

PPL to Seek License for Possible Third Nuclear Unit in Northeast Pennsylvania

UniStar to Prepare Application Based on AREVA Reactor Design

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ALLENTOWN, Pa.

PPL Corporation (NYSE: PPL) announced Wednesday (12/19) that one of its subsidiaries will ask the U.S. Nuclear Regulatory Commission to approve a combined license to construct and operate a new generating unit near the Susquehanna nuclear power plant near Berwick, Pa.

PPL has contracted with an affiliate of UniStar Nuclear Energy, a joint venture of Constellation Energy and EDF, to prepare the application, which will be based on AREVA's U.S. Evolutionary Power Reactor design.

While PPL has not yet decided to move forward with construction, it plans to file a license application by the end of 2008. This time frame will help preserve the potential for federal production tax credits and federal loan guarantees.

William H. Spence, PPL's executive vice president and chief operating officer, said a decision on whether to proceed with construction of a new nuclear unit will depend on a number of factors.

"PPL would not undertake nuclear construction alone," Spence said. "Because of the large capital commitment required, we would proceed with nuclear construction only as part of some type of joint venture arrangement."

While PPL is in talks regarding possible joint venture arrangements, Spence said, it would be premature to discuss details of those initiatives at this time.

PPL selected the UniStar and the U.S. Evolutionary Power Reactor design for several key reasons, according to Bryce L. Shriver, the PPL executive overseeing development of the company's nuclear strategy. The design is based on long-proven pressurized water reactor technology, and it includes robust safety systems, he said.

Contracting with UniStar gives PPL the opportunity to be part of a standardized fleet of U.S. Evolutionary Power Reactors, all sharing the same design and operating procedures. This standardization will enhance prospects for safe and reliable operation because it will allow for sharing of best practices and other information across a wide industry base.

PPL does not expect the cost of the licensing effort to impact its forecasts of earnings from ongoing operations.

The project is being developed by a PPL Corporation subsidiary, PPL Nuclear Development, LLC, which, along with UniStar, is evaluating preliminary tests already performed to determine suitability of the proposed location.

"A possible third nuclear unit is just one part of PPL's comprehensive plan to grow our generation portfolio," Spence said. He noted that the company also is considering acquiring or constructing coal, hydroelectric, natural gas and renewable energy facilities.

"Given the growing concerns about global climate change and the rising need for new power plants in the Northeast region, it makes sense for PPL to pursue a license for a third nuclear unit -- for the benefit of electricity users in the mid-Atlantic region and for the shareowners of PPL," Spence said.

If a third nuclear unit is built near Berwick, it would create thousands of construction jobs and hundreds of new permanent jobs, and would increase the contribution PPL already makes to the economic health of the Berwick area and the surrounding region, Spence said.

PPL's two existing nuclear units, totaling 2,360 megawatts, are owned jointly by PPL Susquehanna, LLC and Allegheny Electric Cooperative Inc., and are operated by PPL Susquehanna.

UniStar Nuclear Energy, a strategic joint venture between Constellation Energy (NYSE: CEG) and EDF, is based

in Baltimore. The company provides the licensing, construction and operating services needed to support the expansion of clean, safe and sustainable nuclear energy in the United States.

With 40 locations across the nation and nearly \$2 billion in energy revenues in 2006, AREVA Inc., through its subsidiaries, combines U.S. leadership, access to worldwide expertise and a proven track record of performance. AREVA Inc. is headquartered in Bethesda, Md.

The EDF Group is the leading electricity producer in Europe. It is involved in supplying energy and services to close to 40 million customers around the world, including more than 28 million in France.

PPL Corporation, headquartered in Allentown, Pa., controls more than 11,000 megawatts of generating capacity in the United States, sells energy in key U.S. markets and delivers electricity to about 4 million customers in Pennsylvania and the United Kingdom. More information is available at www.pplweb.com.

Certain statements contained in this news release, including statements with respect to future earnings, growth, corporate strategy and generation, 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: political, legislative, regulatory or economic developments and conditions; new accounting requirements or new interpretations or applications of existing requirements; the profitability and liquidity of PPL Corporation and its subsidiaries; capital markets; and receipt of necessary governmental approvals. Any such forward-looking statements should be considered in light of such factors and in conjunction with PPL Corporation's Form 10-K and other reports on file with the Securities and Exchange Commission.

EDITOR'S NOTE: Visit PPL's media Web site at www.pplnewsroom.com for additional news and background about the corporation and its subsidiaries.

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