

PPL Completes Acquisition of Additional Share in Pennsylvania Power Plant

PRNewswire
ALLENTOWN, Pa.

PPL Corp. (NYSE: PPL) announced Monday (1/8) that it has completed its purchase of 83 megawatts of additional generating capacity at the Conemaugh Generating Station near Johnstown, Pa.

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

PPL and Allegheny Energy, Inc. (NYSE: AYE) closed on an agreement that was announced last May, under which the two companies jointly acquired 166 megawatts, or 9.72 percent of Conemaugh's capacity, from Potomac Electric Power Co. (NYSE: POM). PPL already owns an 11.39 percent interest in the two-unit 1,711-megawatt Conemaugh facility. The 83-megawatt addition brings PPL's ownership to 16.25 percent.

William F. Hecht, PPL Corp. chairman, president and chief executive officer, said this purchase marks another step in the company's ongoing efforts to control 20,000 megawatts of generating capacity in key U.S. markets by the middle of this decade.

"As one of the original joint owners of Conemaugh, we are pleased to add this additional generation to our growing portfolio. After three decades of involvement with this well-run, low-cost facility, we know that this purchase is a positive step in our generation expansion program," said Hecht.

PPL currently owns nearly 10,000 megawatts of generation in Pennsylvania, Maine and Montana.

It also is developing about 4,000 megawatts of new capacity in the Northeastern and Western United States. Those projects are:

- A 250-megawatt plant in Wallingford, Conn.
- A 600-megawatt plant in Lower Mount Bethel, Pa.
- More than 900 megawatts of capacity at five small plant sites in eastern Pennsylvania.
- About 300 megawatts of capacity in New York State.
- A 600-megawatt plant near Kingman, Ariz., of which PPL will own 300 megawatts.
- A 1,200-megawatt plant near Starbuck, Washington.
- A 600-megawatt plant near Phoenix, Ariz.

PPL's generation expansion strategy provides it with electricity to sell into unregulated wholesale markets, such as sales to utilities, which -- in turn -- deliver power to end-users.

"Our generation expansion strategy, which anticipated the growing need for electricity in select U.S. markets, has led to record earnings growth for PPL," said Hecht. "We foresee continuing growth in the demand for electricity in the regions where we are expanding our generation capacity."

The purchase price of PPL's portion of the Conemaugh acquisition is approximately \$78 million, including inventory and capital expenditures. PPL also said the acquisition will be immediately accretive to earnings.

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.

Certain statements contained in this news release, including statements with respect to future earnings and generating capacity, 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; performance of new ventures; political, regulatory or economic conditions; capital market conditions; 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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