

# PPL Adds More Than 1,000 Megawatts of Generating Capacity in July

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ALLENTOWN, Pa.

Building on its strategy of adding electricity generating capability in key U.S. markets, PPL Corporation (NYSE: PPL) added more than 1,000 megawatts to its electricity generating capacity this month.

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

"Four new generating facilities in Illinois, Arizona and New York will supply targeted regions with much needed power and provide added value to our shareowners," said James Miller, president of PPL Generation. "These plants are an integral part of our strategy to site efficient and environmentally sensitive power plants in high energy demand areas of the United States."

The completion of these facilities brings PPL's total generating capability to about 11,500 megawatts in key U.S. markets. The company now has operating power plants in Pennsylvania, Montana, Arizona, Maine, Illinois, Connecticut and New York.

PPL has increased its generation capacity by nearly 50 percent over the past few years as part of a corporate strategy that involves both regulated and deregulated business activities. That strategy includes generating and selling energy in key U.S. markets, maintaining an optimum balance of generation supply and load under long-term contracts, and operating high-quality energy delivery businesses in select regions.

The new plants are uniquely positioned to serve the growing demands of the Chicago, Phoenix and Long Island metropolitan areas where power imports are restricted because of transmission congestion. They use simple-cycle, LM-6000 turbine generation units and will operate during times of intermediate and high demand for electricity.

PPL Sundance Energy, a 450-megawatt power plant near Coolidge, Ariz., began commercial operation on July 17, and PPL University Park, a 540-megawatt power plant located near University Park, Ill., went into commercial operation on July 25. Construction of these two natural gas-fired electric generation facilities, which are equipped with state-of-the-art emissions reduction equipment, began in September 2001.

On Long Island, PPL Edgewood and PPL Shoreham were available for commercial operation on July 24 and July 28, respectively. Each location can produce a maximum of 79.9 megawatts of electricity. Construction on these projects began in January under an agreement with The Long Island Power Authority. LIPA will purchase 100 percent of the power generated by the units.

"The Chicago, Phoenix and Long Island areas continue to see their energy needs grow as their diverse economies continue to expand," Miller said. "We took the opportunity to use our proven expertise in the energy generation business to develop environmentally friendly, reliable and efficient generation capabilities where they were needed."

PPL continues to evaluate opportunities to expand its generation capacity and is currently developing nearly 1,000 megawatts in the Northeast.

The company has been able to achieve solid returns because "we understand that it is necessary to balance generation sales between opportunities in the short-term spot markets and opportunities to hedge by long-term supply agreements or tolling arrangements," Miller said.

PPL's energy marketing operations are asset-backed by well-run generation facilities. In addition to hedging its available generation at the wholesale level under long-term contracts, PPL also supplements margins for its unhedged generation by selling directly to end-users in select markets.

"We have been increasing our marketing activities with medium- to large- sized businesses as target customers," Miller said. "PPL also is expanding its energy services business by exploring new generation

technologies and by offering a complete portfolio of energy management services to business customers."

PPL Corporation, headquartered in Allentown, Pa., controls or owns more than 11,000 megawatts of generating capacity in the United States, sells energy in key U.S. markets, and delivers electricity to nearly 6 million customers in Pennsylvania, the United Kingdom and Latin America.

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SOURCE: PPL Corporation

CONTACT: Dan McCarthy of PPL, +1-610-774-5758, or fax, +1-610-774-5281

Web site: <http://www.pplweb.com/>

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