Third Quarter Earnings Call

October 31, 2007

Cautionary Statements And Factors That May Affect Future Results

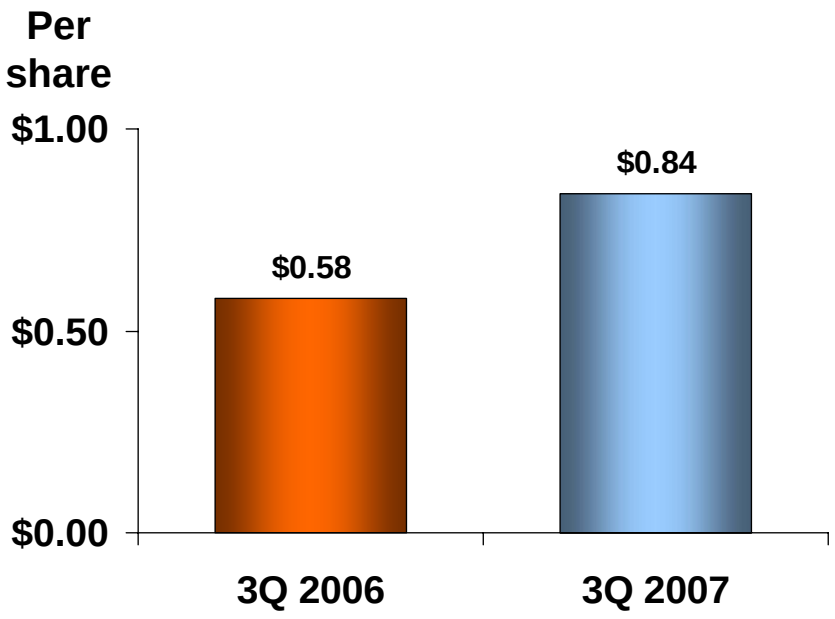
Any statements made in this presentation about future operating results or other future events are forward-looking statements under the Safe Harbor Provisions of the Private Securities Litigation Reform Act of 1995. Actual results may differ materially from such forward-looking statements. A discussion of factors that could cause actual results or events to vary is contained in the Appendix to this presentation and in the Company's SEC filings.

Agenda

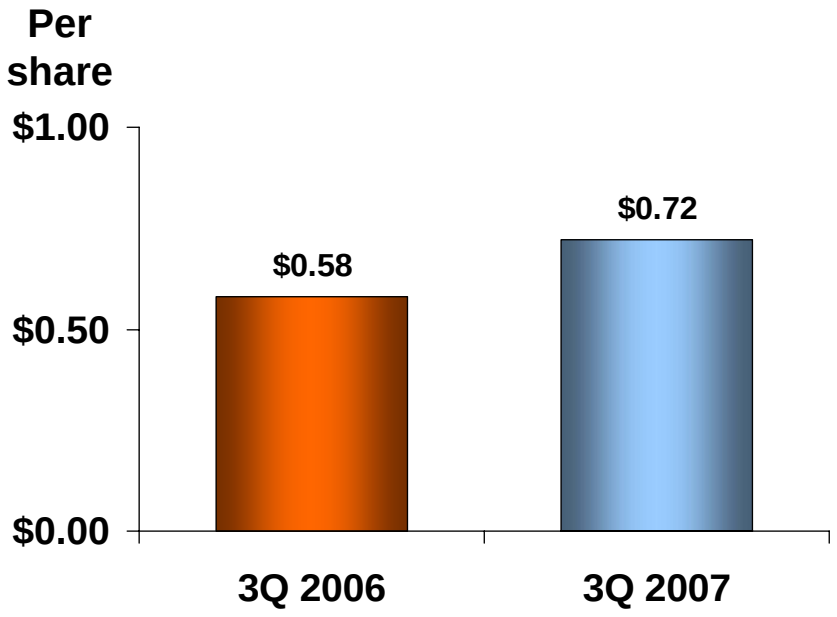
- **Third Quarter 2007 Earnings and Review of 2010 Earnings Forecast and Outlook** — **J. H. Miller**
- **Third Quarter Segment Results, Revised Forecasts and Financial Overview** — **P. Farr**
- **Operational Review, 2008 and 2010 Earnings Assumptions** — **W. H. Spence**
- **Q&A**

Strong Third Quarter Results

Reported Earnings



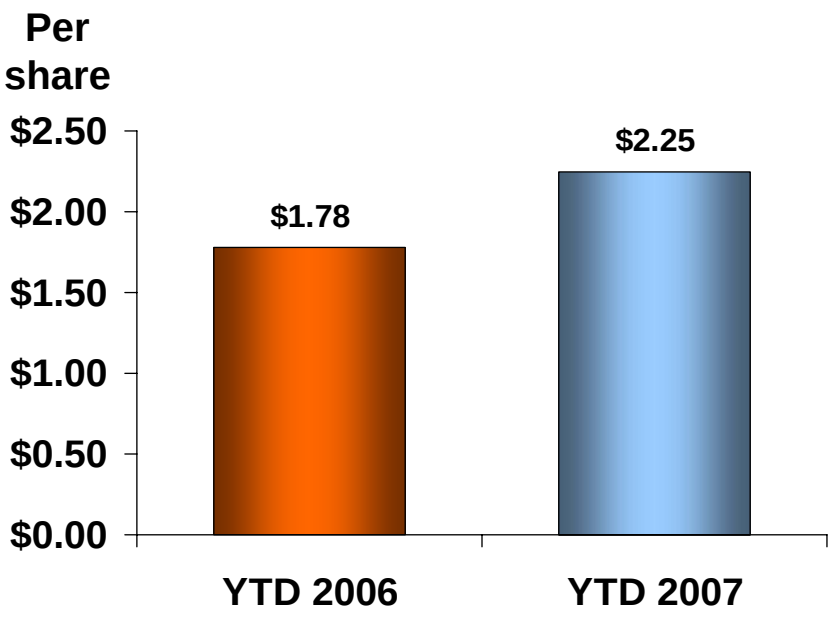
Earnings from Ongoing Operations



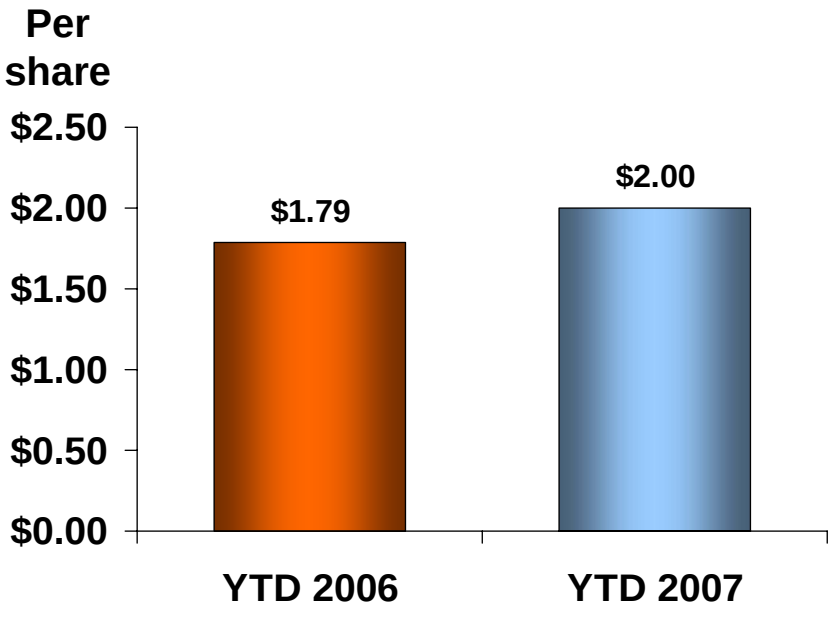
Note: See Appendix for the reconciliation of reported earnings and earnings from ongoing operations.

Outstanding Year-to-Date Results

Reported Earnings

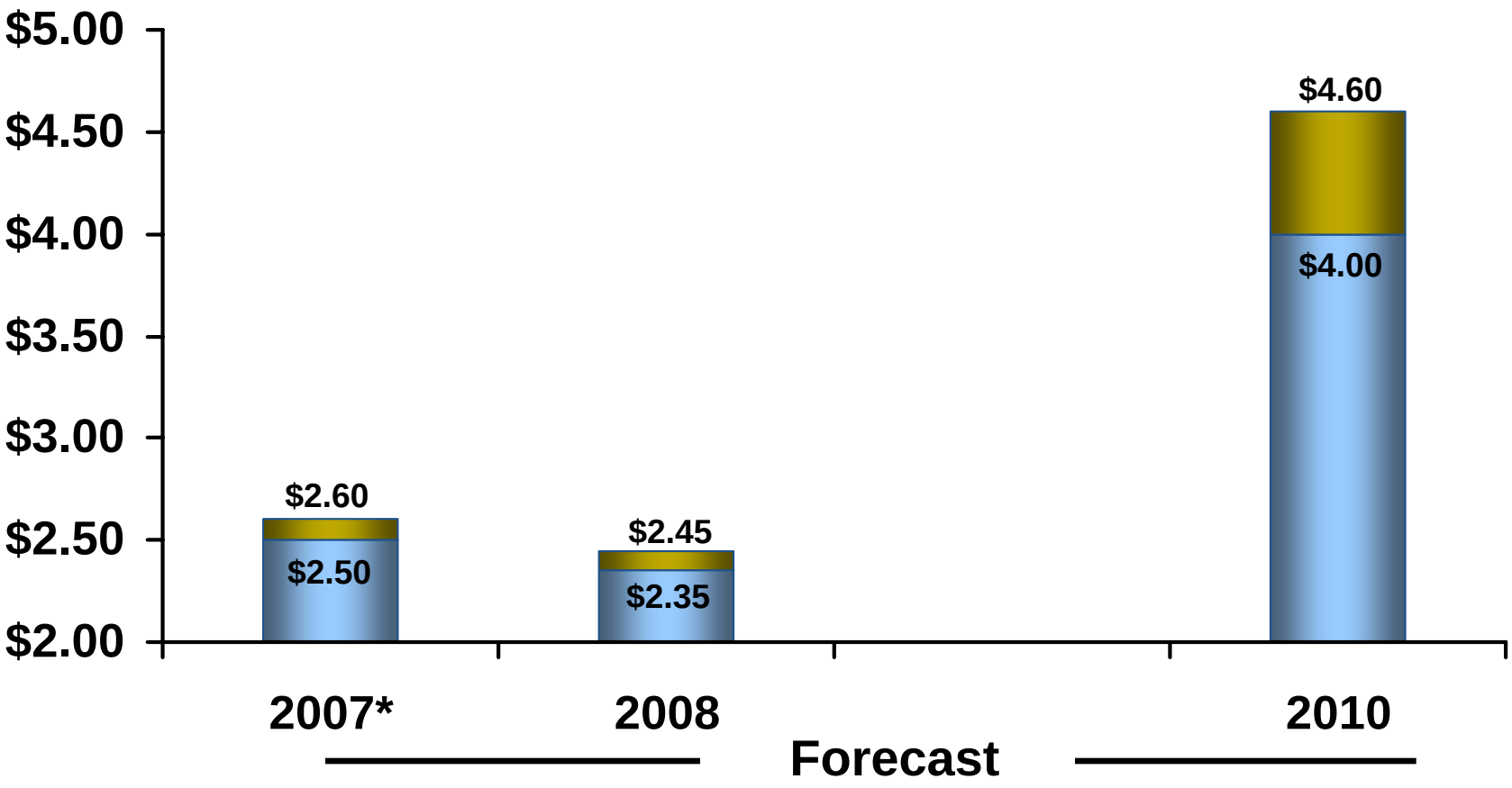


Earnings from Ongoing Operations



Note: See Appendix for the reconciliation of reported earnings and earnings from ongoing operations.

Strong Long-Term Earnings Growth



*Earnings from ongoing operations – See Appendix for the per share reconciliation of reported earnings and earnings from ongoing operations.

Ongoing Earnings Overview

(Dollars per Share)

	3rd Quarter		
	2007	2006	Change
Supply	$0.50	$0.34	$ 0.16
Pennsylvania Delivery	0.09	0.09	-
International Delivery	0.13	0.15	(0.02)
Total	$0.72	$0.58	$0.14

Note: See Appendix for the per share reconciliation of reported earnings and earnings from ongoing operations.

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Supply Segment Earnings Drivers

(Dollars per Share)

	3rd Quarter	
Q3 2006 EPS – Ongoing Earnings		$0.34
Margins – East	$0.09	
Margins – West	0.03	
Synfuel	0.01	
Income taxes and other	0.03	
Total		0.16
Q3 2007 EPS – Ongoing Earnings		$0.50

Note: See Appendix for the per share reconciliation of reported earnings and earnings from ongoing operations.

Pennsylvania Delivery Segment Earnings Drivers

(Dollars per Share)

	3rd Quarter	
Q3 2006 EPS – Ongoing Earnings		$0.09
Delivery Margins	$ -	
O&M	0.01	
Income Taxes & Other	(0.01)	
Total		-
Q3 2007 EPS – Ongoing Earnings		$0.09

Note: See Appendix for the per share reconciliation of reported earnings and earnings from ongoing operations.

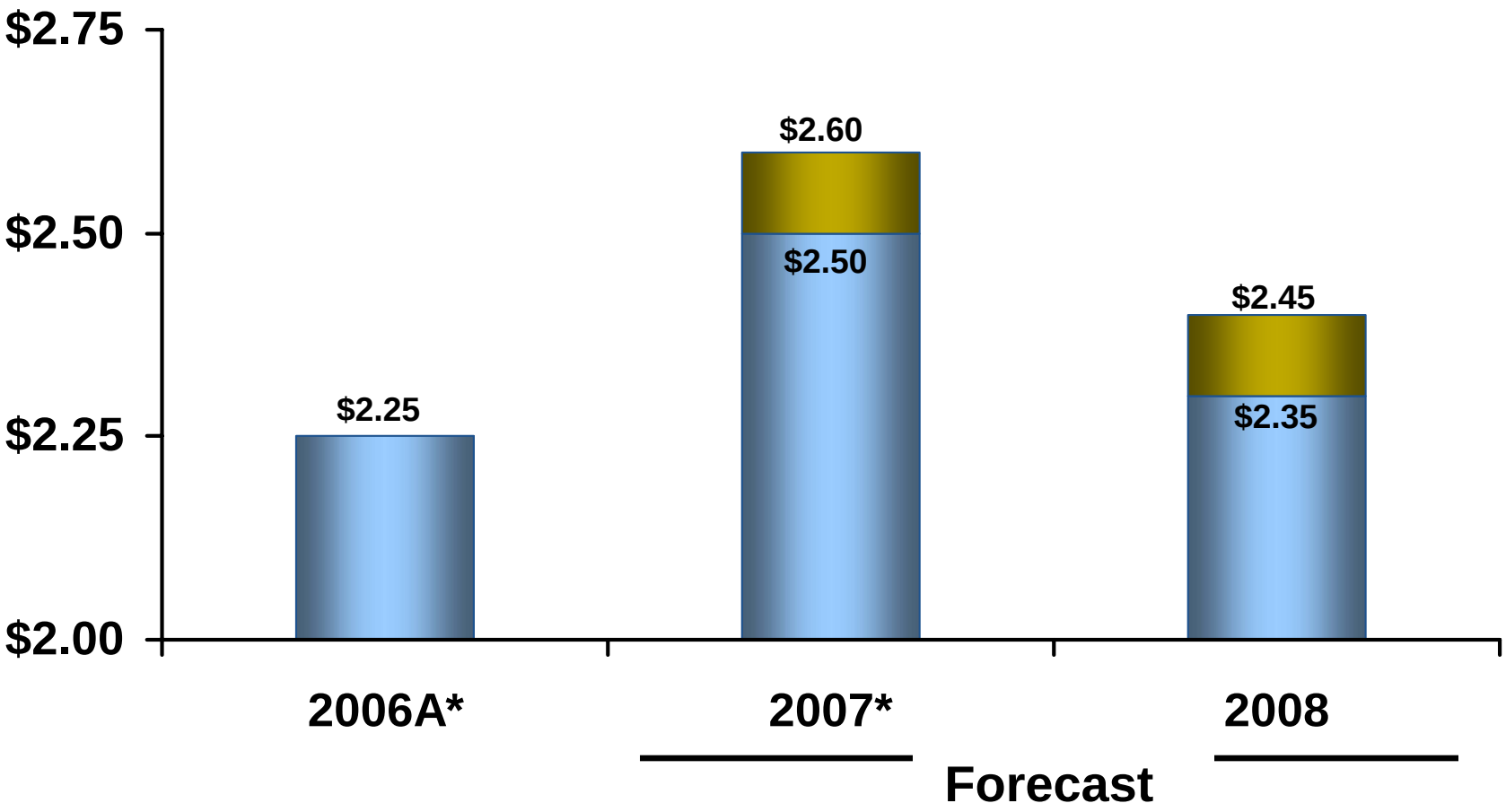
International Delivery Segment Earnings Drivers

(Dollars per Share)

	3rd Quarter	
Q3 2006 EPS – Ongoing Earnings		$0.15
Delivery Margins	0.03	
O&M	(0.01)	
Income Taxes & Other	(0.01)	
Foreign currency translation	0.01	
Latin American Operations	(0.04)	
Total		(0.02)
Q3 2007 EPS – Ongoing Earnings		$0.13

Note: See Appendix for the per share reconciliation of reported earnings and earnings from ongoing operations.

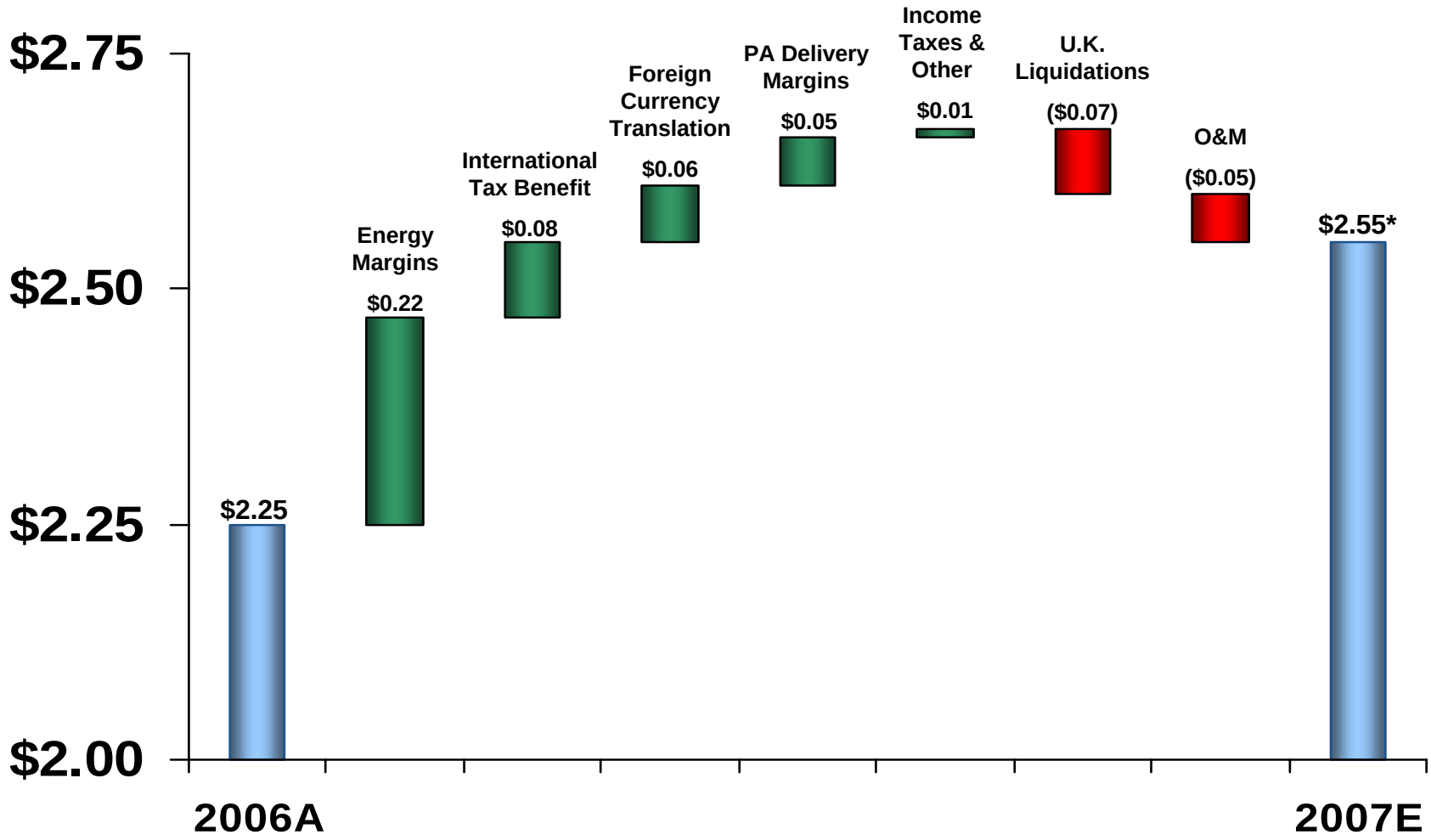
2007 and 2008 Earnings Forecasts



*Earnings from ongoing operations – See Appendix for the per share reconciliation of reported earnings and earnings from ongoing operations.

Expected 2007 Ongoing Earnings Contributions

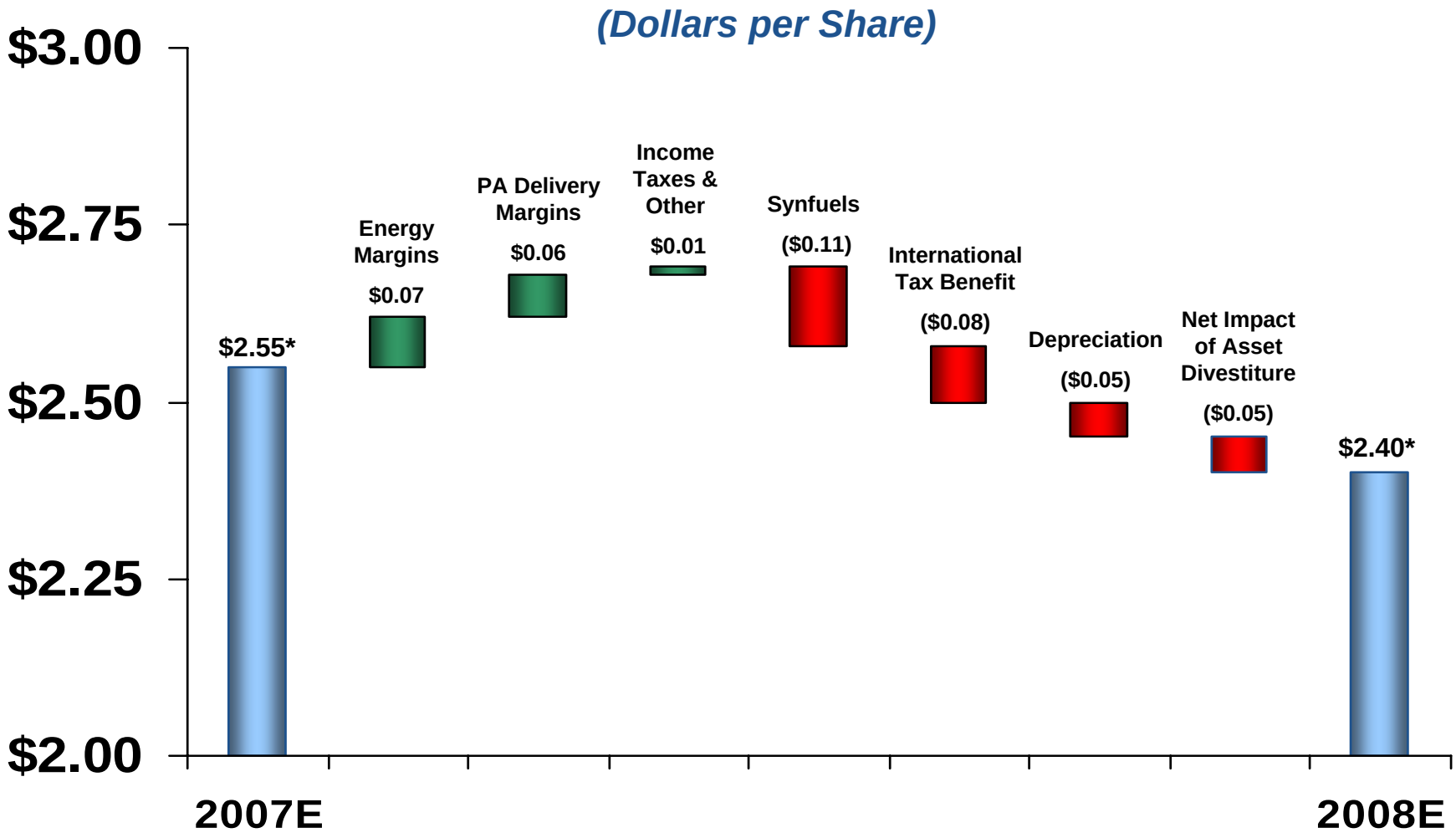
(Dollars per Share)



*Midpoint of forecast

Note: See Appendix for the reconciliation of reported earnings and earnings from ongoing operations.

Expected 2008 Earnings Contributions

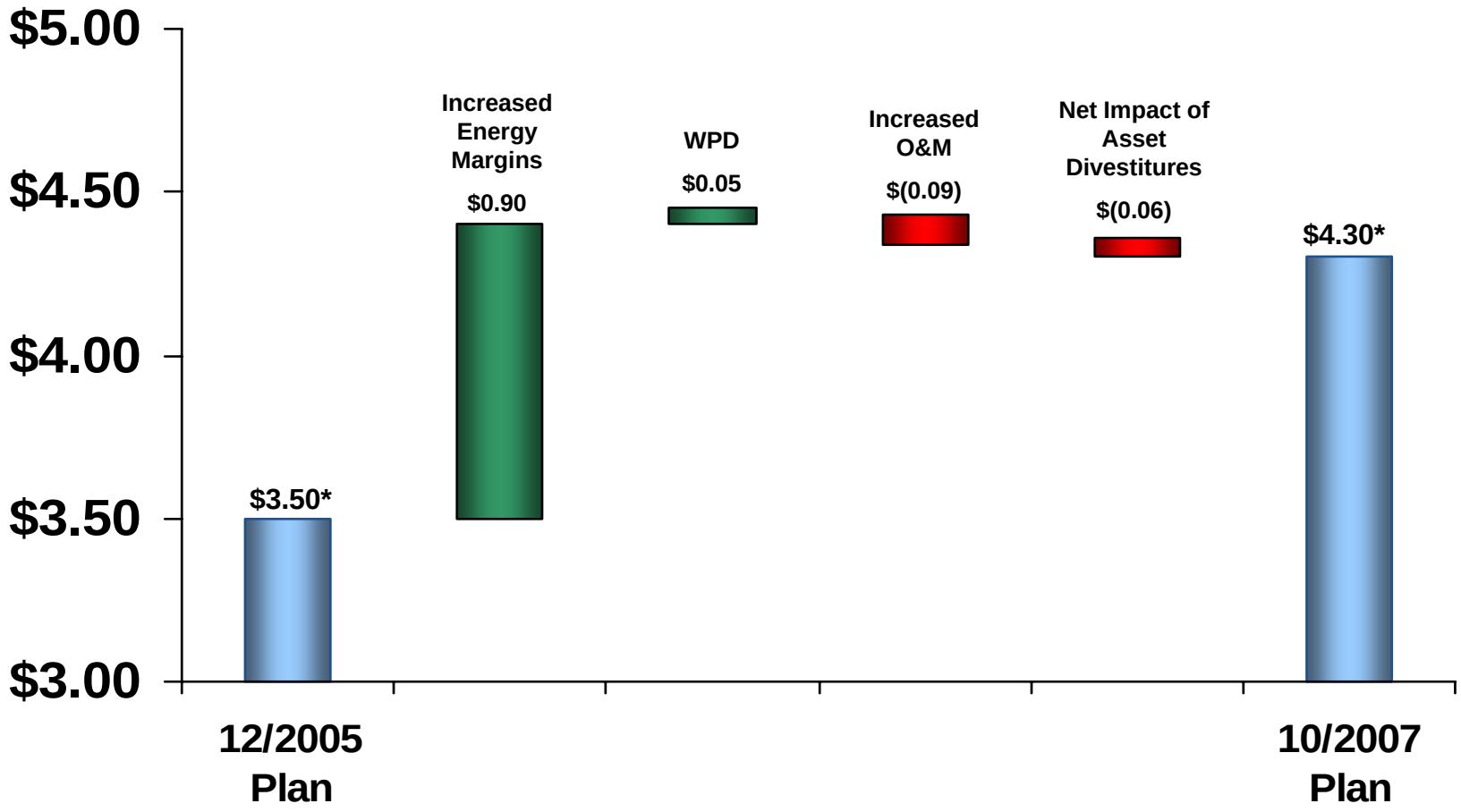


*Midpoint of forecast

Note: See Appendix for the reconciliation of reported earnings and earnings from ongoing operations.

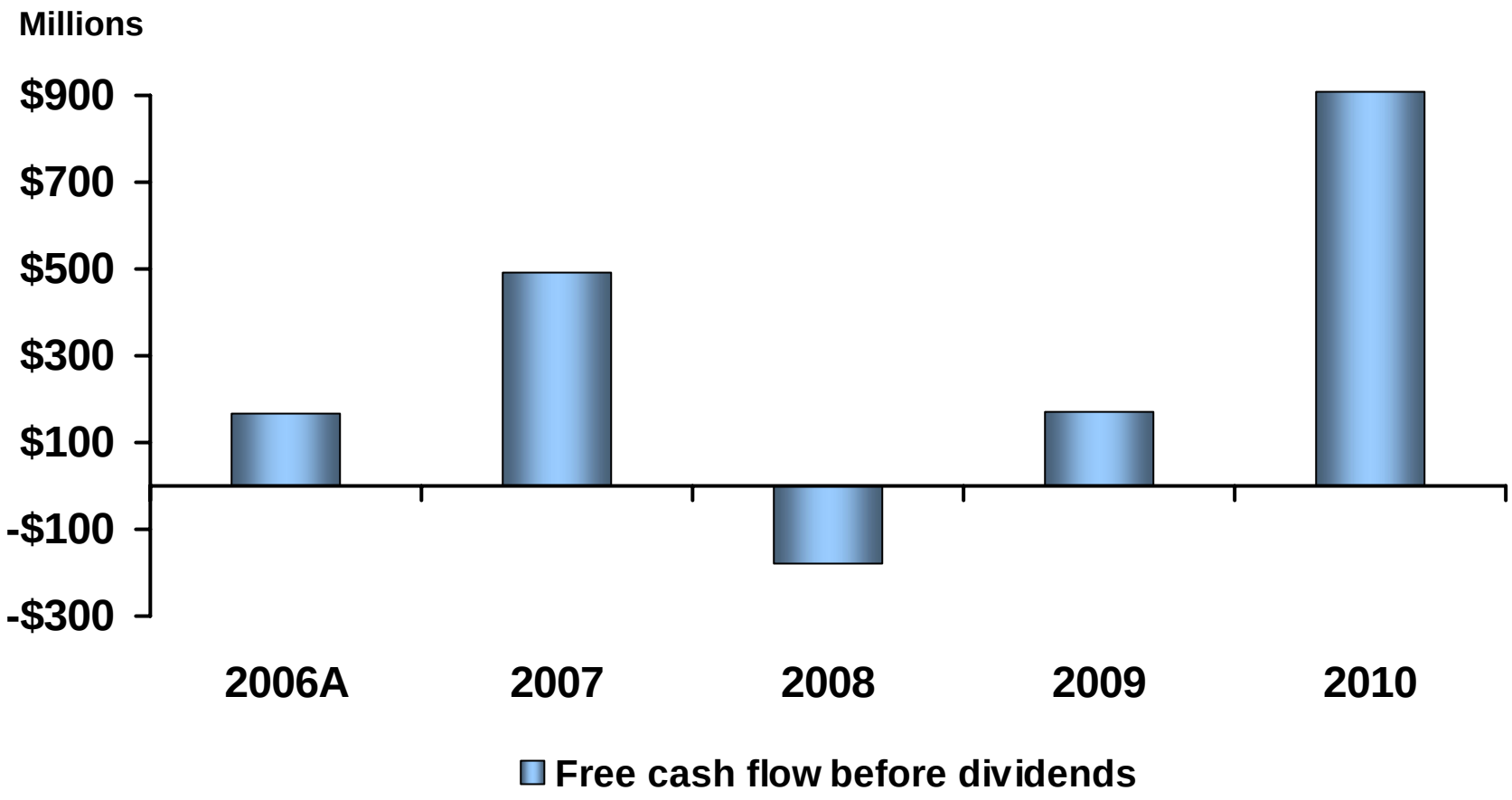
Expected 2010 Earnings Contributions

(Dollars per Share)



*Midpoint of forecast

Cash Flow Forecast



Note: See Appendix for the reconciliation of cash flow measures.

Operational Update – Delivery Segment

- Reached a settlement agreement on distribution rate increase; approval recommended by PUC Judge
- Completed two solicitations for one-third of 2010 generation supply
- Designing options to help customers mitigate price increases
- Divesting of gas and propane delivery businesses

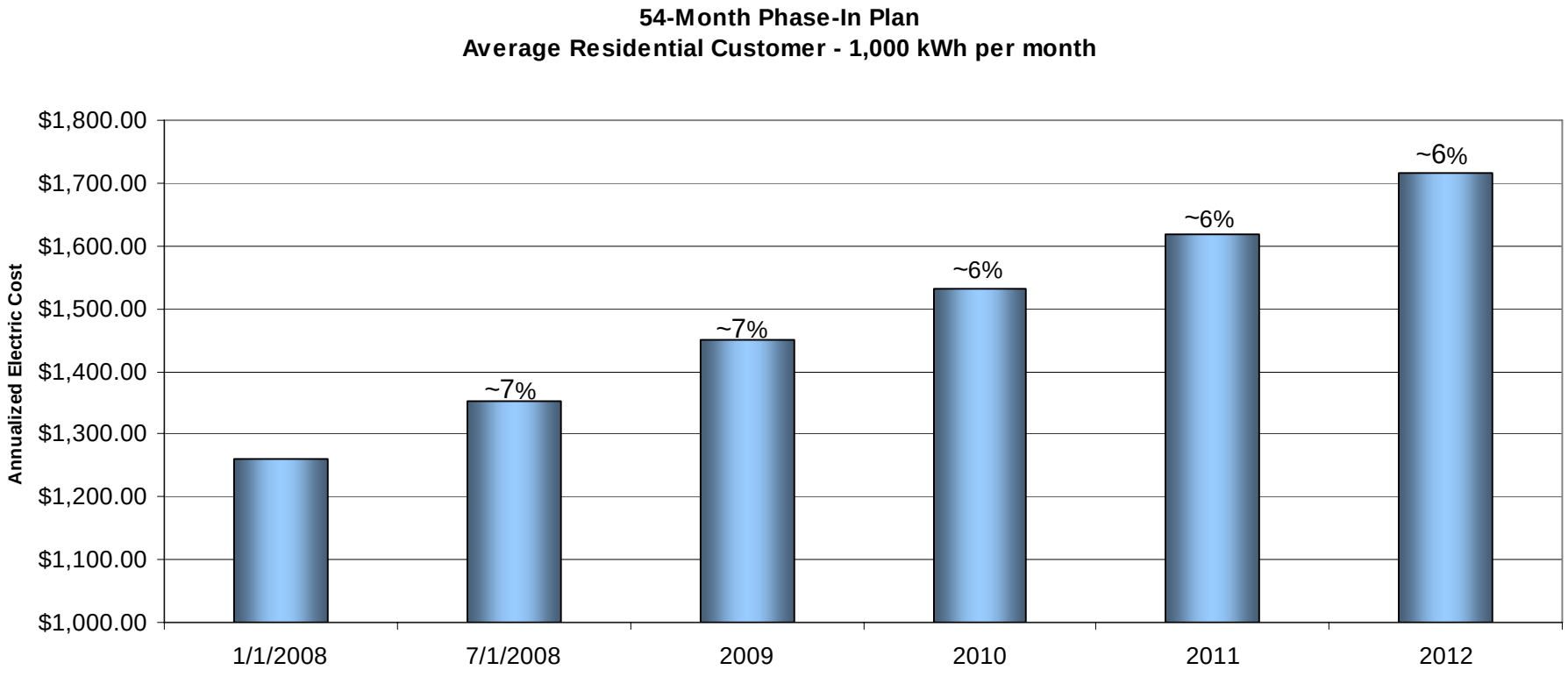
PPL EU Completed Second RFP for 2010

- Solicitation for 850 MWs of residential and small commercial and industrial load
- PUC approval of winning bids received October 4, 2007
- Based on two solicitation results, residential bills could increase by approximately 34.5%
- Third solicitation bids due March 24, 2008, PUC approval expected March 27, 2008

PPL Electric Utilities Customer Initiatives

- Complete the transition from generation rate caps
- Rate design strategies
- Energy efficiency and DSM programs
- Education and outreach
- Proposal to smooth impact of rate cap expiration

PPL Electric Utilities Phase-in Plan Proposal

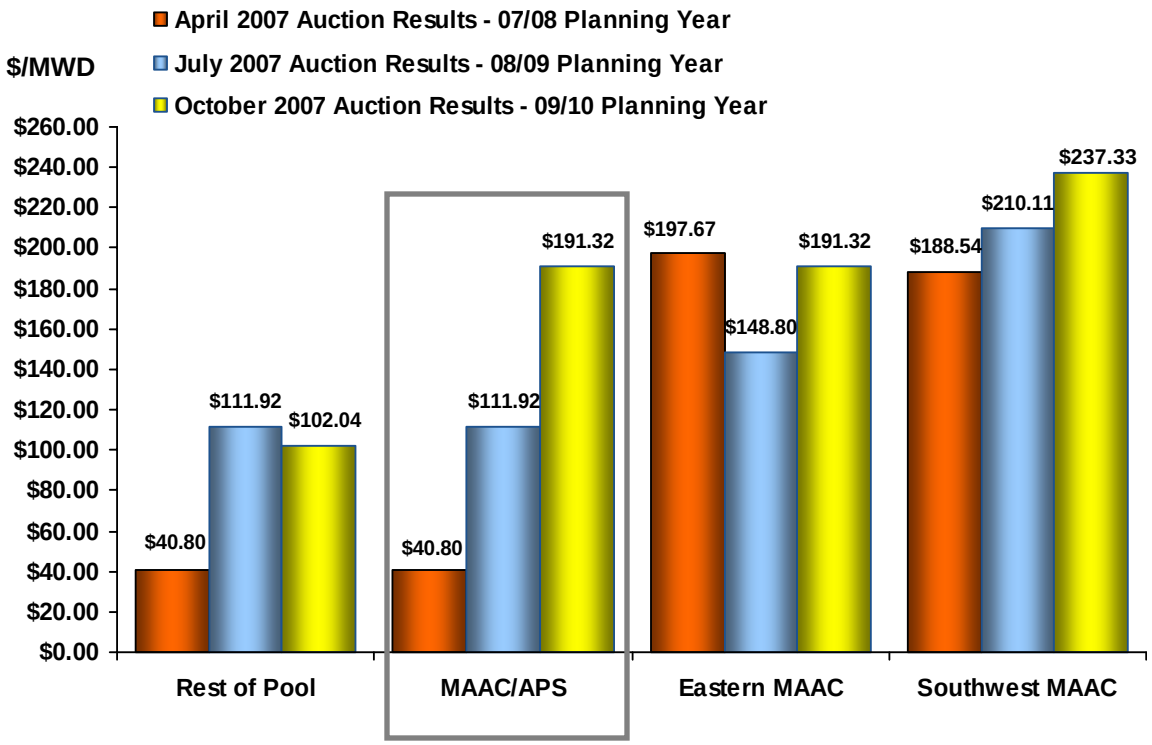


Operational Update – Supply Segment

- Scrubbers expected to be completed on schedule and on budget
- Generation uprates continue to progress
- PJM completed 2009/2010 planning year RPM auction
- Divestiture of non-core businesses
- Asset expansion

RPM Auction Continues to Provide Robust Prices

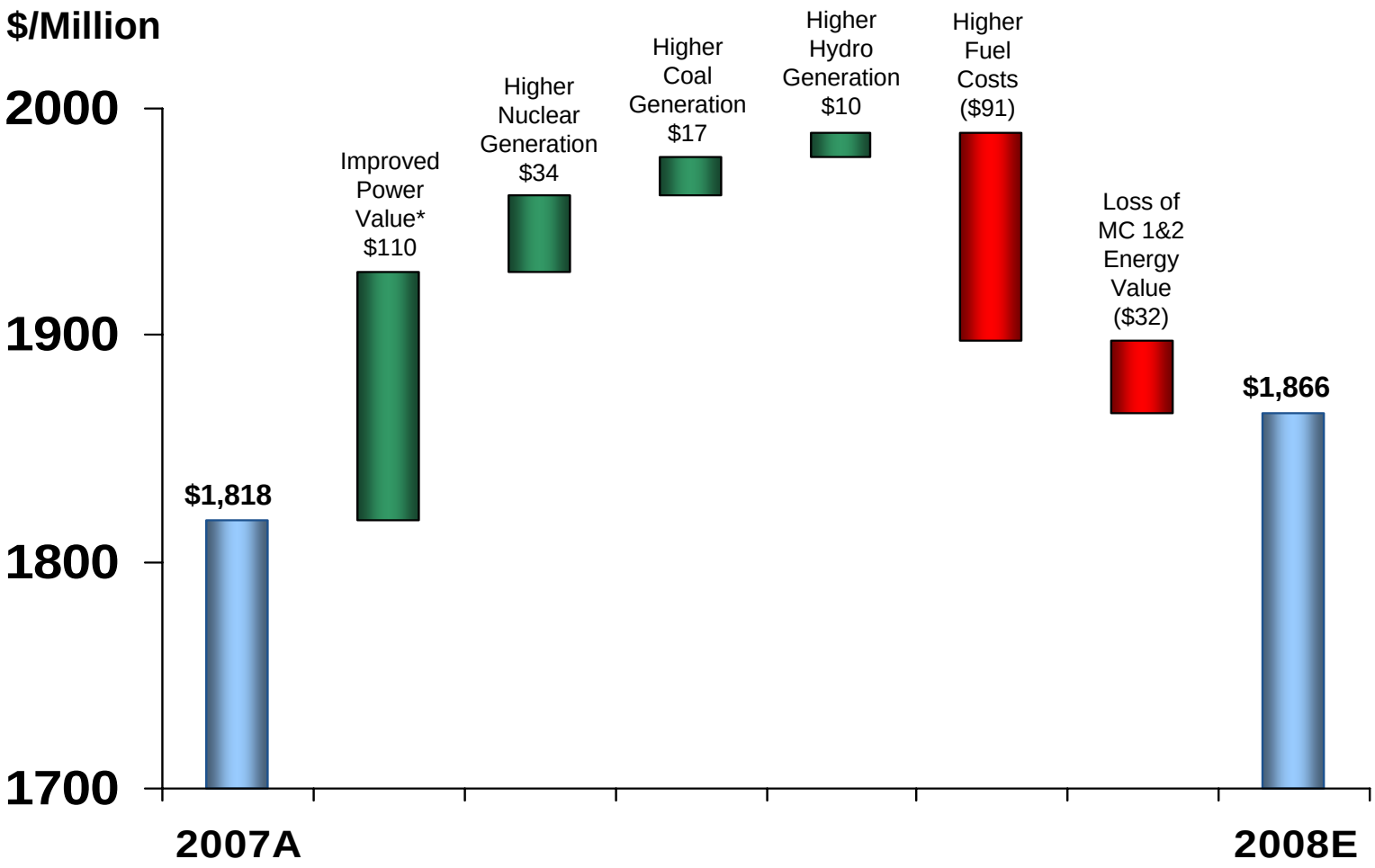
PJM RPM Auction Results



PPL Capacity Hedge Position			
2007	2008	2009	2010
97%	97%	100%	46%

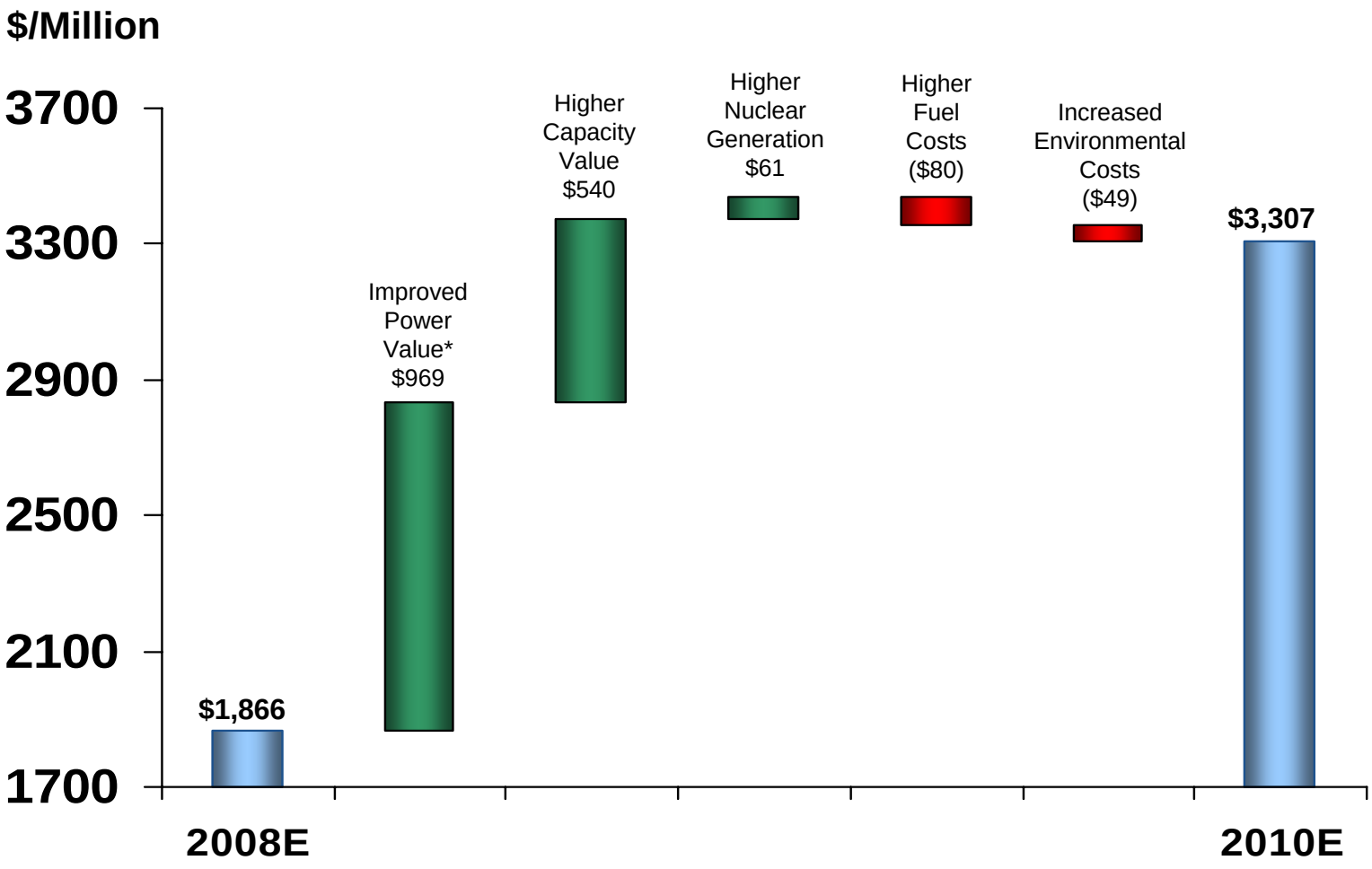
10/11 Auction results – Feb. 1, 2008

Expected Changes in Margins - 2007 to 2008



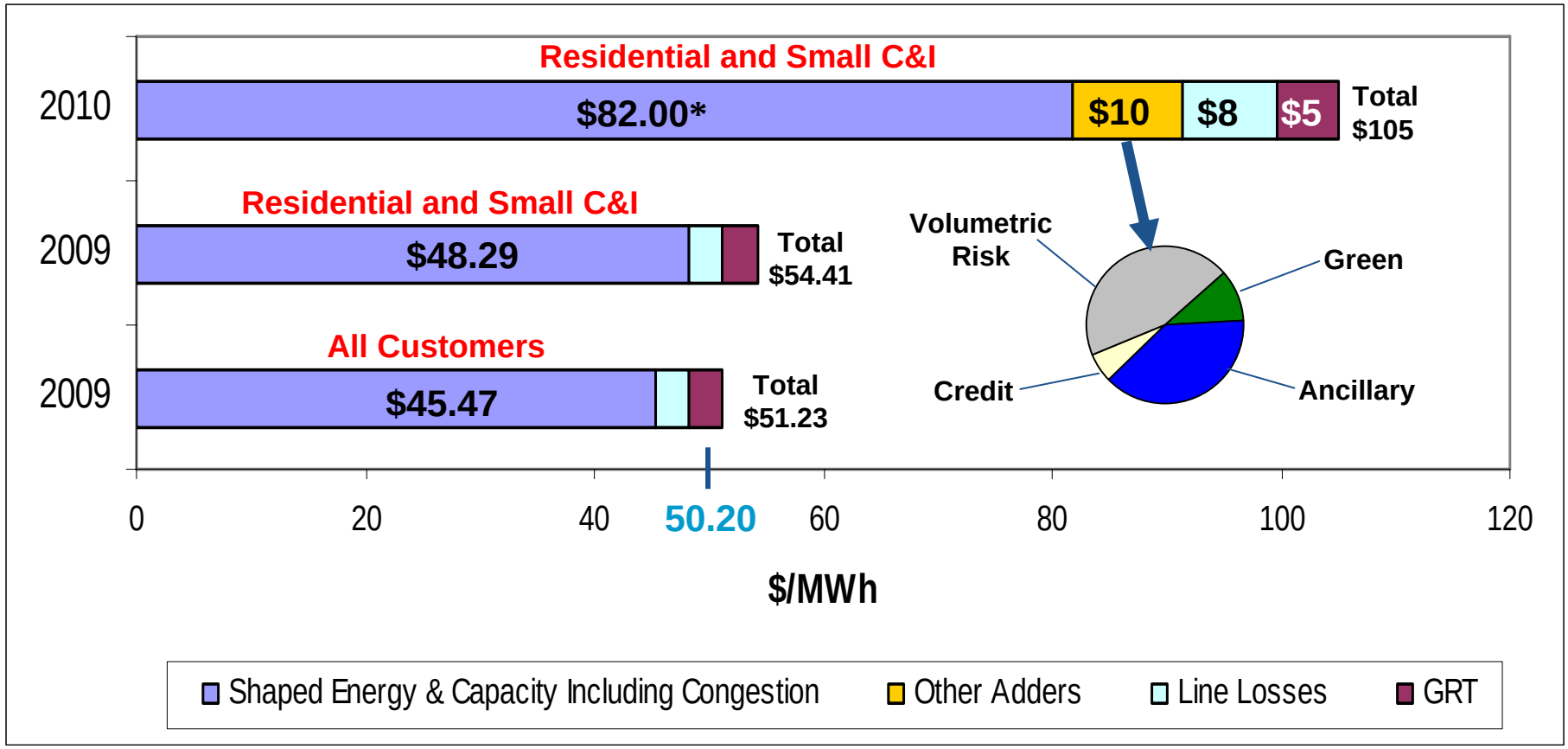
*Includes power prices and spark spread changes as well as value from portfolio management.

Expected 2008 to 2010 Margin Walk



*Includes power prices and spark spread changes as well as value from portfolio management.

Load-following Components Example



*** Shaped price based on $63/MWh ATC energy price, $150/MW-Day capacity price, and congestion.**

Key Driver to Fleet Value: Open EBITDA

	2010E
Generation Output - millions of MWh	**56.2**
Unhedged Gross Margin - millions *	**$ 3,450**
O&M - millions	**$ (810)**
Open EBITDA - millions	**$ 2,640**
Market value of Hedges - millions *	**$ (143)**

* Based on forward market prices as of mid-October 2007

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2010 Margin Sensitivities

- PJM electricity price change of $1/MWh = ±$23M
  (Based on average ATC price of $64/MWh)
- PJM capacity price change of $1/MWD = ±$1.7M
  (Based on PJM capacity price of $191/MWD)
- Baseload generation availability changed by 1% = ±$20M
  (Based on an EQA of 91%)

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Market Prices

	Actual	Forward [1]			At 12/05 [2]
	2006	2007	2008	2010	2010
EAST					
PJM					
On-Peak	$62	$70	$77	$79	$72
Off-Peak	$37	$42	$49	$51	$48
ATC [3]	$51	$55	$62	$64	$59
WEST					
Mid-Columbia					
On-Peak	$50	$55	$62	$67	$62
Off-Peak	$39	$43	$50	$53	$52
ATC [3]	$45	$50	$57	$60	$58
GAS [4]					
NYMEX	$7.25	$6.88	$7.93	$8.08	$8.00
TZ6NNY	$7.30	$7.80	$7.87	$9.04	$9.01
PJM MARKET HEAT RATE [5]	8.5	9.0	8.7	8.8	8.0

(1) Market prices based on the average of broker quotes as of 10/12/2007.
(2) Prices at 12/2005 when 2010 earnings forecast of $3.50 was developed.
(3) 24-hour average.
(4) NYMEX and TZ6NNY forward gas prices on 10/12/2007.
(5) Market Heat Rate = PJM on-peak power price divided by TZ6NNY gas price.

Current Hedge Positions - Electricity and Fuel

	2007	2008	2009	2010
Electricity Sales				
East	98%	94%	90%	47%
West	100%	100%	80%	64%
Total	**98%**	**95%**	**89%**	**49%**
Coal				
East	100%	92%	79%	69%
West	100%	100%	100%	100%
Total	**100%**	**94%**	**84%**	**77%**

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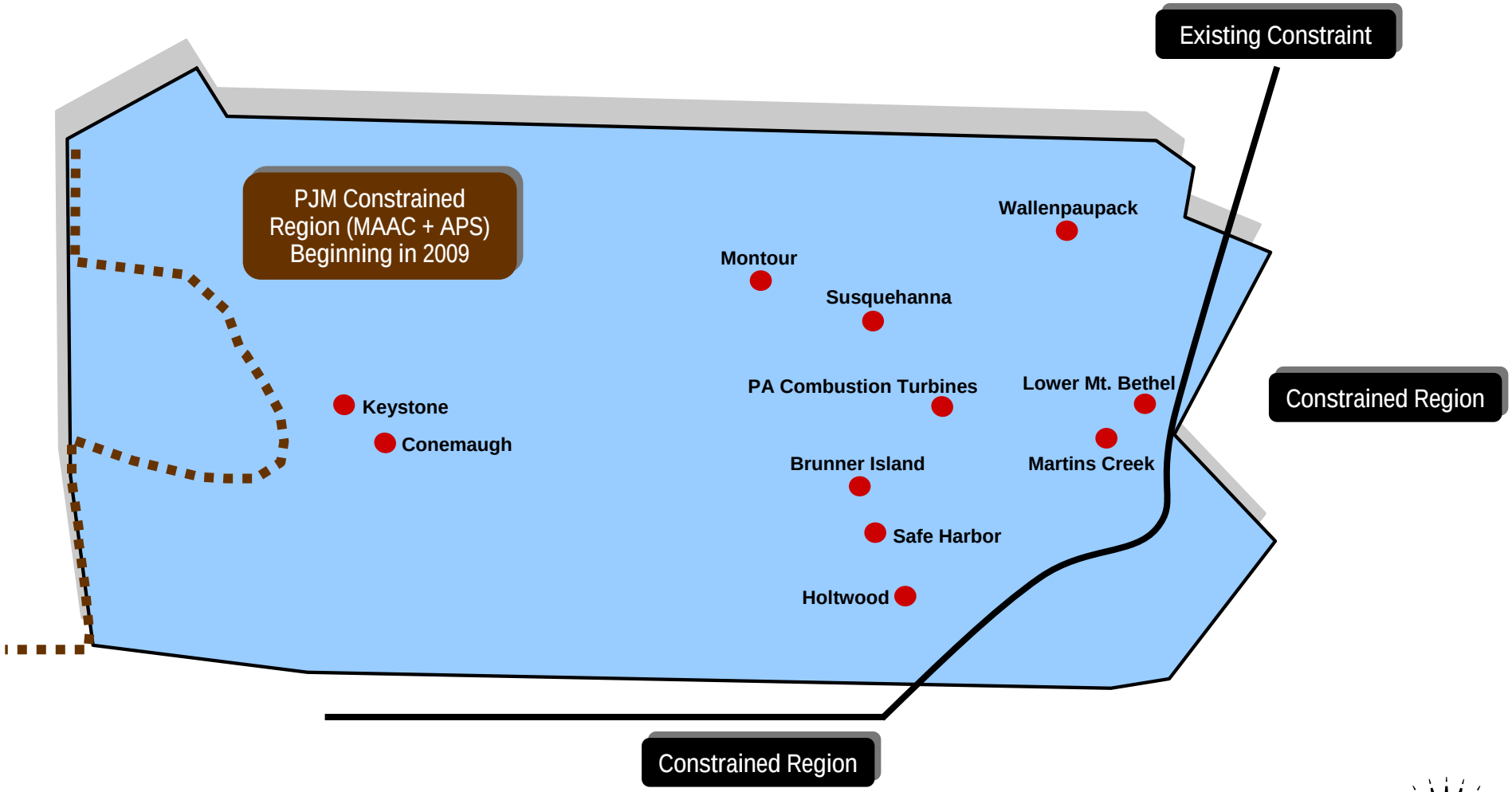
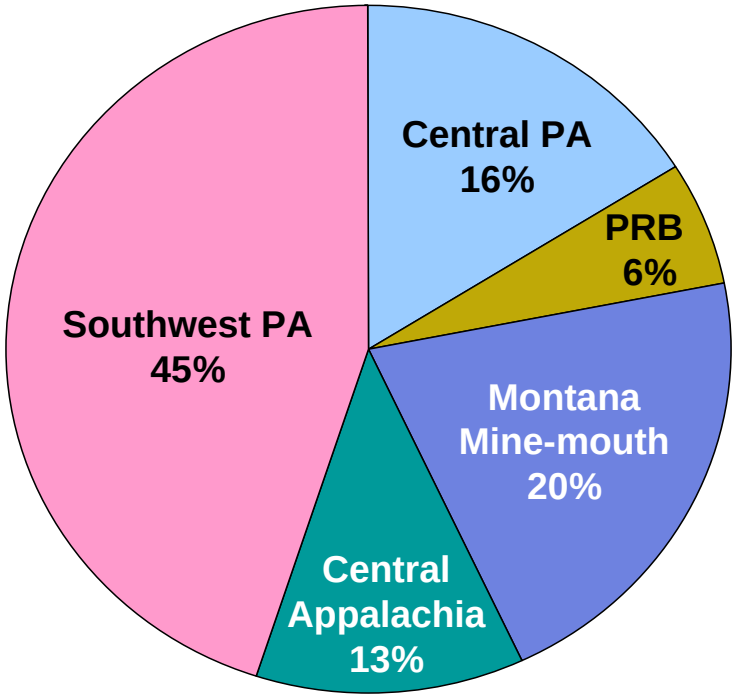
Growing Constrained Region in PJM Increases Value of PPL Generation



Source: Map developed based on PJM RPM Planning Period Parameters.

Proactive Coal Supply Management Supports Growth in Margins

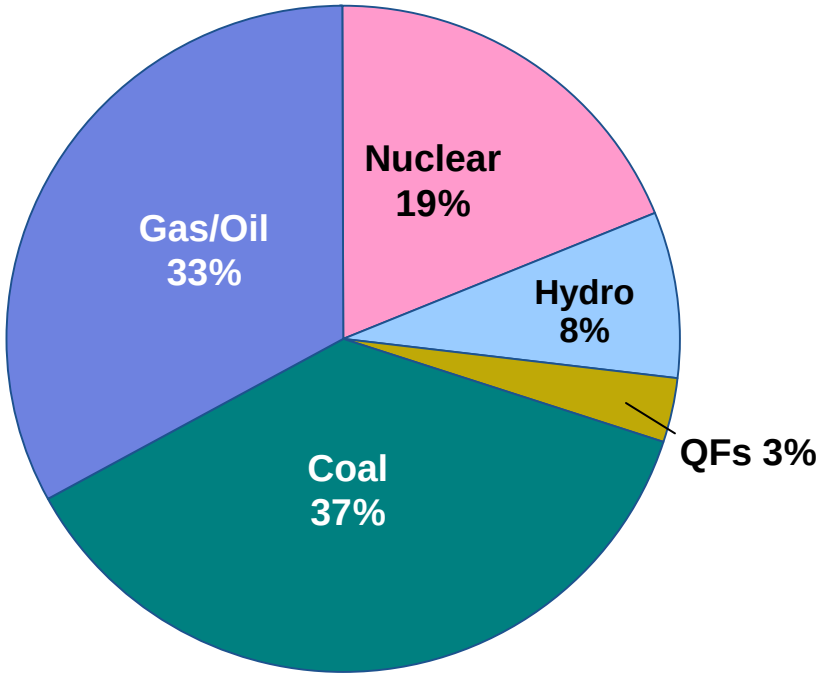
Projected 2007 Coal Supply



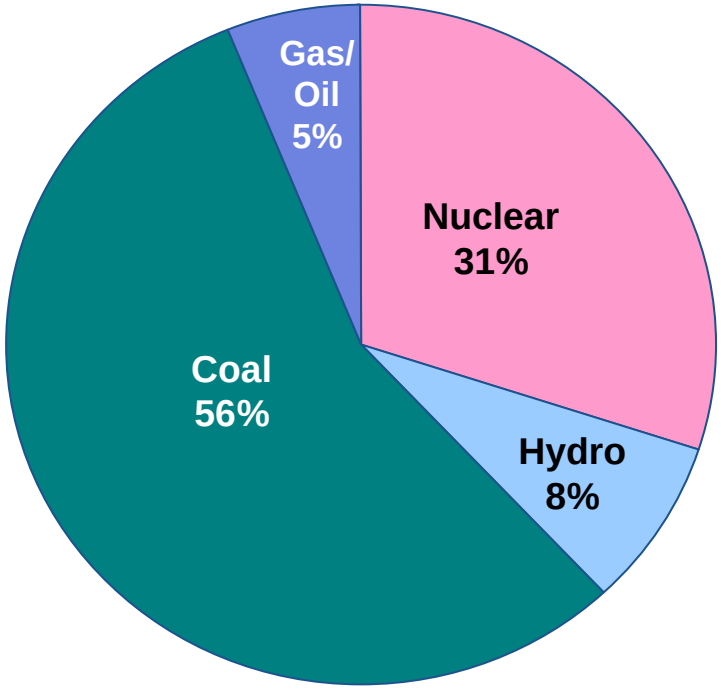
- **Supply region diversity**
- **Fleet trains (1600 cars)**
- **Average delivered costs**
  - **5% to 6% annual increase in 2007 to 2010**

PPL Supply Business Overview

2007
Installed Capacity MW*



2007
Production GWh



* Excludes Martins Creek Units 1&2, which were retired in September 2007.

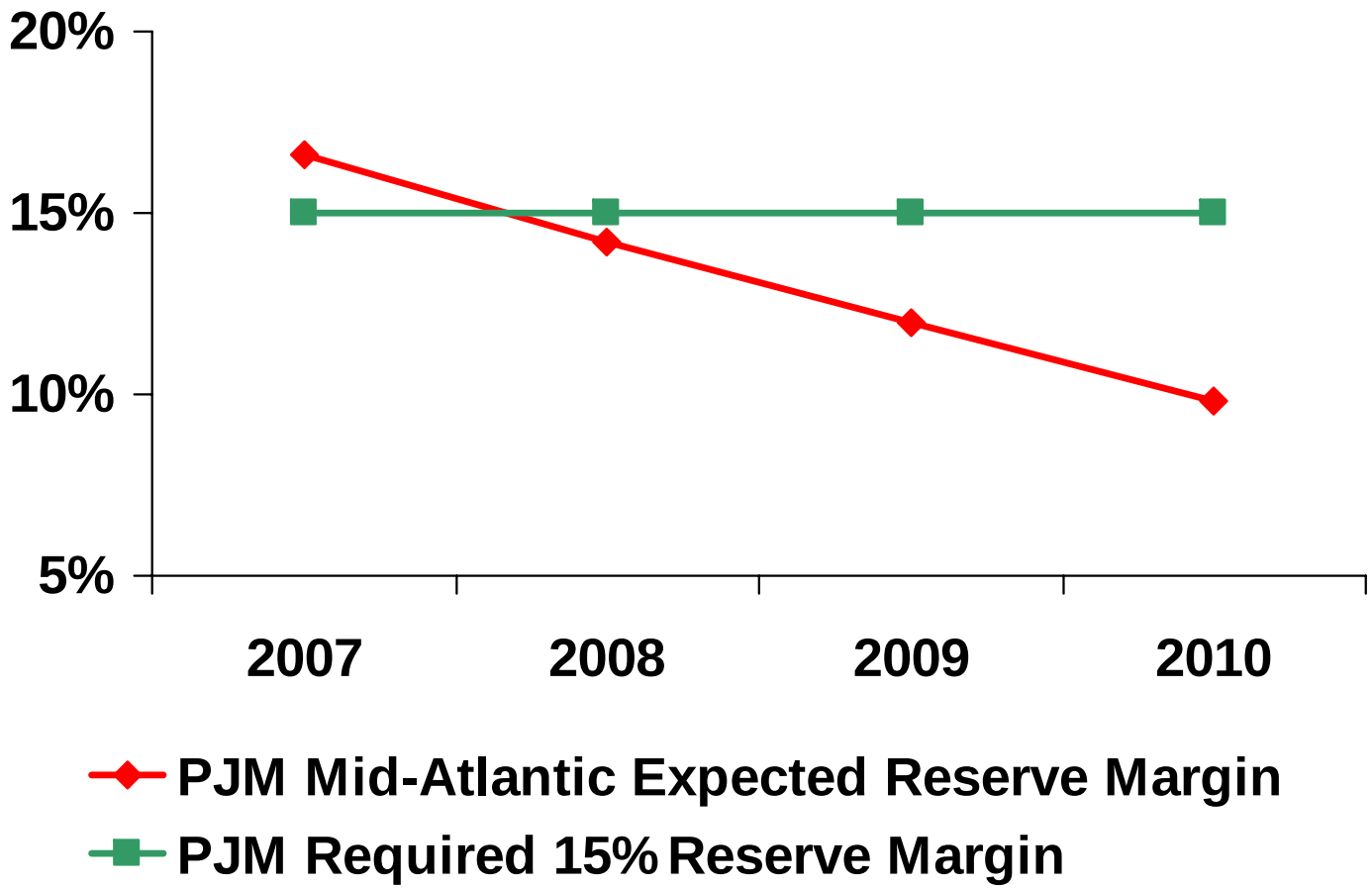
Key Drivers/Challenges Through 2010 and Beyond

- **Increased prices for POLR sales**
- **Expiration of supply contracts remarketed at current forward prices**
- **Power plant uprates**
- **Net economic benefits from the installation of scrubbers at the Montour and Brunner Island coal-fired power plants**
- **Continued growth of marketing and trading activities**
- **Increased fuel and O&M costs**
- **Loss of synfuel tax credits and increased replacement coal costs**
- **Cost of compliance with evolving environmental regulation**
- **Stable electricity regulatory environment**

Increasing Prices Under the POLR Contract

Note: Includes Gross Receipts Tax (GRT) at a rate of 4.4%.

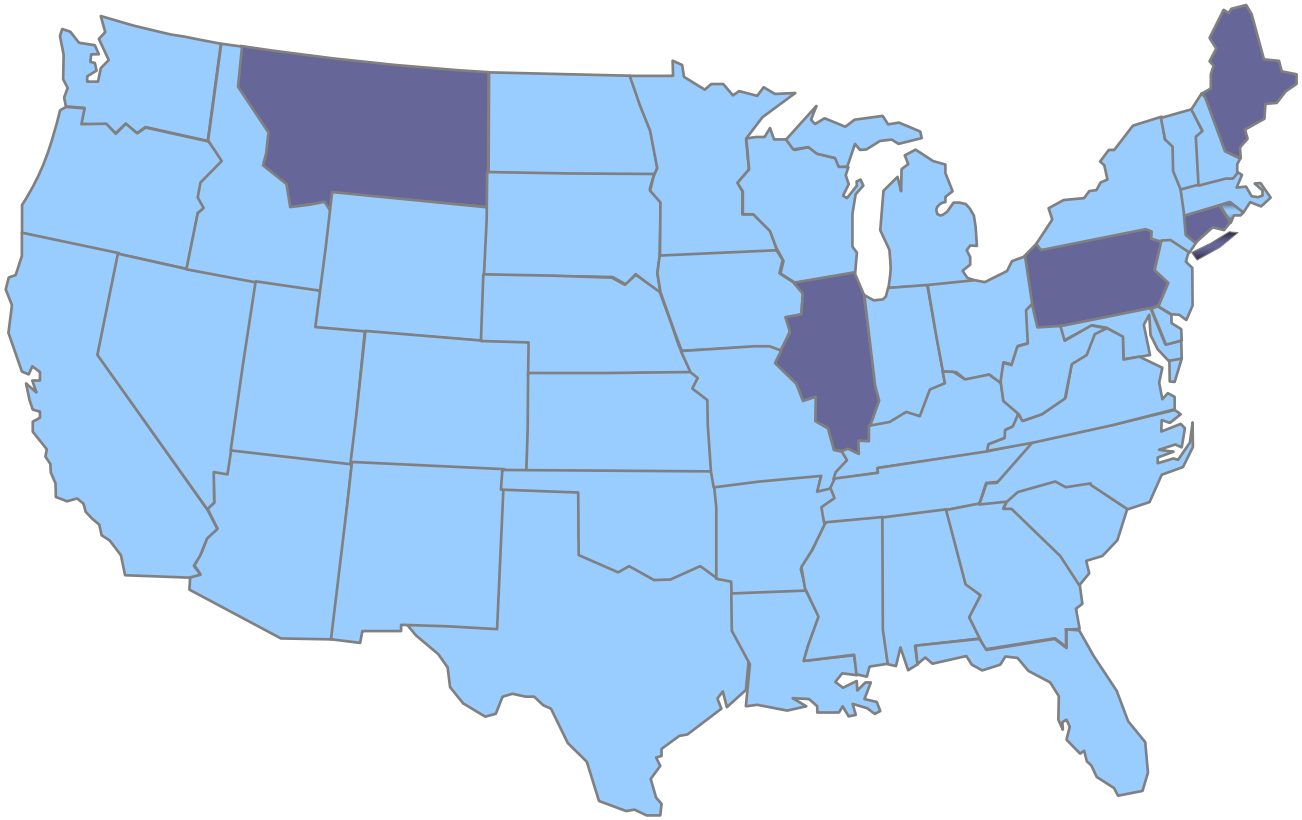
Shrinking Reserve Margins Create Potential Value for PPL



PPL's Generation Portfolio

Total Domestic Generation: 11,196 MW

Planned Uprate Projects: 355 MW



East	9,907 MW*
Coal	3,454*
Nuclear	2,120
Oil	1,722
Gas	1,524
Hydro	337
CTs	451
QFs	299
Nuclear Uprate (2008-2010)	143
Hydro Uprate (2011)	125
Coal Uprate (2007-2009)	37

West	1,289 MW
Coal	687
Hydro	602
Coal Uprate (2007-2008)	10
Hydro Uprate (2007) - Completed	12
Hydro Uprate (2011)	28

*Reflects reduction of 300 MW at Martins Creek that PPL retired in September 2007 and 60 MW expected loss due to increased plant usage during scrubber operation.

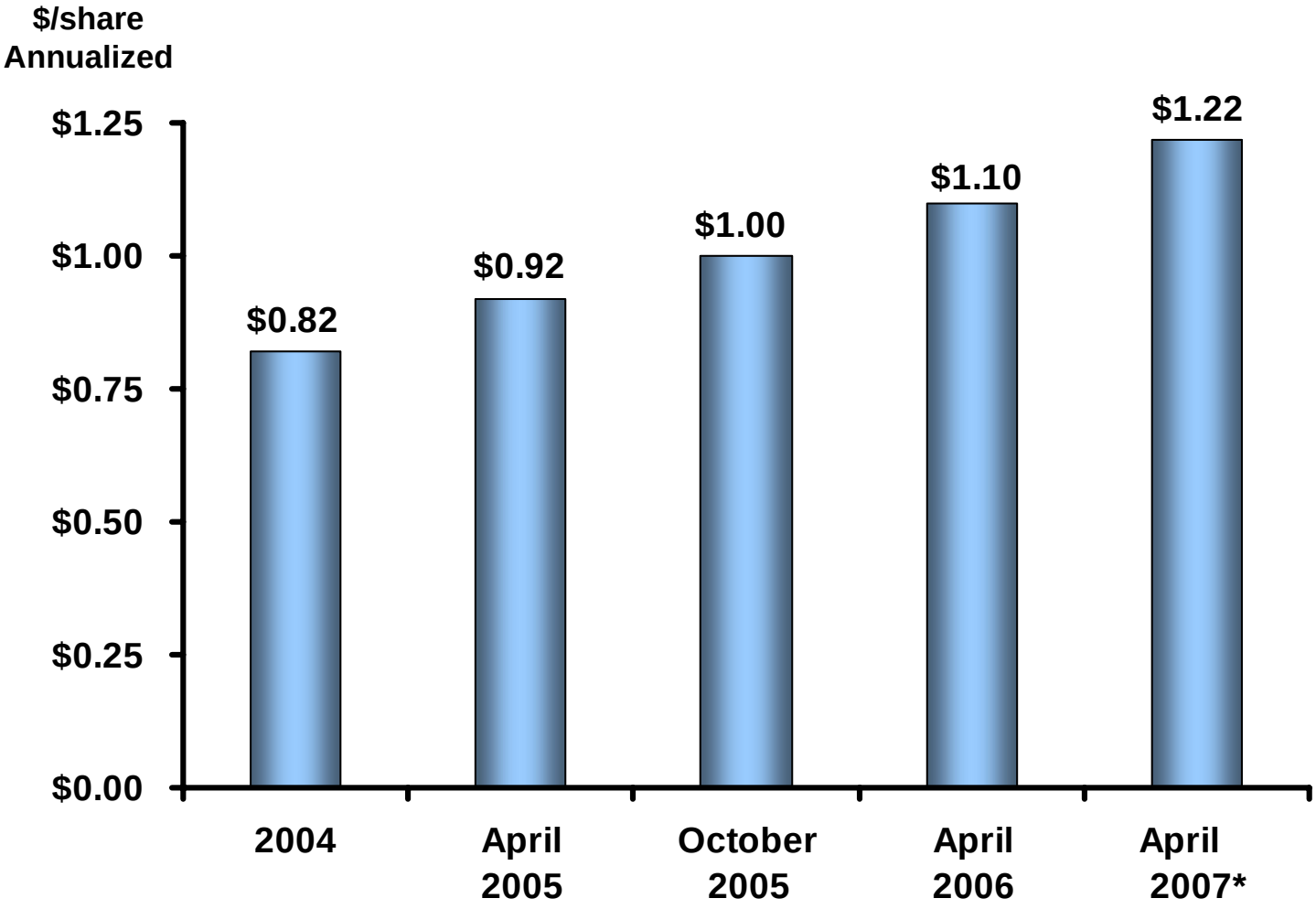
Scrubbers Expected to be Completed on Budget and on Schedule

Montour Unit #2 Absorber

Scheduled In-Service Dates

Montour 1	Q1-08
Montour 2	Q2-08
Brunner Island 3	Q4-08
Brunner Island 1 & 2	Q2-09

Continued Dividend Growth



*Annualized rate based on quarterly dividend declared in February 2007.

PPL Electric Utilities Distribution Rate Case Settlement

	PPL Electric Utilities Request	Global Settlement
Revenue increase	$77.0 million	$55.0 million
Return on equity	11.5%	
Common equity	43.1%	
Distribution rate base	$2,020 million	

October 2007	ALJ recommended settlement approval (non-binding)
By December 2007	PUC adopts and enters final order
January 1, 2008	New distribution rates effective

Reconciliation of Cash from Operations to Free Cash Flow before Dividends

(Millions of Dollars)

	2006	2007	2008*	2009*	2010*
Cash from Operations	$1,758	$1,556	$1,510	$1,514	$2,390
Increase/(Decrease) in cash due to:					
Transition Bond Repayment	(282)	(301)	(310)	-	-
Capital Expenditures	(1,394)	(1,747)	(1,621)	(1,446)	(1,468)
Other Investing Activities-net	85	983	241	101	(15)
Free Cash Flow before Dividends	$167	$491	$(180)	$169	$907

Note: 2007 free cash flow before dividends includes the net proceeds from the disposition of Latin American and domestic telecommunication operations.

*Capital expenditure projections are preliminary and subject to approval by PPL's Board of Directors as part of the annual five-year business plan review, which is expected to occur prior to year-end.

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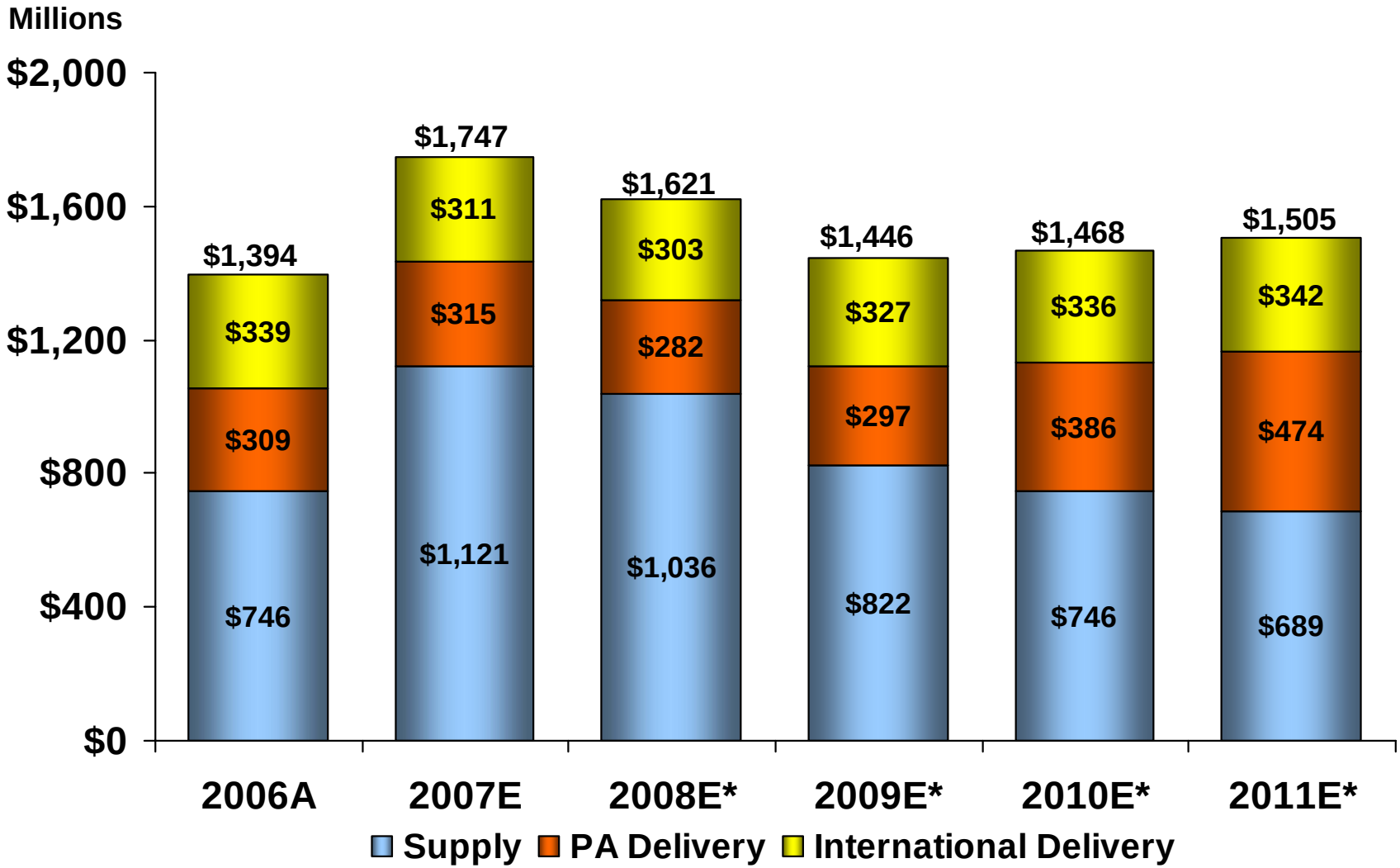
Capital Expenditures by Segment



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Reconciliation of Third Quarter Reported Earnings and Earnings from Ongoing Operations

(Millions of Dollars)

	Supply	Pennsylvania Delivery	International Delivery	Total
Qtr. Ending September 30, 2007				
Reported earnings	$205	$9	$108	$322
Special Items:				
MTM adj's from energy-related, non-trading economic hedges	(6)			(6)
Divestiture of Latin American businesses			3	3
Sale of telecommunication operations	(3)			(3)
Sale of gas and propane operations		(23)		(23)
Settlement of Wallingford cost-based rates	33			33
Impairment of certain transmission rights	(12)			(12)
Change in U.K. tax rate			54	54
	12	(23)	57	46
Earnings from ongoing operations	$193	$32	$51	$276
Qtr. Ending September 30, 2006				
Reported earnings	$120	$47	$59	$226
Special Items:				
MTM adj's from energy-related, non-trading economic hedges	(13)			(13)
Write-off of Hurricane Isabel regulatory asset		(7)		(7)
Realization of benefits related to Black Lung Trust assets		21		21
	(13)	14	0	1
Earnings from ongoing operations	$133	$33	$59	$225
Change excluding special items	$60	($1)	($8)	$51

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Reconciliation of Third Quarter Reported Earnings and Earnings from Ongoing Operations

(Dollars Per Share)

	Supply	Pennsylvania Delivery	International Delivery	Total
Qtr. Ending September 30, 2007				
Reported earnings	$0.53	$0.03	$0.28	$0.84
Special Items:				
MTM adj's from energy-related, non-trading economic hedges	(0.02)			(0.02)
Divestiture of Latin American businesses			0.01	0.01
Sale of telecommunication operations	(0.01)			(0.01)
Sale of gas and propane operations		(0.06)		(0.06)
Settlement of Wallingford cost-based rates	0.09			0.09
Impairment of certain transmission rights	(0.03)			(0.03)
Change in U.K. tax rate			0.14	0.14
	0.03	(0.06)	0.15	0.12
Earnings from ongoing operations	$0.50	$0.09	$0.13	$0.72
Qtr. Ending September 30, 2006				
Reported earnings	$0.31	$0.12	$0.15	$0.58
Special Items:				
MTM adj's from energy-related, non-trading economic hedges	(0.03)			(0.03)
Write-off of Hurricane Isabel regulatory asset		(0.02)		(0.02)
Realization of benefits related to Black Lung Trust assets		0.05		0.05
	(0.03)	0.03	0.00	0.00
Earnings from ongoing operations	$0.34	$0.09	$0.15	$0.58
Change excluding special items	$0.16	$0.00	($0.02)	$0.14

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Reconciliation of Year-to-Date Reported Earnings and Earnings from Ongoing Operations

(Millions of Dollars)

	Supply	Pennsylvania Delivery	International Delivery	Total
Year-to-Date September 30, 2007				
Reported earnings	$454	$97	$319	$870
Special Items:				
MTM adj's from energy-related, non-trading economic hedges	20			20
PJM billing dispute	(1)			(1)
Divestiture of Latin American businesses			46	46
Sale of telecommunication operations	(23)			(23)
Sale of gas and propane operations		(23)		(23)
Settlement of Wallingford cost-based rates	33			33
Impairment of certain transmission rights	(12)			(12)
Change in U.K. tax rate			54	54
	17	(23)	100	94
Earnings from ongoing operations	$437	$120	$219	$776
Year-to-Date September 30, 2006				
Reported earnings	$337	$131	$219	$687
Special Items:				
MTM adj's from energy-related, non-trading economic hedges	(14)			(14)
Off-site remediation of ash basin leak	6			6
Enron reserve adjustment	11		1	12
Sale of interest in Griffith	(17)			(17)
Synfuels impairment	(6)			(6)
Write-off of Hurricane Isabel regulatory asset		(7)		(7)
Realization of benefits related to Black Lung Trust assets		21		21
	(20)	14	1	(5)
Earnings from ongoing operations	$357	$117	$218	$692
Change excluding special items	$80	$3	$1	$84

Reconciliation of Year-to-Date Reported Earnings and Earnings from Ongoing Operations

(Dollars Per Share)

	Supply	Pennsylvania Delivery	International Delivery	Total
Year-to-Date September 30, 2007				
Reported earnings	$1.17	$0.25	$0.83	$2.25
Special Items:				
MTM adj's from energy-related, non-trading economic hedges	0.05			0.05
Divestiture of Latin American businesses			0.12	0.12
Sale of telecommunication operations	(0.06)			(0.06)
Sale of gas and propane operations		(0.06)		(0.06)
Settlement of Wallingford cost-based rates	0.09			0.09
Impairment of certain transmission rights	(0.03)			(0.03)
Change in U.K. tax rate			0.14	0.14
	0.05	(0.06)	0.26	0.25
Earnings from ongoing operations	$1.12	$0.31	$0.57	$2.00
Year-to-Date September 30, 2006				
Reported earnings	$0.87	$0.34	$0.57	$1.78
Special Items:				
MTM adj's from energy-related, non-trading economic hedges	(0.03)			(0.03)
Off-site remediation of ash basin leak	0.02			0.02
Enron reserve adjustment	0.03			0.03
Sale of interest in Griffith	(0.05)			(0.05)
Synfuels impairment	(0.01)			(0.01)
Write-off of Hurricane Isabel regulatory asset		(0.02)		(0.02)
Realization of benefits related to Black Lung Trust assets		0.05		0.05
	(0.04)	0.03	0.00	(0.01)
Earnings from ongoing operations	$0.91	$0.31	$0.57	$1.79
Change excluding special items	$0.21	$0.00	$0.00	$0.21

Reconciliation of PPL's Reported Earnings and Earnings from Ongoing Operations

Per Share Earnings from Ongoing Operations	$2.60	$2.50	$2.25	$2.08
Special items (net of taxes):				
MTM adj's from energy-related, non-trading economic hedges	0.05	0.05	(0.03)	
Write-off of Hurricane Isabel regulatory asset			(0.02)	
Synfuels impairment			(0.01)	
Sale of interest in Griffith			(0.04)	
Enron reserve adjustment			0.03	
Stock-based compensation adjustment				(0.01)
Conditional asset retirement obligation				(0.02)
Off-site remediation of ash basin leak			0.02	(0.07)
Sale of Sundance				(0.12)
PJM billing dispute			0.01	(0.07)
NorthWestern litigation				(0.02)
Realization of benefits related to Black Lung Trust assets			0.05	
Susquehanna workforce reduction			(0.01)	
Impairment of nuclear decom. trust investments			(0.01)	
Divestiture of Latin American businesses	0.70	0.65		
Sale of telecommunication operations	(0.06)	(0.06)		
Sale of gas and propane operations	(0.06)	(0.06)		
Settlement of Wallingford cost-based rates	0.09	0.09		
Impairment of certain transmission rights	(0.03)	(0.03)		
Change in U.K. tax rate	0.14	0.14		
	0.83	0.78	(0.01)	(0.31)
Reported Earnings Per Share*	$3.43	$3.28	$2.24	$1.77

Note: Per share amounts are based on diluted shares outstanding.

* Includes special item net credits of $0.25 per share recorded through September 30, 2007, and the expected gain on the sale of the Chilean delivery business, anticipated in early November 2007 of $0.53 to $0.58 per share.

Credit Ratings

	Moody's	Standard & Poor's	Fitch
PPL Corporation			
Issuer Rating	Baa2	BBB	
Outlook	STABLE	STABLE	STABLE
PPL Energy Supply			
Issuer Rating		BBB	
Senior Notes	Baa2	BBB	BBB+
Commercial paper	P-2	A-2	F-2
Outlook	STABLE	STABLE	STABLE
PPL Capital Funding			
Senior Unsecured Debt	Baa2	BBB-	BBB
Subordinated Debt	Baa3	BB+	BBB-
Medium-Term Notes	Baa2	BBB-	BBB
Outlook	STABLE	STABLE	STABLE
PPL Electric Utilities			
Issuer Rating	Baa1	A-	
First Mortgage Bonds	A3	A-	A-
Pollution Control Bonds*	Aaa	AAA	
Senior Secured Debt	A3	A-	A-
Commercial Paper	P-2	A-2	F-2
Preferred Stock	Baa3	BBB	BBB+
Preference Stock	Baa3	BBB	BBB
Outlook	STABLE	STABLE	STABLE

*Insured

Credit Ratings (cont.)

	Moody's	Standard & Poor's	Fitch
PPL Transition Bond Co.			
Transition Bonds	Aaa	AAA	AAA
PPL Montana			
Pass-Through Certificates	Baa3	BBB-	BBB
Outlook	STABLE	STABLE	
WPD Holdings Limited			
Issuer Rating	Baa3	BBB-	BBB-
Senior Unsecured Debt	Baa3	BBB-	BBB
Commercial Paper		A-3	
Outlook	STABLE	STABLE	STABLE
WPD Holdings LLP			
Issuer Rating		BBB-	BBB
Commercial Paper		A-3	
Outlook	STABLE	STABLE	STABLE
Western Power Distribution (South Wales) PLC			
Issuer Rating		BBB+	BBB+
Senior Unsecured Debt	Baa1	BBB+	A-
Commercial Paper		A-2	F2
Outlook	STABLE	STABLE	STABLE
Western Power Distribution (South West) PLC			
Issuer Rating	Baa1	BBB+	BBB+
Senior Unsecured Debt	Baa1	BBB+	A-
Commercial Paper	P-2	A-2	F2
Outlook	STABLE	STABLE	STABLE

Forward-Looking Information Statement

Statements contained in this news release, including statements with respect to future earnings, energy prices, margins, sales and supply, marketing performance, growth, revenues, expenses, rates, regulation, cash flows, credit profile, financing, dividends, business disposition, corporate strategy, capital additions and expenditures, and generating capacity and performance, are "forward-looking statements" within the meaning of the federal securities laws. Although PPL Corporation believes that the expectations and assumptions reflected in these forward-looking statements are reasonable, these statements involve a number of risks and uncertainties, and actual results may differ materially from the results discussed in the statements. The following are among the important factors that could cause actual results to differ materially from the forward-looking statements: market demand and prices for energy, capacity and fuel; market prices for crude oil and the potential impact on the phaseout of synthetic fuel tax credits and synthetic fuel operations; weather conditions affecting generation production, customer energy usage and operating costs; competition in retail and wholesale power markets; liquidity of wholesale power markets; the effect of any business or industry restructuring; the profitability and liquidity, including access to capital markets and credit facilities of PPL Corporation and its subsidiaries; new accounting requirements or new interpretations or applications of existing requirements; operation and availability of existing generation facilities and operating costs; transmission and distribution system conditions and operating costs; current and future environmental conditions and requirements and the related costs of compliance, including environmental capital expenditures and emission allowance and other expenses; significant delays in the planned installation of pollution control equipment at certain coal-fired generating units in Pennsylvania due to weather conditions, contractor performance or other reasons; development of new projects, markets and technologies; performance of new ventures; asset acquisitions and dispositions; political, regulatory or economic conditions in states, regions or countries where PPL Corporation or its subsidiaries conduct business; any impact of hurricanes or other severe weather on PPL and its subsidiaries, including any impact on fuel prices; receipt of necessary governmental permits, approvals and rate relief; new state, federal or foreign legislation, including new tax legislation; state, federal and foreign regulatory developments; any impact of state, federal or foreign investigations applicable to PPL Corporation and its subsidiaries and the energy industry; capital markets conditions, including changes in interest rates, and decisions regarding capital structure; stock price performance of PPL Corporation; the market prices of equity securities and the impact on pension costs and resultant cash funding requirements for defined benefit pension plans; securities and credit ratings; disposition proceeds; foreign currency exchange rates; the outcome of litigation against PPL Corporation and its subsidiaries; potential effects of threatened or actual terrorism or war or other hostilities; and the commitments and liabilities of PPL Corporation and its subsidiaries. Any such forward-looking statements should be considered in light of such important factors and in conjunction with PPL Corporation's Form 10-K and other reports on file with the Securities and Exchange Commission.

Definitions of Financial Measures

"Earnings from ongoing operations" excludes the impact of special items. Special items include charges, credits or gains that are unusual or non-recurring and the mark-to-market impact of energy-related, non-trading economic hedges. The mark-to-market impact of these hedges is economically neutral to the company in that offsetting gains or losses on underlying accrual positions will be recognized as energy is delivered over the terms of the contracts. Earnings from ongoing operations should not be considered as an alternative to reported earnings, or net income, which is an indicator of operating performance determined in accordance with generally accepted accounting principles (GAAP). PPL believes that earnings from ongoing operations, although a non-GAAP measure, is also useful and meaningful to investors because it provides them with PPL's underlying earnings performance as another criterion in making their investment decisions. PPL's management also uses earnings from ongoing operations in measuring certain corporate performance goals. Other companies may use different measures to present financial performance.

"Free cash flow before dividends" is derived by deducting capital expenditures and other investing activities-net, as well as the repayment of transition bonds, from cash flow from operations. Free cash flow before dividends should not be considered as an alternative to cash flow from operations, which is determined in accordance with GAAP. PPL believes that free cash flow before dividends, although a non-GAAP measure, is an important measure to both management and investors since it is an indicator of the company's ability to sustain operations and growth without additional outside financing beyond the requirement to fund maturing debt obligations. Other companies may calculate free cash flow before dividends in a different manner.