

Edgar Filing: PPL CORP - Form 424B2

PPL CORP
Form 424B2
May 07, 2001

1

Filed Pursuant to Rule 424(b)(2)
Registration Nos. 333-54504, 333-54504-01
and 333-54504-02

PROSPECTUS SUPPLEMENT

(To Prospectus dated February 9, 2001)

20,000,000 Units

[PPL LOGO]

PPL Capital Funding Trust I
7 3/4% PEPSSM Units
(Premium Equity Participating Security Units--PEPSSM Units)

EACH PEPS UNIT CONSISTS OF A PURCHASE CONTRACT ISSUED BY PPL CORPORATION AND A TRUST PREFERRED SECURITY DUE 2006 ISSUED BY PPL CAPITAL FUNDING TRUST I.

- THE PURCHASE CONTRACT WILL OBLIGATE YOU TO PURCHASE FROM US, NO LATER THAN MAY 18, 2004, FOR A PRICE OF \$25, THE FOLLOWING NUMBER OF SHARES OF PPL CORPORATION COMMON STOCK, \$.01 PAR VALUE:
 - IF THE AVERAGE CLOSING PRICE OF OUR COMMON STOCK OVER THE 20-TRADING DAY PERIOD ENDING ON THE THIRD TRADING DAY PRIOR TO MAY 18, 2004 EQUALS OR EXCEEDS \$65.03, .3845 SHARES;
 - IF THE AVERAGE CLOSING PRICE OF OUR COMMON STOCK OVER THE SAME PERIOD IS LESS THAN \$65.03 BUT GREATER THAN \$53.30, A NUMBER OF SHARES HAVING A VALUE, BASED ON THE 20-TRADING DAY AVERAGE CLOSING PRICE, EQUAL TO \$25; AND
 - IF THE AVERAGE CLOSING PRICE OF OUR COMMON STOCK OVER THE SAME PERIOD IS LESS THAN OR EQUAL TO \$53.30, .4690 SHARES.
- WE WILL ALSO PAY TO YOU CONTRACT ADJUSTMENT PAYMENTS AT A RATE OF .46% PER YEAR OF THE STATED AMOUNT OF \$25 PER PEPS UNIT, OR \$.1150 PER YEAR, AS DESCRIBED IN THIS PROSPECTUS SUPPLEMENT.
- EACH TRUST PREFERRED SECURITY WILL HAVE A STATED LIQUIDATION AMOUNT OF \$25 AND WILL REPRESENT AN UNDIVIDED BENEFICIAL INTEREST IN THE ASSETS OF THE TRUST. THE TRUST PREFERRED SECURITY WILL BE PLEDGED TO SECURE YOUR OBLIGATION TO PURCHASE OUR COMMON STOCK UNDER THE RELATED PURCHASE CONTRACT. YOU MAY USE THE PROCEEDS FROM THE REMARKETING OF YOUR TRUST PREFERRED SECURITY TO SATISFY YOUR PAYMENT OBLIGATIONS UNDER THE PURCHASE CONTRACT.
- THE TRUST PREFERRED SECURITY WILL PAY A CASH DISTRIBUTION AT A RATE OF 7.29% PER YEAR OF THE STATED LIQUIDATION AMOUNT, OR \$1.8225 PER YEAR, PRIOR TO THE RATE BEING RESET, AND AT A RESET RATE THAT MAY BE EQUAL TO OR GREATER THAN 7.29% PER YEAR AFTER THAT RESET DATE. THESE PAYMENTS WILL BE MADE ON FEBRUARY 18, MAY 18, AUGUST 18 AND NOVEMBER 18 OF EACH YEAR, BEGINNING AUGUST 18, 2001. PPL CORPORATION WILL GUARANTEE THE PAYMENTS OF THE DISTRIBUTIONS ON THE TRUST PREFERRED SECURITIES TO THE EXTENT SET FORTH IN THIS PROSPECTUS SUPPLEMENT AND THE ACCOMPANYING PROSPECTUS.

Edgar Filing: PPL CORP - Form 424B2

-- THE ASSETS OF THE TRUST WILL CONSIST SOLELY OF SUBORDINATED NOTES OF PPL CAPITAL FUNDING MATURING ON MAY 18, 2006. PPL CORPORATION WILL UNCONDITIONALLY GUARANTEE THE PAYMENT OF PRINCIPAL AND ANY INTEREST ON THE SUBORDINATED NOTES OF PPL CAPITAL FUNDING.

THE PEPS UNITS HAVE BEEN APPROVED FOR LISTING ON THE NEW YORK STOCK EXCHANGE UNDER THE SYMBOL "PPL-PRE." ON MAY 3, 2001, THE LAST REPORTED SALE PRICE FOR OUR COMMON STOCK ON THE NEW YORK STOCK EXCHANGE WAS \$53.30 PER SHARE.

INVESTING IN THE PEPS UNITS INVOLVES RISKS. SEE "RISK FACTORS" BEGINNING ON PAGE S-32 OF THIS PROSPECTUS SUPPLEMENT.

	PRICE TO PUBLIC	UNDERWRITING DISCOUNTS AND COMMISSIONS	
	-----	-----	-----
Per PEPS Unit.....	\$ 25.00	See below	\$
Total.....	\$500,000,000	See below	\$5

The Trust will not pay any underwriting commissions. We will pay an underwriting commission of \$.75 per PEPS Unit sold (\$15,000,000 for all PEPS Units and \$17,250,000 if the over-allotment option referred to below is executed in full).

Any accumulated distributions on the trust preferred securities that are a part of the PEPS Units from May 9, 2001 will be added to the price to public.

The Securities and Exchange Commission and state securities regulators have not approved or disapproved of these securities or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

We and the Trust have granted the underwriters a 30-day option to purchase up to 3,000,000 additional PEPS Units on the same terms and conditions set forth above solely to cover over-allotments, if any. Morgan Stanley & Co. Incorporated expects to deliver the PEPS Units to purchasers on or about May 9, 2001.

MORGAN STANLEY DEAN WITTER
 CREDIT SUISSE FIRST BOSTON
 FIRST UNION SECURITIES, INC.
 GOLDMAN, SACHS & CO.
 MERRILL LYNCH & CO.
 UBS WARBURG

May 3, 2001
 2

TABLE OF CONTENTS

	PAGE
PROSPECTUS SUPPLEMENT	----
Summary.....	S-7
Risk Factors.....	S-32
Use of Proceeds.....	S-43

Edgar Filing: PPL CORP - Form 424B2

Capitalization.....	S-44
Price Range of Common Stock and Dividend Policy.....	S-45
Selected Financial Data.....	S-46
Review of Financial Condition and Results of Operations.....	S-48
Management.....	S-56
Accounting Treatment.....	S-57
Description of the PEPS Units.....	S-57
Description of the Purchase Contracts.....	S-61
Certain Provisions of the Purchase Contracts, the Purchase Contract Agreement and the Pledge Agreement...	S-71
Description of the Trust Preferred Securities.....	S-73
Description of the PPL Capital Funding Subordinated Notes.....	S-78
Description of the Guarantee.....	S-81
Book-Entry Systems.....	S-83
United States Federal Income Tax Consequences.....	S-85
ERISA Considerations.....	S-95
Underwriting.....	S-96
Validity of Securities.....	S-98
Experts.....	S-98
Information We Incorporate by Reference.....	S-99

PAGE

PROSPECTUS

About This Prospectus.....	2
Where You Can Find More Information....	3
PPL Corporation.....	5
PPL Capital Funding.....	7
PPL Capital Funding Trust I.....	7
Use of Proceeds.....	7
Ratios of Earnings to Fixed Charges and Earnings to Fixed Charges and Preferred Dividends.....	7
Description of PPL Corporation's Capital Stock.....	8
Description of Stock Purchase Contracts and Stock Purchase Units.....	9
Description of the Debt Securities.....	10
Description of the Trust Securities....	18
Description of the Preferred Securities Guarantee.....	25
Description of Subordinated Debt Securities.....	27
Information Concerning the Trustees....	39
Experts.....	39
Validity of the Securities and the Securities Guarantees.....	39
Plan of Distribution.....	40

You should rely only on the information contained in or incorporated by reference into this document. We have not authorized anyone to provide you with

Edgar Filing: PPL CORP - Form 424B2

information that is different from that contained in this document. This document is not an offer to sell the PEPS Units and is not soliciting an offer to buy PEPS Units in any jurisdiction where the offer or sale is not permitted. The information contained in this document is accurate only as of the date hereof, regardless of the time of delivery of this document or of any sale of the PEPS Units.

As used in this prospectus supplement, the terms "we," "our" or "us" may, depending upon the context, refer to PPL Corporation, PPL Capital Funding, to one or more of PPL Corporation's consolidated subsidiaries or to all of them taken as a whole.

S-3

3

INDEX OF SELECTED TERMS FOR THE PROSPECTUS SUPPLEMENT

TERM	PAGE
----	----
additional remarketing.....	S-17
applicable benchmark treasury.....	S-74
applicable market value.....	S-62
applicable ownership interest.....	S-58
applicable ownership interest of the treasury portfolio.....	S-58
applicable principal amount.....	S-80
applicable spread.....	S-76
beneficial owner.....	S-84
business day.....	S-59
closing price.....	S-63
collateral agent.....	S-14
comparable yield.....	S-60
current market price.....	S-68
distribution.....	S-74
distribution rate.....	S-14
early settlement.....	S-19
failed remarketing.....	S-22
failed final remarketing.....	S-76
failed initial remarketing.....	S-65
final remarketing.....	S-18
guarantee payments.....	S-79
indenture trustee.....	S-34
initial remarketing.....	S-64
interest payment date.....	S-56
non-United States holder.....	S-91
original issue discount.....	S-35
PEPS Units.....	S-13
pledge agreement.....	S-15
pledged securities.....	S-70
prevailing rating.....	S-76
primary treasury dealer.....	S-80

TERM	PAGE
----	----

Edgar Filing: PPL CORP - Form 424B2

purchase contract.....	S-13
purchase contract agent.....	S-13
purchase contract agreement.....	S-13
purchase contract settlement date.....	S-13
quotation agent.....	S-65
redemption amount.....	S-80
reference price.....	S-62
remarketing.....	S-13
remarketing agent.....	S-17
remarketing agreement.....	S-64
remarketing date.....	S-65
reset agent.....	S-23
reset announcement date.....	S-75
reset effective date.....	S-74
reset rate.....	S-22
securities intermediary.....	S-16
settlement rate.....	S-62
short-term U.S. treasury security.....	S-91
successful initial remarketing.....	S-64
tax event.....	S-80
tax event redemption.....	S-19
tax event redemption date.....	S-79
threshold appreciation price.....	S-62
trading day.....	S-63
Treasury PEPS Units.....	S-13
treasury portfolio.....	S-14
treasury portfolio purchase price.....	S-17
treasury security.....	S-15
trust preferred securities.....	S-12
trust securities.....	S-23
two-year benchmark treasury rate.....	S-76
United States person.....	S-85

S-4

4

FORWARD-LOOKING INFORMATION

Certain statements contained in this prospectus supplement, including statements with respect to future earnings, dividends, energy supply and demand, costs, subsidiary performance, growth, new technology, project development, 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 have been 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" and "Review of Financial Condition and Results of Operations" sections herein, the following are among the important factors that could cause actual results to differ materially from the forward-looking statements:

- market demand and prices for energy, capacity and fuel;
- weather variations affecting customer energy usage;
- competition in retail and wholesale power markets;
- the effect of any business or industry restructuring;

Edgar Filing: PPL CORP - Form 424B2

- profitability and liquidity;
- new accounting requirements or new interpretations or applications of existing requirements;
- operation of existing facilities and operating costs;
- environmental conditions and requirements;
- the development of new projects, markets and technologies;
- the performance of new ventures;
- political, regulatory or economic conditions in countries where we or our subsidiaries conduct business;
- receipt of necessary governmental approvals;
- capital markets conditions;
- our stock price performance;
- our or any of our subsidiaries' securities ratings;
- foreign exchange rates; and
- commitments and liabilities.

Any such forward-looking statements should be considered in light of such important factors and in conjunction with our other documents on file with the Securities and Exchange Commission.

New factors that could cause actual results to differ materially from those described in forward-looking statements emerge from time to time, and it is not possible for us to predict all of such factors, or the extent to which any such factor or combination of factors may cause actual results to differ from those contained in any forward-looking statement. Any forward-looking statement speaks only as of the date on which such statement is made, and we do not undertake any obligation to update the information contained in such statement to reflect subsequent developments or information.

S-5

5

We caution you that any one of these factors or other factors described under the heading "Risk Factors," or a combination of these factors, could materially affect our future results of operations and whether our forward-looking statements ultimately prove to be accurate. These forward-looking statements are not guarantees of our future performance, and our actual results and future performance may differ materially from those suggested in our forward-looking statements. When considering these forward-looking statements, you should keep in mind the factors described under the heading "Risk Factors" and other cautionary statements in this prospectus supplement, the accompanying prospectus and the documents we have incorporated by reference.

S-6

6

SUMMARY

This summary contains basic information about us and our PEPS Units. It does not contain all the information that is important to you. You should read

Edgar Filing: PPL CORP - Form 424B2

the following summary together with the more detailed information and financial statements and notes to the financial statements contained elsewhere or incorporated by reference into this prospectus supplement or the accompanying prospectus. To fully understand this offering, you should read all of these documents. As used in this prospectus supplement, the terms "we," "our" or "us" may, depending upon the context, refer to PPL Corporation, PPL Capital Funding, to one or more of PPL Corporation's consolidated subsidiaries or to all of them taken as a whole.

PPL CORPORATION

OVERVIEW

We are a growth-oriented energy company engaged in power generation and marketing primarily in the northeastern and western United States and in the delivery of energy in the United States and abroad. Currently, we own approximately 9,761 megawatts, or MW, of power generation capacity and we intend to continue to acquire or develop new, low-cost and efficient power generation facilities in key northeastern and western markets. Our target is to own or control approximately 20,000 MW of power generation capacity by 2005. In addition, in 2000, we marketed wholesale or retail energy in 42 states and Canada, delivered electricity to 5.7 million customers in the United States, the United Kingdom and Latin America and provided energy-related services to businesses in the mid-Atlantic and northeastern United States.

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, PPL EnergyPlus and PPL Global.

- PPL GENERATION currently owns and operates a portfolio of domestic power generation assets with a total capacity of 9,761 MW. These power plants are located in Pennsylvania (8,508 MW), Montana (1,157 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 the wholesale and deregulated retail markets, primarily in the northeastern and western portions of the United States. In addition, PPL EnergyPlus sells electricity, natural gas and energy services to retail customers and serves as a supplier of choice in the competitive markets in Pennsylvania, New Jersey, Maine, Montana and Delaware. 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 acquires and develops U.S. generation projects for PPL Generation. When the U.S. generation projects that PPL Global develops become operational, PPL Global transfers these facilities to PPL Generation so that PPL Generation can operate them as part of our integrated portfolio. PPL Global also acquires, develops, owns and operates international energy projects that are primarily focused on the distribution of electricity. PPL Global currently owns and operates energy delivery businesses primarily in the United Kingdom and Latin America.

ENERGY DELIVERY

We provide high-quality energy delivery services in the mid-Atlantic

Edgar Filing: PPL CORP - Form 424B2

regions of the United States through our subsidiaries, PPL Electric Utilities and PPL Gas Utilities.

- PPL ELECTRIC UTILITIES is a regulated public utility providing electricity delivery services to approximately 1.3 million customers in eastern and central Pennsylvania.
- PPL GAS UTILITIES is a regulated public utility providing natural gas and propane delivery services to approximately 105,000 customers in Pennsylvania and Maryland.

S-7

7

OUR STRATEGY

Our objective is to be a leading, asset-based provider of wholesale and retail energy and energy-related products and services. We plan to achieve this objective by generating and selling competitively priced energy in large, high-growth markets in the northeastern and western United States. In addition, we also plan to continue to operate high-quality energy delivery businesses in selected regions around the world. The key elements of our strategy are as follows:

DEVELOP AND ACQUIRE ADDITIONAL GENERATION FACILITIES IN OUR TARGET MARKETS

Our objective is to more than double our current domestic generation capacity and own or control a portfolio of approximately 20,000 MW of generation capacity by 2005 in our target markets in the northeastern and western United States. We currently own generation capacity in Pennsylvania, Montana and Maine. In addition, we are currently developing new power projects in Arizona, Connecticut, Illinois, New York, Pennsylvania and Washington representing an additional 4,605 MW of generation capacity. These facilities are expected to commence operation between 2001 and 2005. We also will continue to actively evaluate opportunities to acquire operating generation facilities or develop new generation projects in our target markets. We believe that the northeastern and western regions of the United States are particularly attractive markets, because the existing and projected supply and demand dynamics for power in these regions will require the construction of new generation facilities to meet expected increased customer demand.

OPERATE A DIVERSE AND LOW-COST PORTFOLIO OF GENERATION ASSETS

We seek to operate an efficient and low-cost generation asset portfolio that is diversified as to geography, fuel source, cost structure and operating characteristics. Our current generation facilities, as well as our new generation projects under development, are well-located in our target markets, provide us with a geographically diverse presence in the northeastern and western United States and help mitigate the risks resulting from regional price differences. Our current portfolio of generation assets is also well-diversified by fuel type with, as a percentage of our total generation capacity, 45% coal, 22% natural gas/oil, 21% nuclear, 8% hydro and 4% other as of December 31, 2000. Our coal-fired capacity is located in the eastern and western United States and benefits from the low fuel costs resulting from the proximity of our plants to coal fields, our extensive experience in acquiring low-cost coal and our highly-efficient coal-fired plant technology. With respect to cost structure and operating characteristics, our current generation portfolio is weighted towards base-load and/or low variable cost generation units which helps reduce the variability of our revenues. Our new development projects involve new intermediate and peaking facilities utilizing natural gas-fired, combined and simple cycle technology-based generation units. These new units will allow us to further diversify our fuel mix, enhance our ability to capture the potential

Edgar Filing: PPL CORP - Form 424B2

benefits of peak period pricing and provide us with additional operational flexibility and ancillary service revenues.

PURSUE ADDITIONAL REVENUES THROUGH ASSET-BASED TRADING OPPORTUNITIES

We intend to grow and diversify our revenue base by capitalizing on energy marketing and trading opportunities in the increasingly deregulated United States electric market. We believe that our ability to market and trade around our physical portfolio of generation assets through our integrated generation, marketing and trading functions will provide us with highly attractive opportunities to grow our revenues. In pursuing these opportunities, we limit our financial exposure by following a comprehensive risk management program. In particular, given our asset-based strategy, we seek to execute contractual commitments for energy sales that do not exceed our ability to produce the energy required. We employ sophisticated trading practices to capture regional arbitrage opportunities and maximize the value of our generation capacity. In addition, we seek to capture a diverse stream of revenues and avoid over-reliance on any one market or type of customer. As a result of our generation asset portfolio and conservative but effective approach to marketing and trading, we believe we are well-positioned to grow our revenues while limiting the potential impacts of energy price volatility.

S-8

8

CAPITALIZE ON SELECTED INTERNATIONAL TRANSMISSION AND DISTRIBUTION OPPORTUNITIES

Our international strategy is focused on effectively managing our current portfolio of energy transmission and distribution businesses in Latin America (including Argentina, Bolivia, Brazil, Chile, El Salvador and Peru) and the United Kingdom. We select the geographic regions in which we compete based on a thorough due diligence process. We have concentrated our development activities in Latin America, as we believe this is a region that encourages investment in distribution assets and exhibits a potential for high growth in the demand for electric distribution and related services. This is also a region where we believe our knowledge and experience in operating efficient, low-cost energy delivery businesses will provide the greatest benefit. In Latin America, we seek to ensure operational excellence as well as pursue opportunities to improve the profitability of our existing assets and develop new products and services that leverage our existing assets.

RECENT DEVELOPMENTS

PLAN TO STRUCTURALLY SEPARATE PPL ELECTRIC UTILITIES' TRANSMISSION AND DISTRIBUTION BUSINESS

In order to continue our transformation into a growth-oriented energy company, on April 24, 2001, we announced a plan to effect the structural separation of PPL Electric Utilities from PPL Corporation and PPL Corporation's other affiliated companies, in a transaction that we call the "securitization" of the electric transmission and distribution business of PPL Electric Utilities. Upon completion of the securitization, we will effectively double the amount of generation capacity we have to sell in wholesale electricity markets while allowing us to retain valuable advantages related to operating both energy supply and energy delivery businesses.

The securitization will be effected in a series of steps including:

- the structural separation of PPL Electric Utilities from PPL Corporation and PPL Corporation's other affiliated companies;

Edgar Filing: PPL CORP - Form 424B2

- an increase in the leverage of PPL Electric Utilities through the issuance of approximately \$900 million in senior secured bonds without any material impact on PPL Electric Utilities' investment-grade credit rating; and
- the solicitation by PPL Electric Utilities, in early June 2001, of bids to contract with energy suppliers to meet all of the electricity needs associated with the utility's obligation to serve customers under capped rates from 2002 through the end of 2009.

PPL Electric Utilities currently has a full requirements supply agreement with PPL EnergyPlus that expires at the end of 2001. Under the Pennsylvania Electricity Generation Customer Choice and Competition Act, which we refer to as the Pennsylvania Customer Choice Act, PPL Electric Utilities is required as a provider of last resort, through 2009, to provide electricity at pre-set prices to its delivery customers who do not select an alternate supplier. As part of the securitization, PPL Electric Utilities will solicit bids to contract with energy suppliers to meet its obligation to deliver energy to its customers. PPL EnergyPlus intends to be one of the parties to bid on the supply contract at market competitive prices. To the extent that PPL EnergyPlus is a successful bidder, it will have an eight-year contract to sell a portion of its available energy at market-competitive wholesale prices. To the extent that PPL EnergyPlus is not a successful bidder, it will have additional energy that can be sold in the wholesale market at market rates.

Several aspects of the securitization must be reviewed and approved by the Pennsylvania Public Utility Commission. These approvals are expected in the third quarter of 2001.

CHANGE TO OUR DIVIDEND POLICY

Concurrent with the announcement of our securitization plan on April 24, 2001, we announced that we will maintain our dividend at the current level of \$1.06 per common share for the foreseeable future. We believe this dividend policy is consistent with, and an important element of, our continued transformation into a growth-oriented energy company. Dividends on our common stock are declared at the discretion of our Board of Directors. We will continue to consider the appropriateness of our dividend level, taking into account

S-9

9

our financial position, our results of operations, conditions in the industry and other factors which the Board of Directors deems relevant.

FIRST QUARTER EARNINGS

On April 24, 2001, we also announced first-quarter earnings of \$1.52 per diluted common share, a 54% increase over the same period a year ago. The major contributors to our earnings growth for the first quarter were:

- increased margins on wholesale energy transactions;
- positive results from our regulated energy delivery business in Pennsylvania and from our international operations; and
- our success in continuing to control costs.

We also increased our earnings forecasts for 2001 and 2002 and now forecast earnings in excess of \$4.00 per common share for 2001 and \$4.55 to \$4.65 per common share for 2002. Earnings per common share of \$4.00 in 2001 would represent an increase of about 22% over 2000's adjusted, diluted earnings of

Edgar Filing: PPL CORP - Form 424B2

\$3.28 per common share. Earnings per common share of \$4.55 to \$4.65 in 2002 would represent an increase of about 15% over earnings now forecast for 2001. Our increased earnings forecast is based on the following factors:

- the securitization of our U.S. electricity delivery business described above;
- our earnings performance in the first quarter of 2001;
- the increased margins on energy transactions;
- our planned increased supply of electricity to sell in the competitive wholesale markets, including a new natural gas-powered plant in Illinois, described below;
- strong growth in our electricity delivery business in Pennsylvania;
- higher earnings from our international businesses; and
- our success in continuing to reduce costs.

As of March 31, 2001, we had \$12,546 million of consolidated assets, an increase of \$186 million as compared to \$12,360 million of consolidated assets as of December 31, 2000. Our long-term debt (less current portion) declined from \$4,467 million at December 31, 2000 to \$4,196 million at March 31, 2001.

Set forth below is certain summary consolidated income statement information and other data for the three months ended March 31, 2001, as compared with the three months ended March 31, 2000.

S-10

10

CONSOLIDATED INCOME STATEMENT (UNAUDITED)

	Three Months Ended March 31	
	2001	2000 (a)
	(millions of dollars)	
OPERATING REVENUES:		
Retail electric and gas.....	\$ 956	\$ 845
Wholesale energy marketing and trading.....	469	462
Energy-related businesses.....	141	106
	1,566	1,413
OPERATING EXPENSES:		
Fuel and purchased power.....	583	608
Other operation and maintenance.....	238	218
Amortization of recoverable transition costs.....	71	63
Depreciation.....	63	68
Other.....	155	136
	1,110	1,093
OPERATING INCOME.....	456	320
Other income and (deductions).....	4	(1)

Edgar Filing: PPL CORP - Form 424B2

INCOME BEFORE INTEREST, INCOME TAXES AND MINORITY		
INTEREST.....	460	319
Interest expense.....	104	88
Income taxes.....	126	82
Minority interest.....	2	1
INCOME BEFORE DIVIDENDS ON PREFERRED STOCK.....	228	148
Preferred stock dividend requirements.....	6	6
NET INCOME.....	\$ 222	\$ 142
EARNINGS PER SHARE OF COMMON STOCK--BASIC.....	\$ 1.53	\$ 0.99
EARNINGS PER SHARE OF COMMON STOCK--DILUTED.....	\$ 1.52	\$ 0.99
AVERAGE NUMBER OF SHARES OF COMMON STOCK OUTSTANDING (THOUSANDS).....	145,317	143,697

(a) Certain amounts have been reclassified to conform to the current year presentation.

KEY INDICATORS

FINANCIAL	TWELVE MONTHS ENDED MARCH 31, 2001	TWELVE MONTHS ENDED MARCH 31, 2000
Dividends declared per common share.....	\$ 1.060	\$ 1.015
Book value per common share(a).....	\$ 13.71	\$ 12.09
Market price per common share(a).....	\$43.960	\$20.938
Dividend yield(a).....	2.4%	4.8%
Dividend payout ratio--basic and diluted(b).....	28%	40%
Price/earnings ratio--basic and diluted(a,b).....	11.5	8.2
Return on average common equity(b).....	30.4%	20.3%

(a) End of period.

(b) Excluding nonrecurring items.

S-11

11

OPERATING-- DOMESTIC ENERGY	THREE MONTHS ENDED		
	MARCH 31,		PERCENT
	2001	2000	CHANGE
	(MILLIONS OF KWH)		
Retail:			
Delivered(a).....	9,881	9,481	4.2
Supplied.....	10,552	9,864	7.0
Wholesale:			

Edgar Filing: PPL CORP - Form 424B2

East.....	5,244	9,769	(46.3)
West:			
Montana Power (b).....	1,199	1,341	(10.6)
Other.....	1,026	907	13.1

-
- (a) Electricity delivered to retail customers represents the kwh delivered to customers within PPL Electric Utilities' service territory.
 - (b) Energy sold to Montana Power for resale to retail customers under power sale agreements that expire on or before June 30, 2002.

ADDITION OF 600 MW IN GENERATION CAPACITY

Consistent with our strategy to add electricity generation capacity in our target markets, on April 23, 2001, we announced that we are developing a 540 MW power plant near Chicago, Illinois and that we will increase the capacity of our Susquehanna nuclear plant in Pennsylvania by 100 MW.

The Illinois facility will be a 540 MW, simple-cycle, natural gas-fired electric generation facility. The facility is expected to be in service by the summer of 2002 and is expected to cost about \$305 million.

The planned 100 MW increase to the capacity of our Susquehanna nuclear plant will be effected with the installation of more efficient steam turbines on each of the two nuclear power units. The new turbines, which will replace units that have been in operation since the early 1980s, will be installed in the spring of 2003 and 2004 during refueling outages at the plant and are expected to cost about \$120 million.

LONG-TERM POWER SUPPLY ARRANGEMENT WITH MONTANA POWER COMPANY

Our existing obligation to provide Montana Power Company with low-cost energy to meet its obligation to supply customers who do not purchase power on their own expires on June 30, 2002. We have reached a 5-year power supply arrangement with Montana Power Company under which we will sell Montana Power Company 500 MW of power beginning July 1, 2002. We will sell this energy at \$.04 a kilowatt-hour to the extent that the energy is produced by certain designated units. Any agreement will be subject to certain regulatory approvals.

PPL CAPITAL FUNDING

PPL Capital Funding is a Delaware corporation and our wholly-owned subsidiary. PPL Capital Funding's primary business is to provide us with financing for our operations.

PPL CAPITAL FUNDING TRUST I

The Trust is a statutory business 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 will be owned by PPL Capital Funding and will represent at least 3% of the total capital of the Trust. Payments will be made on the common securities pro rata with the trust preferred securities, except that the common securities' right to payment will be subordinated to the rights of the trust preferred securities if there is a default under the trust agreement resulting from an event of default under the subordinated indenture.

The address of our principal executive offices is Two North Ninth Street,

Edgar Filing: PPL CORP - Form 424B2

Allentown, PA 18101 and our telephone number is (610) 774-5151.

S-12

12

THE OFFERING

Unless we state otherwise, the information in this prospectus supplement does not include 3,000,000 PEPS Units that may be issued to the underwriters pursuant to their over-allotment option. If the underwriters exercise their over-allotment option in full, the total number of PEPS Units offered will be 23,000,000.

Each PEPS Unit consists of a purchase contract and a trust preferred security.....

We are offering 20,000,000 7 3/4% Premium Equity Participating Security Units--PEPSSM Units. The stated amount and issue price of each PEPS Unit is \$25.

Each PEPS Unit consists of two parts:

- a purchase contract for shares of our common stock, \$.01 par value; and
- a trust preferred security issued by PPL Capital Funding Trust I.

The trust preferred security will be pledged to secure the PEPS Unit holder's obligation to PPL Corporation under the purchase contract to purchase shares of our common stock.

You will receive from each PEPS Unit:

- cash distributions on the trust preferred security at the rate of 7.29% of the stated liquidation amount per year, or \$1.8225 per year, paid quarterly;
- contract adjustment payments at the rate of .46% of the stated amount of each PEPS Unit per year, paid quarterly; and
- on May 18, 2004, between .3845 and .4690 shares of our common stock, depending on the average closing price of our common stock over the 20-trading day period ending on the third trading day prior to May 18, 2004.

You will be required under the purchase contract to purchase our common stock on or prior to May 18, 2004.....

PPL Corporation will enter into a purchase contract agreement with The Chase Manhattan Bank, which will act as agent for all of the holders of the PEPS Units (as well as the holders of the Treasury PEPS Units discussed below). For each PEPS Unit that you purchase, a contract will be issued under the purchase

contract agreement which creates a contractual arrangement between you and PPL Corporation for the purchase of shares of our common stock. We refer to this contract as a "purchase contract." Under each purchase contract, you will be obligated to purchase, at an aggregate purchase price of \$25 for each of your PEPS Units, a variable number of shares of our common stock. You will not be obligated to pay the purchase price until May 18, 2004 -- which has been set as the "purchase contract settlement date" -- and you will not receive shares of our common stock until you have settled your purchase contract. Your purchase contract will be settled by applying the proceeds from the remarketing of the trust preferred securities, as more fully described later under "Description of the Purchase Contracts" in this prospectus supplement. Instead of participating in a remarketing, you will have the option of settling your purchase contract by settling early, by settling with cash or by delivering cash in an amount equal to the purchase price of the treasury portfolio and any fees and expenses to the remarketing

S-13

13

agent or its designated entity prior to the remarketing to purchase the treasury portfolio.

The number of shares of our common stock that you will be entitled to receive on the purchase contract settlement date will depend on the average closing price of a share of our common stock over a 20-trading day period ending on the third trading day prior to the purchase contract settlement date. Until you actually purchase the shares of our common stock, your obligation to pay the \$25 purchase price will be secured by the trust preferred security that is part of your PEPS Unit, which will be pledged to our collateral agent as collateral. In certain cases, the treasury portfolio, as described below, may replace the trust preferred securities as collateral. You may substitute as collateral a U.S. treasury security for the trust preferred security. See "Description of the PEPS Units--Creating Treasury PEPS Units by Substituting a Treasury Security for Trust Preferred Securities" in this prospectus supplement. Under the purchase contract, you will also be entitled to receive contract adjustment payments of \$.0288 each quarter (which is equal to .46% per year of the \$25 stated amount of each PEPS Unit).

The PEPS Units will include trust preferred securities....

In addition to the purchase contract, each PEPS Unit also will include a trust preferred security that represents an undivided

Edgar Filing: PPL CORP - Form 424B2

beneficial interest in the assets of the Trust. The Trust will pay you cash distributions of \$.4556 each quarter (which is equal to 7.29% per year of the \$25 stated liquidation amount) on your trust preferred security, provided that the first distribution will cover a period of more than three months and will therefore be proportionately more than the regular quarterly distribution. The distribution rate may be reset as a result of a successful initial remarketing on or after February 18, 2004 and will in any event be reset on May 18, 2004. Distributions will accumulate from the date the PEPS Units are issued and will continue until May 18, 2006. If you continue to own your trust preferred security after the purchase contract settlement date, the Trust will pay you distributions on your trust preferred security from May 18, 2004 until May 18, 2006, at a reset rate that is described in more detail later in this prospectus supplement. The Trust will pay distributions only when it has funds available for payment. The Trust's sole source of funds for distributions are the payments of interest we make on the subordinated notes of PPL Capital Funding that the Trust will hold. PPL Corporation will unconditionally guarantee the payment of principal of and any interest on the subordinated notes of PPL Capital Funding.

The Guarantee..... PPL Corporation will guarantee 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

S-14

14

securities. You can find more information about this guarantee arrangement under the heading "Description of the Guarantee" in this prospectus supplement.

The trust preferred security will be pledged as collateral under the pledge arrangement.....

When you purchase a PEPS Unit, the trust preferred security that is part of that PEPS Unit will be pledged as collateral to secure your obligation to purchase our common stock on or prior to May 18, 2004 under the related purchase contract. We will enter into a pledge agreement under which The Bank of New York will act as collateral agent and hold your trust preferred security as collateral until the \$25 purchase price under the purchase contract has

Edgar Filing: PPL CORP - Form 424B2

been paid. In the event of a successful initial remarketing or a tax event redemption as further described below, the applicable ownership interest in the treasury portfolio may replace your trust preferred security as collateral. Even though your trust preferred security will be pledged as collateral, you will be the beneficial owner of it.

You can create Treasury PEPS Units by substituting treasury securities for trust preferred securities.....

For every 40 PEPS Units you own, you may create 40 Treasury PEPS Units by substituting U.S. treasury securities for the trust preferred securities that are a part of the PEPS Units.

A Treasury PEPS Unit will consist of:

- a purchase contract for shares of our common stock that is identical to the purchase contract that is a part of the PEPS Unit; and
- a 1/40 undivided beneficial ownership interest in a related zero-coupon U.S. treasury security (CUSIP No. 912820BJ5), the "treasury security," that has a principal amount at maturity of \$1,000, and matures on May 17, 2004, the business day prior to the purchase contract settlement date.

To create Treasury PEPS Units, you must:

- for each group of 40 Treasury PEPS Units you wish to create, transfer the treasury security to The Bank of New York, which is acting as the securities intermediary under the pledge agreement. The treasury security will become the collateral supporting your obligation to purchase shares of our common stock, and the collateral agent will release the 40 trust preferred securities from the pledge. Those trust preferred securities then will be separately tradable and will no longer be a part of a PEPS Unit or a Treasury PEPS Unit; and
- pay to the collateral agent any fees or expenses incurred in connection with the substitution.

You may substitute a treasury security for trust preferred securities at any time prior to or on the fifth business day preceding May 18, 2004, unless the treasury portfolio has replaced the trust preferred securities as a result of a successful initial remarketing or a tax

event redemption, as described below. Distributions will continue to be made on the trust preferred security. Because each treasury security has a principal amount at maturity of \$1,000, you may substitute Treasury PEPS Units for PEPS Units only in multiples of 40. For each group of 40 PEPS Units you own, after substitution of the U.S. treasury securities for the trust preferred securities that are part of the 40 PEPS Units, you will receive 40 Treasury PEPS Units.

A Treasury PEPS Unit holder will be required to accrue original issue discount on the Treasury PEPS Unit and will not receive any cash payments other than contract adjustment payments on the Treasury PEPS Unit.....

If you own Treasury PEPS Units, because the treasury security included in the Treasury PEPS Units is a zero-coupon security, you generally will be required for U.S. federal income tax purposes to include in gross income each year your allocable share of original issue discount or acquisition discount on the treasury security that accrues in such year. You, however, will not receive any payments on the Treasury PEPS Units other than contract adjustment payments. See "United States Federal Income Tax Consequences" in this prospectus supplement.

So long as you continue to own any trust preferred securities, whether as part of a PEPS Unit or as a separate security, you will receive distributions on them, separately from the Treasury PEPS Units.

You can recreate PEPS Units...

If you own 40 Treasury PEPS Units, you may recreate 40 PEPS Units at any time prior to or on the seventh business day preceding May 18, 2004, unless the treasury portfolio has replaced the treasury securities as a component of the Treasury PEPS Units as a result of a successful initial remarketing or a tax event redemption, as described below. Because the treasury security has a principal amount at maturity of \$1,000, you must recreate PEPS Units from Treasury PEPS Units in multiples of 40. For each group of 40 Treasury PEPS Units you submit, you will receive 40 PEPS Units.

To recreate PEPS Units, you must:

- for each group of 40 PEPS Units you wish to recreate, transfer 40 trust preferred securities to the securities intermediary. The securities intermediary

Edgar Filing: PPL CORP - Form 424B2

then will deposit the trust preferred securities in the collateral account maintained under the pledge arrangement. The 40 trust preferred securities will become the collateral supporting your obligation to purchase the shares of our common stock, and the collateral agent will release the treasury security from the pledge. That treasury security then will be separately tradable and will not be part of any PEPS Unit; and

- pay to the collateral agent any fees or expenses incurred in connection with the substitution.

S-16

16

The trust preferred securities will first be remarketed on the third business day immediately preceding February 18, 2004.....

Unless you deliver cash in an amount equal to the purchase price of the treasury portfolio and any fees or expenses to the remarketing agent or its designated entity prior to or on the fifth business day preceding February 18, 2004 to purchase the treasury portfolio on your behalf, your trust preferred security will first be remarketed on the third business day immediately preceding February 18, 2004. The remarketing agent will use its reasonable efforts to obtain a price of approximately 100.25% of the purchase price for the treasury portfolio, which is described below. The portion of the proceeds from the remarketing equal to the treasury portfolio purchase price will be applied to purchase the treasury portfolio. The treasury portfolio will be substituted for the trust preferred securities and will be pledged to the collateral agent to secure your obligation to purchase our common stock under the purchase contracts. When paid at maturity, the principal amount of the treasury portfolio equal to the stated liquidation amount of the trust preferred securities will automatically be applied to satisfy your obligation to purchase common stock under your purchase contract. In addition, the remarketing agent may deduct, as a remarketing fee, an amount not exceeding 25 basis points (.25%) of the treasury portfolio purchase price from any amount of the proceeds in excess of the treasury portfolio purchase price. The remarketing agent will then remit to you any remaining portion of the proceeds for your benefit.

If the first remarketing fails, the remarketing agent will use its reasonable

Edgar Filing: PPL CORP - Form 424B2

efforts to remarket the trust preferred securities from time to time thereafter prior to the tenth business day preceding May 18, 2004.....

If the first remarketing of the trust preferred securities on the third business day preceding February 18, 2004 fails because the remarketing agent cannot obtain a price of at least 100% of the treasury portfolio purchase price or a condition precedent to the remarketing has not been satisfied, the trust preferred securities will continue to be a component of PEPS Units, and the remarketing agent in its discretion will use its reasonable efforts to remarket all of the trust preferred securities from time to time thereafter prior to the tenth business day preceding May 18, 2004. Instead of participating in an additional remarketing, you can deliver cash in an amount equal to the purchase price of the treasury portfolio and any fees or expenses to the remarketing agent or its designated entity on the second business day immediately preceding any additional remarketing to purchase the treasury portfolio on your behalf. We refer to any such additional remarketing as an "additional remarketing," and, collectively with the first remarketing on the third business day preceding February 18, 2004, as the "initial remarketing." In addition, we refer to any initial remarketing that is successful as the "successful initial remarketing," and any such remarketing will follow the

S-17

17

procedures set forth above for the first remarketing. In the event that all attempts for an initial remarketing fail because the remarketing agent cannot obtain a price of at least 100% of the treasury portfolio purchase price or a condition precedent to the remarketing has not been satisfied, a final remarketing will be attempted on the third business day preceding May 18, 2004, as described below.

If all attempts for an initial remarketing have failed, there will be a final remarketing on the third business day preceding May 18, 2004.....

If all attempts for an initial remarketing have failed, the trust preferred securities will be remarketed on the third business day preceding May 18, 2004, except for the trust preferred securities of PEPS Unit holders who have notified the purchase contract agent on or prior to the fifth business day before May 18, 2004 of their intention to pay cash in order to satisfy their obligations under the related purchase contracts. We refer to this

Edgar Filing: PPL CORP - Form 424B2

remarketing as the "final remarketing." In this final remarketing the remarketing agent will use its reasonable efforts to obtain a price of approximately 100.25% of the aggregate stated liquidation amount of these trust preferred securities. The portion of the proceeds from the remarketing equal to the total stated liquidation amount of the trust preferred securities remarketed will automatically be applied to satisfy in full the PEPS Unit holders' obligations to purchase common stock under the related purchase contracts. The remarketing agent will deduct as a remarketing fee an amount not exceeding 25 basis points (.25%) of the aggregate stated liquidation amount of the remarketed trust preferred securities from any amount of the proceeds in excess of the aggregate stated liquidation amount of the remarketed trust preferred securities. The remarketing agent will remit any remaining portion of the proceeds for the benefit of the holders.

If the final remarketing fails and you are a PEPS Unit holder, we may take possession of your trust preferred security.....

If the remarketing agent is unable to remarket the trust preferred securities on the third business day prior to May 18, 2004, because the remarketing agent cannot obtain a price of at least 100% of the total stated liquidation amount of the trust preferred securities or a condition precedent to the remarketing has not been satisfied (a "failed final remarketing"), we will exercise our rights as a secured party, and we may take possession of your trust preferred security. Your obligation to purchase shares of our common stock would then be fully satisfied, and you will receive the shares of our common stock.

The "treasury portfolio" is a portfolio of zero-coupon U.S. Treasury securities.....

The treasury portfolio is a portfolio of zero-coupon U.S. Treasury securities consisting of:

- interest or principal strips of U.S. Treasury securities that mature on or prior to May 17, 2004 in an aggregate amount

S-18

equal to the stated liquidation amount of the trust preferred securities included in PEPS Units; and

- with respect to the scheduled distribution payment date on the trust

Edgar Filing: PPL CORP - Form 424B2

preferred securities that occurs on May 18, 2004, in the case of a successful remarketing of the trust preferred securities, or with respect to each scheduled distribution payment date on the trust preferred securities that occurs after the tax event redemption date and on or before May 18, 2004, in the case of a tax event redemption, interest or principal strips of U.S. Treasury securities that mature on or prior to that distribution payment date in an aggregate amount equal to the aggregate distribution payment that would be due on that distribution payment date on the stated liquidation amount of the trust preferred securities included in PEPS Units assuming no reset of the distribution rate on the trust preferred securities.

Substitution of treasury portfolio upon tax event.....

If the tax laws change or are interpreted in a way that adversely affects the tax treatment of the Trust or the PPL Capital Funding subordinated notes, then PPL Capital Funding, as issuer of the subordinated notes, may elect to redeem the subordinated notes held by the Trust. Following any redemption of the subordinated notes, which we refer to as a "tax event redemption," before May 18, 2004, the money received from the redemption will be used to purchase the treasury portfolio, and the Trust will be dissolved. The treasury portfolio will replace the trust preferred securities as the collateral securing your obligations to purchase our common stock under the purchase contracts. If the subordinated notes are redeemed, then each PEPS Unit will consist of a purchase contract for our common stock and an ownership interest in the treasury portfolio.

If you hold a trust preferred security that is not part of a PEPS Unit, you may choose to have it remarketed.....

If you hold a trust preferred security that is not part of a PEPS Unit, you may choose to have your trust preferred security remarketed in a remarketing. PEPS Unit holders who have created Treasury PEPS Units or who have settled their purchase contracts early may make such an election, as more fully described in this prospectus supplement.

Instead of participating in a remarketing, you may settle your purchase contract by paying cash for early settlement, paying cash prior to or on the business day preceding May 18, 2004, or upon termination.....

Instead of participating in a remarketing,

Edgar Filing: PPL CORP - Form 424B2

holders of PEPS Units or Treasury PEPS Units may satisfy their obligations, or their obligations will be terminated, under the purchase contracts:

- by delivering cash and any fees or expenses to the remarketing agent or its designated entity to purchase the treasury portfolio on its behalf;

S-19

19

- through early settlement by the early delivery of cash to the purchase contract agent in the manner described in this prospectus supplement;
- in the case of holders of PEPS Units, by settling the related purchase contracts with cash prior to or on the fourth business day preceding May 18, 2004 pursuant to prior notification to the purchase contract agent; or
- without any further action, upon the termination of the purchase contracts as a result of bankruptcy, insolvency or reorganization of PPL Corporation.

If the holder of a PEPS Unit settles a purchase contract early or if the holder's purchase contract is terminated as a result of our bankruptcy, insolvency or reorganization, that holder will have no right to receive any accrued contract adjustment payments.

You may settle the purchase contract early by paying cash.....

You may satisfy your obligation to purchase shares of our common stock under your purchase contract at any time prior to 5:00 p.m., New York City time, on the fifth business day preceding the purchase contract settlement date, unless the treasury portfolio has replaced the trust preferred securities as a component of the PEPS Units as a result of a successful initial remarketing or a tax event redemption.

If you choose to settle early:

- you must deliver to the purchase contract agent a notice indicating your election to "settle early";
- together with the notice, you must deliver to the purchase contract agent a cash payment of \$25 for each purchase contract being settled early at any time, but in no event later than 5:00 p.m., New York City time, on the fifth business day

Edgar Filing: PPL CORP - Form 424B2

preceding the purchase contract
settlement date;

- you will receive, for each PEPS Unit or Treasury PEPS Unit you surrender, both:
 - shares of our common stock, regardless of the market price of the shares of our common stock on the date of early settlement and subject to anti-dilution adjustments; and
 - your trust preferred security (if you are settling a PEPS Unit) or a 1/40 undivided beneficial interest in a treasury security (if you are settling a Treasury PEPS Unit);
- you will not receive any further contract adjustment payments from us; and
- you will retain the right to have your trust preferred securities remarketed.

You may settle Treasury PEPS Units early only in multiples of 40 Treasury PEPS Units. You may not settle your PEPS Units early if the treasury portfolio has replaced the trust preferred securities as a

S-20

20

component of the PEPS Units as a result of a successful initial remarketing or a tax event redemption.

You may settle the purchase contract by paying cash prior to or on the fourth business day preceding May 18, 2004 but you must notify us prior to or on the fifth business day preceding May 18, 2004.....

Under the purchase contract that is part of each PEPS Unit, you will be obligated to pay \$25 to purchase shares of our common stock. To satisfy this obligation, you may notify the purchase contract agent at any time prior to or on the fifth business day preceding May 18, 2004 of your intention to make a cash payment and make a payment prior to or on the fourth business day preceding May 18, 2004. If you make this election, you must make a cash payment of \$25 for every purchase contract you wish to settle and you will receive shares of our common stock on the purchase contract settlement date at the applicable settlement rate described below. Your trust preferred security will then be released from the pledge arrangement and delivered to you. If you are a Treasury PEPS Unit holder you must settle your purchase contracts with cash in groups of 40

Edgar Filing: PPL CORP - Form 424B2

purchase contracts.

You may settle the purchase contracts of Treasury PEPS Units by paying cash or having the proceeds of the pledged treasury security applied.....

Unless you notify the purchase contract agent that you will pay cash for the shares of our common stock, upon settlement of the purchase contracts related to the Treasury PEPS Units, we will receive the proceeds of the treasury securities being held as collateral under the pledge arrangement. This will satisfy your obligation to deliver the purchase price for the shares of our common stock, and you will receive the shares of our common stock.

The purchase contracts will terminate upon certain bankruptcy events.....

The purchase contracts will terminate automatically if certain bankruptcy, insolvency or reorganization events occur with respect to PPL Corporation. If the purchase contracts terminate upon one of these events, then your rights and obligations under your purchase contract also will terminate, including your obligation to pay for, and your right to receive, shares of our common stock. Upon termination, you will receive your trust preferred security, your treasury security or your ownership interest in the treasury portfolio, as the case may be, free of our security interest. You will not have the right to receive any accrued contract adjustment payments.

Upon settlement, you will receive a number of shares of our common stock equal to the settlement rate.....

Unless you elect to settle your purchase contract early, the number of shares of our common stock you will receive under your purchase contract will depend on the average of the closing price per share of our common stock as reported on the New York Stock

S-21

21

Exchange for the 20-trading day period ending on the third trading day prior to the purchase contract settlement date.

The number of shares of our common stock you will receive for each purchase contract will be determined as follows:

- if the average closing price during the 20-trading day period equals or exceeds \$65.03, you will receive .3845 shares of our common stock;

Edgar Filing: PPL CORP - Form 424B2

- if the average closing price during the 20-trading day period is less than \$65.03 but greater than \$53.30, you will receive a number of shares of our common stock having a value, based on the average closing price during that period, equal to \$25; and
- if the average closing price during the 20-trading day period is less than or equal to \$53.30, you will receive .4690 shares of our common stock.

During the term of the PEPS Units, we will adjust the settlement rate to reflect the occurrence of certain stock dividends, stock splits and other corporate events that could affect the market price of our common stock. See "Description of the Purchase Contracts--Anti-Dilution Adjustments."

Contract adjustment payments to holders of PEPS Units and Treasury PEPS Units.....

Holders of PEPS Units and Treasury PEPS Units will be entitled to receive quarterly cash distributions of contract adjustment payments payable by us at the rate of .46% per year of the stated amount of \$25 per PEPS Unit on February 18, May 18, August 18 and November 18, commencing August 18, 2001. However, if such day is not a business day, then payment will be made on the succeeding day which is a business day, unless this day is in the next succeeding calendar year, in which case the payment will be made on the immediately preceding business day.

The distribution rate on the trust preferred securities will be reset in connection with the initial remarketing or, if it fails, the final remarketing.....

After the trust preferred securities have been remarketed, the distribution rate on the trust preferred securities will be the rate determined by the remarketing agent in the remarketing, which shall not be below the initial rate and which we call the "reset rate." Unless a tax event redemption has occurred as described above under "Substitution of treasury portfolio upon tax event," the distribution rate on the trust preferred securities, will be reset on the third business day immediately preceding February 18, 2004, and the reset rate will become effective on February 18, 2004. However, if the remarketing of the trust preferred securities on that day results in a failed remarketing, then the remarketing agent will use its reasonable efforts in its discretion to remarket all of the trust preferred securities from time to time before the tenth business day preceding

Edgar Filing: PPL CORP - Form 424B2

May 18, 2004. The distribution rate will then be reset on the date that is three business days following any

S-22

22

such successful initial remarketing. If the initial remarketing fails, the distribution rate will instead be reset in connection with the final remarketing on the third business day immediately preceding May 18, 2004, and that reset rate will become effective on May 18, 2004. We refer to any date on which the reset rate is reset in connection with an initial remarketing or the final remarketing as the "reset effective date." In the event of a failed final remarketing, the reset rate will be determined pursuant to a formula, as described under "Description of the Trust Preferred Securities--Failed Final Remarketing" in this prospectus supplement, and this rate will become effective on May 18, 2004.

The reset rate will be determined by the reset agent.....

In the case of a reset following the successful initial remarketing on the third business day immediately preceding February 18, 2004, or such other date that is three business days following the date of any subsequent successful initial remarketing, the reset rate on the trust preferred securities will be a rate not below the initial rate and determined by the reset agent as the rate the trust preferred securities should bear in order for the trust preferred securities included in the PEPS Units to have an approximate aggregate market value on the reset date of 100.25% of the treasury portfolio purchase price. In the case of a reset following a successful final remarketing on the third business day immediately preceding May 18, 2004, the reset rate will be a rate not below the initial rate and determined by the reset agent as the rate the trust preferred securities should bear in order for each trust preferred security to have an approximate market value of 100.25% of the stated liquidation amount of the trust preferred security.

Interest payments on the PPL Capital Funding subordinated notes.....

The Trust will issue all the common securities and the trust preferred securities to PPL Capital Funding, collectively, the "trust securities," in exchange for the PPL Capital Funding subordinated notes. The PPL Capital Funding subordinated notes will be the sole assets of the Trust. Interest will be paid to the Trust on the PPL Capital Funding subordinated notes initially at a rate of 7.29%

Edgar Filing: PPL CORP - Form 424B2

per year on a quarterly basis to, but excluding, the reset effective date. Following a reset of the interest rate on the reset effective date, the subordinated notes will bear interest from the reset effective date at the reset rate to, but excluding, May 18, 2006. In the event of a failed final remarketing, the reset rate will be determined pursuant to a formula, as described under "Description of the Trust Preferred Securities--Failed Final Remarketing" in this prospectus supplement. The reset rate will in no event be below the initial rate. The Trust will use the interest payments to pay distributions on the trust preferred securities.

Distributions on the trust preferred securities.....

As a pro rata interest in the subordinated notes, the trust preferred securities will make distributions payable initially at the rate of 7.29% per year of the stated liquidation amount of \$25 per trust preferred security to, but excluding, the reset effective date.

S-23

23

Following a reset of the distribution rate on the trust preferred securities, the distribution rate will equal the reset rate to, but excluding, May 18, 2006. In the event of a failed final remarketing, the reset rate will be determined pursuant to a formula, as described under "Description of the Trust Preferred Securities--Failed Final Remarketing" in this prospectus supplement. The reset rate will in no event be below the initial rate. In addition, because the trust preferred securities are subject to the contingent payment rules, original issue discount will accrue on the trust preferred securities at the "comparable yield." See "United States Federal Income Tax Consequences" for a discussion of the United States federal income tax consequences related to owning a PEPS Unit.

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). If the Trust is dissolved prior to the purchase contract settlement date, then these subordinated notes will be substituted for the trust preferred securities and will be pledged as collateral to secure your obligation to

Edgar Filing: PPL CORP - Form 424B2

purchase our common stock under your purchase contracts.

Investing in the PEPS Units is not the equivalent of investing in PPL Corporation common stock.....

The PEPS Units reflect an interest in two securities, the purchase contract of PPL Corporation and the trust preferred securities issued by the Trust. In addition, because the number of shares of our common stock that you will receive upon settlement of the purchase contracts may decline by approximately 18% as the applicable market value increases, the PEPS Units give you less opportunity for equity appreciation than you would have if you invested directly in our common stock.

The PEPS Units have been approved for listing on the New York Stock Exchange.....

The PEPS Units have been approved for listing on the New York Stock Exchange under the symbol "PPL-PrE."

If Treasury PEPS Units are created and then traded at a volume that satisfies applicable exchange listing requirements, we will try to list them on the national securities exchanges or associations on which the PEPS Units are then listed or quoted. We, however, have no obligation to do so.

The symbol for our common stock on the New York Stock Exchange.....

PPL

United States federal income tax consequences.....

Because a PEPS Unit will consist of a purchase contract and a trust preferred security, the purchase price of each PEPS Unit will

S-24

24

be allocated between the purchase contract and the related trust preferred security in proportion to their relative fair market values at the time of purchase. We expect that as of the date of issuance of the PEPS Units, the fair market value of each purchase contract will be \$0 and the fair market value of each trust preferred security will be \$25.

PPL Capital Funding Trust I will be a grantor trust and if you own PEPS Units, you will be treated as owning an undivided beneficial ownership interest in the subordinated notes. The subordinated notes will be subject to the regulations concerning contingent payment debt instruments. As such, you will be subject to federal income tax on the accrual of original issue discount in respect of the subordinated

Edgar Filing: PPL CORP - Form 424B2

notes.

If you own Treasury PEPS Units, you will be required to include in gross income your allocable share of original issue discount or acquisition discount on the treasury securities that accrues in such year.

PPL Corporation intends to report the contract adjustment payments as income to you, but you may want to consult your tax advisor concerning alternative characterizations.

There is no statutory, judicial or administrative authority directly addressing the tax treatment of PEPS Units or instruments similar to PEPS Units. Please consult your own tax advisor concerning the tax consequences of an investment in PEPS Units.

For additional information, see "United States Federal Income Tax Consequences", starting on page S-85.

Use of proceeds..... We estimate that PPL Capital Funding will receive net proceeds from the sale of the trust preferred securities to the public of \$484.1 million, which PPL Capital Funding intends to use for general corporate purposes, including the repayment of short-term debt.

S-25

25

ILLUSTRATION OF TERMS AND FEATURES OF PEPS UNITS

The following illustrates some of the key terms and features of the PEPS Units.

Components of each PEPS Unit at issue:.....	-- A contract to purchase shares of our common stock on or prior to May 18, 2004; and
	-- a trust preferred security of the Trust due May 18, 2006.
Issue price of each PEPS Unit:.....	\$25
Yield on each PEPS Unit:.....	7.75% per year, consisting of contract adjustment payments at a rate of .46% per year of the stated amount of each PEPS Unit and distributions on the trust preferred security at a rate of 7.29% per year of the stated liquidation amount, each paid quarterly, until May 18, 2004.
Reference price (or price of common stock at time of issuance of PEPS Units):.....	\$53.30

Edgar Filing: PPL CORP - Form 424B2

Threshold appreciation price:..... \$65.03 (a 22% premium to the reference price)

A PEPS Unit consists of two components, a purchase contract and a trust preferred security. The return to an investor on a PEPS Unit will depend upon the return provided by each of these components. For an investor that holds the PEPS Unit until the purchase contract settlement date, the return would be comprised of the following:

Value of shares of our common stock delivered at maturity of the purchase contract on May 18, 2004	+	Distributions on the trust preferred securities (or the treasury portfolio) at a rate of 7.29% per year of the stated liquidation amount until May 18, 2004	+	Contract adjustment payments at a rate of .46% per year of the stated amount of each PEPS Unit until May 18, 2004
--	---	---	---	---

PURCHASE CONTRACT

The purchase contract obligates you to purchase, and PPL Corporation to sell, our common stock and entitles you to receive cash distributions of contract adjustment payments. Besides participating in a remarketing, you can satisfy your purchase contract obligation by settling early in cash or by electing to pay cash before the fifth business day prior to May 18, 2004. If you settle early you will receive for each PEPS Unit .3845 shares of our common stock, regardless of the market price of our common stock on the date of early settlement. Otherwise, the number of shares delivered to you will depend on the average closing price of our common stock for the 20-trading day period ending on the third trading day prior to May 18, 2004 as follows:

- if the average closing price equals or exceeds \$65.03, which is the threshold appreciation price, you will receive .3845 shares. This is calculated by dividing the PEPS Unit issue price by the threshold appreciation price ($\$25/\$65.03 = .3845$);
- if the average closing price for the period is greater than \$53.30, which is the reference price, but less than \$65.03, which is the threshold appreciation price, you will receive a number of shares that produces a value of \$25;
- if the average closing price for the period is less than or equal to \$53.30, which is the reference price, you will receive .4690 shares. This is calculated by dividing the PEPS Unit issue price by the reference price ($\$25/\$53.30 = .4690$).

S-26

26

The following graphs show the number of shares of our common stock that will be delivered for each purchase contract on May 18, 2004 and the value of the shares that will be delivered on May 18, 2004, depending upon our common stock share price performance.

FRACTION OF A SHARE DELIVERABLE PER PURCHASE CONTRACT ON MAY 18, 2004

LOGO

S-27

27

Edgar Filing: PPL CORP - Form 424B2

VALUE OF FRACTION OF A SHARE DELIVERABLE PER PURCHASE CONTRACT ON MAY 18, 2004

LOGO

TRUST PREFERRED SECURITY

The Trust will pay quarterly cash distributions on each trust preferred security described above at a rate of 7.29% per year of its \$25 stated liquidation amount until the business day immediately preceding the reset effective date following a successful remarketing. On the reset effective date, the distribution rate may be reset in connection with the remarketing of the trust preferred securities, or in the event of a failed final remarketing, the distribution rate will be reset pursuant to a formula on May 18, 2004, as described under "Description of the Trust Preferred Securities--Failed Final Remarketing" in this prospectus supplement. The trust preferred securities will mature on May 18, 2006.

The trust preferred security will serve as collateral for your purchase contract obligation. If you do not substitute a treasury security for the trust preferred security or elect to settle the purchase contract for cash or to settle the purchase contract early, the trust preferred security will be remarketed and the proceeds from the remarketing will be used to purchase the treasury portfolio, the proceeds upon maturity of which will be used to settle the purchase contract.

S-28

28

COMPARISON OF INVESTMENT RETURNS FOR A PEPS UNIT AND OUR COMMON STOCK

The following table compares the return you would realize by investing on the same day \$25 in a PEPS Unit (the stated amount and purchase price of each unit) compared to investing \$25 in our common stock (or .4690 shares, based on a common stock price of \$53.30 per share). If you buy a PEPS Unit, your investment would be substantially similar to the risks and rewards of an investment in our common stock. However, you would not benefit from the first 22% appreciation in the market value of the common stock underlying the PEPS Unit. In addition, after the first 22% appreciation in the market value of our common stock, you would receive only 82% of any additional appreciation in the market value of the common stock underlying the PEPS Unit. Finally, until you settle your purchase contract, you would not receive any dividends on our common stock. Instead, you would receive payments on your PEPS Unit at a rate of 7.75% per year (representing contract adjustment payments and distributions on the trust preferred security or treasury portfolio included in your PEPS Unit) until May 18, 2004. You should note that this analysis also assumes that PPL Corporation continues to pay quarterly dividends on its common stock totaling \$1.06 per share per year.

CHANGE IN PPL COMMON STOCK PRICE FROM REFERENCE PRICE	PPL COMMON STOCK PRICE (PER SHARE) AT SETTLEMENT DATE	MARKET VALUE OF .4690 SHARES OF PPL COMMON STOCK AT SETTLEMENT DATE	VALUE OF PPL COMMON STOCK DELIVERED PER PURCHASE CONTRACT	PRETAX ANNUALIZED RATE OF RETURN ON PPL COMMON STOCK
(40)%	\$31.98	\$15.00	\$15.00	(14.14)%
(30)%	\$37.31	\$17.50	\$17.50	(9.36)%
(20)%	\$42.64	\$20.00	\$20.00	(5.16)%
(10)%	\$47.97	\$22.50	\$22.50	(1.41)%
0%	\$53.30	\$25.00	\$25.00	1.99%

Edgar Filing: PPL CORP - Form 424B2

10%	\$58.63	\$27.50	\$25.00	5.09%
20%	\$63.96	\$30.00	\$25.00	7.96%
30%	\$69.29	\$32.50	\$26.64	10.61%
40%	\$74.62	\$35.00	\$28.69	13.09%

The above diagrams and tables do not represent all potential outcomes from an investment in PEPS Units. For example, at any time prior to or on the fifth business day preceding May 18, 2004, an investor may substitute a treasury security for the trust preferred security as collateral, unless the treasury portfolio has replaced the trust preferred securities as a result of a successful initial remarketing or a tax event redemption. By substituting a zero-coupon treasury security for 40 trust preferred securities, an investor may achieve higher or lower rates of return than shown above. The actual returns will vary depending upon a number of factors, including:

- the price of the zero-coupon treasury security;
- the potential trading price of the trust preferred securities; and
- the costs and expenses associated with creating a Treasury PEPS Unit.

An investor that creates a Treasury PEPS Unit, or an investor that settles the purchase contract early or for cash, and continues to hold the trust preferred security will continue to receive cash distributions on the trust preferred security until May 18, 2006. The distribution rate on the trust preferred securities will be reset on the reset effective date to a rate determined by the remarketing agent in the remarketing of the trust preferred securities or, in the event of a failed final remarketing, the reset rate will be reset pursuant to a formula on May 18, 2004, as described under "Description of the Trust Preferred Securities--Failed Final Remarketing" in this prospectus supplement.

S-29

29

SELECTED FINANCIAL DATA

The following table sets forth selected financial data for each of the periods indicated. This information should be read in conjunction with the consolidated financial statements and related notes for the years ended December 31, 2000, 1999 and 1998 and related notes incorporated by reference herein. The selected consolidated financial data for the three years ended December 31, 2000 are derived from our consolidated financial statements, which have been audited by PricewaterhouseCoopers LLP, independent public accountants. Some previously reported amounts have been reclassified to conform with the current period presentation.

	YEAR ENDED DECEMBER 31,		
	2000 (A)	1999 (A)	1998 (A)
FINANCIAL DATA:			
INCOME ITEMS--\$ MILLIONS:			
Operating revenues.....	\$ 5,683	\$ 4,590	\$ 3,786
Operating income.....	1,202	872	827
Net income (loss).....	498	432	(569)
Net income excluding nonrecurring items.....	474	358	309
BALANCE SHEET ITEMS--\$ MILLIONS (B):			

Edgar Filing: PPL CORP - Form 424B2

Property, plant and equipment, net.....	5,948	5,624	4,480
Recoverable transition costs.....	2,425	2,647	2,819
Total assets.....	12,360	11,174	9,607
Long-term debt.....	4,784	4,157	2,984
Company-obligated mandatorily redeemable preferred securities of subsidiary trusts holding solely company debentures.....	250	250	250
Preferred stock			
With sinking fund requirements.....	47	47	47
Without sinking fund requirements.....	50	50	50
Common equity.....	2,012	1,613	1,790
Short-term debt.....	1,037	857	636
Total capital provided by investors.....	8,180	6,974	5,757
FINANCIAL RATIOS:			
Return on average common equity--%(e).....	27.14%	16.89%	10.98%
Embedded cost rates(b)			
Long-term debt--%.....	6.98	6.95	7.40
Preferred stock--%.....	5.87	5.87	5.87
Preferred securities--%.....	8.44	8.44	8.44
Times interest earned before income taxes(e).....	2.95x	3.14x	3.28x
Ratio of earnings to fixed charges--total enterprise basis(c) (e).....	2.66	2.80	3.10
Ratio of earnings to fixed charges and dividends on preferred stock--total enterprise basis(c) (e).....	2.55	2.64	2.77
OTHER DATA:			
COMMON STOCK DATA:			
Number of shares outstanding--thousands			
Year-end.....	145,041	143,697	157,412
Average.....	144,350	152,287	164,651
Number of record shareowners(b).....	91,777	91,553	100,458
Basic EPS (loss)--reported.....	\$ 3.45	\$ 2.84	\$ (3.46)
Basic EPS--excluding nonrecurring items(e).....	3.29	2.35	1.87
Diluted EPS (loss)--reported.....	3.44	2.84	(3.46)
Diluted EPS--excluding nonrecurring items(e).....	3.28	2.35	1.87

S-30

30

	YEAR ENDED DECEMBER 31,		
	2000 (A)	1999 (A)	1998 (A)
Dividends declared per share.....	\$ 1.06	\$ 1.00	\$ 1.335
Book value per share(b).....	13.87	11.23	11.37
Market price per share(b).....	45.188	22.875	27.875
Dividend payout rate--%(f).....	32%	43%	71%
Dividend yield--%(d).....	2.35	4.37	4.79
Price earnings ratio(f).....	13.78x	9.73x	14.91x
SALES DATA--MILLIONS OF KILOWATT-HOURS:			
Electric energy supplied--retail.....	41,493	36,637	31,651
Electric energy supplied--wholesale.....	40,884	32,045	36,708
Electric energy delivered--retail.....	37,642	35,987	32,144

(a) The earnings for each year were affected by nonrecurring items. These adjustments affected net income and certain items under Financial Ratios and Common Stock Data. See "Earnings" in "Review of the Financial Condition and

Edgar Filing: PPL CORP - Form 424B2

Results of Operations" for a description of nonrecurring items in 2000, 1999 and 1998.

- (b) At year-end.
- (c) Computed using earnings and fixed charges of PPL and its subsidiaries. Fixed charges consist of interest on short- and long-term debt, other interest charges, interest on capital lease obligations and the estimated interest component of other rentals.
- (d) Based on year-end market prices.
- (e) Based on earnings excluding nonrecurring items. See "Earnings" in "Review of Financial Condition and Results of Operations" for a description of nonrecurring items in 2000, 1999 and 1998.
- (f) Based on diluted EPS--excluding nonrecurring items.

S-31

31

RISK FACTORS

In considering whether to purchase our PEPS Units, 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-5 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.

Because a PEPS Unit consists of a purchase contract to acquire shares of PPL Corporation common stock and a trust preferred security issued by the Trust, you are making an investment decision with regard to our common stock and the trust preferred securities, as well as the PEPS Units.

RISK FACTORS RELATING TO THE PEPS UNITS

YOU WILL BEAR THE ENTIRE RISK OF A DECLINE IN THE PRICE OF OUR COMMON STOCK.

The value of the shares of our common stock that you will receive upon the settlement of the purchase contract is not fixed, but rather will depend on the market value of our common stock near the time of settlement. Because the price of our common stock fluctuates, the aggregate market value of the shares of our common stock receivable upon settlement of the purchase contract may be more or less than the stated amount of \$25 per PEPS Unit. If the market value of our common stock near the time of settlement is less than \$53.30, the aggregate market value of the shares issuable upon settlement generally will be less than the stated amount of the purchase contract, and your investment in a PEPS Unit may result in a loss. Therefore, you will bear the full risk of a decline in the market value of our common stock prior to settlement of the purchase contract.

YOU WILL RECEIVE ONLY A PORTION OF ANY APPRECIATION IN THE MARKET PRICE OF OUR COMMON STOCK.

The aggregate market value of the shares of our common stock receivable upon settlement of the purchase contract generally will exceed the stated amount of \$25 only if the average closing price of our common stock over the 20-trading day period ending on the third trading day prior to May 18, 2004 equals or exceeds the threshold appreciation price of \$65.03 (which represents an

Edgar Filing: PPL CORP - Form 424B2

appreciation of 22% over the reference price of \$53.30). Therefore, during the period prior to settlement, an investment in a PEPS Unit affords less opportunity for equity appreciation than a direct investment in shares of our common stock. If the applicable average closing price exceeds the reference price of \$53.30 but is less than the threshold appreciation price of \$65.03, you will realize no equity appreciation on our common stock for the period during which you own the purchase contract. Furthermore, if the applicable average closing price equals or exceeds the threshold appreciation price, you will realize only 82% of the equity appreciation on the common stock underlying the PEPS Units for that period above the threshold appreciation price. See "Description of the Purchase Contracts--General" in this prospectus supplement for an illustration of the number of shares of our common stock that you would receive at various average market prices.

THE MARKET PRICE OF OUR COMMON STOCK IS UNPREDICTABLE.

It is impossible to predict whether the market price of our common stock will rise or fall. Many factors influence the trading price of our common stock, including those described under "--Risks Related to Our Business Generally and to Our Industry" and "Forward-Looking Information."

The market for our common stock likely will influence, and be influenced by, any market that develops for the PEPS Units. For example, investors' anticipation of the distribution into the market of the additional shares of our common stock issuable upon settlement of the purchase contracts could depress the price of our common stock and increase its volatility. If the underwriters' over-allotment option is exercised in full, the largest number of shares of our common stock issuable upon settlement of the purchase contracts would constitute approximately 7% of our common stock outstanding as of March 31, 2001 after giving effect to the common shares issuable upon settlement of the purchase contracts. The price of our common stock also could

S-32

32

be affected by possible sales of our common stock by investors who view the PEPS Units as a more attractive means of equity participation in us and by hedging or arbitrage trading activity that may develop involving the PEPS Units and our common stock.

THE PEPS UNITS AND TREASURY PEPS UNITS PROVIDE LIMITED SETTLEMENT RATE ADJUSTMENTS.

The number of shares of our common stock issuable upon settlement of each purchase contract is subject to adjustment only for stock splits and combinations, stock dividends and certain other specified transactions. The number of shares of our common stock issuable upon settlement of each purchase contract is not subject to adjustment for other events, such as employee stock option grants, offerings of our common stock for cash or in connection with certain acquisitions or other transactions, which may adversely affect the price of our common stock. The terms of the PEPS Units do not restrict PPL Corporation's ability to offer its common stock in the future or to engage in other transactions that could dilute the value of our common stock. PPL Corporation has no obligation to consider the interests of the holders of the PEPS Units for any reason.

YOU HAVE NO SHAREHOLDER RIGHTS WITH RESPECT TO OUR COMMON STOCK.

Until you acquire shares of our common stock upon settlement of your purchase contract, you will have no rights with respect to the shares of our common stock, including voting rights, rights to respond to tender offers and rights to receive any dividends or other distributions on our common stock. Upon

Edgar Filing: PPL CORP - Form 424B2

settlement of your purchase contract, you will be entitled to exercise the rights of a holder of shares of our common stock only as to actions for which the applicable record date occurs after the settlement date.

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.

WE MAY REDEEM THE PPL CAPITAL FUNDING SUBORDINATED NOTES UPON OCCURRENCE OF A TAX EVENT.

We may redeem the subordinated notes of PPL Capital Funding (and thereby cause the redemption of the trust preferred securities) in whole at any time upon the occurrence and continuation of a tax event. See "Description of the PPL Capital Funding Subordinated Notes--Tax Event Redemption" in this prospectus supplement. A tax event redemption is likely to constitute a taxable event to the beneficial owners of the trust preferred securities. If a tax event redemption occurs prior to settlement under the purchase contracts, the Trust will distribute the applicable redemption price to the securities intermediary, in liquidation of the PEPS Unit holders' interests in the Trust. The securities intermediary will use the redemption amount to purchase the treasury portfolio as substitute collateral on behalf of the holders of the PEPS Units. It is impossible to predict the impact that the substitution of the treasury portfolio as collateral for the redeemed trust preferred securities will have on the market price of the PEPS Units.

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 to be executed by PPL Corporation for the benefit of the holders of the trust preferred securities, PPL Capital Funding 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

S-33

33

trustee or assert your own right to bring an action directly against us to enforce payments on the PPL Capital Funding subordinated notes. The declaration of trust 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.

YOUR PLEDGED TRUST PREFERRED SECURITY WILL BE ENCUMBERED BY OUR SECURITY INTEREST.

Although you will be the beneficial owner of the underlying pledged trust preferred security, that pledged trust preferred security will be pledged with

Edgar Filing: PPL CORP - Form 424B2

the collateral agent to secure your obligation under the purchase contract. Therefore, for so long as the purchase contract remains in effect, you will not be allowed to withdraw your pledged trust preferred security from this pledge arrangement, except to create Treasury PEPS Units or if you settle the purchase contract early or settle the purchase contracts for cash on the purchase contract settlement date as described in this prospectus supplement.

SECONDARY TRADING IN THE PEPS UNITS, TREASURY PEPS UNITS AND THE TRUST PREFERRED SECURITIES MAY BE LIMITED.

It is impossible to predict how the PEPS Units, the Treasury PEPS Units and 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 any of these securities, and we cannot assure you as to 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.

The PEPS Units have been approved for listing on the New York Stock Exchange under the symbol "PPL-PrE." However, listing on the New York Stock Exchange does not guarantee the depth or liquidity of the market for the PEPS Units. If holders of the PEPS Units create Treasury PEPS Units, the liquidity of the PEPS Units could be adversely affected. Moreover, if the number of PEPS Units falls below the New York Stock Exchange's requirement for continued listing (whether as a result of the creation of Treasury PEPS Units or otherwise), the PEPS Units could be delisted from the New York Stock Exchange, or trading in the PEPS Units could be suspended.

If Treasury PEPS Units are traded to a sufficient extent to meet applicable exchange listing requirements, we will try to list those securities on the same national securities exchanges or associations as the PEPS Units. However, we do not presently plan to list the Treasury PEPS Units or the trust preferred securities on any securities exchange and have no obligation to do so in the future. The underwriters have advised us that they presently intend to make a market for the PEPS Units, the Treasury PEPS Units and the trust preferred securities. However, they are not obligated to do so and they may discontinue any market making at any time.

THE PURCHASE CONTRACT AGREEMENT IS NOT QUALIFIED UNDER THE TRUST INDENTURE ACT AND THEREFORE THE OBLIGATIONS OF THE PURCHASE CONTRACT AGENT ARE LIMITED.

The purchase contract agreement is not an indenture under the Trust Indenture Act. Therefore, the purchase contract agent will not qualify as a trustee under the Trust Indenture Act, and you will not benefit from the protections of that law, such as disqualification of an indenture trustee for "conflicting interests," provisions preventing an indenture trustee from improving its own position at the expense of the security holders and the requirement that an indenture trustee deliver reports at least annually with respect to the indenture trustee and the securities. Under the terms of the purchase contract agreement, the purchase contract agent will have only limited obligations to you as a holder of the PEPS Unit.

THE DELIVERY OF SECURITIES IS SUBJECT TO POTENTIAL DELAY.

The purchase contracts will terminate automatically if certain bankruptcy, insolvency or reorganization events occur with respect to PPL Corporation. If the purchase contracts terminate upon one of these events, your rights and obligations under your purchase contract also will terminate, including your obligation to pay for, and your right to receive, shares of our common stock. Upon termination, you will receive your trust preferred security, your treasury security or your ownership interest in the treasury portfolio. Notwithstanding the automatic termination of the purchase contracts, procedural delays may

Edgar Filing: PPL CORP - Form 424B2

affect the timing of the delivery to you of your securities being held as collateral under the pledge arrangement.

S-34

34

THE SUBORDINATED NOTES WILL BE CLASSIFIED AS CONTINGENT PAYMENT DEBT INSTRUMENTS AND YOU WILL BE REQUIRED TO ACCRUE ORIGINAL ISSUE DISCOUNT.

For United States federal income tax purposes, the subordinated notes will be classified as contingent payment debt instruments. As a result, they will be considered to be issued with original issue discount, which you will be required to include in income during your ownership of the subordinated notes, subject to some adjustments. Additionally, you will generally be required to recognize ordinary income on the gain, if any, realized on a sale, upon maturity, or other disposition of the subordinated notes. See "United States Federal Income Tax Consequences".

RISKS RELATED TO OUR BUSINESS GENERALLY AND TO OUR INDUSTRY

THE ENERGY INDUSTRY IS RAPIDLY CHANGING AND INTENSELY COMPETITIVE, WHICH MAY ADVERSELY AFFECT OUR ABILITY TO OPERATE PROFITABLY.

We face intense competition in our energy supply, distribution and development businesses. A number of our competitors, including domestic and international energy companies and other global power providers, have more extensive operating experience, larger staffs and/or greater financial resources than we do. In addition, many of the regions in which we operate have implemented or are considering implementing regulatory initiatives designed to increase competition. For example, regulations encouraging industry deregulation and privatization continue to cause the disaggregation of vertically integrated utilities into separate generation, transmission and distribution businesses in the United States and abroad. Moreover, the Federal Energy Regulatory Commission, or FERC, has implemented regulatory changes designed to increase access to transmission grids by utility and non-utility purchasers and sellers of electricity. As a result, a significant number of additional competitors could become active in the generation segment of our industry. This competition may negatively impact our ability to sell energy and related products, which could adversely affect our results of operations and our ability to grow our business.

In addition, while demand for electricity is generally increasing throughout the United States, the rate of construction and development of new electric assets may exceed the increase in demand in some regional markets. The commencement of commercial operation of new facilities in the regional markets where we own or control generation capacity will likely increase the competitiveness of the wholesale power market in those regions, which could have a material negative effect on our business and financial condition.

OUR BUSINESS OPERATES IN DEREGULATED SEGMENTS OF THE ELECTRIC POWER INDUSTRY CREATED BY RESTRUCTURING INITIATIVES AT BOTH STATE AND FEDERAL LEVELS. IF THE PRESENT TREND TOWARDS COMPETITIVE RESTRUCTURING OF THE ELECTRIC POWER INDUSTRY IS REVERSED, DISCONTINUED OR DELAYED, OUR BUSINESS PROSPECTS AND FINANCIAL CONDITION COULD BE MATERIALLY ADVERSELY AFFECTED.

The regulatory environment applicable to the power generation industry has recently been undergoing substantial changes, on both the federal and state level. These changes have significantly affected the nature of the industry and the manner in which its participants conduct their business.

Moreover, existing statutes and regulations may be revised or reinterpreted, new laws and regulations may be adopted or become applicable to

Edgar Filing: PPL CORP - Form 424B2

us or our facilities, and future changes in laws and regulations may have an effect on our business in ways that we cannot predict. Some restructured markets have recently experienced supply problems and price volatility. These supply problems and price volatility have been the subject of a significant amount of press coverage, much of which has been critical of the restructuring initiatives. In some of these markets, including California, government agencies and other interested parties have made proposals to re-regulate areas of these markets that have previously been deregulated, and, in California, legislation has been passed placing a moratorium on the sale of generating plants by regulated utilities. Other proposals to re-regulate in our industry may be made, and legislative or other attention to 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.

S-35

35

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.

Our generation and marketing businesses are subject to changes in power prices and fuel costs, which 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. 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.

In the absence of or upon expiration of power sales agreements, we must sell all or a portion of the energy, capacity and other products from our facilities into the competitive wholesale power markets. Unlike most other commodities, energy products cannot be stored and must be produced concurrently with their use. As a result, the wholesale power markets are subject to significant price fluctuations over relatively short periods of time and can be unpredictable. In addition, the price we can obtain for power sales may not change at the same rate as changes in fuel costs. Given the volatility and potential for material differences between actual power prices and fuel costs, if we are unable to secure long-term purchase agreements for our power generation facilities, our revenues would be subject to increased volatility and our financial results may be materially adversely affected.

OUR FACILITIES MAY NOT OPERATE AS PLANNED, WHICH MAY HAVE AN ADVERSE EFFECT ON OUR FINANCIAL PERFORMANCE.

Edgar Filing: PPL CORP - Form 424B2

Our operation of power plants involves many risks, including the breakdown or failure of generation equipment or other equipment or processes, accidents, labor disputes, fuel interruption and operating 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 penalties or damages.

We purchase coal from a number of suppliers. Any disruption in the delivery of coal, including disruptions as a result of weather, labor relations or environmental regulations affecting our coal suppliers, could adversely affect our ability to operate our coal-fired facilities and thus our results of operations.

WE ARE SUBJECT TO THE RISKS OF NUCLEAR GENERATION.

Our Susquehanna plant is a 2,217 MW electric generation facility that includes two nuclear power units. As a result, nuclear generation accounts for about 21% of our generation capacity. We are, therefore, also subject to the risks of nuclear generation, which include the following:

- 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 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.

S-36

36

The Nuclear Regulatory Commission 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 Nuclear Regulatory Commission has the authority to impose fines or shut down a unit, of both, depending upon its assessment of the severity of the situation, until compliance is achieved. Revised safety requirements promulgated by the Nuclear Regulatory Commission could necessitate substantial capital expenditures at nuclear plants, such as our Susquehanna plant. In addition, although we have no reason to anticipate a serious nuclear incident at our Susquehanna plant, if an incident did occur, it could have a material adverse effect on our results of operations or financial condition.

MANY OF OUR FACILITIES HAVE A LIMITED HISTORY OPERATING IN A COMPETITIVE ENVIRONMENT.

Many of our facilities have historically been operated within vertically-integrated, regulated utilities that sold electricity to consumers at prices based on predetermined rates set by state public utility commissions. We are no longer guaranteed 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 and ancillary services. We have limited history operating these facilities in a market-based competitive environment, and we may not be able to operate them successfully in such an environment.

WE MAY NOT BE ABLE TO COMPLETE OUR PENDING TRANSACTIONS.

Edgar Filing: PPL CORP - Form 424B2

We have announced and may continue to announce a number of transactions - such as our securitization plan - some of which are or may be significant to our business. Because of the conditions required to be fulfilled before we can complete these transactions, including regulatory approvals, we cannot assure you that any of our announced transactions will be completed on the terms or schedule we announce, or at all. Our pending transactions are generally described in our Form 10-K and under "Summary--Recent Developments" above. We urge you to read carefully the description of our pending transactions contained therein, particularly the conditions required to be fulfilled in order to complete such transactions.

WE MAY BE ADVERSELY AFFECTED BY LEGAL PROCEEDINGS ARISING OUT OF THE ELECTRICITY SUPPLY SITUATION IN CALIFORNIA AND OTHER WESTERN STATES.

Litigation arising out of the California electricity supply situation has been filed at the Federal Energy Regulatory Commission (FERC) and in California courts against sellers of energy to the California Independent System Operator. The plaintiffs and intervenors in these proceedings allege abuse of market power, manipulation of market prices, unfair trade practices and violations of state antitrust laws, among other things, and seek price caps on wholesale sales in California and other western power markets, refunds of excess profits allegedly earned on these sales, and other relief, including treble damages and attorney's fees. Certain of our subsidiaries have intervened in the FERC proceedings in order to protect their interests, but have not been named as a defendant in any of the court actions. Attorneys general in several western states, including California, have begun investigations related to the electricity supply situation in California and other western states. We cannot predict whether any of our subsidiaries will eventually be the target of any governmental investigation or named in these lawsuits or other lawsuits, the outcome of any such proceeding or whether the ultimate impact on us of the electricity supply situation in California and other western states will be material.

OUR BUSINESS DEVELOPMENT ACTIVITIES MAY NOT BE SUCCESSFUL AND OUR PROJECTS UNDER CONSTRUCTION MAY NOT COMMENCE OPERATION AS SCHEDULED.

Our business involves numerous risks relating to the acquisition, development and construction of power plants and facilities. 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. We may be unsuccessful in accomplishing any of these matters or in doing so on a timely basis. Although we may attempt to minimize the financial risks in the development of a project by securing a favorable power sales agreement, obtaining all required governmental permits and approvals and arranging adequate financing prior to the

S-37

37

commencement of construction, the development of a power project may require us to expend significant sums for preliminary engineering, permitting and legal and other expenses before we can determine whether a project is feasible, economically attractive or capable of being financed.

Currently, we have 4,605 MW of raw generation capacity under development or construction and we intend to pursue the expansion of existing plants and the acquisition or development of new generation capacity. Our completion of these facilities without delays or cost overruns is subject to substantial risks, including:

Edgar Filing: PPL CORP - Form 424B2

- changes in market prices;
- issues related to obtaining permits and approvals and complying with other regulatory matters;
- unforeseen engineering problems;
- shortages and inconsistent quality of equipment, material and labor;
- availability and timely delivery of gas turbine generators;
- work stoppages;
- adverse weather conditions;
- environmental and geological conditions; and
- unanticipated cost increases,

any of which could give rise to delays, cost overruns or the termination of expansion, construction or development.

If we were unable to complete the development of a facility, we would generally not be able to recover our investment in the project. The process for obtaining initial environmental, siting and other governmental permits and approvals is complicated, expensive and lengthy, often taking more than one year, and is subject to significant uncertainties. In addition, construction delays and contractor performance shortfalls can result in the loss of revenues and may, in turn, adversely affect our results of operations. The failure to complete construction according to specifications can result in liabilities, reduced plant efficiency, higher operating costs and reduced earnings. We cannot assure you that we will be successful in the development or construction of power generation facilities in the future. We also may not be able to obtain and comply with all necessary licenses, permits and approvals for our existing facilities as we seek to expand.

CHANGES IN TECHNOLOGY MAY SIGNIFICANTLY IMPACT OUR BUSINESS BY IMPAIRING 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 low price. We call this central station electric production. There are other technologies that can produce electricity, most notably fuel cells, microturbines, windmills and photovoltaic (solar) cells. Research and development activities are ongoing to seek improvements in these alternative technologies. It is possible that advances will reduce the cost of alternative 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. Changes in technology could also alter the ways in which retail electric customers buy electricity or meet their electricity needs, thereby adversely affecting our financial results.

WE MAY NOT BE ABLE TO SUCCESSFULLY MANAGE THE RISKS ASSOCIATED WITH SELLING AND MARKETING PRODUCTS IN THE WHOLESALE POWER MARKETS.

We purchase and sell power at the wholesale level under FERC market-based tariffs 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, then we could be required to pay damages. These damages would be based on the difference between

Edgar Filing: PPL CORP - Form 424B2

the market price to acquire replacement capacity or energy and the

S-38

38

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, transmission disruptions, non-performance by counterparties (or their counterparties) with which we contract, and other factors could affect our ability to meet our obligations, or cause significant increases in the market price of replacement capacity and energy. 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 experience counterparty non-performance or that we will not be required to pay damages for failure to perform.

OUR TRADING, MARKETING AND RISK MANAGEMENT POLICIES MAY NOT WORK AS PLANNED.

We actively manage the commodity price risk inherent in our energy and fuel, debt and foreign currency positions. Nonetheless, adverse changes in energy prices, interest rates and foreign currency exchange rates may result in economic losses in our earnings and cash flows and our balance sheet under applicable accounting rules. We have established risk management policies and programs, including credit policies to evaluate counterparty credit risk. However, our trading, marketing and risk management procedures may not always be followed or may not work as planned. As a result, we cannot predict with precision the impact that our trading, marketing and risk management decisions may have on our business, operating results or financial position. Although we devote a considerable amount of management effort to these issues, their outcome remains uncertain.

In addition, our trading, marketing and risk management activities are exposed to the risk that counterparties that owe us money or energy will breach their obligations. Should the counterparties to these arrangements fail to perform, we may be forced to enter into alternative hedging arrangements or honor the underlying commitment at then-current market prices. In that event, our financial results are likely to be adversely affected and we might incur additional losses.

OUR OPERATING RESULTS MAY FLUCTUATE ON A SEASONAL AND QUARTERLY BASIS.

Electrical power generation is frequently a seasonal business. In many parts of the country, demand for electricity peaks during the hot summer months, with market prices also peaking at that time. As a result, our overall operating results in the future may fluctuate substantially on a seasonal basis. The pattern of this fluctuation may change depending on the nature and location of the facilities we acquire as well as the terms of any contract to sell electricity that we may enter into.

WE DO NOT ALWAYS HEDGE AGAINST RISKS ASSOCIATED WITH COMMODITY ENERGY AND FUEL PRICES.

We attempt to mitigate risks associated with open contract positions 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 either favorably or unfavorably.

Edgar Filing: PPL CORP - Form 424B2

WE RELY ON SOME 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 to supply some of our electric generation facilities. If transmission is disrupted, or if capacity is inadequate, our ability to sell and deliver products 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

S-39

39

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.

In addition, the independent system operators who oversee the transmission systems in certain wholesale power markets have in the past been authorized to impose, and may continue 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. Given the extreme volatility and lack of meaningful long-term price history in many of these markets and the imposition of price limitations by regulators, independent system operators or other market operators, we can offer no assurance that we will be able to operate profitably in all wholesale power markets.

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. In 2000, we derived approximately 4% of our net income from our foreign operations excluding non-recurring items. The acquisition, financing, development and operation of projects outside the United States entail significant political and 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;
- compliance with United States foreign corrupt practices laws;
- changes in government policies, personnel or approval requirements;
- changes in general economic conditions affecting each country;

Edgar Filing: PPL CORP - Form 424B2

- changes in labor relations in foreign operations;
- limitations on foreign investment or ownership of projects and returns or distributions to foreign investors;
- limitations on the ability of foreign companies to borrow money from foreign lenders and lack of local capital or loans;
- fluctuations in currency exchange rates and difficulties in converting our foreign funds to U.S. dollars or moving funds out of the country in which the funds were earned;
- limitations on the ability to import or export property and equipment;
- political instability and civil unrest; and
- expropriation and confiscation of assets and facilities.

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

Risk from fluctuations in currency exchange rates can arise when our foreign subsidiaries expend or borrow funds in one type of currency but receive revenue in another. In such cases, an adverse change in exchange rates can reduce our ability to meet expenses, including debt service obligations. Foreign currency risk can also arise when the revenues received by our foreign subsidiaries are not in U.S. dollars. In such cases, a strengthening of the U.S. dollar could reduce the amount of cash and income we receive from these foreign subsidiaries. While we believe we have hedges and contracts in place to mitigate our most significant foreign currency exchange risks, we have some exposures that are not hedged.

S-40

40

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.

OUR BUSINESS IS SUBJECT TO EXTENSIVE REGULATION.

Our U.S. generation subsidiaries are exempt wholesale generators which sell electricity into the wholesale market. Generally, our exempt wholesale generators are subject to regulation by the FERC. The FERC has authorized us to sell generation from our facilities 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

Edgar Filing: PPL CORP - Form 424B2

adversely affect our results of operations.

The acquisition, ownership and operation of power generation facilities require numerous permits, approvals 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 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 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 equipment and emission fees. We may be exposed to compliance risks from new projects, as well as from plants that we have acquired. Our failure to comply with environmental laws may result in the assessment of civil or criminal liability and fines against us by regulatory authorities. With the trend toward stricter standards, greater regulation, more extensive permitting requirements and an increase in the number and types of assets operated by us subject to environmental regulation, we expect our environmental expenditures to be substantial in the future.

New environmental laws and regulations affecting our operations may be adopted, and new interpretations of existing laws and regulations could be adopted or become applicable to us or our facilities. 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. Our compliance strategy, although reasonably based on the information available to us today, may not successfully address the relevant standards and interpretations of the future. In addition, the Environmental Protection Agency, or EPA, is developing new policies concerning protection of endangered species and sediment contamination, based on a new interpretation of the Clean Water Act. The scope and extent of any resulting environmental regulations, and their effect on our operations, are unclear.

As discussed in our Annual Report on Form 10-K, the EPA is also proposing to revise its regulations in a way that will require power plants to meet "New Source" performance standards and/or undergo "New Source" review for many maintenance and repair activities that are currently exempted.

We may be responsible for any on-site liabilities associated with the environmental condition of our power generation facilities and natural gas assets which we have acquired or developed, regardless of when the liabilities arose and whether they are known or unknown. In addition, in connection with certain acquisitions and sales of assets, we may obtain, or be required to provide, indemnification against certain environmental

S-41

41

liabilities. The incurrence of a material liability, or the failure of the other party to meet its indemnification obligations to us, could have a material adverse effect on our operations and financial condition.

We may also not be able to obtain or maintain all required environmental regulatory approvals. If there is a delay in obtaining any required environmental regulatory approval or if we fail to obtain or comply with any

Edgar Filing: PPL CORP - Form 424B2

such approval, the 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 generating units.

Most of our contracts with customers do not permit us to recover capital costs incurred by us to comply with new environmental regulations. As a result, these costs could adversely affect our profitability.

S-42

42

USE OF PROCEEDS

The net proceeds from the sale of 20,000,000 PEPS Units, after deducting underwriting discounts and commissions and estimated fees and expenses, are expected to be approximately \$484.1 million (\$556.8 million if the underwriters' over-allotment option is exercised in full).

The Trust will exchange the trust securities for the subordinated notes from PPL Capital Funding. PPL Capital Funding intends to use the full amount of the net proceeds of the sale of the trust securities to repay short-term debt. These borrowings include approximately \$400 million of commercial paper that had, as of April 30, 2001, a range of interest rates between 4.97% and 5.63% and maturing on various dates not in excess of 45 days and borrowings of \$100 million under a credit facility that has an annual interest rate of 5.86% as of April 30, 2001 and matures on June 29, 2001. The lender under this credit facility is Credit Suisse First Boston, New York branch, an affiliate of Credit Suisse First Boston Corporation. The short-term debt being repaid was borrowed for general corporate purposes, including making loans to PPL subsidiaries and reducing their debt balances.

S-43

43

CAPITALIZATION

The following table sets forth PPL Corporation's consolidated capitalization as of December 31, 2000 (1) on an actual basis and (2) as adjusted to give effect to this offering and the application of the net proceeds from this offering to repay our commercial paper and amounts under one of our credit facilities as described under "Use of Proceeds." This table should be read in conjunction with the consolidated financial statements of PPL Corporation and related notes incorporated by reference herein. See also "Recent Developments" for a discussion of financing in connection with our securitization plan.

	AS OF DECEMBER 31, 2000	
	ACTUAL	AS ADJUSTED
	(IN MILLIONS)	
Short-term debt, including current maturities(1).....	\$1,219	\$ 735
Note payable--affiliated company.....	135	135
Long-term debt (2).....	4,467	4,467
Company-obligated mandatorily redeemable preferred securities of subsidiary trust holding solely company debentures.....	250	750

Edgar Filing: PPL CORP - Form 424B2

Preferred and preference stock, including current sinking fund obligations.....	97	97
Shareowners' common equity:		
Common stock, par value \$.01 per share, (390,000,000 shares authorized; 145,041,342 shares outstanding, actual and as adjusted).....	2	2
Capital in excess of par value.....	1,895	1,889(3)
Treasury stock.....	(836)	(836)
Earnings reinvested.....	999	999
Accumulated other comprehensive income.....	(36)	(36)
Capital stock expense and other.....	(12)	(12)
	-----	-----
Total shareowners' common equity.....	2,012	2,006
	-----	-----
Total capitalization.....	\$8,180	\$ 8,190
	=====	=====

(1) Includes \$240 million of transition bonds.

(2) Includes \$1,923 million of transition bonds.

(3) Reflects an adjustment of approximately \$6 million representing the present value of the contract adjustment payments payable in connection with the PEPS Units.

S-44

44

PRICE RANGE OF COMMON STOCK AND DIVIDEND POLICY

Our common stock trades on the New York Stock Exchange under the symbol "PPL." The reported last sale price of our common stock on May 3, 2001 on the New York Stock Exchange was \$53.30 per common share. As of April 20, 2001, there were 145,796,342 shares of our common stock held by 90,013 holders of record. The following table sets forth the quarterly high and low sales prices for our common stock as reported by the New York Stock Exchange for the periods indicated and the amount of per share dividends for the periods indicated.

	STOCK PRICES		DIVIDENDS PER COMMON SHARE
	HIGH	LOW	
	-----	-----	-----
FISCAL YEAR 1999:			
First Quarter.....	\$28.50	\$24.75	\$.250
Second Quarter.....	31.88	24.13	.250
Third Quarter.....	32.00	25.38	.250
Fourth Quarter.....	28.50	20.38	.250
FISCAL YEAR 2000:			
First Quarter.....	24.00	18.38	.265
Second Quarter.....	25.00	20.38	.265
Third Quarter.....	44.44	21.94	.265
Fourth Quarter.....	46.13	37.56	.265
FISCAL YEAR 2001:			
First Quarter.....	46.75	33.88	.265
Second Quarter (through May 3, 2001).....	56.40	44.03	

Edgar Filing: PPL CORP - Form 424B2

PPL Corporation has paid quarterly cash dividends on its common stock in every year since 1946. The dividends paid per share in 2000 were \$1.06 and in 1999 were \$1.00. Future dividends, declared at the discretion of the PPL Corporation Board of Directors, will be dependent upon future earnings, financial requirements and other factors. See "Summary--Recent Developments --Change to our Dividend Policy" above for a discussion of our decision to maintain our dividend at the current level of \$1.06 per common share for the foreseeable future. See "Summary--Recent Developments" above.

S-45

45

SELECTED FINANCIAL DATA

The following table sets forth selected financial and operating data for each of the periods indicated. This information should be read in conjunction with the consolidated financial statements and related notes for the years ended December 31, 2000, 1999 and 1998 and related notes incorporated by reference herein. The selected consolidated financial data for the five years ended December 31, 2000 are derived from our consolidated financial statements, which have been audited by PricewaterhouseCoopers LLP, independent public accountants. Some previously reported amounts have been reclassified to conform with the current period presentation.

	2000 (a)	1999 (a)	1998 (a)	1997 (a)	1996
	-----	-----	-----	-----	-----
FINANCIAL DATA:					
INCOME ITEMS--\$ MILLIONS:					
Operating revenues.....	\$ 5,683	\$ 4,590	\$ 3,786	\$ 3,077	\$ 2,92
Operating income(f).....	1,202	872	827	800	81
Net income (loss).....	498	432	(569)	296	32
Net income excluding nonrecurring items.....	474	358	309	328	32
BALANCE SHEET ITEMS--\$ MILLIONS (B):					
Property, plant and equipment, net.....	5,948	5,624	4,480	6,820	6,96
Recoverable transition costs.....	2,425	2,647	2,819		
Total assets.....	12,360	11,174	9,607	9,485	9,67
Long-term debt.....	4,784	4,157	2,984	2,735	2,83
Company-obligated mandatorily redeemable preferred securities of subsidiary trusts holding solely company debentures.....	250	250	250	250	-
Preferred stock					
With sinking fund requirements.....	47	47	47	47	29
Without sinking fund requirements.....	50	50	50	50	17
Common equity.....	2,012	1,613	1,790	2,809	2,74
Short-term debt.....	1,037	857	636	135	14
Total capital provided by investors.....	8,180	6,974	5,757	6,026	6,18
FINANCIAL RATIOS:					
Return on average common equity--%(e).....	27.14%	16.89%	10.98%	11.69%	12.3
Embedded cost rates(b)					
Long-term debt--%.....	6.98	6.95	7.40	7.88	7.8
Preferred stock--%.....	5.87	5.87	5.87	5.85	6.0
Preferred securities--%.....	8.44	8.44	8.44	8.43	
Times interest earned before income taxes(e).....	2.95x	3.14x	3.28x	3.59x	3.5
Ratio of earnings to fixed charges--total enterprise basis(c) (e).....	2.66	2.80	3.10	3.51	3.4
Ratio of earnings to fixed charges and dividends on preferred stock--total enterprise basis(c) (e).....	2.55	2.64	2.77	3.11	2.9

Edgar Filing: PPL CORP - Form 424B2

OTHER DATA:

COMMON STOCK DATA:

Number of shares outstanding--thousands

Year-end.....	145,041	143,697	157,412	166,248	162,66
Average.....	144,350	152,287	164,651	164,550	161,06
Number of record shareowners(b).....	91,777	91,553	100,458	117,293	123,29
Basic EPS (loss)--reported.....	\$ 3.45	\$ 2.84	\$ (3.46)	\$ 1.80	\$ 2.0
Basic EPS--excluding nonrecurring items(e).....	3.29	2.35	1.87	2.00	2.0
Diluted EPS (loss)--reported.....	3.44	2.84	(3.46)	1.80	2.0
Diluted EPS--excluding nonrecurring items(e).....	3.28	2.35	1.87	2.00	2.0

S-46

46

	2000 (a)	1999 (a)	1998 (a)	1997 (a)	1996
	-----	-----	-----	-----	-----
Dividends declared per share.....	\$ 1.06	\$ 1.00	\$ 1.335	\$ 1.67	\$ 1.6
Book value per share(b).....	13.87	11.23	11.37	16.90	16.8
Market price per share(b).....	45.188	22.875	27.875	23.938	23.00
Dividend payout rate--%(g).....	32%	43%	71%	84%	8
Dividend yield--%(d).....	2.35	4.37	4.79	6.98	7.2
Price earnings ratio(g).....	13.78x	9.73x	14.91x	11.97x	11.2
SALES DATA--MILLIONS OF KILOWATT--HOURS:					
Electric energy supplied--retail.....	41,493	36,637	31,651	31,964	32,30
Electric energy supplied--wholesale.....	40,884	32,045	36,708	21,454	14,34
Electric energy delivered--retail.....	37,642	35,987	32,144	31,964	32,30

(a) The earnings for each year, except for 1996, were affected by nonrecurring items. These adjustments affected net income and certain items under Financial Ratios and Common Stock Data. See "Earnings" in "Review of Financial Condition and Results of Operations" for a description of nonrecurring items in 2000, 1999 and 1998.

(b) At year-end.

(c) Computed using earnings and fixed charges of PPL and its subsidiaries. Fixed charges consist of interest on short- and long-term debt, other interest charges, interest on capital lease obligations and the estimated interest component of other rentals.

(d) Based on year-end market prices.

(e) Based on earnings excluding nonrecurring items. See "Earnings" in "Review of Financial Condition and Results of Operations" for a description of nonrecurring items in 2000, 1999, and 1998.

(f) Operating income of 1997 and 1996 restated to conform to the current presentation.

(g) Based on diluted EPS--excluding nonrecurring items.

S-47

47

Edgar Filing: PPL CORP - Form 424B2

REVIEW OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion and analysis together with our audited consolidated financial statements and related notes incorporated by reference herein. This Review of Financial Condition and Results of Operations contains forward-looking statements. Please see "Forward-Looking Information" for a discussion of the uncertainties, risks and assumptions associated with these statements.

PPL Corporation is a holding company with headquarters in Allentown, Pennsylvania. See Item 1 "Business--Background" in our Annual Report on Form 10-K for descriptions of our major segments. Other subsidiaries may be formed by PPL to take advantage of new business opportunities.

Certain capitalized terms used herein and not otherwise defined have the meanings ascribed thereto in our Annual Report on Form 10-K under "Glossary of Terms and Abbreviations."

RESULTS OF OPERATIONS

The following discussion explains significant changes in principal items on the consolidated statement of income, comparing 2000 to 1999, and 1999 to 1998.

Certain items on the consolidated statement of income have been impacted by the acquisition of Montana generation assets. PPL acquired these generation assets from Montana Power in December 1999. As such, the results of PPL Montana are included for the entire year in 2000, but only for the last two weeks of 1999. When discussing PPL's results of operations for 2000 compared with 1999, the results of PPL Montana for the year 2000 are eliminated for purposes of comparability.

EARNINGS

	2000 -----	1999 -----	1998 -----
Earnings per share (basic)--excluding nonrecurring items....	\$3.29	\$2.35	\$ 1.87
Nonrecurring items:			
Environmental insurance recoveries.....	.16	--	--
Sale of Sunbury plant and related assets.....	--	.28	--
Sale of SWEB supply business.....	--	.42	--
Securitization.....	--	.13	--
Write-down carrying value of investments.....	--	(.34)	--
PUC restructuring charge.....	--	--	(5.56)
FERC municipalities settlement.....	--	--	(.19)
Settlement with NUG.....	--	--	.11
U.K. tax rate reduction.....	--	--	.06
PPL Gas Utilities acquisition costs.....	--	--	.03
Other impacts of restructuring.....	--	--	.22
	-----	-----	-----
Earnings (loss) per share (basic)--actual.....	\$3.45	\$2.84	\$ (3.46)
	=====	=====	=====

The earnings of PPL for 2000, 1999 and 1998 were impacted by several nonrecurring items. Earnings in 2000 benefited by \$.16 per share from insurance settlements for past and potential future environmental exposures. In addition, the Pennsylvania Public Utility Commission ("PUC") restructuring adjustments provided a favorable impact of about \$.22 per share on earnings in the second half of 1998. The nonrecurring items without note references are discussed below

Edgar Filing: PPL CORP - Form 424B2

in "Other Income and (Deductions)."

S-48

48

Excluding the effects of nonrecurring items, earnings per share were \$3.29 in 2000 (or \$3.28 diluted), compared with \$2.35 in 1999. The adjusted earnings for 2000 represent a \$.94 per share improvement, or about 40%, compared with 1999. The earnings improvement was primarily due to:

- higher margins on wholesale transactions, including PPL Montana;
- the end of a one year 4% rate reduction for delivery customers in Pennsylvania;
- gains on sales of emission allowances;
- lower depreciation on certain fossil generating assets; and
- fewer common shares outstanding.

These earnings improvements in 2000 were partially offset by higher levels of interest expense, higher costs of wages and employee benefits and the write-off of a regulatory asset related to Pennsylvania's 1998 electric choice program.

Excluding the effects of nonrecurring items, 1999 earnings were \$2.35 compared with \$1.87 for 1998. The adjusted earnings for 1999 represent a \$.48 per share improvement, or about 26%, compared with 1998. This earnings improvement was primarily due to higher margins on wholesale energy and marketing activities, an increase in electricity supplied to commercial and industrial customers, lower taxes, lower depreciation on generation assets, increased earnings from unregulated operations, and the benefit of fewer common shares outstanding. In addition, 1998 earnings were adversely impacted by mild winter weather. The earnings improvements in 1999 were partially offset by a 4% rate reduction for electric delivery customers in Pennsylvania and by the loss of customers who shopped for alternate electric generation suppliers. In addition, 1998 earnings benefited from certain regulatory treatments that did not carry over to 1999.

OPERATING REVENUES

Retail Electric and Gas. Increase (decrease) in retail revenues from electric and gas operations was attributable to the following:

	2000 VS. 1999	1999 VS. 1998
	-----	-----
	(IN MILLIONS)	
Retail Electric Revenue		
PPL Electric		
Electric delivery.....	\$ 28	\$(179)
PLR electric generation supply.....	32	(159)
PPL EnergyPlus		
Electric generation supply.....	88	416
PPL Global		
Electric delivery.....	75	245
Other.....	3	25
	-----	-----
	226	348

Edgar Filing: PPL CORP - Form 424B2

Retail Gas Revenue	----	-----
PPL Gas Utilities.....	25	74
PPL EnergyPlus.....	43	6
	----	-----
	68	80
	----	-----
Retail Revenues--total.....	\$294	\$ 428
	====	=====

Operating revenues from retail electric operations increased by \$226 million in 2000 compared with 1999. PPL EnergyPlus provided 15.5% more electricity to retail customers in 2000 as compared to 1999. Revenues from PPL Global were \$75 million, or 31%, greater in 2000 as compared to 1999, due to the acquisition of Companhia Energetica do Maranhao ("CEMAR"), and higher sales volumes in Chile, El Salvador and

S-49

49

Bolivia. Also contributing to the increase were higher PPL Electric retail delivery sales in 2000 compared with 1999, and the end of the one year 4% rate reduction for delivery customers. In addition, PPL Electric's provider of last resort ("PLR") revenues were higher in 2000, as fewer customers selected a supplier other than PPL Electric.

Operating revenues from retail electric operations increased by \$348 million in 1999 compared with 1998. This was primarily due to the consolidation of Empresas Emel, S.A. ("Emel") and Est de Centr, S.A. de S.V. ("EC") results effective January 1, 1999. Also, PPL Electric and PPL EnergyPlus provided 6.5% more electricity to retail customers during 1999 as compared with 1998.

Both PPL Gas Utilities and PPL EnergyPlus had higher retail gas sales for 2000 when compared to 1999. The increase in PPL Gas Utilities' revenues reflects greater demand, higher gas commodity costs and increased off-system revenues in 2000. PPL EnergyPlus' increase was related to intensified gas marketing efforts and increased retail pricing attributed to higher wholesale gas commodity costs.

After eliminating the revenues of PPL Gas Utilities, which was acquired in August 1998, retail gas revenues increased by \$6 million in 1999 compared with 1998.

PPL Gas Utilities' two natural gas delivery subsidiaries reached a settlement with the PUC for a \$9.3 million base rate increase, effective January 1, 2001. As a condition of the settlement, PPL Gas Utilities agreed to not increase natural gas delivery base rates in Pennsylvania for the next three years.

Wholesale Energy Marketing and Trading. The increase (decrease) in revenues from wholesale energy marketing and trading activities was attributable to the following:

	2000 VS. 1999	1999 VS. 1998
	-----	-----
	(IN MILLIONS)	
PPL Electric/PPL EnergyPlus		
Bilateral Sales.....	\$209	\$ 38
PJM.....	39	--

Edgar Filing: PPL CORP - Form 424B2

Cost-based contracts.....	(38)	(71)
Gas & oil sales.....	(39)	223
PPL Montana.....	405	9
PPL Maine.....	67	15
Other.....	(3)	3
	-----	-----
	\$640	\$217
	=====	=====

After eliminating the revenues of PPL Montana, wholesale energy marketing and trading revenues increased by \$235 million in 2000 compared to 1999. This was primarily due to higher bilateral sales revenues due to higher market pricing and increased sales volumes to other counterparties.

Wholesale energy marketing and trading revenues increased by \$217 million in 1999 compared with 1998. This increase was predominately due to an increase in wholesale gas revenues. This increase was, in part, due to greater demand for gas-fired generation and an increase in retail gas marketing activities. The decrease in revenues from cost-based contracts reflects the phase-down of the capacity and energy agreement with Jersey Central Power & Light Company ("JCP&L"). The contract expired in December 1999.

ENERGY-RELATED BUSINESSES

Energy-related businesses (see Note 1 to the consolidated financial statements) contributed \$46 million to the 2000 operating income of PPL, which was a decrease of \$14 million from 1999. This decrease was primarily due to operating losses incurred by PPL's synfuel projects. These and other losses were partially offset by increased operating income of the mechanical contracting and engineering subsidiaries, and higher equity earnings from PPL Global's international investments.

S-50

50

Energy-related businesses provided an additional \$35 million to operating income in 1999 compared with 1998. This was primarily due to PPL Global's higher equity earnings from its investment in Western Power Distribution ("WPD"), and additional operating income provided by the mechanical contracting and engineering subsidiaries.

FUEL

Fuel costs increased by \$47 million in 2000 compared with 1999, and decreased by \$11 million in 1999 compared with 1998.

Electric fuel costs increased by \$23 million in 2000 compared with 1999. Excluding PPL Montana, electric fuel costs decreased by \$8 million during 2000 compared with 1999. The decrease was attributed to lower unit costs for nuclear generation, in part due to a \$5 million accrual in 1999 for dry cask canisters for on-site spent fuel storage. The decrease from lower unit costs was partially offset by higher generation at Susquehanna.

Electric fuel costs decreased by \$44 million in 1999 compared with 1998. The decrease resulted from lower generation by PPL Generation's coal-fired and oil/gas fired units, as well as lower fuel prices for coal. The lower coal-fired generation resulted from units being dispatched less during off-peak periods, as a result of NOx allowances affecting the unit costs from May to September of 1999. The Holtwood plant closing and the Sunbury plant sale (see "Power Plant Operations" discussion below) also contributed to the decrease in generation. In addition, PPL Generation entered into a rail contract which lowered coal freight

Edgar Filing: PPL CORP - Form 424B2

prices effective June 1999. These decreases in 1999 were partially offset by higher fuel prices for nuclear and oil/gas-fired stations.

The cost of natural gas and propane increased by \$24 million in 2000 compared with 1999. This reflects higher sales by PPL Gas Utilities, and intensified gas marketing efforts by PPL EnergyPlus.

The cost of natural gas and propane increased by \$33 million in 1999 compared with 1998. This reflects the acquisition of PPL Gas Utilities in August 1998. The results for 1999 included a full year of operations of PPL Gas Utilities.

ENERGY PURCHASES

The increase in energy purchases was attributable to the following:

	2000 VS. 1999	1999 VS. 1998
	(IN MILLIONS)	
PPL EnergyPlus.....	\$143	\$309
PPL Maine.....	58	6
PPL Global.....	46	142
PPL Montana.....	121	1
Other.....	15	--
	\$383	\$458
	====	====

After excluding the impact of PPL Montana, energy purchases increased by \$262 million during 2000, compared with 1999. This increase was attributed to higher wholesale prices for energy purchases needed to supply retail load obligations.

Excluding the purchases made by Emel and EC, which were consolidated by PPL Global effective January 1, 1999, energy purchases increased by \$316 million in 1999 when compared to 1998. The increase was primarily due to increased gas purchases by the Energy Marketing Center, additional wholesale purchases to support PPL EnergyPlus, and higher wholesale prices for electricity. These increases were partially offset by a decrease in the volume of electricity purchases.

S-51

51

OTHER OPERATION EXPENSES

Other operation expenses increased by \$47 million in 2000 when compared to 1999. After eliminating the expenses of PPL Montana, other operation expenses decreased \$30 million in 2000 when compared with 1999. This decrease was primarily the result of environmental insurance settlements, gains on the sale of emission allowances and reduced pension costs. These reductions were partially offset by increased expenses due to the CEMAR acquisition, a loss accrual under the Clean Air Act and increased costs of wages and other benefits.

Other operation expenses increased by \$69 million in 1999 compared with 1998. Operating expenses of acquired companies and certain regulatory impacts caused a substantial portion of this increase. These included:

Edgar Filing: PPL CORP - Form 424B2

- PPL Global's consolidation of Emel and EC, effective January 1, 1999, which added about \$25 million in operation expenses.
- About \$23 million of additional operation expenses of PPL Gas Utilities recorded in 1999 compared to 1998. PPL Gas Utilities was acquired in August 1998.
- About \$46 million of regulatory credits recorded in 1998. These credits were for the loss of revenue as a result of Pennsylvania's pilot Electric Choice Program and the deferral of undercollected energy costs. No similar items were reflected in 1999, as the pilot program was completed and energy costs were no longer recoverable through the Energy Cost Rate.

Eliminating the effects of the above amounts, the other operation expenses of PPL decreased by \$29 million in 1999 compared with 1998. This decrease was primarily due to PPL Electric's cost-cutting initiatives, gains on the sale of emission allowances and decreased load dispatching activities for system control.

MAINTENANCE EXPENSES

Maintenance expenses increased by \$46 million in 2000 from 1999. After eliminating the expenses of PPL Montana, maintenance expenses increased by \$33 million in 2000 from 1999. This increase was primarily due to higher maintenance costs at the Susquehanna generating station, higher transmission and distribution line maintenance expenses and higher costs of wages.

Maintenance expenses increased by \$33 million in 1999 from 1998. About half of the increase was due to the consolidation of Emel and EC effective January 1, 1999 and the acquisition of PPL Gas Utilities in August 1998. The other half of this increase was due to higher costs of outage-related and other maintenance at PPL Electric's fossil and nuclear power plants, and additional expenses to maintain transmission and distribution facilities.

POWER PLANT OPERATIONS

In April 1999, PPL Electric closed its Holtwood coal-fired generating station. The closing was part of an effort to reduce operating costs and position PPL for the competitive marketplace. The adjacent hydroelectric plant, owned by PPL Holtwood, continues to operate.

In November 1999, PPL Electric sold its Sunbury plant and the principal assets of its wholly-owned coal processing subsidiary, Lady Jane Collieries, to Sunbury Holdings, LLC. PPL Electric received cash proceeds of \$107 million for the assets, including coal inventory, which resulted in a one-time contribution to earnings of about \$.28 per share.

DEPRECIATION

Depreciation increased by \$4 million in 2000 compared with 1999. After eliminating the expenses of PPL Montana, depreciation decreased by \$10 million in 2000 compared with 1999. This decrease was primarily due to a change in the estimated remaining useful lives of certain PPL generating plants. PPL subsidiaries periodically review the depreciable lives of their fixed assets. In conjunction with corporate realignment

activities undertaken in early 2000, studies were conducted of depreciable lives of certain generation assets. These studies indicated that the estimated

Edgar Filing: PPL CORP - Form 424B2

economic lives for certain generation assets were longer than currently used to calculate depreciation for financial statement purposes. Therefore, effective July 1, 2000, PPL Generation revised the estimated economic lives for fossil generation and pipeline assets. This change is expected to reduce depreciation expense by approximately \$33 million per year for the next several years from previous levels. The reduction in depreciation expense in the second half of 2000 was partially offset by depreciation of CEMAR's transmission, distribution and other assets recorded subsequent to acquisition by PPL Global.

Depreciation decreased by \$81 million in 1999 compared with 1998. This decrease was mainly due to the write-down of generation-related assets in connection with the restructuring adjustments recorded in June 1998. The decrease was partially offset by depreciation associated with the acquisition of PPL Gas Utilities in August 1998 and the consolidation of Emel and EC effective January 1, 1999.

OTHER INCOME AND (DEDUCTIONS)

Other income of PPL decreased by \$112 million in 2000 from 1999. PPL Electric's earnings in 2000 reflected a charge of \$12 million resulting from a PUC ruling requiring the write-off of the regulatory asset for the loss incurred in Pennsylvania's pilot Electric Choice Program, and an adverse Federal Energy Regulatory Commission ("FERC") decision regarding investments in PJM Interconnection, LLC ("PJM"). PPL Generation also recorded a loss contingency for an unasserted claim against the company under the Clean Air Act. Other income in 1999 included PPL Global's share of the gain on the sale of South Western Electricity plc's ("SWEB") electrical supply business (which was \$78 million pre-U.S. tax), and a \$66 million pre-tax gain on the sale of PPL Electric's Sunbury plant and the principal assets of its wholly owned subsidiary, Lady Jane Collieries. These increases were partially offset by a \$51 million write-down of certain of PPL Global's international investments: WPD, Aguaytia and Bolivian Generating Group, LLC ("BGG"). The net impact of the charges in 2000, versus the credits to income in 1999, are the primary reasons for the decrease in other income between the periods.

Other income in 1999 increased by \$31 million from 1998. PPL recorded several favorable nonrecurring items in 1998, including a \$30 million recovery from a Non-Utility Generator ("NUG") to settle a suit over disputed energy prices, a \$9 million credit for a reduction in U.K. corporate tax rates and a \$6 million credit to earnings to reverse the prior expensing of PPL Gas Utilities acquisition costs. However, there were larger credits to other income in 1999, as noted above.

FINANCING COSTS

PPL experienced higher financing costs on long-term debt during the past few years, primarily associated with the issuance of \$2.4 billion of transition bonds by PPL Transition Bond Company in August 1999, and the issuance of medium-term notes by PPL Capital Funding in 2000. Refer to Note 10 to the consolidated financial statements for more information. Interest on long-term debt and dividends on preferred stock increased from \$219 million in 1997 to \$349 million in 2000. Interest on short-term debt, net of capitalized interest and Allowance for Funds Used During Construction ("AFUDC") borrowed funds, increased from \$20 million in 1997 to \$53 million in 2000. This increase reflects PPL Capital Funding's commercial paper program initiated in 1998.

INCOME TAXES

Income tax expense increased by \$120 million in 2000 compared with 1999. This was primarily due to an increase in pre-tax book income and a 1999 release of deferred taxes no longer required due to securitization.

Edgar Filing: PPL CORP - Form 424B2

Income tax expense decreased by \$85 million in 1999, compared with 1998. This was primarily due to a release of deferred income taxes no longer required due to securitization and tax changes relating to the 1998 restructuring write-off.

S-53

53

FINANCIAL CONDITION

ENERGY MARKETING AND TRADING ACTIVITIES

PPL, through its PPL EnergyPlus subsidiary, purchases and sells electricity and energy at the wholesale level under FERC market-based tariffs throughout the United States. PPL enters into agreements to market available energy and capacity from its generation assets in Pennsylvania, Maine and Montana with the expectation of profiting from market price fluctuations.

If PPL were unable to deliver firm capacity and energy under these agreements, under certain circumstances it would be required to pay damages. These damages would 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, transmission disruptions, non-performance by counterparties (or their counterparties) with which it has power contracts, and other factors could affect PPL's ability to meet its firm capacity or energy obligations, or cause significant increases in the market price of replacement capacity and energy. Although PPL attempts to mitigate these risks, there can be no assurance that it will be able to fully meet its firm obligations, that it will not be required to pay damages for failure to perform, or that it will not experience counterparty non-performance in the future.

PPL attempts to mitigate risks associated with open contract positions by reserving generation capacity to deliver electricity to satisfy its net firm sales contracts and, when necessary, by purchasing firm transmission service. In addition, PPL adheres to its risk management policy and programs, including established credit policies to evaluate counterparty credit risk. To date, PPL has not experienced any significant losses due to non-performance by counterparties. Additionally, given the current electric energy situation in California, PPL has established a reserve to limit its exposure as a result of sales within that market area. See Note 19 to the consolidated financial statements for a discussion related to the California energy situation.

On January 1, 1999, PPL adopted mark-to-market accounting for energy contracts executed for trading purposes, in accordance with EITF 98-10, "Accounting for Contracts Involved in Energy Trading and Risk Management Activities." Under mark-to-market accounting, gains and losses from changes in market prices on contracts executed for trading purposes are reflected in current earnings. The earnings effect of mark-to-market accounting was not significant in 1999. Under EITF 98-10, energy trading activities refer to energy contracts executed with the objective of generating profits on, or from exposure to, shifts or changes in market prices. Risk management activities refer to energy contracts that are designated as (and effective as) hedges of non-trading activities (i.e., marketing available capacity and energy and purchasing fuel for consumption). PPL adopted SFAS 133, "Accounting for Derivative Instruments and Hedging Activities," as amended by SFAS 138, effective January 1, 2001. See Note 18 to the consolidated financial statements for the effect of adopting SFAS 133.

S-54

54

Edgar Filing: PPL CORP - Form 424B2

Cash and cash equivalents increased by \$409 million more during 2000 compared with 1999. The reasons for this change were:

- a \$221 million increase in cash provided by operating activities, primarily due to an increase in operating income;
- a \$428 million decrease in cash used in investing activities, primarily due to lower acquisitions of generating assets; and
- a \$240 million decrease in cash provided by various financing activities.

From 1998 through 2000, PPL issued \$4.1 billion of long-term debt (including \$2.4 billion of securitized debt issued by PPL Transition Bond Company). For the same period, PPL issued \$105 million of common stock, excluding stock issued in conjunction with the PPL Gas Utilities acquisition. From 1998 through 2000, PPL retired \$2.5 billion of long-term debt and purchased \$835 million of common shares. From 1998 through 2000, PPL Electric also incurred \$128 million of obligations under capital leases.

Refer to Note 10 to the consolidated financial statements for additional information on credit arrangements and financing activities in 2000. Also, in February 2001, PPL and PPL Capital Funding filed a \$1.2 billion omnibus shelf registration statement with the SEC to register debt and equity securities.

S-55

55

MANAGEMENT

OUR EXECUTIVE OFFICERS

NAME -----	AGE ---	POSITIONS HELD WITH PPL CORPORATION OR ITS SUBSIDIARIES -----
William F. Hecht.....	58	Chairman, President and Chief Executive Officer
Francis A. Long.....	60	Executive Vice President
John R. Biggar.....	56	Executive Vice President and Chief Financial Officer
Robert J. Grey.....	50	Senior Vice President, General Counsel and Secretary
Michael E. Bray.....	53	President--PPL Electric Utilities Corporation
Paul T. Champagne.....	42	President--PPL Global, LLC
James H. Miller.....	52	President--PPL Generation, LLC
Lawrence E. De Simone.....	53	President--PPL EnergyPlus, LLC
Joseph J. McCabe.....	51	Vice President and Controller
James E. Abel.....	50	Vice President--Finance and Treasurer

Each of the above officers, with the exception of Messrs. Bray, Miller and De Simone, had been employed by PPL Corporation or its subsidiaries for more than five years as of December 31, 2000.

S-56

56

ACCOUNTING TREATMENT

Edgar Filing: PPL CORP - Form 424B2

The financial statements of the Trust will be reflected in our consolidated financial statements, with the trust preferred securities shown on our balance sheet as PPL-obligated mandatorily redeemable preferred capital trust securities of a subsidiary trust holding solely subordinated notes of PPL Capital Funding. The footnotes to our consolidated financial statements will reflect that the sole asset of the Trust will be the subordinated notes of PPL Capital Funding. Distributions on the trust preferred securities will be reflected as a charge to our consolidated income, identified as "Distributions on Preferred Securities of a Subsidiary Trust," whether paid or accumulated.

The purchase contracts are forward transactions in our common stock. Upon settlement of a purchase contract, PPL Corporation will receive the stated amount of \$25 on the purchase contract and will issue the requisite number of shares of our common stock. The stated amount received will be credited to shareholders' equity.

Prior to the issuance of shares of our common stock upon settlement of the purchase contracts, the PEPS Units will be reflected in our earnings per share calculations using the treasury stock method. Under this method, the number of shares of our common stock used in calculating earnings per share is deemed to be increased by the excess, if any, of the number of shares issuable upon settlement of the purchase contracts over the number of shares that could be purchased by PPL Corporation in the market (at the average market price during the period) using the proceeds receivable upon settlement. Consequently, we expect there will be no dilutive effect on our earnings per share except during periods when the average market price of a share of our common stock is above the threshold appreciation price.

DESCRIPTION OF THE PEPS UNITS

The following is a summary of some of the terms of the PEPS Units. This summary together with the summary of some of the terms of the purchase contracts, the purchase contract agreement, the pledge agreement and the trust preferred securities set forth under the captions "Description of the Purchase Contracts," "Certain Provisions of the Purchase Contracts, the Purchase Contract Agreement and the Pledge Agreement" and "Description of the Trust Preferred Securities" in this prospectus supplement contain a description of all of the material terms of the PEPS Units but is not complete. We refer you to the forms of the purchase contract agreement, the pledge agreement and the trust preferred securities that have been filed or incorporated by reference as exhibits to the registration statement of which this prospectus supplement and the accompanying prospectus form a part. This summary supplements the description of the stock purchase units in the accompanying prospectus, and, to the extent it is inconsistent, replaces the description in the accompanying prospectus.

GENERAL

Each PEPS Unit offered will initially consist of:

- a purchase contract under which the holder will purchase from PPL Corporation on the purchase contract settlement date, or upon early settlement, for \$25, a number of shares of our common stock equal to the applicable settlement rate described under "Description of the Purchase Contracts--General" or "Description of the Purchase Contracts--Early Settlement" in this prospectus supplement, as the case may be, and under which we will pay to the holder contract adjustment payments at the rate of .46% of the stated amount per year, or \$.1150 per year, paid quarterly; and
- a trust preferred security, having a stated liquidation amount of \$25, representing an undivided beneficial ownership interest in the

Edgar Filing: PPL CORP - Form 424B2

assets of PPL Capital Funding Trust I, which assets will consist solely of the subordinated notes of PPL Capital Funding, under which we will pay cash distributions at the rate of 7.29% per year, or \$1.8225 per year, paid quarterly.

S-57

57

The trust preferred security will be pledged under the pledge agreement to secure your obligation to purchase our common stock under the purchase contract.

We will have the right at any time to dissolve the Trust and, after satisfaction of liabilities to creditors of the Trust, if any, to cause the PPL Capital Funding subordinated notes to be distributed to the holders of the trust securities.

References in this prospectus supplement to trust preferred securities, unless the context otherwise requires, include the PPL Capital Funding subordinated notes that would be delivered to the holders of the trust preferred securities upon dissolution of the Trust.

In addition, if a tax event occurs prior to the purchase contract settlement date, we may cause the subordinated notes of PPL Capital Funding (and, thus, the trust preferred securities) to be redeemed. Upon such a "tax event redemption," the securities intermediary will use the proceeds from the redemption of the PPL Capital Funding subordinated notes to purchase a portfolio of zero-coupon U.S. treasury securities that mature one business day prior to the purchase contract settlement date and on the various dates upon which payments would have been due on the PPL Capital Funding subordinated notes. We refer to this portfolio of treasury securities as the "treasury portfolio." The treasury portfolio will be substituted for the redeemed trust preferred securities as the collateral securing the holders' obligations under the related purchase contracts and the Trust will be dissolved.

If the Trust is dissolved at a time prior to May 18, 2004 when the trust preferred securities are part of the PEPS Unit or following a successful initial remarketing of the trust preferred securities on the third business day preceding February 18, 2004 or from time to time thereafter before the tenth business day preceding May 18, 2004, each PEPS Unit thereafter will consist of a purchase contract plus either a PPL Capital Funding subordinated note having a principal amount of \$25 or the applicable ownership interest of the treasury portfolio, as applicable, instead of a trust preferred security. If the Trust is dissolved at a time when the trust preferred securities are no longer a part of the PEPS Unit, the holder of the trust preferred securities will receive either a PPL Capital Funding subordinated note or cash in an amount equal to the redemption price of the PPL Capital Funding subordinated note, as applicable.

An "applicable ownership interest" means, with respect to a PEPS Unit that includes the treasury portfolio,

(1) a 1/40, or 2.5%, undivided beneficial ownership interest in a \$1,000 face amount of a principal or interest strip in a U.S. treasury security included in the treasury portfolio that matures on or prior to May 17, 2004; and

(2) for the scheduled distribution date on the trust preferred securities that occurs on May 18, 2004, in the case of a successful remarketing of the trust preferred securities, or for each scheduled interest payment date on the PPL Capital Funding subordinated notes that occurs after the date upon which the PPL Capital Funding subordinated notes are redeemed due to a tax event and on or before May 18, 2004, in the case of a tax event redemption, a .0456%, undivided beneficial ownership

Edgar Filing: PPL CORP - Form 424B2

interest in a \$1,000 face amount of a principal or interest strip in a U.S. treasury security included in the treasury portfolio that matures on or prior to such date.

Unless otherwise specified, references in this prospectus supplement to the "applicable ownership interest of the treasury portfolio" have the meaning specified in clause (1) of this definition.

The purchase price of each PEPS Unit will be allocated between the purchase contract and the trust preferred security in proportion to their respective fair market values at the time of purchase. We expect that, at the time of issuance, the fair market value of each purchase contract will be \$0 and the fair market value of each trust preferred security will be \$25.

So long as the units are in the form of PEPS Units, either the related trust preferred securities or the applicable ownership interest of the treasury portfolio, as applicable, will be pledged to the collateral agent to secure the holders' obligations to purchase our common stock under the related purchase contracts.

S-58

58

CREATING TREASURY PEPS UNITS BY SUBSTITUTING A TREASURY SECURITY FOR TRUST PREFERRED SECURITIES

Unless the treasury portfolio has replaced the trust preferred securities as a component of the PEPS Units as the result of a successful initial remarketing of the trust preferred securities or a tax event redemption, each holder of 40 PEPS Units may create 40 Treasury PEPS Units by substituting for the trust preferred securities that are a part of the PEPS Units a treasury security having an aggregate stated liquidation amount at maturity equal to \$1,000.

Each Treasury PEPS Unit will consist of:

- a purchase contract under which the holder will purchase from us on the purchase contract settlement date, or upon early settlement, for \$25, a number of shares of our common stock equal to the applicable settlement rate, and under which the Trust will pay to the holder contract adjustment payments at the rate of .46% of the stated amount per year; and
- a 1/40 undivided beneficial ownership interest in a related zero-coupon U.S. treasury security (CUSIP No. 912820BJ5) with a principal amount at maturity equal to \$1,000 and maturing on May 17, 2004, the business day preceding the purchase contract settlement date.

The term "business day" means any day other than a Saturday or a Sunday or a day on which banking institutions in New York City are authorized or required by law or executive order to remain closed or a day on which The Chase Manhattan Bank, acting as indenture trustee with respect to the subordinated notes of PPL Capital Funding and property trustee under the declaration of trust, is closed for business.

The Treasury PEPS Unit holder's beneficial ownership in the treasury security will be pledged under the pledge agreement to secure the holder's obligation to purchase shares of our common stock under the purchase contract.

To create 40 Treasury PEPS Units, a holder is required to:

Edgar Filing: PPL CORP - Form 424B2

- either deposit with The Bank of New York, which is acting as the securities intermediary under the pledge agreement, a zero-coupon U.S. treasury security (CUSIP No. 912820BJ5) with a principal amount at maturity equal to \$1,000 and maturing on May 17, 2004; and
- transfer to the purchase contract agent 40 PEPS Units, accompanied by a notice stating that the holder of the PEPS Units has deposited a treasury security with the securities intermediary, or has requested that the securities intermediary so purchase a treasury security, and requesting that the purchase contract agent instruct the collateral agent to release the related 40 trust preferred securities.

Upon receiving instructions from the purchase contract agent and confirmation of receipt of the treasury security by the securities intermediary, the collateral agent will cause the securities intermediary to release the related 40 trust preferred securities from the pledge and deliver them to the purchase contract agent, free and clear of our security interest. The purchase contract agent then will:

- cancel the 40 PEPS Units;
- transfer the related 40 trust preferred securities to the holder; and
- deliver 40 Treasury PEPS Units to the holder.

A treasury security will be substituted for the trust preferred securities and will be pledged to the collateral agent to secure the holder's obligation to purchase shares of our common stock under the related purchase contracts. These trust preferred securities thereafter will trade separately from the Treasury PEPS Units.

Holders who create Treasury PEPS Units or recreate PEPS Units, as discussed below, will be responsible for any fees or expenses payable to the collateral agent in connection with substitutions of collateral. See "Certain Provisions of the Purchase Contracts, the Purchase Contract Agreement and the Pledge Agreement--Miscellaneous" in this prospectus supplement.

S-59

59

RECREATING PEPS UNITS

Unless the treasury portfolio has replaced the trust preferred securities as a component of the PEPS Units as the result of a successful initial remarketing of the trust preferred securities or a tax event redemption, each holder of Treasury PEPS Units will have the right, at any time on or prior to the seventh business day immediately preceding May 18, 2004, to substitute for the related treasury securities held by the collateral agent trust preferred securities in an aggregate stated liquidation amount equal to the aggregate amount payable at stated maturity of the treasury securities. This substitution would recreate PEPS Units, and the applicable treasury securities would be released to the holder.

Because treasury securities are issued in integral multiples of \$1,000, holders of Treasury PEPS Units may make this substitution only in integral multiples of 40 Treasury PEPS Units. If the treasury portfolio has replaced the trust preferred securities as a component of the PEPS Units as the result of a successful initial remarketing of the trust preferred securities or a tax event redemption, holders of the Treasury PEPS Units will not be able to recreate any PEPS Units.

Each holder of 40 Treasury PEPS Units may recreate 40 PEPS Units by:

Edgar Filing: PPL CORP - Form 424B2

- depositing with the securities intermediary 40 trust preferred securities; and
- transferring to the purchase contract agent 40 Treasury PEPS Units, accompanied by a notice stating that such holder has deposited 40 trust preferred securities with the securities intermediary and requesting that the purchase contract agent instruct the collateral agent to release the related treasury security.

Upon receiving instructions from the purchase contract agent and confirmation of receipt of the trust preferred securities by the securities intermediary, the collateral agent will cause the securities intermediary to release the related treasury security from the pledge and deliver it to the purchase contract agent, on behalf of the holder, free and clear of our security interest. The purchase contract agent then will:

- cancel the 40 Treasury PEPS Units;
- transfer the related treasury security to the holder; and
- deliver 40 PEPS Units to the holder.

The substituted trust preferred securities or the applicable ownership interest in the treasury portfolio will be pledged with the collateral agent to secure the PEPS Unit holder's obligation to purchase our common stock under the related purchase contracts.

CURRENT PAYMENTS

The payments on the PEPS Units will consist of cash distributions payable on the trust preferred securities by the Trust or the subordinated notes of PPL Capital Funding or amounts payable in respect of the treasury portfolio, as applicable, payable at the rate of 7.29% of the stated liquidation or principal amount per year, payable quarterly in arrears on February 18, May 18, August 18 and November 18, starting August 18, 2001. In addition, holders of both PEPS Units and Treasury PEPS Units will be entitled to receive quarterly contract adjustment payments payable by us at the rate of .46% of the stated amount per year. In addition, the trust preferred securities or subordinated notes are subject to the contingent payment rules, and you will be required to accrue OID on the related trust preferred securities or subordinated notes, as the case may be, at the "comparable yield" as discussed under "United States Federal Income Tax Consequences."

If a holder of PEPS Units creates Treasury PEPS Units by substituting a treasury security for the trust preferred securities, such holder will not receive any distributions on the Treasury PEPS Units other than the contract adjustment payments. If a Treasury PEPS Unit holder continues to hold the trust preferred security that has been separated from the PEPS Unit, it will continue to receive distributions on the trust preferred security.

S-60

60

LISTING OF THE PEPS UNITS AND THE TREASURY PEPS UNITS

The PEPS Units have been approved for listing on the New York Stock Exchange under the symbol "PPL-PrE." If Treasury PEPS Units are created and then traded to a sufficient extent that applicable exchange listing requirements are met, we will try to list them on the national securities exchanges or associations on which the PEPS Units are then listed or quoted, but we have no obligation to do so. We do not intend to list the trust preferred securities on

Edgar Filing: PPL CORP - Form 424B2

any securities exchange.

REPURCHASE OF THE PEPS UNITS

We may purchase from time to time any of the PEPS Units offered by this prospectus supplement and the accompanying prospectus that are then outstanding by tender, in the open market, by private agreement or otherwise.

DESCRIPTION OF THE PURCHASE CONTRACTS

GENERAL

The following description is a summary of some of the terms of the purchase contracts. It supplements the description of the stock purchase contracts in the accompanying prospectus and, to the extent it is inconsistent, replaces the description in the accompanying prospectus. The purchase contracts will be issued pursuant to the purchase contract agreement between us and The Chase Manhattan Bank, as purchase contract agent. The description of the purchase contracts and the purchase contract agreement in this prospectus supplement and the accompanying prospectus contain a summary of their material terms but do not purport to be complete, and reference is hereby made to the form of the purchase contract agreement that is filed as an exhibit or incorporated by reference to the registration statement.

On the business day immediately preceding May 18, 2004, unless:

- a holder of PEPS Units or Treasury PEPS Units has settled the related purchase contracts prior to or on the fifth business day preceding May 18, 2004 through the early delivery of cash to the purchase contract agent in the manner described under "--Early Settlement";
- a holder of PEPS Units that include trust preferred securities has settled the related purchase contracts with separate cash prior to or on the business day immediately preceding May 18, 2004 pursuant to prior notice given in the manner described under "--Notice to Settle with Cash";
- a holder of PEPS Units has had the trust preferred securities related to the holder's purchase contracts successfully remarketed in the manner described under "--Remarketing" below;
- a holder of PEPS Units has delivered cash to the remarketing agent to purchase the treasury portfolio on its behalf in the manner described under "--Remarketing"; or
- an event described under "--Termination" has occurred,

then,

- in the case of PEPS Units, unless the treasury portfolio has replaced the trust preferred securities as a component of the PEPS Units as the result of a successful initial remarketing of the trust preferred securities as described under "--Remarketing" below or a tax event redemption, we will exercise our rights as a secured party to dispose of the trust preferred securities in accordance with applicable law; and
- in the case of Treasury PEPS Units or, in the event that the treasury portfolio has replaced the trust preferred securities as a component of the PEPS Units as the result of a successful initial remarketing of the trust preferred securities or a tax event redemption, in the case of PEPS Units, the principal amount of the related treasury

Edgar Filing: PPL CORP - Form 424B2

securities, or the appropriate applicable ownership interest of the treasury portfolio, as applicable, when paid at maturity, will automatically be applied to satisfy in full the holder's obligation to purchase common stock under the related purchase contracts.

The common stock will then be issued and delivered to the holder or the holder's designee, upon presentation and surrender of the certificate evidencing the PEPS Units or Treasury PEPS Units and payment by the holder of any transfer or similar taxes payable in connection with the issuance of the common stock to any person other than the holder.

S-61

61

Each purchase contract that is a part of a PEPS Unit or a Treasury PEPS Unit will obligate its holder to purchase, and PPL Corporation to sell, on the purchase contract settlement date (unless the purchase contract terminates prior to that date or is settled early at the holder's option), a number of shares of our common stock equal to the settlement rate, for \$25 in cash. The number of shares of our common stock issuable upon settlement of each purchase contract on the purchase contract settlement date (which we refer to as the "settlement rate") will be determined as follows, subject to adjustment as described under "--Anti-Dilution Adjustments" below:

- if the average of the closing prices of our common stock on the 20 trading days ending on the third trading day prior to the purchase contract settlement date is equal to or greater than \$65.03, the "threshold appreciation price," then each purchase contract will be settled for .3845 shares;
- if the average of the closing prices of our common stock on the 20 trading days ending on the third trading day prior to the purchase contract settlement date, is less than \$65.03 but greater than the closing price of our common stock on the date of this prospectus supplement, the "reference price," then each purchase contract will be settled for a number of shares having a value, based on such 20-trading day average, equal to \$25; and
- if the average of the closing prices of our common stock on the 20 trading days ending on the third trading day prior to the purchase contract settlement date is less than or equal to the reference price, then each purchase contract will be settled for .4690 shares.

Except under the limited circumstances described under "--Anti-Dilution Adjustments," if you elect to settle your purchase contract early, the number of shares of our common stock issuable upon settlement of such purchase contract will be .3845.

FOR ILLUSTRATIVE PURPOSES ONLY, THE FOLLOWING TABLE SHOWS THE FRACTION OF A SHARE OF OUR COMMON STOCK ISSUABLE UPON SETTLEMENT OF EACH PURCHASE CONTRACT AT VARIOUS ASSUMED VALUES FOR THE AVERAGE OF THE CLOSING PRICES OF OUR COMMON STOCK ON THE 20 TRADING DAYS ENDING ON THE THIRD TRADING DAY PRIOR TO THE PURCHASE CONTRACT SETTLEMENT DATE, THE "APPLICABLE MARKET VALUE." The \$65.03 threshold appreciation price represents an appreciation of 22% above the reference price of \$53.30. The table assumes that there will be no adjustments to the settlement rate described under "--Anti-Dilution Adjustments" below. We cannot assure you that the actual applicable market value will be within the range set forth below. A holder of a PEPS Unit or a Treasury PEPS Unit will receive on the purchase contract settlement date, in settlement of each purchase contract, the following fractions of a share of our common stock at the following assumed applicable market values:

Edgar Filing: PPL CORP - Form 424B2

ASSUMED APPLICABLE MARKET VALUE	FRACTION OF A SHARE OF OUR COMMON STOCK
\$35	0.4690
\$40	0.4690
\$45	0.4690
\$50	0.4690
\$55	0.4545
\$60	0.4167
\$65	0.3846
\$70	0.3845
\$75	0.3845
\$80	0.3845
\$85	0.3845
\$90	0.3845

As the above table illustrates, if, on the purchase contract settlement date, the applicable market value of a share of our common stock is greater than or equal to the threshold appreciation price of \$65.03, we would be obligated to deliver .3845 shares of our common stock for each purchase contract. As a result, the holder would receive 82% of the appreciation in the market value of the shares of our common stock underlying each

S-62

62

purchase contract above \$65.03. If, on the purchase contract settlement date, the applicable market value of a share of our common stock is less than the threshold appreciation price of \$65.03 but greater than the reference price of \$53.30, we would be obligated to deliver a number of shares of our common stock having a value, based on the applicable market value, equal to \$25 and we would retain all appreciation in the market value of the shares of our common stock underlying each purchase contract for that period. If, on the purchase contract settlement date, the applicable market value of a share of our common stock is less than or equal to the reference price of \$53.30, we would be obligated to deliver in settlement of the purchase contract .4690 shares of our common stock for each purchase contract, regardless of the market price of the shares of our common stock. As a result, the holder would realize the entire loss on the decline in market value of the shares of our common stock underlying each purchase contract for that period.

The term "closing price" of shares of our common stock means, on any date of determination (1) the closing sale price (or, if no closing sale price is reported, the reported last sale price) of shares of our common stock on the New York Stock Exchange on such date or, if shares of our common stock are not listed for trading on the New York Stock Exchange on any such date, as reported in the composite transactions for the principal United States securities exchange on which the shares of our common stock are so listed, or if shares of our common stock are not so listed on a United States national or regional securities exchange, as reported by the Nasdaq National Market or (2) if shares of our common stock are not so reported, the last quoted bid price for the shares of our common stock in the over-the-counter market as reported by the National Quotation Bureau or a similar organization, or, if such bid price is not available, the average of the mid-point of the last bid and ask prices of shares of our common stock on such date from at least three nationally recognized independent investment banking firms retained for this purpose by us.

The term "trading day" means a day on which the shares of our common stock

Edgar Filing: PPL CORP - Form 424B2

(1) are not suspended from trading on any national or regional securities exchange or association or over-the-counter market at the close of business and (2) has traded at least once on the national or regional securities exchange or association or over-the-counter market that is the primary market for the trading of the shares of our common stock.

We will not issue any fractional shares of our common stock upon settlement of a purchase contract. Instead of a fractional share, the holder will receive an amount of cash equal to such fraction multiplied by the applicable market value. If, however, a holder surrenders for settlement at one time more than one purchase contract, then the number of shares of our common stock issuable pursuant to such purchase contracts will be computed based upon the aggregate number of purchase contracts surrendered.

Prior to the settlement of a purchase contract, the shares of our common stock underlying each purchase contract will not be outstanding, and the holder of the purchase contract will not have any voting rights, rights to dividends or other distributions or other rights of a holder of our common stock by virtue of holding such purchase contract.

By purchasing a PEPS Unit or a Treasury PEPS Unit, a holder will be deemed to have, among other things:

- irrevocably authorized the purchase contract agent as its attorney-in-fact to enter into and perform that holder's obligations under the related purchase contract and pledge agreement on behalf of such holder;
- agreed to be bound by the terms and provisions of the related purchase contract; and
- agreed to be bound by the pledge arrangement contained in the related pledge agreement.

In addition, each holder will be deemed to have agreed to treat itself as the owner of the related trust preferred security, treasury security or applicable ownership interest of the treasury portfolio, as the case may be, and to treat the subordinated notes of PPL Capital Funding as indebtedness for United States federal, state and local income and franchise tax purposes.

S-63

63

REMARKETING

Pursuant to the remarketing agreement and subject to the terms of the supplemental remarketing agreement among the remarketing agent, the purchase contract agent, the Trust, PPL Capital Funding and PPL Corporation, unless a tax event redemption has occurred or you deliver cash in the amount of the treasury portfolio to the securities intermediary to purchase the treasury portfolio on your behalf prior to or on the fifth business day preceding February 18, 2004, your trust preferred securities will be remarketed on the third business day immediately preceding February 18, 2004. Following a failed attempt to remarket on this date, the remarketing agent will use its reasonable efforts in its discretion to remarket all of the trust preferred securities from time to time prior to the tenth business day preceding May 18, 2004. Instead of participating in an additional remarketing, you can deliver cash in an amount sufficient to purchase the treasury portfolio plus any fees or expenses to the remarketing agent or its designated entity on the second business day immediately preceding any additional remarketing to purchase the treasury portfolio on your behalf. We refer to any such additional remarketing as an "additional remarketing," and, collectively with the first remarketing on the third business day preceding

Edgar Filing: PPL CORP - Form 424B2

February 18, 2004, as the "initial remarketing." In addition, we refer to any initial remarketing that is successful as the "successful initial remarketing."

The remarketing agent will notify PPL Corporation, the securities intermediary and the purchase contract agent of any additional remarketing that it plans to conduct as soon as practical, but no less than three business days in advance of the additional remarketing. Any holder of trust preferred securities that have been separated from PEPS Units may elect to participate in an additional remarketing as described below under "--Optional Remarketing."

The remarketing agent will use its reasonable efforts in any initial remarketing to remarket these trust preferred securities at an aggregate price of approximately 100.25% of the treasury portfolio price described below. The portion of proceeds from the remarketing equal to the treasury portfolio purchase price will be applied to purchase a treasury portfolio consisting of:

- zero-coupon interest or principal strips of U.S. Treasury securities that mature on or prior to May 17, 2004 in an aggregate amount equal to the liquidation preference of the trust preferred securities included in PEPS Units; and
- zero-coupon interest or principal strips of U.S. Treasury securities that mature on or prior to May 17, 2004 in an aggregate amount equal to the aggregate distribution payment that would be due on that date on the stated liquidation amount of the trust preferred securities included in PEPS Units if the distribution rate on the trust preferred securities were not reset as described under "Description of the Trust Preferred Securities--Distribution Rate Reset" below.

The treasury portfolio will be substituted for the trust preferred securities and will be pledged to the collateral agent to secure the PEPS Unit holders' obligation to purchase our common stock under the purchase contracts.

In addition, the remarketing agent may deduct, as a remarketing fee, an amount not exceeding 25 basis points (.25%) of the treasury portfolio purchase price from any amount of the proceeds in excess of the treasury portfolio purchase price. The remarketing agent will then remit any remaining portion of the proceeds to the purchase contract agent for prompt payment to the holders. PEPS Unit holders whose trust preferred securities are remarketed will not otherwise be responsible for the payment of any remarketing fee in connection with the remarketing.

As used in this context, "treasury portfolio purchase price" means the lowest aggregate price quoted by a primary U.S. government securities dealer in New York City to the quotation agent on the third business day immediately preceding February 18, 2004, or from time to time thereafter on the date of any successful initial remarketing, for the purchase of the treasury portfolio described above for settlement on February 18, 2004, or from time to time thereafter on the third business day following the date of an additional remarketing that is successful.

S-64

64

"Quotation agent" means Morgan Stanley & Co. Incorporated or its successor or any other primary U.S. government securities dealer in New York City selected by us.

If (1) despite using its reasonable efforts, the remarketing agent cannot remarket the related trust preferred securities, other than to PPL Corporation, at a price equal to or greater than 100% of the treasury portfolio purchase price, or (2) the remarketing has not occurred because a condition precedent to

Edgar Filing: PPL CORP - Form 424B2

the remarketing has not been fulfilled, in each case resulting in a failed initial remarketing, the trust preferred securities will continue to be a component of PEPS Units, and another remarketing may be attempted as described below.

If the initial remarketing has failed, and unless a tax event redemption has occurred, PEPS Unit holders have the option to notify the purchase contract agent on or prior to the fifth business day immediately preceding May 18, 2004 of their intention to settle the related purchase contracts with separate cash and provide such cash on or prior to the fourth business day preceding May 18, 2004. The trust preferred securities of any holder who has failed to give this notice and deliver such cash will be remarketed on the third business day immediately preceding May 18, 2004, which we refer to as the "final remarketing."

The remarketing agent will then use its reasonable efforts to remarket these trust preferred securities at a price of approximately 100.25% of the aggregate stated liquidation amount. The portion of the proceeds from this final remarketing equal to the aggregate stated liquidation amount of the trust preferred securities will be automatically applied to satisfy in full the PEPS Unit holders' obligations to purchase our common stock.

In addition, the remarketing agent may deduct, as a remarketing fee, an amount not exceeding 25 basis points (.25%) of the aggregate stated liquidation amount of the remarketed trust preferred securities from any amount of the proceeds in excess of the aggregate stated liquidation amount of the remarketed trust preferred securities. The remarketing agent will then remit any remaining portion of the proceeds for the benefit of the holders. PEPS Unit holders whose trust preferred securities are remarketed will not otherwise be responsible for the payment of any remarketing fee in connection with the remarketing.

If (1) despite using its reasonable efforts, the remarketing agent cannot remarket the related trust preferred securities in the final remarketing, other than to PPL Corporation, at a price equal to or greater than 100% of the aggregate stated liquidation amount of the trust preferred securities, or (2) the remarketing has not occurred because a condition precedent to the remarketing has not been fulfilled, in each case resulting in a failed final remarketing, we will exercise our rights as a secured party to dispose of the trust preferred securities in accordance with applicable law and such disposition will be deemed to satisfy in full each holder's obligation to purchase our common stock under the related purchase contracts.

We will cause a notice of any failed remarketing to be published on the business day immediately following the date of a failed initial or final remarketing, by publication in a daily newspaper in the English language of general circulation in The City of New York, which is expected to be The Wall Street Journal. In addition, PPL Corporation will request in the case of the initial remarketing on the third business day preceding February 18, 2004 and in the case of the final remarketing on the third business day preceding May 18, 2004, as applicable, not later than seven nor more than 15 calendar days prior to a remarketing date, that the depositary notify its participants holding trust preferred securities, PEPS Units and Treasury PEPS Units of the remarketing. In the case of any additional remarketing subsequent to February 18, 2004, such request will be made as soon as practical after PPL Corporation is notified of an additional remarketing by the remarketing agent. If required, we will endeavor to ensure that a registration statement with regard to the full amount of the trust preferred securities to be remarketed will be effective in a form that will enable the remarketing agent to rely on it in connection with the remarketing process.

REMARKETING AGENT

Edgar Filing: PPL CORP - Form 424B2

The remarketing agent will be Morgan Stanley & Co. Incorporated. PPL Corporation, PPL Capital Funding, the Trust and the remarketing agent will enter into the remarketing agreement which provides, among other things, that Morgan Stanley & Co. Incorporated will act as the exclusive remarketing agent and will use reasonable efforts to remarket trust preferred securities tendered. Under certain circumstances, some

S-65

65

portion of the trust preferred securities tendered in the remarketing may be purchased by the remarketing agent.

The remarketing agreement provides that the remarketing agent will incur no liability to PPL Corporation, PPL Capital Funding or the Trust or to any holder of PEPS Units, trust preferred securities in its individual capacity or as remarketing agent for any action or failure to act in connection with a remarketing or otherwise, except as a result of the negligence or willful misconduct on its part.

We and the Trust have agreed to indemnify the remarketing agent against certain liabilities, including liabilities under the Securities Act of 1933, arising out of or in connection with its duties under the remarketing agreement.

The remarketing agreement also will provide that the remarketing agent may resign and be discharged from its duties and obligations under the remarketing agreement. No such resignation, however, will become effective unless a nationally recognized broker-dealer has been appointed by us as successor remarketing agent and that successor remarketing agent has entered into a remarketing agreement with the Trust and us. In such case, we will use reasonable efforts to appoint a successor remarketing agent and enter into a remarketing agreement with such person as soon as reasonably practicable.

EARLY SETTLEMENT

Unless the treasury portfolio has replaced the trust preferred securities as a component of the PEPS Units as a result of a successful initial remarketing or a tax event redemption, a holder of PEPS Units may settle the related purchase contract at any time on or prior to 5:00 p.m., New York City time, on the fifth business day immediately preceding May 18, 2004 by delivering to the purchase contract agent (1) a completed "Election to Settle Early" form and (2) a cash payment in the form of a wire transfer of immediately available funds payable to, or upon the order of, PPL Corporation in an amount equal to:

- \$25 times the number of purchase contracts being settled; plus
- if the delivery is made with respect to any purchase contract during the period from the close of business on any record date next preceding any payment date to the opening of business on such payment date, an amount equal to the contract adjustment payments payable on the payment date with respect to the purchase contract.

If you are a Treasury PEPS Unit holder you may settle your purchase contracts early only in integral multiples of 40 purchase contracts at any time on or prior to the second business day immediately preceding May 18, 2004 by delivering to the purchase contract agent (1) a completed "Election to Settle Early" form and (2) a cash payment in immediately available funds of an amount equal to:

- \$25 times the number of purchase contracts being settled; plus
- if the delivery is made with respect to any purchase contract during

Edgar Filing: PPL CORP - Form 424B2

the period from the close of business on any record date next preceding any payment date to the opening of business on such payment date, an amount equal to the contract adjustment payments payable on the payment date with respect to the purchase contract.

Upon early settlement, we will sell, and the holder will be entitled to buy, .3845 shares of our common stock for each purchase contract being settled (regardless of the market price of one share of our common stock on the date of early settlement), subject to adjustment under the circumstances described under "--Anti-Dilution Adjustments" below. We will cause (1) the shares of our common stock to be delivered and (2) the related trust preferred security or treasury security, as the case may be, securing such purchase contract to be released from the pledge under the pledge agreement, and, within three business days following the settlement date, each will be transferred to the purchase contract agent for delivery to the holder. The holder's right to receive future contract adjustment payments will terminate, and no adjustment will be made to or for the holder on account of any amounts accrued in respect of contract adjustment payments.

S-66

66

If the purchase contract agent receives a completed "Election to Settle Early" and payment of \$25 for each purchase contract being settled earlier than 5:00 p.m., New York City time, on any business day, then that day will be considered the settlement date. If the purchase contract agent receives the foregoing on or after 5:00 p.m., New York City time, on any business day or at any time on a day that is not a business day, then the next business day will be considered the settlement date. As long as the PEPS Units or Treasury PEPS Units, as applicable, are evidenced by one or more global PEPS Unit or Treasury PEPS Unit certificates deposited with DTC, procedures for early settlement also will be governed by standing arrangements between DTC and the purchase contract agent.

NOTICE TO SETTLE WITH CASH

Unless the treasury portfolio has replaced the trust preferred securities as a component of PEPS Units as a result of a successful initial remarketing of the trust preferred securities or a tax event redemption, a holder of PEPS Units may settle the related purchase contract with separate cash on the fourth business day immediately preceding May 18, 2004. A holder of a PEPS Unit wishing to settle the related purchase contract with cash must notify the purchase contract agent by delivering the PEPS Unit certificate evidencing the PEPS Unit at the offices of the purchase contract agent with the "Notice to Settle with Cash" prior to 5:00 p.m., New York City time, on the fourth business day preceding May 18, 2004. If you hold a Treasury PEPS Unit, you have until 5:00 p.m., New York City time, on the second business day preceding May 18, 2004 to deliver your "Notice to Settle with Cash." A Treasury PEPS Unit holder may only settle its purchase contracts in integral multiples of 40 purchase contracts.

The holder must also deliver to the securities intermediary a cash payment in the form of a wire transfer of immediately available funds payable to, or upon the order of the securities intermediary. Such payment must be delivered, in the case of PEPS Units, prior to 5:00 p.m., New York City time, on the fourth business day preceding May 18, 2004. If you hold a Treasury PEPS Unit, you have until 5:00 p.m., New York City time, on the business day immediately preceding May 18, 2004 to deliver your payment.

Upon receipt of the cash payment, the related trust preferred security or treasury security, as the case may be, will be released from the pledge arrangement and transferred to the purchase contract agent for distribution to the holder of the related PEPS Unit. The holder of the PEPS Unit will then

Edgar Filing: PPL CORP - Form 424B2

receive the applicable number of shares of our common stock on the purchase contract settlement date.

If a holder that has given notice of its intention to settle with cash fails to deliver the cash by the applicable time and date specified above, such holder's trust preferred security will automatically be remarketed if a successful remarketing has not taken place. Otherwise, we will exercise our right as a secured party to dispose of, in accordance with applicable law, the related trust preferred securities, and such disposition will be deemed to satisfy in full the holder's obligation to purchase common stock under the related purchase contracts.

Any cash received by the securities intermediary upon cash settlement will be invested promptly in permitted investments and paid to us on the purchase contract settlement date. Any funds received by the securities intermediary in excess of the funds necessary to settle the purchase contracts in respect of the investment earnings from such investments will be distributed to the purchase contract agent for payment to the holders who settled with cash.

CONTRACT ADJUSTMENT PAYMENTS

Contract adjustment payments in respect of PEPS Units and Treasury PEPS Units will be fixed at a rate per year of .46% of the stated amount per purchase contract. Contract adjustment payments payable for any period will be computed on the basis of a 360-day year of twelve 30-day months. Contract adjustment payments will accrue from May 9, 2001 and will be payable quarterly in arrears on February 18, May 18, August 18 and November 18 of each year, commencing August 18, 2001.

Contract adjustment payments will be payable to the holders of purchase contracts as they appear on the books and records of the purchase contract agent on the relevant record dates, which will be on the first day of

S-67

67

the month in which the relevant payment date falls. These distributions will be paid through the purchase contract agent, who will hold amounts received in respect of the contract adjustment payments for the benefit of the holders of the purchase contracts relating to the PEPS Units and Treasury PEPS Units. Subject to any applicable laws and regulations, each such payment will be made as described under "Book Entry Systems."

If any date on which contract adjustment payments are to be made on the purchase contracts related to the PEPS Units and Treasury PEPS Units is not a business day, then payment of the contract adjustment payments payable on that date will be made on the next succeeding day which is a business day, and no interest or payment will be paid in respect of the delay. However, if that business day is in the next succeeding calendar year, that payment will be made on the immediately preceding business day, in each case with the same force and effect as if made on that payment date. A "business day" means any day other than a Saturday, Sunday or any other day on which banking institutions and trust companies in The City of New York are permitted or required by any applicable law to close.

Our obligations with respect to contract adjustment payments will be subordinated and junior in right of payment to our obligations under any of our senior indebtedness.

ANTI-DILUTION ADJUSTMENTS

The formula for determining the settlement rate will be adjusted if certain

Edgar Filing: PPL CORP - Form 424B2

events occur, including:

- the payment of dividends (and other distributions) on our common stock made in our common stock;
- the issuance to all holders of our common stock of rights, warrants or options entitling them, for a period of up to 45 days, to subscribe for or purchase our common stock at less than the "current market price," as defined below, of our common stock;
- subdivisions, splits or combinations of our common stock;
- distributions to all holders of our common stock of evidences of PPL Corporation indebtedness, shares of capital stock, securities, cash or property (excluding any dividend or distribution covered by the first and second bullets above and any dividend or distribution paid exclusively in cash);
- distributions consisting exclusively of cash to all holders of our common stock, excluding any quarterly cash dividend on our common stock to the extent that the aggregate cash dividend per share of our common stock in any fiscal quarter does not exceed \$.265, and excluding any dividend or distribution in connection with a liquidation, dissolution or termination of PPL Corporation (if an adjustment is required to be made as set forth in this clause as a result of a distribution (1) that is a quarterly dividend, such an adjustment would be based on the amount by which such dividend exceeds \$.265 or (2) that is not a quarterly dividend, such an adjustment would be based on the full amount of such distribution); and
- the successful completion of a tender or exchange offer made by PPL Corporation or any of its subsidiaries for its common stock that involves an aggregate consideration having a fair market value that, when combined with (a) any cash and the fair market value of other consideration payable in respect of any tender or exchange offer by PPL Corporation or any of its subsidiaries for its common stock concluded within the preceding 12 months and (b) the aggregate amount of any all-cash distributions to all holders of our common stock made within the preceding 12 months exceeds 15% of PPL Corporation's aggregate market capitalization on the expiration of such tender or exchange offer.

The term "current market price" per share of our common stock on any day means the average of the daily closing prices for the five consecutive trading days selected by us commencing not more than 30 trading days before, and ending not later than, the earlier of the day in question and the day before the "ex date" with respect to the issuance or distribution requiring such computation. For purposes of this paragraph, the term "ex date," when used with respect to any issuance or distribution, will mean the first date on which the shares of our common stock trade on the applicable exchange or in the applicable market without the right to receive such issuance or distribution.

In the case of certain reclassifications, consolidations, mergers, sales or transfers of assets or other transactions pursuant to which our common stock is converted into the right to receive other securities, cash or property, each purchase contract then outstanding would become, without the consent of the holder of the

Edgar Filing: PPL CORP - Form 424B2

related PEPS Unit or Treasury PEPS Unit, as the case may be, a contract to purchase only the kind and amount of securities, cash and other property receivable upon consummation of the transaction by a holder of the number of shares that would have been received by the holder of the related PEPS Unit or Treasury PEPS Unit if the purchase contract settlement date had occurred immediately prior to the date of consummation of such transaction.

In the case of PPL Corporation's consolidation with or merger into any other person, any merger of another person into PPL Corporation (other than a merger that does not result in any reclassification, conversion, exchange or cancellation of outstanding shares of our common stock) in which 30% or more of the total consideration paid to PPL Corporation's shareholders consists of cash or cash equivalents, you may settle your purchase contract with cash during the one-week period beginning on the twenty-third trading day following the closing date of the merger at the applicable settlement rate. For this purpose, the twenty-third trading day after the closing date of the merger will be deemed to be the "purchase contract settlement date" for the purpose of determining the "applicable market value."

If at any time PPL Corporation makes a distribution of property to holders of its common stock that would be taxable to such shareholders as a dividend for United States federal income tax purposes (i.e., distributions of evidences of PPL Corporation's indebtedness or assets, but generally not stock dividends or rights to subscribe for capital stock) and, pursuant to the settlement rate adjustment provisions of the purchase contract agreement, the settlement rate is increased, such increase may give rise to a taxable dividend to holders of the PEPS Units and Treasury PEPS Units. See "United States Federal Income Tax Consequences--PEPS Units--Purchase Contracts--Adjustment to Settlement Rate" in this prospectus supplement.

In addition, we may make such increases in the settlement rate as we deem advisable in order to avoid or diminish any income tax to holders of our common stock resulting from any dividend or distribution of our common stock (or rights to acquire our common stock) or from any event treated as such for income tax purposes or for any other reason.

Adjustments to the settlement rate will be calculated to the nearest 1/10,000th of a share. No adjustment in the settlement rate will be required unless such adjustment would require an increase or decrease of at least 1% in the settlement rate; provided that any adjustments not made by reason of the foregoing will be carried forward and taken into account in any subsequent adjustment.

Whenever the settlement rate is adjusted, PPL Corporation must deliver to the purchase contract agent a certificate setting forth the settlement rate, detailing the calculation of the settlement rate and describing the facts upon which the adjustment is based. In addition, PPL Corporation must notify the holders of the PEPS Units and Treasury PEPS Units of the adjustment within ten business days of any event requiring such adjustment and describe in reasonable detail the method by which the settlement rate was adjusted.

Each adjustment to the settlement rate will result in a corresponding adjustment to the number of shares of our common stock issuable upon early settlement of a purchase contract.

If an adjustment is made to the settlement rate, an adjustment also will be made to the applicable market value solely to determine which settlement rate will be applicable on the purchase contract settlement date.

TERMINATION

The purchase contracts and the obligations and rights of PPL Corporation

Edgar Filing: PPL CORP - Form 424B2

and of the holders of the PEPS Units and Treasury PEPS Units thereunder (including the holders' obligation and right to purchase and receive shares of our common stock and the right to receive accrued contract adjustment payments) will terminate automatically upon the occurrence of certain events of bankruptcy, insolvency or reorganization with respect to PPL Corporation. Upon such termination, the collateral agent will release the related trust preferred securities, applicable ownership interests of the treasury portfolio or treasury securities, as the case may be, from the pledge arrangement and cause the securities intermediary to transfer such trust preferred securities, applicable ownership interests of the treasury portfolio or treasury securities to the purchase contract agent for distribution to the holders of the PEPS Units and Treasury PEPS Units subject, in the case

S-69

69

of the applicable ownership interest of the treasury portfolio, to the purchase contract agent's disposition of the subject securities for cash and the payment of such cash to the holders to the extent that the holders otherwise would have been entitled to receive less than \$1,000 of any such security. Upon such termination, however, such release and distribution may be subject to a delay. In the event that PPL Corporation becomes the subject of a case under the Bankruptcy Code, such delay may occur as a result of the automatic stay under the Bankruptcy Code and continue until such automatic stay has been lifted. We expect any such delay to be limited.

PLEGGED SECURITIES AND PLEDGE

The trust preferred securities that are a part of the PEPS Units (or the applicable ownership interests of the treasury portfolio that are a part of the PEPS Units, if a successful initial remarketing or a tax event redemption has occurred) or, if substituted, the treasury securities that are a part of the Treasury PEPS Units (collectively, the "pledged securities") will be pledged to the collateral agent for our benefit pursuant to the pledge agreement to secure your obligation to purchase shares of our common stock under the related purchase contracts. The rights of the holders of the PEPS Units and Treasury PEPS Units with respect to such pledged securities will be subject to PPL Corporation's security interest therein. No holder of PEPS Units or Treasury PEPS Units will be permitted to withdraw the pledged securities related to such PEPS Units or Treasury PEPS Units from the pledge arrangement except:

- in the case of a PEPS Unit, to substitute a treasury security for the related trust preferred security;
- in the case of a Treasury PEPS Unit, to substitute trust preferred securities for the related treasury security (for this bullet point and the one above, as provided for under "Description of the PEPS Units--Creating Treasury PEPS Units by Substituting a Treasury Security for Trust Preferred Securities" and "--Recreating PEPS Units" in this prospectus supplement); and
- upon early settlement, settlement for cash or termination of the related purchase contracts.

Subject to PPL Corporation's security interest and the terms of the purchase contract agreement and the pledge agreement, each holder of PEPS Units (unless the treasury portfolio has replaced the trust preferred securities as a component of PEPS Units as a result of a successful remarketing or a tax event redemption) will be entitled, through the purchase contract agent and the collateral agent, to all of the proportional rights and preferences of the related trust preferred securities (including distribution, voting, redemption, repayment and liquidation rights), and each holder of Treasury PEPS Units or

Edgar Filing: PPL CORP - Form 424B2

PEPS Units (if the treasury portfolio has replaced the trust preferred securities as a component of PEPS Units as a result of a successful initial remarketing or a tax event redemption) will retain beneficial ownership of the related treasury securities or applicable ownership interest of the treasury portfolio, as applicable, pledged in respect of the related purchase contracts. PPL Corporation will have no interest in the pledged securities other than its security interest.

Upon receipt of distributions on the pledged securities, the securities intermediary will distribute such payments to the purchase contract agent, which in turn will distribute those payments, together with contract adjustment payments received from us, to the holders in whose names the PEPS Units or Treasury PEPS Units are registered at the close of business on the record date preceding the date of such distribution.

S-70

70

CERTAIN PROVISIONS OF THE PURCHASE CONTRACTS, THE PURCHASE CONTRACT AGREEMENT AND THE PLEDGE AGREEMENT

GENERAL

Payments on the PEPS Units and Treasury PEPS Units will be payable, the purchase contracts will be settled and transfers of the PEPS Units and Treasury PEPS Units will be registrable at the office of the purchase contract agent in the Borough of Manhattan, New York City. In addition, if the PEPS Units or Treasury PEPS Units do not remain in book-entry form, we have the option to make payments on the PEPS Units and Treasury PEPS Units by check mailed to the address of the person entitled thereto as shown on the security register.

No service charge will be made for any registration of transfer or exchange of the PEPS Units or Treasury PEPS Units, except for any tax or other governmental charge that may be imposed in connection therewith.

MODIFICATION

Subject to certain limited exceptions, we and the purchase contract agent may not modify the terms of the purchase contracts or the purchase contract agreement without the consent of the holders of not less than a majority of the outstanding purchase contracts, except that no such modification may, without the consent of the holder of each outstanding purchase contract affected thereby:

- change any payment date;
- change the amount or type of collateral required to be pledged to secure a holder's obligations under the purchase contract, impair the right of the holder of any purchase contract to receive distributions on such collateral, or otherwise adversely affect the holder's rights in or to such collateral;
- change the place or currency of payment or reduce any contract adjustment payments;
- impair the right to institute suit for the enforcement of a purchase contract or any contract adjustment payments;
- reduce the number of shares of our common stock purchasable under a purchase contract, increase the purchase price of the shares of our common stock on settlement of any purchase contract, change the purchase contract settlement date or otherwise adversely affect the

Edgar Filing: PPL CORP - Form 424B2

holder's rights under a purchase contract; or

- reduce the above-stated percentage of outstanding purchase contracts whose holders' consent is required for the modification or amendment of the provisions of the purchase contracts, the purchase contract agreement or the pledge agreement;

provided that if any amendment or proposal would adversely affect only the PEPS Units or only the Treasury PEPS Units, then only the affected voting group of holders will be entitled to vote on such amendment or proposal, and such amendment or proposal will not be effective except with the consent of the holders of not less than a majority of such voting group or, if referred to in the first through sixth bullets above, all of the holders of such voting group.

Subject to certain limited exceptions, we, the collateral agent, the securities intermediary and the purchase contract agent may not modify the terms of the pledge agreement without the consent of the holders of not less than a majority of the outstanding purchase contracts, except that no such modification may, without the consent of the holder of each outstanding purchase contract affected thereby:

- change the amount or type of collateral required to be pledged to secure a holder's obligations under the purchase contract, impair the right of the holder of any purchase contract to receive interest payments on such collateral or otherwise adversely affect the holder's rights in or to such collateral;
- otherwise effect any action that under the purchase contract agreement would require the consent of the holders of each outstanding purchase contract affected thereby; or

S-71

71

- reduce the above-stated percentage of outstanding purchase contracts whose holders' consent is required for the modification or amendment;

provided that if any amendment or proposal would adversely affect only the PEPS Units or only the Treasury PEPS Units, then only the affected voting group of holders will be entitled to vote on such amendment or proposal, and such amendment or proposal will not be effective except with the consent of the holders of not less than a majority of such voting group or, if referred to in the first through third bullets above, all of the holders of such voting group.

NO CONSENT TO ASSUMPTION

Each holder of a PEPS Unit or a Treasury PEPS Unit will be deemed under the terms of the purchase contract agreement, by the purchase of such PEPS Unit or Treasury PEPS Unit, to have expressly withheld any consent to the assumption (i.e., affirmance) of the related purchase contracts by PPL Corporation, its receiver, liquidator or trustee in the event that PPL Corporation becomes the subject of a case under the Bankruptcy Code or other similar state or federal law providing for reorganization or liquidation.

MERGER, SALE OR LEASE

PPL Corporation will covenant in the purchase contract agreement that it will not merge or consolidate with any other entity or sell, assign, transfer, lease or convey all or substantially all of its properties and assets to any other entity or group of affiliated entities unless:

- either PPL Corporation is the continuing corporation or the successor

Edgar Filing: PPL CORP - Form 424B2

corporation is a corporation organized under the laws of the United States of America, a state thereof or the District of Columbia and such corporation expressly assumes all of PPL Corporation's obligations under the purchase contracts, the purchase contract agreement and the pledge agreement by one or more supplemental agreements in form reasonably satisfactory to the purchase contract agent and the collateral agent; and

- PPL Corporation or such successor corporation is not, immediately after such merger, consolidation, sale, assignment, transfer, lease or conveyance, in default in the performance of any of its obligations thereunder.

GOVERNING LAW

The purchase contracts, the purchase contract agreement and the pledge agreement will be governed by, and construed in accordance with, the laws of the State of New York.

INFORMATION CONCERNING THE PURCHASE CONTRACT AGENT

The Chase Manhattan Bank will be the purchase contract agent. The purchase contract agent will act as the agent for the holders of the PEPS Units and Treasury PEPS Units. The purchase contract agent will not be obligated to take any discretionary action in connection with a default under the terms of the PEPS Units, the Treasury PEPS Units or the purchase contract agreement.

The purchase contract agreement will contain provisions limiting the liability of the purchase contract agent. The purchase contract agreement also will contain provisions under which the purchase contract agent may resign or be replaced. Such resignation or replacement will be effective upon the appointment of a successor.

INFORMATION CONCERNING THE COLLATERAL AGENT

The Bank of New York will be the collateral agent. The collateral agent will act solely as our agent and will not assume any obligation or relationship of agency or trust for or with any of the holders of the PEPS Units and the Treasury PEPS Units except for the obligations owed by a pledgee of property to the owner thereof under the pledge agreement and applicable law.

S-72

72

The pledge agreement will contain provisions limiting the liability of the collateral agent. The pledge agreement also will contain provisions under which the collateral agent may resign or be replaced. Such resignation or replacement will be effective upon the appointment of a successor.

INFORMATION CONCERNING THE SECURITIES INTERMEDIARY

The Bank of New York will be the securities intermediary. All property delivered to the securities intermediary pursuant to the purchase contract agreement or the pledge agreement will be credited to a collateral account established by the securities intermediary for the collateral agent. The securities intermediary will treat the purchase contract agent as entitled to exercise all rights relating to any financial asset credited to such collateral account, subject to the provisions of the pledge agreement.

MISCELLANEOUS

The purchase contract agreement will provide that we will pay all fees and

Edgar Filing: PPL CORP - Form 424B2

expenses related to (1) the retention of the collateral agent and the securities intermediary and (2) the enforcement by the purchase contract agent of the rights of the holders of the PEPS Units and Treasury PEPS Units. Holders who elect to substitute the related pledged securities, thereby creating Treasury PEPS Units or recreating PEPS Units, however, will be responsible for any fees or expenses payable in connection with such substitution, as well as for any commissions, fees or other expenses incurred in acquiring the pledged securities to be substituted. We will not be responsible for any such fees or expenses.

DESCRIPTION OF THE TRUST PREFERRED SECURITIES

The following description is a summary of the terms of the trust preferred securities. It supplements the description of the preferred trust securities in the accompanying prospectus and, to the extent it is inconsistent with the accompanying prospectus, replaces the description in the accompanying prospectus. The trust preferred securities, which initially form a part of the PEPS Units and which, under certain circumstances, will trade separately from the purchase contracts also forming a part of the PEPS Units, will be issued pursuant to the terms of the declaration of trust. The terms of the trust preferred securities will include those stated in the declaration of trust and those made part of the declaration of trust by the Trust Indenture Act.

The following description of certain terms of the trust preferred securities and certain provisions of the declaration of trust in this prospectus supplement and their description in the accompanying prospectus contain a description of certain of their terms but do not purport to be complete, and reference is hereby made to the copy of the declaration of trust (including the definitions of certain terms used therein) that is filed as an exhibit or incorporated by reference to the registration statement, the Delaware Business Trust Act and the Trust Indenture Act.

SECURITIES ISSUABLE BY THE TRUST

The declaration of trust authorizes the Trust to issue the trust preferred securities and the trust common securities. The trust preferred securities and the trust common securities represent undivided beneficial interests in the assets of the Trust. PPL Capital Funding will own all of the trust common securities. PPL Capital Funding may transfer the trust common securities only to an affiliate that is a U.S. person for U.S. federal income tax purposes. The trust preferred securities and the trust common securities will generally have equivalent terms, except that:

- if an event of default under the declaration of trust occurs and is continuing, the holders of the trust preferred securities will have the right to receive periodic distributions and liquidation, redemption and other payments before the holder of the trust common securities receives any payments and
- the holder of trust common securities will have the exclusive right to dissolve the Trust or to appoint, remove or replace the trustees and to increase or decrease the number of trustees.

S-73

73

DISTRIBUTIONS

As a beneficial owner of the subordinated notes, you will be entitled to receive cash distributions on your trust preferred security that will accumulate and be payable initially at a rate per year of 7.29% of the stated liquidation amount of \$25 per trust preferred security to, but excluding the date on which the reset rate is reset in connection with a successful initial remarketing or a

Edgar Filing: PPL CORP - Form 424B2

successful final remarketing. Interest not paid on the subordinated notes will accrue and compound quarterly at the rate of 7.29% per year and, as a result, distributions on the trust preferred securities not paid on the scheduled payment date will accumulate and compound quarterly at the rate of 7.29% per year through and including May 18, 2004. The term "distribution," as used herein, includes any such distributions payable unless otherwise stated.

The applicable distribution rate on the trust preferred securities will be reset on the day on which a successful remarketing has taken place, as described above under "Description of the Purchase Contracts--Remarketing," to the reset rate described below under "--Distribution Rate Reset," and such reset rate will become effective on the third business day following a successful initial or final remarketing (the "reset effective date") unless the remarketing of the trust preferred securities on any such date fails. If the remarketing of the trust preferred securities on any such date fails, the distribution rate on the trust preferred securities will not be reset at that time. However, in the event of a failed final remarketing, the distribution rate will be reset pursuant to a formula as described under "--Failed Final Remarketing" below.

The amount of interest payable on the subordinated notes, and, as a result, distributions payable for any period will be computed (1) for any full quarterly interest period, on the basis of a 360-day year of twelve 30-day months, and (2) for any period shorter than a full quarterly interest period, on the basis of a 30-day month and, for any period of less than one month, on the basis of the actual number of days elapsed per 30-day month.

Interest on the subordinated notes will be cumulative, will accrue from the first date of issuance of the subordinated notes and will be payable quarterly, in arrears, on February 18, May 18, August 18 and November 18 of each year, commencing August 18, 2001, and, as a result, distributions on the trust preferred securities will be cumulative, will accumulate from the first day of issuance of the trust preferred securities and will be payable quarterly in arrears on such dates.

Distributions are payable only to the extent that payments are made to the Trust in respect of the subordinated notes of PPL Capital Funding held by the property trustee and to the extent the Trust has funds available for the payment of such distributions.

DISTRIBUTION RATE RESET

The applicable quarterly distribution rate on the trust preferred securities and the interest rate on the related subordinated notes will be reset to equal the sum of the reset spread and the rate of interest on the applicable benchmark treasury, as defined below, in effect on the third business day immediately preceding the reset effective date, and will be determined by the reset agent. In the case of a successful initial remarketing as described under "Description of Purchase Contracts--Remarketing" above, the reset rate will be the rate determined by the reset agent as the rate the trust preferred securities should bear in order for the trust preferred securities included in the PEPS Units to have an approximate aggregate market value on the reset date of 100.25% of the treasury portfolio purchase price. In the case of a successful final remarketing, the reset rate will be the rate determined by the reset agent as the rate the trust preferred securities should bear in order for each trust preferred security to have an approximate market value on the reset date of 100.25% of the stated liquidation amount of the trust preferred security. In the case of a failed initial remarketing followed by a failed final remarketing, the reset rate will be determined pursuant to a formula as described under "--Failed Final Remarketing" below. The reset rate will in no event exceed the maximum rate permitted by applicable law, nor will it be below the initial distribution rate and interest rate.

Edgar Filing: PPL CORP - Form 424B2

The "applicable benchmark treasury" means direct obligations of the United States as agreed upon by us and the reset agent (which may be obligations treated on a when-issued basis only), having a maturity comparable to the remaining term to maturity of the trust preferred securities. The rate for the applicable

S-74

74

benchmark treasury will be the bid side rate displayed at 10:00 a.m., New York City time, on the third business day immediately preceding the reset effective date, in the Telerate system (or if the Telerate system is no longer available on that date, or, in the opinion of the reset agent (after consultation with us), is no longer an appropriate system from which to obtain the rate, such other nationally recognized quotation system as, in the opinion of the reset agent (after consultation with us), is appropriate). If this rate is not so displayed, the rate for the applicable benchmark treasury shall be, as calculated by the reset agent, the yield to maturity for the applicable benchmark treasury, expressed as a bond equivalent on the basis of a year of 365 or 366 days, as applicable, and applied on a daily basis, and computed by taking the arithmetic mean of final market bid rates, as of 10:30 a.m., New York City time, on the third business day immediately preceding the reset effective date, as applicable, of three leading United States government securities dealers selected by the reset agent (after consultation with us) (which may include the reset agent or an affiliate thereof). Morgan Stanley & Co. Incorporated will be the reset agent.

The reset rate to be determined in connection with the first remarketing on the third business day prior to February 18, 2004 or the final remarketing on the third business day prior to May 18, 2004 will be determined in accordance with the following procedures: On the seventh business day immediately preceding the applicable remarketing date, the applicable benchmark treasury to be used to determine the reset rate on the third business day prior to the reset effective date, which is the date of the remarketing, will be selected, and the reset spread to be added to the rate of interest on the applicable benchmark treasury in effect on the third business day immediately preceding the reset effective date will be established by the reset agent. The reset spread and the applicable benchmark treasury will be announced by us on the tenth business day prior to the applicable reset effective date (the "reset announcement date"). We will cause a notice of the reset spread and the applicable benchmark treasury to be published on the business day following the reset announcement date by publication in a daily newspaper in the English language of general circulation in New York City, which is expected to be The Wall Street Journal. We will also request, not later than seven nor more than 15 calendar days prior to the reset announcement date, that the securities depository for the trust preferred securities notify its participants holding trust preferred securities, and that the securities depository for the PEPS Units and Treasury PEPS Units notify its participants holding PEPS Units or Treasury PEPS Units of the reset announcement date and, in the case of a final remarketing to be conducted on the third business day immediately preceding May 18, 2004, if any, of the procedures that must be followed if any owner of PEPS Units wishes to settle the related purchase contract with cash on the business day immediately preceding May 18, 2004.

The reset rate to be determined in connection with any additional remarketing subsequent to the first remarketing on the third business day preceding February 18, 2004 and prior to the tenth business day preceding May 18, 2004 will be determined in accordance with the same procedures as set forth above, except that the applicable benchmark treasury to be used to determine the reset rate on the date of the remarketing will be selected on the third business day immediately preceding the date on which the trust preferred securities will be remarketed, which will be the reset announcement date for the additional

Edgar Filing: PPL CORP - Form 424B2

remarketing. In addition, we will request as soon as practical after we have been notified of an additional remarketing by the remarketing agent that the securities depository for the trust preferred securities and the PEPS Units and Treasury PEPS Units notify its participants of the reset announcement date.

OPTIONAL REMARKETING

On or prior to the second business day immediately preceding the remarketing date (except as described below for any additional remarketing), but no earlier than the distribution date immediately preceding the remarketing date, holders of trust preferred securities that are not part of PEPS Units may elect to have their trust preferred securities remarketed in the same manner as trust preferred securities that are a part of PEPS Units by delivering their trust preferred securities along with a notice of this election to the custodial agent designated by us. The custodial agent will hold the trust preferred securities in an account separate from the collateral account in which the pledged trust preferred securities are held. Holders of trust preferred securities electing to have their trust preferred securities remarketed will also have the right to withdraw their election on or prior to the second business day immediately preceding the remarketing date.

S-75

75

If the remarketing on the third business day preceding February 18, 2004 fails, and if the remarketing agent in its discretion proceeds with any additional remarketing as described under "Description of the Purchase Contracts--Remarketing" above, then in case of any such additional remarketing, the remarketing agent shall notify all holders of trust preferred securities that are not part of PEPS Units of the date of such additional remarketing as soon as practical, but no later than three business days immediately preceding the remarketing date. Holders who wish to participate in any additional remarketing have to deliver their trust preferred securities together with the notice of this election to the custodial agent no later than two business days following the notification by the remarketing agent. As a consequence of the shorter notice period for any additional remarketing, it may be more difficult for a holder of separate trust preferred securities to participate in an additional remarketing.

The proceeds of the remarketing of trust preferred securities that are not part of PEPS Units will be paid to the holders in cash after deduction, to the extent permissible, of the remarketing fee.

FAILED FINAL REMARKETING

If, by 4:00 p.m., New York City time, on the third business day immediately preceding May 18, 2004, the remarketing agent is unable to remarket all the trust preferred securities tendered or deemed tendered for purchase in the final remarketing, a "failed final remarketing" will be deemed to have occurred, and the remarketing agent will so advise the depository, the property trustee, the Trust and us.

If a failed final remarketing occurs and you are a PEPS Unit holder who has not settled your purchase contract early or has not settled your purchase contract with cash or has given notice of your election to settle your purchase contract with cash but failed to do so, we may exercise our rights as a secured party and take possession of your trust preferred securities. Your obligation to purchase the shares of our common stock then will be fully satisfied, and you will receive the appropriate number of shares of our common stock.

If a failed final remarketing occurs, and you are a holder of trust preferred securities that are not part of a PEPS Unit, you will retain

Edgar Filing: PPL CORP - Form 424B2

possession of your trust preferred securities and the reset rate will be equal to (1) the two-year benchmark treasury rate, as defined below, plus (2) the applicable spread, as defined below, provided that the reset rate will not be below the initial rate.

The term "two-year benchmark treasury rate" means the bid side rate displayed at 10:00 a.m., New York City time, on the third business day prior to the purchase contract settlement date for direct obligations of the United States having a maturity comparable to the remaining term to maturity of the subordinated notes, as agreed upon by us and the remarketing agent. This rate will be as displayed in the Telerate system or, if the Telerate system is no longer available or, in the opinion of the remarketing agent (after consultation with us), no longer an appropriate system from which to obtain such rate, such other nationally recognized quotation system as, in the opinion of the remarketing agent (after consultation with us) is appropriate. If this rate is not so displayed, the two-year benchmark treasury rate will be calculated by the remarketing agent as the yield to maturity of the trust preferred securities, expressed as a bond equivalent on the basis of a year of 365 or 366 days, as applicable, and applied on a daily basis, and computed by taking the arithmetic mean of the secondary market bid rates, as of 10:30 a.m., New York City time, on the third business day prior to the purchase contract settlement date of three leading United States government securities dealers selected by the remarketing agent (after consultation with us) (which may include the remarketing agent or an affiliate thereof).

S-76

76

The term "applicable spread" means the spread determined as set forth below, based on the prevailing rating, as defined below, of our subordinated notes in effect at the close of business on the business day immediately preceding the date of a failed final remarketing:

PREVAILING RATING ON OUR SUBORDINATED NOTES	SPREAD
AA/"Aa".....	3.00%
A/"a".....	4.00%
BBB/"Baa".....	5.00%
Below BBB/"Baa".....	7.00%

You should know that we are using the rating on our subordinated notes as a convenient benchmark to ascertain the "applicable spread" and that if a rating were given to your trust preferred securities by a nationally recognized rating agency, it may or may not be the same as the rating on our subordinated notes.

For purposes of this definition, the "prevailing rating" of our subordinated notes shall be:

(1) AA/"Aa" if our subordinated notes have a credit rating of AA- or better by Standard & Poor's Ratings Service and "Aa3" or better by Moody's Investors Service, Inc. or the equivalent of such ratings by such agencies or a substitute rating agency or substitute rating agencies selected by the remarketing agent (after consultation with us);

(2) if not under clause (1) above, then A/"a" if our subordinated notes have a credit rating of A-or better by S&P and "A3" or better by Moody's or the equivalent of such ratings by such agencies or a substitute rating agency or substitute rating agencies selected by the remarketing

Edgar Filing: PPL CORP - Form 424B2

agent (after consultation with us);

(3) if not under clause (1) or (2) above, then BBB/"Baa" if our subordinated notes have a credit rating of BBB- or better by S&P and "Baa3" or better by Moody's or the equivalent of such ratings by such agencies or a substitute rating agency or substitute rating agencies selected by the remarketing agent (after consultation with us); or

(4) if not under clauses (1) through (3) above, then below BBB/"Baa".

Notwithstanding the foregoing, (A) if (i) the credit rating of our subordinated notes by S&P shall be on the "Credit Watch" of S&P with a designation of "negative implications" or "developing", or (ii) the credit rating of our subordinated notes by Moody's shall be on the "Corporate Credit Watch List" of Moody's with a designation of "downgrade" or "uncertain", or, in each case, on any successor list of S&P or Moody's with a comparable designation, the prevailing ratings of our subordinated notes shall be deemed to be within a range one full level lower in the above table than those actually assigned to our subordinated notes by Moody's and S&P and (B) if our subordinated notes are rated by only one rating agency on or before the remarketing date, the prevailing rating will at all times be determined without reference to the rating of any other rating agency; provided that if no such rating agency shall have in effect a rating of our subordinated notes and the remarketing agent is unable to identify a substitute rating agency or rating agencies, the prevailing rating shall be below BBB/"Baa."

The remarketing agent is not obligated to purchase any trust preferred securities that would otherwise remain unsold in the remarketing. Neither we nor the Trust nor the property trustee nor the remarketing agent will be obligated in any case to provide funds to make payment upon tender of trust preferred securities for remarketing. Whether or not there has been a "failed final remarketing" will be determined in the sole, reasonable discretion of the remarketing agent.

REMARKETING PROCEDURES

For information on remarketing procedures, you should carefully read "Description of the Purchase Contracts--Remarketing" above.

S-77

77

DESCRIPTION OF THE PPL CAPITAL FUNDING SUBORDINATED NOTES

The following description is a summary of the terms of the subordinated notes of PPL Capital Funding. It supplements the description of the subordinated debt securities in the accompanying prospectus and, to the extent it is inconsistent with the accompanying prospectus, replaces the description in the accompanying prospectus. The subordinated notes of PPL Capital Funding will be issued under a subordinated indenture to be dated as of May 9, 2001, as supplemented by a first supplemental indenture relating to the PPL Capital Funding subordinated notes, between us and The Chase Manhattan Bank, as indenture trustee.

The descriptions in this prospectus supplement and the accompanying prospectus contain a description of certain terms of the PPL Capital Funding subordinated notes and the indenture but do not purport to be complete, and reference is hereby made to the indenture, the supplemental indenture, and the form of subordinated note that are or will be filed as exhibits or incorporated by reference to the registration statement and to the Trust Indenture Act.

GENERAL

Edgar Filing: PPL CORP - Form 424B2

The subordinated notes will be PPL Capital Funding's direct, unsecured obligations and will rank without preference or priority among themselves and equally with all of PPL Capital Funding's existing and future unsecured and subordinated indebtedness. The subordinated notes initially will be issued in an aggregate principal amount equal to \$515,463,918, such amount being the sum of the maximum aggregate stated liquidation amounts of the trust preferred securities and the common securities. If the over-allotment option is exercised in full by the underwriters an additional \$77,319,588 of the subordinated notes will be issued to the Trust.

The PPL Capital Funding subordinated notes will be unconditionally guaranteed by PPL Corporation as described in the accompanying prospectus under "Description of Subordinated Debt Securities--Subordinated Guarantees."

The subordinated notes will not be subject to a sinking fund provision. Unless a tax event redemption occurs, the entire principal amount of the subordinated notes will mature and become due and payable, together with any accrued and unpaid interest thereon, on May 18, 2006.

We will have the right at any time to dissolve the Trust and cause the subordinated notes to be distributed to the holders of the trust securities. If the Trust is dissolved after the purchase contract settlement date (other than as a result of the redemption of the subordinated notes) and you continue to hold trust preferred securities, you will receive your pro rata share of the subordinated notes held by the Trust (after any creditors of the Trust have been paid). If the Trust is dissolved prior to the purchase contract settlement date, then these subordinated notes will be substituted for the trust preferred securities and will be pledged as collateral to secure your obligation to purchase our common stock under your purchase contracts.

If the subordinated notes are distributed to the holders of the trust securities in liquidation of such holders' interests in the Trust, the subordinated notes will initially be issued in the form of one or more global certificates deposited with DTC. Under certain limited circumstances, the subordinated notes may be issued in certificated form in exchange for the global certificates. In the event that the subordinated notes are issued in certificated form, the subordinated notes will be in denominations of \$25 and integral multiples thereof and may be transferred or exchanged at the offices described below. Payments on subordinated notes issued as global certificates will be made to DTC, a successor depository or, in the event that no depository is used, to a paying agent for the subordinated notes. In the event the subordinated notes are issued in certificated form, principal and interest will be payable, the transfer of the subordinated notes will be registrable and the subordinated notes will be exchangeable for subordinated notes of other denominations of a like aggregate principal amount at the corporate trust office or agency of the indenture trustee in New York City, provided that at our option, payment of interest may be made by check. Notwithstanding the foregoing, so long as the holder of any subordinated notes is the property trustee, we will make payment of principal and interest on the subordinated notes held by the property trustee at such place and to such account as may be designated by the property trustee.

S-78

78

The indenture does not contain provisions that afford holders of the subordinated notes protection in the event we are involved in a highly leveraged transaction or other similar transaction that may adversely affect such holders.

INTEREST

Edgar Filing: PPL CORP - Form 424B2

Each subordinated note will bear interest initially at the rate of 7.29% per year from the original issuance date, payable quarterly in arrears on February 18, May 18, August 18 and November 18 of each year, commencing August 18, 2001. Interest will be payable by check mailed to the person in whose name the subordinated note is registered at the close of business on the first day of the month in which the interest payment date falls. In addition, because the subordinated notes are subject to the contingent payment rules, original issue discount (OID) will accrue on the subordinated notes.

The applicable interest rate on the subordinated notes will be reset on the third business day immediately preceding February 18, 2004, or on the date of any additional remarketing thereafter, to the reset rate described above under "Description of the Trust Preferred Securities--Distribution Rate Reset", which reset rate is also applicable for the subordinated notes unless the remarketing of the trust preferred securities on any such date fails. The reset rate will become effective on the reset effective date, which is three business days immediately following any remarketing date. If the initial remarketing of the trust preferred securities on any such date fails, the interest rate on the subordinated notes will not be reset at that time. However, in these circumstances, the interest rate on the subordinated notes outstanding on and after May 18, 2004 will be reset on the third business day immediately preceding May 18, 2004 to the reset rate described above under "Description of the Trust Preferred Securities--Distribution Rate Reset" in the case of a successful final remarketing or to the reset rate described above under "Description of the Trust Preferred Securities--Failed Final Remarketing" in the case of a failed final remarketing.

The amount of interest payable on the subordinated notes for any period will be computed (1) for any full quarterly period on the basis of a 360-day year of twelve 30-day months and (2) for any period shorter than a full quarterly period, on the basis of a 30-day month and, for any period less than a month, on the basis of the actual number of days elapsed per 30-day month. In the event that any date on which interest is payable on the subordinated notes is not a business day, then payment of the interest payable on such date will be made on the next day that is a business day (and without any interest or other payment in respect of any such delay), except that, if such business day is in the next calendar year, then such payment will be made on the preceding business day.

COVENANTS OF PPL CORPORATION

PPL Corporation will covenant that during the continuance of an event of default, it will not:

- declare or pay any dividends or distributions on, or redeem, purchase, acquire, or make a liquidation payment with respect to, any PPL Corporation capital stock; or
- make any guarantee payments with respect to any guarantee by PPL Capital Funding or PPL Corporation of the debt of any subsidiary of PPL Capital Funding or PPL Corporation if such guarantee ranks equally with or junior in interest to the subordinated notes.

However, PPL Corporation may:

- declare a dividend in connection with the implementation of a stockholders' rights plan or the redemption or repurchase of any such rights pursuant thereto;
- reclassify PPL Corporation's capital stock or exchange or convert one class or series of PPL Corporation's capital stock for another class or series of PPL Corporation's capital stock;

Edgar Filing: PPL CORP - Form 424B2

- purchase fractional interests in shares of PPL Corporation's capital stock pursuant to the conversion or exchange provisions of such capital stock or the security being converted or exchanged;
- declare dividends or distributions in PPL Corporation's capital stock; and

S-79

79

- make payments under the guarantee related to the trust preferred securities.

OPTIONAL REDEMPTION--TAX EVENT

If a tax event, as defined below, occurs and is continuing, we may redeem, at our option, the subordinated notes in whole, but not in part, at a price equal to, for each subordinated note, the redemption amount, as defined below, plus accrued and unpaid interest thereon to the date of redemption, the "tax event redemption date". Upon a tax event redemption, the Trust will use the proceeds of such tax event redemption to redeem trust securities having an aggregate stated liquidation amount equal to the aggregate principal amount of the subordinated notes redeemed by distributing the redemption amount plus any accumulated and unpaid distributions. If a tax event redemption occurs prior to the purchase contract settlement date, the redemption price payable in liquidation of the PEPS Unit holders' interests in the Trust will be distributed to the securities intermediary, which in turn will apply an amount equal to the redemption amount of such redemption price to purchase the treasury portfolio on behalf of the holders of the PEPS Units and remit the remaining portion, if any, of such redemption price to the purchase contract agent for payment to the holders of the PEPS Units. Thereafter, the applicable ownership interest of the treasury portfolio will be substituted for the trust preferred securities and will be pledged to the collateral agent to secure the PEPS Unit holders' obligations to purchase our common stock under the related purchase contract. If a tax event redemption occurs after the purchase contract settlement date, the treasury portfolio will not be purchased and the proceeds will be distributed to the purchase contract agent for payment to the holders of the PEPS Units. If a tax event redemption occurs, holders of trust preferred securities that are not part of PEPS Units will directly receive proceeds from the redemption of the subordinated notes.

"Tax event" means the receipt by PPL Capital Funding and the Trust of an opinion of counsel, rendered by a law firm having a recognized national tax practice, to the effect that, as a result of any amendment to, change in or announced proposed change in the laws (or any regulations thereunder) of the United States or any political subdivision or taxing authority thereof or therein, or as a result of any official administrative decision, pronouncement, judicial decision or action interpreting or applying such laws or regulations, which amendment or change is effective or which proposed change, pronouncement, action or decision is announced on or after the date of issuance of the trust preferred securities, there is more than an insubstantial increase in the risk that (1) the Trust is, or within 90 days of the date of such opinion will be, subject to United States federal income tax with respect to income received or accrued on the subordinated notes, (2) interest payable by us on the subordinated notes is not, or within 90 days of the date of such opinion, will not be, deductible by us, in whole or in part, for United States federal income tax purposes, or (3) the Trust is, or within 90 days of the date of such opinion will be, subject to more than a de minimis amount of other taxes, duties or other governmental charges.

"Redemption amount" means, prior to the purchase contract settlement date,

Edgar Filing: PPL CORP - Form 424B2

for each subordinated note, the product of the principal amount of such subordinated note and a fraction, the numerator of which is the treasury portfolio purchase price, as defined below, and the denominator of which is the applicable principal amount, as defined below, and means, after the purchase contract settlement date, the principal amount of such subordinated note.

"Treasury portfolio purchase price" means the lowest aggregate price quoted by a primary U.S. government securities dealer in New York City, a "primary treasury dealer", to the quotation agent, as defined below, on the third business day preceding the tax event redemption date for the purchase of the treasury portfolio for settlement on the tax event redemption date.

"Applicable principal amount" means either (1) if the tax event redemption date occurs prior to the purchase contract settlement date, the aggregate principal amount of the subordinated notes corresponding to the aggregate stated liquidation amount of the trust preferred securities that are part of the PEPS Units on the tax event redemption date or (2) if the tax event redemption date occurs on or after the purchase contract settlement date, the aggregate principal amount of the subordinated notes corresponding to the aggregate stated liquidation amount of the trust preferred securities outstanding on the tax event redemption date.

S-80

80

"Treasury portfolio" means, with respect to the applicable principal amount of subordinated notes, a portfolio of zero-coupon U.S. treasury securities consisting of (a) principal or interest strips of U.S. treasury securities that mature on or prior to May 17, 2004 in an aggregate amount at maturity equal to the applicable principal amount and (b) with respect to each scheduled interest payment date on the subordinated notes that occurs after the tax event redemption date, principal or interest strips of U.S. treasury securities that mature on or prior to such date in an aggregate amount at maturity equal to the aggregate interest payment that would be due on the applicable principal amount of the subordinated notes on such date.

"Quotation agent" means (1) Morgan Stanley & Co. Incorporated and its respective successors, provided that if Morgan Stanley & Co. Incorporated ceases to be a primary treasury dealer, we will substitute another primary treasury dealer therefor, or (2) any other primary treasury dealer selected by us.

ADDITIONAL INDENTURE PROVISIONS APPLICABLE TO THE SUBORDINATED NOTES OF PPL CAPITAL FUNDING

As long as the subordinated notes are held by the Trust, it will be an event of default with respect to the subordinated notes if the Trust voluntarily or involuntarily dissolves, winds up its business or otherwise terminates its existence except in connection with:

- the distribution of the subordinated notes to holders of trust preferred securities and trust common securities in liquidation of their interests in the Trust;
- the redemption of all of the outstanding trust preferred securities and trust common securities; or
- certain mergers, consolidations or amalgamations, each as permitted by the declaration of trust.

AGREEMENT BY PURCHASERS OF CERTAIN TAX TREATMENT

Each subordinated note will provide that, by acceptance of the subordinated

Edgar Filing: PPL CORP - Form 424B2

note, or a beneficial interest therein, you intend that the subordinated note constitutes debt and you agree to treat it as debt for United States federal, state and local tax purposes.

BOOK-ENTRY ISSUANCE

If distributed to holders of trust preferred securities in connection with the involuntary or voluntary dissolution of the Trust, the subordinated notes will be issued as one or more global certificates registered in the name of DTC or its nominee. The subordinated notes will be issued only as fully-registered securities registered in the name of Cede & Co., DTC's nominee. The subordinated notes will be issued in accordance with the procedures set forth in this prospectus supplement under "Book-Entry Systems".

DESCRIPTION OF THE GUARANTEE

The following description is a summary of the terms of the guarantee that will be executed and delivered by us for the benefit of the holders of the trust preferred securities. It supplements the description of the guarantee in the accompanying prospectus and, to the extent it is inconsistent with the accompanying prospectus, replaces the description in the accompanying prospectus. The terms of the guarantee will be those set forth in the guarantee and those made part of the guarantee by the Trust Indenture Act.

The descriptions contained in this prospectus supplement and the accompanying prospectus contain a description of certain terms of the guarantee, but do not purport to be complete, and reference is hereby made to the form of guarantee (including definitions of certain terms used therein) that is filed as an exhibit or incorporated by reference to the registration statement.

S-81

81

GENERAL

To the extent described below, we will agree to pay the following amounts in full if they are not paid by the Trust:

- any accumulated and unpaid distributions and additional amounts on the trust preferred securities to the extent we have made corresponding payments on the subordinated notes of PPL Capital Funding to the property trustee;
- the redemption price for any trust preferred securities called for redemption by the trust, including all accumulated and unpaid distributions to the date of redemption, to the extent we have made corresponding payments on the PPL Capital Funding subordinated notes to the property trustee; and
- payments upon the dissolution, winding-up or termination of the Trust equal to the lesser of:
 - the stated liquidation amount plus all accumulated and unpaid distributions and additional amounts on the trust preferred securities to the extent the Trust has funds legally available for those payments; and
 - the amount of assets of the Trust remaining legally available for distribution to the holders of the trust preferred securities in liquidation of the trust.

We will not be required to make these liquidation payments if:

Edgar Filing: PPL CORP - Form 424B2

- the Trust distributes the PPL Capital Funding subordinated notes to the holders of the trust preferred securities in exchange for their trust preferred securities; or
- the Trust redeems the trust preferred securities in full upon the maturity or redemption of the PPL Capital Funding subordinated notes.

The guarantee is a guarantee from the time of issuance of the trust preferred securities. We will be obligated to make guarantee payments when due, regardless of any defense, right of set-off or counterclaim that the Trust may have or assert. We may satisfy our obligations to make guarantee payments either by making payments directly to holders of the trust preferred securities or to the guarantee trustee for remittance to the holders or by causing the Trust to make the payments to them.

The guarantee only covers distributions and other payments on the trust preferred securities if and to the extent we have made corresponding payments on the PPL Capital Funding subordinated notes to the property trustee. If we do not make those corresponding payments:

- the property trustee will not make distributions on the trust preferred securities;
- the Trust will not have funds available for payments on the trust preferred securities; and
- we will not be obligated to make guarantee payments.

Our obligation to make guarantee payments will be:

- unsecured;
- senior in right of payment to our subordinated liabilities or subordinated guarantees entered into relating to our other liabilities;
- equal in rank to any securities or guarantees that are expressly made equal by their terms; and
- senior to our share capital.

We have, through the guarantee, the PPL Capital Funding subordinated notes and the indenture, taken together, fully and unconditionally guaranteed all of the Trust's obligations under the trust preferred securities. No single document standing alone or operating in conjunction with fewer than all of the other documents constitutes such guarantee. It is only the combined operation of the documents that has the effect of providing a full and unconditional guarantee of the Trust's obligations under the declaration of trust.

S-82

82

COVENANTS OF PPL CORPORATION

Under the guarantee, PPL Corporation will agree that, as long as any trust preferred securities issued by the Trust are outstanding, PPL Corporation will not make the payments and distributions described below if:

- PPL Corporation is in default on its guarantee payments or other payment obligations under the guarantee; or

Edgar Filing: PPL CORP - Form 424B2

- any event of default under the declaration of trust has occurred and is continuing.

In these circumstances, PPL Corporation will agree that it will not:

- declare or pay any dividends or distributions on, or redeem, purchase, acquire, or make a liquidation payment with respect to, any of its capital stock; or
- make any payment of principal, interest or premium, if any, on or repay, repurchase or redeem any debt securities that rank equally with or junior in interest to the subordinated notes of PPL Capital Funding or make any guarantee payments with respect to any guarantee by it of the debt of any subsidiary of PPL Corporation if such guarantee ranks equally with or junior in interest to the PPL Capital Funding subordinated notes.

However, even during such circumstances, we may:

- declare a dividend in connection with the implementation of a stockholders' rights plan or the redemption or repurchase of any such rights pursuant thereto;
- reclassify PPL Corporation's capital stock or exchange or convert one class or series of PPL Corporation's capital stock for another class or series of PPL Corporation's capital stock;
- purchase fractional interests in shares of PPL Corporation's capital stock pursuant to the conversion or exchange provisions of such capital stock or the security being converted or exchanged;
- declare dividends or distributions in PPL Corporation's capital stock; and
- make payments under the guarantee related to the trust preferred securities.

BOOK-ENTRY SYSTEMS

The Depository Trust Company will act as securities depository for the PEPS Units, the Treasury PEPS Units, the trust preferred securities and the subordinated notes of PPL Capital Funding, as applicable, the "securities". The securities will be issued in fully-registered form in the name of Cede & Co. (DTC's partnership nominee). We will issue one or more fully registered certificates as global securities for each of the securities in their respective aggregate principal or stated amounts and deposit the certificates with DTC.

DTC has provided us with the following information: DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the United States Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered under Section 17A of the Securities Exchange Act of 1934. DTC holds securities that its participants deposit with DTC. DTC also facilitates the settlement among direct participants of securities transactions, such as transfers and pledges, in deposited securities through computerized book-entry changes in direct participants' accounts. This eliminates the need for physical movement of securities certificates. Direct participants include securities brokers and dealers, banks, trust companies, clearing corporations, and other organizations. DTC is owned by a number of its direct participants and by the New York Stock Exchange, Inc., the American Stock Exchange, Inc., and the National Association of Securities Dealers, Inc. Access to the DTC system is

Edgar Filing: PPL CORP - Form 424B2

also available to others such as securities brokers and dealers, banks, and trust companies that clear through or maintain a custodial relationship with a direct participant, either directly or indirectly. The rules that apply to DTC and its participants are on file with the SEC.

S-83

83

If you intend to purchase any of the securities in the manner provided by this prospectus supplement you must do so through the DTC system by or through direct participants. The participant that you purchase through will receive a credit for the applicable security on DTC's records. The ownership interest of each actual purchaser of the applicable security, who we refer to as a "beneficial owner", is in turn to be received on the participants' records. Beneficial owners will not receive written confirmation from DTC of their purchases, but beneficial owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the participant through which the beneficial owner entered into the transaction. Transfers of ownership interests in the securities are to be accomplished by entries made on the books of participants acting on behalf of beneficial owners. Beneficial owners will not receive certificates representing their ownership interests in the applicable security except in the event that use of the book-entry system for the securities is discontinued.

To facilitate subsequent transfers, all securities deposited by direct participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. The deposit of securities with DTC and their registration in the name of Cede & Co. effect no change in beneficial ownership. DTC has no knowledge of the actual beneficial owners of the securities. DTC's records reflect only the identity of the direct participants to whose accounts such securities are credited, which may or may not be the beneficial owners. The participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to direct participants, by direct participants to indirect participants, and by participants to beneficial owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Neither DTC nor Cede & Co. will consent or vote with respect to the securities. Under its usual procedures, DTC would mail an Omnibus Proxy to us as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those direct participants to whose accounts the securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

We will make any payments on the securities to DTC. DTC's practice is to credit direct participants' accounts on the payable date in accordance with their respective holdings shown on DTC's records unless DTC has reason to believe that it will not receive payment on the payable date. Payments by participants to beneficial owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of such participant and not of DTC, us or any trustee, subject to any statutory or regulatory requirements as may be in effect from time to time.

We or the applicable trustee will be responsible for the payment of all amounts to DTC. DTC will be responsible for the disbursement of those payments to its participants, and the participants will be responsible for disbursements of those payments to beneficial owners.

Edgar Filing: PPL CORP - Form 424B2

DTC may discontinue providing its service as securities depository with respect to the securities at any time by giving reasonable notice to us or the trustee. Under these circumstances, in the event that a successor securities depository is not obtained, we will print and deliver to you certificates for the securities.

Also, in case we decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository) we will print and deliver to you certificates for the various certificates you may own.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that we believe to be reliable (including DTC), but we take no responsibility for its accuracy.

Neither we, nor any trustee nor the underwriters will have any responsibility or obligation to participants, or the persons for whom they act as nominees, with respect to:

- the accuracy of the records of DTC, its nominee or any participant,
- any ownership interest in the securities, or
- any payments to, or the providing of notice, to participants or beneficial owners.

S-84

84

UNITED STATES FEDERAL INCOME TAX CONSEQUENCES

The following summary describes the material United States federal income tax consequences of the purchase, ownership and disposition of PEPS Units, Treasury PEPS Units, trust preferred securities, and our common stock acquired under the purchase contracts as of the date of this prospectus supplement. Where noted, it constitutes the opinion of Simpson Thacher & Bartlett, counsel to PPL Corporation, PPL Capital Funding and the Trust.

Except where otherwise stated, this summary deals only with PEPS Units, Treasury PEPS Units, trust preferred securities, and PPL Corporation common stock held as capital assets by a holder who:

- is a United States person (as defined below), and
- purchases the PEPS Units upon original issuance at their original issue price.

A "United States person" is a holder who is one of the following:

- a citizen or resident of the United States;
- a corporation, partnership or other entity created or organized in or under the laws of the United States or any political subdivision of the United States;
- an estate the income of which is subject to United States federal income taxation regardless of its source; or
- a trust that (1) is subject to the primary supervision of a court within the United States and the control of one or more United States persons, or (2) has a valid election in effect under applicable United States Treasury regulations to be treated as a United States person.

Edgar Filing: PPL CORP - Form 424B2

Your tax treatment may vary depending on your particular situation. This summary does not address all the tax consequences that may be relevant to holders that are subject to special tax treatment, such as:

- dealers in securities or currencies;
- financial institutions;
- tax-exempt investors;
- traders in securities that elect to use a mark-to-market method of accounting for their securities holdings;
- persons liable for alternative minimum tax;
- insurance companies;
- persons holding PEPS Units, Treasury PEPS Units, trust preferred securities, or our common stock as part of a hedging, conversion, integrated or constructive sale transaction;
- persons holding PEPS Units, Treasury PEPS Units, trust preferred securities or our common stock as part of a straddle; or
- persons whose functional currency is not the United States dollar.

In addition, if a partnership holds our PEPS Units, Treasury PEPS Units, trust preferred securities or our common stock, the tax treatment of a partner will generally depend upon the status of the partner and the activities of the partnership. If you are a partner of a partnership holding the above instruments, you should consult your tax advisors.

This summary is based on the Internal Revenue Code of 1986, as amended (the "Code"), the Treasury regulations promulgated under the Code and administrative and judicial interpretations. These income tax laws, regulations and interpretations, however, may change at any time. Any change could be retroactive to the issuance date of the PEPS Units.

S-85

85

The authorities on which this summary is based are subject to various interpretations, and the opinions of Simpson Thacher & Bartlett are not binding on the Internal Revenue Service (which we refer to as the "IRS") or the courts. Either the IRS or the courts could disagree with the explanations or conclusions contained in this summary. No statutory, administrative or judicial authority directly addresses the treatment of PEPS Units or instruments similar to PEPS Units for United States federal income tax purposes. As a result, no assurance can be given that the IRS or the courts will agree with the tax consequences described herein. You should consult your own tax advisor regarding the tax consequences to you of the purchase, ownership and disposition of the PEPS Units, Treasury PEPS Units, trust preferred securities and our common stock, including the tax consequences under state, local, foreign and other tax laws. For a discussion of the possible redemption of the subordinated notes upon the occurrence of a tax event, see "Description of the PPL Capital Funding Subordinated Notes--Optional Redemption--Tax Event" in this prospectus supplement.

PEPS UNITS

ALLOCATION OF PURCHASE PRICE

Edgar Filing: PPL CORP - Form 424B2

Your acquisition will be treated as an acquisition of the trust preferred security and the purchase contract constituting the unit. The purchase price of each unit will be allocated between the trust preferred security and the purchase contract in proportion to their respective fair market values at the time of purchase. Such allocation will establish your initial tax basis in the trust preferred security and the purchase contract. We will report the fair market value of each trust preferred security as \$25 and the fair market value of each purchase contract as \$0. This position will be binding on you (but not on the IRS) unless you explicitly disclose a contrary position on a statement attached to your timely filed United States federal income tax return for the taxable year in which a unit is acquired. Thus, absent such disclosure, you should allocate the purchase price for a unit in accordance with the foregoing. The remainder of this discussion assumes that this allocation of the purchase price will be respected for United States federal income tax purposes.

TRUST PREFERRED SECURITIES

CLASSIFICATION OF THE TRUST

In connection with the issuance of the trust preferred securities, Simpson Thacher & Bartlett is of the opinion that under current law and assuming full compliance with the terms of the declaration of trust, and based upon certain facts and assumptions contained in such opinion, the Trust will be classified as a grantor trust for United States federal income tax purposes and not as an association taxable as a corporation. As a result, for United States federal income tax purposes, you generally will be treated as owning an undivided beneficial ownership interest in the subordinated notes. Thus, you will be required to include in your gross income your proportionate share of the original issue discount that is accrued on the subordinated notes. See below under the caption "--Accrual of Interest" in this section.

CLASSIFICATION OF THE SUBORDINATED NOTES

In connection with the issuance of the subordinated notes, Simpson Thacher & Bartlett is of the opinion that, under current law, and based on certain representations, facts and assumptions set forth in its opinion, the subordinated notes will be classified as indebtedness for United States federal income tax purposes. PPL Capital Funding, the Trust and you (by your acceptance of a beneficial ownership interest in a trust preferred security) agree to treat the subordinated notes as indebtedness for all United States tax purposes. The remainder of this discussion assumes that the subordinated notes will be classified as indebtedness of PPL Capital Funding.

You will not be entitled to a dividends received deduction with respect to any income you recognize on the subordinated notes.

S-86

86

ACCRUAL OF INTEREST

Because of the manner in which the interest rate on the subordinated notes is reset, the notes will be classified as contingent payment debt obligations and the Treasury regulations that apply to contingent payment debt obligations will apply to the subordinated notes. All payments on the subordinated notes including stated interest will be taken into account under these Treasury regulations and actual cash payments of interest on the subordinated notes will not be reported separately as taxable income. As discussed more fully below, the effect of these Treasury regulations will be to:

-- require you, regardless of your usual method of tax accounting, to

Edgar Filing: PPL CORP - Form 424B2

use the accrual method with respect to the subordinated notes;

- possibly result in the accrual of original issue discount by you in excess of stated interest payments actually received by you; and
- generally result in ordinary rather than capital treatment of any gain, and to some extent loss, on the sale, exchange, repurchase or redemption of the notes.

Under the contingent payment debt rules, you will be required to include original issue discount in income each year, regardless of your usual method of tax accounting, based on the comparable yield of the subordinated notes. In order to determine your income, these rules require PPL Capital Funding to determine, as of the issue date, the comparable yield for the subordinated notes. The comparable yield of the subordinated notes will generally be the rate at which PPL Capital Funding would issue a fixed rate debt instrument with terms and conditions similar to the subordinated notes.

PPL Capital Funding is required to provide the comparable yield to you and, solely for tax purposes, is also required to provide a projected payment schedule that includes the actual interest payments on the subordinated notes and estimates the amount and timing of contingent payments on the subordinated notes. We have determined that the comparable yield is an annual rate of 7.71%, compounded quarterly. Based on the comparable yield, the projected payment schedule per subordinated note is \$.5012 for the period ending on August 18, 2001, \$.4556 for each subsequent quarter ending on or prior to the remarketing date and \$.5024 for each quarter ending after the remarketing date which includes the final interest payment. Under the first supplemental indenture governing the subordinated notes, PPL Capital Funding will agree, and by acceptance of a beneficial interest in the subordinated notes each holder of the subordinated notes will be deemed to have agreed, for United States federal income tax purposes, to be bound by our determination of the comparable yield and projected payment schedule.

THE COMPARABLE YIELD AND THE PROJECTED PAYMENT SCHEDULE ARE NOT PROVIDED FOR ANY PURPOSE OTHER THAN THE DETERMINATION OF YOUR INTEREST ACCRUALS AND ADJUSTMENTS THEREOF IN RESPECT OF THE SUBORDINATED NOTES AND DO NOT CONSTITUTE A REPRESENTATION REGARDING THE ACTUAL AMOUNT OF THE PAYMENT ON A SUBORDINATED NOTE.

The amount of original issue discount on a subordinated note for each accrual period is determined by multiplying the comparable yield of the subordinated note, adjusted for the length of the accrual period, by the subordinated note's adjusted issue price at the beginning of the accrual period, determined in accordance with the rules set forth in the contingent payment debt regulations. The adjusted issue price of each subordinated note at the beginning of each accrual period will equal \$25, increased by any original issue discount previously accrued on the subordinated note and decreased by the fixed payments and by the contingent payments projected to be made on the subordinated note. The amount of original issue discount so determined is allocated on a ratable basis to each day in the accrual period that you held the note. PPL Capital Funding is required to provide information returns stating the amount of original issue discount accrued on subordinated notes held of record by persons other than corporations and other exempt owners.

If after the remarketing date the remaining amounts of principal and interest payable on the subordinated notes differ from the payments set forth on the foregoing projected payment schedule, negative or positive adjustments reflecting such differences should be taken into account by you as adjustments to interest income in a reasonable manner over the period to which they relate.

DISTRIBUTION OF SUBORDINATED NOTES OR CASH UPON LIQUIDATION OF THE TRUST

As described under the caption "Description of the PPL Capital Funding Subordinated Notes" in this prospectus supplement, the subordinated notes held by the Trust may be distributed to you in exchange for your trust preferred securities if the Trust is liquidated before the maturity of the subordinated notes.

Under current law, except as described below, this type of distribution from a grantor trust would not be taxable. Upon such a distribution, you will receive your proportionate share of the subordinated notes previously held indirectly through the Trust. Your holding period and total tax basis in the subordinated notes will equal the holding period and total tax basis that you had in your trust preferred securities before the distribution. If, however, the Trust is treated as an association taxable as a corporation, a tax event will occur. If we elect to distribute the subordinated notes to you at this time, the distribution would be taxable to the Trust and to you.

If you receive subordinated notes in exchange for your trust preferred securities, you would accrue interest in respect of the subordinated notes received from the Trust in the manner described above under the caption "--Accrual of Interest" in this prospectus supplement.

In certain circumstances described above under the caption "Description of the PPL Capital Funding Subordinated Notes--Optional Redemption--Tax Event" in this prospectus supplement, we may redeem the subordinated notes and distribute cash in liquidation of the Trust. This redemption would be taxable as described below under "--Sale or Disposition of PEPS Units or Treasury PEPS Units".

TREASURY PEPS UNITS

SUBSTITUTION OF TREASURY SECURITY TO CREATE TREASURY PEPS UNITS

If you deliver a treasury security to the collateral agent in substitution for the trust preferred security, you generally will not recognize gain or loss upon the delivery of the treasury security or the release of the trust preferred security. You will continue to include in income any interest with respect to the trust preferred securities and treasury security, and your tax basis in the trust preferred securities, treasury security and the purchase contract will not be affected by the delivery and release.

OWNERSHIP OF TREASURY SECURITIES

You will be treated as owning the treasury securities that are part of the Treasury PEPS Units. PPL Corporation, the Trust and, by acquiring PEPS Units, you agree to treat yourself as the owner, for United States federal, state and local income and franchise tax purposes, of the treasury securities that are a part of the Treasury PEPS Units beneficially owned by you. Your initial tax basis in the treasury securities that are a part of the Treasury PEPS Units will be equal to the amount paid for the treasury security. You generally will include in income any original issue discount or acquisition discount otherwise includible with respect to the treasury security. In general, you will be required to include in income each year that you hold a treasury security the portion of the original issue discount or acquisition discount that accrues on the treasury security in such year.

SUBSTITUTION OF TRUST PREFERRED SECURITIES TO RECREATE PEPS UNITS

If you deliver trust preferred securities to the collateral agent to recreate PEPS Units, you generally will not recognize gain or loss upon the

Edgar Filing: PPL CORP - Form 424B2

delivery of the trust preferred securities or the release of the treasury security. You will continue to take into account items of income or deduction otherwise includible or deductible, respectively, with respect to the treasury security and the trust preferred securities, and your tax basis in the trust preferred securities, the treasury security and the purchase contract will not be affected by the delivery and release.

S-88

88

PURCHASE CONTRACTS

CONTRACT ADJUSTMENT PAYMENTS

There is no direct authority addressing the treatment of the contract adjustment payments under current law, and such treatment is unclear. Contract adjustment payments may constitute taxable income to you when received or accrued, in accordance with your method of tax accounting. To the extent we are required to file information returns with respect to contract adjustment payments, we intend to report such payments as taxable income to you. You should consult your own tax advisor concerning the treatment of contract adjustment payments, including the possibility that any such payment may be treated as a loan, purchase price adjustment, rebate or payment analogous to an option premium, rather than being includible in income on a current basis. The treatment of contract adjustment payments could affect your tax basis in a purchase contract or PPL Corporation common stock received under a purchase contract or your amount realized upon the sale or disposition of a PEPS Unit or Treasury PEPS Unit or the termination of a purchase contract. See "--Acquisition of Common Stock Under a Purchase Contract", "--Sale or Disposition of PEPS Units or Treasury Units" and "--Termination of Purchase Contract".

ACQUISITION OF COMMON STOCK UNDER A PURCHASE CONTRACT

You generally will not recognize gain or loss on the purchase of common stock under a purchase contract, except with respect to any cash paid in lieu of a fractional share of common stock. Subject to the following discussion, your aggregate initial tax basis in the common stock received under a purchase contract generally should equal (a) the purchase price paid for such common stock, plus (b) your tax basis in the purchase contract (if any), less (c) the portion of such purchase price and tax basis allocable to the fractional share. Contract adjustment payments that were paid to you in cash but were not includible in your income should reduce your tax basis in the purchase contract or the shares of our common stock to be received thereunder. See "--Contract Adjustment Payments". The holding period for common stock received under a purchase contract will commence on the day acquired.

EARLY SETTLEMENT OF PURCHASE CONTRACT

You will not recognize gain or loss on the receipt of your proportionate share of the trust preferred securities or treasury securities, upon early settlement of a purchase contract and you will have the same tax basis in such trust preferred securities or treasury securities, as the case may be, as before such early settlement.

TERMINATION OF PURCHASE CONTRACT

If a purchase contract terminates, you will recognize gain or loss equal to the difference between your amount realized (if any) upon such termination and your adjusted tax basis (if any) in the purchase contract at the time of such termination. Contract adjustment payments, if any, received by you but not includible in your income should either reduce your tax basis in the purchase contract or result in an amount realized on the termination of the purchase

Edgar Filing: PPL CORP - Form 424B2

contract. See "--Contract Adjustment Payments". Capital gains of individuals derived in respect of capital assets held for more than one year are taxed at a maximum rate of 20%. The deductibility of capital losses is subject to limitations.

You will not recognize gain or loss on the receipt of your proportionate share of the trust preferred securities or treasury securities upon termination of the purchase contract and you will have the same tax basis in such trust preferred securities, subordinated notes or treasury securities, as the case may be, as before such termination. If the termination of the purchase contract occurs when the purchase contract has a negative value, see "--Sale or Disposition of PEPS Units or Treasury PEPS Units". You should consult your own tax advisor regarding the termination of the purchase contract when the purchase contract has a negative value.

S-89

89

ADJUSTMENT TO SETTLEMENT RATE

You might be treated as receiving a constructive distribution from PPL Corporation if (i) the settlement rate is adjusted and as a result of such adjustment your proportionate interest in the assets or earnings and profits of PPL Corporation is increased and (ii) the adjustment is not made pursuant to a bona fide, reasonable anti-dilution formula. An adjustment in the settlement rate would not be considered made pursuant to such a formula if the adjustment were made to compensate you for certain taxable distributions with respect to the common stock. Thus under certain circumstances, an increase in the settlement rate might give rise to a taxable dividend to you even though you would not receive any cash related thereto.

SALE OR DISPOSITION OF PEPS UNITS OR TREASURY PEPS UNITS

Upon a disposition of a PEPS Unit or Treasury PEPS Unit, you will be treated as having sold, exchanged or disposed of the purchase contract and the trust preferred securities or treasury securities, as the case may be, that constitute such PEPS Unit or Treasury PEPS Unit. You generally will have gain or loss equal to the difference between the portion of your proceeds allocable to the purchase contract and the trust preferred securities or treasury securities, as the case may be, and your respective adjusted tax bases in the purchase contract and the trust preferred securities or treasury securities. For purposes of determining gain or loss, your proceeds will not include an amount equal to accrued and unpaid interest on the treasury security not previously included in income, which will be treated as ordinary interest income. Further, to the extent you are treated as having received an amount with respect to accrued contract adjustment payments, such amounts may be treated as ordinary income, to the extent not previously included in income.

In the case of the purchase contracts and the treasury securities, such gain or loss generally will be capital gain or loss. Capital gains of individuals derived in respect of capital assets held for more than one year are taxed at a maximum rate of 20%. The deductibility of capital losses is subject to limitations. If the disposition of a PEPS Unit or Treasury PEPS Unit occurs when the purchase contract has a negative value, you should be considered to have received additional consideration for the trust preferred securities or treasury securities in an amount equal to such negative value, and to have paid such amount to be released from your obligation under the purchase contract. You should consult your tax advisor regarding a disposition of a PEPS Unit or Treasury PEPS Unit at a time when the purchase contract has a negative value.

Contract adjustment payments that you did not previously include in income should either reduce your tax basis in the purchase contract or result in an

Edgar Filing: PPL CORP - Form 424B2

increase of the amount realized on the disposition of the purchase contract. Any contract adjustment payments included in your income but not paid should increase your tax basis in the purchase contract. See "--Contract Adjustment Payments".

Gain on the sale, exchange or other disposition of a subordinated note underlying a trust preferred security prior to and including the remarketing date generally will be treated as ordinary income. Loss from the disposition of a subordinated note prior to and including the remarketing date will be treated as ordinary loss to the extent of your prior net interest inclusions (reduced by the total net negative adjustments previously allowed as an ordinary loss). Any loss in excess of such amount will be treated as capital loss. Gain recognized on the sale, exchange or other disposition of a subordinated note after the remarketing date will be ordinary income to the extent attributable to the excess, if any, of the present value of the total remaining principal and interest payments due on the subordinated note underlying the trust preferred security over the present value of the total remaining payments set forth on the projected payment schedule for such subordinated note. Any gain recognized in excess of such amount and any loss recognized on such sale, exchange or other disposition generally will be treated as capital gain or loss. Capital gain of individuals derived in respect of capital assets held for more than one year are generally subject to tax at a maximum rate of 20%. The deductibility of capital losses is subject to limitations.

Special rules apply in determining the tax basis of a note. Your basis in a note is generally increased by original issue discount you previously accrued on the note, and reduced by the fixed payments and by the contingent payments projected to be made.

S-90

90

REMARKETING AND TAX EVENT REDEMPTION OF TRUST PREFERRED SECURITIES

A remarketing or tax event redemption of the trust preferred securities will be a taxable event for holders of trust preferred securities which will be subject to tax in the manner described above under "--Sale or Disposition of PEPS Units or Treasury PEPS Units".

OWNERSHIP OF THE TREASURY PORTFOLIO

You will be treated as owning the treasury portfolio that is a part of the PEPS Units. PPL Corporation, the Trust and, by acquiring PEPS Units, you agree to treat yourself as the owner, for United States federal, state and local income and franchise tax purposes, of the treasury portfolio that is a part of the PEPS Units beneficially owned by you. Your initial tax basis in your applicable ownership interest of the treasury portfolio will equal your pro rata portion of the amount paid by the collateral agent for the treasury portfolio. Your adjusted tax basis in the treasury portfolio will be increased by the amount of original issue discount included in income with respect thereto and decreased by the amount of cash received in respect of the treasury portfolio.

INTEREST INCOME AND ORIGINAL ISSUE DISCOUNT

The Treasury portfolio will consist of stripped U.S. Treasury securities. Following a remarketing of the trust preferred securities or a tax event redemption prior to the purchase contract settlement date, a holder of PEPS Units will be required to treat its pro rata portion of each U.S. Treasury security in the Treasury portfolio as a bond that was originally issued on the date the collateral agent acquired the relevant U.S. Treasury securities and that has original issue discount equal to the holder's pro rata portion of the excess of the amounts payable on such U.S. Treasury securities over the value of

Edgar Filing: PPL CORP - Form 424B2

the U.S. Treasury securities at the time the collateral agent acquires them on behalf of holders of PEPS Units. A holder, whether on the cash or accrual method of tax accounting, will be required to include original issue discount (other than original issue discount on short-term U.S. Treasury securities as defined below) in income for United States federal income tax purposes as it accrues on a constant yield to maturity basis. The amount of such excess will constitute only a portion of the total amounts payable in respect of the Treasury portfolio. Consequently, a portion of each scheduled payment to holders will be treated as a return of such holders' investment in the Treasury portfolio and will not be considered current income for United States federal income tax purposes.

In the case of any U.S. Treasury security with a maturity of one year or less from the date of its issue (a "short-term U.S. Treasury Security"), in general only accrual basis taxpayers will be required to include original issue discount in income as it accrues. Unless such accrual basis holder elects to accrue the original issue discount on a short-term U.S. Treasury Security on a constant yield to maturity basis, such original issue discount will be accrued on a straight-line basis.

NON-UNITED STATES HOLDERS

The following discussion only applies to Non-United States Holders. You are a "Non-United States Holder" if you are not a United States person. Special rules may apply to you if you are a "controlled foreign corporation", "passive foreign investment company" or "foreign personal holding company".

UNITED STATES FEDERAL WITHHOLDING TAX

The 30% United States federal withholding tax will not apply to any payment of principal or interest (including original issue discount) on the trust preferred securities (or the subordinated notes) or treasury securities provided that:

- you do not actually (or constructively) own 10% or more of the total combined voting power of all classes of our voting stock within the meaning of the Code and the Treasury regulations;
- you are not a controlled foreign corporation that is related to us through stock ownership;

S-91

91

- you are not a bank whose receipt of interest on the trust preferred securities (or the subordinated notes) or treasury securities is described in section 881(c)(3)(A) of the Code; and
- (a) you provide your name and address on an IRS Form W-8BEN (or other applicable form), and certify, under penalty of perjury, that you are not a United States person, or (b) if you hold your PEPS Units, Treasury PEPS Units, or trust preferred securities (or subordinated notes) or treasury securities) through certain foreign intermediaries, you must satisfy the certification requirements of applicable United States Treasury regulations. Special certification requirements apply to certain Non-United States Holders that are entities rather than individuals.

If you cannot satisfy the requirements described above, payments of premium, if any, and interest (including original issue discount) made to you will be subject to the 30% United States federal withholding tax, unless you provide us with a properly executed (1) IRS Form W-8BEN (or other applicable

Edgar Filing: PPL CORP - Form 424B2

form) claiming an exemption from, or reduction in the rate of, withholding under the benefit of an applicable tax treaty or (2) IRS Form W-8ECI stating that interest paid on the trust preferred securities (or the subordinated notes) or treasury securities is not subject to withholding tax because it is effectively connected with your conduct of a trade or business in the United States.

The 30% United States federal withholding tax will not apply to any gain that you realize on the sale, exchange, or other disposition of the PEPS Units, Treasury PEPS Units, trust preferred securities, subordinated notes, treasury securities, and PPL Corporation common stock acquired under the purchase contract. However, interest income, including original issue discount and any gain treated as ordinary income, that you realize on the sale, exchange or other disposition of a trust preferred security or subordinated note will be subject to withholding in certain circumstances unless the conditions described in the four bullet points above are satisfied.

PPL Corporation will generally withhold a 30% United States federal withholding tax on contract adjustment payments and dividends paid on our common stock acquired under a purchase contract or such lower rate as may be specified by an applicable income tax treaty. However, contract adjustment payments or dividends that are effectively connected with the conduct of a trade or business by the Non-United States Holder within the United States and, where a tax treaty applies, are attributable to a United States permanent establishment of the Non-United States Holder are not subject to the withholding tax, but instead are subject to United States federal income tax, as described below.

A Non-United States Holder of our common stock or a purchase contract who wishes to claim the benefit of an applicable treaty rate (and avoid back-up withholding as discussed below) for dividends or contract adjustment payments will be required to satisfy certain certification and disclosure requirements described in the fourth bullet point above.

A Non-United States Holder eligible for a reduced rate of United States withholding tax on payments pursuant to an income tax treaty may obtain a refund of any excess amounts withheld by filing an appropriate claim for refund with the IRS.

UNITED STATES FEDERAL INCOME TAX

If you are engaged in a trade or business in the United States and interest (including original issue discount) on the trust preferred securities (or the subordinated notes) or treasury securities, dividends on the PPL Corporation common stock or, to the extent they constitute taxable income, contract adjustment payments from the purchase contracts are effectively connected with the conduct of that trade or business, you will be subject to United States federal income tax on that interest, dividends or contract adjustment payments on a net income basis (although exempt from the 30% withholding tax), in the same manner as if you were a United States person as defined under the Code. Certain certification and disclosure requirements must be complied with in order for effectively connected income to be exempt from withholding. In addition, if you are a foreign corporation, you may be subject to a branch profits tax equal to 30% (or lower applicable treaty rate) of your earnings and profits for the taxable year, subject to adjustments, that are effectively connected with the conduct by you of a trade or business in the United States. For this purpose, interest on the trust preferred

S-92

92

securities (or the subordinated notes) or treasury securities, dividends on the common stock and, to the extent they constitute taxable income, the contract adjustment payments from the purchase contracts will be included in earnings and

Edgar Filing: PPL CORP - Form 424B2

profits.

Any gain realized on the disposition of a trust preferred security, subordinated note, treasury security, purchase contract or share of PPL Corporation common stock generally will not be subject to United States federal income tax unless (1) that gain or income is effectively connected with the conduct of a trade or business by you in the United States or (2) you are an individual who is present in the United States for 183 days or more in the taxable year of that disposition, and certain other conditions are met or (3) in the case of PEPS Units, Treasury PEPS Units or PPL Corporation common stock, PPL Corporation is or has been a "United States real property holding corporation" for United States federal income tax purposes.

An individual Non-United States Holder described in clause (1) above will be subject to tax on the net gain derived from the sale under regular graduated United States federal income tax rates. An individual Non-United States Holder described in clause (2) above will be subject to a flat 30% tax on the gain derived from the sale, which may be offset by United States source capital losses (even though the individual is not considered a resident of the United States). If a Non-U.S. Holder that is a foreign corporation falls under clause (1) above, it will be subject to tax on its gain under regular graduated United States federal income tax rates and, in addition, may be subject to the branch profits tax equal to 30% of its effectively connected earnings and profits or at such lower rate as may be specified by an applicable income tax treaty.

PPL Corporation has not determined whether it is a "United States real property holding corporation" for United States federal income tax purposes. If PPL Corporation was or becomes a United States real property holding corporation, so long as PPL Corporation common stock continues to be regularly traded on an established securities market, (1) you will not be subject to United States federal income tax on the disposition of our common stock if you hold or held (at any time during the shorter of the five year period preceding the date of disposition or your holding period) less than or equal to five percent of the total outstanding PPL Corporation common stock and (2) you will not be subject to United States federal income tax on the disposition of the purchase contracts if on the day you acquired the purchase contracts, the purchase contracts had a fair market value less than the fair market value of the purchase contracts. If however, the our common stock ceases to be regularly traded on an established securities market, you hold or held more than five percent of the total outstanding our common stock during the relevant period, or your purchase contract had a fair market value greater than five percent of the PPL corporation's common stock the date you acquired it, you will be subject to United States federal income tax on the disposition of the our common stock or the purchase contract.

UNITED STATES FEDERAL ESTATE TAX

Your estate will not be subject to United States federal estate tax on the trust preferred securities, subordinated notes, or treasury securities beneficially owned by you at the time of your death, provided that (1) you do not own 10% or more of the total combined voting power of all classes of PPL Corporation voting stock, within the meaning of the Code and United States Treasury regulations, and (2) interest on those trust preferred securities, subordinated notes or treasury securities would not have been, if received at the time of your death, effectively connected with the conduct by you of a trade or business in the United States. Our common stock acquired under a purchase contract and owned by you at the time of your death will be subject to United States federal estate tax unless an applicable estate tax treaty provides otherwise. Purchase contracts owned by you at the time of your death may be subject to United States federal estate tax unless an applicable estate tax treaty provides otherwise.

Edgar Filing: PPL CORP - Form 424B2

INFORMATION REPORTING AND BACKUP WITHHOLDING

UNITED STATES HOLDERS

In general, information reporting requirements will apply to payments on the PEPS Units, Treasury PEPS Units, trust preferred securities, subordinated notes, treasury securities, and our common stock made to you and to the proceeds of the sale or other disposition of such instruments, unless you are an exempt recipient

S-93

93

such as a corporation. A 31% backup withholding tax will apply to such payments if you fail to provide a taxpayer identification number, a certification of exempt status, or fail to report in full interest income.

NON-UNITED STATES HOLDERS

In general, no information reporting or backup withholding will be required regarding payments on the PEPS Units, Treasury PEPS Units, trust preferred securities, subordinated notes, treasury securities, and our common stock (except possibly with respect to contract adjustment payments) that we make to you provided that we do not have actual knowledge that you are a United States person and we have received from you the statement described above under "--United States Federal Withholding Tax."

In addition, no information reporting or backup withholding will be required regarding the proceeds of the sale of PEPS Units, Treasury PEPS Units, trust preferred securities, subordinated notes, treasury securities, and our common stock made within the United States or conducted through certain United States financial intermediaries if the payor receives the statement described above and does not have actual knowledge that you are a United States person or you otherwise establish an exemption.

Any amounts withheld under the backup withholding rules will be allowed as a refund or a credit against your United States federal income tax liability provided the required information is furnished to the IRS.

S-94

94

ERISA CONSIDERATIONS

Generally, employee benefit plans that are subject to the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), plans and individual retirement accounts that are subject to Section 4975 of the Code and entities whose assets are considered assets of such plans (collectively, "plans") may purchase PEPS Units subject to the investing fiduciary's determination that the investment satisfies ERISA's fiduciary standards and other requirements applicable to investments by plans. Accordingly, among other factors, the fiduciary should consider whether the investment would satisfy the prudence and diversification requirements of ERISA and would be consistent with the documents and instruments governing the plans.

Section 406 of ERISA and Section 4975 of the Code prohibit fiduciaries from engaging in specified transactions involving "plan assets" with persons that are "parties in interest" under ERISA or "disqualified persons" under the Code with respect to the plan. A violation of these "prohibited transaction" rules may generate excise tax and other liabilities under ERISA and the Code. Thus, a plan fiduciary considering an investment in PEPS Units also should consider whether such an investment might constitute or give rise to a prohibited transaction

Edgar Filing: PPL CORP - Form 424B2

under ERISA or the Code for which no exemption is available. For example, the purchase and holding of PEPS Units by a plan with respect to which we, the underwriters or any of our affiliates is a party in interest or disqualified person could constitute a prohibited transaction under ERISA or the Code unless an exemption were available for such purchase.

In addition, the Department of Labor (the "DOL") has issued regulations under which the assets of the Trust would be deemed to be "plan assets" for purposes of ERISA and Section 4975 of the Code if 25% or more of the value of any class of equity interests in the Trust were held by plans, other employee benefit plans not subject to ERISA or Section 4975 of the Code (such as governmental, church and foreign plans), or other entities holding "plan assets" (collectively, "Benefit Plan Investors"). No assurance can be given that the value of the PEPS Units held by Benefit Plan Investors will be less than 25% of the total value of such PEPS Units at the completion of the initial offering or thereafter, and no monitoring or other measures will be taken with respect to the satisfaction of the conditions to this exception. Certain transactions involving the Trust could be deemed to constitute direct or indirect prohibited transactions if the PEPS Units were acquired with "plan assets" and the assets of the Trust were deemed to be "plan assets" of plans investing in the Trust.

The DOL has issued prohibited transaction class exemptions, "PTCEs", that may apply to the acquisition and holding of the PEPS Units, as well as transactions involving the Trust. These class exemptions include PTCE 84-14 (respecting transactions determined by independent qualified professional asset managers), PTCE 90-1 (respecting insurance company pooled separate accounts), PTCE 91-38 (respecting bank collective trust funds), PTCE 95-60 (respecting insurance company general accounts) and PTCE 96-23 (respecting transactions determined by in-house asset managers).

Due to the complexity of these rules and the penalties that may be imposed upon persons involved in nonexempt prohibited transactions, it is particularly important that fiduciaries or other persons considering purchasing the PEPS Units on behalf of or with "plan assets" of any plan consult with counsel regarding the potential consequences if the assets of the Trust were deemed to be "plan assets" or if the acquisition and holding of the PEPS Units constitutes a prohibited transaction and failed to satisfy applicable fiduciary requirements imposed under ERISA. Any purchaser or holder of the PEPS Units or any interest therein will be deemed to have represented by its purchase and holding thereof that it: (a) is not a Plan or an entity holding "plan assets" and is not purchasing such securities on behalf of or with "plan assets" of any plan or (b) is eligible for exemptive relief and satisfies the applicable fiduciary requirements of ERISA.

S-95

95

UNDERWRITING

Under the terms and subject to the conditions contained in an underwriting agreement dated the date of this prospectus supplement, the underwriters named below, for whom Morgan Stanley & Co. Incorporated, Credit Suisse First Boston Corporation, First Union Securities, Inc., Goldman, Sachs & Co., Merrill Lynch, Pierce, Fenner & Smith Incorporated and UBS Warburg LLC are acting as representatives, have severally agreed to purchase, and PPL Corporation and the Trust have agreed to sell to them, severally, the number of PEPS Units indicated below:

NAME

NUMBER OF
PEPS UNITS

Edgar Filing: PPL CORP - Form 424B2

Morgan Stanley & Co. Incorporated.....	8,400,000
Credit Suisse First Boston Corporation.....	4,400,000
First Union Securities, Inc.....	1,800,000
Goldman, Sachs & Co.....	1,800,000
Merrill Lynch, Pierce, Fenner & Smith Incorporated.....	1,800,000
UBS Warburg LLC.....	1,800,000

Total.....	20,000,000
	=====

The underwriters are offering the PEPS Units subject to their acceptance of the PEPS Units from PPL Corporation and the Trust and subject to prior sale. The underwriting agreement provides that the obligations of the several underwriters to pay for and accept delivery of the PEPS Units offered by this prospectus supplement are subject to the approval of certain legal matters by their counsel and to certain other conditions. The underwriters are obligated to take and pay for all of the PEPS Units offered by this prospectus supplement, other than those covered by the over-allotment option described below, if any such PEPS Units are taken.

The per PEPS Unit price of any PEPS Unit sold by the underwriters shall be the public offering price listed on the cover page of this prospectus supplement, in United States dollars, less an amount not greater than the per PEPS Unit amount of the concession to dealers described below.

The underwriters initially propose to offer part of the PEPS Units directly to the public at the public offering price listed on the cover page of this prospectus supplement and part to certain dealers at a price that represents a concession not in excess of \$.490 per PEPS Unit under the public offering price. After the initial offering of the PEPS Units, the offering price and other selling terms may from time to time be varied by the representatives.

PPL Corporation and the Trust have granted to the underwriters an option, exercisable for 30 days from the date of this prospectus supplement, to purchase up to an additional 3,000,000 PEPS Units at the public offering price listed on the cover page of this prospectus supplement, less underwriting discounts and commissions. The underwriters may exercise this option solely for the purpose of covering over-allotments, if any, made in connection with this offering. To the extent the option is exercised, each underwriter will become obligated to purchase approximately the same percentage of the additional PEPS Units as the number set forth next to that underwriter's name in the preceding table bears to the total number of PEPS Units set forth next to the names of all the underwriters in the preceding table. If the underwriters' over-allotment option is exercised in full, the total price to public would be \$575,000,000, the total underwriting discounts and commissions would be \$17,250,000 and the net proceeds would be \$575,000,000.

Prior to this offering, there has been no public market for the PEPS Units. The PEPS Units have been approved for listing on the New York Stock Exchange under symbol "PPL-PrE." In order to meet one of the requirements for listing on the New York Stock Exchange, the underwriters have undertaken to sell the PEPS Units to a minimum of 400 beneficial owners.

Each of PPL Corporation, the Trust and certain of PPL Corporation's executive officers and directors has agreed that, without the prior written

Edgar Filing: PPL CORP - Form 424B2

consent of Morgan Stanley & Co. Incorporated on behalf of the underwriters, it will not, during the period ending 90 days after the date of this prospectus supplement:

- offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of directly or indirectly, any PEPS Units, purchase contracts or shares of our common stock or any securities convertible into or exercisable or exchangeable for PEPS Units, purchase contracts or shares of PPL Corporation's common stock; or
- enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of PEPS Units, purchase contracts or shares of PPL Corporation's common stock;

whether any transaction described above is to be settled by delivery of PEPS Units, purchase contracts or shares of PPL Corporation's common stock or such other securities, in cash or otherwise. The restrictions described in this paragraph do not apply to, among other things:

- the sale of shares or PEPS Units to the underwriters;
- the issuance by PPL Corporation of shares of common stock upon the exercise of an option outstanding on the date of this prospectus supplement or with respect to awards under PPL Corporation's executive stock incentive plan outstanding on the date of this prospectus supplement; or
- the grant of options or awards pursuant to PPL Corporation's employee benefit plans, provided that such options or awards do not vest prior to the termination of the lock-up period.

In order to facilitate the offering of the PEPS Units, the underwriters may engage in transactions that stabilize, maintain or otherwise affect the price of the PEPS Units, the trust preferred securities or PPL Corporation's common stock. Specifically, the underwriters may over-allot in connection with the offering, creating a short position in the PEPS Units for their own account. In addition, to cover over-allotments or to stabilize the price of the PEPS Units, the trust preferred securities or PPL Corporation's common stock, the underwriters may bid for, and purchase, PEPS Units, the trust preferred securities or PPL Corporation's common stock in the open market. Finally, the underwriting syndicate may reclaim selling concessions allowed to an underwriter or a dealer for distributing the PEPS Units in the offering, if the syndicate repurchases previously distributed PEPS Units in transactions to cover syndicate short positions, in stabilization transactions or otherwise. Any of these activities may stabilize or maintain the market price of the PEPS Units, the trust preferred securities or PPL Corporation's common stock above independent market levels. The underwriters are not required to engage in these activities and may end any of these activities at any time.

From time to time, some of the underwriters and their affiliates have provided, and continue to provide, investment banking and commercial banking services to PPL Corporation.

PPL Corporation and the Trust have agreed to indemnify the underwriters against certain liabilities, including liabilities under the Securitie