PPL CORP
Form 424B5
February 12, 2004

The information in this prospectus supplement is not complete and may be changed. This prospectus supplement and the accompanying prospectus are not an offer to sell these securities, and we are not soliciting offers to buy these securities, in any jurisdiction where the offer or sale is not permitted.

Filed Pursuant to Rule 424(b)(5)
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PROSPECTUS SUPPLEMENT
(To Prospectus dated February 9, 2001)

(Subject to Completion) Issued February 10, 2004

PPL Capital Funding Trust I

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Preferred Trust Securities due May 18, 2006
Fully and Unconditionally Guaranteed, as set forth herein,
By PPL Corporation

In May 2001, we issued an aggregate liquidation amount of $575,000,000 Preferred Trust Securities due May 18, 2006, referred to herein as the trust preferred securities, in connection with the issuance by PPL Corporation of 23,000,000 Premium Equity Participating Security Units (PEPS[SM] Units), referred to herein as the PEPS Units. Currently, there is an aggregate liquidation amount of $475,621,000 trust preferred securities outstanding, representing 19,024,840 PEPS Units. This prospectus supplement relates to a remarketing of up to an aggregate liquidation amount of approximately $257,200,750, and no more than $475,621,000, of those trust preferred securities on behalf of the PEPS Units holders.

The trust preferred securities will mature on May 18, 2006, unless a tax event redemption has occurred prior to May 18, 2006. Distributions on the trust preferred securities are payable quarterly in arrears on February 18, May 18, August 18 and November 18 of each year. If the remarketing is successful, distributions on the trust preferred securities will reset to the current rate of 7.29% per annum from February 18, 2004. The first distribution on the remarketed trust preferred security will be on May 18, 2004. For United States federal income tax purposes, the subordinated notes underlying the trust preferred securities constitute contingent payment debt instruments.

The trust preferred securities are redeemable, in whole but not in part, upon the occurrence and continuation of a tax event under the circumstances and at the redemption price set forth under the caption Description of the PPL Capital Funding Subordinated Notes Optional Redemption Tax Event in this prospectus supplement.

We will remarket the trust preferred securities in denominations of $25 and integral multiples of $25 in excess thereof.

For a discussion of the risks that you should consider in evaluating an investment in the trust preferred securities, see Risk Factors beginning on page S-8 of this prospectus supplement.

	Per Trust Preferred Security	Total
Price to the Public		
Maximum Remarketing Fee to Remarketing Agent		

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus supplement or the accompanying prospectus. Any representation to the contrary is a criminal offense.

We expect the trust preferred securities will be ready for delivery in book-entry form through the facilities of The Depository Trust Company on or about February 18, 2004.

Remarketing Agent

Morgan Stanley

February , 2004

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As used in this prospectus supplement, the terms we, our, ours and us refers to PPL Corporation and the term refers to PPL Corporation together with PPL Corporation s consolidated subsidiaries, taken as a whole. Reference to the accompanying prospectus means the prospectus of February 9, 2001 of PPL Corporation, PPL Capital Funding Inc. and PPL Capital Funding Trust I.

You should rely only on the information contained in this prospectus supplement and the accompanying prospectus and those documents incorporated by reference herein. We have not authorized any other person to provide you with different or additional information. If anyone provides you with different or additional information, you should not rely on it. We are offering to sell, and are seeking offers to buy, the trust preferred securities only in jurisdictions where offers and sales are permitted. This document does not constitute an offer to sell, or a solicitation of an offer to buy, any trust preferred securities offered by this prospectus supplement by any person in any jurisdiction in which it is unlawful for such person to make such an offer or solicitation. Neither the delivery of this prospectus supplement nor any sale made under it implies that there has been no change in our affairs or that the information in this prospectus supplement is correct as of any date after the date of this prospectus supplement.

This prospectus supplement and the accompanying prospectus have been prepared based on information provided by us and other sources we believe to be reliable.

PROSPECTUS SUPPLEMENT SUMMARY

This summary contains basic information about us and this offering. Because it is a summary, it does not contain all of the information that you should consider before investing. You should read this entire prospectus supplement and the accompanying prospectus carefully, including the section entitled Risk Factors and our financial statements and the related notes contained elsewhere or incorporated by reference in this prospectus supplement and the accompanying prospectus, before making an investment decision.

PPL Corporation

Overview

PPL Corporation is an energy and utility holding company that, through its subsidiaries, is primarily engaged in the generation and marketing of electricity in the northeastern and western United States and in the delivery of electricity in Pennsylvania, the United Kingdom and Latin America. As of December 31, 2003, we owned or controlled 11,527 megawatts, or MW, of low-cost and diverse power generation capacity. We are also developing or constructing new electric generation capacity in Pennsylvania that will add 663 MW to our generation portfolio. Additionally, we provide energy-related services to businesses primarily in the mid-Atlantic and northeastern United States.

Approximately 6,500 MW of our total generation capacity is currently committed to meeting the obligation of our Pennsylvania delivery company to provide electricity through the year 2009 under fixed-price tariffs pursuant to Pennsylvania s Customer Choice Act. We have another 450 MW of generation capacity committed to providing electricity to a delivery company in Montana through June 2007. These two commitments, combined with other contractual sales to other counterparties for terms of various lengths, commit, on average, over 80% of our expected annual output for the period 2004 through 2008. These arrangements are consistent with and are an integral part of our overall business strategy, which includes the matching of energy supply with load, or customer demand, under long-term and intermediate-term contracts with creditworthy counterparties to capture profits while reducing our exposure to movements in energy and fuel prices and counterparty credit risk.

We operate through two principal lines of business:

Energy Supply

We are a leading supplier of competitively priced energy in the United States through our subsidiaries, PPL Generation and PPL EnergyPlus, and acquire and develop U.S. generation projects through our PPL Global subsidiary. These entities are direct, wholly-owned subsidiaries of PPL Energy Supply, LLC. PPL Energy Supply is a wholly-owned subsidiary of PPL Corporation.

PPL Generation owns or controls a portfolio of domestic power generation assets, with a total capacity of 11,527 MW as of December 31, 2003. These power plants are located in Pennsylvania (8,582 MW), Montana (1,157 MW), Arizona (750 MW), Illinois (540 MW), Connecticut (243 MW), New York (159 MW) and Maine (96 MW) and use well-diversified fuel sources including coal, nuclear, natural gas, oil and hydro.

PPL EnergyPlus markets electricity produced by PPL Generation, along with purchased power and natural gas, in competitive wholesale and deregulated retail markets, primarily in the northeastern and western portions of the United States. PPL EnergyPlus also provides energy-related products and services, such as engineering and mechanical contracting, construction and maintenance services, to commercial and industrial customers.

PPL Global (domestic operations) acquires and develops U.S. generation projects that are, in turn, operated by PPL Generation as part of its portfolio of generation assets.

Energy Delivery

We provide energy delivery services in the mid-Atlantic regions of the United States through our subsidiaries, PPL Electric Utilities and PPL Gas Utilities, and in the United Kingdom and Latin America through our PPL Global subsidiary.

PPL Electric Utilities is a regulated public utility company, incorporated in 1920, providing electricity delivery services to approximately 1.3 million customers in eastern and central Pennsylvania.

PPL Gas Utilities is a regulated public utility providing gas delivery services to approximately 105,000 customers in Pennsylvania and Maryland.

PPL Global (international operations) currently owns and operates energy delivery businesses serving approximately 3.5 million customers in the United Kingdom and Latin America. In September 2002, PPL Global acquired a controlling interest in, and consequently gained 100% ownership of, Western Power Distribution Holdings Limited and WPD Investment Holdings Limited, which together we refer to as WPD. WPD operates two electric distribution companies in the U.K., which together serve approximately 2.5 million end-users. WPD delivered 28,137 million kWh of electricity in 2003.

Recent Developments

PEPS Units Exchange Offer

On January 21, 2004, PPL Corporation closed an exchange offer made to holders of the PEPS Units in which PPL Corporation issued 3,975,160 7 3/4% Premium Equity Participating Security Units (PEPS^{SM} Units), Series B, referred to herein as the PEPS Units, Series B, plus approximately $1.5 million in cash in exchange for 3,975,160 PEPS Units. The PEPS Units, Series B consist of a forward purchase contract to purchase shares of PPL Corporation common stock (which purchase contract is substantially identical to the purchase contract in the PEPS Units) and an aggregate of $99.4 million of senior unsecured notes due May 2006 issued by PPL Capital Funding and guaranteed by PPL Corporation. As a result of the exchange offer, there are outstanding 19,024,840 PEPS Units consisting of forward purchase contracts to purchase shares of PPL Corporation common stock and an aggregate liquidation amount of $475,621,000 trust preferred securities, a portion of which are the trust preferred securities being remarketed pursuant to this prospectus supplement.

PPL Earnings Results

2003 Earnings Results. PPL had increases in net income, or earnings, reported in accordance with generally accepted accounting principles, or GAAP, for the year ended December 31, 2003 compared to a year ago. PPL had all-time record earnings of $734 million, or $4.24 per share, for 2003 compared to $208 million, or $1.36 per share, for 2002.

PPL reports the following unaudited financial data. The financial data set forth below should be read in conjunction with our financial statements and related notes and other financial and operating data incorporated by reference in this prospectus as specified under Where You Can Find More Information. The Statement of Income Data and Balance Sheet Data for the year ended December 31, 2002 have been derived from the audited consolidated financial statements incorporated by reference in this prospectus. Some previously reported amounts have been reclassified to conform with the current period presentation.

	Year Ended December 31,	
	2003	2002
Statement of Income Data $ millions:		
Operating revenues	$5,587	$5,481
Operating income	1,340	1,246
Income from continuing operations	719	360
Income before cumulative effect of a change in accounting principle[a][b]	699	358
Net income[a][b]	734	208
Balance Sheet Data $ millions (end of period):		
Cash and cash equivalents	476	245
Property, plant and equipment, net[b][c]	10,446	9,566
Recoverable transition costs	1,687	1,946
Goodwill and other intangibles[c]	1,278	663
Total assets	17,123	15,552
Short-term debt, including current maturities of long-term debt	451	1,309
Long-term debt, excluding current maturities[b][d]	8,145	5,901
Deferred income taxes and investment tax credits[c]	2,201	2,287
Company-obligated mandatorily redeemable preferred securities of subsidiary trusts holding solely company debentures[d]	0	661
Preferred stock	51	82
Shareowners common equity	3,259	2,224

(a) On January 1, 2003, we adopted the provisions of SFAS 143, Accounting for Asset Retirement Obligations. See Note 13 to our financial statements included in our Form 10-Q for the quarter ended March 31, 2003, which is incorporated herein by reference. On January 1, 2002, we adopted the provisions of SFAS 142, Goodwill and Other Intangible Assets, which provides that goodwill no longer be amortized. See Note 18 to our financial statements included in our Form 10-K for the year ended December 31, 2002, which is also incorporated herein by reference.

(b) PPL adopted FASB Interpretation Number 46, Consolidation of Variable Interest Entities, effective December 31, 2003 for certain entities. This resulted in the consolidation of the Sundance, University Park and Lower Mt. Bethel projects, which were financed under off-balance sheet synthetic leases. Approximately $1.1 billion was added to both Property, plant and equipment net and Long-term debt and PPL also recorded a charge of $27 million, after tax, as a cumulative effect of a change in accounting principle as a result of adopting FIN 46. The adoption of FIN 46 also resulted in the deconsolidation of PPL Capital Funding Trust I and a wholly-owned subsidiary of WPD. This deconsolidation resulted in additional debt of $20 million.

(c)

The December 31, 2003 balance sheet includes the impact of the final adjustments related to the acquisition of the controlling interest in WPD in September 2002. The final purchase price allocations were recorded as of October 1, 2003, based on an independent appraisal of property, plant and equipment and intangible assets, as well as other available information. As a result of this final valuation, Property, plant and equipment net decreased by approximately $800 million from the preliminary valuation, with offsetting increases in Goodwill and other intangibles and reductions in Deferred income taxes and investment tax credits.

(d) PPL adopted Statement of Financial Accounting Standards 150, Accounting for Certain Financial Instruments with Characteristics of Both Liabilities and Equity, effective July 1, 2003. This required the reclassification of company-obligated mandatorily redeemable preferred securities to long-term debt effective at that date. SFAS 150 prohibits the restatement of financial statements for periods prior to its adoption.

Earnings by Business Segment

The following chart shows earnings contributions from PPL s business segments for the year ended December 31, 2003 compared to the year ended December 31, 2002.

Earnings by Business Segment

	Year Ended December 31, 2003	Year Ended December 31, 2002
	(in millions)	
Supply	$502	$356
Delivery	36	48
International	196	(196)
Total	$734	$208

PPL s domestic electricity delivery earnings continue to be adversely affected by rising transmission and distribution operating costs and by increased expenses related to necessary investments in infrastructure. Early in 2004, PPL Electric Utilities expects to request a general rate increase. PPL Electric Utilities also would benefit through the recovery of charges for transmission-related services regulated by the Federal Energy Regulatory Commission. The new rates and the recovery of the charges for transmission-related services would become effective January 1, 2005, after the end of the cap on transmission and distribution rates.

Within the international segment, the benefits of a full year of ownership of WPD and the improved financial performance of PPL s delivery businesses in Latin America bolstered PPL s consolidated earnings results.

Cash Flow and Credit Positions

At December 31, 2003, PPL had $476 million of cash on hand and $1.7 billion of available credit facilities. In 2003, PPL generated approximately $1.36 billion in cash flow from operations, which supported capital expenditures of about $850 million, including construction expenditures for projects previously treated as operating leases; common and preferred stock dividends of about $290 million; and the repayment of about $250 million of transition bonds.

PPL s equity to total capitalization ratio, using debt and equity as presented on PPL s balance sheet as of December 31, 2003, was 28 percent. Included as debt in this ratio are $1.4 billion of transition bonds, $2.3 billion of debt of international affiliates that is non-recourse to PPL and the $575 million of PEPS Units that were outstanding as of December 31, 2003 and scheduled to convert to common stock in May 2004.

PPL Capital Funding, Inc.

PPL Capital Funding, Inc. is a Delaware corporation and a wholly-owned subsidiary of PPL Corporation. PPL Capital Funding s primary business is to provide PPL Corporation with financing for its operations.

PPL Capital Funding Trust I

PPL Capital Funding Trust I, or the Trust, is a statutory trust created under Delaware law. The Trust exists only to issue and sell its trust preferred securities and common securities, to acquire and hold subordinated notes of PPL Capital Funding as trust assets and to engage in activities incidental to the foregoing. All of the common securities are owned by PPL Capital Funding and represent at least 3% of the total capital of the Trust. Payments are made on the common securities pro rata with the trust preferred securities, except that the common securities right to payment is subordinated to the rights of the trust preferred securities if there is a default under the amended and restated trust agreement, referred to herein as the trust agreement, resulting from an event of default under the subordinated indenture under which the subordinated notes were issued.

The address of our principal executive offices is Two North Ninth Street, Allentown, Pennsylvania 18101-1179 and our telephone number is (610) 774-5151.

The Remarketing

Issuer	PPL Capital Funding Trust I, a statutory trust created under Delaware law.
Securities remarketed	Approximately $257,200,750 aggregate liquidation amount of trust preferred securities. The exact aggregate liquidation amount of trust preferred securities to be remarketed, up to a maximum of $475,621,000 aggregate liquidation amount, will be confirmed on February 11, 2004 upon the notification of participation in this remarketing by any holders of separate trust preferred securities. Each trust preferred security represents an undivided beneficial interest in the assets of the Trust. As of the date hereof, approximately $218,420,250 aggregate liquidation amount of trust preferred securities have elected not to participate in the remarketing through a collateral substitution under the terms of the PEPS Units. The Trust pays you cash distributions of $0.4556 each quarter (which is equal to 7.29% per year of the $25 stated liquidation amount) on your trust preferred security.
Distributions on the trust preferred securities	The trust preferred securities bear distributions payable at the rate of 7.29% per year of the stated liquidation amount of $25 per trust preferred security to, but excluding, May 18, 2006. In addition, because the trust preferred securities are subject to the contingent payment rules, original issue discount accrues on the trust preferred securities at the comparable yield. See United States Income Tax Consequences for a discussion of the United States federal income tax consequences related to owning a trust preferred security. The Trust will pay distributions only when it has funds available for payment. The Trust s sole source of funds for distributions is the payments of interest we make on the subordinated notes of PPL Capital Funding that the Trust holds. PPL Corporation unconditionally guarantees the payment of principal of and any interest on the subordinated notes of PPL Capital Funding.
The guarantee	PPL Corporation guarantees the payment of distributions on the trust preferred securities and the payment of the redemption price of the trust preferred securities, to the extent that the Trust has funds available for payment. Taken together with PPL Corporation s guarantee of the subordinated notes under the related indenture, this guarantee effectively provides a full, irrevocable and unconditional guarantee of the trust preferred securities. You can find more information about this guarantee arrangement under the heading Description of the Guarantee in this prospectus supplement.
Interest payments on the PPL Capital Funding subordinated notes	The Trust issued all the common securities and the trust preferred securities to PPL Capital Funding, collectively referred to as the trust securities, in exchange for the PPL Capital Funding subordinated notes. The PPL Capital Funding subordinated notes are the sole assets of the Trust. Interest is paid to the Trust on the PPL Capital Funding subordinated notes at a rate of 7.29% per year on a quarterly basis to, but excluding, May 18, 2006. The Trust uses the interest payments to pay distributions on the trust preferred securities.

Distribution of the PPL Capital Funding subordinated notes	We may dissolve the Trust at any time. If the Trust is dissolved after the purchase contract settlement date (other than as a result of the redemption of the PPL Capital Funding subordinated notes) and you continue to hold trust preferred securities, you will receive your pro rata share of the PPL Capital Funding subordinated notes held by the Trust (after any creditors of the Trust have been paid).
Use of proceeds	We are remarketing up to an aggregate liquidation amount of approximately $257,200,750 of trust preferred securities to investors on behalf of holders of PPL Corporation s PEPS Units issued in May 2001 and holders of PPL Capital Funding Trust I s trust preferred securities not part of a PEPS Unit. We will not receive any of the proceeds from the remarketing. You can find more information about the use of proceeds under the heading Use of Proceeds in this prospectus supplement.
Possible repurchase or exchange of trust preferred securities following a successful remarketing	When we issued the PEPS Units in May 2001, the trust preferred securities carried investment-grade credit ratings of Baa3 by Moody s Investors Service, BBB- by Standard & Poor s and BBB by Fitch Ratings. Since that time, the ratings of the trust preferred securities were downgraded to below investment-grade ratings of Ba1 by Moody s Investors Service and BB+ by Standard & Poor s, but still carry an investment-grade rating of BBB- by Fitch Ratings. Based on these ratings, we believe that the trust preferred securities may trade at prices resulting in higher yields to investors than investment-grade securities that PPL Capital Funding could issue to replace them. In addition, our current business plans have changed such that we expect to require less capital than was anticipated at the time the PEPS Units were issued. Accordingly, we may offer to repurchase a portion of the trust preferred securities remarketed pursuant to this prospectus supplement or offer to exchange a portion of the trust preferred securities remarketed pursuant to this prospectus supplement for notes of PPL Capital Funding. Certain financial institutions with which we have commercial and investment banking relationships have indicated that they may seek to purchase a significant portion of the trust preferred securities in the remarketing, and we may consider a repurchase or exchange offer involving some or all of their trust preferred securities. Such institutions are under no obligation to purchase any of the trust preferred securities, the remarketing agent is under no obligation to sell any of the trust preferred securities to them and we are under no obligation to repurchase or enter into an exchange offer involving any trust preferred securities that they purchase in the remarketing. Any repurchase or exchange offer that we commence could be a partial repurchase or exchange offer and, if a private repurchase or exchange offer, including with the financial institutions referred to above, may not be made to all of the holders of the trust preferred securities. See Risk Factors Risk Factors Relating to the Trust Preferred Securities Secondary trading in the trust preferred securities may be limited, and we may repurchase a significant portion of the remarketed trust preferred securities or exchange a significant portion of trust preferred securities for other securities and Plan of Distribution.

RISK FACTORS

In considering whether to purchase the trust preferred securities, you should carefully consider all the information we have included or incorporated by reference in this prospectus supplement and the accompanying prospectus. In particular, you should carefully consider the risk factors described below. In addition, please read Forward-Looking Information on page S-18 of this prospectus supplement, where we describe additional uncertainties associated with our business and the forward-looking statements in this prospectus supplement and the accompanying prospectus.

As used in this Risk Factors section only, the terms we, our, ours, and us refers to PPL.

Risk Factors Relating to the Trust Preferred Securities

Holders of trust preferred securities will have limited voting rights.

You will not be entitled to vote to appoint, remove, replace or change the number of the trustees of the Trust, and generally will have no voting rights, except in the limited circumstances described under Description of the Trust Preferred Securities Voting Rights in the accompanying prospectus.

PPL Capital Funding may redeem its subordinated notes upon the occurrence of a tax event.

PPL Capital Funding may redeem its subordinated notes, in whole but not in part, at any time if a tax event occurs and continues under the circumstances described in this prospectus supplement. If PPL Capital Funding exercises this option, it will redeem its subordinated notes at the redemption price plus accrued and unpaid interest, if any. See Description of the PPL Capital Funding Subordinated Notes Optional Redemption Tax Event in this prospectus supplement. If PPL Capital Funding redeems its subordinated notes, it will pay the redemption price to the Trust and the Trust will use such proceeds to redeem the trust preferred securities. A tax event redemption will be a taxable event to the holders of the trust preferred securities.

The guarantee only covers payments on the trust preferred securities to the extent PPL Capital Funding has made corresponding payments on the PPL Capital Funding Subordinated Notes.

Under the guarantee executed by PPL Corporation for the benefit of the holders of the trust preferred securities, PPL Corporation will irrevocably guarantee the payment of various amounts payable with respect to the trust preferred securities, including accumulated distributions, the redemption price and amounts payable upon dissolution of the Trust, but only to the extent that the Trust has funds available for those payments. The Trust depends on PPL Capital Funding for its source of funds to make distributions on the trust preferred securities when due. If PPL Capital Funding were to default on its obligations to pay principal of or interest on its subordinated notes, the Trust would not have sufficient funds to pay distributions or other amounts on the trust preferred securities, and you would not be able to rely upon the guarantee for payment of these amounts. Instead, you would have to (1) rely on the property trustee enforcing its rights as the registered holder of the PPL Capital Funding subordinated notes or (2) enforce the rights of the property trustee or assert your own right to bring an action directly against us to enforce payments on the PPL Capital Funding subordinated notes. The trust agreement provides that, by acceptance of the trust preferred securities, you agree to the provisions of the guarantee and the subordinated indenture under which the PPL Capital Funding subordinated notes will be issued.

Secondary trading in the trust preferred securities may be limited, and we may repurchase a significant portion of the remarketed trust preferred securities or exchange a significant portion of trust preferred securities for

other securities.

It is impossible to predict how the trust preferred securities will trade in the secondary market or whether the market for any of these securities will be liquid or illiquid. There currently is no secondary market for these securities as, prior to the remarketing, we do not believe there have been any trust preferred securities trading separately from the PEPS Units. We cannot assure the liquidity of any trading market that may develop, the ability of holders to sell their securities in that market or whether any such market will continue. In addition, after this remarketing, we may, in our sole discretion, offer to repurchase a significant portion of the trust preferred securities or offer to exchange a significant portion of the trust preferred securities for other securities, including notes, issued by PPL Corporation or any one of its subsidiaries. Any repurchase or exchange could take the form of a public or private repurchase or exchange offer, could be a partial repurchase or exchange offer and, if a private repurchase or exchange offer, may not be made to all of the holders of the trust preferred securities. In the event any transaction of this sort takes place, the outstanding aggregate liquidation amount of trust preferred securities could be significantly less than the amount of trust preferred securities remarketed pursuant to this prospectus supplement which could negatively impact the liquidity and price of the outstanding trust preferred securities. See Plan of Distribution.

Because the subordinated notes are contingent payment debt instruments, you will have to include interest in your taxable income before you receive cash.

Because the subordinated notes are subject to the contingent payment rules, the subordinated notes were deemed to be issued with original issue discount for United States federal income tax purposes. Original issue discount has accrued from the issue date of the subordinated notes at the comparable yield of the subordinated notes. As a result, you will be required to include original issue discount in your gross income for United States federal income tax purposes before you receive cash payments to which the original issue discount is attributable. See United States Federal Income Tax Consequences.

By purchasing a trust preferred security, you will be deemed to have purchased the subordinated note underlying the trust preferred security. Although you may have purchased a subordinated note for an amount that differs from the adjusted issue price of the subordinated note at the time of purchase, you will be required to accrue original issue discount on the subordinated note in accordance with the comparable yield even if market conditions have changed since the date of issuance. However, you will be required to adjust the amount of your original issue discount accrual to take into account this difference. Because of the manner in which original issue discount is accrued on the subordinated notes, the amount of original issue discount accrued on the subordinated notes for each quarter ending after February 18, 2004 will be less than the amount of interest paid on the subordinated notes for such quarter.

Risks Related to Our Supply Businesses

Changes in commodity prices may increase the cost of producing power or decrease the amount we receive from selling power, which could adversely affect our financial performance.

Changes in power prices or fuel costs may impact our financial results and financial position by increasing the cost of producing power or decreasing the amount we receive from the sale of power. The market prices for these commodities may fluctuate substantially over relatively short periods of time. Most power prices and fuel costs have fluctuated historically. For example, during the past several years, wholesale electricity prices in the northwestern United States for all hours reached a high of $525 per megawatt hour in December 2000 and a low in May 2002 of $13 per megawatt hour. During the past several years, prices for wholesale natural gas as reported on NYMEX have ranged from a high of $9.98 per btu in January 2001 to a low of $1.83 per btu in October 2001. In addition, the price for 1% residual oil at New York Harbor, which is the primary pricing location for the northeastern United States, has ranged from a high of $35 per barrel in February 2003 to a low of $15 per barrel in February 2002. Among the factors that could influence such prices are:

- prevailing market prices for coal, natural gas, fuel oil and other fuels used in our generation facilities, including associated transportation costs and supplies of such commodities;

demand for energy and the extent of additional supplies of energy available from current or new competitors;

capacity and transmission service into, or out of, our markets;

changes in the regulatory framework for wholesale power markets;

liquidity in the general wholesale electricity market; and

weather conditions impacting demand for electricity.

A key part of our business strategy is to sell our anticipated generation production under long-term power sales agreements that include fixed prices for our electric power. If we cannot secure or maintain favorable long-term fuel purchase agreements for our power generation facilities, our fuel costs could exceed the revenues that we derive under our long-term, fixed-price power sales agreements. In addition, in the absence of long-term power sales agreements, we must sell the energy, capacity and other products from our facilities into the competitive wholesale power markets. Unlike most other commodities, electric power cannot be stored and must be produced at the time of use. As a result, the wholesale power markets are subject to significant price fluctuations over relatively short periods of time and can be unpredictable. Given the volatility and potential for material differences between actual power prices and fuel and other costs, if we cannot secure or maintain long-term power sales and favorable long-term fuel purchase agreements for our power generation facilities, our revenues will be subject to increased volatility and our financial results may be materially adversely affected.

Our facilities may not operate as planned, which may increase our expenses or decrease our revenues and, thus, have an adverse effect on our financial performance.

Operation of power plants involves many risks, including the breakdown or failure of equipment or processes, accidents, labor disputes, fuel interruption and performance below expected levels. In addition, weather-related incidents and other natural disasters can disrupt both generation and transmission delivery systems. Operation of our power plants below expected capacity levels may result in lost revenues or increased expenses, including higher maintenance costs and, if we are unable to perform our contractual obligations as a result, penalties or damages.

We may not be able to obtain adequate fuel supplies, which could adversely affect our ability to operate our facilities.

We purchase fuel from a number of suppliers. Disruption in the delivery of fuel, including disruptions as a result of weather, labor relations or environmental regulations affecting our fuel suppliers, could adversely affect our ability to operate our facilities, which could result in lower sales and/or higher costs and thereby adversely affect our results of operations.

We have agreed to provide electricity to PPL Electric Utilities in amounts sufficient to satisfy its provider of last resort, or PLR, obligations at prices which may be below our cost, which could adversely affect our financial condition.

PPL Electric Utilities has PLR obligations to serve those electric retail customers that did not select an alternate supplier under the Pennsylvania s Customer Choice Act. PPL EnergyPlus has entered into long-term contracts to supply PPL Electric Utilities PLR requirements at agreed prices through 2009. While PPL Energy Supply satisfies its energy supply obligations through a portfolio approach of providing energy from its generation assets, contractual relationships and market purchases, if the PLR requirements were satisfied solely from our existing Pennsylvania generating assets, this obligation currently would represent approximately 75% of the normal operating capacity of our existing Pennsylvania generation assets. The prices we receive are established under the contracts and may not have any relationship to the cost to us of supplying this power. This means that we are required to absorb increasing costs, including the risk of fuel price increases and increased costs of production.

The PLR contract obligations do not provide us with any guaranteed level of sales. If the customers of PPL Electric Utilities obtain service from alternate suppliers, which they are entitled to do at any time, our sales of power under the contract may decrease. Alternatively, customers could switch back to PPL Electric Utilities from alternative suppliers, which may increase demand above our facilities available capacity. Any such switching by customers could have a material adverse effect on our results of operations or financial position.

We are subject to the risks of nuclear generation, including the risk that our Susquehanna nuclear plant could become subject to revised safety requirements that would increase our capital and operating expenditures, and uncertainties associated with decommissioning our plant at the end of its licensed life.

Nuclear generation accounts for about 20% of our generation capacity. The risks of nuclear generation generally include:

- the potential harmful effects on the environment and human health resulting from the operation of nuclear facilities and the storage, handling and disposal of radioactive materials;
- limitations on the amounts and types of insurance commercially available to cover losses and liabilities that might arise in connection with nuclear operations; and
- uncertainties with respect to the technological and financial aspects of decommissioning nuclear plants at the end of their licensed lives.

The Nuclear Regulatory Commission, or NRC, has broad authority under federal law to impose licensing and safety-related requirements for the operation of nuclear generation facilities. In the event of non-compliance, the NRC has the authority to impose fines or shut down a unit, or both, depending upon its assessment of the severity of the situation, until compliance is achieved. In addition, revised safety requirements promulgated by the NRC could necessitate substantial capital or operating expenditures at our Susquehanna nuclear plant. In addition, although we have no reason to anticipate a serious nuclear incident at our Susquehanna plant, if an incident did occur, any resulting operational loss, damages and injuries could have a material adverse effect on our results of operations or financial condition.

We have a limited history of operating many of our generation facilities in a competitive environment, in which we are not assured of any return on our investment.

Many of our facilities were historically operated within vertically-integrated, regulated utilities that sold electricity to consumers at prices based on predetermined rates set by state public utility commissions. Unlike regulated utilities, we are not assured any rate of return on our capital investments through predetermined rates, and our revenues and results of operations are likely to depend, in large part, upon prevailing market prices for electricity in our regional markets and other competitive markets, the volume of demand, capacity factors and ancillary services.

Changes in technology may impair the value of our power plants.

A basic premise of our business is that generating power at central power plants achieves economies of scale and produces electricity at a relatively low price. There are other technologies that produce electricity, most notably fuel cells, microturbines, windmills and photovoltaic (solar) cells. Research and development activities are ongoing to seek improvements in the alternate technologies. It is possible that advances will reduce the cost of alternate methods of electric production to a level that is equal to or below that of most central station electric production. If this were to happen, the value of our power plants may be significantly impaired.

We are exposed to operational, price and credit risks associated with selling and marketing products in the wholesale power markets.

We purchase and sell power at the wholesale level under market-based tariffs authorized by the Federal Energy Regulatory Commission, or FERC, throughout the United States and also enter into short-term agreements to market available energy and capacity from our generation assets with the expectation of profiting from market price fluctuations. If we are unable to deliver firm capacity and energy under these agreements, we could be required to pay damages. These damages would generally be based on the difference between the market price to acquire replacement capacity or energy and the contract price of the undelivered capacity or energy. Depending on price volatility in the wholesale energy markets, such damages could be significant. Extreme weather conditions, unplanned power plant outages, transmissions disruptions, and other factors could affect our ability to meet our obligations, or cause significant increases in the market price of replacement capacity and energy. We also face credit risk that parties with whom we contract will default in their performance, in which case we may have to sell our power into a lower-priced market or make purchases in a higher priced market than existed at the time of contract. Although we attempt to mitigate these risks, there can be no assurance that we will be able to fully meet our obligations, that we will not be required to pay damages for failure to perform or that we will not experience counterparty non-performance.

We do not always hedge against risks associated with energy and fuel price volatility.

We attempt to mitigate risks associated with satisfying our contractual power sales arrangements by reserving generation capacity to deliver electricity to satisfy our net firm sales contracts and, when necessary, by purchasing firm transmission service. We also routinely enter into contracts, such as fuel and power purchase and sale commitments, to hedge our exposure to weather conditions, fuel requirements and other energy-related commodities. We may not, however, hedge the entire exposure of our operations from commodity price volatility. To the extent we fail to hedge against commodity price volatility, our results of operations and financial position may be affected unfavorably.

Our trading, marketing and risk management policies, relating to energy and fuel prices, interest rates and foreign currency, may not work as planned and we may suffer economic losses despite such policies.

We actively manage the market risk inherent in our energy and fuel, debt and foreign currency positions. The procedures implemented by us and monitored by us to ensure compliance with these policies include validation of transaction and market prices, verification of risk and transaction limits, sensitivity analyses and daily portfolio reporting, including open position, mark-to-market valuations and other risk measurement metrics. Nonetheless, adverse changes in energy and fuel prices, interest rates and foreign currency exchange rates may result in losses in our earnings or cash flows and adversely affect our balance sheet. Our trading, marketing and risk management program may not work as planned. For instance, actual energy and fuel prices may be significantly different or more volatile than the historical trends upon which we based our assumptions for our risk management positions. Similarly, interest rates or foreign currency exchange rates in Europe, particularly the United Kingdom and Latin America where we have foreign operations, could change in significant ways that our risk management procedures were not set up to address. As a result, we cannot always predict the impact that our trading, marketing and risk management decisions may have on us if actual events lead to greater losses or costs due to the ineffectiveness of these decisions, which could adversely affect our earnings and cash flows and our balance sheet.

In addition, our trading, marketing and risk management activities are exposed to the credit risk that counterparties that owe us money or energy will breach their obligations. We have established risk management policies and programs, including credit policies to evaluate counterparty credit risk. However, if counterparties to these arrangements fail to perform, we may be forced to enter into alternative hedging arrangements or honor underlying commitments at then-current market prices. In that event, our financial results are likely to be adversely affected.

Our operating results may fluctuate on a seasonal basis, especially as a result of unusually severe weather conditions.

Electrical power supply may be seasonal. For example, in some parts of the country, demand for, and market prices of, electricity peak during the hot summer months, while in other parts of the country such peaks occur in the cold winter months. As a result, our overall operating results in the future may fluctuate substantially on a seasonal basis, especially when unusually severe weather conditions such as heat waves or winter storms make such fluctuations more pronounced. The pattern of this fluctuation may change depending on the nature and location of the facilities we acquire or develop and the terms of our contracts to sell electricity.

We rely on transmission and distribution assets that we do not own or control to deliver our wholesale electricity and natural gas. If transmission is disrupted, or if capacity is inadequate, our ability to sell and deliver power may be hindered.

We depend on transmission and distribution facilities owned and operated by utilities and other energy companies to deliver the electricity and natural gas we sell to the wholesale market, as well as the natural gas we purchase for use in our electric generation facilities. In Arizona, Illinois, Montana, New England and New York, where we do not own transmission lines, 100% of the output from our generation assets is transmitted over facilities owned and operated by other companies. In Pennsylvania, although we own transmission and distribution facilities, we are a member of the PJM Interconnection, which operates the electric transmission network and electric energy market in the mid-Atlantic region of the United States. Our transmission through PJM is highly dependent on operational conditions at a given time depending on what generation assets are operating within PJM, customer demand, the status of the transmission system and whether or not PJM is importing or exporting energy to other adjacent power pools. If transmission is disrupted, or if capacity is inadequate, our ability to sell and deliver products and satisfy our contractual obligations may be hindered.

The FERC has issued regulations that require wholesale electric transmission services to be offered on an open-access, non-discriminatory basis. Although these regulations are designed to encourage competition in wholesale market transactions for electricity, there is the potential that fair and equal access to transmission systems will not be available or that sufficient transmission capacity will not be available to transmit electric power as we desire. We cannot predict the timing of industry changes as a result of these initiatives or the adequacy of transmission facilities in specific markets.

Risks Related to Our Business Generally and to Our Industry

A downgrade in our or our subsidiaries credit ratings could negatively affect our ability to access capital and increase the cost of maintaining our credit facilities and any new debt.

Moody s Investors Service, Inc. rates PPL Energy Supply s senior unsecured debt at Baa2, PPL Electric Utilities senior secured debt at Baa1 and PPL Capital Funding s senior unsecured debt at Baa3. Fitch Ratings rates PPL Capital Funding s senior unsecured debt at BBB and has placed PPL Corporation, PPL Energy Supply and PPL Capital Funding on negative outlook. Standard & Poor s Ratings Services, a Division of the McGraw-Hill Companies, rates PPL Corporation and PPL Energy Supply at BBB, PPL Capital Funding s senior unsecured debt at BBB- and PPL Electric Utilities at A-. Our Standard & Poor s ratings for PPL Corporation and PPL Energy Supply remain on negative outlook. While we do not expect these ratings to limit our ability to fund our short-term liquidity needs and we expect these ratings decisions to have an immaterial impact on the cost to maintain our credit facilities and to access any new long-term debt, any future ratings downgrades, including downgrades to our short-term debt ratings, could negatively affect our ability to fund our short-term liquidity needs and more significantly impact the cost to maintain our credit facilities and to access new long-term debt.

We face competition in our energy supply and development businesses, which may adversely affect our ability to operate profitably.

The electric power industry has experienced a significant increase in the level of competition in the energy markets over the last several years in response to federal and state deregulation initiatives. Many companies that compete with us and may compete with us in the future have greater financial resources than us and have expanded or may expand their businesses to a greater extent. This competition may negatively impact our ability to sell energy and related products and the prices which we may charge for such products, which could adversely affect our results of operations and our ability to grow our business.

Our investments and projects located outside of the United States expose us to risks related to laws of other countries, taxes, economic conditions, fluctuations in currency rates, political conditions and policies of foreign governments. These risks may delay or reduce our realization of value from our international projects.

We have operations outside of the United States. The acquisition, financing, development and operation of projects outside of the United States entail significant financial risks, which vary by country, including:

- changes in foreign laws or regulations relating to foreign operations, including tax laws and regulations;
- changes in United States laws related to foreign operations, including tax laws and regulations;
- changes in government policies, personnel or approval requirements;
- changes in general economic conditions affecting each country;
- regulatory reviews of tariffs for local distribution companies;
- changes in labor relations in foreign operations;
- limitations on foreign investment or ownership of projects and returns or distributions to foreign investors;
- limitations on ability of foreign companies to borrow money from foreign lenders and lack of local capital or loans;
- fluctuations in currency exchange rates and difficulty in converting our foreign funds to U.S. dollars, which can increase our expenses and/or impair our ability to meet such expenses, and difficulty moving funds out of the country in which the funds were earned;
- limitations on ability to import or export property and equipment;
- compliance with United States foreign corrupt practices laws;
- political instability and civil unrest; and
- expropriation and confiscation of assets and facilities.

Our international operations are subject to regulation by various foreign governments and regulatory authorities. The laws and regulations of some countries may limit our ability to hold a majority interest in some of the projects that we may develop or acquire, thus limiting our ability to control the development, construction and operation of those projects. In addition, the legal environment in foreign countries in which we currently own assets or projects or may develop projects in the future could make it more difficult for us to enforce our rights under agreements relating to such projects. Our international projects may also be subject to risks of being delayed, suspended or terminated by the applicable foreign governments or may be subject to risks of contract invalidation by commercial or governmental entities. In addition, WPD is a regulated regional monopoly distribution business in Great Britain subject to control on the prices it can charge and the quality of supply it must provide. The current distribution price control formula that governs WPD s allowed revenue is scheduled to operate until April 1, 2005. Any significant lowering of rates implemented by the regulatory authority upon the 2005 regulatory review could lower the amount of revenue WPD generates in relation to its operational costs and could materially lower the income of WPD.

Despite contractual protections we have against many of these risks for our international operations or potential investments in the future, our actual results and the value of our investment may be adversely affected by the occurrence of any of these events.

We operate in competitive segments of the electric power industry created by deregulation initiatives at the state and federal levels. If the present trend towards competition is reversed, discontinued or delayed, our business prospects and financial condition could be materially adversely affected.

Some restructured markets have recently experienced supply problems and price volatility. In some of these markets, government agencies and other interested parties have made proposals to delay market restructuring or even re-regulate areas of these markets that have previously been deregulated. In California, legislation has been passed placing a moratorium on the sale of generation plants by public utilities regulated by the California Public Utilities Commission. In 2001, the FERC instituted a series of price controls designed to mitigate (or cap) prices in the entire western U.S. to address the extreme volatility in the California energy markets. These price controls have had the effect of significantly lowering spot and forward energy prices in the western market.

In addition, the independent system operators, or ISOs, that oversee the transmission systems in certain wholesale power markets have from time to time been authorized to impose price limitations and other mechanisms to address volatility in the power markets. These types of price limitations and other mechanisms may adversely impact the profitability of our wholesale power marketing and trading business.

Other proposals to re-regulate our industry may be made, and legislative or other action affecting the electric power restructuring process may cause the process to be delayed, discontinued or reversed in the states in which we currently, or may in the future, operate. If the current trend towards competitive restructuring of the wholesale and retail power markets is delayed, discontinued or reversed, our business prospects and financial condition could be materially adversely affected.

Our business is subject to extensive regulation, which may increase our costs, reduce our revenues, or prevent or delay operation of our facilities.

Our U.S. generation subsidiaries are exempt wholesale generators, or EWGs, which sell electricity into the wholesale market. Generally, our EWGs and our marketing subsidiaries are subject to regulation by the FERC. The FERC has authorized us to sell generation from our facilities and power from our marketing subsidiaries at market-based prices. The FERC retains the authority to modify or withdraw our market-based rate authority and to impose cost of service rates if it determines that the market is not workably competitive, that we possess market power or that we are not charging just and reasonable rates. Any reduction by the FERC of the rate we may receive or any unfavorable regulation of our business by state regulators could materially adversely affect our results of operations.

The acquisition, ownership and operation of power generation facilities require numerous permits, approvals, licenses and certificates from federal, state and local governmental agencies. We may not be able to obtain or maintain all required regulatory approvals. If there is a delay in obtaining any required regulatory approvals or if we fail to obtain or maintain any required approval or comply with any applicable law or regulation, the operation of our assets and our sales of electricity could be prevented or delayed or become subject to additional costs.

Our costs of compliance with environmental laws are significant and the costs of compliance with new environmental laws could adversely affect our profitability.

Our operations are subject to extensive federal, state, local and foreign statutes, rules and regulations relating to environmental protection. To comply with these legal requirements, we must spend significant sums on environmental monitoring, pollution control and emission fees.

New environmental laws and regulations affecting our operations, and new interpretations of existing laws and regulations, may be adopted or become applicable to us. For example, the laws governing air emissions from coal-burning plants are being re-interpreted by federal and state authorities. These re-interpretations could result in the imposition of substantially more stringent limitations on these emissions than those currently in effect.

We may not be able to obtain or maintain all environmental regulatory approvals necessary to our business. If there is a delay in obtaining any required environmental regulatory approval or if we fail to obtain, maintain or comply with any such approval, operations at our affected facilities could be halted or subjected to additional costs. Further, at some of our older facilities it may be uneconomical for us to install the necessary equipment, which may cause us to shut down those generation units.

Our business development activities may not be successful and our projects under construction may not commence operation as scheduled, which could increase our costs and impair our ability to recover our investment.

The acquisition, development and construction of generating facilities involves numerous risks. We may be required to expend significant sums for preliminary engineering, permitting, fuel supply, resource exploration, legal and other expenses in preparation for competitive bids which we may not win or before it can be established whether a project is feasible, economically attractive or capable of being financed. Our success in developing a particular project is contingent upon, among other things, negotiation of satisfactory engineering, construction, fuel supply and power sales contracts, receipt of required governmental permits and timely implementation and satisfactory completion of construction. If we were unable to complete the development of a facility, we would generally not be able to recover our investment in the project.

Currently, we have power plants with 663 MW of generation capacity under development or construction and we intend to continue to evaluate opportunities to acquire and develop new, low-cost and efficient electric power generation facilities in key northeastern and western markets. Successful completion of these facilities is subject to numerous factors, including:

- changes in market prices of power and fuel;
- our ability to obtain permits and approvals and comply with applicable regulations;
- availability and timely delivery of gas turbine generators and other equipment;
- unforeseen engineering problems;
- construction delays and contractor performance shortfalls;
- shortages and inconsistent quality of equipment, material and labor;
- work stoppages;
- adverse weather conditions;
- environmental and geological conditions; and
- unanticipated cost increases.

Any of these factors could give rise to delays, cost overruns or the termination of a project.

The failure to complete construction according to specifications and on time can result in cost overruns, liabilities, reduced plant efficiency, higher operating and other costs and reduced earnings.

Risks Related to Corporate and Financial Structure

Our cash flow and ability to meet debt obligations largely depend on the performance of our subsidiaries and affiliates, some of which we do not control.

We are a holding company and conduct our operations primarily through wholly-owned subsidiaries. Substantially all of our consolidated assets are held by these subsidiaries. Accordingly, our cash flow and our ability to meet our obligations under the notes are largely dependent upon the earnings of our subsidiaries and the distribution or other payment of such earnings to us in the form of dividends or loans or advances and repayment of loans or advances from us. The subsidiaries are separate and distinct legal entities and have no obligation to pay any amounts due on the notes or to make any funds available for such payment.

Because we are a holding company, our obligations under the notes will be effectively subordinated to all existing and future liabilities of our subsidiaries and, as of September 30, 2003, excluding the obligations of PPL Corporation and PPL Capital Funding, our subsidiaries had outstanding approximately $6.1 billion of indebtedness on their balance sheets. Furthermore, as of September 30, 2003, PPL had approximately $1.5 billion of debt obligations (excluding the trust preferred securities and the new notes) due prior to May 2006, the maturity of the subordinated notes underlying the trust preferred securities. Therefore, our rights and the rights of our creditors, including the rights of the holders of the notes, to participate in the assets of any subsidiary in the event that such a subsidiary is liquidated or reorganized will be subject to the prior claims of such subsidiary s creditors. To the extent that either we may be a creditor with recognized claims against any such subsidiary, our claims would still be effectively subordinated to any security interest in, or mortgages or other liens on, the assets of such subsidiary and would be subordinated to any indebtedness or other liabilities of such subsidiary senior to that held by us. Although certain agreements to which we and our subsidiaries are parties limit the incurrence of additional indebtedness, we and our subsidiaries retain the ability to incur substantial additional indebtedness and other liabilities.

The debt agreements of some of our subsidiaries and affiliates restrict their ability to pay dividends, make distributions or otherwise transfer funds to us upon failing to meet certain financial tests or covenants prior to the payment of other obligations, including operating expenses, debt service and reserves, although we currently believe that all of our subsidiaries and affiliates are in compliance with such tests and covenants. Further, if we elect to receive distributions of earnings from our foreign operations, we may incur United States taxes, net of any available foreign tax credits, on such amounts. Distributions to us from our international projects are, in some countries, also subject to withholding taxes.

We may need significant additional financing to pursue growth opportunities.

We continually review potential acquisitions and development projects and may enter into significant acquisitions or development projects in the future. Any acquisition or development project will likely require access to substantial capital from outside sources on acceptable terms. We can give no assurance that we will obtain the substantial debt and equity capital required to invest in, acquire and develop new generation projects or to refinance existing projects. We may also need external financing to fund capital expenditures, including capital expenditures necessary to comply with environmental regulations or other regulatory requirements.

Our ability to arrange financing and our cost of capital are dependent on numerous factors, including:

- general economic conditions, including the conditions in the energy industry;
- credit availability from banks and other financial institutions;
- market prices for electricity and fuels;
- our capital structure and the maintenance of acceptable credit ratings;
- our financial performance;
- the success of current projects and the perceived quality of new projects; and
- provisions of relevant tax and securities laws.

The inability to obtain sufficient financing on terms that are acceptable to us could adversely affect our ability to pursue acquisition and development opportunities and fund capital expenditures.

FORWARD-LOOKING INFORMATION

Certain statements included or incorporated by reference in this prospectus supplement, including statements with respect to future earnings, energy supply and demand, costs, electric rates, subsidiary performance, growth, new technology, project development, fuel and energy prices, strategic initiatives, and generating capacity and performance, are forward looking statements within the meaning of the federal securities laws. Although we believe that the expectations and assumptions reflected in these statements are reasonable, there can be no assurance that these expectations will prove to be correct. These forward-looking statements involve a number of risks and uncertainties, and actual results may differ materially from the results discussed in the forward-looking statements. In addition to the specific factors discussed in the Risk Factors section in this prospectus supplement and our reports that are incorporated by reference, 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 and operating costs;
- competition in retail and wholesale power markets;
- effect of any business or industry restructuring;
- profitability and liquidity of PPL Corporation and its subsidiaries;
- new accounting requirements or new interpretations or applications of existing requirements;
- operation of existing facilities and operating costs of PPL Corporation and its subsidiaries;
- environmental conditions and requirements;
- transmission and distribution system conditions and operating costs;
- development of new projects, markets and technologies;
- performance of new ventures;
- asset acquisitions