

PPL EnergyPlus to Build New Headquarters for Company's Expanding Energy Marketing and Trading Operations

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PPL EnergyPlus, a subsidiary of PPL Corp. (NYSE: PPL), is searching for a site to build a new headquarters to initially house its rapidly growing energy marketing and trading operations.

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"PPL EnergyPlus, one of our fastest growing subsidiaries, has outgrown its current home in downtown Allentown and there appears to be no feasible opportunity to build this facility in a timely way adjacent to our existing headquarters in downtown Allentown," said William F. Hecht, PPL Corp. chairman, president and chief executive officer. The company is evaluating sites around the Lehigh Valley.

Energy marketing and trading played a key role in PPL Corp.'s record earnings performance for 2000 and is a major factor in the company's forecasts for continued strong earnings growth. Energy marketing and trading operations are conservatively estimated to have added \$60 million to PPL Corp.'s net income in 2000.

In today's competitive electricity marketplace, PPL EnergyPlus has experienced significant growth, both in terms of geography and in the products it offers in various markets. The subsidiary markets and trades wholesale energy commodity products in 42 states and Canada. Its marketing and trading operations include electricity, natural gas and petroleum products, as well as innovative products like emission allowances, electricity transmission congestion products, installed capacity products and other sophisticated financial derivative instruments.

The company's energy services business also has a growing list of industrial and commercial customers. It has a significant distributed generation business, providing on-site generation technologies such as fuel cells and microturbines through its GenSelect(SM) program. And its synthetic fuels business provides alternative fuels to commercial and industrial boilers. PPL EnergyPlus is licensed to sell retail electricity in seven states and remains ready to serve the retail electricity market as conditions warrant.

At the heart of the PPL EnergyPlus marketing operation is the energy trading floor, a high-tech facility that uses the latest in computer and communications systems to monitor electricity markets, weather conditions, PPL's generating plants and other critical information throughout North America east of the Rocky Mountains.

The new building will house an expanded trading floor for the company's eastern North America trading operations. PPL EnergyPlus also has a rapidly growing West Coast trading and marketing operation headquartered in Butte, Mont.

The success of the company's wholesale trading operation can be attributed to several factors, Hecht said, including the combined utility and commodity experience of its traders, the disciplined approach that assesses and manages risk to maximize returns, and the fact that the marketing and trading operation is backed by a growing fleet of well-run and reliable generating plants. The combination of PPL's trading and marketing operations and its merchant power plants accounted for 77 percent of PPL Corp.'s earnings in 2000.

"We've integrated commodity trading and risk management skills with our traditional utility intellectual property," said Hecht. "About half of the 120 people working in our energy marketing operation have been hired from outside the company, and they bring with them a significant knowledge and experience base." Hecht said PPL EnergyPlus plans to increase trading and marketing employment by at least 20 percent.

"This planned project also can be seen as another tangible benefit of electric competition in Pennsylvania," said Hecht, noting that growth in PPL's unregulated business lines like energy marketing and trading is the result of the Commonwealth's well-designed and effective electric deregulation law.

PPL Corp. generates electricity at power plants in Pennsylvania, Maine and Montana; markets wholesale or retail energy in 42 U.S. states and Canada; and delivers electricity to nearly 6 million customers in Pennsylvania, in the United Kingdom and in Latin America.

PPL EnergyPlus is an unregulated subsidiary of PPL Corp. PPL EnergyPlus is not the same company as either PPL Electric Utilities, the electric utility, or PPL Gas Utilities, the gas utility. The prices of PPL EnergyPlus are not regulated by the Pennsylvania Public Utility Commission, and you do not have to buy PPL EnergyPlus electricity, natural gas or other products in order to receive the same quality regulated services from PPL Electric Utilities or PPL Gas Utilities.

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