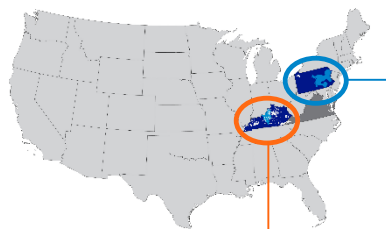


Cautionary Statements and Factors That May Affect Future Results

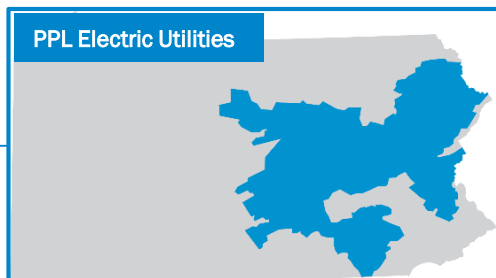
Statements made in this presentation about future operating results or other future events are forward-looking statements under the Safe Harbor provisions of the Private Securities Litigation Reform Act of 1995. Actual results may differ materially from the forward-looking statements. A discussion of 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.

PPL At A Glance

U.S. Utilities



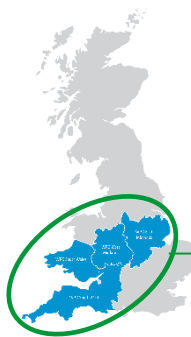
PPL Electric Utilities



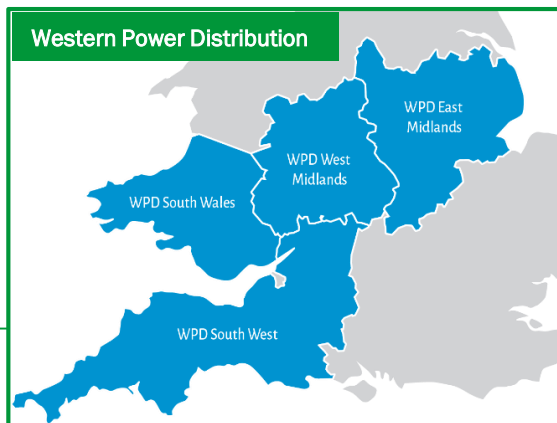
Louisville Gas & Electric Kentucky Utilities



U.K. Utilities



Western Power Distribution



7 High-Performing Utilities in Premium Regulatory Jurisdictions

\$23 billion

Market Capitalization ⁽¹⁾

\$7.8 billion

Operating Revenues ⁽²⁾

\$28 billion

Rate Base ⁽³⁾⁽⁴⁾

\$46 billion

Total Assets ⁽³⁾

296

Consecutive Quarterly Dividends Paid

80%

Carbon Reduction Goal 2010 - 2050

12,500

Employees

>10 million

Customers Served

(1) As of February 28, 2020.

(2) Annual operating revenues for the year ending December 31, 2019.

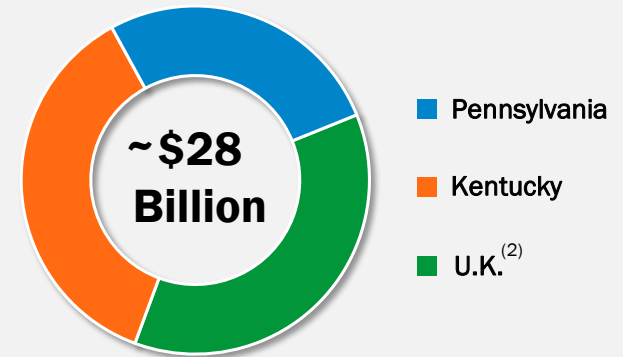
(3) As of December 31, 2019.

(4) Represents Regulatory Asset Value (RAV) for the U.K. and utility capitalization for Kentucky. U.K. based on exchange rate of \$1.30/£.

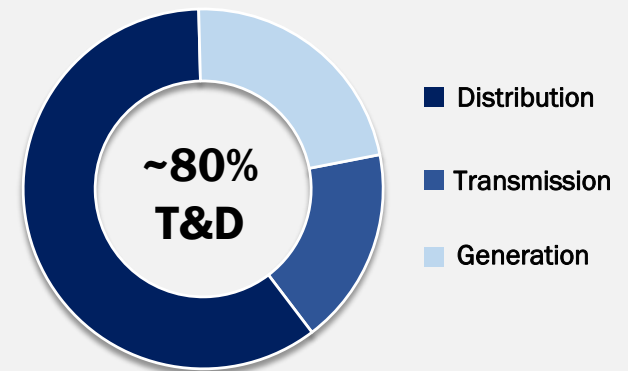
A Premier Utility Company

- Pure-play regulated business operating in constructive jurisdictions
- Top-quartile operational excellence and customer satisfaction across all seven utilities
- Significant, low-risk investment opportunities that advance a cleaner energy future
- Track record of earning allowed returns and delivering value for shareowners

PPL Rate Base by Segment ⁽¹⁾



PPL Rate Base by Asset Category ⁽¹⁾



(1) Rate base as of December 31, 2019. Represents Regulatory Asset Value (RAV) for the U.K. and utility capitalization for Kentucky.

(2) U.K. based on exchange rate of \$1.30/£.

Premium Regulatory Jurisdictions

Pennsylvania



PPL Electric Utilities

- FERC Formula Transmission Rates for ~50% of rate base
 - 11.68% allowed ROE
- Constructive Distribution Regulatory Mechanisms
 - Smart Meter Rider, Storm Cost Recovery, DSIC ⁽¹⁾
- Forward Test Year for Distribution rate cases
- Alternative Ratemaking ⁽²⁾

Kentucky



Louisville Gas & Electric (LG&E) and Kentucky Utilities (KU)

- 9.725% allowed ROE
- Environmental Cost Recovery (ECR) Mechanism ⁽³⁾
- Forward Test Year for base rate cases
- Fuel Adjustment Clause
- Gas Line Tracker

United Kingdom



WPD East and West Midlands, South West and South Wales

- Pre-approved plan with base revenues set for 8 years; through March 2023 ⁽⁴⁾
- Real-time recovery of capex
- Incentive revenues available for strong performance and innovation
- Mechanism to retain 70% of cost efficiencies

(1) DSIC - Distribution System Improvement Charge: automatic adjustment charge that enables PPL to recover certain infrastructure improvement costs between base rate cases.

(2) In 2018, Pennsylvania passed Act 58, which allows for alternative ratemaking in the state.

(3) Kentucky ECR provides near real-time recovery for approved environmental projects on the coal fleet.

(4) RII0-ED1 Price Control extends through March 31, 2023.

Our Vision and Long-term Strategy

Empowering economic vitality and quality of life



Deliver best-in-sector operational performance



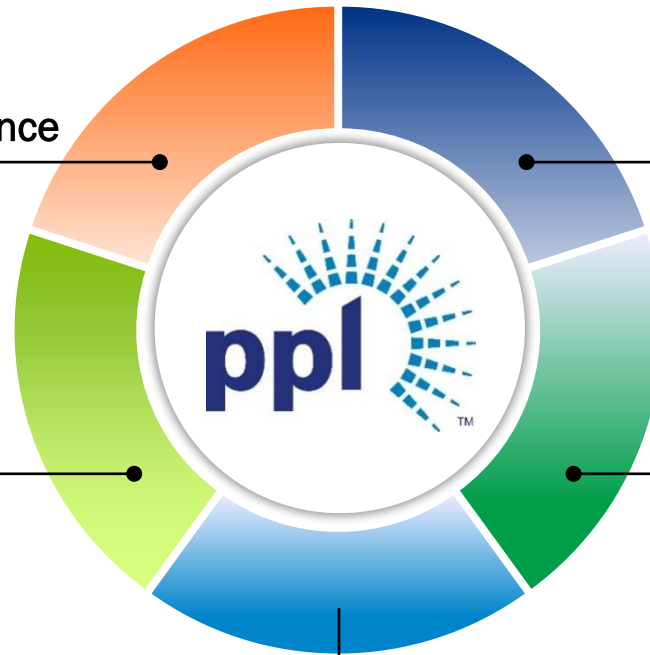
Provide superior customer service



Invest in a sustainable energy future



Maintain a strong financial foundation



Engage and develop our people

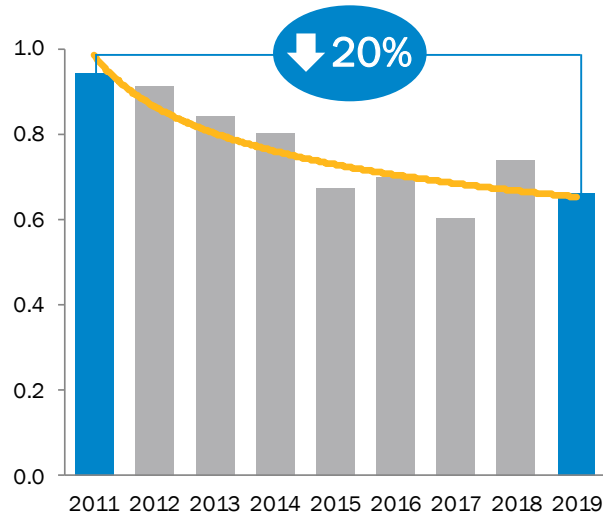
Continuous Operational Excellence

Fewer outages per customer

Investments delivering real value to customers

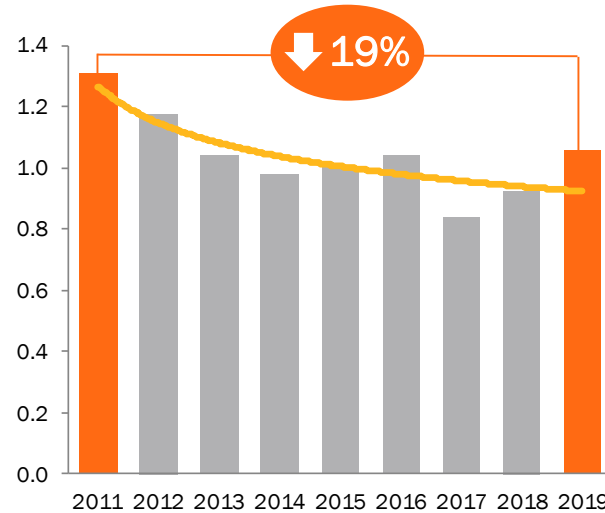
SAIFI: Pennsylvania Regulated ⁽¹⁾

(Avg. Outages per customer)



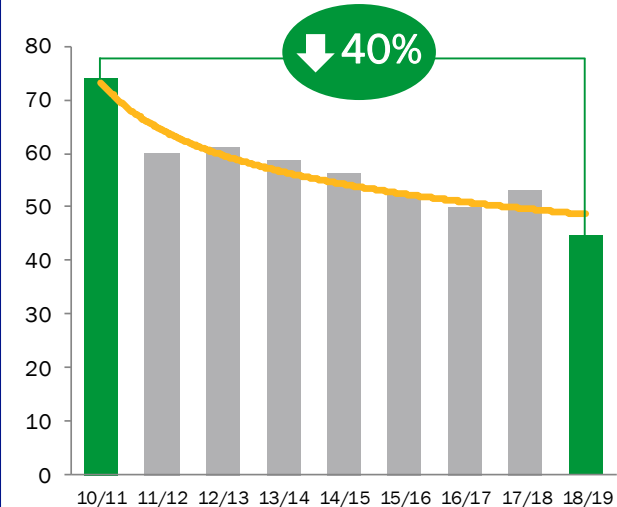
SAIFI: Kentucky Regulated ⁽¹⁾

(Avg. Outages per customer)



Interruptions: U.K. Regulated

(Outages per 100 customers)



(1) SAIFI - System Average Interruption Frequency Index: a measure which shows the average number of interruptions that a customer experiences over a specific period of time for each customer serviced.

Superior Customer Satisfaction

Top-tier rankings

Consistently recognized for premier level of service and customer satisfaction across all jurisdictions

Pennsylvania Regulated



27

J.D. Power Awards
for Customer
Satisfaction

Kentucky Regulated



24

J.D. Power Awards
for Customer
Satisfaction

U.K. Regulated



9 OUT OF **10**

Score across
all WPD DNOs
in BMCS⁽¹⁾

- PPL Electric Utilities won its eighth straight J.D. Power customer satisfaction award in June 2019
- Kentucky Utilities ranked as the top mid-sized utility in Midwest residential customer satisfaction⁽²⁾
- WPD has been awarded the Customer Service Excellence Standard since 1992 – the only energy company in the U.K. to do so⁽³⁾

(1) BMCS – Broad Measure of Customer Service; per Ofgem.

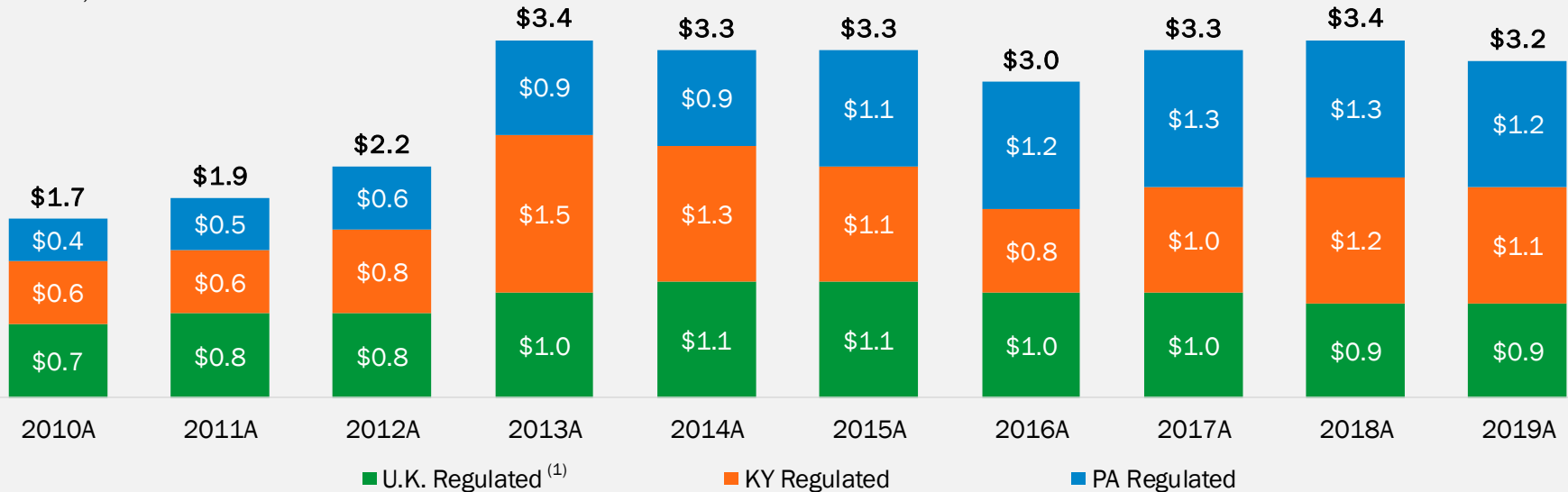
(2) J.D. Power 2019 Electric Utility Residential Customer Satisfaction Study.

(3) Previously known as the Government's Charter Mark, the standard assesses multiple criteria related to customer service.

Prudent Investments Drive Exceptional Operating Performance

10-Year Historical Regulated Utility Capital Expenditures

(\$ in billions)



- Over \$29 billion invested in PPL's utilities over the past decade, a key contributing factor to our top-tier operational excellence
- These investments have largely been focused on expanding and modernizing the transmission grid in PA, upgrading our Kentucky generation fleet to reduce emissions and replacing our aging distribution infrastructure in the U.K.

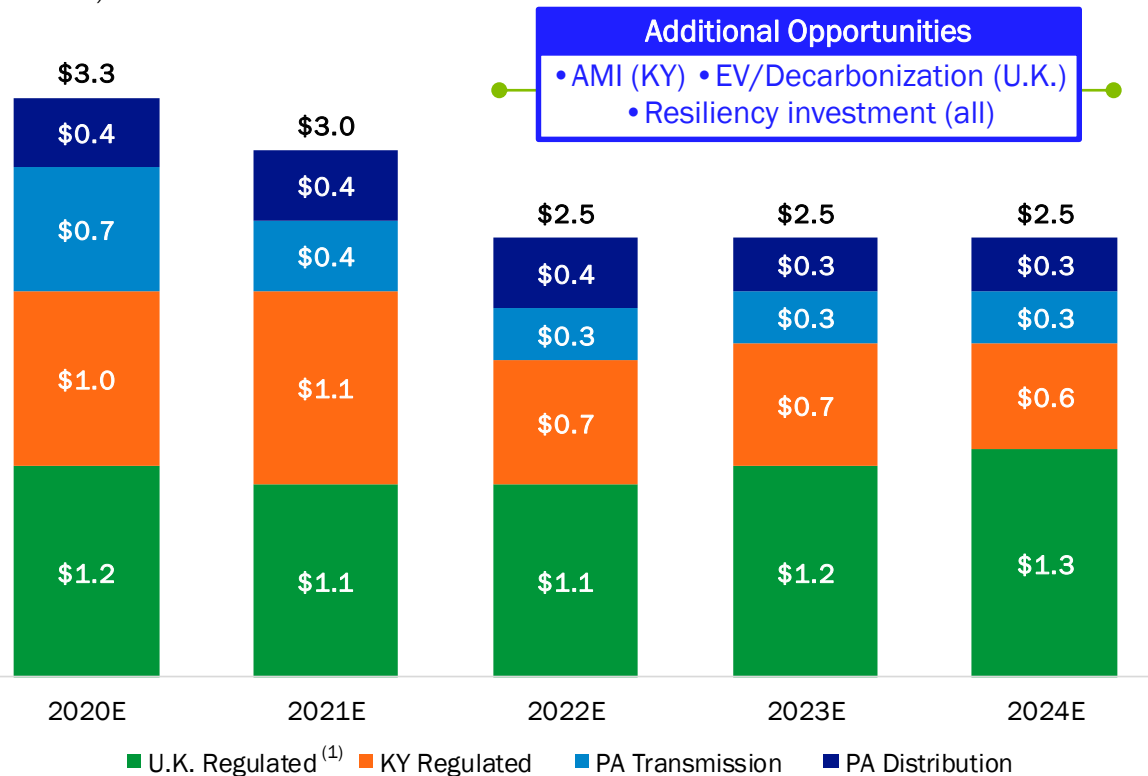
(1) Based on assumed exchange rate of \$1.30/£ in all years for comparability purposes.

Significant Investment Opportunities

Investing \$14 billion over 2020-2024 to advance a cleaner energy future

Planned Capital Expenditures by Utility

(\$ in billions)



Low risk, T&D Investments

- ✓ Regulated utility investments largely focused on T&D system reliability and automation
- ✓ 93% of PPL's planned investments relate to electricity and gas distribution, electricity transmission, and non-coal-fired generation
- ✓ No major project risk

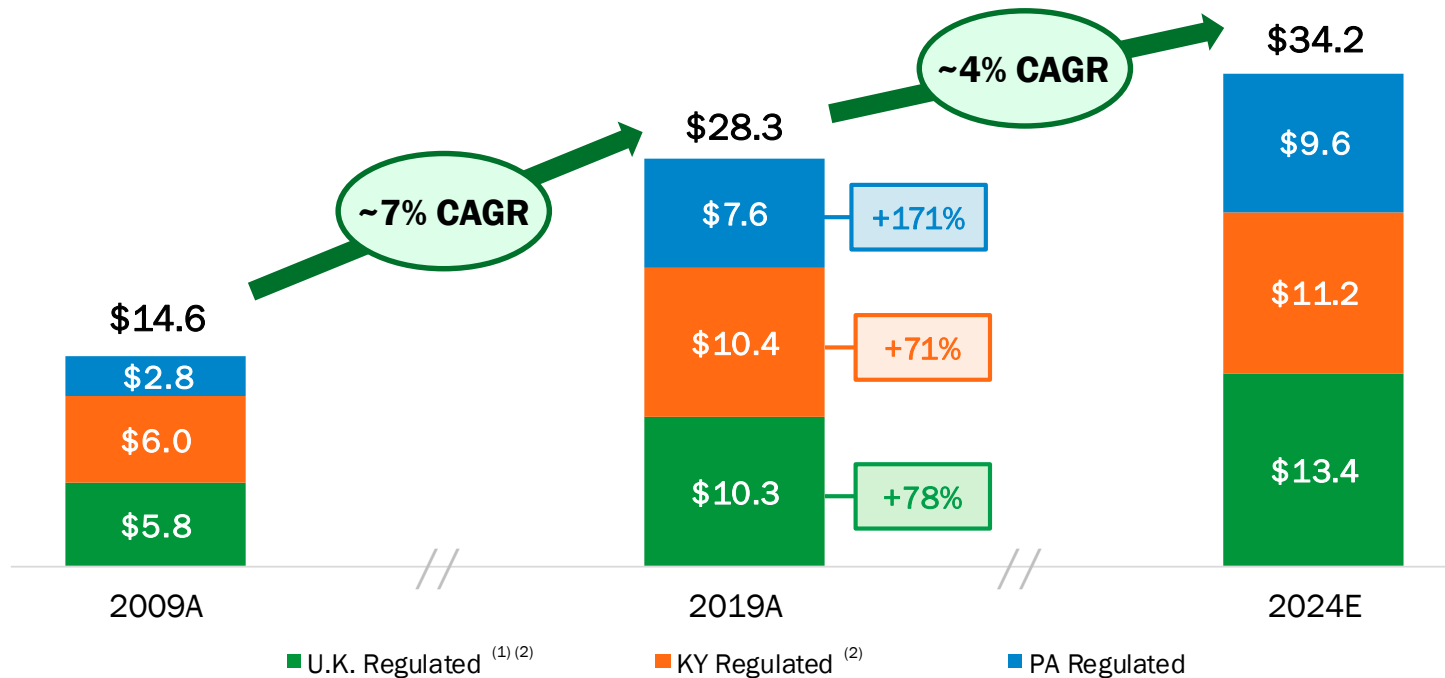
(1) Based on assumed exchange rate of \$1.30/£ in all years for comparability purposes.

Considerable Rate Base Growth

Plan reflects continued growth in advance of next substantial investment cycle

Rate Base Growth by Utility (Historical and Projected)

(\$ in billions)



Note: Rate base represents end of calendar year values.

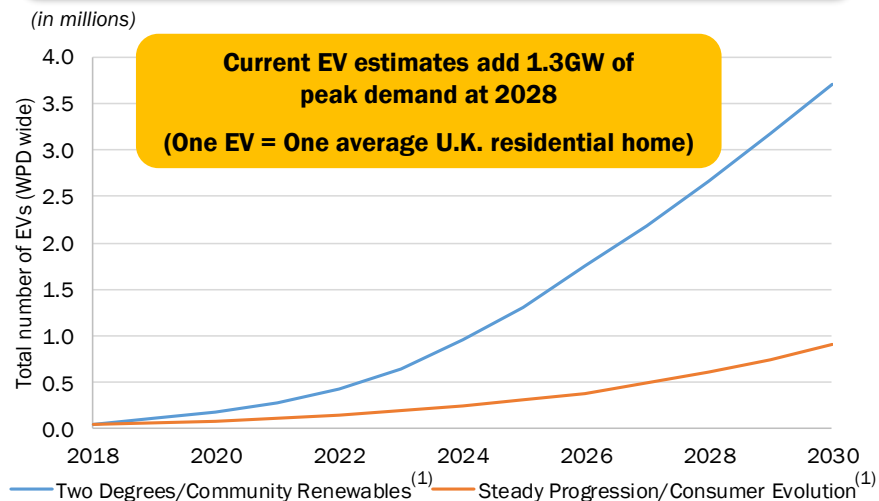
(1) Based on assumed exchange rate of \$1.30/£ in all years for comparability purposes.

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

Additional opportunities on the horizon to make substantial infrastructure investments

U.K. Decarbonization Initiatives

EVs will be a catalyst for higher electricity demand



- U.K. committed to net zero emissions by 2050
- Our networks will play a pivotal role in developing infrastructure to accommodate these changes
- Preliminary WPD estimates show incremental investment opportunity of \$1 billion in RIIO-ED2

(1) Source: WPD estimates, ReGen. Represents estimates that are aligned with the U.K.'s Electric System Operator Future Energy Scenarios, which are designed to identify a set of outcomes for the future of U.K. energy.

(2) Source: 2017 PPL Climate Assessment Report. Based on scenarios assuming a 55-year operating life for coal units and current environmental and regulatory policies.

Kentucky Generation Fleet Transition

Opportunity to transition to cleaner energy resources

Coal Capacity Retirements Based on Operating Life Assumptions⁽²⁾

Coal Retired	at 55-Year Life		at 65-Year Life	
	MW	% of Coal	MW	% of Coal
2030	1,484	31%	0	0%
2040	3,796	81%	1,484	31%
2050	4,166	88%	3,796	81%

- LG&E and KU's Integrated Resource Plan supports an economic transition to cleaner energy and a lower percentage of coal-fired generation mid-to-long term
- Technological advancements and changing customer preferences could further accelerate renewable energy growth in the state

PPL is Committed to a Sustainable Energy Future

Energy and Environment



Advance a cleaner energy future

Encourage responsible stewardship in partnership with our customers and stakeholders to have a sustainable environmental impact

Build tomorrow's energy infrastructure



Invest in tomorrow's energy infrastructure by developing a more reliable, resilient and efficient grid that enables continued progress and a cleaner energy future

Social Responsibility



Exceed customer expectations

Provide energy safely, reliably and in an environmentally responsible manner at the lowest reasonable cost

Foster an exceptional workplace



Cultivate success by energizing an inclusive, respectful and diverse workplace that rewards performance, fosters professional development, encourages employee engagement and enables employees to achieve their full potential



Strengthen communities

Empower the success of future generations by helping to build strong communities today

Governance and Management



Create extraordinary shareowner value

Create long-term value for shareowners through fiscal discipline, continuous improvement, environmental stewardship and enduring strategic investments

Drive best-in-sector operational performance



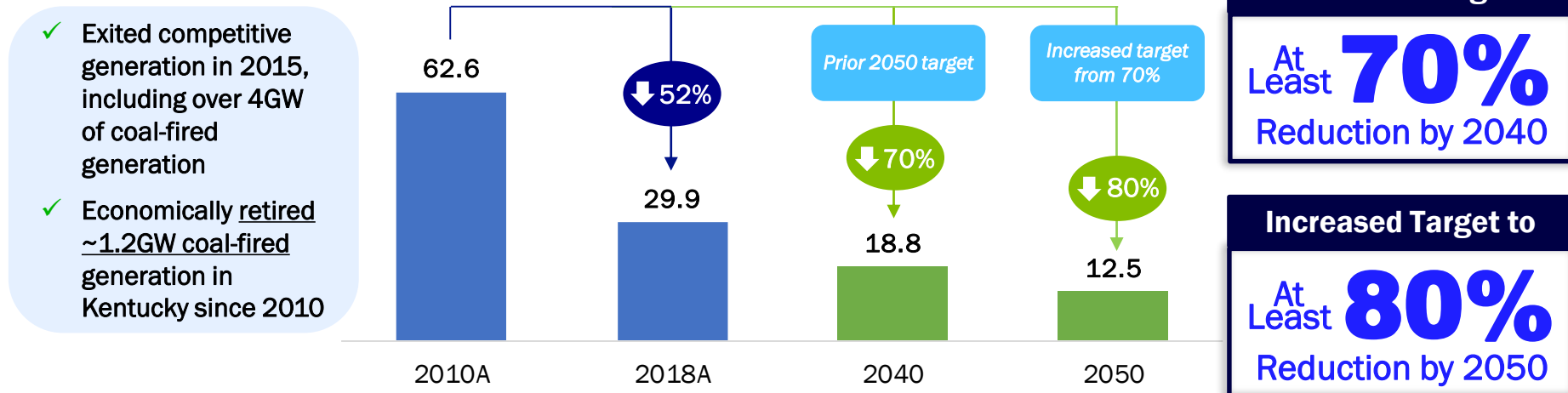
Excel in safety, reliability, customer responsiveness and energy efficiency while maintaining a culture that fosters innovation

Advancing PPL's Clean Energy Transition Strategy to Reduce Carbon Emissions

Increased 2050 target and accelerated prior target by 10 years to 2040

Metric Tonnes (in millions)

PPL's projected carbon emissions over time

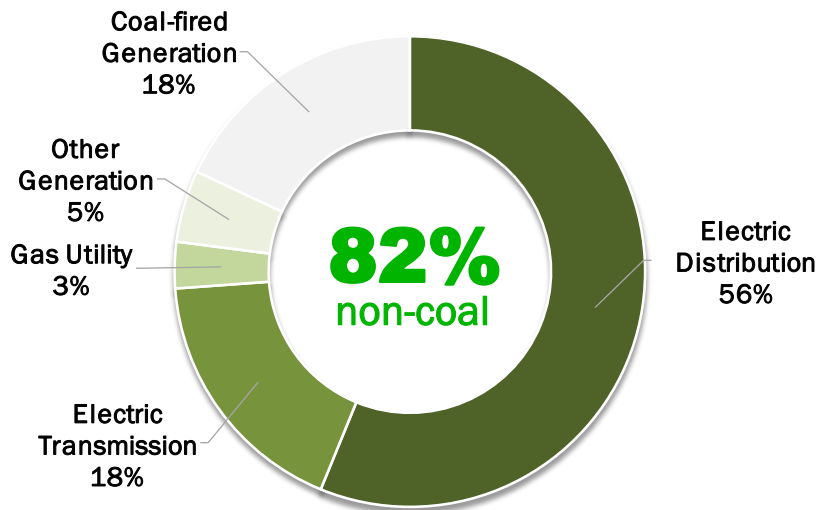


- Current strategy enables reduction of coal generation in Kentucky that meets objective of below 2° Celsius scenario and economically benefits customers
- Our T&D operations in the U.K. and PA also support this strategy, enabling connection of renewable energy and pursuing Distribution System Operator (DSO) role
- Increasingly competitive renewable and storage solutions could accelerate carbon reductions even further

Investments Improving the Profile of PPL's Predominantly T&D Asset Mix

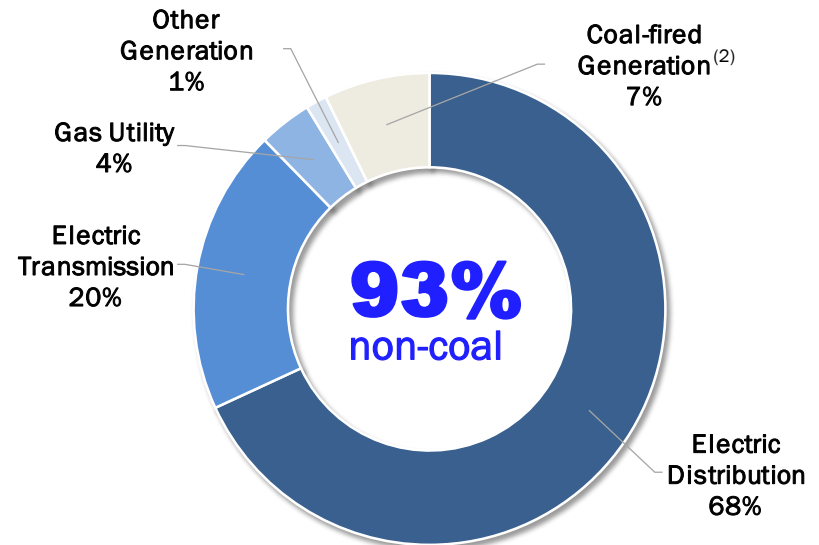
~\$13 billion of our \$14 billion capex plan supports low-risk T&D investments

2019A Rate Base ⁽¹⁾



PPL's regulated assets base primarily consists of electric transmission and distribution assets

2020-2024 Capital Plan ⁽¹⁾



Capex profile consists of significant T&D investments, which will continue to reduce PPL's ratio of regulated asset base relating to coal-fired generation

(1) U.K. Regulated values based on assumed exchange rate of \$1.30/£ in all years for comparability purposes.

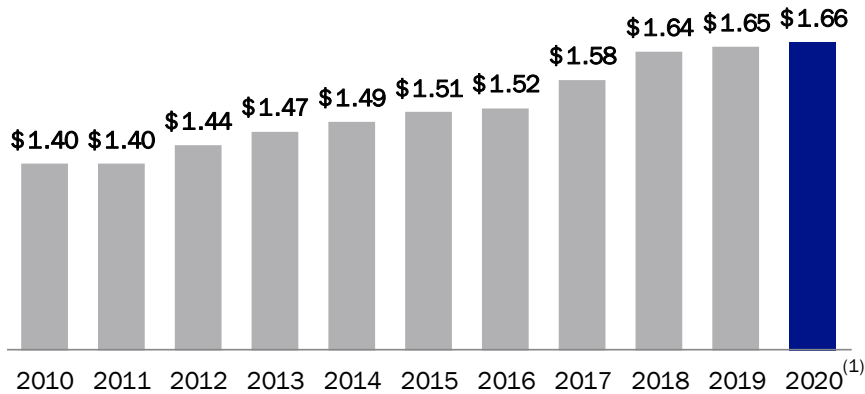
(2) Projected coal-fired generation investments to maintain fleet reliability and environmental compliance.

Returning Capital to Shareowners

PPL increased its dividend for 18th time in 19 years

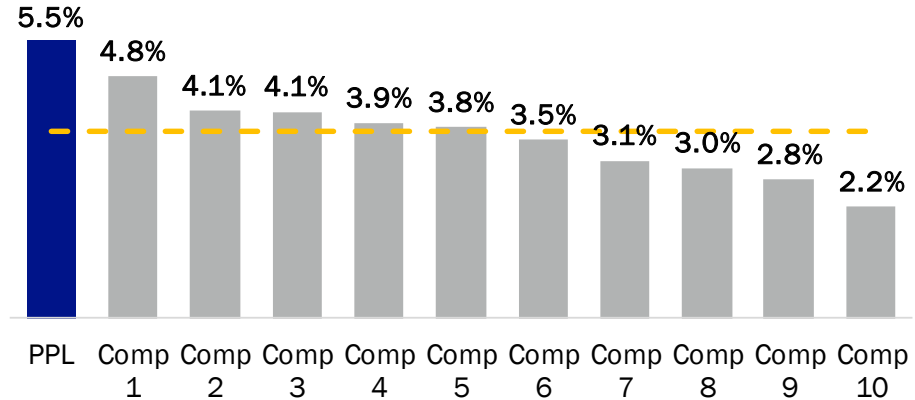
10-Year Dividend History

(\$ per share)



PPL Dividend Yield vs. Large Cap Utilities⁽²⁾

Large Cap Utility Average: 3.7%



- PPL has a long-standing history of paying dividends to shareowners
 - January 2nd dividend represents the 296th consecutive quarterly dividend paid
- PPL's dividend offers a strong yield in today's low rate environment with commitment to future growth

(1) Annualized dividend based on February 14, 2020 announced increase. Actual dividends to be determined by Board of Directors.

(2) Dividend yield calculated based on share prices and annualized dividends as of February 28, 2020.

PPL Investment Summary

- Pure-play regulated business operating in premium jurisdictions
- Exceptional operational performance and history of prudent investments support constructive regulatory relationships
- Significant, low-risk investment opportunities that advance a cleaner energy future
- Strong dividend with commitment to future growth and an attractive ~5% dividend yield⁽¹⁾
- Proven track record of delivering commitments to shareowners and customers

(1) Dividend yield as of February 28, 2020.

PPL Fact Sheet

CORPORATE DATA

Ticker symbol and stock exchange PPL-NYSE

At February 28, 2020

Average daily trading volume (1 month) 5.7 million shares

Closing Price \$30.01

52-week price range \$28.55 - \$36.83

Annualized dividend per share \$1.66 (\$0.4150/quarter)

Enterprise value \$45.3 billion

Market cap \$23.0 billion

At December 31, 2019

Total assets \$45.7 billion

Common shares outstanding 767.2 million

Book value per share \$16.93

Capitalization (\$ billions):

Total debt \$23.0 64%

Common equity \$13.0 36%

Total capitalization \$36.0 100%

Employees ~12,500

INVESTOR RELATIONS CONTACT INFORMATION

Andy Ludwig

Vice President – Investor Relations

610-774-3389

invrel@pplweb.com

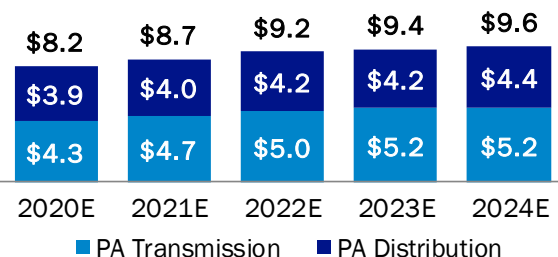
WEBSITE: www.pplweb.com

Pennsylvania Regulated Overview

\$7.6 billion

Rate Base ⁽¹⁾

(\$ in billions)



1.4 million

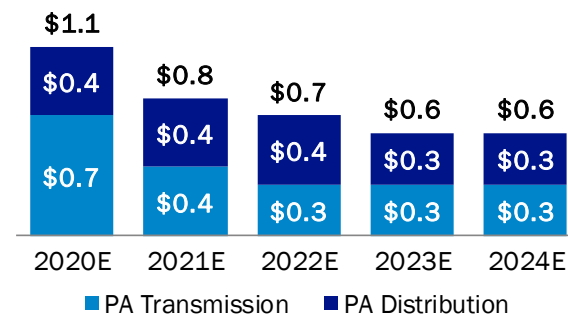
Customers



\$3.8 billion

Capex Plan

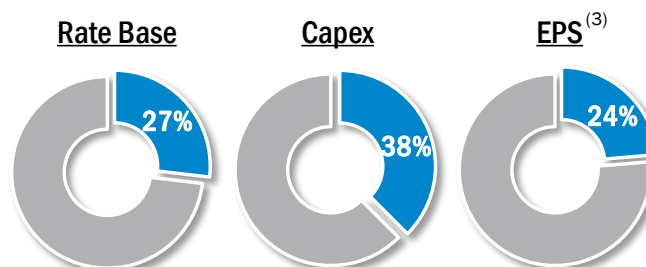
(\$ in billions)



PA Segment Highlights ⁽¹⁾

- Services provided:
 - Electric Distribution, Electric Transmission
- Service area: 10,000 square miles
- Electricity delivered: 37,024 GWh
- Operating revenues: \$2.4 billion
- Net income: \$458 million

PA Segment Proportion of PPL ⁽²⁾



Regulatory Attributes

- FERC Formula Rates
- DSIC Mechanism ⁽⁴⁾
- Smart Meter Rider
- Storm Cost Recovery
- Forward Test Year for Distribution rate cases
- Alternative Ratemaking
- Strong regulatory track record with PA PUC

(1) Actual as of December 31, 2019.

(2) Proportions based on 2019 year end actuals.

(3) Represents Earnings from Ongoing Operations, includes allocation from Corporate and Other for comparative purposes.

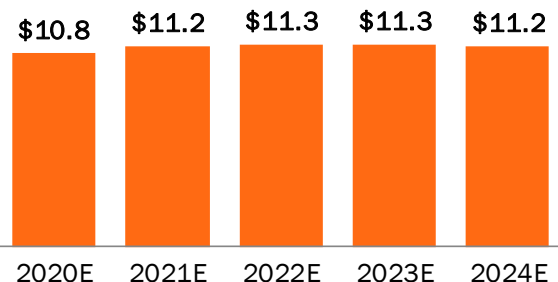
(4) DSIC - Distribution System Improvement Charge: automatic adjustment charge that enables PPL to recover certain infrastructure improvement costs between base rate cases.

Kentucky Regulated Overview

\$10.4 billion

Rate Base ⁽¹⁾

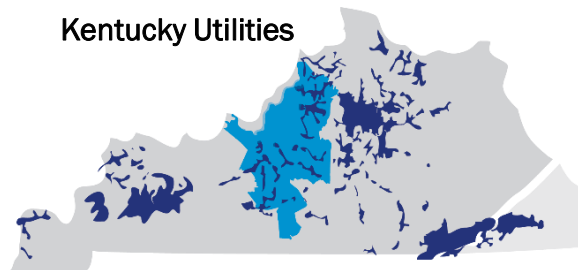
(\$ in billions)



1.3 million

Customers

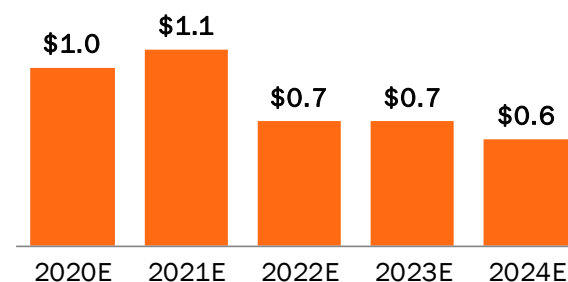
Louisville Gas & Electric
Kentucky Utilities



\$4.1 billion

Capex Plan

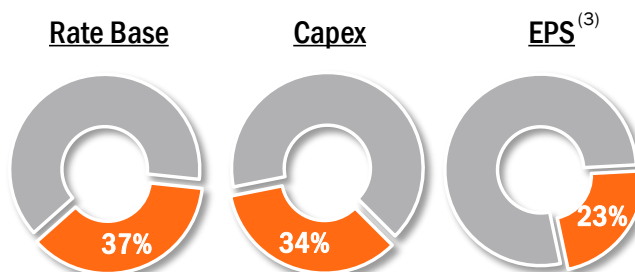
(\$ in billions)



KY Segment Highlights ⁽¹⁾

- Services provided:
 - Electric Distribution, Electric Transmission, Gas Distribution, Regulated Generation
- Service area: 9,400 square miles
- Electricity delivered: 31,368 GWh
- Operating revenues: \$3.2 billion
- Net income: \$436 million
- Operate approx. 7,500 MW of generation

KY Segment Proportion of PPL ⁽²⁾



Regulatory Attributes

- Environmental Cost Recovery (ECR) Mechanism ⁽⁴⁾
- Fuel Adjustment Clause
- Gas Line Tracker
- Forward Test Year for base rate cases
- Very competitive retail rates
- Strong regulatory track record with KPSC

(1) Actual as of December 31, 2019. Represents utility capitalization for Kentucky.

(2) Proportions based on 2019 year end actuals.

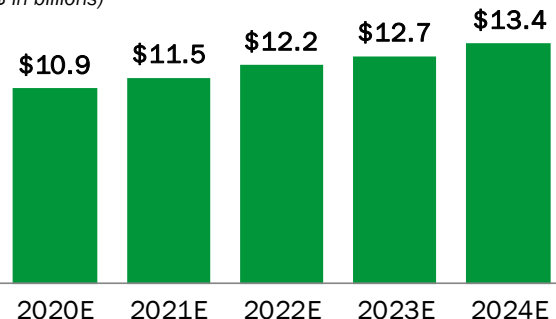
(3) Represents Earnings from Ongoing Operations, includes allocation from Corporate and Other for comparative purposes.

(4) Kentucky ECR provides near real-time recovery for approved environmental projects on the coal fleet.

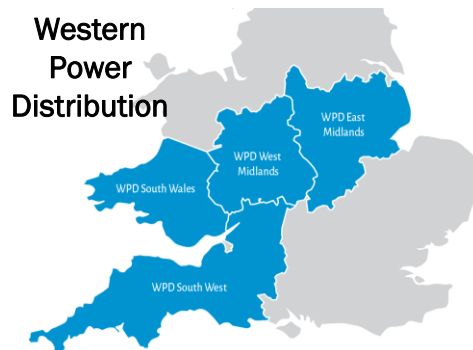
U.K. Regulated Overview

\$10.3 billion⁽¹⁾
Rate Base⁽²⁾⁽⁵⁾

(\$ in billions)

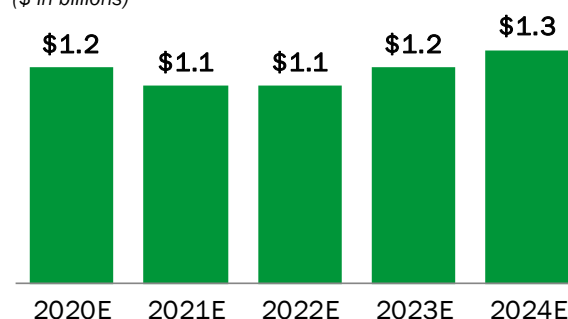


7.9 million
Customers



\$5.9 billion
Capex Plan⁽⁵⁾

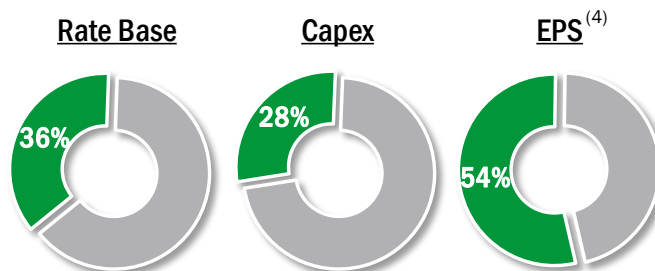
(\$ in billions)



U.K. Segment Highlights⁽¹⁾

- Services provided:
 - Electric Distribution
- Service area: 21,600 square miles
- Electricity delivered: 72,061 GWh
- Operating revenues: \$2.2 billion
- Net income: \$977 million
- U.K.'s largest distribution network operator

U.K. Segment Proportion of PPL⁽³⁾



Regulatory Attributes

- Pre-approved plan with base revenues set for 8 years; through March 2023
- Accelerated recovery of RAV
- Inflation indexed revenue model
- Real-time recovery of capex
- Performance incentives drive improvement
- 70% of cost efficiencies retained by company
- Strong regulatory track record with Ofgem

(1) Actual as of December 31, 2019.

(2) Represents Regulatory Asset Value (RAV) for the U.K.

(3) Proportions based on 2019 year end actuals.

(4) Represents Earnings from Ongoing Operations, includes allocation from Corporate and Other for comparative purposes.

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

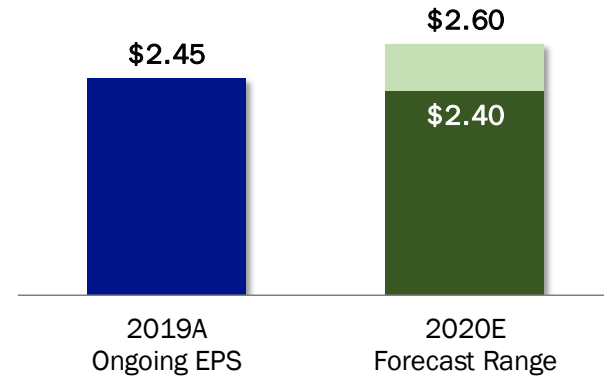
2020 Financial Outlook

2020 Objectives

- Achieve ongoing earnings guidance of \$2.40 - \$2.60 per share
- Dividend growth
- Execute another \$3.3 billion of capital investments that continue to advance a cleaner energy future
- Continue to deliver superior operational performance
- Consult with Ofgem to develop RIIO-ED2 methodology supportive of DNO's critical role in the U.K.'s decarbonization initiatives

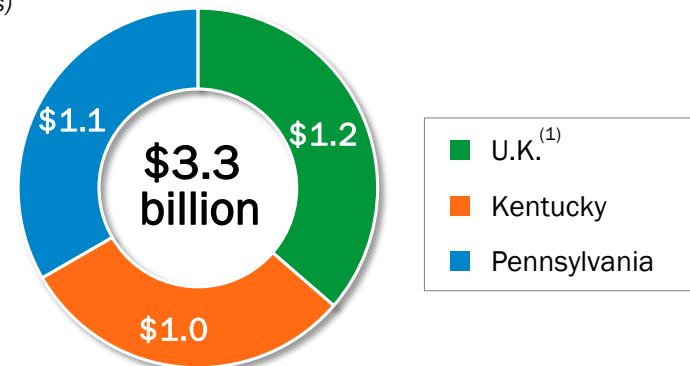
2020 Ongoing EPS Forecast

(Earnings Per Share)



2020 Utility Capex Forecast

(\$ in billions)



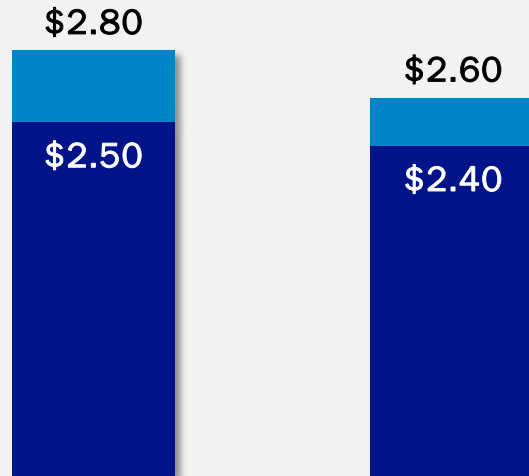
Note: See Appendix for the reconciliation of reported earnings to earnings from ongoing operations.

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

Updated 2021 Financial Outlook

Updated forecast reflects current market conditions and currency forecasts

(Earnings Per Share)



2021E Original
Forecast Range

2021E Updated
Forecast Range


Key Assumptions to Updated 2021 Forecast

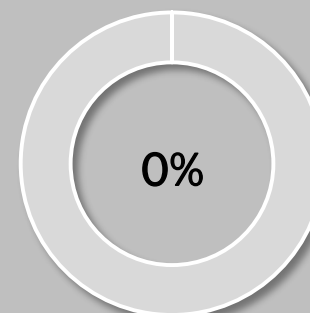
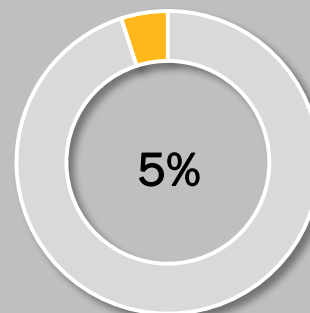
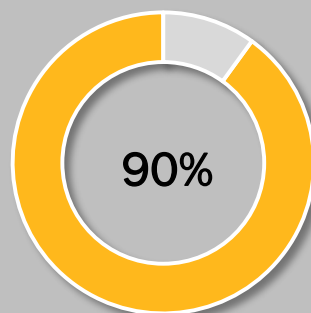
- **Updated foreign currency rates**
 - New: \$1.25/£ to \$1.40/£
 - Prior: \$1.35/£ to \$1.60/£
- **Items that have not significantly changed**
 - Rate base CAGR of 5-6%
 - Expected to earn at or near allowed ROEs
- **Updated assumptions for U.K. pension, interest under-recovery, and other true-up mechanisms**
 - Not a material net impact to forecast

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

Foreign Currency Update

Foreign Currency Hedge Status⁽¹⁾

 Indicates percentage of ongoing earnings hedged



	2020	2021	2022
Average Hedge Rate ⁽²⁾	\$1.48/£	\$1.33/£	-

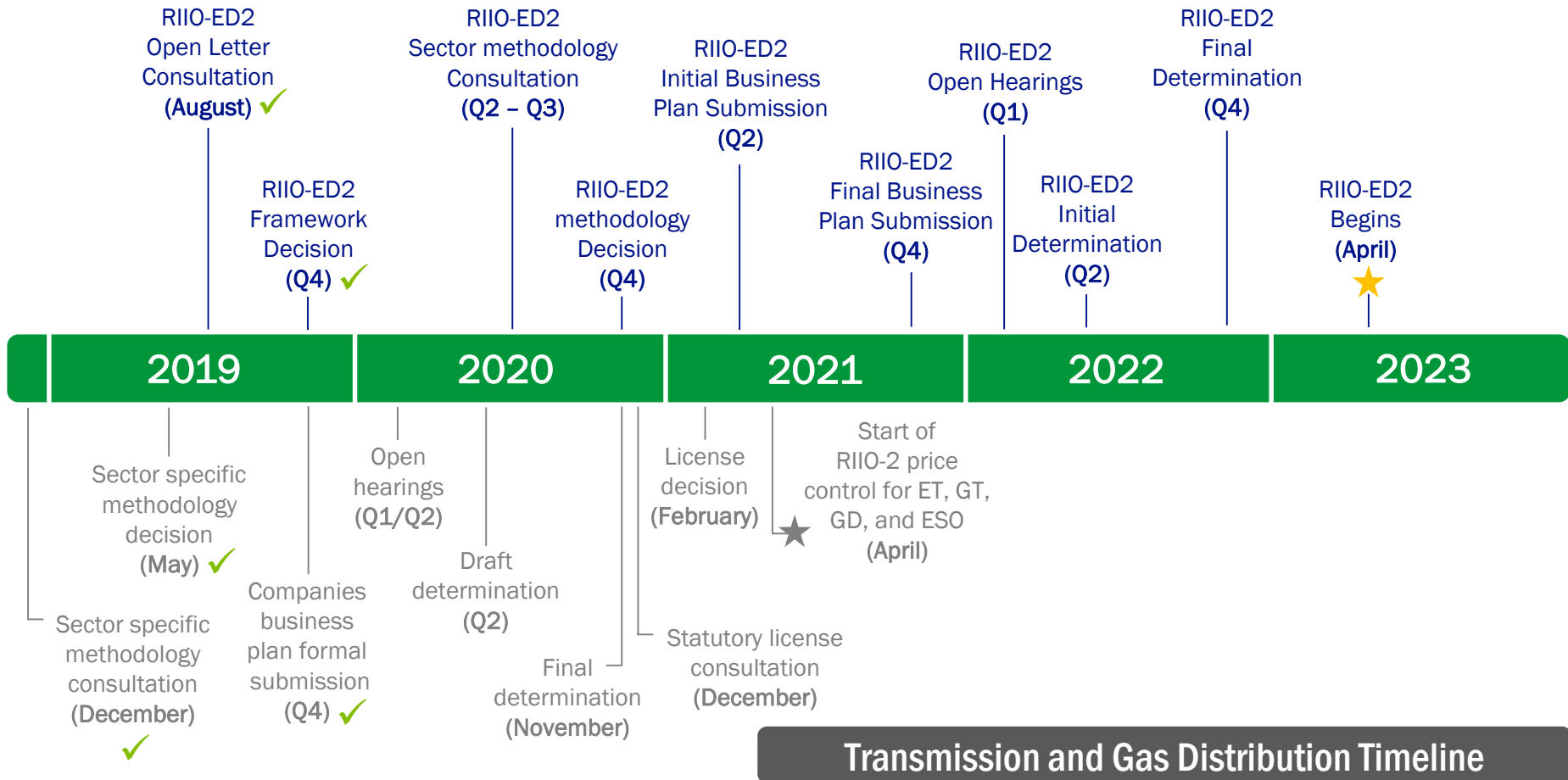
- Increased 2020 hedge position to 90% from 70%
- Increased 2021 hedge position to 5% from 0%
- Continue to utilize options in our hedging strategy; options represent about one-third of the hedge portfolio for 2020

(1) PPL's foreign currency hedge status as of January 31, 2020.

(2) Hedge rates reflect a combination of average-rate forwards and options. Average hedge rates based on the average forward rate and the average floor in the options.

U.K. Regulated RII0-2 Projected Timelines

Proposed Electricity Distribution Timeline ⁽¹⁾



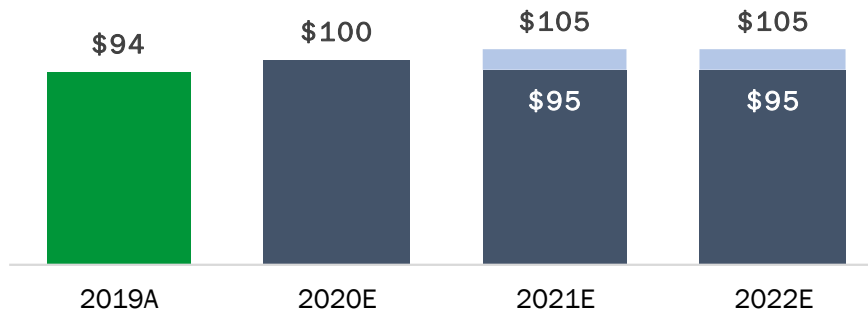
Transmission and Gas Distribution Timeline

(1) Based on indicative timeline published in Ofgem's RII0-ED2 Framework Decision dated December 2019.

U.K. Regulated Incentive Revenues

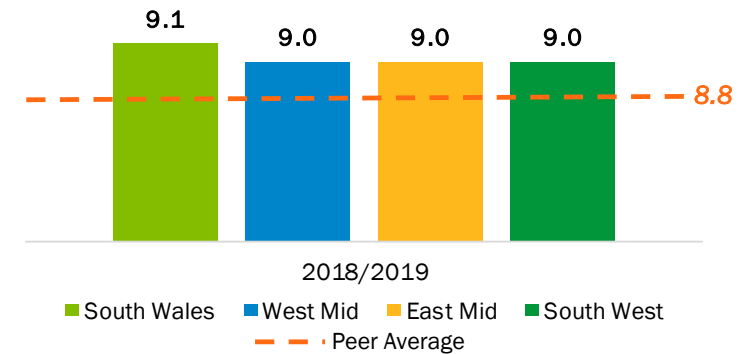
WPD continues to demonstrate how premier network operators deliver value for customers and shareowners

Incentive Revenues ⁽¹⁾



Excellent Customer Satisfaction Ratings

Customer Service Rating (10 point scale)



➤ **WPD has the ability to earn annual incentive revenues for strong operational performance:**

- Customer Interruptions/Minutes Lost – rewards or penalizes DNOs for managing and reducing power outage frequency and duration
- The Broad Measure of Customer Service – rewards or penalizes DNOs based on supply interruptions, connections and general inquiries, complaints, stakeholder engagement, and delivery of social obligations
- Time to Connect – incentive rewards DNOs for reducing connection times against Ofgem targets

(1) Based on calendar year revenues on an exchange rate of \$1.30/£ in all years for comparability purposes. Annual incentives are reflected in customer rates on a two-year lag from the time they are earned.

Debt Maturities

(\$ in Millions)	2020	2021	2022	2023	2024	2025 and Beyond	Total
PPL Capital Funding	\$0	\$0	\$800	\$600	\$350	\$2,780	\$4,530
PPL Electric Utilities ⁽¹⁾	\$0	\$400	\$474	\$90	\$0	\$3,075	\$4,039
LG&E and KU Energy	\$475	\$250	\$0	\$0	\$0	\$0	\$725
Louisville Gas & Electric ⁽¹⁾	\$0	\$292	\$0	\$0	\$0	\$1,732	\$2,024
Kentucky Utilities ⁽¹⁾	\$500	\$132	\$0	\$13	\$0	\$1,997	\$2,642
WPD plc	\$0	\$500	\$0	\$646	\$65	\$654	\$1,865
WPD Operating Companies ⁽²⁾	\$194	\$0	\$0	\$905	\$517	\$4,561	\$6,177
Total	\$1,169	\$1,574	\$1,274	\$2,254	\$932	\$14,799	\$22,002

Note: As of December 31, 2019.

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

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	\$450	\$1,000
	Bilateral Credit Facility	Mar-2020	100	0	15	85
			<u>\$1,550</u>	<u>\$0</u>	<u>\$465</u>	<u>\$1,085</u>
PPL Electric Utilities	Syndicated Credit Facility	Jan-2024	\$650	\$0	\$1	\$649
Louisville Gas & Electric	Syndicated Credit Facility	Jan-2024	\$500	\$0	\$238	\$262
Kentucky Utilities	Syndicated Credit Facility	Jan-2024	\$400	\$0	\$150	\$250
WPD	WPD plc Syndicated Credit Facility	Jan-2023	£210	£155	£0	£55 ⁽¹⁾
	WPD (South West) Syndicated Credit Facility	Jul-2021	245	40	0	205
	WPD (East Midlands) Syndicated Credit Facility	Jul-2021	300	0	0	300
	WPD (West Midlands) Syndicated Credit Facility	Jul-2021	300	48	0	252
	Uncommitted Credit Facilities		100	0	4	96
			<u>£1,155</u>	<u>£243</u>	<u>£4</u>	<u>£908</u>

Note: As of December 31, 2019.

(1) The unused capacity reflects the amount borrowed in GBP of £155 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

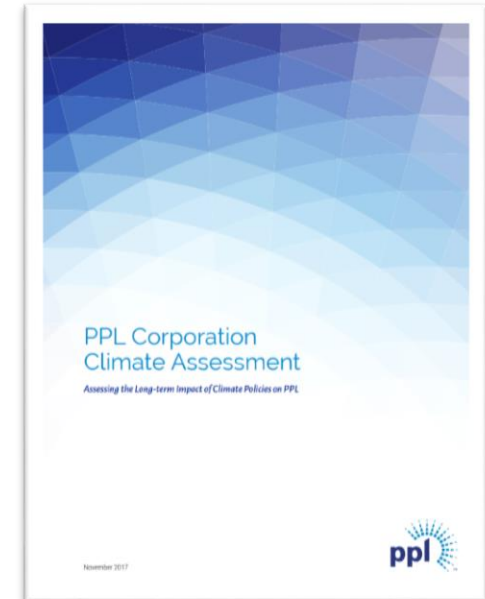
LKE Operating Companies		
Credit Rating	S&P	Moody's
Secured	A	A1
Unsecured	NR	NR
Long-term Issuer	A-	A3
Outlook	Stable	Stable

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, 2019.

Voluntary ESG Disclosures

Extensive and transparent reporting keeps stakeholders informed



- TCFD, SASB disclosure mapping ^{(1) (2)}
- CPA-Zicklin political disclosure ⁽³⁾
- Responsive to Sustainalytics, MSCI, ISS, and other ratings ⁽⁴⁾

(1) TCFD: Task Force on Climate-related Financial Disclosures.

(2) SASB: Sustainability Accounting Standards Board.

(3) CPA-Zicklin Index is produced by the Center for Political Accountability in conjunction with the Zicklin Center for Business Ethics Research at The Wharton School at the University of Pennsylvania.

(4) Sustainalytics is a global leader in ESG and Corporate Governance research and ratings.

Reconciliation of Segment Reported Earnings to Earnings From Ongoing Operations

2019						2018					
After-Tax (Unaudited) (millions of dollars)	Year-to-Date December 31, 2019					After-Tax (Unaudited) (millions of dollars)	Year-to-Date December 31, 2018				
	U.K. Reg.	KY Reg.	PA Reg.	Corp. & Other	Total		U.K. Reg.	KY Reg.	PA Reg.	Corp. & Other	Total
Reported Earnings	\$ 977	\$ 436	\$ 458	\$ (125)	\$ 1,746	Reported Earnings	\$ 1,114	\$ 411	\$ 431	\$ (129)	\$ 1,827
Less: Special Items (expense) benefit:						Less: Special Items (expense) benefit:					
Foreign currency economic hedges, net of tax of \$17, \$13	(51)				(51)	Foreign currency economic hedges, net of tax of (\$12), (\$39)	148				148
Talen litigation costs, net of tax of \$0, \$1				(5)	(5)	U.S. tax reform	3			(5)	-
Other, net of tax of \$0, \$1	(4)				(4)	Kentucky state tax reform		2			(9)
Total Special Items	(55)	-	-	(5)	(60)	IT transformation, net of tax of \$0, \$2			(5)		(5)
Earnings from Ongoing Operations	\$ 1,032	\$ 436	\$ 458	\$ (120)	\$ 1,806	Talen litigation costs, net of tax of \$2, \$2				(7)	(7)
						Death benefit, net of tax of \$1, \$1	(5)				(5)
						Total Special Items	146	(7)	(5)	(12)	122
						Earnings from Ongoing Operations	\$ 968	\$ 418	\$ 436	\$ (117)	\$ 1,705
After-Tax (Unaudited) (per share - diluted)	Year-to-Date December 31, 2019					After-Tax (Unaudited) (per share - diluted)	Year-to-Date December 31, 2018				
	U.K. Reg.	KY Reg.	PA Reg.	Corp. & Other	Total		U.K. Reg.	KY Reg.	PA Reg.	Corp. & Other	Total
Reported Earnings	\$ 1.33	\$ 0.59	\$ 0.62	\$ (0.17)	\$ 2.37	Reported Earnings	\$ 1.57	\$ 0.58	\$ 0.61	\$ (0.18)	\$ 2.58
Less: Special Items (expense) benefit:						Less: Special Items (expense) benefit:					
Foreign currency economic hedges	(0.06)				(0.06)	Foreign currency economic hedges	0.21				0.21
Talen litigation costs				(0.01)	(0.01)	U.S. tax reform	0.01				0.01
Other	(0.01)				(0.01)	Kentucky state tax reform		(0.01)			(0.01)
Total Special Items	(0.07)	-	-	(0.01)	(0.08)	IT transformation			(0.01)		(0.01)
Earnings from Ongoing Operations	\$ 1.40	\$ 0.59	\$ 0.62	\$ (0.16)	\$ 2.45	Talen litigation				(0.01)	(0.01)
						Death benefit	(0.01)				(0.01)
						Total Special Items	0.21	(0.01)	(0.01)	(0.01)	0.18
						Earnings from Ongoing Operations	\$ 1.36	\$ 0.59	\$ 0.62	\$ (0.17)	\$ 2.40

Forward-Looking Information Statement

Statements contained in this presentation, including statements with respect to future earnings, cash flows, dividends, financing, regulation and corporate strategy 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 and adversely from the forward-looking statements: 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; asset or business acquisitions and dispositions; any impact of hurricanes or other severe weather on our business; receipt of necessary government permits, approvals, rate relief and regulatory cost recovery; capital market conditions and decisions regarding capital structure; the impact of state, federal or foreign investigations applicable to PPL Corporation and its subsidiaries; the outcome of litigation against PPL Corporation and its subsidiaries; stock price performance; the market prices of 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 cyber attack, terrorism or war or other hostilities; British pound sterling to U.S. dollar exchange rates; new state, federal or foreign legislation, including new tax legislation; and the commitments and liabilities of PPL Corporation and its subsidiaries. All forward-looking statements should be considered in light of these important factors and in conjunction with the factors and other matters 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. 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, LKE, LG&E and KU, as well as the Kentucky Regulated segment's, LKE's and LG&E'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 and PPL Electric. 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 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 and PPL Electric'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.