

PPL to More Than Double Its Western U.S. Generating Capacity

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Continuing the expansion of its unregulated electrical generating capacity, PPL Corp. (NYSE: PPL) announced Monday (12/4) that its development subsidiary will build power plants in Washington State and Arizona, bringing 1,800 megawatts of new electricity supply to the Western U.S.

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

"These new power plants will expand our ability to provide much-needed electricity to customers in 14 Western states -- and they will do so with clean-burning natural gas," said Paul T. Champagne, president of PPL Global, LLC, the development subsidiary of PPL Corp. "The addition of these power plants will more than double PPL's generating capacity in the Western U.S., a key region in PPL's development plans."

Champagne said that PPL Global has signed an agreement to purchase Starbuck Power Company, L.L.C., from Northwest Power Enterprises, Inc., which will transfer the ownership and development rights for a 1,200-megawatt gas-fired, combined cycle power plant to be built in eastern Washington.

Steven Strasser, president and chief executive officer of Northwest Power Enterprises, said he is pleased that the Starbuck project will be developed by a company -- PPL -- that already is a significant electricity generator in the Pacific Northwest. "PPL has the resources to follow through on this project, which will help alleviate the shortage of electricity in the Northwest," Strasser said.

Starbuck Power Company has begun a review process conducted by the Washington State Energy Facility Site Evaluation Council and by the Bonneville Power Authority, as the first steps in obtaining the necessary approvals to build the plant near the town of Starbuck in Columbia County, Wash.

The facility, which will be called PPL Starbuck, is expected to be in service as early as 2004. It will use air-cooled condensers instead of water cooling and will have state of the art emission control technology, Champagne said. Once in service, the plant is expected to employ about 40 people.

Champagne also announced that PPL Global is developing a 600-megawatt gas-fired plant in Pinal County, Ariz., which will operate during times of intermediate and high demand for electricity. "This facility, PPL Sundance Energy, is uniquely positioned to serve the growing demands of the Phoenix metropolitan area," said Champagne.

PPL Sundance, expected to be in operation to meet the summer 2002 peak, will use combustion turbines that PPL recently agreed to acquire from General Electric. "We agreed to acquire these turbines, which can be installed rapidly at a very economical cost, so that we would have the flexibility to aggressively pursue attractive projects like Sundance," said Champagne.

In October, PPL announced the signing of an agreement with General Electric providing for the acquisition of 30 LM6000 combustion turbines with an option to acquire up to an additional 36 units. With the announcement of the Sundance project, Champagne indicated that PPL's present plans call for it to acquire turbines beyond the firm purchase order of 30 units.

All major PPL Sundance permit applications have been filed with the various federal, state and local agencies, and a hearing before the Arizona Corporation Commission's Power Plant and Transmission Line Siting Committee will be held this week.

Champagne said PPL is concentrating its generation expansion program in the Eastern and Western regions of the country. Today's announcement, he said, brings the company about two-thirds of the way to its objective of controlling 20,000 megawatts by the middle of this decade.

The company owns more than 8,000 megawatts of capacity in Pennsylvania and about 90 megawatts of

capacity in Maine. Electricity from these facilities is marketed in the Mid-Atlantic and Northeast regions.

In addition, PPL is developing these facilities in the East:

- A 250-megawatt plant in Wallingford, Conn., expected to be in service by mid-2001.
- A 600-megawatt plant in Lower Mount Bethel, Pa., expected to be in service by early 2003.
- More than 900 megawatts of capacity at five small plant sites in eastern Pennsylvania, expected to be in service by 2003.
- About 300 megawatts of capacity in New York State, expected to be in service by 2003.

In addition to the Western market projects announced today, PPL owns about 1,156 megawatts in Montana; and it is developing Griffith Energy, near Kingman, Ariz., a 600-megawatt facility of which PPL will own 300 megawatts. The Griffith plant is expected to be in service by mid-2001.

"PPL is expanding in regions where there is an urgent need for new energy supply and where we feel that we can work well with the local community," said Champagne. "We are concentrating our efforts in the East, where we already are one of the largest suppliers, and in the West, where we established a base of operations in Montana last year.

"With more than eight decades of experience in the electricity generation business, PPL is well positioned not only to develop and build high-quality power plants, but to operate them safely and with a high degree of reliability," said Champagne.

Champagne said development of PPL Starbuck is expected to cost about \$600 million and the development of PPL Sundance, about \$300 million. Both are expected to be accretive to PPL Corp. earnings in the first year of operation.

PPL Corp., 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 electricity to nearly 6 million customers in Pennsylvania, in the United Kingdom and in Latin America.

During the third quarter of 2000, PPL's stock price had the third-highest growth rate among stocks in the S&P 500.

(maps showing the location of PPL's Western and Eastern power plants are available at PPL's news media website at: pplnewsroom.com)

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