

PPL to Develop Power Plant in Great Lakes Region; Increase Generating Capacity at Existing Nuclear Plant

PRNewswire

ALLENTOWN, Pa., April 23 /PRNewswire Interactive News Release/ -- Building on its strategy to add electricity generating capability in key U.S. markets, PPL Corporation (NYSE: PPL) announced Monday (4/23) that it will develop a power plant near Chicago and will increase the capacity of its Susquehanna nuclear plant. These developments will increase PPL's generation capacity by more than 600 megawatts.

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

"Increased demand for electricity in many areas of the United States is triggering an urgent need for new generation sources," said William F. Hecht, PPL's chairman, president and chief executive officer.

"Our development of a plant in the Chicago area is a natural extension of PPL's generation expansion strategy, which primarily focuses on the Northeastern and Western regions of the U.S.," Hecht said. "We also look for opportunities to add value by expanding our existing facilities."

According to Hecht, the Illinois facility is expected to cost about \$305 million and be accretive to PPL earnings in its first year of operation. The \$120 million of improvements at the Susquehanna plant are expected to be accretive to earnings as soon as they go into operation.

The Illinois plant will be a 540-megawatt, simple-cycle, natural gas-fired electric generation facility. The facility, to be located near University Park, is expected to be in service by the summer of 2002.

Construction of the facility will provide between 125 and 150 jobs in the University Park area. The plant will be built in an industrial park with close access to natural gas and high-voltage transmission lines. The facility will use 12 General Electric LM6000 turbines to produce power and will be equipped with state-of-the-art emissions reduction equipment. The turbines are being financed using a leasing structure that eliminates the need for any cash outlays during the turbine manufacture process and diversifies the company's funding sources.

"The Great Lakes region continues to see its energy needs grow as its diverse economy continues to expand," Hecht said. "This project presents an opportunity to use our proven expertise in the energy generation business to develop an environmentally friendly, reliable and efficient generation project in University Park."

PPL also will increase the capacity of its Susquehanna nuclear plant in Luzerne County, Pa., by 100 megawatts with the installation of more efficient steam turbines on each of the two units. The new turbines, which will replace units that have been in operation since the early 1980s, will be installed in the spring of 2003 and 2004 during refueling outages at the plant.

"While this is a comparatively small addition to our generating mix, it does provide us with more very low-cost electricity to sell in one of the nation's largest power markets," Hecht said. "This is a very effective way to add generation at a well-run facility."

Hecht said the new turbines also are expected to improve the long-term reliability of the 2,200-megawatt Susquehanna plant. Siemens Westinghouse Power Corp. will design, manufacture and install the new turbines. The purchase of the turbines was completed through Enporion Inc., a global supply chain and e-marketplace for the electric and gas industries.

PPL Susquehanna is one of the company's most productive plants. Last year, the plant generated more than 17.5 billion kilowatt-hours, producing more electricity than it has in any year in its operational history.

In fact, record-setting performance at the company's generation facilities, optimized by PPL's wholesale trading and marketing activities, significantly contributed to the 75 percent increase in the company's earnings per

share in just the last two years, Hecht said.

PPL now operates nearly 10,000 megawatts of generation capacity in Pennsylvania, Maine and Montana. With today's announcement, PPL has about 4,600 megawatts under development, including:

- A 225-megawatt plant in Wallingford, Conn., expected to be in service by mid-2001.
- A 600-megawatt plant near Kingman, Ariz., expected to be in service by mid-2001 (PPL owns 50 percent of this facility).
- A 450-megawatt plant near Phoenix, Ariz., expected to be in service in summer 2002.
- A 600-megawatt plant in Lower Mount Bethel, Pa., expected to be in service in 2003.
- More than 900 megawatts of capacity at five small plant sites in eastern Pennsylvania, expected to be in service by 2003.
- About 300 megawatts of capacity located on Long Island near Smithtown, N.Y., expected to be in service in summer 2003.
- A 1,200-megawatt plant located near Starbuck, Wash., expected to come online in late 2004 or early 2005.

Enporion, based in Tampa, Fla., uses technology-based procurement and online auction processes to simplify business-to-business purchasing transactions. The e-commerce technology streamlines the purchasing function; introduces buyers and sellers; reduces paperwork, redundancy, cycle times and transaction costs; and increases efficiency and savings. PPL is a founding member of Enporion.

PPL Susquehanna, LLC owns 90 percent of the Susquehanna nuclear plant, and Allegheny Electric Cooperative Inc. owns the remaining 10 percent. The plant is operated by PPL Susquehanna.

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

Certain statements contained in this news release, including statements with respect to future earnings, energy supply and demand, costs, subsidiary performance, growth, new technology, project development, and generating capacity and performance, are "forward-looking statements" within the meaning of the federal securities laws. Although PPL Corp. 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 variations 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 Corp. 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; political, regulatory or economic conditions in countries where PPL Corp. or its subsidiaries conduct business; receipt of necessary governmental approvals; capital market conditions; stock price performance; foreign exchange rates; and the commitments and liabilities of PPL Corp. and its subsidiaries. Any such forward-looking statements should be considered in light of such factors and in conjunction with PPL Corp.'s Form 10-K and other reports on file with the Securities and Exchange Commission.

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