



# Wolfe Research Utilities & Energy Conference

October 2-3, 2019



## Energy forward.

# Cautionary Statements and Factors That May Affect Future Results

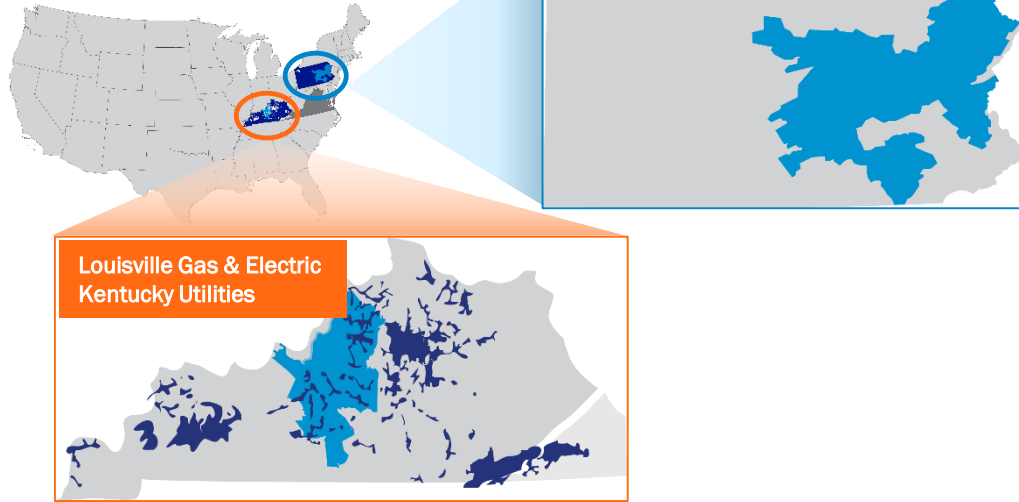


Statements made in this presentation about future operating results or other future events are forward-looking statements under the Safe Harbor provisions of the Private Securities Litigation Reform Act of 1995. Actual results may differ materially from the forward-looking statements. A discussion of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

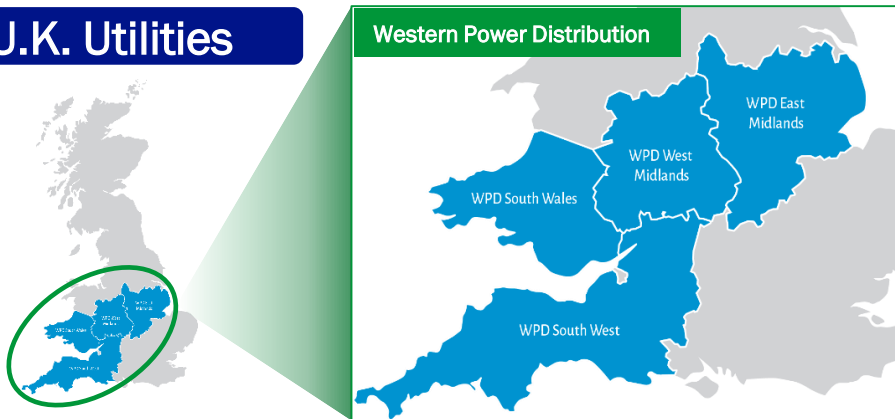


# PPL At A Glance

## U.S. Utilities



## U.K. Utilities



**7** High-Performing Utilities in Premium Regulatory Jurisdictions

**\$23 billion**  
Market Capitalization <sup>(1)</sup>

**\$7.8 billion**  
Operating Revenues <sup>(2)</sup>

**\$27 billion**  
Rate Base <sup>(3)</sup>

**\$44 billion**  
Total Assets <sup>(4)</sup>

**295**  
Consecutive Quarterly Dividends Paid

**70%**  
Carbon Reduction Goal 2010 - 2050

**12,500**  
Employees

**>10 million**  
Customers Served

(1) As of September 18, 2019. Does not reflect \$1.2 billion of equity to be issued under the previously announced equity forward agreement entered into May 2018.

(2) Annual operating revenues for the year ended December 31, 2018.

(3) Actual as of December 31, 2018. Represents Regulatory Asset Value (RAV) for the U.K. and utility capitalization for Kentucky. U.K. based on exchange rate of \$1.35/£.

(4) As of June 30, 2019.

# 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<sup>(1)</sup>
- Forward Test Year for Distribution rate cases
- Alternative Ratemaking<sup>(2)</sup>

## Kentucky



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

- 9.725% allowed ROE
- Environmental Cost Recovery (ECR) Mechanism<sup>(3)</sup>
- 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<sup>(4)</sup>
- 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.

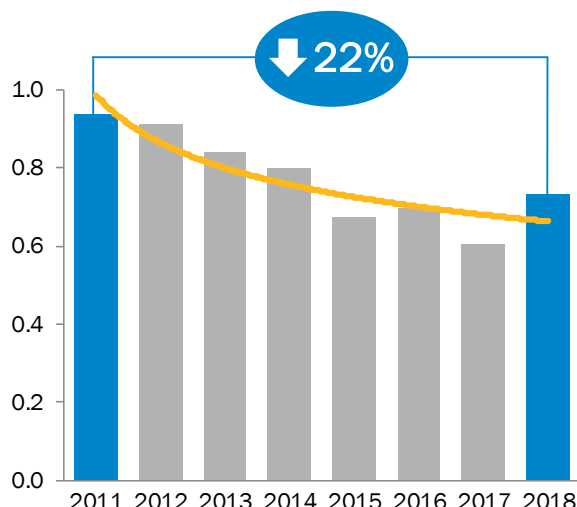
(4) RIIO-ED1 Price Control extends through March 31, 2023.

## Fewer outages per customer

Investments delivering real value to customers

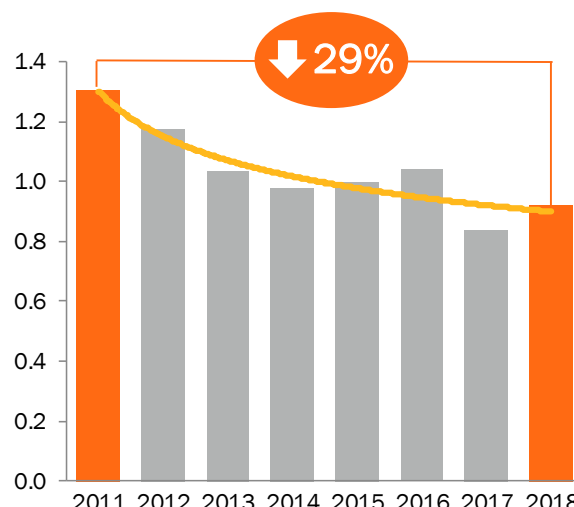
### SAIFI: Pennsylvania Regulated <sup>(1)</sup>

(Avg. Outages per customer)



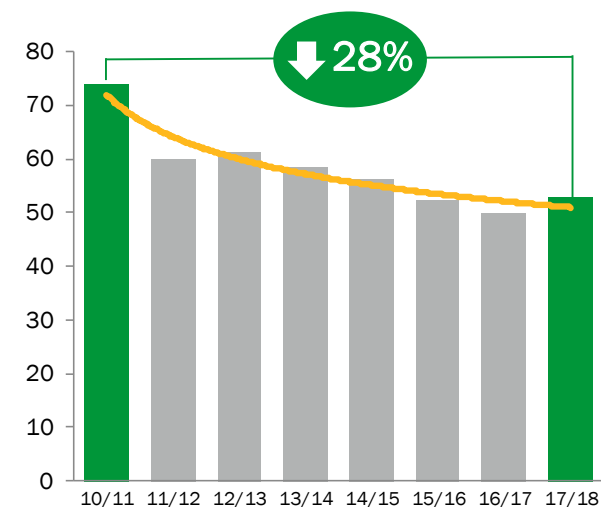
### SAIFI: Kentucky Regulated <sup>(1)</sup>

(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



**22**

J.D. Power Awards for Customer Satisfaction

### U.K. Regulated



**9** OUT OF **10**

Score across all WPD DNOs in BMCS<sup>(1)</sup>

- PPL Electric Utilities won eighth straight J.D. Power customer satisfaction award in June 2019.
- Kentucky Utilities was recently named the top ranking mid-sized utility in Midwest residential customer satisfaction<sup>(2)</sup>
- WPD has been awarded the Customer Service Excellence Standard since 1992<sup>(3)</sup>

(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.

# We're Investing in the Future

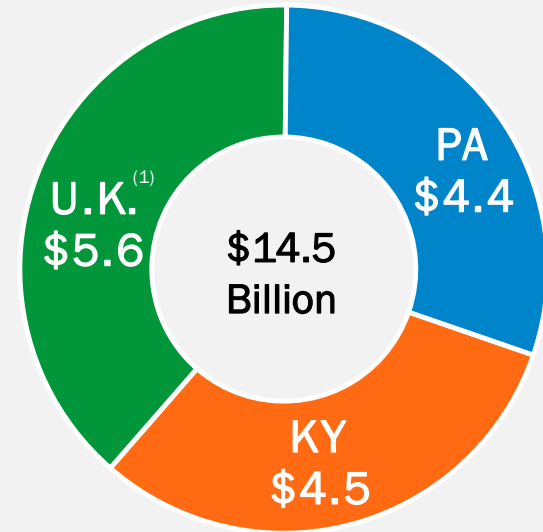
**~\$3 billion annually**

*Investing capital to modernize and strengthen grid resilience*

- Making the grid smarter and more resilient
- Strengthening physical and cyber security
- Connecting renewables
- Expanding solar
- Piloting new technology
- Minimizing impact of our KY coal fleet

## Robust 5-Year Capital Plan (2019-2023)

(\$ in billions)



(1) U.K. capital plan is based on assumed exchange rates of \$1.35/£ for 2019 and \$1.40/£ for 2020-2023.

# Prudent Investments, Timely Recovery Drive 5-6% EPS Growth Through 2020



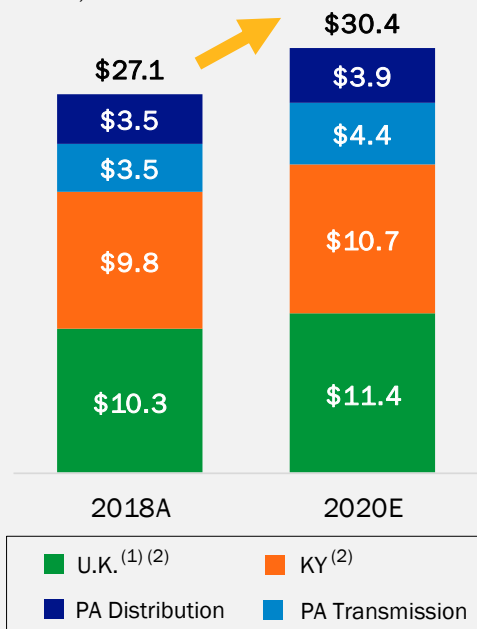
## Strong Rate Base Growth

Supported by constructive regulatory recovery mechanisms

### 5-7% CAGR

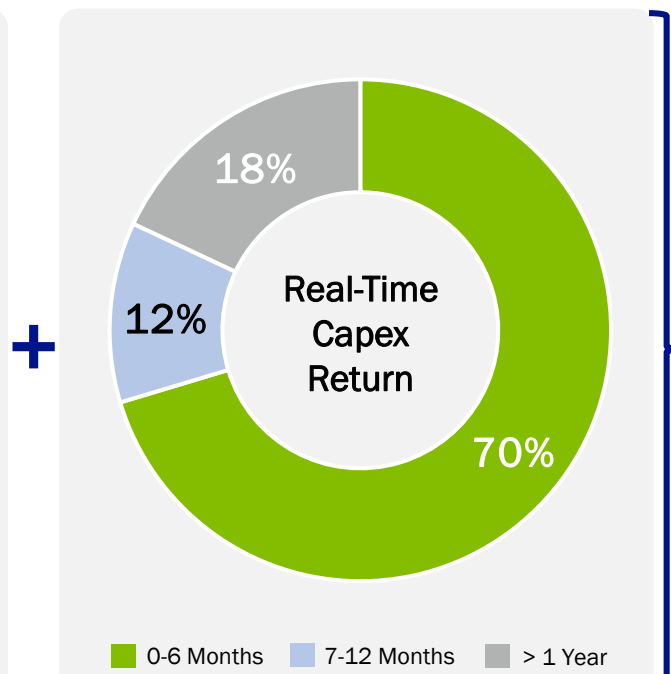
Rate Base CAGR 2018-2020

(\$ in billions)



### ~80% Capex

Earns Return within 1 year



### EPS Growth

2018-2020



(1) Based on exchange rate of \$1.35/£ in all years for comparability purposes.

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



# Commitment to Dividend Growth

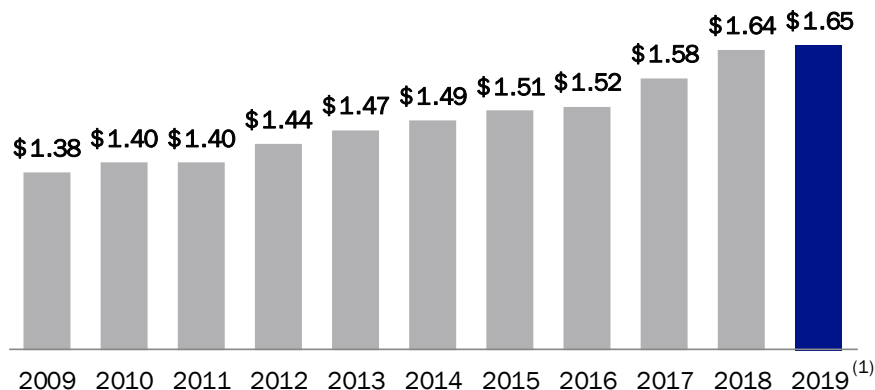


## Delivers consistent dividend

Dividends are a key component to PPL's investment proposition

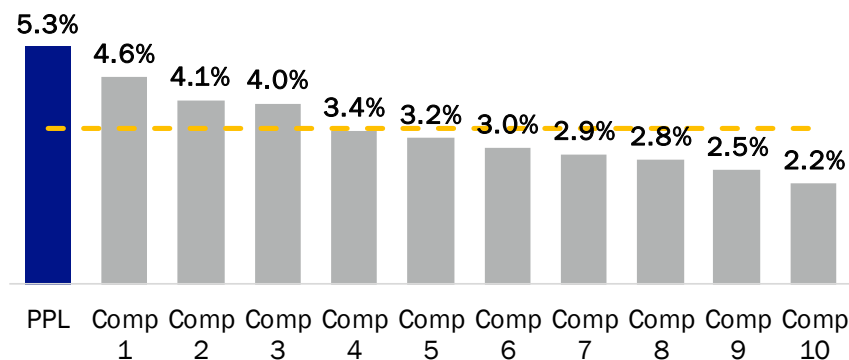
### 10-Year Dividend History

(\$ per share)



### PPL Dividend Yield vs. Large Cap Utilities<sup>(2)</sup>

Large Cap Utility Average: 3.5%



## ➤ PPL has a long standing history of paying dividends to shareowners

- October 1<sup>st</sup> dividend represents the 295<sup>th</sup> consecutive quarterly dividend paid

(1) Annualized dividend based on February 14, 2019 announced increase. Actual dividends to be determined by Board of Directors.

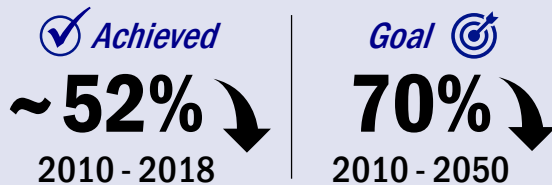
(2) Dividend yield calculated based on share prices and annualized dividends as of September 18, 2019.

# Delivering on our Sustainability Commitments

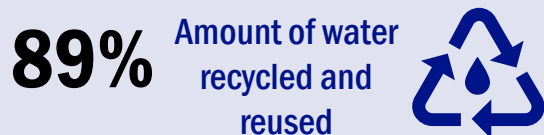


## Energy and Environment

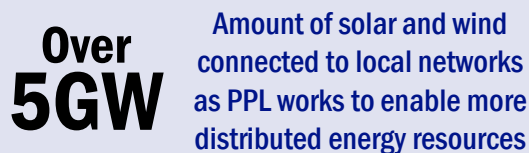
### Carbon Reduction Commitment



### Water Conservation



### Sustainable Investments



### Continuous Performance Review

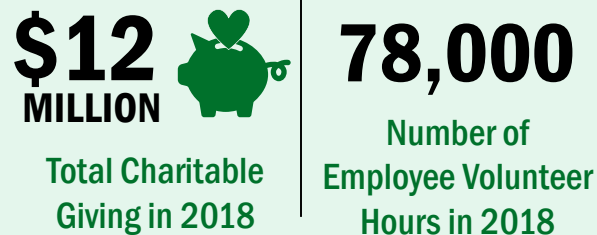
- Dedicated Board Committee
- [Sustainability Report](#)
- [Climate Assessment Report](#)
- [EEI ESG Report](#)
- [CDP Survey](#)

## Social Responsibility

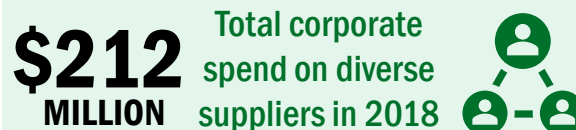
### Workplace Equality



### Giving Back to our Communities



### Supplier Diversity

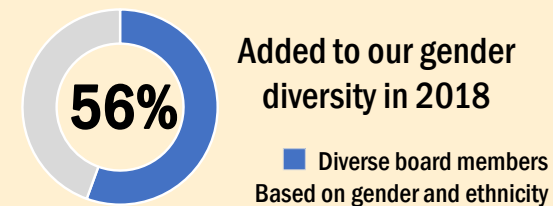


## Governance and Management

### Awards for Excellence

- **Best Places to Work by Forbes Magazine**
- **Safety** – PPL Electric recognized for exceptionally low injury rates
- **Reliability** – PPL Electric ranked top 10 nationally by IEEE; WPD has held Customer Service Excellence Standard since 1992
- **Customer Service** – Ranked highest for residential customer satisfaction in both PA and KY in respective regions; WPD ranked highest in Ofgem's BMCS for 8<sup>th</sup> year in a row

### Board Diversity



### Ensuring Cyber and Physical Security

PPL continues to make significant investments to strengthen defensive capabilities and enhance grid reliability and resiliency



# 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
- Solid, secure dividend with commitment to future growth and an attractive 5.3% dividend yield<sup>(1)</sup>
- Proven track record of delivering commitments to shareowners and customers

(1) Dividend yield as of September 18, 2019.



# Sustainability Highlights

# PPL's Sustainability Commitments



## 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

70%

Goal to cut the company's carbon dioxide emissions from 2010 levels by 2050

900 MW

Approximate megawatts of coal capacity retired in Kentucky 2010 - 2018

547M kWh

Amount of electricity saved from energy efficiency programs across PPL's utilities

700

Number of electric vehicle users who participated in Electric Nation, a two-year trial of home charging in the U.K.

# PA Sustainability Highlights



## Policies Driving Sustainable Investments

### Alternative Ratemaking

- Recently approved legislation supported by PPL Electric grants PA utilities the option to propose different ratemaking structures, such as decoupling and performance-based rates, as we adapt our grid to new technologies and new customer expectations

### Integration of Distribution Energy Resources

- PPL continues to advocate for funding levels that allow federal agencies to fund additional research and development grants and effectively administer current projects like PPL Electric's Keystone Solar Future Project

## PPL Electric's ESG Commitments in Action



A support engineer dons virtual reality headgear as part of a pilot program simulating substation construction and troubleshooting

PPL Electric has converted 30% of its bucket trucks to electric lift bucket trucks, which reduces idling and diesel fuel usage

The company's goal is to equip all 277 bucket trucks with the technology by the end of 2025



## Notable Achievements

**5.5  
MILLION  
MINUTES**

Customer minutes saved by installing ~114 motor-operated switches on higher-voltage transmission grid, which prevent sustained interruptions



**98%**

Percentage of transformer oil recycled by PPL Electric



**Avian  
Protection  
Plan**

Adopted a comprehensive plan to protect birds from coming in contact with electrical equipment & power lines



## Investing in a Smarter, More Resilient Grid

### Advancing Meter Technology

- PPL Electric reached a major milestone by installing more than 1.3 million new meters that enable better management of power usage, more accurate outage reporting, and new functionality that improves customer service

### Ensuring Safety For All

- Deployed a system called ArcSense, which accurately detects the fault from a downed power line. ArcSense automatically trips protective relays, cutting power to the downed line. PPL expects about 1,500 locations across the service territory will have ArcSense by end of 2019

# KY Sustainability Highlights



## PPL Generation in Kentucky

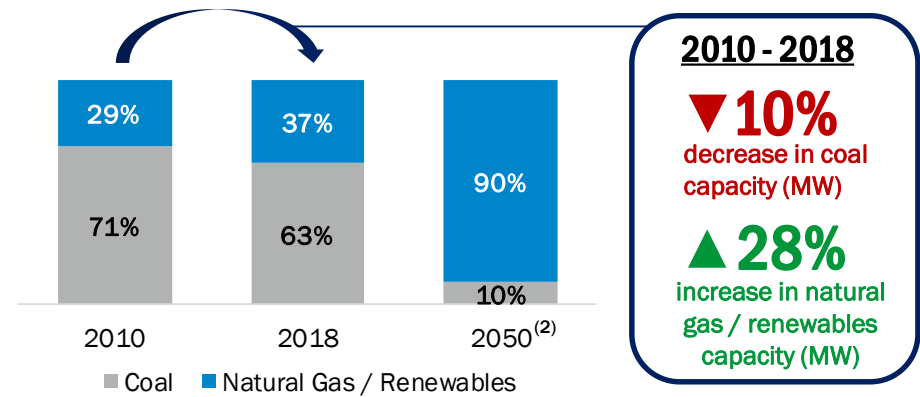
### State Regulatory Environment

- Affordable, reliable coal generation remains a significant contributor to state's economy; coal enjoys strong political support
- Gradual, economic retirement of coal generation planned in line with "least cost" standard
- No statewide renewable portfolio standard; customer demand and demonstration projects driving renewable development

### Adapting Our Fleet

- KU retired 900MW of coal between 2010-2018 and ~300MW in Q1 2019
- Expect CO<sub>2</sub> emissions will meet objectives of 2°C scenario as outlined in PPL's 2017 Climate Assessment Report<sup>(1)</sup>

## Our Changing Generation Composition



## Notable Achievements

**29%  
DECREASE**

Reduction in interruptions of electric service for LG&E and KU customers since 2011



**49%**

Percentage of gypsum byproduct that is beneficially reused by LG&E and KU



**since  
1995**

LG&E and KU have been a corporate sponsor of the Ohio River Sweep, where employee volunteers remove litter and debris from the banks of the Ohio River



## Advancing a Cleaner Energy Future

### Advancing Solar in Kentucky

- The first 500kW section of LG&E and KU's new Solar Share facility became operational this summer

### Green Energy Tariff

- Promotes renewable energy growth and economic development in Kentucky by providing customers with more options to support development of renewable energy resources

### Technology and Innovation – Energy Storage

- Collaboration with the Electric Power Research Institute (EPRI), allows LG&E and KU to develop, test and evaluate the potential benefits of energy storage and battery technologies resources

(1) Scenario focused on limiting global warming to below 2° Celsius.

(2) Represents potential generation mix based on a 55-year operating life under all 3 scenarios analyzed in PPL's 2017 Climate Assessment Report.

# U.K. Sustainability Highlights



## U.K. Initiatives Driving Sustainable Investments

### U.K. Climate Change Targets

- “...net U.K. carbon for the year 2050 is at least 100% lower than the 1990 baseline” (aggregate amount of net U.K. CO<sub>2</sub> & greenhouse gasses)<sup>(1)</sup>

### Decarbonizing Heat

- The U.K. plans to “introduce a Future Homes standard, mandating the end of fossil fuel heating systems in all new homes from 2025”<sup>(2)</sup>

### Move Away from Combustion Engine Vehicles

- Includes ending the sale of new conventional gasoline and diesel automobiles in the U.K. by 2040<sup>(3)</sup>

## WPD’s ESG Commitments in Action



As part of a community energy project that could be the shape of things to come, WPD has carried out a new connection to Europe’s largest community battery



A WPD lineworker completes a demonstration during a public safety event

## Notable Achievements

88%

Percent of WPD customers who have their power restored within one hour of a high-voltage fault



68%

Percentage of total waste that is recycled by WPD



13%

Reduction in WPD’s business carbon footprint compared to 2012/13



## Advancing a Cleaner Energy Future

### Distribution System Operator - Flexibility

- Enhanced focus on building a smarter, more secure grid that has the flexibility to accommodate distributed energy resources and support new capacity via non-network solutions, such as energy storage and microgrids
- WPD has connected 186,000 sites providing over 9.3GW of distributed generation

### Expanding Electric Vehicle Infrastructure

- WPD estimates it will have 1.3 million EVs on its network by 2028 requiring more than £0.5 billion of additional reinforcement

### Heat Pump Forecasts

- WPD estimates 210,000 HPs to be installed on WPD’s network by 2028, adding 320MW of peak demand. This would drive more than £100 million of additional network reinforcement by 2028

(1) U.K. Climate Change Act 2008.

(2) From the Chancellor of the Exchequers Spring Statement in the House of Commons on March 13, 2019.

(3) From the Chancellor of the Exchequers Spring Statement in the House of Commons on March 13, 2019, influenced by the Committee on Climate Change 2018 Progress Report to Parliament.





# Appendix



# PPL Fact Sheet



## CORPORATE DATA

Ticker symbol and stock exchange PPL-NYSE

### At September 18, 2019

Average daily trading volume (1 month) 4.0 million shares

Closing Price \$31.22

52-week price range \$27.31 - \$32.89

Annualized dividend per share \$1.65 (\$0.4125/quarter)

Enterprise value \$44.9 billion

Market cap \$22.5 billion

### At June 30, 2019

Total assets \$44.2 billion

Common shares outstanding 721.8 million

Book value per share \$16.60

### Capitalization (\$ billions):

Total debt \$22.7 65%

Common equity \$12.0 35%

Total capitalization \$34.7 100%

Employees ~12,500

## INVESTOR RELATIONS CONTACT INFORMATION

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Vice President – Investor Relations

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# Pennsylvania Regulated Overview

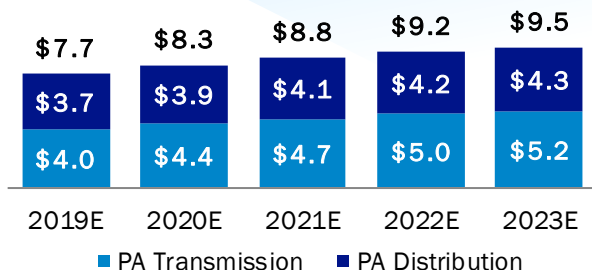


**\$7 billion**

Rate Base <sup>(1)</sup>

(\$ in billions)

6.3% CAGR  
2018A-2023E



**1.4 million**

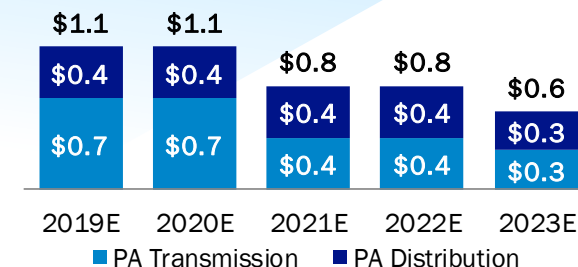
Customers



**\$4.4 billion**

Capex Plan

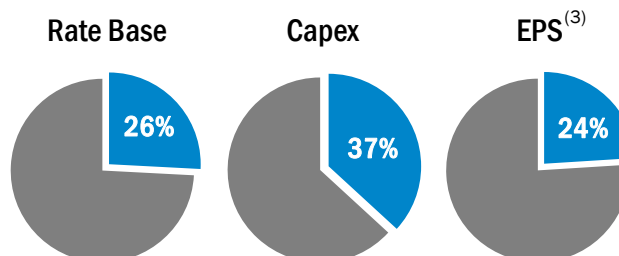
(\$ in billions)



## PA Segment Highlights <sup>(1)</sup>

- Services provided:
  - Electric Distribution, Electric Transmission
- Service area: 10,000 square miles
- Electricity delivered: 37,497 GWh
- Operating revenues: \$2.3 billion
- Net income: \$431 million

## PA Segment Proportion of PPL <sup>(2)</sup>



## Regulatory Attributes

- FERC Formula Rates
- DSIC Mechanism <sup>(4)</sup>
- 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, 2018.

(2) Proportions based on 2018 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.

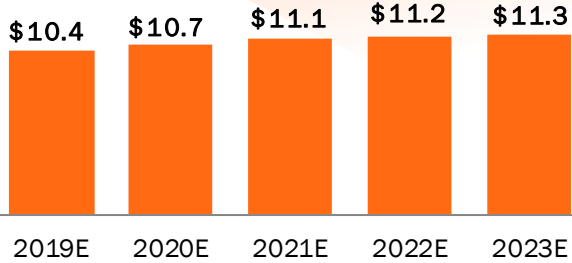
# Kentucky Regulated Overview

**\$9.8 billion**

Rate Base <sup>(1)</sup>

(\$ in billions)

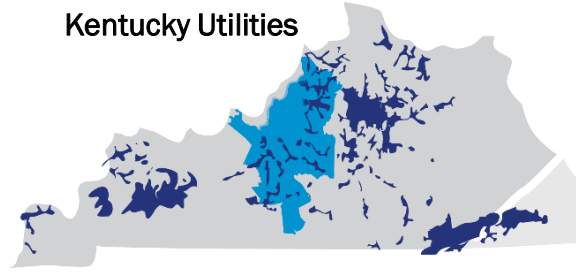
2.9% CAGR  
2018A-2023E



**1.3 million**

Customers

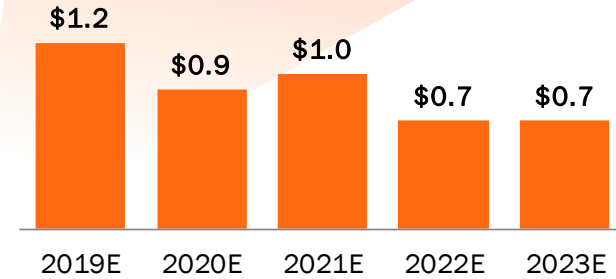
Louisville Gas & Electric  
Kentucky Utilities



**\$4.5 billion**

Capex Plan

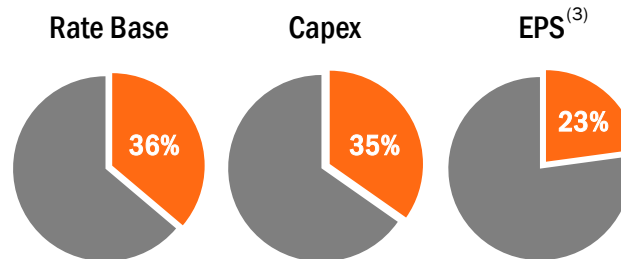
(\$ in billions)



## KY Segment Highlights <sup>(1)</sup>

- Services provided:
  - Electric Distribution, Electric Transmission, Gas Distribution, Regulated Generation
- Service area: 9,400 square miles
- Electricity delivered: 33,650 GWh
- Operating revenues: \$3.2 billion
- Net income: \$411 million
- Operate approx. 8,000 MW of generation

## KY Segment Proportion of PPL <sup>(2)</sup>



## Regulatory Attributes

- Environmental Cost Recovery (ECR) Mechanism <sup>(4)</sup>
- 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, 2018. Represents utility capitalization for Kentucky.

(2) Proportions based on 2018 year end actuals.

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

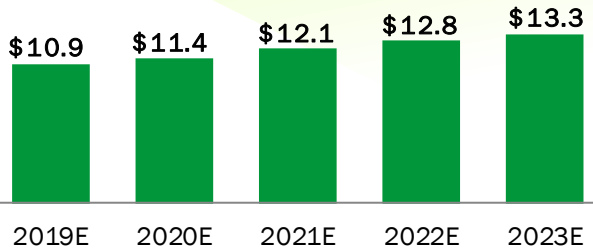
(4) Kentucky ECR provides near real-time recovery for approved environmental projects on the coal fleet.

# U.K. Regulated Overview

**\$10.3 billion**<sup>(1)</sup>  
Rate Base<sup>(2)</sup>

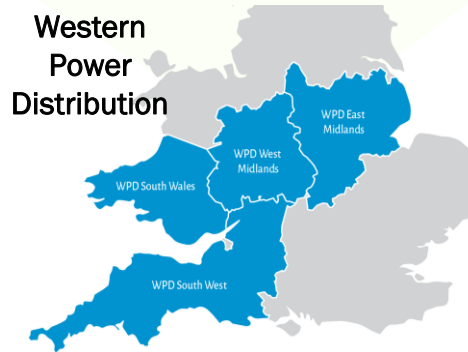
(\$ in billions)

5.2% CAGR  
2018A-2023E



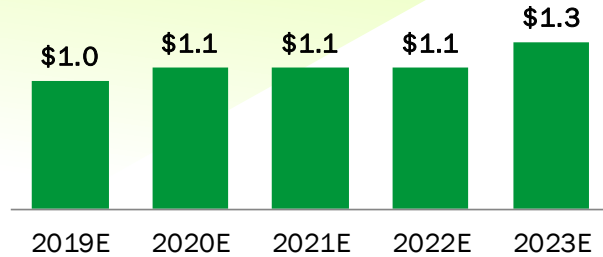
**7.9 million**  
Customers

Western  
Power  
Distribution



**\$5.6 billion**  
Capex Plan<sup>(5)</sup>

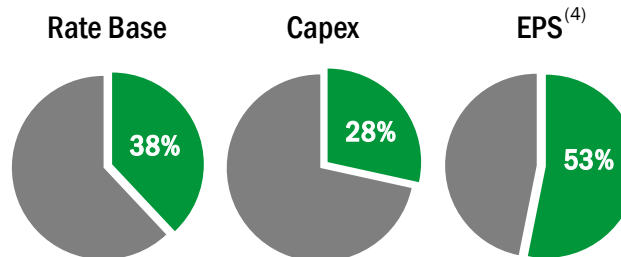
(\$ in billions)



## U.K. Segment Highlights<sup>(1)</sup>

- Services provided:
  - Electric Distribution
- Service area: 21,600 square miles
- Electricity delivered: 74,181 GWh
- Operating revenues: \$2.3 billion
- Net income: \$1,114 million
- U.K.'s largest distribution network operator

## U.K. Segment Proportion of PPL<sup>(3)</sup>



## 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, 2018.

(2) Represents Regulatory Asset Value (RAV) for the U.K. For comparability reflects exchange rate of \$1.35/£ for all years.

(3) Proportions based on 2018 year end actuals.

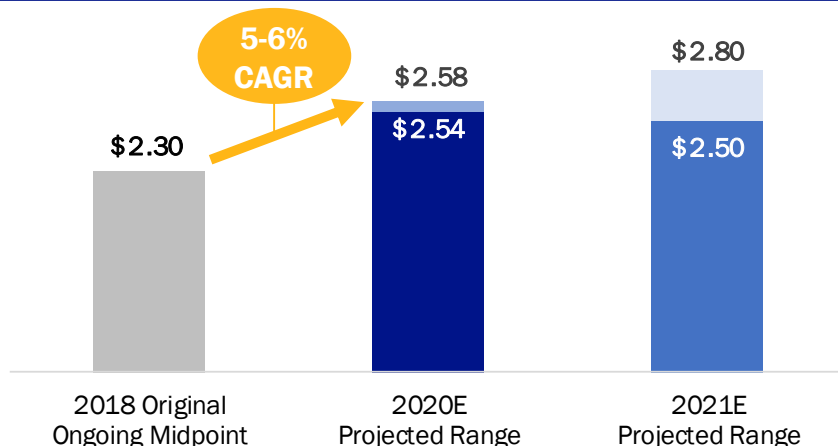
(4) Represents Earnings from Ongoing Operations, includes allocation from Corporate and Other for comparative purposes.

(5) Capital plan is based on assumed exchange rate of \$1.35/£ for 2019 and \$1.40/£ for 2020-2023.

# 2021 Financial Outlook

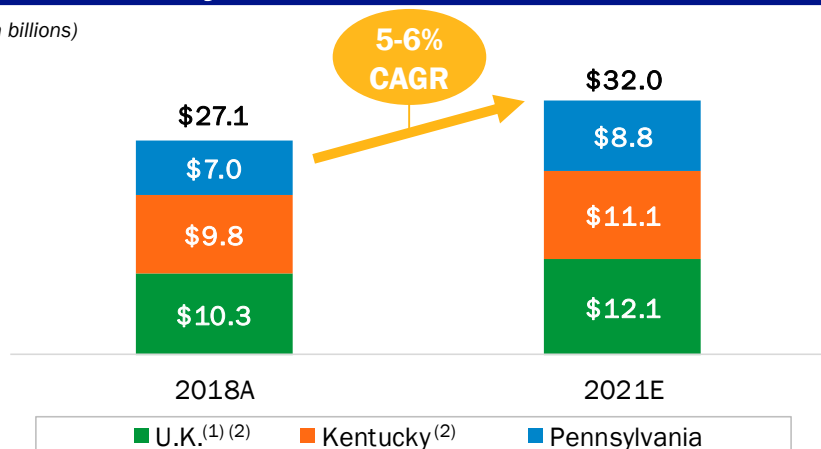


## 2021 Projected Ongoing EPS



## Projected Rate Base Growth

(\$ in billions)



(1) Based on exchange rate of \$1.35/£ in all years for comparability purposes.  
 (2) Represents Regulatory Asset Value (RAV) for U.K. Represents utility capitalization for Kentucky.

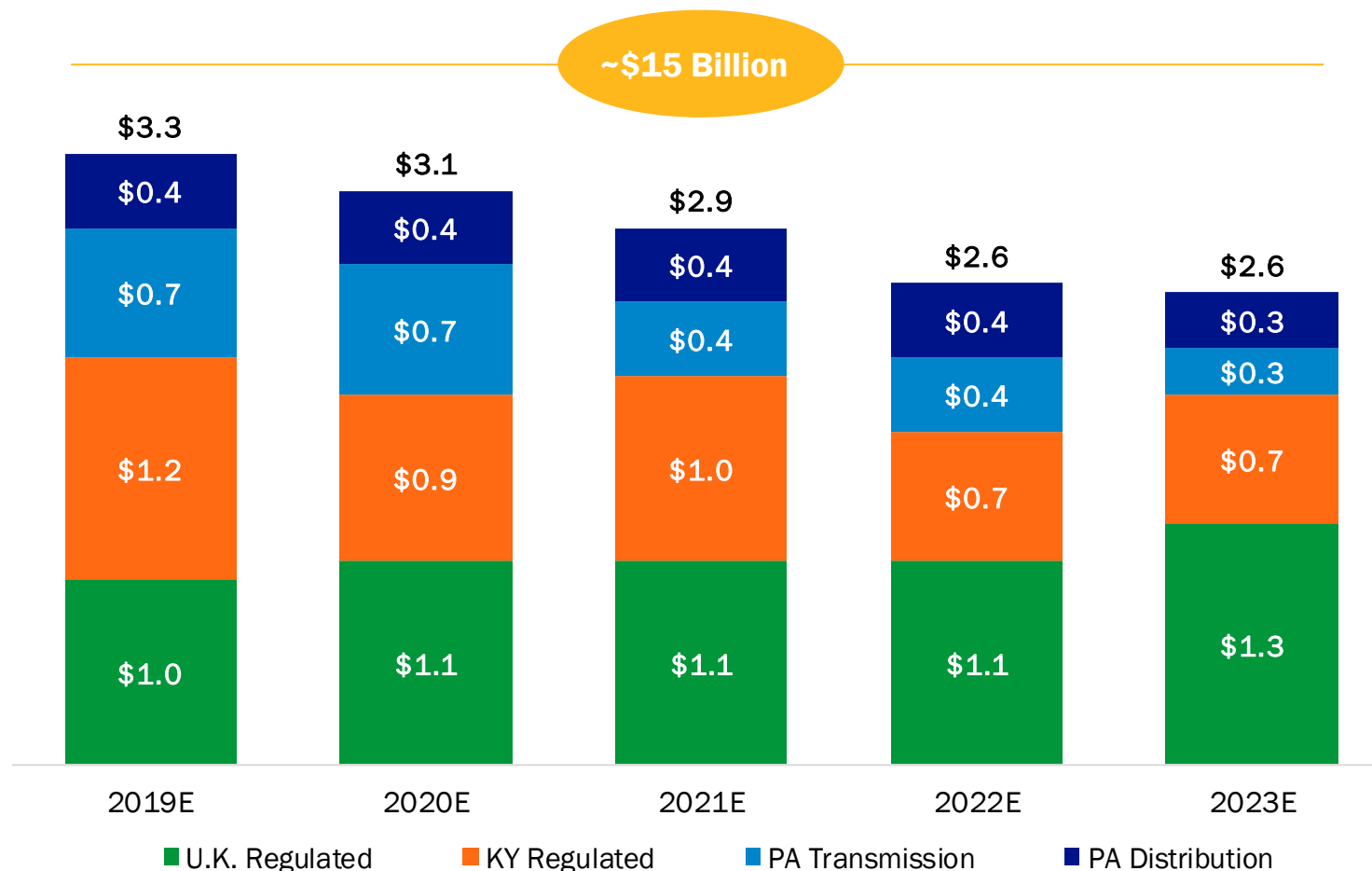
## Key Assumptions to 2021E

- **Rate base CAGR of 5-6%**
  - Minimal risk given scope of projects, benefits to customers and WPD's pre-approved business plan
- **Earned ROEs to track authorized levels**
- **Updated assumptions for U.K. pension, interest under-recovery, and other true-up mechanisms**
  - Estimated impact: Range of (\$0.05) – (\$0.10) on 2021E EPS compared to 2020E
- **Foreign currency rates**
  - \$1.60/£ at high end of range
  - \$1.35/£ at low end of range

# Capital Expenditure Plan



(\$ in billions)

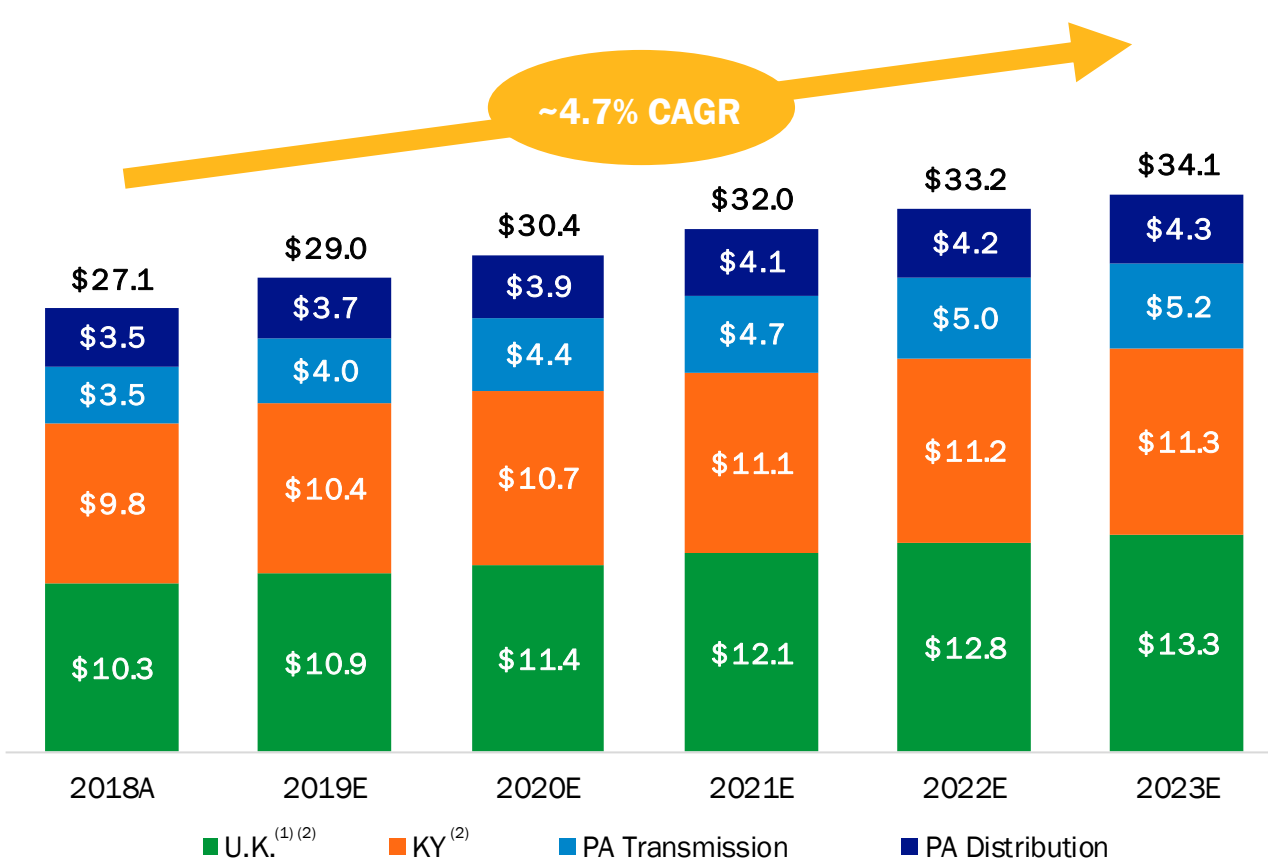


Note: U.K. capital plan is based on assumed exchange rates of \$1.35/£ for 2019 and \$1.40/£ for 2020-2023.

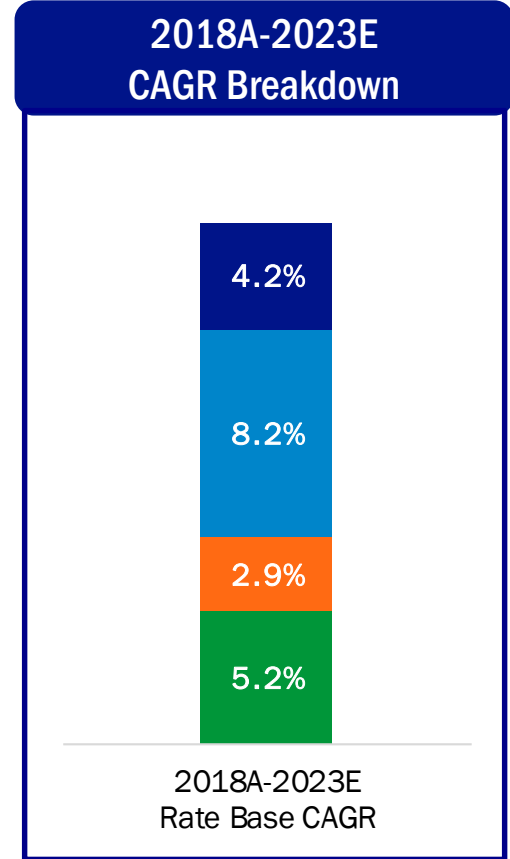
# Projected Rate Base Growth

(\$ in billions)

~4.7% CAGR



## 2018A-2023E CAGR Breakdown



(1) Based on assumed exchange rate of \$1.35/£ in all years for comparability purposes.

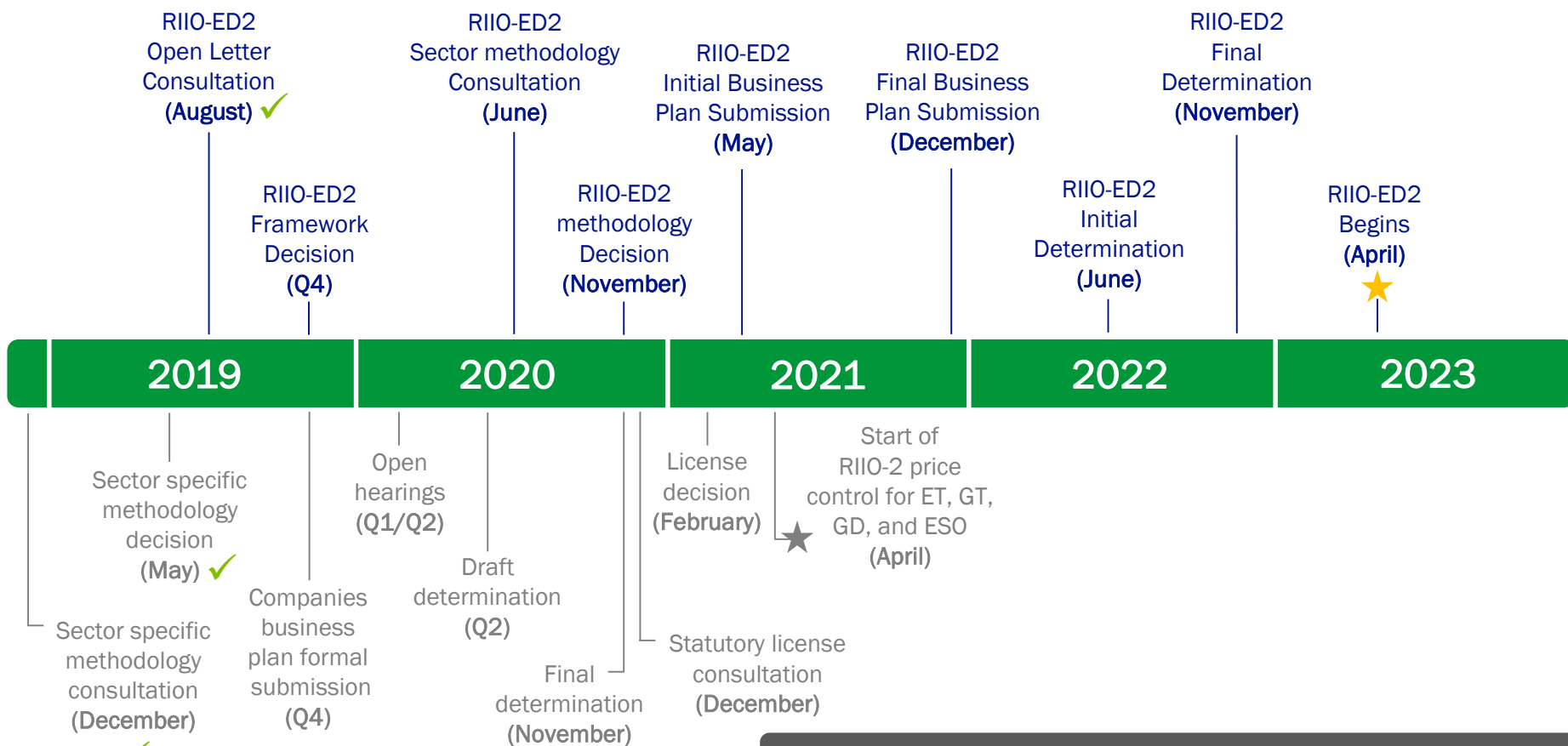
(2) Represents Regulatory Asset Value (RAV) for U.K. and utility capitalization for KY.



# U.K. Regulated: RIIO-2 Projected Timelines



## Proposed Electricity Distribution Timeline<sup>(1)</sup>

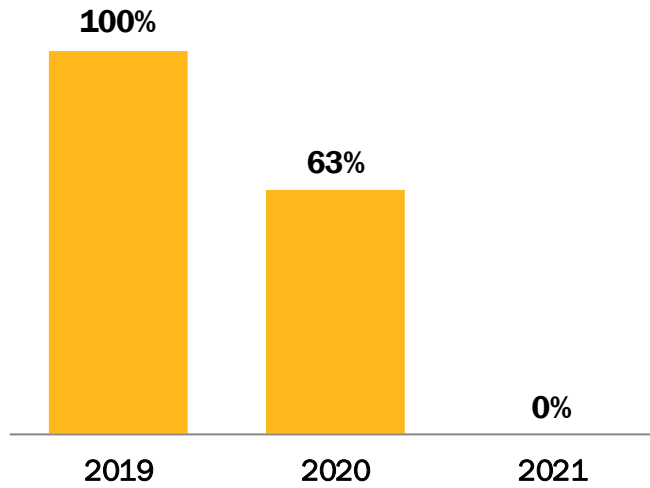


## Transmission and Gas Distribution Timeline

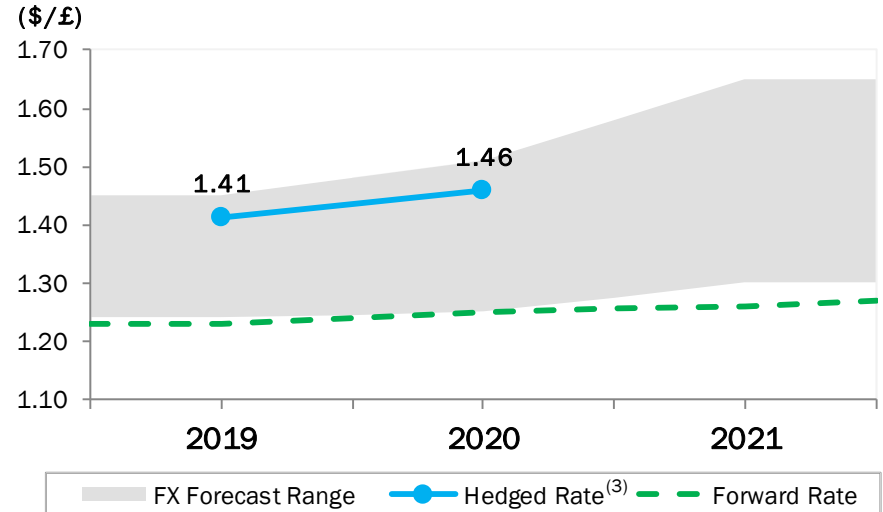
(1) Based on indicative timeline published in Ofgem's RIIO-ED2 Open Letter Consultation dated August 2019. Ofgem has proposed to replace the fast-tracking mechanism in RIIO-ED2, instead focusing on alternative mechanisms to receive high-quality and ambitious business plans driven by the Business Plan Incentive and a confidence-dependent incentive rate approach.

# Foreign Currency Update

## Foreign Currency Hedge Status <sup>(1)</sup>



## Forward Foreign Currency Rates <sup>(2)</sup>



- Increased 2020 hedge position to 63% from 55% during Q2
- Continue to utilize options for incremental hedges; options represent about one-third of the hedge portfolio for 2020

(1) PPL's foreign currency hedge status as of July 31, 2019.

(2) Forward foreign currency rates sourced from Bloomberg as of July 31, 2019. Forecast range reflects views from up to 14 financial institutions and does not represent PPL's internal forecast. Not all institutions provide forecasts for all periods.

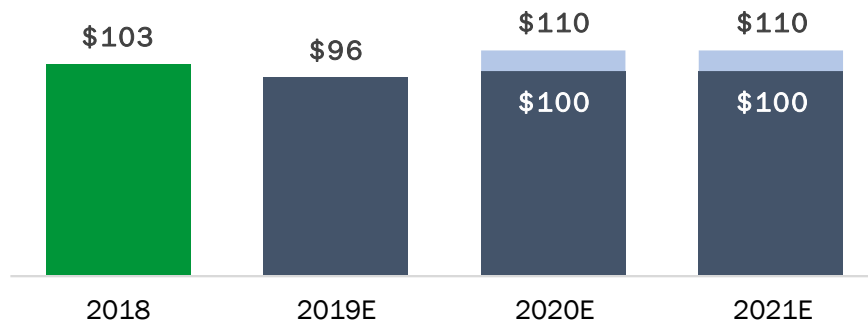
(3) Hedge rates reflect a combination of average-rate forwards and options. Average hedge rates based on the average forward rate and the average floor in the options.

# U.K. Regulated Incentive Revenues



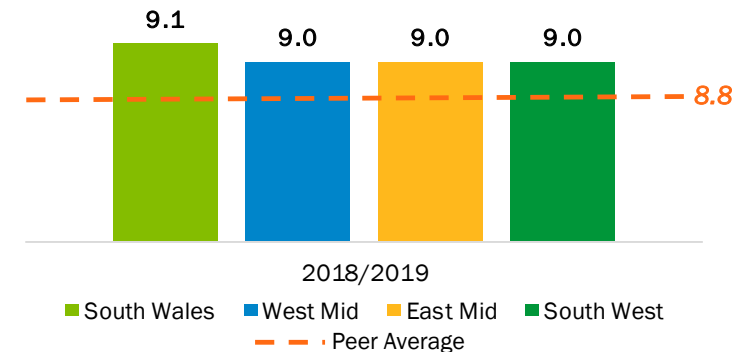
*WPD continues to demonstrate how premier network operators deliver value for customers and shareowners*

## Incentive Revenues <sup>(1)</sup>



## 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 \$1.35/£ in all years for comparability purposes. Annual incentives are reflected in customer rates on a two-year lag from the time they are earned.

# U.K. Regulated: True-up Mechanisms



## ➤ TRU Adjustment

- Tariffs are set using a forecasted RPI as determined by HM Treasury
- Forecasted RPI is trued up to actuals and the corresponding revenue adjustment is collected from or returned to customers two regulatory years later

## ➤ MOD Adjustment

- On an annual basis, certain components of base revenue are updated for financial adjustments including tax, pension, cost of debt and legacy price control adjustments
- MOD adjustment also includes the Totex Incentive Mechanism which allows WPD to retain 70% of any cost savings against the RII0-ED1 business plan and bear 70% of any cost over-runs
- Similar to TRU, most MOD components result in a revenue adjustment two regulatory years later

## ➤ Correction Factor (K-factor) Adjustment

- A K-factor is created if set tariffs or delivered volumes do not recover allowed revenue for a regulatory year
- Over and under-recoveries are included in allowed revenues two regulatory years later

Adjustments included in current forecast			
(\$ in millions, pre-tax)	2019	2020	2021
TRU	\$0	\$0	
MOD	(\$50)	(\$100)	
K-factor	(\$10)	(\$30)	
Total	(\$60)	(\$130)	(\$190) - (\$240)

Note: Based on assumed exchange rates of \$1.35/£ for 2019 and \$1.40/£ for 2020 and 2021.

# Funding Growth



*(\$ in millions)*

	2018A	2019E <sup>(1)</sup>
Domestic Cash from Operations	\$1,905	\$1,800
Domestic Maintenance Capex <sup>(2)</sup>	(844)	(950)
Dividend From U.K. Regulated	399	400
<b>Cash Available for Distribution</b>	<b>\$1,460</b>	<b>\$1,250</b>
Common Dividend	(1,133)	(1,200)
<b>Cash Available for Reinvestment</b>	<b>\$327</b>	<b>\$50</b>
<b>Domestic Growth Capex</b>	<b>(\$1,470)</b>	<b>(\$1,250)</b>
Debt Maturities	(\$277)	(\$200)
Debt Issuances, Change in Short Term Debt, and Change in Cash <sup>(3)</sup>	1,028	350
Equity Issuances	689	1,150
Other Investing and Financing Activities	(297)	(100)
<b>Additional Funding Sources for Domestic Growth Capex</b>	<b>\$1,143</b>	<b>\$1,200</b>

Note: Information provided on slide to be updated on an annual basis. See Appendix for the reconciliation of Domestic Cash Flows.

(1) Based on midpoint of projected 2019 earnings guidance and related assumptions.

(2) Represents book depreciation.

(3) Includes domestic issuances (short and long term), net of issue costs.

# Debt Maturities



(\$ in Millions)	2019	2020	2021	2022	2023	2024 and Beyond	Total
PPL Capital Funding	\$0	\$0	\$0	\$800	\$600	\$3,130	\$4,530
PPL Electric Utilities <sup>(1)</sup>	0	100	400	474	90	2,675	3,739
LG&E and KU Energy	0	475	250	0	0	0	725
Louisville Gas & Electric <sup>(1)</sup>	40	0	292	0	0	1,692	2,024
Kentucky Utilities <sup>(1)</sup>	96	500	0	0	13	2,033	2,642
WPD plc	0	0	500	0	632	707	1,839
WPD Operating Companies <sup>(2)</sup>	0	189	0	0	884	4,624	5,697
<b>Total</b>	<b>\$136</b>	<b>\$1,264</b>	<b>\$1,442</b>	<b>\$1,274</b>	<b>\$2,219</b>	<b>\$14,861</b>	<b>\$21,196</b>

Note: As of June 30, 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	\$1,014	\$436
	Bilateral Credit Facility	Mar-2020	100	0	15	85
			\$1,550	\$0	\$1,029	\$521
PPL Electric Utilities	Syndicated Credit Facility	Jan-2024	\$650	\$0	\$186	\$464
Louisville Gas & Electric	Syndicated Credit Facility	Jan-2024	\$500	\$0	\$96	\$404
Kentucky Utilities	Syndicated Credit Facility	Jan-2024	\$400	\$0	\$0	\$400
	Letter of Credit Facility	Oct-2020	198	0	198	0
			\$598	\$0	\$198	\$400
WPD	WPD plc Syndicated Credit Facility	Jan-2023	£210	£158	£0	£52
	WPD (South West) Syndicated Credit Facility	Jul-2021	245	0	0	245
	WPD (East Midlands) Syndicated Credit Facility	Jul-2021	300	81	0	219
	WPD (West Midlands) Syndicated Credit Facility	Jul-2021	300	33	0	267
	Uncommitted Credit Facilities		100	0	4	96
			£1,155	£272	£4	£879

Note: As of June 30, 2019.

# 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 June 30, 2019.



# Reconciliation of Segment Reported Earnings to Earnings From Ongoing Operations



After-Tax (Unaudited) (millions of dollars)	Twelve Months Ended December 31, 2018				
	U.K. Reg.	KY Reg.	PA Reg.	Corp. & Other	Total
<b>Reported Earnings</b>	\$ 1,114	\$ 411	\$ 431	\$ (129)	\$ 1,827
Less: Special Items (expense) benefit:					
Foreign currency economic hedges, net of tax of (\$39)	148				148
U.S. tax reform	3	2		(5)	-
Kentucky state tax reform		(9)			(9)
IT transformation, net of tax of \$2			(5)		(5)
Talen litigation costs, net of tax of \$2				(7)	(7)
Death benefit, net of tax of \$1	(5)				(5)
<b>Total Special Items</b>	<u>146</u>	<u>(7)</u>	<u>(5)</u>	<u>(12)</u>	<u>122</u>
<b>Earnings from Ongoing Operations</b>	<u>\$ 968</u>	<u>\$ 418</u>	<u>\$ 436</u>	<u>\$ (117)</u>	<u>\$ 1,705</u>

After-Tax (Unaudited) (per share - diluted)	Twelve Months Ended December 31, 2018				
	U.K. Reg.	KY Reg.	PA Reg.	Corp. & Other	Total
<b>Reported Earnings</b>	\$ 1.57	\$ 0.58	\$ 0.61	\$ (0.18)	\$ 2.58
Less: Special Items (expense) benefit:					
Foreign currency economic hedges	0.21				0.21
U.S. tax reform	0.01				0.01
Kentucky state tax reform		(0.01)			(0.01)
IT transformation			(0.01)		(0.01)
Talen litigation costs				(0.01)	(0.01)
Death benefit	(0.01)				(0.01)
<b>Total Special Items</b>	<u>0.21</u>	<u>(0.01)</u>	<u>(0.01)</u>	<u>(0.01)</u>	<u>0.18</u>
<b>Earnings from Ongoing Operations</b>	<u>\$ 1.36</u>	<u>\$ 0.59</u>	<u>\$ 0.62</u>	<u>\$ (0.17)</u>	<u>\$ 2.40</u>

# Reconciliation of PPL's Earnings Forecast



After-Tax (Unaudited) (per share - diluted)	2019 Forecast						
	Midpoint					Forecast Range	
	U.K. Reg.	KY Reg.	PA Reg.	Corp. & Other	Total	High 2019	Low 2019
<b>Estimate of Reported Earnings</b>	\$ 1.37	\$ 0.55	\$ 0.59	\$ (0.14)	\$ 2.37	\$ 2.47	\$ 2.27
Less: Special Items (expense) benefit: <sup>(1)</sup>							
Foreign currency economic hedges	(0.02)				(0.02)	(0.02)	(0.02)
Other	(0.01)				(0.01)	(0.01)	(0.01)
<b>Total Special Items</b>	<u>(0.03)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(0.03)</u>	<u>(0.03)</u>	<u>(0.03)</u>
<b>Forecast of Earnings from Ongoing Operations</b>	<u>\$ 1.40</u>	<u>\$ 0.55</u>	<u>\$ 0.59</u>	<u>\$ (0.14)</u>	<u>\$ 2.40</u>	<u>\$ 2.50</u>	<u>\$ 2.30</u>

(1) Reflects only special items recorded through June 30, 2019. PPL is not able to forecast special items for future periods.

# 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 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 effective 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.