

# **PPL Has Reviewed U.K. Regulator's Initial Price Proposal; Report is Next Step in Regulatory Process; Final Decision Not Expected Until November**

PRNewswire-FirstCall  
ALLENTOWN, Pa.

PPL Corporation (NYSE: PPL) has reviewed today's initial distribution price control proposal by the Office of Gas and Electricity Markets (Ofgem), the entity that regulates Western Power Distribution (WPD), PPL's electricity distribution company in the United Kingdom.

The report is the latest step in the ongoing price review of WPD and other regulated electricity delivery companies in the U.K. The price review is conducted by Ofgem every five years.

"This is a long and complex process involving a multitude of issues," said John R. Biggar, PPL's executive vice president and chief financial officer. "Today's consultation document will lead to further discussion, with a final decision on WPD's rates in November." New price controls would take effect in April 2005.

"WPD ranks at the top in each of the 'quality of supply' categories considered by the regulator," said Biggar. "In this consultation document, Ofgem indicates that increased emphasis on customer service and reliability will be recognized in the review process."

Biggar said the increased emphasis on performance and reliability is appropriate and encouraging, particularly by singling out WPD for an additional revenue reward of 1 percent based on its reliability performance. He noted, however, that it is not yet clear how the regulator's final decision will translate into WPD's revenues.

The full Ofgem report can be accessed at <http://www.ofgem.co.uk/>.

As a next step, WPD and Ofgem will exchange additional information, resulting in an updated document from the regulator in September. A final decision from Ofgem is expected in November.

WPD serves 2.5 million customers in Southwest England and South Wales. PPL gained sole ownership and total control of WPD in September 2002.

PPL expects its international segment, which includes WPD, to contribute about 20 percent of PPL Corporation's forecasted 2004 earnings from ongoing operations. "At this time, we see nothing in the Ofgem proposal that would cause PPL to change its long-term forecast of compound annual earnings growth, which is 3 percent to 5 percent," Biggar said.

PPL Corporation, headquartered in Allentown, Pa., controls more than 12,000 megawatts of generating capacity in the United States, sells energy in key U.S. markets and delivers electricity to nearly 5 million customers in Pennsylvania, the United Kingdom and Latin America. More information is available at <http://www.pplweb.com/>.

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 Corporation 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 Corporation 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

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SOURCE: PPL Corporation

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