

PPL Cancels Electricity Project at Freeport, Long Island; Result is \$65 Million Reduction in PPL's Capital Expenditure Program

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Due to scheduling delays in the development process and increased project costs, PPL Corporation (NYSE: PPL) has canceled the development of a 44-megawatt electricity-generating facility at Freeport, Long Island.

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

As a result of this cancellation, PPL is trimming approximately \$65 million from its capital expenditure program over 2003 and 2004, further strengthening the company's already solid cash position. The company expects no one-time charges to earnings resulting from the cancellation of this project, nor does it expect its earnings from core operations to be affected, going forward, by the cancellation of this project.

Paul T. Champagne, president of PPL EnergyPlus, PPL's marketing and energy services subsidiary, said, "Scheduling delays, resulting in increased project costs, have negatively affected the economic viability of the Freeport project."

Earlier this year, PPL had proposed to build and own the generating facility at Freeport, using an LM-6000 turbine generation unit, on property owned by the Village of Freeport. PPL had planned to sell the output of the facility to The Long Island Power Authority (LIPA). "We are disappointed that the project will not be moving forward," said Champagne. "We have had a positive working relationship with the Village of Freeport."

This past summer, PPL began operating 159 megawatts of natural gas-fired electricity generating capacity on Long Island on property owned by LIPA in Shoreham and on the property of the Pilgrim State Hospital in Edgewood. PPL has contracted to profitably sell all of the output from those facilities to LIPA under multi-year agreements.

"We have gained valuable experience in building electricity-generating facilities on Long Island backed by sales agreements," said Champagne. "This experience reinforces PPL's corporate strategy of generating and selling electricity in key U.S. markets and maintaining an optimum balance of generation supply and demand through long-term contracts."

PPL Corporation, headquartered in Allentown, Pa., controls about 11,500 megawatts of generating capacity in the United States, sells energy in key U.S. markets and delivers electricity to customers in Pennsylvania, the United Kingdom and Latin America.

Certain statements contained in this news release, including statements with respect to future earnings, energy sales, capital expenditures and corporate strategy, 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: operating performance of plants and other facilities; environmental conditions and requirements; system conditions and operating costs; political, regulatory or economic conditions; 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.

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