Form 5500

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Annual Return/Report of Employee Benefit Plan

This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6057(b) and 6058(a) of the Internal Revenue Code (the Code).

▸ **Complete all entries in accordance with the instructions to the Form 5500.**

OMB Nos. 1210-0110
1210-0089

2018

This Form is Open to Public Inspection

Part I Annual Report Identification Information

For calendar plan year 2018 or fiscal plan year beginning 01/01/2018 and ending 12/31/2018

A This return/report is for:
- [ ] a multiemployer plan
- [ ] a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions.)
- [X] a single-employer plan
- [ ] a DFE (specify) ____

B This return/report is:
- [ ] the first return/report
- [ ] the final return/report
- [ ] an amended return/report
- [ ] a short plan year return/report (less than 12 months)

C If the plan is a collectively-bargained plan, check here. . . . . ▸ [X]

D Check box if filing under:
- [X] Form 5558
- [ ] automatic extension
- [ ] the DFVC program
- [ ] special extension (enter description)

Part II Basic Plan Information—enter all requested information

1a Name of plan
LOUISVILLE GAS AND ELECTRIC COMPANY BARGAINING EMPLOYEES' RETIREMENT PLAN

1b Three-digit plan number (PN) ▸ 003

1c Effective date of plan
05/01/1940

2a Plan sponsor's name (employer, if for a single-employer plan)
Mailing address (include room, apt., suite no. and street, or P.O. Box)
City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions)

LOUISVILLE GAS & ELECTRIC COMPANY

BENEFITS DEPT - 16TH FLOOR

P.O. BOX 32010
LOUISVILLE, KY 40232-2010

220 WEST MAIN STREET
LOUISVILLE, KY 40202

2b Employer Identification Number (EIN)
61-0264150

2c Plan Sponsor's telephone number
502-627-2000

2d Business code (see instructions)
221100

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	Filed with authorized/valid electronic signature.	10/02/2019	ANGIE GOSMAN, DIRECTOR - HR CORP
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	10/02/2019	ANGIE GOSMAN, DIRECTOR - HR CORP
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

3a Plan administrator's name and address [X] Same as Plan Sponsor

3b Administrator's EIN

3c Administrator's telephone number

4 If the name and/or EIN of the plan sponsor or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report:

a Sponsor's name

c Plan Name

4b EIN

4d PN

5	Total number of participants at the beginning of the plan year	**5**	2180
6	Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines **6a(1), 6a(2), 6b, 6c,** and **6d**).		
a(1)	Total number of active participants at the beginning of the plan year	**6a(1)**	302
a(2)	Total number of active participants at the end of the plan year	**6a(2)**	240
b	Retired or separated participants receiving benefits	**6b**	1274
c	Other retired or separated participants entitled to future benefits	**6c**	324
d	Subtotal. Add lines **6a(2)**, **6b**, and **6c**.	**6d**	1838
e	Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.	**6e**	264
f	Total. Add lines **6d** and **6e**.	**6f**	2102
g	Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g**	
h	Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested	**6h**	0
7	Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	**7**	

8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions:

1A 3H

b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:

9a Plan funding arrangement (check all that apply)

(1) [ ] Insurance
(2) [ ] Code section 412(e)(3) insurance contracts
(3) [X] Trust
(4) [ ] General assets of the sponsor

9b Plan benefit arrangement (check all that apply)

(1) [ ] Insurance
(2) [ ] Code section 412(e)(3) insurance contracts
(3) [X] Trust
(4) [ ] General assets of the sponsor

10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules

(1) [X] **R** (Retirement Plan Information)

(2) [ ] **MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary

(3) [X] **SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary

b General Schedules

(1) [X] **H** (Financial Information)
(2) [ ] **I** (Financial Information – Small Plan)
(3) [ ] ___ **A** (Insurance Information)
(4) [X] **C** (Service Provider Information)
(5) [X] **D** (DFE/Participating Plan Information)
(6) [ ] **G** (Financial Transaction Schedules)

Part III Form M-1 Compliance Information (to be completed by welfare benefit plans)

11a If the plan provides welfare benefits, was the plan subject to the Form M-1 filing requirements during the plan year? (See instructions and 29 CFR 2520.101-2.) .... ☐ Yes ☐ No

If “Yes” is checked, complete lines 11b and 11c.

11b Is the plan currently in compliance with the Form M-1 filing requirements? (See instructions and 29 CFR 2520.101-2.) .... ☐ Yes ☐ No

11c Enter the Receipt Confirmation Code for the 2018 Form M-1 annual report. If the plan was not required to file the 2018 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code______________________

SCHEDULE SB (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Single-Employer Defined Benefit Plan Actuarial Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500 or 5500-SF.**

OMB No. 1210-0110

2018

This Form is Open to Public Inspection

For calendar plan year 2018 or fiscal plan year beginning 01/01/2018 and ending 12/31/2018

▶ **Round off amounts to nearest dollar.**

▶ **Caution:** A penalty of $1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan
LOUISVILLE GAS AND ELECTRIC COMPANY BARGAINING EMPLOYEES' RETIREMENT PLAN

B Three-digit plan number (PN) ▶ 003

C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF
LOUISVILLE GAS & ELECTRIC COMPANY

D Employer Identification Number (EIN)
61-0264150

E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B

F Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500

Part I Basic Information

1 Enter the valuation date: Month 01 Day 01 Year 2018

2 Assets:

a Market value	**2a**	335427833
b Actuarial value	**2b**	321537736

3 Funding target/participant count breakdown	(1) Number of participants	(2) Vested Funding Target	(3) Total Funding Target
a For retired participants and beneficiaries receiving payment	1538	146706301	146706301
b For terminated vested participants	340	41813095	41813095
c For active participants	302	82960501	83401108
d Total	2180	271479897	271920504

4 If the plan is in at-risk status, check the box and complete lines (a) and (b) ☐

a Funding target disregarding prescribed at-risk assumptions	**4a**	
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor	**4b**	
5 Effective interest rate	**5**	5.68 %
6 Target normal cost	**6**	1562905

Statement by Enrolled Actuary

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

SIGN HERE

Signature of actuary | 09/16/2019 Date

JENNIFER A.DELLA PIETRA, ASA, EA
Type or print name of actuary

17-06766
Most recent enrollment number

WILLIS TOWERS WATSON US LLC
Firm name

215-246-6078
Telephone number (including area code)

CENTRE SQUARE EAST
1500 MARKET STREET
PHILADELPHIA, PA 19102
Address of the firm

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions ☐

Part II Beginning of Year Carryover and Prefunding Balances

	(a) Carryover balance	(b) Prefunding balance
7 Balance at beginning of prior year after applicable adjustments (line 13 from prior year)	34316161	0
8 Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	0
9 Amount remaining (line 7 minus line 8)	34316161	0
10 Interest on line 9 using prior year's actual return of 14.28 %	4900348	0
11 Prior year's excess contributions to be added to prefunding balance:		
a Present value of excess contributions (line 38a from prior year)		9429098
b(1) Interest on the excess, if any, of line 38a over line 38b from prior year Schedule SB, using prior year's effective interest rate of 5.87 %		553488
b(2) Interest on line 38b from prior year Schedule SB, using prior year's actual return		0
c Total available at beginning of current plan year to add to prefunding balance		9982586
d Portion of (c) to be added to prefunding balance		0
12 Other reductions in balances due to elections or deemed elections	0	0
13 Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	39216509	0

Part III Funding Percentages

14 Funding target attainment percentage	14	103.82%
15 Adjusted funding target attainment percentage	15	118.24%
16 Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	120.79%
17 If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage.	17	%

Part IV Contributions and Liquidity Shortfalls

18 Contributions made to the plan for the plan year by employer(s) and employees:

(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
01/11/2019	650363	0			
			Totals ► 18(b)	650363	18(c) 0

19 Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:

a Contributions allocated toward unpaid minimum required contributions from prior years	19a	0
b Contributions made to avoid restrictions adjusted to valuation date	19b	0
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c	614464

20 Quarterly contributions and liquidity shortfalls:

a Did the plan have a "funding shortfall" for the prior year? ☐ Yes ☒ No

b If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner? ☐ Yes ☐ No

c If line 20a is "Yes," see instructions and complete the following table as applicable:

Liquidity shortfall as of end of quarter of this plan year			
(1) 1st	(2) 2nd	(3) 3rd	(4) 4th

Part V Assumptions Used to Determine Funding Target and Target Normal Cost

21 Discount rate:					
a Segment rates:	1st segment: 3.92 %	2nd segment: 5.52 %	3rd segment: 6.29 %	☐ N/A, full yield curve used	
b Applicable month (enter code)				**21b**	4
22 Weighted average retirement age				**22**	61

23 Mortality table(s) (see instructions)
Prior regulation: ☐ Prescribed - combined ☐ Prescribed - separate ☐ Substitute
Current regulation: ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute

Part VI Miscellaneous Items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment. ☒ Yes ☐ No

25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment. ☐ Yes ☒ No

26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment. ☒ Yes ☐ No

27 If the plan is subject to alternative funding rules, enter applicable code and see instructions regarding attachment	**27**	

Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years

28 Unpaid minimum required contributions for all prior years	**28**	0
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a)	**29**	0
30 Remaining amount of unpaid minimum required contributions (line 28 minus line 29)	**30**	0

Part VIII Minimum Required Contribution For Current Year

31 Target normal cost and excess assets (see instructions):		
a Target normal cost (line 6)	**31a**	1562905
b Excess assets, if applicable, but not greater than line 31a	**31b**	1562905

32 Amortization installments:	Outstanding Balance	Installment
a Net shortfall amortization installment	0	0
b Waiver amortization installment	0	0

33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month ________ Day ________ Year ________) and the waived amount	**33**	
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)	**34**	0

	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement	0	0	0

36 Additional cash requirement (line 34 minus line 35)	**36**	0
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)	**37**	614464
38 Present value of excess contributions for current year (see instructions)		
a Total (excess, if any, of line 37 over line 36)	**38a**	614464
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	**38b**	0
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)	**39**	0
40 Unpaid minimum required contributions for all years	**40**	0

Part IX Pension Funding Relief Under Pension Relief Act of 2010 (See Instructions)

41 If an election was made to use PRA 2010 funding relief for this plan:

a Schedule elected ☐ 2 plus 7 years ☐ 15 years

b Eligible plan year(s) for which the election in line 41a was made ☐ 2008 ☐ 2009 ☐ 2010 ☐ 2011

SCHEDULE C (Form 5500)	Service Provider Information	OMB No. 1210-0110
Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ **File as an attachment to Form 5500.**	**2018** **This Form is Open to Public Inspection.**

For calendar plan year 2018 or fiscal plan year beginning 01/01/2018 and ending 12/31/2018

A Name of plan
LOUISVILLE GAS AND ELECTRIC COMPANY BARGAINING EMPLOYEES' RETIREMENT PLAN

B Three-digit plan number (PN) ▶ 003

C Plan sponsor's name as shown on line 2a of Form 5500
LOUISVILLE GAS & ELECTRIC COMPANY

D Employer Identification Number (EIN)
61-0264150

Part I Service Provider Information (see instructions)

You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, $5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

1 Information on Persons Receiving Only Eligible Indirect Compensation

a Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions).. . . . . ☐ Yes ☒ No

b If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

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2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, $5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

GOLDMAN SACHS ASSET MANAGEMENT

71 SOUTH WACKER DRIVE
STE. 500
CHICAGO, IL 60606

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
28	INVESTMENT MANAGEMENT	249220	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

FIDELITY INVESTMENTS

04-2647786

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
13 15	RECORDKEEPER	120073	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

TOWERS WATSON PENNSYLVANIA, INC.

23-1159360

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
11	ACTUARIAL	58075	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, $5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	**(c)** Relationship to employer, employee organization, or person known to be a party-in-interest	**(d)** Enter direct compensation paid by the plan. If none, enter -0-.	**(e)** Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	**(f)** Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	**(g)** Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	**(h)** Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	**(c)** Relationship to employer, employee organization, or person known to be a party-in-interest	**(d)** Enter direct compensation paid by the plan. If none, enter -0-.	**(e)** Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	**(f)** Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	**(g)** Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	**(h)** Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	**(c)** Relationship to employer, employee organization, or person known to be a party-in-interest	**(d)** Enter direct compensation paid by the plan. If none, enter -0-.	**(e)** Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	**(f)** Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	**(g)** Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	**(h)** Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

Part I Service Provider Information (continued)

3. If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received $1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation

(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation

(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation

(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.

Part II Service Providers Who Fail or Refuse to Provide Information

4 Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

Part III Termination Information on Accountants and Enrolled Actuaries (see instructions)
(complete as many entries as needed)

a Name:	**b** EIN:
c Position:	
d Address:	**e** Telephone:

Explanation:

a Name:	**b** EIN:
c Position:	
d Address:	**e** Telephone:

Explanation:

a Name:	**b** EIN:
c Position:	
d Address:	**e** Telephone:

Explanation:

a Name:	**b** EIN:
c Position:	
d Address:	**e** Telephone:

Explanation:

a Name:	**b** EIN:
c Position:	
d Address:	**e** Telephone:

Explanation:

SCHEDULE D (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

DFE/Participating Plan Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

2018

This Form is Open to Public Inspection.

For calendar plan year 2018 or fiscal plan year beginning 01/01/2018 and ending 12/31/2018

A Name of plan
LOUISVILLE GAS AND ELECTRIC COMPANY BARGAINING EMPLOYEES' RETIREMENT PLAN

B Three-digit plan number (PN) ▶ 003

C Plan or DFE sponsor's name as shown on line 2a of Form 5500
LOUISVILLE GAS & ELECTRIC COMPANY

D Employer Identification Number (EIN)
61-0264150

Part I Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs)
(Complete as many entries as needed to report all interests in DFEs)

a Name of MTIA, CCT, PSA, or 103-12 IE: PPL SERVICES CORP. MASTER TRUST

b Name of sponsor of entity listed in (a): PPL SERVICES CORPORATION

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
23-3041441-007	M	281373893

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

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a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

Part II **Information on Participating Plans (to be completed by DFEs)**
(Complete as many entries as needed to report all participating plans)

a Plan name
b Name of plan sponsor
c EIN-PN

a Plan name
b Name of plan sponsor
c EIN-PN

a Plan name
b Name of plan sponsor
c EIN-PN

a Plan name
b Name of plan sponsor
c EIN-PN

a Plan name
b Name of plan sponsor
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a Plan name
b Name of plan sponsor
c EIN-PN

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b Name of plan sponsor
c EIN-PN

a Plan name
b Name of plan sponsor
c EIN-PN

a Plan name
b Name of plan sponsor
c EIN-PN

a Plan name
b Name of plan sponsor
c EIN-PN

a Plan name
b Name of plan sponsor
c EIN-PN

a Plan name
b Name of plan sponsor
c EIN-PN

SCHEDULE H (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	# Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ▶ **File as an attachment to Form 5500.**	OMB No. 1210-0110 **2018** **This Form is Open to Public Inspection**

For calendar plan year 2018 or fiscal plan year beginning 01/01/2018 and ending 12/31/2018

A Name of plan LOUISVILLE GAS AND ELECTRIC COMPANY BARGAINING EMPLOYEES' RETIREMENT PLAN	**B** Three-digit plan number (PN) ▶ 003
C Plan sponsor's name as shown on line 2a of Form 5500 LOUISVILLE GAS & ELECTRIC COMPANY	**D** Employer Identification Number (EIN) 61-0264150

Part I Asset and Liability Statement

1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	**1a**		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	**1b(1)**	10000000	650363
(2) Participant contributions	**1b(2)**		
(3) Other	**1b(3)**		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	**1c(1)**		
(2) U.S. Government securities	**1c(2)**		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	**1c(3)(A)**		
(B) All other	**1c(3)(B)**		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	**1c(4)(A)**		
(B) Common	**1c(4)(B)**		
(5) Partnership/joint venture interests	**1c(5)**		
(6) Real estate (other than employer real property)	**1c(6)**		
(7) Loans (other than to participants)	**1c(7)**		
(8) Participant loans	**1c(8)**		
(9) Value of interest in common/collective trusts	**1c(9)**		
(10) Value of interest in pooled separate accounts	**1c(10)**		
(11) Value of interest in master trust investment accounts	**1c(11)**	325445247	281373893
(12) Value of interest in 103-12 investment entities	**1c(12)**		
(13) Value of interest in registered investment companies (e.g., mutual funds)	**1c(13)**		
(14) Value of funds held in insurance company general account (unallocated contracts)	**1c(14)**		
(15) Other	**1c(15)**		

		(a) Beginning of Year	(b) End of Year
1d Employer-related investments:			
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	335445247	282024256
Liabilities			
g Benefit claims payable	1g		
h Operating payables	1h		
i Acquisition indebtedness	1i		
j Other liabilities	1j	93397	172158
k Total liabilities (add all amounts in lines 1g through1j)	1k	93397	172158
Net Assets			
l Net assets (subtract line 1k from line 1f)	1l	335351850	281852098

Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

Income		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: **(A)** Employers	2a(1)(A)	650363	
(B) Participants	2a(1)(B)		
(C) Others (including rollovers)	2a(1)(C)		
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)**	2a(3)		650363
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)		
(F) Other	2b(1)(F)		
(G) Total interest. Add lines **2b(1)(A)** through **(F)**	2b(1)(G)		0
(2) Dividends: **(A)** Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)		
(D) Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)**	2b(2)(D)		0
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: **(A)** Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line **2b(4)(B)** from line **2b(4)(A)** and enter result	2b(4)(C)		0
(5) Unrealized appreciation (depreciation) of assets: **(A)** Real estate	2b(5)(A)		
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines **2b(5)(A)** and **(B)**	2b(5)(C)		0

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		-22882006
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		
c Other income	2c		
d Total income. Add all **income** amounts in column (b) and enter total	2d		-22231643

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	29919303	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines **2e(1)** through **(3)**	2e(4)		29919303
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions)	2g		
h Interest expense	2h		
i Administrative expenses: **(1)** Professional fees	2i(1)		
(2) Contract administrator fees	2i(2)	945110	
(3) Investment advisory and management fees	2i(3)	403696	
(4) Other	2i(4)		
(5) Total administrative expenses. Add lines **2i(1)** through **(4)**	2i(5)		1348806
j Total expenses. Add all **expense** amounts in column (b) and enter total	2j		31268109

Net Income and Reconciliation

k Net income (loss). Subtract line **2j** from line **2d**	2k		-53499752
l Transfers of assets:			
(1) To this plan	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) ☐ Unqualified **(2)** ☐ Qualified **(3)** ☒ Disclaimer **(4)** ☐ Adverse

b Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)? ☒ Yes ☐ No

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: STROTHMAN AND COMPANY PLC **(2)** EIN: 61-1191655

d The opinion of an independent qualified public accountant is **not attached** because:

(1) ☐ This form is filed for a CCT, PSA, or MTIA. **(2)** ☐ It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

4 CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete lines 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete lines 4j and 4l. MTIAs also do not complete line 4l.

During the plan year:		Yes	No	Amount
a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.)	4a		X	
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)	4b		X	

			Yes	No	Amount
c	Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)	4c		X	
d	Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)	4d		X	
e	Was this plan covered by a fidelity bond?	4e	X		500000
f	Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	4f	X		27513
g	Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?	4g		X	
h	Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?	4h		X	
i	Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	4i		X	
j	Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.)	4j		X	
k	Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?	4k		X	
l	Has the plan failed to provide any benefit when due under the plan?	4l		X	
m	If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	4m		X	
n	If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.	4n			

5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year? ☐ Yes ☒ No
If "Yes," enter the amount of any plan assets that reverted to the employer this year ______________.

5b If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)	**5b(2)** EIN(s)	**5b(3)** PN(s)

5c If the plan is a defined benefit plan, is it covered under the PBGC insurance program (See ERISA section 4021.)? ☒ Yes ☐ No ☐ Not determined
If "Yes" is checked, enter the My PAA confirmation number from the PBGC premium filing for this plan year 4160432. (See instructions.)

SCHEDULE R (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Retirement Plan Information

This schedule is required to be filed under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

2018

This Form is Open to Public Inspection.

For calendar plan year 2018 or fiscal plan year beginning 01/01/2018 and ending 12/31/2018

A Name of plan
LOUISVILLE GAS AND ELECTRIC COMPANY BARGAINING EMPLOYEES' RETIREMENT PLAN

B Three-digit plan number (PN) ▶ 003

C Plan sponsor's name as shown on line 2a of Form 5500
LOUISVILLE GAS & ELECTRIC COMPANY

D Employer Identification Number (EIN)
61-0264150

Part I Distributions

All references to distributions relate only to payments of benefits during the plan year.

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions **1** 0

2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits):

EIN(s): 04-3275867 ______________

Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.

3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year **3** 39

Part II Funding Information

(If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part.)

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? .... ☐ Yes ☒ No ☐ N/A

If the plan is a defined benefit plan, go to line 8.

5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. **Date:** Month ______ Day ______ Year ______

If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.

6 a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived) **6a**

b Enter the amount contributed by the employer to the plan for this plan year **6b**

c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount) **6c**

If you completed line 6c, skip lines 8 and 9.

7 Will the minimum funding amount reported on line 6c be met by the funding deadline? .... ☐ Yes ☐ No ☐ N/A

8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change? .... ☐ Yes ☐ No ☒ N/A

Part III Amendments

9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box. .... ☒ Increase ☐ Decrease ☐ Both ☐ No

Part IV ESOPs

(see instructions). If this is not a plan described under section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.

10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan? .... ☐ Yes ☐ No

11 a Does the ESOP hold any preferred stock? .... ☐ Yes ☐ No

b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.) .... ☐ Yes ☐ No

12 Does the ESOP hold any stock that is not readily tradable on an established securities market? .... ☐ Yes ☐ No

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _______ Day _______ Year _______

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) ____________
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _______ Day _______ Year _______

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) ____________
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): ______________________________

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _______ Day _______ Year _______

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) ____________
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): ______________________________

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _______ Day _______ Year _______

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) ____________
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): ______________________________

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _______ Day _______ Year _______

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) ____________
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): ______________________________

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _______ Day _______ Year _______

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) ____________
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): ______________________________

14 Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:

a The current year	**14a**	
b The plan year immediately preceding the current plan year	**14b**	
c The second preceding plan year	**14c**	

15 Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

a The corresponding number for the plan year immediately preceding the current plan year	**15a**	
b The corresponding number for the second preceding plan year	**15b**	

16 Information with respect to any employers who withdrew from the plan during the preceding plan year:

a Enter the number of employers who withdrew during the preceding plan year	**16a**	
b If line 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers	**16b**	

17 If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

18 If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment ☐

19 If the total number of participants is 1,000 or more, complete lines (a) through (c)

a Enter the percentage of plan assets held as:

Stock: 31 % Investment-Grade Debt: 39 % High-Yield Debt: 6 % Real Estate: 3 % Other: 21 %

b Provide the average duration of the combined investment-grade and high-yield debt:

☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☒ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

c What duration measure was used to calculate line 19(b)?

☐ Effective duration ☐ Macaulay duration ☒ Modified duration ☐ Other (specify):

Report on Audits of Financial Statements

2018

Louisville Gas and Electric Company
Bargaining Employees' Retirement Plan
EIN: 61-0264150 Plan: 003

December 31, 2018 and 2017

Strothman+Co

Louisville Gas and Electric Company
Bargaining Employees' Retirement Plan
December 31, 2018 and 2017

Table of Contents

Strothman and Company
Certified Public Accountants and Advisors
1600 Waterfront Plaza
325 West Main Street
Louisville, KY 40202
502 585 1600

Independent Auditors' Report

Strothman+Co

PPL Corporation Employee Benefits Plan Board
Louisville Gas and Electric Company
Bargaining Employees' Retirement Plan
Louisville, Kentucky

Report on the Financial Statements

We were engaged to audit the financial statements of the Louisville Gas and Electric Company Bargaining Employees' Retirement Plan (the "Plan"), which comprise the statements of net assets available for benefits as of December 31, 2018 and 2017 and the related statements of changes in net assets available for benefits for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Plan management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on conducting the audit in accordance with auditing standards generally accepted in the United States of America. Because of the matter described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

As permitted by 29 CFR 2520.103-8 of the Department of Labor's ("DOL") Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the Plan Administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 7, which was certified by The Bank of New York Mellon, the Trustee of the Plan, except for comparing the information with the related information included in the financial statements. We have been informed by the Plan Administrator that The Bank of New York Mellon held the Plan's investment assets and executed investment transactions. The Plan Administrator has obtained a certification from the Trustee as of and for the years ended December 31, 2018 and 2017, that the information provided to the Plan Administrator by the Trustee is complete and accurate.

Disclaimer of Opinion

Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient, appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on these financial statements.

Report on Form and Content in Compliance With DOL Rules and Regulations

The form and content of the information included in the financial statements, other than that derived from the information certified by the Trustee, has been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the DOL's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

Strothman and Company

Louisville, Kentucky
September 17, 2019

Louisville Gas and Electric Company Bargaining Employees' Retirement Plan

Statements of Net Assets Available for Benefits
as of December 31, 2018 and 2017

	2018	2017
Assets:		
Investments, at fair value		
Plan interest in PPL Services Corporation Master Trust	$281,373,893	$325,445,247
Total investments, at fair value	281,373,893	325,445,247
Receivables:		
Employer's contribution receivable	650,363	10,000,000
Total receivables	650,363	10,000,000
Total assets	282,024,256	335,445,247
Liabilities:		
Accrued administrative expenses	172,158	93,397
Net assets available for benefits	$ 281,852,098	$ 335,351,850

The accompanying notes are an integral part of these financial statements.

Louisville Gas and Electric Company Bargaining Employees' Retirement Plan

Statements of Changes in Net Assets Available for Benefits
for the years ended December 31, 2018 and 2017

	2018	2017
Additions:		
Plan interest in Master Trust net appreciation	$ (22,882,006)	$ 43,629,164
Employer's contribution	650,363	10,000,000
Total additions	(22,231,643)	53,629,164
Deductions:		
Benefits paid	29,919,303	33,839,102
Administrative expenses	1,348,806	1,847,401
Total deductions	31,268,109	35,686,503
Net increase (decrease)	(53,499,752)	17,942,661
Net assets available for benefits, beginning of year	335,351,850	317,409,189
Net assets available for benefits, end of year	$ 281,852,098	$ 335,351,850

The accompanying notes are an integral part of these financial statements.

Note 1 - Description of the Plan

The following description of the Louisville Gas and Electric Company Bargaining Employees' Retirement Plan (the "Plan") provides only general information. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

(a) General – LG&E and KU Energy is a wholly owned subsidiary of PPL and a holding company that owns regulated utility operations through its subsidiaries, Louisville Gas and Electric Company (the "Company") and Kentucky Utilities Company. The following brief description of the Plan is provided for general information purposes only. Participants should refer to the Plan document for more complete information. The Plan, a non-contributory defined benefit plan, covers all full-time employees of the Company hired before January 1, 2006 who are members of Local 2100 of the International Brotherhood of Electrical Workers ("IBEW") and have completed one year of credited service. The Company elected to freeze enrollment into the Plan effective January 1, 2006; however, current participants continue to accrue benefits and to be credited for purposes of vesting. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA"), as amended.

The PPL Corporation Employee Benefits Plan Board (the "EBPB") has oversight responsibility for the Plan. The EBPB determines the appropriateness of the Plan's investment offerings and monitors investment performance.

All Plan assets are invested in the PPL Services Corporation Master Trust (the "Master Trust") and are held by The Bank of New York Mellon (the "Trustee").

(b) Pension and Death Benefits - Participants retiring within the periods shown below receive the following dollar amount per month (the Plan was amended with the amounts below effective on the dates shown) times the number of years of credited service (to a maximum of 30 years):

Pay Grade	Effective January 1, 2018 Dollar Multiplier	Effective January 1, 2017 Dollar Multiplier
1-5	$85	$82
6-9	$99	$97
10-14	$107	$105

In all cases, normal retirement age is 65. The Plan permits early retirement at the earlier of age 55 or 30 years of service, with an actuarial reduction in benefits for retirees less than 60 years of age.

The normal form of payment is a single life annuity for an unmarried participant and a reduced 50% joint and survivor annuity for married participants. Participants may also elect a lump-sum payment at the time of retirement. An alternative monthly benefit form of payment includes a monthly benefit for the lifetime of the member, and upon the member's death, a monthly benefit is paid to a beneficiary in an amount one-half (1/2), two-thirds (2/3), three-fourths (3/4), or equally as great as the member's monthly benefit received during the member's lifetime, as elected by the member at the time of retirement. If this alternative monthly benefit form of payment is elected, the member's monthly benefit received during the member's lifetime is actuarially adjusted for the payment to the beneficiary upon the member's death.

Note 2 - Summary of Significant Accounting Policies

(a) Basis of Accounting **-** The accompanying financial statements are prepared on the accrual basis of accounting.

(b) Use of Estimates **-** The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and changes therein, disclosure of contingent assets and liabilities, and the actuarial present value of accumulated plan benefits at the date of the financial statements. Actual results could differ from those estimates.

(c) Investment Valuation and Income Recognition **-** The Plan's investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 6 for discussion of fair value measurements.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation/depreciation includes the Plan's gains and losses on investments bought and sold as well as held during the year.

(d) Actuarial Present Value of Accumulated Plan Benefits **-** Accumulated plan benefits are those future periodic payments which are attributable under the Plan's provisions to the service employees have rendered. Accumulated plan benefits include benefits expected to be paid to a) retired or terminated employees or their beneficiaries, b) beneficiaries of employees who have died, and c) present employees or their beneficiaries. Benefits under the Plan are described in Note 1. Benefits payable under all circumstances – retirement, death, disability and termination of employment – are included, to the extent they are deemed attributable to employee service rendered to the valuation date.

The actuarial present value of accumulated plan benefits is determined by an actuary. The present value is calculated by applying a discount rate to reflect the time value of money of the expected benefit payments between the valuation date and the expected date of payment. The expected benefit payments are determined using assumptions concerning the probability of payment due to death, disability, withdrawal and retirement.

The significant actuarial assumptions used in the valuations as of January 1, 2018 and 2017 are shown below:

Discount Rate:	For 2018: 3.65%
	For 2017: 4.13%
Investment return:	For 2018: 7.25% compounded annually
	For 2017: 7.00% compounded annually
Mortality:	For 2018: The mortality assumption reflects the RP-2014 gender specific healthy employee and healthy annuitant mortality tables with blue collar adjustment (removing MP-2014 improvement projections from 2006- 2014), increased by 10%, and applying Scale MP-2017 mortality improvements from 2006 on a generational basis.
	For 2017: The mortality assumption reflects the RP-2014 gender specific healthy employee and healthy annuitant mortality tables with blue collar adjustment (removing MP-2014 improvement projections from 2006- 2014), increased by 7%, and applying Scale BB 2- Dimensional mortality improvements from 2006 on a generational basis.
Retirement rates:	For 2018: 3% at ages 55 - 56, 4% at age 57, 5% at age 58, 10% at age 59, 20% at ages 60 - 61, 35% at age 62, 25% at ages 63 - 64, 50% at ages 65 - 68 and 100% at age 69 and above
	For 2017: 3% at ages 55 - 56, 4% at age 57, 5% at age 58, 10% at age 59, 20% at ages 60 - 61, 35% at age 62, 25% at ages 63 - 64, 50% at ages 65 - 67 and 100% at age 68 and above

The actuarial present value of accumulated plan benefits as of January 1, follows:

	2018	2017
Vested benefits:		
Active participants	$ 78,982,530	$ 95,203,682
Inactive participants with deferred benefits	32,758,876	36,294,350
Inactive participants receiving benefits	121,072,987	122,173,378
Nonvested benefits	3,679,756	400,096
Total actuarial present value of accumulated plan benefits	$ 236,494,149	$ 254,071,506

The actuarial present value of changes in accumulated plan benefits for the year follows:

Balance as of January 1, 2017	$ 254,071,506
Benefits accumulated	647,809
Actuarial losses	1,867,548
Decrease in the discount period	16,645,983
Benefits paid	(33,839,102)
Assumption changes	(7,660,800)
Plan amendments	4,761,205
Net decrease	(17,577,357)
Balance as of January 1, 2018	$ 236,494,149

The foregoing actuarial assumptions are based on the presumption that the Plan will continue. Were the Plan to terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of accumulated plan benefits. The computations of the actuarial present value of accumulated plan benefits were made as of January 1, 2018 and 2017.

(e) Payment of Benefits – Benefit payments to participants are recorded upon distribution.

(f) Administrative Expenses – The Plan's expenses are paid either by the Plan or the Company, as provided by the Plan document. Expenses that are paid directly by the Company are excluded from these financial statements. Certain expenses incurred in connection with the general administration of the Plan that are paid by the Plan are recorded as deductions in the accompanying Statement of Changes in Net Assets Available for Benefits. In addition, certain investment related expenses are included in plan interest in Master Trust appreciation (depreciation) presented in the accompanying Statement of Changes in Net Assets Available for Benefits.

(g) Date of Management's Review – Subsequent events were evaluated through September 17, 2019, the date the financial statements were available to be issued.

Note 3 - Funding Policy

The Company's policy is to make contributions equal to the greater of the minimum required contributions, as calculated under the Pension Protection Act of 2006 ("PPA"), or the amount of the ASC 715 pension expense. Additionally, contributions will be made to maintain a minimum 80% PPA funded status in order to avoid financial penalties levied by the Pension Benefit Guarantee Corporation ("PBGC"). The Company funded the Plan $650,363 in January 2019. This contribution was accrued in the financial statements at December 31, 2018. The Plan met the ERISA minimum funding requirements for the years ended December 31, 2018 and 2017.

Although it has not expressed any intention to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions set forth in ERISA.

Note 4 - Plan Termination

In the event the Plan terminates, the net assets of the Plan will be allocated, as prescribed by ERISA and its related regulations, generally to provide the following benefits in the order indicated:

(a) Annuity benefits that former employees or their beneficiaries have been receiving for at least three years or that employees eligible to retire for that three-year period would have been receiving if they had retired with benefits in the normal form of annuity under the Plan. The priority amount is limited to the lowest benefit that was payable (or would have been payable) during those three years. The amount is further limited to the lowest benefit that would be payable under Plan provisions in effect at any time during the five years preceding Plan termination.
(b) Other vested benefits insured by the PBGC, up to the applicable limitations.
(c) All other vested benefits (i.e., vested benefits not insured by the PBGC).
(d) All non-vested benefits.

Certain benefits under the Plan are insured by the PBGC if the Plan terminates. Generally, the PBGC guarantees most vested normal age retirement benefits, early retirement benefits and certain disability and survivor's pensions. However, the PBGC does not guarantee all types of benefits under the Plan, and the amount of benefit protection is subject to certain limitations. Vested benefits under the Plan are guaranteed at the level in effect on the date of the Plan's termination.

Whether all participants receive their benefits should the Plan terminate at some future time will depend on the sufficiency, at that time, of the Plan's net assets to provide for accumulated benefit obligations. It may also depend on the financial condition of the Company and the level of benefits guaranteed by the PBGC.

Note 5 – Investments

The Plan's investments are held by the Trustee. At December 31, 2018 and 2017, all assets were invested in the Master Trust.

Note 6 – Fair Value Measurements

FASB ASC 820, *Fair Value Measurements and Disclosures*, provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Level 1 – Inputs consist of unadjusted quoted prices in active markets for identical assets

Level 2 – Inputs consist of observable inputs other than quoted prices for identical assets; and

Level 3 – Inputs are unobservable.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

There have been no changes in the methodologies used at December 31, 2018 and 2017.

The following is a description of the valuation methodologies used to measure Plan assets at fair value:

Commingled Equity and Debt Funds: Investments in commingled equity and debt funds are categorized as equity securities. Investments in commingled equity funds include funds that invest in U.S. and international equity securities. Investments in commingled debt funds include funds that invest in a diversified portfolio of emerging market debt obligations, as well as funds that invest in investment grade long-duration fixed-income securities.

Equity Securities: The market approach is used to measure the fair value of equity securities. The fair value measurements of equity securities (excluding commingled funds), which are generally classified as Level 1, are based on quoted prices in active markets. These securities represent actively and passively managed investments that are managed against various equity indices.

Debt Securities: The fair value measurements of debt securities are generally based on evaluations that reflect observable market information, such as actual trade information for identical securities or for similar securities, adjusted for observable differences. The fair value of debt securities is generally measured using a market approach, including the use of pricing models, which incorporate observable inputs. Common inputs include benchmark yields, relevant trade data, broker/dealer bid/ask prices, benchmark securities and credit valuation adjustments. When necessary, the fair value of debt securities is measured using the income approach, which incorporates similar observable inputs as well as payment data, future predicted cash flows, collateral performance and new issue data. For the Master Trust, these securities represent investments in securities issued by U.S. Treasury and U.S. government sponsored agencies; investments securitized by residential mortgages, auto loans, credit cards and other pooled loans; investments in investment grade and non-investment grade bonds issued by U.S. companies across several industries; investments in debt securities issued by foreign governments and corporations.

Real Estate: Investments in real estate represent an investment in a partnership whose purpose is to manage investments in core U.S. real estate properties diversified geographically and across major property types (e.g., office, industrial, retail, etc.). The strategy is focused on properties with high occupancy rates with quality tenants. This results in a focus on high income and stable cash flows with appreciation being a secondary factor. Core real estate generally has a lower degree of leverage when compared with more speculative real estate investing strategies. The partnership has limitations on the amounts that may be redeemed based on available cash to fund redemptions. Additionally, the general partner may decline to accept redemptions when necessary to avoid adverse consequences for the partnership, including legal and tax implications, among others. The fair value of the investment is based upon a partnership unit value.

Private Equity: Investments in private equity represent interests in partnerships in multiple early-stage venture capital funds and private equity fund of funds that use a number of diverse investment strategies. The partnerships have limited lives of at least 10 years, after which liquidating distributions will be received. Prior to the end of each partnership's life, the investment cannot be redeemed with the partnership; however, the interest may be sold to other parties, subject to the general partner's approval. The Master Trust has unfunded commitments of $71 million that may be required during the lives of the partnerships. Fair value is based on an ownership interest in partners' capital to which a proportionate share of net assets is attributed.

Hedge Funds: Investments in hedge funds represent investments in a fund of hedge funds. Hedge funds seek a return utilizing a number of diverse investment strategies. The strategies, when combined, aim to reduce volatility and risk while attempting to deliver positive returns under most market conditions. Major investment strategies for the fund of hedge funds include long/short equity, tactical trading, event driven, and relative value. Shares may be redeemed with 45 days with prior written notice. The fund is subject to short term lockups and other restrictions. The fair value for the fund has been estimated using the Net Asset Value ("NAV") per share.

Derivative Instruments: The fair value measurements of derivative instruments utilize various inputs that include quoted prices for similar contracts or market-corroborated inputs. In certain instances, these instruments may be valued using models, including standard option valuation models and standard industry models. These securities primarily represent investments in treasury futures, total return swaps, interest rate swaps and swaptions (the option to enter into an interest rate swap), which are valued based on quoted prices, changes in the value of the underlying exposure or on the swap details, such as swap curves, notional amount, index and term of index, reset frequency, volatility and payer/receiver credit ratings.

Insurance Contracts: Classified as Level 3, insurance contracts represent an investment in an immediate participation guaranteed group annuity contract. The fair value is based on contract value, which represents cost plus interest income less distributions for benefit payments and administrative expenses.

The preceding methods used to measure fair value may produce an amount that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Note 7 – Interest in the Master Trust

A Master Trust is a trust in which assets of more than one plan sponsored by a single employer under common control are held. The investment strategy for the Master Trust is to achieve a risk-adjusted return on a mix of assets that, in combination with the Company's funding policy, will ensure that sufficient assets are available to provide long-term growth and liquidity for benefit payments, while also managing the duration of the assets to complement the duration of the liabilities. The Master Trust benefits from a wide diversification of asset types, investment fund strategies and external investment fund managers, and therefore has no significant concentration of risk.

The value of the Plan's interest in the Master Trust is based on the beginning of year value of the Plan's interest in the Master Trust plus actual contributions and allocated investment income less actual distributions and allocated administrative expenses. The fair value of this Plan's interest in the net assets of the Master Trust was approximately 9% as of December 31, 2018 and 2017. Investment income and administrative expenses relating to the Master Trust are allocated to the Plan based upon average monthly balances invested by each plan.

The following table represents the assets, including investments, of the Master Trust as of December 31:

	2018	2017
Cash and cash equivalents	$ 220,019,336	$ 300,528,692
Equity securities	1,508,145,261	1,742,791,845
Debt securities	1,127,839,528	1,078,051,292
Derivatives	32,781,947	50,929,499
Alternative investments	330,447,464	364,728,232
Insurance contracts	20,830,556	24,117,863
Subtotal Master Trust Investments, at fair value	3,240,064,092	3,561,147,423
Receivables and (payables), net	(1,951,708)	71,712,079
401(h) accounts restricted for other postretirement benefit obligations	(129,602,495)	(145,253,067)
Total Master Trust Net Pension Assets	$ 3,108,509,889	$ 3,487,606,435
Plan Interest in Master Trust	$ 281,373,893	$ 325,445,247

Investment income for the Master Trust for the years ended December 31 is as follows:

	2018	2017
Net appreciation/(depreciation) in fair value of investments	$ (325,441,908)	$ 395,764,599
Interest	61,080,134	70,899,246
Dividends	8,468,266	10,337,720
Total Master Trust Investment Income	$ (255,893,508)	$ 477,001,565

The above tables of assets and investment income included in the accompanying financial statements were obtained from data that has been prepared and certified to as complete and accurate by the Trustee.

The closing prices reported in the active markets in which the securities are traded are used to value the investments in the Master Trust.

The following table sets forth by level, within the fair value hierarchy, the Master Trust's fair value measurements at December 31, 2018:

	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	$ 220,019,336			$ 220,019,336
Equity securities:				
U.S.	159,469,774			159,469,774
International equity	505		$ 25,559	26,064
Debt securities:				
U.S. Treasury/U.S. Govt sponsored agency	211,528,838	$ 563,202		212,092,040
Corporate		873,688,528	25,141,273	898,829,801
Other		16,808,066	109,621	16,917,687
Insurance			20,830,556	20,830,556
Derivatives		32,781,947		32,781,947
				-
	591,018,453	923,841,743	46,107,009	1,560,967,205
Equity securities at NAV (a)				805,989,299
Commingled equity and debt funds at NAV (a)				542,660,124
Alternative investments at NAV (a)				330,447,464
Total Master Trust Investments	$ 591,018,453	$ 923,841,743	$ 46,107,009	$ 3,240,064,092

(a) In accordance with accounting guidance, certain investments that are measured at fair value using the net asset value per share ("NAV") or its equivalent practical expedient have not been classified in the fair value hierarchy.

The following table sets forth by level, within the fair value hierarchy, the Master Trust's fair value measurements at December 31, 2017:

	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	$ 300,528,692			$ 300,528,692
Equity securities:				
U.S.	229,415,711		$ 6,634	229,422,345
International equity	525		25,739	26,264
Debt securities:				
U.S. Treasury/U.S. Govt sponsored agency	185,253,157	$ 1,094		185,254,251
Corporate		870,485,945	12,524,984	883,010,929
Other		9,782,970	3,142	9,786,112
Derivatives:				
Interest rate swaps and swaptions		50,485,815		50,485,815
Other		443,684		443,684
Insurance contracts			24,117,863	24,117,863
	715,198,085	931,199,508	36,678,362	1,683,075,955
Equity securities at NAV (a)				902,569,276
Commingled equity and debt funds at NAV (a)				610,773,960
Alternative investments at NAV (a)				364,728,232
Total Master Trust Investments	$ 715,198,085	$ 931,199,508	$ 36,678,362	$ 3,561,147,423

(a) In accordance with accounting guidance, certain investments that are measured at fair value using the net asset value per share ("NAV") or its equivalent practical expedient have not been classified in the fair value hierarchy.

Changes in Fair Value Levels

The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another. In such instances, the transfer is reported at the end of the reporting period value.

We evaluated the significance of transfers between levels based upon the nature of the financial instrument and size of the transfer relative to total net assets available for benefits.

A reconciliation of Master Trust assets classified as Level 3 at December 31, 2018 is as follows:

	Equity Securities	Debt Securities	Insurance Contracts	Total
Balance at beginning of period	$ 32,373	$ 12,528,126	$ 24,117,863	$ 36,678,362
Actual return on plan assets:				
Relating to assets still held at the reporting date	(180)	(1,980,252)	1,172,262	(808,170)
Relating to assets sold during the period	(1,461)	2,979,114		2,977,653
Purchases	-	19,258,276	(4,459,569)	14,798,707
Sales	(5,173)	(7,534,370)		(7,539,543)
Balance at the end of period	$ 25,559	$ 25,250,894	$ 20,830,556	$ 46,107,009

A reconciliation of the Master Trust assets classified as Level 3 at December 31, 2017 is as follows:

	Equity Securities	Debt Securities	Insurance Contracts	Total
Balance at beginning of period		$ 12,660,418	$ 27,049,643	$ 39,710,061
Actual return on plan assets:				
Relating to assets still held at the reporting date		(1,629,044)	1,203,176	(425,868)
Relating to assets sold during the period		3,202,241		3,202,241
Purchases, sales and settlements		(1,534,215)	(4,134,956)	(5,669,171)
Transfers from Level 2 to Level 3	32,373			32,373
Transfers from Level 3 to Level 2		(171,274)		(171,274)
Balance at the end of period	$ 32,373	$ 12,528,126	$ 24,117,863	$ 36,678,362

Note 8 – Plan Amendment

Effective January 1, 2018, the Plan was amended as a result of completed Union negotiations. The Plan was revised to reflect new pay grade multipliers in the calculation of monthly pension and death benefits. The effect of this amendment was a $5 million increase to accumulated plan benefits.

Note 9 - Tax Status

The Internal Revenue Service has determined and informed the Company in a letter dated August 7, 2015 that the Plan and related trust are designed in accordance with applicable sections of the Internal Revenue Code ("IRC"). Although the Plan has been amended since receiving the determination letter, the Plan Administrator and the Plan's tax counsel believe that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC.

Note 10 - Risks and Uncertainties

The Plan invests in various investment securities. Investment securities are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the Statements of Net Assets Available for Benefits.

The actuarial present value of accumulated plan benefits are reported based on certain assumptions pertaining to interest rates and employee demographics, both of which are subject to change. Due to uncertainties inherent in the assumptions process, it is at least reasonably possible that changes in these assumptions in the near term would be material to the financial statements.

Note 11 - Information Certified by the Trustee

The Plan's investments are maintained by the Trustee. The EBPB has elected the method of compliance permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, as permitted under such election, the Plan Administrator instructed the Plan's independent public auditors not to perform any auditing procedures with respect to information certified as complete and accurate by the Trustee, except for comparing such information certified by the Trustee to information included in the Plan's financial statements. Information certified by the Trustee includes investments, interest and dividend income and net appreciation and depreciation in investments.

Note 12 – New Accounting Pronouncements

In February 2017, the FASB issued Accounting Standards Update No. 2017-06, *Plan Accounting: Defined Benefit Pension Plans (Topic 960), Defined Contribution Pension Plans (Topic 962), and Health and Welfare Benefit Plans (Topic 965) Employee Benefit Plan Master Trust Reporting ("ASU No. 2017-06").* ASU No. 2017-06 requires additional disclosures for employee benefit plan's interest in a master trust. ASU No. 2017-06 is effective for the Plan for years beginning after December 15, 2018, with early adoption permitted. Management is currently evaluating the impact of the pending adoption of ASU No. 2017-06 on the Plan's financial statements.

SCHEDULE SB (Form 5500)	Single-Employer Defined Benefit Plan Actuarial Information	OMB No. 1210-0110
Department of the Treasury Internal Revenue Service		2018
Department of Labor Employee Benefits Security Administration	This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code).	This Form is Open to Public Inspection
Pension Benefit Guaranty Corporation	▶ **File as an attachment to Form 5500 or 5500-SF.**	

For calendar plan year 2018 or fiscal plan year beginning 01/01/2018 and ending 12/31/2018

▶ **Round off amounts to nearest dollar.**

▶ **Caution:** A penalty of $1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan LOUISVILLE GAS AND ELECTRIC COMPANY BARGAINING EMPLOYEES' RETIREMENT PLAN	**B** Three-digit plan number (PN) ▶ 003
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF LOUISVILLE GAS & ELECTRIC COMPANY	**D** Employer Identification Number (EIN) 61-0264150

E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B

F Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500

Part I Basic Information

1 Enter the valuation date: Month 01 Day 01 Year 2018

2 Assets:

a Market value	2a	335,427,833
b Actuarial value	2b	321,537,736

3 Funding target/participant count breakdown	(1) Number of participants	(2) Vested Funding Target	(3) Total Funding Target
a For retired participants and beneficiaries receiving payment	1,538	146,706,301	146,706,301
b For terminated vested participants	340	41,813,095	41,813,095
c For active participants	302	82,960,501	83,401,108
d Total	2,180	271,479,897	271,920,504

4 If the plan is in at-risk status, check the box and complete lines (a) and (b) ☐

a Funding target disregarding prescribed at-risk assumptions	4a	
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor	4b	
5 Effective interest rate	5	5.68%
6 Target normal cost	6	1,562,905

Statement by Enrolled Actuary

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

SIGN HERE Jennifer A. Della Pietra — 9/16/2019

Signature of actuary — Date

Jennifer A. Della Pietra, ASA, EA — 1706766

Type or print name of actuary — Most recent enrollment number

Willis Towers Watson US LLC — 215-246-6078

Firm name — Telephone number (including area code)

Centre Square East
1500 Market Street
Philadelphia PA 19102-4790

Address of the firm

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions ☐

Part II Beginning of Year Carryover and Prefunding Balances

		(a) Carryover balance	(b) Prefunding balance
7	Balance at beginning of prior year after applicable adjustments (line 13 from prior year)	34,316,161	0
8	Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	0
9	Amount remaining (line 7 minus line 8)	34,316,161	0
10	Interest on line 9 using prior year's actual return of 14.28%	4,900,348	0
11	Prior year's excess contributions to be added to prefunding balance:		
	a Present value of excess contributions (line 38a from prior year)		9,429,098
	b(1) Interest on the excess, if any, of line 38a over line 38b from prior year Schedule SB, using prior year's effective interest rate of 5.87%		553,488
	b(2) Interest on line 38b from prior year Schedule SB, using prior year's actual return		0
	c Total available at beginning of current plan year to add to prefunding balance		9,982,586
	d Portion of (c) to be added to prefunding balance		0
12	Other reductions in balances due to elections or deemed elections	0	0
13	Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	39,216,509	0

Part III Funding Percentages

14	Funding target attainment percentage	14	103.82%
15	Adjusted funding target attainment percentage	15	118.24%
16	Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	120.79%
17	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage.	17	%

Part IV Contributions and Liquidity Shortfalls

18 Contributions made to the plan for the plan year by employer(s) and employees:

(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
01/11/2019	650,363	0			
			Totals ► 18(b)	650,363	18(c) 0

19 Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:

a Contributions allocated toward unpaid minimum required contributions from prior years	19a	0
b Contributions made to avoid restrictions adjusted to valuation date	19b	0
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c	614,464

20 Quarterly contributions and liquidity shortfalls:

a Did the plan have a "funding shortfall" for the prior year? ☐ Yes ☒ No

b If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner? ☐ Yes ☐ No

c If line 20a is "Yes," see instructions and complete the following table as applicable:

Liquidity shortfall as of end of quarter of this plan year			
(1) 1st	(2) 2nd	(3) 3rd	(4) 4th

Part V Assumptions Used to Determine Funding Target and Target Normal Cost

21 Discount rate:

	1st segment:	2nd segment:	3rd segment:	
a Segment rates:	3.92 %	5.52 %	6.29%	☐ N/A, full yield curve used

b Applicable month (enter code)	**21b**	4
22 Weighted average retirement age	**22**	61

23 Mortality table(s) (see instructions)
- Prior regulation: ☐ Prescribed - combined ☐ Prescribed - separate ☐ Substitute
- Current regulation: ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute

Part VI Miscellaneous Items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment. ☒ Yes ☐ No

25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment. ☐ Yes ☒ No

26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment. ☒ Yes ☐ No

27 If the plan is subject to alternative funding rules, enter applicable code and see instructions regarding attachment	**27**	

Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years

28 Unpaid minimum required contributions for all prior years	**28**	0
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a)	**29**	0
30 Remaining amount of unpaid minimum required contributions (line 28 minus line 29)	**30**	0

Part VIII Minimum Required Contribution For Current Year

31 Target normal cost and excess assets (see instructions):

a Target normal cost (line 6)	**31a**	1,562,905
b Excess assets, if applicable, but not greater than line 31a	**31b**	1,562,905

32 Amortization installments:	Outstanding Balance	Installment
a Net shortfall amortization installment	0	0
b Waiver amortization installment	0	0

33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month ______ Day ______ Year ______) and the waived amount	**33**	0
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)	**34**	0

	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement	0	0	0

36 Additional cash requirement (line 34 minus line 35)	**36**	0
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)	**37**	614,464

38 Present value of excess contributions for current year (see instructions)

a Total (excess, if any, of line 37 over line 36)	**38a**	614,464
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	**38b**	0
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)	**39**	0
40 Unpaid minimum required contributions for all years	**40**	0

Part IX Pension Funding Relief Under Pension Relief Act of 2010 (See Instructions)

41 If an election was made to use PRA 2010 funding relief for this plan:

a Schedule elected ☐ 2 plus 7 years ☐ 15 years

b Eligible plan year(s) for which the election in line 41a was made ☐ 2008 ☐ 2009 ☐ 2010 ☐ 2011

Schedule SB, Line 22
Description of Weighted Average Retirement Age
as of January 1, 2018

Each employee is assumed to retire in accordance with the table of retirement rates. The proportion of employess expected to retire at each potential retirement age is shown below. The average retirement age is 61.

(A)	(B)	(C)	(D)	(E)
Age	Retirement Rate	Hypothetical Number of Employees	Number of Employees Retiring (B)*(C)	(A)*(D)
55	3.00%	10,000	300	16,500
56	3.00%	9,700	291	16,296
57	4.00%	9,409	376	21,453
58	5.00%	9,033	452	26,195
59	10.00%	8,581	858	50,628
60	20.00%	7,723	1545	92,675
61	20.00%	6,178	1236	75,376
62	35.00%	4,943	1730	107,256
63	25.00%	3,213	803	50,600
64	25.00%	2,410	602	38,553
65	50.00%	1,807	904	58,733
66	50.00%	904	452	29,818
67	50.00%	452	226	15,135
68	50.00%	226	113	7,680
69	100.00%	113	113	7,793

Total			10,000	614,690
Average (rounded)				61

Plan Name: LG&E Bargaining Employees' Retirement Plan
EIN / PN: 61-0264150/003
Plan Sponsor: Louisville Gas & Electric Company
Valuation Date January 1, 2018

Schedule SB, Line 24
Change in Actuarial Assumptions

Changes in Assumptions and Methods

Change in assumptions since prior valuation

The segment interest rates used to calculate the funding target and target normal cost were updated to the current valuation date as required by IRC 430.

The mortality table used to calculate the funding target and target normal cost was updated to reflect the new tables, based on RP-2014 and subsequent Society of Actuaries studies, published by IRS in October 2017 in regulation §1.430(h)(3)-1.

The mortality table used to calculate lump sums for the purpose of calculating the funding target and target normal cost was updated to the "applicable mortality table" under IRC §417(e) provided in IRS Notice 2017-60.

The assumed plan-related expenses added to the target normal cost were changed from $700,000 for the prior valuation to $800,000 for the current valuation to account for higher expected expenses to be paid from the trust.

A demographic experience study was performed during 2017, and as a result assumed rates of retirement and disability were changed to better reflect anticipated future experience.

SCHEDULE SB ATTACHMENTS

Schedule SB, Line 26
Schedule of Active Participant Data as of January 1, 2018

Attained Age	Attained Years of Credited Service									
	< 5	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40 & Over	Total
Under 25	0	0	0	0	0	0	0	0	0	0
25-29	0	0	0	0	0	0	0	0	0	0
30-34	0	0	1	0	0	0	0	0	0	1
35-39	0	0	5	17	0	0	0	0	0	22
40-44	0	0	9	24	1	0	0	0	0	34
45-49	0	0	2	24	2	0	0	0	0	28
50-54	0	0	5	12	4	0	14	1	0	36
55-59	0	0	0	10	0	1	20	54	5	90
60-64	0	0	2	2	0	0	14	36	31	85
65-69	0	0	0	0	0	0	0	1	4	5
70 & over	0	0	0	0	0	0	0	0	1	1
Total	0	0	24	89	7	1	48	92	41	302
Average:	Age		54							
	Service		29							

Plan Name:	LG&E Bargaining Employees' Retirement Plan
EIN / PN:	61-0264150/003
Plan Sponsor:	Louisville Gas & Electric Company
Valuation Date	January 1, 2018

Schedule SB – Statement by Enrolled Actuary

Plan Sponsor	Louisville Gas & Electric Company
EIN/PN	61-0264150/003
Plan Name	LG&E Bargaining Employees' Retirement Plan
Valuation Date	January 1, 2018
Enrolled Actuary	Jennifer A. Della Pietra, ASA, EA
Enrollment Number	17-06766

The actuarial assumptions that are not mandated by IRC § 430 and regulations, represent the enrolled actuary's best estimate of anticipated experience under the plan, subject to the following conditions:

The actuarial valuation, on which the information in this Schedule SB is based, has been prepared in reliance upon the employee and financial data furnished by the plan administrator and the trustee. The enrolled actuary has not made a rigorous check of the accuracy of this information but has accepted it after reviewing it and concluding it is reasonable in relation to similar information furnished in previous years. The amounts of contributions and dates paid shown in Item 18 of Schedule SB were listed in reliance on information provided by the plan administrator and/or trustee.

Schedule SB, Part V
Statement of Actuarial Assumptions/Methods

Economic Assumptions

Interest rate basis

Applicable month	September
Interest rate basis	3-Segment Rates

Interest rates	**Reflecting Corridors**	**Not Reflecting Corridors**
First segment rate	3.92%	1.75%
Second segment rate	5.52%	3.76%
Third segment rate	6.29%	4.66%
Effective interest rate	5.68%	N/A

Annual rates of increase

Compensation:	N/A
Future Social Security wage bases	N/A
Statutory limits on compensation	N/A

Administrative Expenses Average of the past three years' non-investment expenses paid from the trust, plus current year's PBGC premiums, rounded to the nearest $100,000; $800,000 for 2018.

Demographic Assumptions

Inclusion date The valuation date coincident with or next following the date on which the employee becomes a participant.

New or rehired employees It was assumed there will be no new or rehired employees.

Mortality

- **Healthy and disabled** — Separate rates for non-annuitants (based on RP-2014 “Employees” table without collar or amount adjustments, adjusted backward to 2006 with MP-2014, and then projected forward with a static projection as specified in the regulations under §1.430(h)(3)-1 using Scale MP-2016) and annuitants (based on RP-2014 “Healthy Annuitants” table without collar or amount adjustments, adjusted backward to 2006 with MP-2014, and then projected forward with a static projection as specified in the regulations under §1.430(h)(3)-1 using Scale MP-2016).

Termination

Rates varying by age.

SOA Hourly Union Termination Table

Representative Termination Rates

Percentage leaving during the year	
Attained Age	**Withdrawal**
30	2.70%
35	2.20
40	1.70
45	1.40
50	1.10
55	0.00

Disability

Flat rate of 0.5% for all ages.

Retirement

Rates varying by age

Percentage retiring during the year	
Attained Age	**Percentage**
55	3.0%
56	3.0
57	4.0
58	5.0
59	10.0
60	20.0
61	20.0
62	35.0
63-64	25.0
65-68	50.0
69 and above	100.0

Benefit commencement date:

■	Preretirement death benefit	The later of the death of the active participant or the date the participant would have attained age 55
■	Deferred vested benefit	For employees who terminate on or after January 1, 2004, age 58; for employees who terminated before January 1, 2004, age 60.
■	Disability benefit	Normal Retirement Date
■	Retirement benefit	Upon termination of employment on or after age 55

Form of payment	50% of participants are assumed to elect a lump sum form of payment under the plan when eligible. Lump sums were valued using the substitution of annuity form, under IRS Regulation §1.430(d)-1(f)(4) without application of generational mortality. The remaining 50% are assumed to elect an annuity form of payment. Married participants are assumed to elect a 50% joint & survivor annuity; single participants are assumed to elect a life annuity.
Percent married	75% of males and females.
Spouse age	Wife three years younger than husband.
Timing of benefit payments	Annuity payments are payable monthly at the beginning of the month.

SCHEDULE SB ATTACHMENTS

Methods

Valuation date	First day of the Plan Year (January 1)
Funding target	Present value of accrued benefits as required by regulations under IRC §430.
Target normal cost	Present value of benefits expected to accrue during the plan year plus plan-related expenses expected to be paid from plan assets during the plan year as required by regulations under IRC §430
Actuarial value of assets for determining minimum required contributions	Average of the fair market value of assets on the valuation date and 12 and 24 months preceding the valuation date, adjusted for contributions, benefits, administrative expenses and expected earnings of 7.00% for the 2016 plan year and 7.00% for the 2017 plan year (with such expected earnings limited as described in IRS Notice 2009-22). The average asset value must be within 10% of market value, including discounted contributions receivable (discounted using the effective interest rate for the 2017 plan year). The method of computing the actuarial value of assets complies with rules governing the calculation of such values under the Pension Protection Act of 2006 (PPA). These rules produce smoothed values that reflect the underlying market value of plan assets but fluctuate less than the market value. As a result, the actuarial value of assets will be lower than the market value in some years and greater in other years. However, over the long term under PPA's smoothing rules, the method has a significant bias to produce an actuarial value of assets that is below the market value of assets.

Assumptions Rationale – Significant Economic Assumptions for Contributions

Discount rate	The basis chosen was selected by the plan sponsor from among choices prescribed by law, all of which are based on observed market data over certain periods of time.
Lump sum conversion rate	As required by IRC §430, lump sum benefits are valued using “annuity substitution”, so that the interest rates assumed are effectively the same as described above for discount rate.
Administrative expenses	Administrative expenses are estimated by determining the average of the past three years’ non-investment expenses paid from the trust, plus current year’s PBGC premiums, rounded to the nearest $100,000; $800,000 for 2018.

Plan Name:	LG&E Bargaining Employees' Retirement Plan
EIN / PN:	61-0264150/003
Plan Sponsor:	Louisville Gas & Electric Company
Valuation Date	January 1, 2018

SCHEDULE SB ATTACHMENTS

Assumptions Rationale – Significant Demographic Assumptions

Healthy Mortality	Assumptions were selected by the plan sponsor and, as required by U.S. GAAP represents a best estimate of future experience. Assumption used for funding purposes are as prescribed by IRC §430(h).
Disabled Mortality	Assumptions used for accounting purposes were selected by the plan sponsor and, as required by U.S. GAAP represent a best estimate of future experience. Assumptions used for funding purposes are as prescribed by IRC §430(h).
Termination	Termination rates were based on an experience study conducted in 2017, with annual consideration of whether any conditions have changed that would be expected to produce different results in the future.
Disability	Disability rates were based on an experience study conducted in 2017, with annual consideration of whether any conditions have changed that would be expected to produce different results in the future.
Retirement	Retirement rates were based on an experience study conducted in 2017 with annual consideration of whether any conditions have changed that would be expected to produce different results in the future.
Benefit commencement date for deferred benefits:	
■ Preretirement death benefit	Surviving spouses are assumed to begin benefits at the earliest permitted commencement date because ERISA requires benefits to start then unless the spouse elects to defer. If the spouse elects to defer, actuarial increases from the earliest commencement date must be given, so that a later commencement date is expected to be of approximately equal value, and experience indicates that most spouses do take the benefit as soon as it is available.
■ Deferred vested benefit	Deferred vested participants' assumed commencement ages were based on an experience study conducted in 2017, with annual consideration of whether any conditions have changed that would be expected to produce different results in the future.
Form of payment	The percentage of retiring participants assumed to take joint and survivor annuities, and the assumed survivor percentages, are based on an experience study conducted in 2017.
Percent married	The assumed percentage married is based on the percentage married observed among recent retirees.

Plan Name:	LG&E Bargaining Employees' Retirement Plan
EIN / PN:	61-0264150/003
Plan Sponsor:	Louisville Gas & Electric Company
Valuation Date	January 1, 2018

Spouse age	The assumed age difference for spouses is based on the age difference observed among recent retirees.

Source of Prescribed Methods

Funding methods	The methods used for funding purposes as described in Appendix A, including the method of determining plan assets, are “prescribed methods set by law”, as defined in the actuarial standards of practice (ASOPs). These methods are required by IRC §430, or were selected by the plan sponsor from a range of methods permitted by IRC §430.

SCHEDULE SB ATTACHMENTS

Changes in Assumptions and Methods

Change in assumptions since prior valuation	The segment interest rates used to calculate the funding target and target normal cost were updated to the current valuation date as required by IRC 430. The mortality table used to calculate the funding target and target normal cost was updated to reflect the new tables, based on RP-2014 and subsequent Society of Actuaries studies, published by IRS in October 2017 in regulation §1.430(h)(3)-1. The mortality table used to calculate lump sums for the purpose of calculating the funding target and target normal cost was updated to the “applicable mortality table” under IRC §417(e) provided in IRS Notice 2017-60. The assumed plan-related expenses added to the target normal cost were changed from $700,000 for the prior valuation to $800,000 for the current valuation to account for higher expected expenses to be paid from the trust. A demographic experience study was performed during 2017, and as a result assumed rates of retirement and disability were changed to better reflect anticipated future experience.
Change in methods since prior valuation	None

Schedule SB, Part V
Summary of Plan Provisions

Plan Provisions

Original plan effective May 1, 1940. The plan was amended and restated effective January 1, 2002. Most recent amendment adopted in 2017 and effective January 1, 2018.

Covered employees

Employees who are members of the International Brotherhood of Electrical Workers, Local 2100.

Participation date

After completion of 12 consecutive months that the employee is credited with at least 1,000 Hours of Service, an employee becomes a member on the first day of the following month.

Employee hired or rehired after December 31, 2005 will not be eligible to participate in the plan.

Definitions

Credited and vesting service

Number of years of continuous employment with the company.

Normal retirement date (NRD)

The first day of the month coincident with or immediately following an employee's sixty-fifth (65) birthday.

Monthly pension benefit

For retirement on or after January 1, 2001 and before January 1, 2004, a member will receive the following dollar amount per month per year of service to a maximum of 30 years:

Pay grade	Dollar multiplier
1-5	$50
6-9	58
10-14	62

For retirement on or after January 1, 2004 and before January 1, 2005, a member will receive the following dollar amount per month per year of service to a maximum of 30 years:

Pay grade	Dollar multiplier
1-5	$50
6-9	61
10-14	66

For retirement on or after January 1, 2005 and before January 1, 2006, a member will receive the following dollar amount per month per year of service to a maximum of 30 years:

Pay grade	Dollar multiplier
1-5	$55
6-9	66
10-14	70

For retirement on or after January 1, 2006 and before January 1, 2007, a member will receive the following dollar amount per month per year of service to a maximum of 30 years:

Pay grade	Dollar multiplier
1-5	$59
6-9	69
10-14	73

For retirement on or after January 1, 2007 and before January 1, 2008, a member will receive the following dollar amount per month per year of service to a maximum of 30 years:

Pay grade	Dollar multiplier
1-5	$61
6-9	72
10-14	76

For retirement on or after January 1, 2008 and before January 1, 2009, a member will receive the following dollar amount per month per year of service to a maximum of 30 years:

Pay grade	Dollar multiplier
1-5	$63
6-9	74
10-14	80

For retirement on or after January 1, 2009 and before January 1, 2010, a member will receive the following dollar amount per month per year of service to a maximum of 30 years:

Pay grade	Dollar multiplier
1-5	$65
6-9	76
10-14	83

For retirement on or after January 1, 2010 and before January 1, 2011, a member will receive the following dollar amount per month per year of service to a maximum of 30 years:

Pay grade	Dollar multiplier
1-5	$67
6-9	79
10-14	86

For retirement on or after January 1, 2011 and before January 1, 2012, a member will receive the following dollar amount per month per year of service to a maximum of 30 years:

Pay grade	Dollar multiplier
1-5	$70
6-9	82
10-14	89

For retirement on or after January 1, 2012 and before January 1, 2013, a member will receive the following dollar amount per month per year of service to a maximum of 30 years:

Pay grade	Dollar multiplier
1-5	$72
6-9	85
10-14	91

For retirement on or after January 1, 2013 and before January 1, 2014, a member will receive the following dollar amount per month per year of service to a maximum of 30 years:

Pay grade	Dollar multiplier
1-5	$74
6-9	87
10-14	94

For retirement on or after January 1, 2014 and before January 1, 2015, a member will receive the following dollar amount per month per year of service to a maximum of 30 years:

Pay grade	Dollar multiplier
1-5	$76
6-9	90
10-14	97

For retirement on or after January 1, 2015 and before January 1, 2016, a member will receive the following dollar amount per month per year of service to a maximum of 30 years:

Pay grade	Dollar multiplier
1-5	$79
6-9	92
10-14	100

For retirement on or after January 1, 2016 and before January 1, 2017, a member will receive the following dollar amount per month per year of service to a maximum of 30 years:

Pay grade	Dollar multiplier
1-5	$80
6-9	94
10-14	102

For retirement on or after January 1, 2017 and before January 1, 2018, a member will receive the following dollar amount per month per year of service to a maximum of 30 years:

Pay grade	Dollar multiplier
1-5	$82
6-9	97
10-14	105

For retirement on or after January 1, 2018 and before January 1, 2019, a member will receive the following dollar amount per month per year of service to a maximum of 30 years:

Pay grade	Dollar multiplier
1-5	$85
6-9	99
10-14	107

For retirement on or after January 1, 2019 and before January 1, 2020, a member will receive the following dollar amount per month per year of service to a maximum of 30 years:

Pay grade	Dollar multiplier
1-5	$87
6-9	102
10-14	110

For retirement on or after January 1, 2020, a member will receive the following dollar amount per month per year of service to a maximum of 30 years:

Pay grade	Dollar multiplier
1-5	$89
6-9	104
10-14	113

SCHEDULE SB ATTACHMENTS

Eligibility for Benefits

Normal retirement — The first day of the month coincident with or immediately following an employee's sixty-fifth (65) birthday.

Early retirement — The first day of the month coincident with or immediately following termination of employment subsequent to an employee's attaining the earlier of age 55 or 30 years of service.

Postponed retirement — The first day of any month, subsequent to a member's sixty-fifth birthday, in which such member terminates employment

Vested termination — An employee is eligible for a termination benefit upon attaining age 55 or completing 5 years of service.

Disability — An employee is eligible for a disability benefit upon eligibility for LTD benefits and becoming disabled on or after January 1, 2004.

Benefits Paid Upon the Following Events

Normal retirement — The Monthly pension benefit

Early retirement — The member receives a reduced monthly retirement income based upon his accrued retirement income at the date of early retirement multiplied by a percentage in accordance with the following table:

Percentage of benefit payable			
Age of retirement	For retirements before 1/1/2004	For retirements on or after 1/1/2004 and before 1/1/2015	For retirements on or after 1/1/2015
62-65	100%	100.00%	100.00%
61	96	96.00	100.00
60	92	92.00	100.00
59	86	86.56	96.00
58	80	81.60	92.00
57	74	77.04	86.56
56	68	72.96	81.60
55	62	69.20	77.04
54	56	65.20	72.96
53	50	61.20	69.20
52	44	57.20	65.20
51	38	53.20	61.20
50	32	49.20	57.20
49	26	45.20	53.20
48	20	41.20	49.20

Postponed retirement — A monthly income, payable for life and commencing on his late retirement date based upon his dollar multiplier and credited service as of his late retirement date.

Vested termination

A monthly annuity, payable at his normal retirement date, equal to his accrued benefit at date of termination. A reduced accrued benefit can be payable at an early retirement date if such member elects early retirement in accordance with the following table:

	Percentage of benefit payable	
Age of retirement	For terminations before 1/1/2004	For terminations after 1/1/2004
65	100%	100.00%
64	89	100.00
63	79	100.00
62	71	100.00
61	64	96.00
60	57	92.00
59	52	86.56
58	47	81.60
57	42	77.04
56	38	72.96
55	35	69.20

Disablement

A monthly benefit payable at his normal retirement date calculated with continued accrual of service.

Preretirement death

After completion of 20 years of service or after completion of 15 years of service and attainment of age 50. If married, a death benefit equal to 50% of the member's Monthly pension benefit is payable for the life of the member's spouse. If unmarried, a death benefit equal to 84% of the member's Monthly pension benefit is payable for 60 months to the member's non-spouse beneficiary. If a member who has attained age 55 but has less than 15 years of service should die, the death benefit payable to his spouse is equal to one half of the benefit payable if he had elected to retire the day he died and chosen the joint and one-half to spouse form of payment. If a member dies prior to attaining age 55, but after completing 5 years of service, his spouse (if any) is entitled to a benefit commencing at the time the participant could have retired, if still living, and equal to 50% survivor benefits payable at retirement.

SCHEDULE SB ATTACHMENTS

Other Plan Provisions

Normal forms of payment	Unmarried Participants	A single life annuity.
	Married Participants	A reduced joint and 50% survivor annuity.

Additional forms of payment

Single life annuity, 50% Joint & survivor, 66 2/3% Joint & survivor, 75% Joint & survivor, 100% Joint & survivor, Level income annuity (to age 62 or 65) with or without joint & survivor benefit, Lump sum.

A participant may also elect that his benefits payable under any joint & survivor form of payment be restored to the amount that the participant would have received under the normal form of payment in the event that the beneficiary pre-deceases the spouse.

Optional form conversion factors

For non-417(e) forms of payment – Based on the mortality table in Revenue Ruling 2001-62 and the 30-year Treasury rate for the second month before the annuity starting date.

For 417(e) forms of payment – Based on the PPA mortality and three tiered segment rates for the second month before the annuity starting date. Effective September 1, 2014, the segment rates are based on the second month before the first day of the calendar quarter of the annuity starting date.

Maximum on benefits and pay

Annual benefits may not exceed the limits in IRC Section 415. This limit is indexed annually. For 2018, the benefit limit is $220,000.

Future Plan Changes

No future plan changes were recognized in determining pension cost or in determining minimum and maximum contributions.

Changes in Benefits Valued Since Prior Year

The plan was amended to increase the dollar multipliers effective January 1, 2018, January 1, 2019 and January 1, 2020. There were no other plan changes since the prior valuation.