

# PPL Corporation Discloses Exposure in Enron Situation

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ALLENTOWN, Pa.

PPL Corporation (NYSE: PPL) today (Nov. 30) said it has a current net exposure of less than \$10 million with Enron Corp. from trading activities. Additionally, if Enron does not fulfill its contractual obligations, PPL has a "mark to market" exposure in future years that averages about \$6 million annually under several long-term electricity supply contracts that extend through 2006. PPL has discontinued sales to Enron and has requested collateral from Enron, as provided by the terms of its energy sales agreements.

(Photo: <http://www.newscom.com/cgi-bin/prnh/19981015/PHTH025> )

John Biggar, executive vice president and chief financial officer of PPL Corporation, noted that the company plans to increase its reserve related to its credit exposure to Enron to appropriate levels. "Even with this increased reserve," said Biggar, "we are reaffirming our earnings forecast in excess of \$4.00 per share for 2001." This would be the highest annual earnings in the company's history. For 2002, PPL continues to forecast little, if any, change in that level of earnings per share.

In a related matter, PPL's United Kingdom affiliate, Western Power Distribution (WPD), is a 15 percent equity investor in the 1,800-megawatt Teesside Power Station, located in northern England. Enron participates through its European affiliates as an owner, an operator and a power purchaser of the project. It is undeterminable at this point what effect, if any, Enron's circumstances could have on Teesside's operational and financial performance. WPD's total investment in Teesside is approximately 46 million pounds, or approximately \$66 million, based on current exchange rates. PPL owns a 51 percent economic interest in WPD, and its partner, Mirant Corporation, owns the remaining 49 percent interest.

PPL Corporation, headquartered in Allentown, Pa., generates electricity at power plants in Pennsylvania, Maine and Montana; markets wholesale or retail energy in 42 U.S. states and Canada; and delivers energy to nearly 6 million customers in Pennsylvania, the United Kingdom and Latin America.

Certain statements contained in this news release, including statements with respect to future earnings, are "forward-looking statements" within the meaning of the federal securities laws. Although PPL Corp. believes that the expectations and assumptions reflected in these forward-looking statements are reasonable, these statements involve a number of risks and uncertainties, and actual results may differ materially from the results discussed in the statements. The following are among the important factors that could cause actual results to differ materially from the forward-looking statements: market demand and prices for energy, capacity and fuel; weather variations affecting customer energy usage; competition in retail and wholesale power markets; the effect of any business or industry restructuring; the profitability and liquidity of PPL Corp. and its subsidiaries; new accounting requirements or new interpretations or applications of existing requirements; operating performance of plants and other facilities; environmental conditions and requirements; system conditions and operating costs; development of new projects, markets and technologies; performance of new ventures; political, regulatory or economic conditions in countries where PPL Corp. or its subsidiaries conduct business; receipt of necessary governmental approvals; capital market conditions; stock price performance; foreign exchange rates; and the commitments and liabilities of PPL Corp. and its subsidiaries. Any such forward-looking statements should be considered in light of such factors and in conjunction with PPL Corp.'s Form 10-K and other reports on file with the Securities and Exchange Commission.

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