

# SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D. C. 20549

## FORM 11-K

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934 [FEE REQUIRED]

For the fiscal year ended December 31, 1997

OR

TRANSITION REPORT PURSUANT TO SECTION 15 (d) OF THE  
SECURITIES EXCHANGE ACT OF 1934 [NO FEE REQUIRED]

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

*Commission file number 1-905*

A. Full title of the plan and the address of the plan, if different from that of the issuer named below:

**PP&L EMPLOYEE STOCK OWNERSHIP PLAN**

B. Name of issuer of the securities held pursuant to the plan and the address of its principal executive office:

**PP&L RESOURCES, INC.  
TWO NORTH NINTH STREET  
ALLENTOWN, PENNSYLVANIA 18101-1179**

Thirty South Seventeenth Street

**Price Waterhouse LLP (logo appears here)**

### **Report of Independent Accountants**

June 4, 1998

To the Employee Benefit Plan Board of  
PP&L, Inc.

In our opinion, the accompanying statements of net assets available for benefits and the related statements of changes in net assets available for benefits present fairly, in all material respects, the net assets available for benefits of the PP&L Employee Stock Ownership Plan (the Plan) at December 31, 1997 and 1996, and the changes in net assets available for benefits for the years then ended, in conformity with generally accepted accounting principles. These financial statements are the responsibility of the Plan's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with generally accepted auditing standards which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for the opinion expressed above.

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedules of assets held for investment purposes at December 31, 1997 and of reportable transactions for the year ended December 31, 1997 are presented for purposes of additional analysis and are not a required part of the basic financial statements but are supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. The supplemental schedules as of and for the year ended December 31, 1997 have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

(Price Waterhouse signature)

PP&L EMPLOYEE STOCK OWNERSHIP PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS  
AT DECEMBER 31, 1997 AND 1996

	1997	1996
ASSETS		
INVESTMENT - Common stock of PP&L Resources, Inc. at fair value.....	\$142,609,547	\$135,511,147
DIVIDENDS RECEIVABLE.....	2,370,396	2,349,668
	144,979,943	137,860,815
LIABILITIES		
DIVIDENDS PAYABLE TO PARTICIPANTS.....	2,370,396	2,349,668
NET ASSETS AVAILABLE FOR BENEFITS (100% VESTED).....	\$142,609,547	\$135,511,147

See accompanying notes to financial statements.

PP&L EMPLOYEE STOCK OWNERSHIP PLAN

STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS  
FOR THE YEARS ENDED DECEMBER 31, 1997 AND 1996

	1997	1996
INCREASES:		
Employer contributions.....	\$6,796,970	\$6,742,961
Dividend income.....	9,604,431	9,516,873
Net appreciation of investment.....	5,265,820	
Total increases.....	21,667,221	16,259,834
DECREASES:		
Dividend distributions to participants.....	9,604,431	9,516,873
Distributions of stock and cash to active and terminated participants.....	4,964,390	5,076,878
Net depreciation of investment.....		12,440,636
Total decreases.....	14,568,821	27,034,387
NET INCREASE (DECREASE) .....	7,098,400	(10,774,553)
NET ASSETS AVAILABLE FOR BENEFITS AT		
BEGINNING OF YEAR.....	135,511,147	146,285,700
NET ASSETS AVAILABLE FOR BENEFITS AT END OF YEAR.....	\$142,609,547	\$135,511,147

See accompanying notes to financial statements.

# PP&L EMPLOYEE STOCK OWNERSHIP PLAN

## NOTES TO FINANCIAL STATEMENTS

### 1. PLAN DESCRIPTION

The PP&L Employee Stock Ownership Plan ((Plan) formerly known as the Pennsylvania Power & Light Company Employee Stock Ownership Plan) was adopted effective January 1, 1975 and most recently amended and restated effective January 1, 1998. Amounts contributed to the Plan are used to purchase shares of common stock of PP&L Resources, Inc. (Resources), the parent holding company of PP&L, Inc. (PP&L), for employees.

The Plan requires that dividends on shares credited to participants' accounts be paid in cash. Under existing income tax laws, PP&L or Resources is permitted to deduct the amount of those dividends for income tax purposes and to contribute the resulting tax savings (dividend-based contribution) to the Plan. The dividend-based contribution is used to buy shares of Resources' common stock and is expressly conditioned upon the deductibility of the contribution for federal income tax purposes.

Substantially all full-time employees of PP&L who have completed one year of service are eligible to participate in the Plan. All amounts contributed to the Plan are invested in shares of common stock of Resources. The shares of common stock purchased with the dividend-based contribution are allocated to participants' accounts, 75% on the basis of shares held in a participant's account and 25% on the basis of the participant's compensation.

The shares of common stock allocated to a participant's account may not exceed the maximum permitted by law. All shares of common stock credited to a participant's account are 100% vested and nonforfeitable, but cannot be pledged as security by the employee. Stock certificates representing shares in the Plan are held by the Trustee.

Participants may elect to withdraw from their accounts common stock which has been allocated with respect to a Plan year ending at least 84 months prior to the end of the Plan year in which the election is made. Participants so electing may receive cash or stock certificates for the number of whole shares, cash for any fractional shares available for withdrawal or may make a rollover to a qualified plan.

Participants who have attained age 55 and have completed ten years of participation in the Plan may elect to withdraw a limited number of shares added to their accounts after December 31, 1986. For the first five years after meeting the requirement participants may withdraw up to an aggregate of 25% of such shares. In the sixth year qualified participants may withdraw up to an aggregate of 50% of such shares.

Upon termination of service with PP&L, participants are entitled to receive cash or stock certificates for the number of whole shares, cash for any fractional shares allocated to them or may make a rollover to a qualified plan. Participants who terminate service with PP&L and whose account balance exceeds \$3,500 may defer distribution of the shares of stock in the account until the earlier of age 65 or death. Participants who terminate service with PP&L on or after age 55 may defer distribution of the shares of stock in the account up to April 1 of the year following the year in which the participant attains the age of 70-1/2.

A 10% federal excise tax is applicable to withdrawals from the Plan made, generally, before a participant reaches age 59-1/2.

Resources has reserved the right to amend or terminate the Plan at any time by or pursuant to action of its Board of Directors. Upon termination of the Plan a procedure for distribution of all shares to participants would be established.

The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974.

### 2. SIGNIFICANT ACCOUNTING POLICIES

A. The Plan's common stock investment is stated at fair value. Fair value is the quoted market price of Resources' common stock. Realized gains and losses from the sale or distribution of stock by the Trustee are based on the average cost of common stock held at the time of sale.

B. Dividend income and dividend distributions to participants are recorded on dividend record dates.

C. Distributions of stock and cash to terminated participants not electing to defer distributions are recorded in the Plan year during which service is terminated. Otherwise, such distributions are recorded as stock certificates are issued and cash is paid.

D. Distributions of stock and cash to active participants electing to withdraw eligible shares are recorded in the Plan year in which elections are received.

E. As of December 31, 1997 and 1996, net assets available for benefits did not include any benefits due to participants who have withdrawn from participation in the Plan.

3. **ADMINISTRATION** The Plan is administered by an Employee Benefit Plan Board (Board), composed of certain PP&L officers, appointed by the Board of Directors of PP&L. The Board of Directors of PP&L has appointed Mellon Bank as Trustee of the Plan.

Expenses incurred in the administration of the Plan are paid by PP&L and the facilities of PP&L are used by the Plan at no charge.

4. **TAX STATUS** In 1995, the Internal Revenue Service (IRS) issued a determination letter that the Plan, as amended through December 20, 1994, continues to be qualified under Section 401(a) of the Internal Revenue Code as a stock bonus plan and constitutes an employee stock ownership plan under Section 409 of the Internal Revenue Code.

Under present Federal income tax laws and regulations, a qualified plan is not taxed on contributions received from Resources or participants, on dividend income, on realized gains from the sale of stock or on any unrealized appreciation of investments. A participant in a qualified plan is not subject to Federal income tax on amounts contributed by Resources until that participant receives a distribution from the plan.

PP&L EMPLOYEE STOCK OWNERSHIP PLAN  
ITEM 27(a) - SCHEDULE OF ASSETS HELD FOR INVESTMENT PURPOSES  
DECEMBER 31, 1997

Identity of Issue, Borrower, Lessor, or Similar Party	Description of Investment	Current Value	Cost
PP&L Resources, Inc.	Common Stock - \$0.01 par value	\$142,609,547	\$104,374,253

PP&L EMPLOYEE STOCK OWNERSHIP PLAN  
 ITEM 27(d) - SCHEDULE OF REPORTABLE TRANSACTIONS  
 YEAR ENDED DECEMBER 31, 1997

SERIES OF TRANSACTIONS, INVOLVING SECURITIES OF THE SAME ISSUE, IN EXCESS OF 5% OF THE CURRENT VALUE OF NET ASSETS AVAILABLE FOR BENEFITS AT THE BEGINNING OF THE PLAN YEAR

IDENTITY OF PARTY INVOLVED	DESCRIPTION OF ASSET	TOTAL PURCHASE PRICE	TOTAL SELLING PRICE	COST OF ASSET	CURRENT VALUE OF ASSET ON TRANSACTION DATE	NET GAIN (LOSS)
The Employee Benefit Plan Board of PP&L, Inc. as Administrator for the PP&L Employee Stock Ownership Plan	PP&L Resources, Inc. Common Stock: Purchase of 296,649 shares	\$6,796,970			\$6,796,970	
	Sale of 143,978 shares		\$3,067,552	\$2,213,086	\$3,067,552	\$854,466

## SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Employee Benefit Plan Board has duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

### PP&L Employee Stock Ownership Plan

By:            /s/ John M. Chappellear  
                  John M. Chappellear  
Chairman, Employee Benefit Plan  
Board  
                                  PP&L, Inc.

Dated: June 22, 1998

# End of Filing