

Powering strong communities

Throughout our 90-year history, PPL has been a vital member of the communities we serve. Dedication to the community is integral to our business philosophy and is carried out every day by our employees.

Not only do we regularly make corporate contributions to organizations that improve the quality of life in the communities we serve, but our employees share their time and talent as volunteers with countless community organizations. In 2009, PPL employees and retirees donated \$2 million to the United Way. As a corporation, PPL contributed more than \$4.6 million to community organizations to improve education, the environment and economic development.

We understand that the success of our company depends on the strength of the cities and towns where we operate,

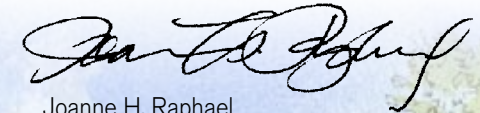
whether it's Shamokin, Pa., Billings, Mont., Louisville, Ky., or Cardiff, Wales. To that end, PPL provides significant assistance to facilitate the marketing and training initiatives of local economic development groups.

PPL also works to build and maintain constructive relationships with key policy-makers on a state and federal level. Doing so ensures we understand the laws and policies that could affect our business, our customers and our community.

As part of our community outreach efforts, PPL also works to preserve the natural areas surrounding a number of our generation facilities. These environmental

preserves provide recreational and educational opportunities to our neighbors.

The people of PPL go above and beyond the traditional boundaries of corporate community service and involvement. We conduct our business in a manner that is sensitive to the environment and benefits the communities where we live and work. Not only is the right thing to do, but it's also the only way we know how to operate.



Joanne H. Raphael
Vice President
External Affairs



Commitment to the community

PPL offers substantial help to the marketing efforts of local economic development groups through Blue Ribbon Partnership Marketing grants. We also work with our community partners to enhance the professionalism of their staff by funding economic development training, including training for individuals who want to become certified economic development professionals.

PPL contributes to the quality of life in communities where we do business. Our philanthropy efforts direct corporate resources



to programs that improve our communities and make business sense.

PPL employees and retirees come through again and again for their communities.

In 2009, PPL employees and retirees set another record for donations in the United Way campaign.

The “Change a Life, Change a Community” campaign raised \$2.026 million in employee and retiree donations. Coupled with the company’s matching contributions, PPL raised a total of \$2,774,349 for the United Way in 2009.



COMMUNITY CONTRIBUTIONS

2009

Health and human services	\$2,038,927
Education (includes \$1 million of education tax credit contributions)	\$1,583,450
Culture and the arts	\$230,400
Civic (includes environment and ecology)	\$587,650
Matching gifts (donations to match employee contributions)	\$237,932
Total:	\$4,678,359

As of Dec. 31, 2009

“ Although the difficult economic climate is affecting everyone, PPL employees and retirees stepped up and surpassed their giving of last year – truly amazing support. The generosity at all levels of the PPL organization has been inspiring. ”

- Susan Gilmore, president of the United Way of the Greater Lehigh Valley

A focus on education

Today, with all the energy choices and options facing us, it is more important than ever that students and teachers are accurately informed about energy needs, energy realities, energy alternatives, energy conservation and energy-producing industries. Of critical importance to PPL is reaching educators to provide them with the knowledge, resources and confidence to address critical energy issues.

PPL's resources for educators include:

- Teaching Environmental Awareness workshops held at the company's environmental preserves in central eastern Pennsylvania. The high-quality instructional materials, presented by nationally known and well-respected professionals, have attracted educators from Pennsylvania, New York and New Jersey in previous years. In 2009, 350 teachers attended 17 PPL workshops.
- Electrical Safety World is a website that teachers and parents can use to teach children in Grades 3-7 the important safety skills they need to make good choices around electricity. It is available at ppllectric.com/safety.

- The Project Earth Environmental Education Grants program directs focus toward renewable energy projects and energy conservation projects to encourage action in schools near PPL facilities. Through these competitive grants, teachers can receive \$500 to \$5,000 in funding for school projects that focus on energy issues like renewable energy demonstrations, energy conservation and the greening of schools. Since 2003, PPL has donated \$168,632 to 102 schools. In 2009, \$33,036 grants were awarded to 13 schools.
- PPL often works hand-in-hand with educators to develop and disseminate curricula about energy conservation, electrical safety and the environment.

More than 11,000 schoolchildren in 100 schools in PPL Electric Utilities' service territory were reached in 2009 through Take Action with E-power, a program that teaches students about electricity and energy efficiency. Take Action is directed at students in Grades 5-7. A new program, Bright Kids, was started in 2010, and is aimed at students in Grades 2-3.



“ We think it's vital to the future of our planet that children are educated not only in energy efficiency but also how to use energy-saving products. ”

- Parent of student participating in Think! Energy program presented by PPL Electric Utilities' E-power team.

The power to make a difference

PPL Electric Utilities marked the final year of a 12-year transition to competitive electricity markets in 2009. During that period, a rate cap artificially kept generation prices at 1990s levels. When the rate cap expired Dec. 31, 2009, electricity prices rose to reflect the higher cost to generate electricity today.

For more than three years, the company shared information with customers about what to expect in 2010. To help them prepare for the change, it delivered options that would allow them to adjust gradually to higher prices. The company provided new tools and better information to help customers use energy wisely. It increased funding for customer assistance programs. And as new generation options emerged from competitive suppliers, the company promoted electric choice and encouraged customers to shop for electricity supply.

With the transition to competitive markets now complete for PPL Electric Utilities' territory, customers have embraced shopping for electricity supply like they shop for telephone or cable service. Nearly 500,000 customers have taken greater control over their electric bills by choosing alternative suppliers. More than two-thirds of the electricity delivered to customers

by PPL Electric Utilities comes from alternative suppliers. Of the power purchased on behalf of our customers, there's an increasing amount (8 percent) of alternative energy – solar, wind, hydro and methane gas – in compliance with Pennsylvania's Alternative Energy Portfolio Standard. The amount of alternative energy delivered to consumers in Pennsylvania is expected to grow to at least 18 percent of total electric consumption within 10 years. In addition, customers are taking advantage of a host of new programs to help them improve energy efficiency.

The company remains committed to anticipating, understanding and meeting customers' needs. Part of that commitment includes beneficial, energy-saving initiatives offered by PPL Electric Utilities through its E-power program. Through E-power, PPL Electric Utilities offers programs, incentives and rebates that can help customers save hundreds, perhaps even thousands of dollars, on their energy bills over time.



CUSTOMER ASSISTANCE	2009	2008
OnTrack A special payment plan that offers reduced monthly payments, protection from shutoffs and debt forgiveness	\$28 million	\$27 million
WRAP Helps customers living on low or fixed incomes reduce their electric bills and make their homes more comfortable through energy education, energy-efficient appliances and home weatherization services such as insulation and caulking.	\$8.5 million	\$8.5 million
Operation HELP Provides emergency financial aid to pay heating bills for families with financial hardships.	\$1.5 million	\$1.4 million
Total:	\$38 million	\$36.9 million

As of Dec. 31, 2009

Ensuring safe, reliable electricity

Safe, reliable, affordable electricity is essential to our economy and to our way of life. For that reason, we're embarking on planned investments over the next 10 years of more than \$2 billion to improve and upgrade PPL Electric Utilities' transmission infrastructure.

About \$290 million was spent on transmission and distribution improvements in 2009, a figure projected to grow to \$400 million in 2010 and even more in 2011. Projects include new power lines and substations, as well as upgrading aging lines and related equipment in all areas of the company's service territory.

Major projects include the company's proposed 500-kilovolt Susquehanna-Roseland power line in Pennsylvania and its Asset Optimization Strategy to address aging infrastructure systemwide. The program outlines the steps the company must take proactively to replace deteriorating equipment and help to ensure ongoing, reliable electric system performance. It also strives to enhance maintenance practices to preserve the availability and reliability of the company's transmission and distribution assets.

PPL operates and maintains nearly 400 electric substations on its system — these are the hubs of local power delivery. A multiyear program by PPL Electric Utilities plans to replace more than

200 aging circuit breakers at switchyards and larger regional substations. This initiative represents \$91 million in new investment over the next five years on equipment upgrades at 69-, 138-, 230- and 500-kilovolt substations.

The Pennsylvania Public Utility Commission approved the Susquehanna-Roseland power line, a project to strengthen the regional electric grid and prevent overloads on other major power lines. The project is pending National Park Service approval. These projects will ensure that electricity users continue to have power when they need it most — the hottest summer days and the coldest winter nights.

Upgrading infrastructure also gives us an opportunity to set the stage for a smarter, more reliable and more efficient power grid that can respond quickly to problems, inform customers of changes in power supply prices and seamlessly accommodate the intermittent flow of power from an increasing number of wind farms and solar panels.

In October 2009, PPL Electric Utilities received a \$19 million federal grant for a smart grid project that will help the company improve electric service reliability for more than 60,000 customers in suburban Harrisburg and benefit customers across the system as well.



CUSTOMER COMPLIANCE	2009	2008	2007	2006	2005
Complaint rate	0.45	0.46	0.44	0.44	0.58
Justified complaint rate	0.04	0.06	0.04	0.06	0.58
Infraction rate	0.02	0.02	0.02	0.02	0.58
Residential termination rate	14.92	3.23*	22.1	17.87	15.15

* For 2008, the Pennsylvania Public Utility Commission changed the way it calculates the termination rate. Previously, the PUC calculated this rate per 1,000 customers. In 2008, the calculation was based on the number of total customers. This is the reason the termination rate changed from 22.1 percent in 2007 to 3.23 percent in 2008. In 2009, the PUC once again calculated this rate per 1,000 customers.

Preparing tomorrow's workforce

Throughout its 90-year history, PPL's employees have helped build a foundation for the company's future success.

In 2009, PPL restructured its workforce to better position the company to weather the economic crisis. PPL also continued recruiting efforts in key positions to address workforce demographic issues and to ensure we can continue to provide excellent customer service and value for shareowners.

For PPL's Human Resources and Services organization, 2009 was a year of continued opportunity and transformation. The organization placed a significant emphasis on deploying and enhancing the processes, tools, talent and technology to better serve the company.

As PPL begins developing the workforce that will lead to success now and drive future growth, Human Resources and Services is focused on four key areas:

- A strategic workforce plan that enables the company to better anticipate future staffing needs.
- Developing and deploying a leadership and management development program that places greater emphasis on employee development through formal leadership and management programs and training.
- Continuing to strengthen our relationship with colleges, universities and trade schools through a growing range of job opportunities such as co-ops and internships, events like job fairs, and education and training partnerships.
- A renewed diversity strategy that provides a framework and tactics to ensure PPL benefits from the rich mix of ideas and experiences available from a diverse workforce.



“This really is a time of tremendous challenge and opportunity for our business. One of the biggest challenges we face is the competition for talent among other utilities, energy companies and industries. As we seek to take advantage of the opportunity to attract the best people, we are in a full-court press to retain, recruit and develop talent.”

- Steve Russo, vice president of Human Resources and Services

EMPLOYEES	2009
Total employment worldwide	10,389
Total employment U.S.	8,024
Total employment U.K.	2,365
Turnover rate U.S. (not including mechanical contracting companies)	7.3%
Turnover rate U.K.	2.56%
Employees represented by unions (U.S.)	
– PPL	57%
– Mechanical contracting companies	73%
Employees represented by unions (U.K.)	79%
Payroll U.S.	\$1,095,712,468
Benefits to employees and retirees (U.S.)	\$193,871,165
Payroll U.K.	\$137,785,724
Benefits to employees and retirees (U.K.)	\$33,025,334

As of Dec. 31, 2009