

A look back at 2009

Despite one of the toughest economic climates the company has ever faced, PPL was able to exceed its earnings forecasts for 2009.

PPL's reported earnings for 2009 were \$1.08 per share, compared with \$2.47 per share in 2008. Adjusting for special items, PPL's earnings from ongoing operations for 2009 were \$1.95 per share, compared with \$2.02 per share for 2008.

Dedicated employees, excellent assets and a forward-looking business model all played

a significant role in helping PPL withstand the challenges faced by the energy industry. PPL also credits the sound economic results of 2009 to higher wholesale energy margins, solid operating performance and early cost-reduction initiatives.

The corporation also celebrated significant accomplishments in 2009.

For reconciliation of reported earnings to earnings from ongoing operations, visit www.pplweb.com.

PPL's 2009 performance

In the two years leading up to 2009, PPL sold its natural gas distribution and propane businesses, its Latin American electricity delivery businesses and its telecommunications operations. In 2009, PPL sold generating assets in Maine. In 2010, PPL completed the sale of generating assets on Long Island, N.Y., and announced the sale of generating assets in Connecticut and Illinois, along with PPL's minority share of the Safe Harbor hydroelectric plant in Pennsylvania.

These steps allow us to focus on our core businesses: power generation in the PJM Interconnection market and northwestern United States; energy marketing in key U.S. markets; and electricity delivery in Pennsylvania and the United Kingdom.

As a diversified energy company, PPL understands there is no single solution to meeting our nation's energy needs. We continue to improve our traditional power plants in addition to exploring opportunities for renewable energy development.

Our electric delivery subsidiary, PPL Electric Utilities, has taken a proactive approach to educating our customers on wise energy use. By installing an advanced metering system and giving customers more choices for managing their electricity use, we can help them lower their electric bills. PPL Electric Utilities also has implemented programs to meet the requirements of Pennsylvania Act 129 of 2008, which requires electric distribution companies to reduce customers' annual energy use by 1 percent by mid-

FINANCIAL	2009
Operating revenues (millions)	\$7,556
Net income attributable to PPL (millions)	407
Earnings from ongoing operations (millions)	738
Total assets (millions)	22,165
Earnings per share – Basic	1.08
Earnings per share – Diluted	1.08
OPERATING	2009
Domestic - total retail electricity delivered (millions of kwh)	38,912
Domestic - total wholesale electricity supplied (millions of kwh)	38,988
Domestic - total electricity delivered (millions of kwh)	36,717
International – total electricity delivered (millions of kwh)	26,358
System capacity controlled or owned (megawatts)	11,719
Number of customers (millions)	4.0
Capital expenditures (millions)	1,265

As of Dec. 31, 2009

2011 and 3 percent by mid-2013. It also requires a reduction in customers' peak demand of 4.5 percent by mid-2013.

In the U.K., Western Power Distribution successfully completed a rate review. Western Power Distribution delivers electricity to customers at rates set by its regulator, permitting the company to earn a fair rate of return for its investments.

WPD is required to undergo a rate review process in the U.K. every five years. The U.K. regulator, Ofgem, reviews the rates of all 14 electric delivery companies there at the same time and compares company performance when setting rates.

For the latest five-year review period covering 2010 through 2015, WPD was one of only two electric distribution companies in the U.K. whose original rate request was not reduced in the final analysis by the regulator. WPD was rewarded in rates for outperforming all other U.K. electricity delivery businesses in the areas of forecasting accuracy, capital efficiency, and customer service and reliability. On top of that, WPD's future revenues were boosted by \$240 million in cash incentives awarded from the regulator for its industry-leading performance.

More information about WPD's performance is available at www.westernpower.co.uk.

Record-setting generation

Whether it's keeping the air conditioners humming through the heat of summer or making sure businesses have the power they need to maintain operations all year round, PPL's companies generate and deliver the safe, reliable electricity that empowers our quality of life.

In 2009, a continued focus on reliable operation, backed by the commitment of employees dedicated to safety and reliability, enabled PPL Generation to achieve records at many of its power plants:

- When Unit 4 at the Colstrip power plant in Montana began a maintenance outage in April 2009, it had been running for 174 days, a record run for the unit and the second best performance for any unit at the plant.

The four-unit Colstrip plant, about 100 miles east of Billings, is one of the largest coal-fired power plants west of the Mississippi River.

- The Susquehanna nuclear power plant in Berwick, Pa., safely and reliably generated 19,492,431 megawatt-hours in 2009, beating the previous record of 19,046,288 megawatt-hours set in 2008. The electricity generated by the Susquehanna plant in 2009 is enough to power about 2 million typical homes. The plant set four generation records in 2009.
- In 2009, a year with major scheduled outages to complete the installation of pollution controls, the Brunner Island power plant in York Haven, Pa. generated 8,863,603 net megawatt-hours.

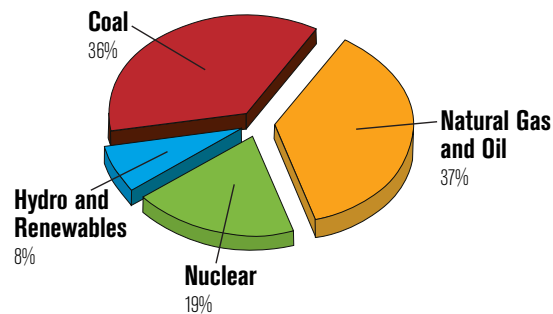
Unit 1 completed the longest run in the unit's history, operating continuously for 194 days, while Unit 2 and Unit 3 set top 10 runs.

- PPL Montana's 11 hydroelectric plants broke a 21-year record in July 2009. The plants on the West Rosebud Creek and the Missouri, Madison, Clark Fork and Flathead rivers set highest hourly production records of 585 megawatts on July 1 and 2, breaking the previous mark that stood since 1988. The 585-megawatt record is also significant because it's close to the maximum output of 602 megawatts that can be achieved by the hydro plants.

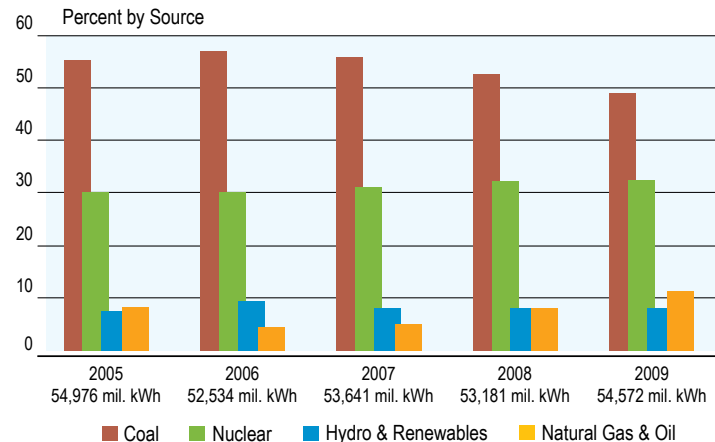
Generation Capacity in MW by State	2009
Pennsylvania	9,583
Montana	1,286
Illinois	585
Connecticut	244
Maine	12
New Jersey	5
Vermont	3
New Hampshire	1

As of Dec. 31, 2009

PPL Generation Capacity by Fuel Source, 2009



PPL Total Generation Fuel Source Trends



Confidence in nuclear operations

The Nuclear Regulatory Commission approved a 20-year extension of the operating licenses for both reactors at PPL's Susquehanna nuclear power plant in Luzerne County, Pa.

The license for Unit 1 has been extended to 2042; the license for Unit 2 has been extended to 2044. After three years of intensive review, the NRC concluded that no safety or environmental concerns would prevent license renewal and that PPL had effectively demonstrated the ability to manage the effects of aging on plant equipment and systems.

PPL invested \$18.2 million in the license renewal, which is an economical way to ensure the continued safe and reliable supply of electricity that does not emit carbon dioxide.

In addition, PPL continues to pursue a combined operating license for Bell Bend, a potential new nuclear power plant adjacent to the Susquehanna plant. PPL filed a combined license application with the U.S. Nuclear Regulatory Commission in October 2008. A decision by the NRC

is expected in 2013. A decision by PPL on whether to proceed with construction of the Bell Bend project is still several years in the future and will depend on several factors, including a detailed economic evaluation and the issuance of a license by the NRC.

To increase the generating capacity of the plant, operators at the Susquehanna nuclear power plant are modifying plant systems. The modifications will increase the generating capacity of the plant by about 159 megawatts, which is enough electricity to supply about 160,000 additional homes. The first three phases of the project were completed in 2008, 2009 and 2010. The final phase is expected to be completed in 2011.

The Susquehanna plant serves as an integral part of the community, providing, among other things, educational opportunities. In 2009, the plant welcomed 3,010 visitors for tours and conducted 54 energy education programs for school and community groups.



Harnessing the power of renewable energy

On a dreary day in November 2009, PPL Renewable Energy was celebrating the sun as it broke ground on a solar energy system that would help Crayola make 1 billion crayons annually with power from the sun.

The Crayola solar energy project is just one in a growing renewable energy portfolio and a colorful example of how PPL Generation is going green with increased investments in non-carbon generation.

Since 2000, PPL has developed, built and operated renewable energy projects that total nearly 40 megawatts of generation — enough to power 30,000 homes. These include solar, methane gas-to-energy,

fuel cell and cogeneration renewable energy facilities.

In addition, PPL is expanding the generating capacity of two existing run-of-river hydroelectric electric facilities: Holtwood in Pennsylvania and Rainbow in Montana. Combined, these projects represent 153 megawatts of additional generating capacity, and an investment of more than \$600 million.

PPL also has made a 20-year commitment to buy the electricity generated at two wind farms in Pennsylvania and has agreed to buy half of the renewable energy credits produced by a new wind farm in West Virginia. The three projects total 132 megawatts of renewable energy.



Renewable energy projects operating or under construction as of Dec. 31, 2009:

Biogas

Greater Lebanon Refuse Authority	Landfill Lebanon, Pa.	3.2 megawatts
Frey Farm Landfill	Manor Twp., Pa.	3.2 megawatts
Pennsauken Landfill	Pennsauken, N.J.	2.8 megawatts
Northern Tier Landfill	Burlington, Pa.	1.6 megawatts
Cumberland County Improvement Authority Landfill	Deerfield Twp., N.J.	4.8 megawatts
Cumberland County Landfill	Shippensburg, Pa.	6.4 megawatts
Moretown Landfill	Moretown, Vt.	3.2 megawatts
Colebrook Landfill	Colebrook, NH	0.8 megawatts
Chrin Landfill	Easton, Pa.	3.2 megawatts

Solar

Crayola**	Forks Twp., Pa.	1.9 megawatts
Merck	Summit, N.J.	1.7 megawatts
ReCAP	Princeton, N.J.	0.4 megawatts
Philadelphia Eagles NovaCare Complex*	Philadelphia, Pa.	10 kilowatts
Macy's	Jersey City, N.J.	0.4 megawatts
Macy's	Mays Landing, N.J.	0.4 megawatts
Pennsauken Renewable Energy Park	Pennsauken, N.J.	2.1 megawatts
Aluminum Shapes	Pennsauken, N.J.	0.5 megawatts

Wind

Bear Creek Wind Farm*	Wilkes-Barre, Pa.	24 megawatts
Locust Ridge Wind Farm*	Mahanoy City, Pa.	26 megawatts
NedPower Mount Storm Wind Farm*	Grant County, W.Va.	82 megawatts

Cogeneration

The Hill at Whitemarsh	Lafayette Hill, Pa.	1.6 megawatts
United Water	Haworth, N.J.	8.0 megawatts
Pepperidge Farm	Bloomfield, Conn.	0.2 megawatts

* Projects not owned by PPL, but long-term contracts in place.

** Partially owned by PPL.