

PPL Agrees to Sell Sundance Power Plant to Arizona Public Service Company

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PPL Corporation (NYSE: PPL) has agreed to sell the 450-megawatt Sundance power plant in Arizona to the Arizona Public Service Company for approximately \$190 million in cash, subject to the receipt of various state and federal regulatory approvals.

The Sundance plant, operated by a subsidiary of PPL, is located in Pinal County, Ariz., about 55 miles southeast of Phoenix. The plant, which has been in service since July 2002, uses simple-cycle, natural-gas-fired turbines and operates primarily in periods of high energy demand. PPL EnergyPlus, the energy-marketing subsidiary of PPL, markets electricity produced at the Sundance plant and currently has power sale agreements with various entities throughout the Southwest.

"This transaction represents a good business decision for PPL," said John R. Biggar, PPL's executive vice president and chief financial officer. "Although we were not initially looking to sell the Sundance plant," he said, "APS was looking for a reliable power source to meet the growing needs of its customers, and PPL was open to exploring opportunities that further enhance shareowner value."

If the necessary regulatory approvals can be obtained, Biggar said, the sale is expected to close in the first quarter of 2005. He said PPL would take an unusual, non-cash charge related to the transaction of approximately \$47 million, or \$0.25 per share, after taxes in 2004 or 2005, depending upon the status of regulatory approvals. Biggar said the sale would enhance PPL's cash flow position and, excluding the unusual charge, would be accretive to the company's earnings in 2005 and in subsequent years. Proceeds of the sale would be used to reduce PPL's outstanding debt.

The transaction requires regulatory approvals by the Arizona Corporation Commission, the Federal Energy Regulatory Commission, the U.S. Department of Justice and the Federal Trade Commission.

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, cash flow and asset disposition, 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; competition; accounting requirements; operating performance and costs of plants and other facilities; political, regulatory or economic developments and conditions; and regulatory 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.

SOURCE: PPL Corporation

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