects factors that were not individually significant.
- (4) Kentucky holding company costs for intercompany financing activity are now presented in Corporate and Other beginning on January 1, 2023. Prior periods have been adjusted to reflect this change.

# Electricity Sales Volumes



## 2023 retail sales vs. 2022 retail sales by operating segment <sup>(1)</sup>

(GWh)	Weather-Normalized Electricity Sales Volume						Actual Electricity Sales Volume			Annual EPS Sensitivity
	Three Months Ended Dec. 31,			Trailing Twelve Months Ended Dec. 31,			Three Months Ended Dec. 31,			Per 1% Change In Total Load
	2023	2022	% Change	2023	2022	% Change	2023	2022	% Change	
<b>Pennsylvania</b>										<b>+/- \$0.005 - \$0.01</b>
Residential	3,656	3,736	(2.2%)	14,418	14,816	(2.7%)	3,509	3,723	(5.7%)	
Commercial <sup>(2)</sup>	3,273	3,319	(1.4%)	13,663	13,923	(1.9%)	3,256	3,310	(1.6%)	
Industrial	2,022	2,138	(5.4%)	8,380	8,563	(2.1%)	2,022	2,138	(5.4%)	
Other	22	22	NM*	75	76	NM*	22	24	NM*	
<b>Total</b>	<b>8,973</b>	<b>9,216</b>	<b>(2.6%)</b>	<b>36,536</b>	<b>37,379</b>	<b>(2.3%)</b>	<b>8,810</b>	<b>9,195</b>	<b>(4.2%)</b>	
<b>Kentucky</b>										<b>+/- \$0.01 - \$0.02</b>
Residential	2,439	2,454	(0.6%)	10,533	10,588	(0.5%)	2,304	2,459	(6.3%)	
Commercial	1,785	1,786	(0.1%)	7,591	7,682	(1.2%)	1,754	1,788	(1.9%)	
Industrial	2,065	2,065	0.0%	8,469	8,670	(2.3%)	2,065	2,065	0.0%	
Other	624	612	NM*	2,651	2,669	NM*	615	614	NM*	
<b>Total</b>	<b>6,913</b>	<b>6,917</b>	<b>(0.0%)</b>	<b>29,244</b>	<b>29,609</b>	<b>(1.2%)</b>	<b>6,739</b>	<b>6,926</b>	<b>(2.7%)</b>	

\*NM: Not Meaningful

Note: Totals may not sum due to rounding.

(1) Excludes Rhode Island Energy's sales volumes as its revenue is decoupled.

(2) 2022 sales volumes were adjusted to reflect a correction to a customer account.

# Capital Expenditure Plan



(\$ in millions)

	2024	2025	2026	2027	4-Year Total
<b>Pennsylvania</b>					
Electric Distribution	\$500	\$425	\$400	\$425	\$1,750
Electric Transmission	\$675	\$800	\$825	\$725	\$3,025
<b>Pennsylvania Total</b>	<b>\$1,175</b>	<b>\$1,225</b>	<b>\$1,225</b>	<b>\$1,150</b>	<b>\$4,775</b>
<b>Kentucky</b>					
Electric Distribution	\$325	\$400	\$400	\$350	\$1,475
Electric Transmission	\$125	\$175	\$300	\$350	\$950
Electric Generation Non-Coal Fired	\$425	\$675	\$550	\$650	\$2,300
Electric Generation Coal Fired	\$200	\$175	\$175	\$150	\$700
Gas Operations	\$75	\$125	\$100	\$125	\$425
Other	\$125	\$125	\$100	\$175	\$525
<b>Kentucky Total</b>	<b>\$1,275</b>	<b>\$1,675</b>	<b>\$1,625</b>	<b>\$1,800</b>	<b>\$6,375</b>
<b>Rhode Island</b>					
Electric Distribution	\$250	\$300	\$275	\$225	\$1,050
Electric Transmission	\$200	\$300	\$300	\$250	\$1,050
Gas Operations	\$225	\$250	\$275	\$275	\$1,025
<b>Rhode Island Total</b>	<b>\$675</b>	<b>\$850</b>	<b>\$850</b>	<b>\$750</b>	<b>\$3,125</b>
<b>Total Utility Capex</b>	<b>\$3,125</b>	<b>\$3,750</b>	<b>\$3,700</b>	<b>\$3,700</b>	<b>\$14,275</b>

# Projected Rate Base (Year-End)



(Year-end rate base, \$ in billions)

	2023	2024	2025	2026	2027
<b>Pennsylvania</b>					
Electric Distribution	\$4.3	\$4.6	\$4.7	\$4.9	\$5.0
Electric Transmission	\$5.5	\$5.8	\$6.1	\$6.6	\$6.9
<b>Pennsylvania Total</b>	<b>\$9.8</b>	<b>\$10.3</b>	<b>\$10.9</b>	<b>\$11.4</b>	<b>\$11.9</b>
<b>Kentucky</b>					
Electric Distribution	\$3.0	\$3.2	\$3.5	\$3.8	\$4.0
Electric Transmission	\$1.6	\$1.7	\$1.9	\$2.1	\$2.4
Electric Generation Non-Coal Fired	\$1.5	\$1.9	\$2.5	\$2.9	\$3.5
Electric Generation Coal Fired	\$4.6	\$4.4	\$4.2	\$4.0	\$3.7
Gas Operations	\$1.2	\$1.3	\$1.4	\$1.5	\$1.6
<b>Kentucky Total</b>	<b>\$11.9</b>	<b>\$12.4</b>	<b>\$13.4</b>	<b>\$14.2</b>	<b>\$15.1</b>
<b>Rhode Island <sup>(1)</sup></b>					
Electric Distribution	\$1.2	\$1.3	\$1.4	\$1.6	\$1.8
Electric Transmission	\$1.0	\$1.0	\$1.1	\$1.3	\$1.5
Gas Operations	\$1.5	\$1.6	\$1.8	\$1.9	\$2.1
<b>Rhode Island Total</b>	<b>\$3.7</b>	<b>\$3.9</b>	<b>\$4.3</b>	<b>\$4.8</b>	<b>\$5.4</b>
<b>Total Rate Base</b>	<b>\$25.4</b>	<b>\$26.6</b>	<b>\$28.5</b>	<b>\$30.4</b>	<b>\$32.4</b>

Note: Totals may not sum due to rounding.

(1) Rhode Island rate base excludes acquisition-related adjustments for non-earning assets.



# Debt Maturities



(\$ in millions)

	2024	2025	2026	2027	2028	2029+	Total
PPL Capital Funding	\$0	\$0	\$650	\$0	\$1,000	\$1,396	\$3,046
PPL Electric Utilities	\$0	\$0	\$0	\$108	\$0	\$4,541	\$4,649
Louisville Gas & Electric <sup>(1)</sup>	\$0	\$300	\$90	\$260	\$0	\$1,839	\$2,489
Kentucky Utilities <sup>(1)</sup>	\$0	\$250	\$164	\$60	\$0	\$2,615	\$3,089
Rhode Island Energy <sup>(2)</sup>	\$1	\$1	\$0	\$0	\$350	\$1,150	\$1,502
<b>Total Debt Maturities<sup>(3)</sup></b>	<b>\$1</b>	<b>\$551</b>	<b>\$904</b>	<b>\$428</b>	<b>\$1,350</b>	<b>\$11,541</b>	<b>\$14,775</b>

Note: As of December 31, 2023. Totals may not sum due to rounding.

(1) Amounts reflect the timing of any put option on municipal bonds that may be put by the holders before the bonds' final maturities.

(2) Amounts reflect sinking fund payments that are due annually until the bond's final maturity.

(3) Does not reflect unamortized debt issuance costs and unamortized premiums (discounts) totaling (\$163 million).

# Liquidity Profile



(\$ in millions)

Entity	Facility	Expiration Date	Capacity	Borrowed	LCs & CP Issued <sup>(1)(2)</sup>	Unused Capacity
<b>PPL Capital Funding</b>	Syndicated Credit Facility <sup>(3)</sup>	Dec-2027	\$1,250	\$0	\$390	\$860
	Bilateral Credit Facility	Mar-2024	\$100	\$0	\$0	\$100
	Uncommitted Credit Facility	Mar-2024	\$100	\$0	\$13	\$87
	Subtotal		\$1,450	\$0	\$403	\$1,047
<b>PPL Electric Utilities</b>	Syndicated Credit Facility	Dec-2027	\$650	\$0	\$511	\$139
<b>Louisville Gas &amp; Electric</b>	Syndicated Credit Facility	Dec-2027	\$500	\$0	\$0	\$500
<b>Kentucky Utilities</b>	Syndicated Credit Facility	Dec-2027	\$400	\$0	\$93	\$307
<b>Total PPL Credit Facilities</b>			<b>\$3,000</b>	<b>\$0</b>	<b>\$1,007</b>	<b>\$1,993</b>

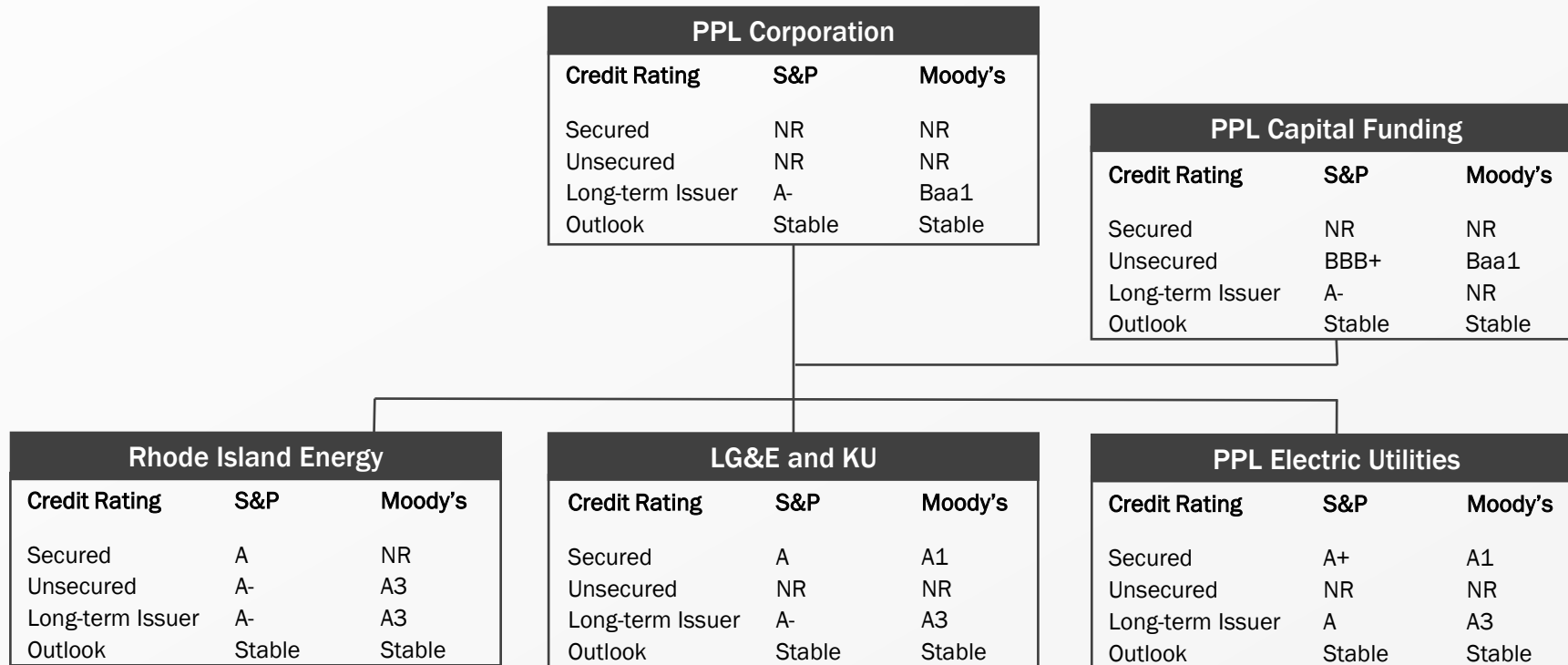
Note: As of December 31, 2023. Totals may not sum due to rounding.

(1) Letters of Credit (LCs) and Commercial Paper (CP).

(2) Commercial paper issued reflects the undiscounted face value of the issuance.

(3) Includes a \$250 million borrowing sublimit for RIE and a \$1 billion sublimit for PPL Capital Funding. At December 31, 2023, PPL Capital Funding had \$365 million of commercial paper outstanding and RIE had \$25 million of commercial paper outstanding. On January 5, 2024, the borrowing sublimits under the facility were reallocated to \$400 million at RIE and \$850 million at PPL Capital Funding.

# PPL's Credit Ratings



Note: As of December 31, 2023.

# Pennsylvania Regulatory Overview



PPL Electric Utilities



## Key Attributes

### 2023 Rate Base

Year-End Rate Base (\$B)	\$9.8
% of Total PPL Rate Base	38%

### Allowed ROE

Electric Transmission	10.0% + adders <sup>(1)</sup>
Electric Distribution	<sup>(2)</sup>

### Capital Structure (2023)

Equity	56%
Debt	44%

### Last Base Rate Case (rates effective date)

1/1/2016

### Test Year

Forward Test Year

## Constructive Features Mitigating Regulatory Lag

- ✓ FERC Formula Transmission Rates
- ✓ Distribution System Improvement Charge (DSIC)
  - An alternative ratemaking mechanism providing more-timely cost recovery of qualifying distribution system capital expenditures
- ✓ Pass through of energy purchases
- ✓ Smart Meter Rider
- ✓ Storm Cost Recovery
- ✓ Alternative Ratemaking<sup>(3)</sup>
  - In Pennsylvania, there are various mechanisms available including: decoupling mechanisms, performance-based rates, formula rates, and multi-year rate plans

(1) Adders include 50-basis points for RTO membership and incremental returns for certain projects.

(2) Last Pennsylvania distribution base rate case was effective 1/1/2016 with an un-disclosed ROE.

(3) Alternative ratemaking is available for next distribution base rate case.

# Kentucky Regulatory Overview



Louisville Gas & Electric and Kentucky Utilities



## Key Attributes

### 2023 Rate Base

Year-End Rate Base (\$B)	\$11.9
% of Total PPL Rate Base	47%

### Allowed ROE

Base	9.425%
ECR & GLT Mechanisms	9.35%

### Capital Structure (2023)

Equity	53%
Debt	47%

### Last Base Rate Case (rates effective date)

7/1/2021

### Test Year

Forward Test Year

## Constructive Features Mitigating Regulatory Lag

- ✓ **Environmental Cost Recovery (ECR) Surcharge**
  - Provides near real-time recovery for approved environmental projects related to coal-fired generation
- ✓ **Gas Line Tracker (GLT)**
  - Approved mechanism for LG&E's recovery of certain costs associated with gas transmission lines, gas service lines, and leak mitigation
- ✓ **Demand-Side Management (DSM) Cost Recovery**
  - Provides recovery of energy efficiency programs
- ✓ **Retired Asset Recovery (RAR) Rider<sup>(1)</sup>**
  - Provides recovery of and return on remaining net book value at time of retirement, with recovery over 10 years from retirement date
- ✓ **Fuel Adjustment Clause (FAC)**
  - Pass through of costs of fuel and energy purchases
- ✓ **Gas Supply Clause (GSC)**
  - Pass through of costs of natural gas supply

(1) Retired Asset Recovery Rider applies to the generating plants of LG&E and KU.

# Rhode Island Regulatory Overview



Rhode Island Energy



## Key Attributes

### 2023 Rate Base

Year-End Rate Base (\$B)	\$3.7
% of Total PPL Rate Base	15%

### Allowed ROE

Electric Transmission	10.57% + adders <sup>(1)</sup>
Electric Distribution	9.275% <sup>(2)</sup>
Gas Distribution	9.275% <sup>(2)</sup>

### Capital Structure (2023)

Equity	51%
Debt	49%

### Last Base Rate Case

(rates effective date)	9/1/2018
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### Test Year

Multi-year<sup>(3)</sup>

## Constructive Features Mitigating Regulatory Lag

- ✓ Multi-year rate plans for electric and gas distribution
- ✓ Infrastructure, Safety, and Reliability (ISR) tracker
  - Annual recovery mechanism for certain capital and O&M costs for electric and gas distribution projects filed with the RIPUC
- ✓ Performance-based incentive revenues
  - Includes electric system performance, energy efficiency, natural gas optimization, and renewables incentives
- ✓ Revenue decoupling
- ✓ Storm cost recovery
- ✓ Pension expense tracker
- ✓ Energy Efficiency tracker
- ✓ FERC Formula Transmission Rates

(1) Reflects base allowed ROE. Rhode Island Energy receives a 50-basis point RTO adder and additional project adder mechanisms that may increase the allowed ROE up to 11.74%.

(2) Reflects base allowed ROE. Rhode Island Energy can earn higher returns than the base allowed ROE through incentive mechanisms and efficiencies that are supported by customer sharing mechanisms. Earnings sharing with customers of 50% when earned ROE is between 9.275% and 10.275% and increases to 75% sharing for customers when earned ROE exceeds 10.275%.

(3) Based on regulatory framework established in 2018, which included a multi-year framework for Rhode Island Energy electric and gas base rates based on a historical test year with the ability to forecast certain O&M categories for future years. All other O&M expenses are increased by inflation each year. Includes annual rate reconciliation mechanism that incorporates allowance for anticipated capital investments.



# Appendix

4<sup>TH</sup> QUARTER 2023  
INVESTOR UPDATE

February 16, 2024

# Reconciliation of Segment Reported Earnings to Earnings From Ongoing Operations – Current Year



After-Tax (Unaudited) (\$ in millions)	Three Months Ended December 31, 2023					Twelve Months Ended December 31, 2023				
	KY Reg.	PA Reg.	RI Reg.	Corp. & Other	Total	KY Reg.	PA Reg.	RI Reg.	Corp. & Other	Total
<b>Reported Earnings</b> <sup>(1)</sup>	\$ 120	\$ 135	\$ 26	\$ (168)	\$ 113	\$ 552	\$ 519	\$ 96	\$ (427)	\$ 740
Less: Special Items (expense) benefit:										
Talen litigation costs, net of tax of \$24, \$26 <sup>(2)</sup>	-	-	-	(93)	(93)	-	-	-	(99)	(99)
Strategic corporate initiatives, net of tax of \$0, \$1, \$0, \$1, \$3 <sup>(3)</sup>	-	(1)	-	(3)	(4)	(1)	(2)	-	(10)	(13)
Acquisition integration, net of tax of \$2, \$16, \$14, \$58 <sup>(4)</sup>	-	-	(10)	(59)	(69)	-	-	(56)	(218)	(274)
PA tax rate change	-	(1)	-	-	(1)	-	-	-	-	-
Sale of Safari Holdings, net of tax of (\$1), \$0 <sup>(5)</sup>	-	-	-	(1)	(1)	-	-	-	(4)	(4)
PPL Electric billing issue, net of tax of \$4, \$10 <sup>(6)</sup>	-	(9)	-	-	(9)	-	(24)	-	-	(24)
FERC transmission credit refund, net of tax of \$0, \$2 <sup>(7)</sup>	(1)	-	-	-	(1)	(6)	-	-	-	(6)
Unbilled revenue estimate adjustment, net of tax of \$2, \$2 <sup>(8)</sup>	(5)	-	-	-	(5)	(5)	-	-	-	(5)
Other non-recurring charges, net of tax of \$1, \$1, \$0 <sup>(9)</sup>	-	(3)	-	-	(3)	-	(3)	-	(15)	(18)
<b>Total Special Items</b>	(6)	(14)	(10)	(156)	(186)	(12)	(29)	(56)	(346)	(443)
<b>Earnings from Ongoing Operations</b>	\$ 126	\$ 149	\$ 36	\$ (12)	\$ 299	\$ 564	\$ 548	\$ 152	\$ (81)	\$ 1,183

After-Tax (Unaudited) (per share – diluted)	Three Months Ended December 31, 2023					Twelve Months Ended December 31, 2023				
	KY Reg.	PA Reg.	RI Reg.	Corp. & Other	Total	KY Reg.	PA Reg.	RI Reg.	Corp. & Other	Total
<b>Reported Earnings</b> <sup>(1)</sup>	\$ 0.16	\$ 0.18	\$ 0.04	\$ (0.23)	\$ 0.15	\$ 0.75	\$ 0.70	\$ 0.13	\$ (0.58)	\$ 1.00
Less: Special Items (expense) benefit:										
Talen litigation costs <sup>(2)</sup>	-	-	-	(0.13)	(0.13)	-	-	-	(0.13)	(0.13)
Strategic corporate initiatives <sup>(3)</sup>	-	-	-	-	-	-	-	-	(0.01)	(0.01)
Acquisition integration <sup>(4)</sup>	-	-	(0.01)	(0.08)	(0.09)	-	-	(0.07)	(0.30)	(0.37)
Sale of Safari Holdings <sup>(5)</sup>	-	-	-	-	-	-	-	-	(0.01)	(0.01)
PPL Electric billing issue <sup>(6)</sup>	-	(0.02)	-	-	(0.02)	-	(0.04)	-	-	(0.04)
FERC transmission credit refund <sup>(7)</sup>	-	-	-	-	-	(0.01)	-	-	-	(0.01)
Unbilled revenue estimate adjustment <sup>(8)</sup>	(0.01)	-	-	-	(0.01)	(0.01)	-	-	-	(0.01)
Other non-recurring charges <sup>(9)</sup>	-	-	-	-	-	-	-	-	(0.02)	(0.02)
<b>Total Special Items</b>	(0.01)	(0.02)	(0.01)	(0.21)	(0.25)	(0.02)	(0.04)	(0.07)	(0.47)	(0.60)
<b>Earnings from Ongoing Operations</b>	\$ 0.17	\$ 0.20	\$ 0.05	\$ (0.02)	\$ 0.40	\$ 0.77	\$ 0.74	\$ 0.20	\$ (0.11)	\$ 1.60

- (1) Reported Earnings represents Net Income.
- (2) Represents a settlement agreement with Talen Montana, LLC and affiliated entities and other litigation costs.
- (3) Represents costs primarily related to PPL's centralization efforts and other strategic efforts.
- (4) Primarily integration and related costs associated with the acquisition of Rhode Island Energy.
- (5) Primarily final closing and other related adjustments for the sale of Safari Holdings, LLC.

- (6) Certain expenses related to billing issues.
- (7) Prior period impact related to a FERC refund order.
- (8) Prior period impact of a methodology change in determining unbilled revenues.
- (9) PA Reg. includes certain expenses associated with a litigation settlement. Corp. & Other primarily includes certain expenses related to distributed energy investments.



# Reconciliation of Segment Reported Earnings to Earnings From Ongoing Operations – Prior Year



After-Tax (Unaudited) (\$ in millions)	Three Months Ended December 31, 2022						Twelve Months Ended December 31, 2022					
	KY Reg.	PA Reg.	RI Reg.	Corp. & Other	Disc. Ops. <sup>(7)</sup>	Total	KY Reg.	PA Reg.	RI Reg.	Corp. & Other	Disc. Ops. <sup>(7)</sup>	Total
<b>Reported Earnings<sup>(1)</sup></b>	\$ 84	\$ 115	\$ 11	\$ (62)	\$ 42	\$ 190	\$ 549	\$ 525	\$ (44)	\$ (316)	\$ 42	\$ 756
Less: Special Items (expense) benefit:												
Income (Loss) from Discontinued Operations	-	-	-	-	42	42	-	-	-	-	42	42
Talen litigation costs, net of tax of \$1, \$0 <sup>(2)</sup>	-	-	-	(4)	-	(4)	-	-	-	1	-	1
Strategic corporate initiatives, net of tax of \$3, \$4 <sup>(3)</sup>	-	-	-	-	-	-	(8)	-	-	(15)	-	(23)
Acquisition integration, net of tax of \$4, \$11, \$28, \$39 <sup>(4)</sup>	-	-	(17)	(44)	-	(61)	-	-	(109)	(148)	-	(257)
PA tax rate change <sup>(5)</sup>	-	-	-	1	-	1	-	9	-	(4)	-	5
Sale of Safari Holdings, net of tax of (\$3), \$16 <sup>(6)</sup>	-	-	-	3	-	3	-	-	-	(53)	-	(53)
<b>Total Special Items</b>	-	-	(17)	(44)	42	(19)	(8)	9	(109)	(219)	42	(285)
<b>Earnings from Ongoing Operations</b>	\$ 84	\$ 115	\$ 28	\$ (18)	\$ -	\$ 209	\$ 557	\$ 516	\$ 65	\$ (97)	\$ -	\$ 1,041

After-Tax (Unaudited) (per share – diluted)	Three Months Ended December 31, 2022						Twelve Months Ended December 31, 2022					
	KY Reg.	PA Reg.	RI Reg.	Corp. & Other	Disc. Ops. <sup>(7)</sup>	Total	KY Reg.	PA Reg.	RI Reg.	Corp. & Other	Disc. Ops. <sup>(7)</sup>	Total
<b>Reported Earnings<sup>(1)</sup></b>	\$ 0.11	\$ 0.16	\$ 0.01	\$ (0.08)	\$ 0.06	\$ 0.26	\$ 0.75	\$ 0.71	\$ (0.06)	\$ (0.44)	\$ 0.06	\$ 1.02
Less: Special Items (expense) benefit:												
Income (Loss) from Discontinued Operations	-	-	-	-	0.06	0.06	-	-	-	-	0.06	0.06
Talen litigation costs <sup>(2)</sup>	-	-	-	(0.01)	-	(0.01)	-	-	-	-	-	-
Strategic corporate initiatives <sup>(3)</sup>	-	-	-	-	-	-	(0.01)	-	-	(0.02)	-	(0.03)
Acquisition integration <sup>(4)</sup>	-	-	(0.02)	(0.06)	-	(0.08)	-	-	(0.14)	(0.20)	-	(0.34)
PA tax rate change <sup>(5)</sup>	-	-	-	-	-	-	-	0.01	-	(0.01)	-	-
Sale of Safari Holdings <sup>(6)</sup>	-	-	-	0.01	-	0.01	-	-	-	(0.08)	-	(0.08)
<b>Total Special Items</b>	-	-	(0.02)	(0.06)	0.06	(0.02)	(0.01)	0.01	(0.14)	(0.31)	0.06	(0.39)
<b>Earnings from Ongoing Operations</b>	\$ 0.11	\$ 0.16	\$ 0.03	\$ (0.02)	\$ -	\$ 0.28	\$ 0.76	\$ 0.70	\$ 0.08	\$ (0.13)	\$ -	\$ 1.41

- (1) Reported Earnings represents Net Income.
- (2) PPL incurred legal expenses related to litigation with Talen Montana, LLC and affiliated entities. Twelve months ended December 31, 2022, also includes insurance reimbursements received related to this litigation.
- (3) Represents costs primarily related to the acquisition of Rhode Island Energy and PPL's corporate centralization efforts.
- (4) Primarily includes integration and related costs associated with the acquisition of Rhode Island Energy. Twelve months ended December 31, 2022, also includes costs for certain commitments made during the acquisition process.

- (5) Impact of Pennsylvania state tax reform.
- (6) Primarily includes the estimated loss on the sale of Safari Holdings, LLC at December 31, 2022.
- (7) Tax benefit due to the provision to final 2021 tax return adjustments, primarily related to the discontinued U.K. utility business.

# Forward-Looking Information Statement



Statements contained in this presentation, including statements with respect to future earnings, cash flows, dividends, financing, regulation and corporate strategy, including the anticipated acquisition of Narragansett from National Grid, and its impact on PPL Corporation, are “forward-looking statements” within the meaning of the federal securities laws. Although PPL Corporation believes that the expectations and assumptions reflected in these forward-looking statements are reasonable, these statements are subject to a number of risks and uncertainties, and actual results may differ materially from the results discussed in the statements. The following are among the important factors that could cause actual results to differ materially from the forward-looking statements: asset or business acquisitions and dispositions, including the expected acquisition of Narragansett Electric, and our ability to realize expected benefits from them; pandemic health events or other catastrophic events, including severe weather, and their effect on financial markets, economic conditions, supply chains and our businesses; the outcome of rate cases or other cost recovery or revenue proceedings; the direct and indirect effects on PPL or its subsidiaries or business systems of cyber-based intrusion or threat of cyberattacks; capital market and economic conditions, including interest rates and inflation, and decisions regarding capital structure; market demand for energy in our service territories; weather conditions affecting customer energy usage and operating costs; the effect of any business or industry restructuring; the profitability and liquidity of PPL Corporation and its subsidiaries; new accounting requirements or new interpretations or applications of existing requirements; operating performance of our facilities; the length of scheduled and unscheduled outages at our generating plants; environmental conditions and requirements, and the related costs of compliance; system conditions and operating costs; development of new projects, markets and technologies; performance of new ventures; receipt of necessary government permits and approvals; the impact of state, federal or foreign investigations applicable to PPL Corporation and its subsidiaries; the outcome of litigation involving PPL Corporation and its subsidiaries; stock price performance; the market prices of debt and equity securities and the impact on pension income and resultant cash funding requirements for defined benefit pension plans; the securities and credit ratings of PPL Corporation and its subsidiaries; changes in political, regulatory or economic conditions in states, regions or countries where PPL Corporation or its subsidiaries conduct business, including any potential effects of threatened or actual cyberattack, terrorism, or war or other hostilities; new state, federal or applicable foreign legislation or regulatory developments, including new tax legislation; and the commitments and liabilities of PPL Corporation and its subsidiaries. Any such forward-looking statements should be considered in light of such important factors and in conjunction with factors and other matters discussed in PPL Corporation's Form 10-K and other reports on file with the Securities and Exchange Commission.

# Definitions of Non-GAAP Financial Measures



Management utilizes "Earnings from Ongoing Operations" or "Ongoing Earnings" as a non-GAAP financial measure that should not be considered as an alternative to net income, an indicator of operating performance determined in accordance with GAAP. PPL believes that Earnings from Ongoing Operations is useful and meaningful to investors because it provides management's view of PPL's earnings performance as another criterion in making investment decisions. In addition, PPL's management uses Earnings from Ongoing Operations in measuring achievement of certain corporate performance goals, including targets for certain executive incentive compensation. Other companies may use different measures to present financial performance.

Earnings from Ongoing Operations is adjusted for the impact of special items. Special items are presented in the financial tables on an after-tax basis with the related income taxes on special items separately disclosed. Income taxes on special items, when applicable, are calculated based on the statutory tax rate of the entity where the activity is recorded. Special items may include items such as:

- Gains and losses on sales of assets not in the ordinary course of business.
- Impairment charges.
- Significant workforce reduction and other restructuring effects.
- Acquisition and divestiture-related adjustments.
- Significant losses on early extinguishment of debt.
- Other charges or credits that are, in management's view, non-recurring or otherwise not reflective of the company's ongoing operations.