

PPL Withdraws Application for Expansion of Holtwood Hydroelectric Plant

PRNewswire-FirstCall
ALLENTOWN, Pa.

PPL announced Tuesday (12/9) that it has withdrawn an application filed a year ago with the Federal Energy Regulatory Commission to expand its Holtwood hydroelectric plant on the Susquehanna River in Lancaster County, Pa.

"As we evaluated this project in light of current economic conditions and projections of future energy prices, we reached the conclusion that it is no longer economically justifiable," said William H. Spence, executive vice president and chief operating officer of PPL Corporation.

Estimated construction costs for the Holtwood project had grown to \$440 million. The high cost of capital has significantly impacted the economics of large construction projects like Holtwood, Spence said.

The expansion at Holtwood had been included in PPL's capital budget. Construction was expected to begin in 2009, assuming receipt of necessary approvals and permits. The expected in-service date was 2012.

Spence noted that even prior to the decision to cancel the Holtwood project, PPL had reduced planned capital spending by more than \$200 million for 2009 in the face of the worldwide financial crisis and the increased cost of financing. PPL will continue other generation expansion projects that already are under construction at other facilities.

The expansion at Holtwood would have included construction of two additional hydroelectric turbine-generators with a combined capacity of 125 megawatts, or enough electricity to power about 100,000 typical homes. The existing Holtwood hydroelectric plant has a generating capacity of 108 megawatts and has been producing clean, renewable energy since 1910.

PPL will continue, subject to necessary regulatory approvals, with its plans to transfer certain company-owned lands in Lancaster and York counties to the Lancaster County Conservancy as part of a broad public-private initiative to preserve land along the Susquehanna River for public use.

PPL Corporation (NYSE: PPL), headquartered in Allentown, Pa., controls more than 11,000 megawatts of generating capacity in the United States, sells energy in key U.S. markets and delivers electricity to about 4 million customers in Pennsylvania and the United Kingdom. More information is available at <http://www.pplweb.com/>.

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