

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): July 10, 2001

PPL Corporation

(Exact Name of Registrant as Specified in Its Charter)

Pennsylvania ----- (State or other jurisdiction of Incorporation) No.)	1-11459 ----- (Commission File Number)	23-2758192 ----- (IRS Employer Identification
------------------------------------------------------------------------------------	-------------------------------------------------	--------------------------------------------------------

Two North Ninth Street, Allentown, Pennsylvania 18101-1179
(Address of principal executive offices)

Registrant's Telephone Number, including Area Code: (610) 774-5151

PPL Montana, LLC

(Exact Name of Registrant as Specified in Its Charter)

Delaware ----- (State or other jurisdiction of Incorporation) No.)	333-50350 ----- (Commission File Number)	54-1928759 ----- (IRS Employer Identification
--------------------------------------------------------------------------------	---------------------------------------------------	--------------------------------------------------------

303 North Broadway, Suite 400, Billings, Montana 59101
(Address of principal executive offices)

Registrant's Telephone Number, including Area Code: (406) 869-5100

ITEM 5. OTHER EVENTS

On June 26, 2001, the Montana Public Service Commission (MPSC) issued an order (MPSC Order) in which it found that The Montana Power Company (MPC) must continue to provide electric service to its customers at tariffed rates until its transition plan under the Montana Electricity Utility Industry Restructuring and Customer Choice Act is finally approved, and that purchasers of generating assets from MPC must provide electricity to meet MPC's full load requirements at prices to MPC that reflect costs calculated as if the generation assets had not been sold. PPL Montana, LLC, a subsidiary of PPL Corporation, purchased MPC's interest in two coal-fired plants and 11 hydroelectric units in 1999.

On July 10, 2001, PPL Montana announced that it had filed a complaint against the MPSC with the U.S. District Court in Helena, Montana, challenging the MPSC Order. In its complaint, PPL Montana asserted, among other things, that the Federal Power Act preempts states from exercising regulatory authority over sale of electricity in wholesale markets, and requested the court to declare the MPSC action preempted, unconstitutional and void. In addition, the complaint requested that the MPSC be enjoined from seeking to exercise any authority, control or regulation of wholesale sales from PPL Montana's generating assets. A copy of the press release is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

In an unrelated matter, on July 13, 2001, PPL Montana filed an action in state court and a responsive pleading in federal court, both related to a breach of contract by Energy West Resources, Inc. (Energy West), a Great Falls, Montana-based energy aggregator. In the federal action, PPL Montana requested that the court refrain from issuing a preliminary injunction and lift a temporary restraining order that had been issued on July 6, 2001, prohibiting PPL Montana from seeking to terminate the contract under which it supplies energy to Energy West. In the state action, PPL Montana is seeking a judgment that Energy West violated the terms of the supply contract and should pay damages of at least \$7.5 million. A copy of a press release regarding these matters is attached hereto as Exhibit 99.2 and is incorporated herein by reference.

PPL Montana is unable to predict the ultimate effect of the MPSC order or the outcome of these actions.

ITEM 7. FINANCIAL STATEMENTS AND EXHIBITS

(c) Exhibits

99.1 Press Release, dated July 10, 2001, regarding claims by PPL Montana, LLC relating to certain action by the MPSC.

99.2 Press Release, dated July 13, 2001, regarding a claim by PPL Montana, LLC against Energy West, relating to an energy supply contract.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrants have duly caused this report to be signed on their behalf by the undersigned hereunto duly authorized.

PPL CORPORATION

By: /s/ James E. Abel

James E. Abel
Vice President - Finance and
Treasurer

PPL MONTANA, LLC

By: /s/ Paul A. Farr

Paul A. Farr
Vice President, Chief Financial
Officer
and Assistant Secretary

Dated: July 17, 2001

EXHIBIT 99.1

**PPL MONTANA ASKS FEDERAL COURT TO VOID
MONTANA PUBLIC SERVICE COMMISSION ORDER AS UNCONSTITUTIONAL**

Allentown, Pa.-- (July 10, 2001) Action by the Montana Public Service Commission that attempts to regulate sales from power plants owned by PPL Montana not only is unconstitutional but also contradicts a previous action by the commission, PPL Montana said in a complaint filed Tuesday (7/10).

The company, in the action filed with the U.S. District Court in Helena, asks the federal court to declare the PSC action "preempted, unconstitutional and void." The complaint also asks the court to issue an order "enjoining the PSC from seeking to exercise any authority, control or regulation of wholesale sales from PPL Montana's generating assets." "While it is unfortunate that it has become necessary to file such a complaint against the Montana PSC, this action should come as no surprise," said Robert J. Grey, senior vice president and general counsel for PPL Corporation (NYSE: PPL), the parent company of PPL Montana. "We have said on numerous occasions that we would vigorously challenge any attempt by state authorities to regulate sales from these power plants, which clearly are under the jurisdiction of a federal agency."

On June 26, the Montana PSC issued an order in which it found that any purchaser of power plants formerly owned by The Montana Power Company must sell electricity to Montana Power under conditions established by the PSC. PPL Montana purchased two coal-fired plants and 11 hydroelectric units from Montana Power in 1999.

Grey said that the Federal Power Act preempts states from exercising regulatory authority over sale of electricity in wholesale markets. In addition, the Federal Energy Regulatory Commission has granted PPL Montana special status to sell solely in the wholesale market.

Grey also pointed out that, in an action taken on May 25, 1999, the Montana PSC approved federal control over PPL Montana's plants as in the public interest. "The commission's recent action inexplicably tries to overturn that previous judgment," said Grey.

In addition to the PSC action being preempted by Supremacy Clause of the U.S. Constitution, Grey said several other constitutional violations arise from the attempted regulation:

- o The PSC's efforts to regulate wholesale electricity sales and the transmission of electricity interfere with interstate commerce in violation of the Commerce Clause of the constitution.
- o The PSC order would require PPL Montana to sell electricity to Montana Power in quantities and prices that are contrary to an existing power purchase agreement between the two companies, violating the Contracts Clause of the constitution.
- o The PSC order imposes arbitrary, capricious and discriminatory requirements on PPL Montana in violation of the Due Process Clause of the constitution.

- o The PSC order would require PPL Montana to sell electricity at below market prices, resulting in a taking of PPL property without just compensation, a violation of the Fifth Amendment of the constitution.
- o The PSC order denies PPL Montana equal protection, violating the Equal Protection Clause of the Fourteenth Amendment to the constitution.

"PPL understands the energy challenges facing the state of Montana and we have taken meaningful actions to help mitigate these challenges," said Grey. "We are very disappointed that the Montana PSC is persisting in a misguided and unconstitutional attempt to regulate sales from our power plants. This PSC action only will serve to distract attention from productive efforts - of which we have been a part - to provide adequate energy supplies for the state's residents and businesses."

Following through on its commitment to be a part of the solution to Montana's electricity supply concerns, PPL has offered to supply Montana Power with 500 megawatts of power produced by PPL's plants at 4 cents per kilowatt-hour for five years.

When PPL Montana purchased its Montana plants, it agreed to supply Montana Power with electricity, at less than 2.5 cents per kilowatt-hour. It is continuing to supply Montana Power with electricity under this agreement through June 30, 2002.

In addition, PPL Montana has voluntarily provided 20 megawatts of below-market-priced electricity to a power pool that the state has established for industrial customers. PPL is the only company providing electricity to that pool.

PPL EnergyPlus, another subsidiary of PPL Corporation, also has been making competitive energy supply offers to industrial customers in Montana. PPL EnergyPlus recently signed a six-year contract with Advanced Silicon Materials LLC, a leading polysilicon producer for the semiconductor industry that is one of Montana's largest industrial operations and a major employer in the state.

PPL Montana and PPL EnergyPlus, both subsidiaries of PPL Corporation, have offices in Butte, Billings and Helena and together employ more than 500 people in Montana. PPL Montana operates the Colstrip and Corette generating plants and 11 hydroelectric facilities within the state.

PPL Corp., headquartered in Allentown, Pa., generates electricity at power plants in key U.S. markets; 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.

###

JULY 13, 2001

PPL MONTANA ASKS JUDGE TO LIFT TEMPORARY RESTRAINING ORDER; ASKS STATE COURT FOR DAMAGE JUDGMENT AGAINST ENERGY WEST

PPL Montana filed actions in both federal and state court today, related to what it called a breach of contract terms by Energy West Resources, Inc., a Great Falls-based energy aggregator.

Saying that a temporary restraining order issued last week is not necessary to protect electricity customers in the state, PPL Montana asked Federal District Judge Donald Molloy to lift the temporary order and refrain from issuing a preliminary injunction.

In the state court action, PPL Montana is seeking a judgment that Energy West violated the terms of its contract with PPL and should pay PPL all damages resulting from Energy West's conduct. PPL estimates damages of at least \$7.5 million.

PPL Montana said Energy West misled Judge Molloy into thinking that customers would lose electricity supply if PPL were to terminate the Energy West agreement.

"Energy West inaccurately claimed that our attempts to terminate our supply contract with them would result in an interruption of electricity service to customers," said Robert J. Grey, PPL senior vice president and general counsel. "This simply is not the case."

Grey explained that a termination of the contract between PPL Montana and Energy West would not leave electricity customers without power because Energy West could get another wholesale supplier and customers could get alternate retail suppliers. He added that any termination effort by PPL also would have to be approved by the Federal Energy Regulatory Commission, a process that would take at least a period of weeks.

"It is unfortunate that the recent court actions in this matter have clouded the central fact: Energy West deliberately undertook actions that enabled it to reap millions of dollars of profit in wholesale electricity markets - profits to which they were not entitled," Grey said.

Through repeated "overscheduling" - misrepresentation of the amount of electricity needed to serve customers - over the first six months of its contract with PPL Montana, Energy West wrongfully gained more than \$7.5 million by reselling PPL-supplied electricity, Grey said.

"Energy West, on a daily basis, told PPL that it needed an average of about 38 percent more electricity than it actually needed to serve customers - a clear violation of our contract," Grey said.

Under the terms of the contract signed in March 2000, PPL Montana agreed to supply sufficient electricity to meet the needs of retail customers that have contracted with Energy West, up to a maximum of 75 megawatts per hour. PPL Montana sold the electricity to Energy West at prices substantially below prevailing market prices in the region.

"The low purchase price from PPL Montana meant that Energy West profited enormously by improperly ordering more power from PPL on a daily basis than it needed to serve customers and then selling that excess in the wholesale markets," Grey said.

Grey said PPL Montana has made repeated attempts to negotiate a settlement with Energy West, but those efforts have proven unproductive.

In the federal filing, PPL also points out that Energy West inappropriately sought a restraining order and preliminary injunction in federal court. Because both entities (PPL Montana and Energy West) are Montana-based companies, any action should have been filed in state court.

Judge Molloy issued a temporary restraining order July 6 prohibiting PPL Montana from seeking to terminate its contract with Energy West. The judge has scheduled a hearing on the case for July 19.

PPL Montana operates the Colstrip and Corette generating plants and 11 hydroelectric facilities within the state.

End of Filing