

PPL Completes Sale of Sundance Power Plant

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PPL Corporation (NYSE: PPL) has completed the sale of the 450-megawatt Sundance power plant to the Arizona Public Service Company for approximately \$190 million in cash.

"This transaction represents a good business decision for PPL," said John R. Biggar, PPL's executive vice president and chief financial officer. "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," he said.

Biggar said the sale will enhance PPL's cash flow position and, excluding the unusual charge, will be accretive to the company's earnings in 2005 and in subsequent years. Proceeds of the sale are expected to be used to reduce PPL's outstanding debt and improve its liquidity.

The Sundance plant 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.

As previously announced, Biggar said PPL will take an unusual, non-cash charge related to the transaction of approximately \$47 million after taxes, or \$0.25 per share, in the second quarter of 2005.

PPL also reaffirmed its 2005 forecast of \$3.80 to \$4.20 per share in earnings from ongoing operations, which excludes unusual items. The company's 2005 forecast of \$3.38 to \$3.78 per share in reported earnings reflects the unusual charge related to the Sundance sale, as well as two previously announced first quarter 2005 unusual after-tax charges: \$0.14 per share related to a PJM Interconnection billing dispute and \$0.03 per share related to an agreement in principle to settle litigation with NorthWestern Energy.

PPL Corporation, headquartered in Allentown, Pa., controls about 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/>.

"Earnings from ongoing operations" excludes the impact of unusual items. Earnings from ongoing operations should not be considered as an alternative to net income, which is an indicator of operating performance determined in accordance with generally accepted accounting principles (GAAP). PPL believes that earnings from ongoing operations, although a non-GAAP measure, is also useful and meaningful to investors because it provides them with PPL's underlying earnings performance as another criterion in making their investment decisions. PPL's management also uses earnings from ongoing operations in measuring certain corporate performance goals. Other companies may use different measures to present financial performance.

Statements contained in this news release, including statements with respect to future earnings, cash flow and use of proceeds, 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; weather conditions 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 Corporation 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, markets and technologies; performance of new ventures; asset acquisitions and dispositions; political, regulatory or economic conditions in states, regions and countries where PPL Corporation or its subsidiaries conduct business; receipt of necessary governmental permits, approvals and rate relief; the outcome of litigation against PPL Corporation and its subsidiaries; capital market conditions; stock price performance; the market prices of equity securities and the

impact on pension income and resultant cash funding requirements for defined benefit pension plans; the securities and credit ratings of PPL Corporation and its subsidiaries; foreign exchange rates; and the commitments and liabilities of PPL Corporation and its subsidiaries. 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

CONTACT: Dan McCarthy, PPL Corporation, +1-610-774-5758, Fax, +1-610-774-5281

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

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