

Cautionary Statements and Factors That May Affect Future Results

Statements made in this presentation about future operating results or other future events, including the process to sell PPL's U.K. business, 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 to this presentation and in the Company's SEC filings. Unless otherwise expressly specified, the figures in this presentation do not reflect the effects of any sale of the U.K. business.

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 earnings release.

Agenda

- I. Executive Review and Operational Updates Vince Sorgi
- II. Financial Review Joe Bergstein
- III. Closing Remarks Vince Sorgi
- IV. Q&A

2020 Executive Review

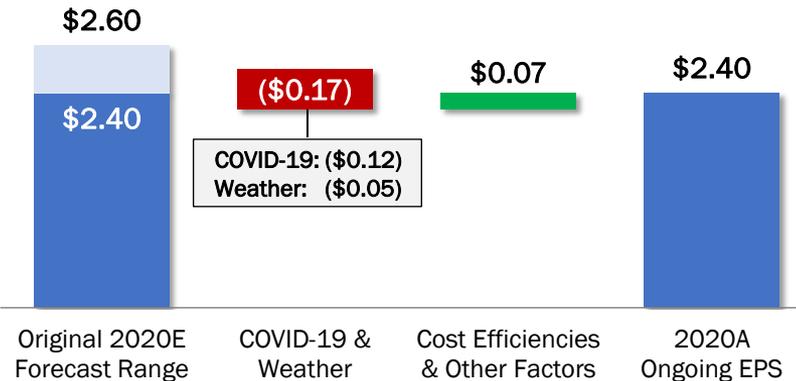
Delivered results within original guidance range despite COVID-19 impacts

Effective Response to COVID-19 Pandemic

- **Kept employees safe and informed**
 - ✓ Implemented social distancing, PPE and revised work practices to protect frontline workers
 - ✓ Promptly transitioned to work from home for 40% of our workforce
- **Delivered for customers when it mattered most**
 - ✓ Maintained superior operational performance throughout volatile pandemic conditions
 - ✓ Earned 3 additional J.D. Power Awards at U.S. operations for exceptional customer service
- **Provided additional support to customers and communities**
 - ✓ Pledged more than \$2 million to relief funds and programs aimed at assisting customers who are struggling financially during the pandemic
 - ✓ Offered flexible payment programs

Solid 2020 Financial Performance

(Earnings Per Share)



- **Overcame significant headwinds to achieve results within forecast range**
 - Lower U.K. sales due to COVID-19 also to be recovered via decoupling (\$0.07)⁽¹⁾
- **Continued to deliver on commitment to return capital to shareowners**
 - 300th consecutive quarterly dividend paid on January 4

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

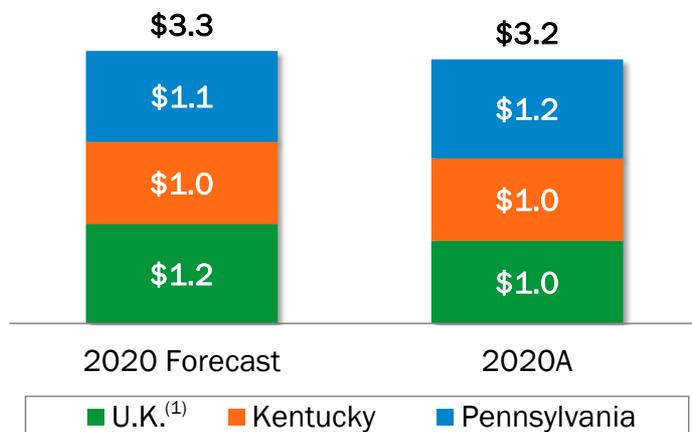
(1) U.K. sales volumes variances are recovered on a two-year lag via a regulatory decoupling mechanism.

2020 Executive Review (continued)

PPL continues to execute its strategy to advance a sustainable energy future

Delivered Capex Plan with Minimal Delays

(\$ in billions)



- Effectively managed COVID-19 risks to keep capital investments on time and on budget
- Continued focus on sustainable investments that maintain and enhance infrastructure
 - ~90% related to T&D investments

Steadfast on Sustainability Commitments

- Advanced economic development of renewables and clean energy technology
 - ✓ Obtained KPSC approval, with modifications, for a 100-MW solar PPA
 - ✓ Developed or acquired over 90 MWs of new solar projects in U.S.
 - ✓ Joined EPRI- and GTI-led Low-Carbon Resources Initiative as an anchor sponsor⁽²⁾
- Advanced efforts to foster a diverse, equitable, and inclusive culture (DEI)
 - ✓ Adopted an enterprise-wide DEI strategy
 - ✓ Launched scholarship program to advance DEI initiatives
 - ✓ Named a Best Place to Work for LGBTQ equality, once again earning a perfect score
- Improved disclosure and transparency
 - ✓ Trendsetter ranking by CPA-Zicklin Index⁽³⁾

(1) Based on assumed exchange rate of \$1.30/£ for comparability purposes.

(2) EPRI: Electric Power Research Institute, GTI: Gas Technology Institute.

(3) Produced by the Center for Political Accountability in conjunction with the Zicklin Center for Business Ethics Research at the University of Pennsylvania.

Regulatory Updates

Applied for New Base Rates in Kentucky

	KU	LG&E	
	Electric	Electric	Gas
Revenue Increase Requested	\$170 million	\$131 million	\$30 million
Requested ROE	10.0%	10.0%	10.0%
Jurisdictional Capitalization ⁽¹⁾	\$5.2 billion	\$3.5 billion	\$1.1 billion
KPSC Docket Numbers	2020-00349	2020-00350	

- **Revenue increase supports investments in the infrastructure necessary to provide safe, reliable service to customers**
 - Proposes additional fast-charging EV stations with enhanced range charging
 - Requests approval of a certificate of public convenience and necessity to deploy AMI
 - Includes new depreciation study for remaining coal-fired generation units
- **Forecast test year beginning July 1, 2021**
 - Economic Relief Surcredit mitigates impact of rate adjustment until mid-2022

Other Notable Updates

- **RFP for 300-900MW of generation capacity in Kentucky beginning in 2025 to 2028**
 - Capacity would meet a potential energy shortfall created by expected plant retirements
 - Mill Creek Units 1 & 2 and E.W. Brown Unit 3 expected to retire during this decade based on an updated assessment of their remaining economic lives
- **RIIO-ED2 sector specific methodology decision (December 2020)**
 - Ofgem continues to highlight electricity distribution networks as critical to facilitating the U.K.'s net zero targets
 - We will continue to engage with Ofgem to develop a balanced price control that incentivizes the necessary investment

(1) Does not include approximately \$1.5 billion capitalization recovered via other rate mechanisms or other jurisdictions.

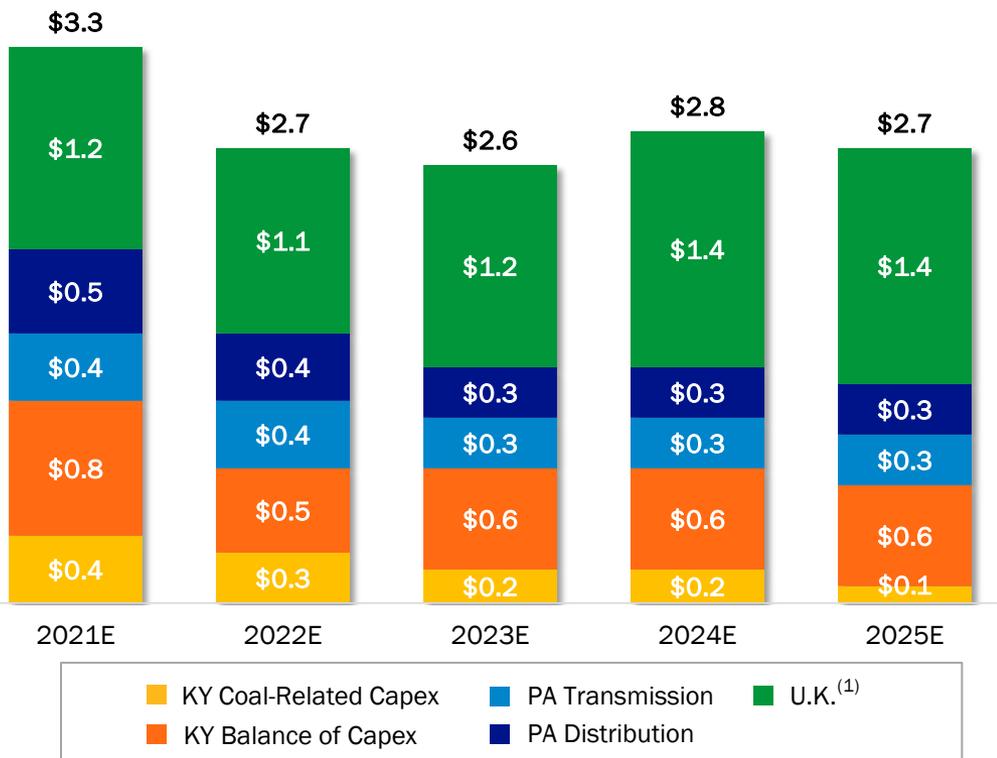
2021 – 2025 Capital Plan

\$14 billion investment plan supports advancing a cleaner energy future

Capex by Utility

(\$ in billions)

Added ~\$1 billion of incremental investments vs. prior plan



Notable Changes

- + **\$400 million to KY plan**
 - AMI investments of ~\$325M
- + **\$300 million to PA plan**
 - Primarily incremental transmission investment and digitalization initiatives
- + **\$200 million to U.K. plan**
 - Slight shift in timing of some work from 2020 to 2021
 - Updates to RII0-ED2 capital plan
- **Added preliminary 2025 estimates**

(1) Based on assumed exchange rate of \$1.30/£ in all years for comparability purposes.



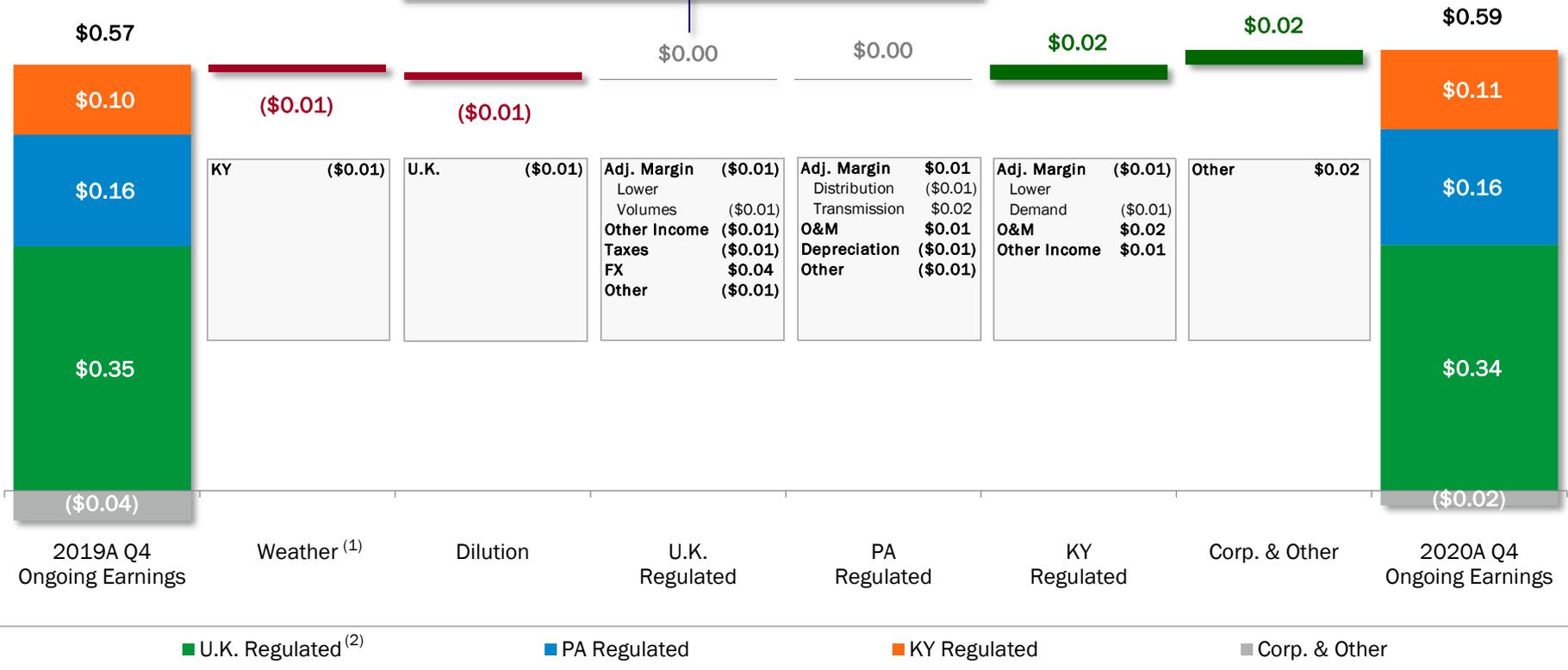
Financial Review



Q4 2020 Financial Results

(Earnings Per Share)

\$0.01 impact due to lower U.K. sales volumes to be recovered through decoupling mechanism in 2022-2023



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

(1) Reflects estimated impact of weather on sales volumes and related adjusted gross margins in the chart above.

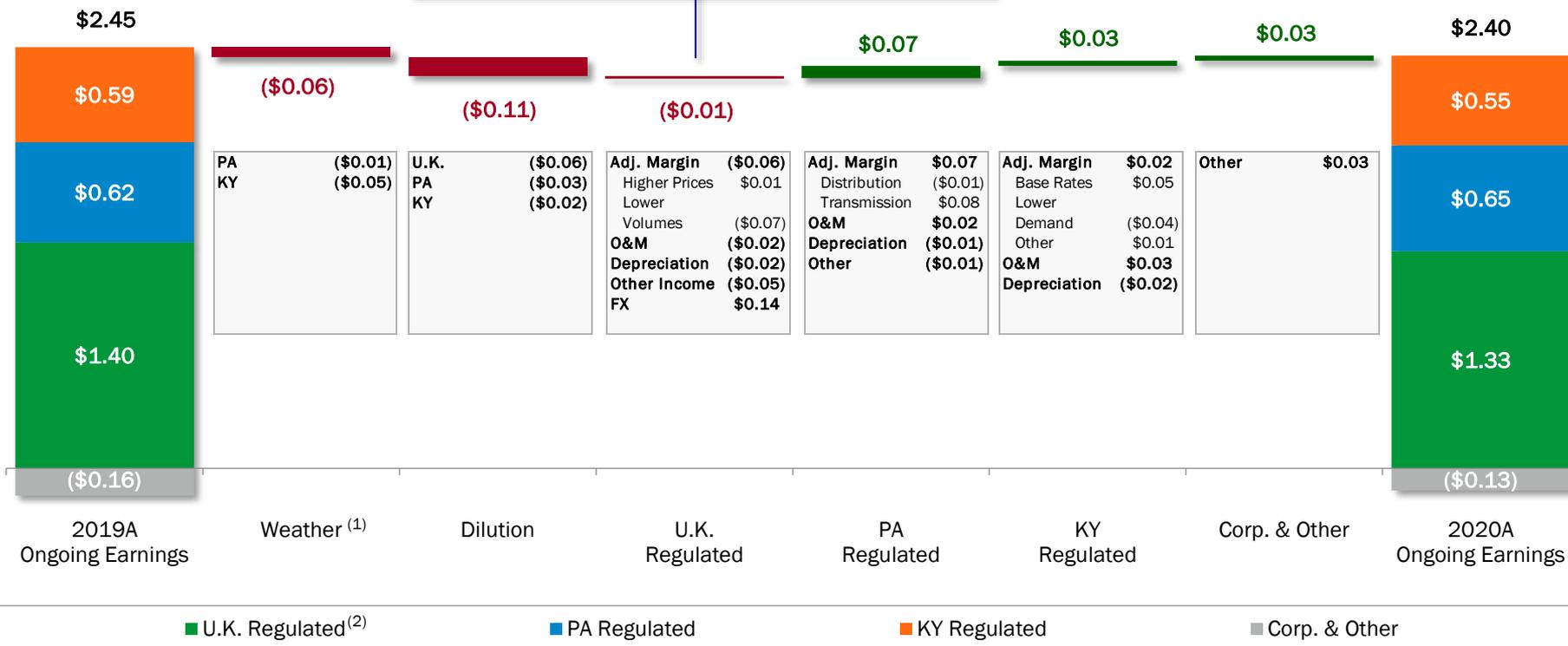
(2) Reflects a weighted average exchange rate of \$1.45/£ for Q4 2020 vs. \$1.32/£ for Q4 2019.



2020 Financial Results

(Earnings Per Share)

\$0.07 impact due to lower U.K. sales volumes to be recovered through decoupling mechanism in 2022-2023⁽³⁾



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

(1) Reflects estimated impact of weather on sales volumes and related adjusted gross margins in the chart above.

(2) Reflects a weighted average exchange rate of \$1.47/£ for 2020 vs. \$1.32/£ for 2019.

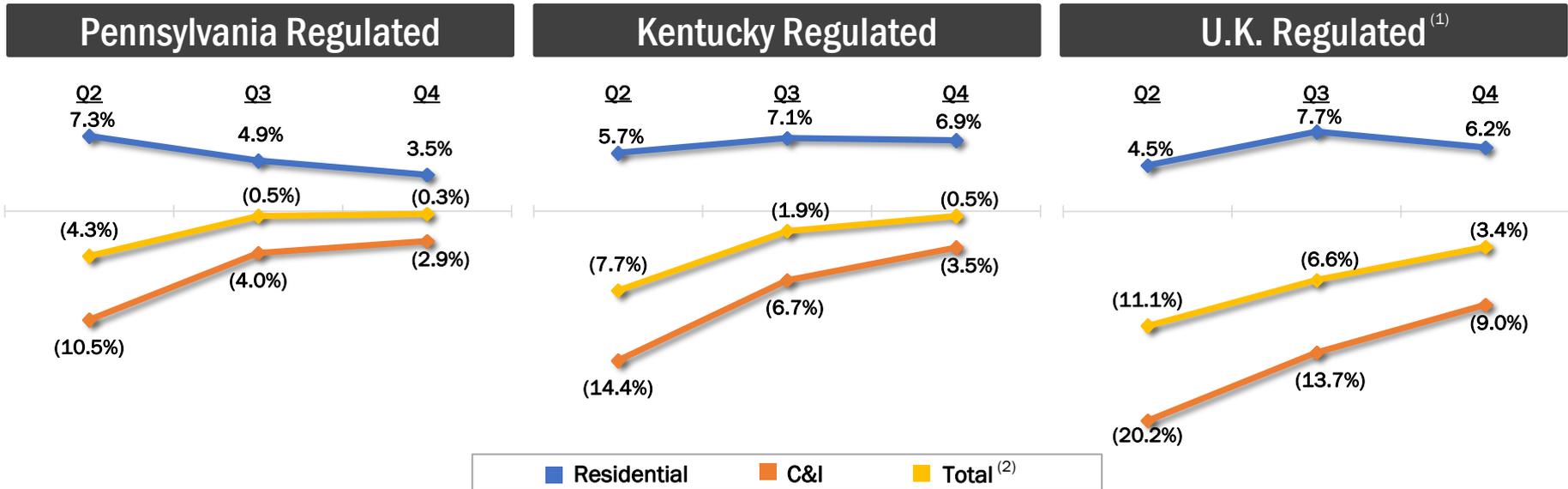
(3) Reflects (\$0.09) of estimated COVID-19 impact, partially offset by other factors.



COVID-19 Implications on Sales by Segment

Commercial and industrial sales continue to improve, while the most significant remaining impacts are from lower U.K. sales volumes recoverable in two years

Weather-Normalized Electricity Sales Volume Variances by Quarter (2020 vs. 2019)



- Estimated 2020 net impact was not significant compared to prior year
- 2020 weather-normalized volumes declined by 1.5% vs. prior year

- Estimated 2020 net impact was (\$0.03) vs. prior year primarily due to lower demand charges in C&I
- 2020 weather-normalized volumes declined by 2.4% vs. prior year

- Estimated 2020 impact was (\$0.09) vs. prior year primarily due to lower C&I sales volumes
- 2020 weather-normalized volumes declined by 5.3% vs. prior year

(1) PPL consolidates U.K. segment results on a one-month lag. For example, Q4 load comparison reflects sales volumes from September, October, and November.

(2) U.S. totals include Residential, Commercial and Industrial customer classes as well as "Other," which is not depicted on the charts above.



Closing Remarks



2021 Strategic Priorities

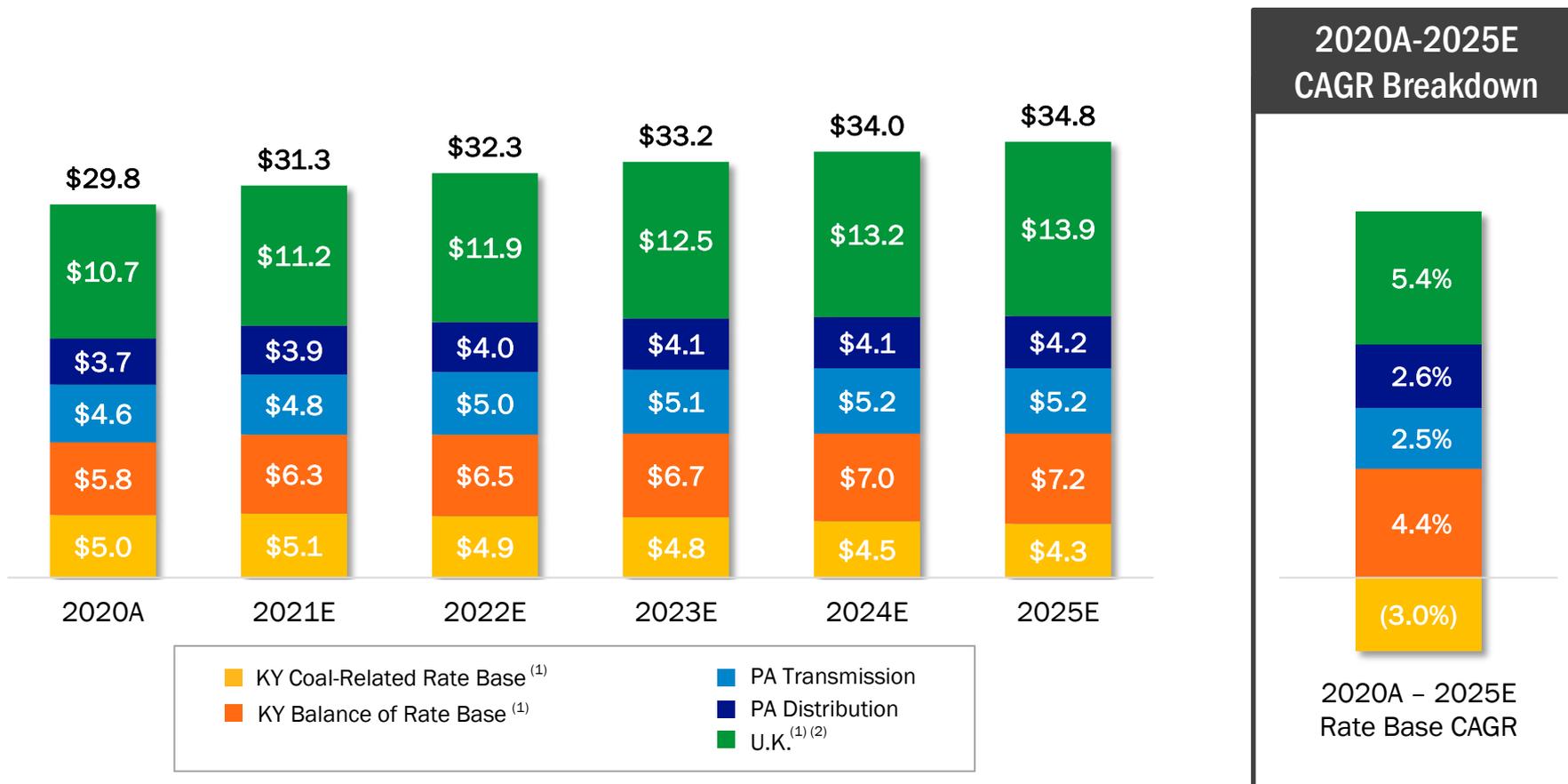
Clear focus on delivering long-term value for customers and shareowners

- **Complete the U.K. sale process; continue to expect to announce in 1H 2021⁽¹⁾**
 - Simplifying PPL's business mix
 - Reducing leverage
 - Improving earnings growth rate
 - Enhancing PPL's ability to invest in sustainable energy solutions
- **Deliver electricity safely, reliably and affordably**
 - Continue innovation and operational improvement that drive PPL's premier customer service and satisfaction levels
 - Leveraging our culture of operational excellence to further enhance value for customers and shareowners
- **Advance PPL's clean energy strategy**
 - Invest in smarter, more resilient infrastructure that fosters a cleaner energy future
 - Economically invest in renewable generation
- **Enhance the diversity, equity, and inclusion culture of the company**
- **Build strong communities in the areas we serve**

(1) There can be no assurance of any specific outcome, including whether the sale process will result in the completion of any potential transaction.

Projected Rate Base by Utility

(\$ in billions)



(1) Represents Regulatory Asset Value (RAV) for U.K. and utility capitalization for KY.

(2) Based on assumed exchange rate of \$1.30/£ in all years for comparability purposes.

Kentucky Regulated: Rate Case Procedural Schedule

Completion	Timing	Milestone
✓	11/25/2020	LG&E/KU filed application to adjust rates
✓	12/2/2020	KPSC approved rate case applications without deficiencies
✓	12/23/2020	Last day for intervention requests to be accepted
✓	1/8/2021	Initial request for information from all intervenors received
✓	1/22/2021	LG&E/KU responses filed to initial requests
✓	2/5/2021	Supplemental request for information received
	2/19/2021	LG&E/KU responses filed to supplemental requests
	3/5/2021	Intervenor testimony filed
	3/19/2021	Requests to intervenors submitted
	4/1/2021	Intervenor responses filed
	4/12/2021	LG&E/KU rebuttal testimony filed
	TBD	Last day for LG&E/KU to publish notice of hearing
	TBD	Public hearing in Frankfort, KY
	TBD	Post-hearing briefs
	7/1/2021	Proposed date when new rates become effective

✓ Completed

Kentucky Regulated: Economic Useful Lives of Baseload Generation

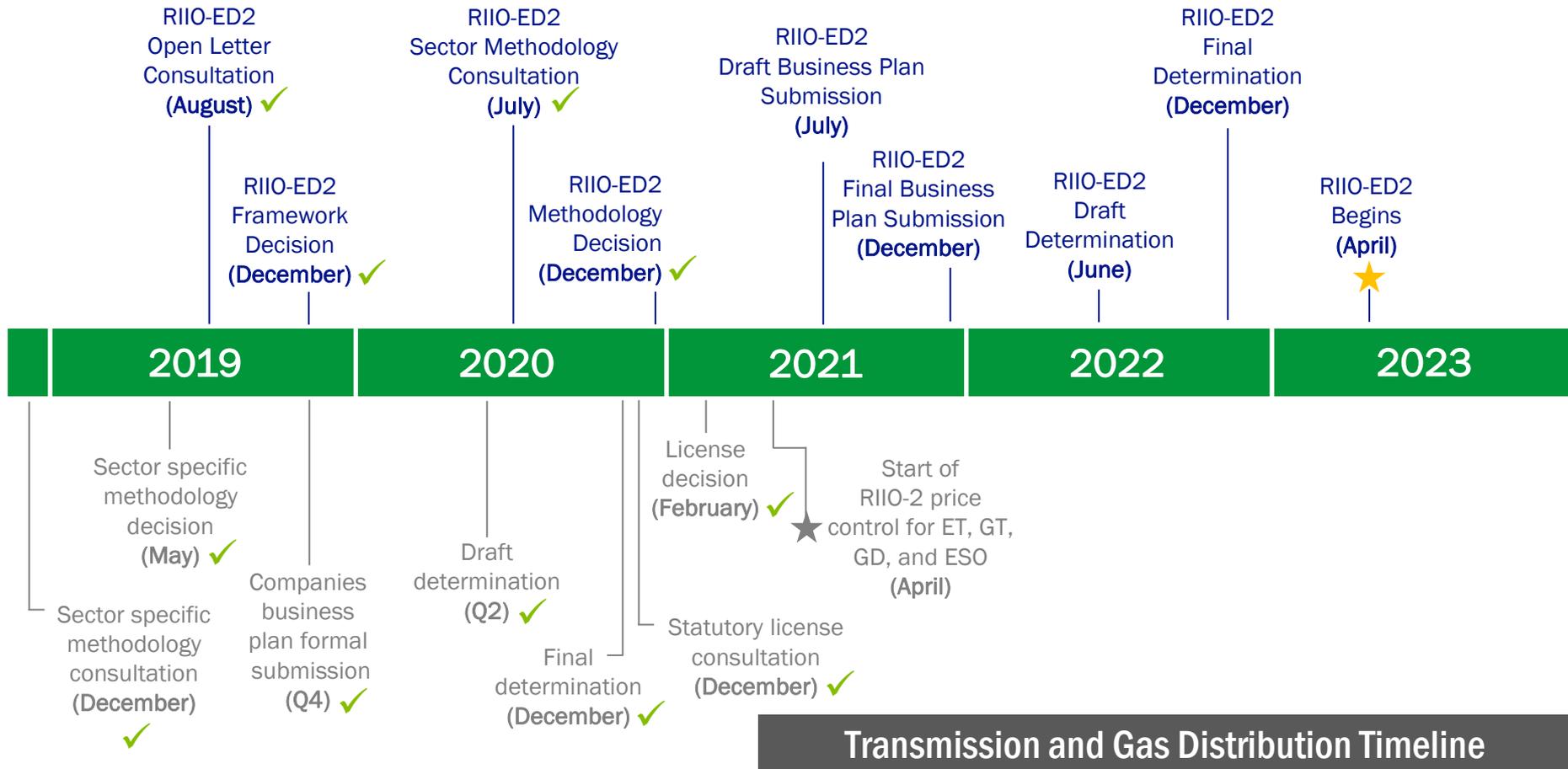
Summary of PPL's Kentucky Baseload Generation Resources

Power Plant	Unit	COD	Owned Capacity MW	Capacity Factor		Currently Projected End of Economic Useful Life ⁽¹⁾
				2019A	2020A	
Coal						
Mill Creek	1	1972	300	57%	64%	2024
E.W. Brown	3	1971	412	25%	29%	2028
Mill Creek	2	1974	297	70%	35%	2028
Ghent	1	1974	475	64%	63%	2034
Ghent	2	1977	485	62%	59%	2034
Ghent	3	1981	481	56%	60%	2037
Ghent	4	1984	478	59%	53%	2037
Mill Creek	3	1978	391	53%	50%	2039
Mill Creek	4	1982	477	73%	54%	2039
Trimble County	1	1990	370	75%	81%	2045
Trimble County	2	2011	549	70%	74%	2066
Natural Gas						
Cane Run (CCGT)	7	2015	662	85%	75%	2055
Total Baseload			5,377			

(1) Per Company's depreciation study filed in Case Nos. 2020-00349 and 2020-00350 before the KPSC.

U.K. Regulated: RIIO-2 Projected Timelines

Proposed Electricity Distribution Timeline ⁽¹⁾



(1) Based on timeline published in Ofgem's RIIO-ED2 Methodology Decision: Overview date December 2020.

Debt Maturities

(\$ in Millions)	2021	2022	2023	2024	2025	2026 and Beyond	Total
PPL Capital Funding	\$0	\$900	\$600	\$350	\$0	\$3,780	\$5,630
PPL Electric Utilities ⁽¹⁾	\$400	\$474	\$340	\$0	\$0	\$3,075	\$4,289
LG&E and KU Energy	\$250	\$0	\$0	\$0	\$0	\$0	\$250
Louisville Gas & Electric ⁽¹⁾	\$292	\$0	\$0	\$0	\$300	\$1,432	\$2,024
Kentucky Utilities ⁽¹⁾	\$132	\$0	\$13	\$0	\$250	\$2,247	\$2,642
Total U.S. Debt Maturities	\$1,074	\$1,374	\$953	\$350	\$550	\$10,534	\$14,835
WPD plc ⁽²⁾	\$500	\$0	\$666	\$67	\$0	\$668	\$1,901
WPD Operating Companies ⁽²⁾⁽³⁾	\$0	\$0	\$933	\$533	\$333	\$4,714	\$6,513
Total U.K. Debt Maturities	\$500	\$0	\$1,599	\$600	\$333	\$5,382	\$8,414
Total ⁽⁴⁾	\$1,574	\$1,374	\$2,552	\$950	\$883	\$15,916	\$23,249

Note: As of December 31, 2020.

(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) U.K. segment's pound-denominated debt translated at \$1.33/£ as reflected in PPL Corporation's balance sheet.

(3) Includes WPD (East Midlands) plc, WPD (West Midlands) plc, WPD (South Wales) plc and WPD (South West) plc.

(4) Does not reflect unamortized debt issuance costs, unamortized premiums (discounts), and fair market valuation adjustments totaling (\$122 million).

Liquidity Profile

Entity	Facility	Expiration Date	Capacity (Millions)	Borrowed (Millions)	Letters of Credit & Commercial Paper Issued (Millions)	Unused Capacity (Millions)
PPL Capital Funding	Syndicated Credit Facility	Jan-2024	\$1,450	\$0	\$402	\$1,048
	Term Loan Credit Facility	Mar-2022	100	100	0	0
	Term Loan Credit Facility	Mar-2021	300	300	0	0
	Bilateral Credit Facility	Mar-2021	50	0	0	50
	Uncommitted Credit Facility	Mar-2021	50	0	15	35
			<u>\$1,950</u>	<u>\$400</u>	<u>\$417</u>	<u>\$1,133</u>
PPL Electric Utilities	Syndicated Credit Facility	Jan-2024	\$650	\$0	\$1	\$649
Louisville Gas & Electric	Syndicated Credit Facility	Jan-2024	\$500	\$0	\$262	\$238
Kentucky Utilities	Syndicated Credit Facility	Jan-2024	\$400	\$0	\$203	\$197
	Total U.S. Credit Facilities		<u>\$3,500</u>	<u>\$400</u>	<u>\$883</u>	<u>\$2,217</u>
WPD	WPD plc Syndicated Credit Facility	Jan-2023	£210	£187	£0	£23 ⁽¹⁾
	WPD (South West) Syndicated Credit Facility	May-2023	220	50	0	170
	WPD (South Wales) Syndicated Credit Facility	May-2023	125	0	0	125
	WPD (East Midlands) Syndicated Credit Facility	May-2023	250	0	0	250
	WPD (West Midlands) Syndicated Credit Facility	May-2023	250	74	0	176
	Uncommitted Credit Facilities		100	60	4	36
	Total U.K. Credit Facilities		<u>£1,155</u>	<u>£371</u>	<u>£4</u>	<u>£780</u>

Note: As of December 31, 2020.

(1) The unused capacity reflects the amount borrowed in GBP of £187 million as of the date borrowed.

PPL's Credit Ratings

PPL Corporation		
Credit Rating	S&P	Moody's
Secured	NR	NR
Unsecured	NR	NR
Long-term Issuer	A-	Baa2
Outlook	Stable	Stable

PPL Capital Funding		
Credit Rating	S&P	Moody's
Secured	NR	NR
Unsecured	BBB+	Baa2
Long-term Issuer	A-	NR
Outlook	Stable	Stable

WPD Holding Company		
Credit Rating	S&P	Moody's
Secured	NR	NR
Unsecured	BBB+	Baa3
Long-term Issuer	A-	Baa3
Outlook	Stable	Stable

LKE Holding Company		
Credit Rating	S&P	Moody's
Secured	NR	NR
Unsecured	BBB+	Baa1
Long-term Issuer	A-	Baa1
Outlook	Stable	Stable

WPD Operating Companies		
Credit Rating	S&P	Moody's
Secured	NR	NR
Unsecured	A-	Baa1
Long-term Issuer	A-	Baa1
Outlook	Stable	Stable

LKE Operating Companies		
Credit Rating	S&P	Moody's
Secured	A	A1
Unsecured	NR	NR
Long-term Issuer	A-	A3
Outlook	Stable	Stable

PPL Electric Utilities		
Credit Rating	S&P	Moody's
Secured	A	A1
Unsecured	NR	NR
Long-term Issuer	A-	A3
Outlook	Stable	Stable

Note: As of December 31, 2020.

Reconciliation of Segment Reported Earnings to Earnings From Ongoing Operations

After-Tax (Unaudited) (millions of dollars)	Three Months Ended December 31, 2020					Twelve Months Ended December 31, 2020				
	U.K. Reg.	KY Reg.	PA Reg.	Corp. & Other	Total	U.K. Reg.	KY Reg.	PA Reg.	Corp. & Other	Total
Reported Earnings⁽¹⁾	\$ 112	\$ 88	\$ 126	\$ (36)	\$ 290	\$ 686	\$ 418	\$ 497	\$ (132)	\$ 1,469
Less: Special Items (expense) benefit:										
Foreign currency economic hedges, net of tax of \$37, \$57	(140)				(140)	(216)				(216)
Talen litigation costs, net of tax of \$1, \$3				(7)	(7)				(13)	(13)
COVID-19 impact, net of tax of \$0, \$0, \$0, \$0, \$4, \$2, \$0, \$0 ⁽²⁾		(1)			(1)	(15)	(5)	(1)	(1)	(22)
U.K. Tax Rate Change						(102)				(102)
Strategic corporate initiatives, net of tax of \$0, \$0, \$0, \$1, \$0, \$0, \$0, \$3	(8)			(4)	(12)	(8)			(11)	(19)
Executive retirement benefits, net of tax of \$2, \$2				(6)	(6)				(6)	(6)
Total Special Items	(148)	(1)	-	(17)	(166)	(341)	(5)	(1)	(31)	(378)
Earnings from Ongoing Operations	\$ 260	\$ 89	\$ 126	\$ (19)	\$ 456	\$ 1,027	\$ 423	\$ 498	\$ (101)	\$ 1,847

After-Tax (Unaudited) (per share - diluted)	Three Months Ended December 31, 2020					Twelve Months Ended December 31, 2020				
	U.K. Reg.	KY Reg.	PA Reg.	Corp. & Other	Total	U.K. Reg.	KY Reg.	PA Reg.	Corp. & Other	Total
Reported Earnings⁽¹⁾	\$ 0.15	\$ 0.11	\$ 0.16	\$ (0.04)	\$ 0.38	\$ 0.89	\$ 0.54	\$ 0.65	\$ (0.17)	\$ 1.91
Less: Special Items (expense) benefit:										
Foreign currency economic hedges	(0.18)				(0.18)	(0.27)				(0.27)
Talen litigation costs				(0.01)	(0.01)				(0.02)	(0.02)
COVID-19 impact ⁽²⁾						(0.02)	(0.01)			(0.03)
U.K. Tax Rate Change						(0.14)				(0.14)
Strategic corporate initiatives	(0.01)				(0.01)	(0.01)			(0.01)	(0.02)
Executive retirement benefits				(0.01)	(0.01)				(0.01)	(0.01)
Total Special Items	(0.19)	-	-	(0.02)	(0.21)	(0.44)	(0.01)	-	(0.04)	(0.49)
Earnings from Ongoing Operations	\$ 0.34	\$ 0.11	\$ 0.16	\$ (0.02)	\$ 0.59	\$ 1.33	\$ 0.55	\$ 0.65	\$ (0.13)	\$ 2.40

(1) Reported Earnings represents Net Income.

(2) COVID-19 impact relates to incremental costs for labor not chargeable to capital projects due to U.K. government lockdown restrictions, outside services, customer payment processing, purchases of personal protective equipment and other safety related actions associated with the COVID-19 pandemic.

Reconciliation of Segment Reported Earnings to Earnings From Ongoing Operations

After-Tax (millions of dollars)	Three Months Ended December 31, 2019					Twelve Months Ended December 31, 2019				
	U.K. Reg.	KY Reg.	PA Reg.	Corp. & Other	Total	U.K. Reg.	KY Reg.	PA Reg.	Corp. & Other	Total
Reported Earnings ⁽¹⁾	\$ 193	\$ 72	\$ 125	\$ (26)	\$ 364	\$ 977	\$ 436	\$ 458	\$ (125)	\$1,746
Less: Special Items (expense) benefit:										
Foreign currency economic hedges, net of tax of \$17, \$13	(66)				(66)	(51)				(51)
Talen litigation costs, net of tax of \$0, \$1				(1)	(1)				(5)	(5)
Other, net of tax of \$0, \$1						(4)				(4)
Total Special Items	<u>(66)</u>	<u>-</u>	<u>-</u>	<u>(1)</u>	<u>(67)</u>	<u>(55)</u>	<u>-</u>	<u>-</u>	<u>(5)</u>	<u>(60)</u>
Earnings from Ongoing Operations	<u>\$ 259</u>	<u>\$ 72</u>	<u>\$ 125</u>	<u>\$ (25)</u>	<u>\$ 431</u>	<u>\$1,032</u>	<u>\$ 436</u>	<u>\$ 458</u>	<u>\$ (120)</u>	<u>\$1,806</u>

After-Tax (per share - diluted)	Three Months Ended December 31, 2019					Twelve Months Ended December 31, 2019				
	U.K. Reg.	KY Reg.	PA Reg.	Corp. & Other	Total	U.K. Reg.	KY Reg.	PA Reg.	Corp. & Other	Total
Reported Earnings ⁽¹⁾	\$ 0.26	\$ 0.10	\$ 0.16	\$ (0.04)	\$ 0.48	\$ 1.33	\$ 0.59	\$ 0.62	\$ (0.17)	\$ 2.37
Less: Special Items (expense) benefit:										
Foreign currency economic hedges	(0.09)				(0.09)	(0.06)				(0.06)
Talen litigation costs									(0.01)	(0.01)
Other						(0.01)				(0.01)
Total Special Items	<u>(0.09)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(0.09)</u>	<u>(0.07)</u>	<u>-</u>	<u>-</u>	<u>(0.01)</u>	<u>(0.08)</u>
Earnings from Ongoing Operations	<u>\$ 0.35</u>	<u>\$ 0.10</u>	<u>\$ 0.16</u>	<u>\$ (0.04)</u>	<u>\$ 0.57</u>	<u>\$ 1.40</u>	<u>\$ 0.59</u>	<u>\$ 0.62</u>	<u>\$ (0.16)</u>	<u>\$ 2.45</u>

(1) Reported Earnings represents Net Income.

Adjusted Gross Margins Summary

(Unaudited) (millions of dollars, except share data)	Three Months Ended December 31,			Per Share Diluted (after-tax)
	2020	2019	Change	
U.K. Adjusted Gross Margins	\$ 509	\$ 506	\$ 3	\$ 0.00
Less: Impact of changes in foreign currency exchange rates			16	0.01
U.K. Adjusted Gross Margins excluding impact of foreign currency exchange rates			\$ (13)	\$ (0.01)
Kentucky Adjusted Gross Margins	\$ 509	\$ 525	\$ (16)	\$ (0.02)
Pennsylvania Adjusted Gross Margins				
Distribution	\$ 222	\$ 231	\$ (9)	\$ (0.01)
Transmission	179	160	19	0.02
Total Pennsylvania Adjusted Gross Margins	\$ 401	\$ 391	\$ 10	\$ 0.01

(Unaudited) (millions of dollars, except share data)	Twelve Months Ended December 31,			Per Share Diluted (after-tax)
	2020	2019	Change	
U.K. Adjusted Gross Margins	\$ 1,954	\$ 1,998	\$ (44)	\$ (0.05)
Less: Impact of changes in foreign currency exchange rates			13	0.01
U.K. Adjusted Gross Margins excluding impact of foreign currency exchange rates			\$ (57)	\$ (0.06)
Kentucky Adjusted Gross Margins	\$ 2,081	\$ 2,111	\$ (30)	\$ (0.03)
Pennsylvania Adjusted Gross Margins				
Distribution	\$ 907	\$ 927	\$ (20)	\$ (0.02)
Transmission	682	600	82	0.08
Total Pennsylvania Adjusted Gross Margins	\$ 1,589	\$ 1,527	\$ 62	\$ 0.06

Reconciliation of Adjusted Gross Margins to Operating Income

(Unaudited) (millions of dollars)	Three Months Ended December 31, 2020					Twelve Months Ended December 31, 2020				
	U.K. Adjusted Gross Margins	KY Adjusted Gross Margins	PA Adjusted Gross Margins	Other	Operating Income	U.K. Adjusted Gross Margins	KY Adjusted Gross Margins	PA Adjusted Gross Margins	Other	Operating Income
Operating Revenues	\$ 548	\$ 775	\$ 583	\$ 23	\$ 1,929	\$ 2,095	\$ 3,106	\$ 2,331	\$ 75	\$ 7,607
Operating Expenses										
Fuel		154			154		632			632
Energy purchases		46	118		164		143	491		634
Other operation and maintenance	39	25	22	412	498	141	91	91	1,621	1,944
Depreciation		40	15	273	328		154	53	1,080	1,287
Taxes, other than income		1	27	53	81		5	107	195	307
Total Operating Expenses	39	266	182	738	1,225	141	1,025	742	2,896	4,804
Total	\$ 509	\$ 509	\$ 401	\$ (715)	\$ 704	\$ 1,954	\$ 2,081	\$ 1,589	\$ (2,821)	\$ 2,803

(Unaudited) (millions of dollars)	Three Months Ended December 31, 2019					Twelve Months Ended December 31, 2019				
	U.K. Adjusted Gross Margins	KY Adjusted Gross Margins	PA Adjusted Gross Margins	Other	Operating Income	U.K. Adjusted Gross Margins	KY Adjusted Gross Margins	PA Adjusted Gross Margins	Other	Operating Income
Operating Revenues	\$ 543	\$ 785	\$ 602	\$ 24	\$ 1,954	\$ 2,129	\$ 3,206	\$ 2,358	\$ 76	\$ 7,769
Operating Expenses										
Fuel		153			153		709			709
Energy purchases		49	136		185		174	549		723
Other operation and maintenance	37	22	33	441	533	131	92	125	1,637	1,985
Depreciation		35	14	260	309		116	50	1,033	1,199
Taxes, other than income		1	28	52	81		4	107	202	313
Total Operating Expenses	37	260	211	753	1,261	131	1,095	831	2,872	4,929
Total	\$ 506	\$ 525	\$ 391	\$ (729)	\$ 693	\$ 1,998	\$ 2,111	\$ 1,527	\$ (2,796)	\$ 2,840

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 process to sell PPL Corporation's U.K. business, 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: the COVID-19 pandemic or other pandemic health events or other catastrophic events, including severe weather, and their effect on financial markets, economic conditions and our businesses; asset or business acquisitions and dispositions, including our ability to successfully execute our plan to divest PPL Corporation's U.K. business within the anticipated timeframe or on any particular terms, if at all, or that such plan may not yield the anticipated benefits; market demand for energy in our U.S. 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, approvals, rate relief and regulatory cost recovery; capital market conditions, including interest rates, and decisions regarding capital structure; 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; 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; British pound sterling to U.S. dollar exchange rates; new state, federal or 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" as a non-GAAP financial measure that should not be considered as an alternative to reported earnings, or 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:

- Unrealized gains or losses on foreign currency economic hedges (as discussed below).
- 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.
- Other charges or credits that are, in management's view, non-recurring or otherwise not reflective of the company's ongoing operations.

Unrealized gains or losses on foreign currency economic hedges include the changes in fair value of foreign currency contracts used to hedge GBP-denominated anticipated earnings and anticipated proceeds from the potential sale of PPL's U.K. utility business. The changes in fair value of these contracts are recognized immediately within GAAP earnings. Management believes that excluding these amounts from Earnings from Ongoing Operations until settlement of the contracts provides a better matching of the financial impacts of those contracts with the economic value of PPL's underlying hedged earnings.

Definitions of non-GAAP Financial Measures

Management also utilizes the following non-GAAP financial measures as indicators of performance for its businesses:

"U.K. Adjusted Gross Margins" is a single financial performance measure of the electricity distribution operations of the U.K. Regulated segment. In calculating this measure, direct costs such as connection charges from National Grid, which owns and manages the electricity transmission network in England and Wales, and Ofgem license fees (recorded in "Other operation and maintenance" on the Statements of Income) are deducted from operating revenues, as they are costs passed through to customers. As a result, this measure represents the net revenues from the delivery of electricity across WPD's distribution network in the U.K. and directly related activities.

"Kentucky Adjusted Gross Margins" is a single financial performance measure of the electricity generation, transmission and distribution operations of the Kentucky Regulated segment, as well as the Kentucky Regulated segment's distribution and sale of natural gas. In calculating this measure, fuel, energy purchases and certain variable costs of production (recorded in "Other operation and maintenance" on the Statements of Income) are deducted from operating revenues. In addition, certain other expenses, recorded in "Other operation and maintenance", "Depreciation" and "Taxes, other than income" on the Statements of Income, associated with approved cost recovery mechanisms are offset against the recovery of those expenses, which are included in revenues. These mechanisms allow for direct recovery of these expenses and, in some cases, returns on capital investments and performance incentives. As a result, this measure represents the net revenues from electricity and gas operations.

"Pennsylvania Adjusted Gross Margins" is a single financial performance measure of the electricity transmission and distribution operations of the Pennsylvania Regulated segment. In calculating this measure, utility revenues and expenses associated with approved recovery mechanisms, including energy provided as a PLR, are offset with minimal impact on earnings. Costs associated with these mechanisms are recorded in "Energy purchases," "Other operation and maintenance," (which are primarily Act 129, Storm Damage and Universal Service program costs), "Depreciation" (which is primarily related to the Act 129 Smart Meter program) and "Taxes, other than income," (which is primarily gross receipts tax) on the Statements of Income. This measure represents the net revenues from the Pennsylvania Regulated segment's electricity delivery operations.

These measures are not intended to replace "Operating Income," which is determined in accordance with GAAP, as an indicator of overall operating performance. Other companies may use different measures to analyze and report their results of operations. Management believes these measures provide additional useful criteria to make investment decisions. These performance measures are used, in conjunction with other information, by senior management and PPL's Board of Directors to manage operations and analyze actual results compared with budget.

Reconciliations of adjusted gross margins for future periods are not provided as certain items excluded from Operating Income are inherently subject to change and are not significant.