

PPL CORP
Form 424B5
February 12, 2004

The information in this prospectus supplement is not complete and may be changed. This prospectus supplement and the accompanying prospectus are not an offer to sell these securities, and we are not soliciting offers to buy these securities, in any jurisdiction where the offer or sale is not permitted.

Filed Pursuant to Rule 424(b)(5)
Registration No. 333-54504

PROSPECTUS SUPPLEMENT
(To Prospectus dated February 9, 2001)

(Subject to Completion) Issued February 10, 2004

PPL Capital Funding Trust I

\$

Preferred Trust Securities due May 18, 2006 Fully and Unconditionally Guaranteed, as set forth herein, By PPL Corporation

In May 2001, we issued an aggregate liquidation amount of \$575,000,000 Preferred Trust Securities due May 18, 2006, referred to herein as the trust preferred securities, in connection with the issuance by PPL Corporation of 23,000,000 Premium Equity Participating Security Units (PEPSSM Units), referred to herein as the PEPS Units. Currently, there is an aggregate liquidation amount of \$475,621,000 trust preferred securities outstanding, representing 19,024,840 PEPS Units. This prospectus supplement relates to a remarketing of up to an aggregate liquidation amount of approximately \$257,200,750, and no more than \$475,621,000, of those trust preferred securities on behalf of the PEPS Units holders.

The trust preferred securities will mature on May 18, 2006, unless a tax event redemption has occurred prior to May 18, 2006. Distributions on the trust preferred securities are payable quarterly in arrears on February 18, May 18, August 18 and November 18 of each year. If the remarketing is successful, distributions on the trust preferred securities will reset to the current rate of 7.29% per annum from February 18, 2004. The first distribution on the remarketed trust preferred security will be on May 18, 2004. For United States federal income tax purposes, the subordinated notes underlying the trust preferred securities constitute contingent payment debt instruments.

The trust preferred securities are redeemable, in whole but not in part, upon the occurrence and continuation of a tax event under the circumstances and at the redemption price set forth under the caption Description of the PPL Capital Funding Subordinated Notes Optional Redemption Tax Event in this prospectus supplement.

We will remarket the trust preferred securities in denominations of \$25 and integral multiples of \$25 in excess thereof.

For a discussion of the risks that you should consider in evaluating an investment in the trust preferred securities, see Risk Factors beginning on page S-8 of this prospectus supplement.

	Per Trust Preferred Security	Total
Price to the Public		
Maximum Remarketing Fee to Remarketing Agent		

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus supplement or the accompanying prospectus. Any representation to the contrary is a criminal offense.

We expect the trust preferred securities will be ready for delivery in book-entry form through the facilities of The Depository Trust Company on or about February 18, 2004.

Remarketing Agent

Morgan Stanley

February , 2004

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As used in this prospectus supplement, the terms we, our, ours and us refers to PPL Corporation and the term refers to PPL Corporation together with PPL Corporation's consolidated subsidiaries, taken as a whole. Reference to the accompanying prospectus means the prospectus of February 9, 2001 of PPL Corporation, PPL Capital Funding Inc. and PPL Capital Funding Trust I.

You should rely only on the information contained in this prospectus supplement and the accompanying prospectus and those documents incorporated by reference herein. We have not authorized any other person to provide you with different or additional information. If anyone provides you with different or additional information, you should not rely on it. We are offering to sell, and are seeking offers to buy, the trust preferred securities only in jurisdictions where offers and sales are permitted. This document does not constitute an offer to sell, or a solicitation of an offer to buy, any trust preferred securities offered by this prospectus supplement by any person in any jurisdiction in which it is unlawful for such person to make such an offer or solicitation. Neither the delivery of this prospectus supplement nor any sale made under it implies that there has been no change in our affairs or that the information in this prospectus supplement is correct as of any date after the date of this prospectus supplement.

This prospectus supplement and the accompanying prospectus have been prepared based on information provided by us and other sources we believe to be reliable.

PROSPECTUS SUPPLEMENT SUMMARY

This summary contains basic information about us and this offering. Because it is a summary, it does not contain all of the information that you should consider before investing. You should read this entire prospectus supplement and the accompanying prospectus carefully, including the section entitled "Risk Factors" and our financial statements and the related notes contained elsewhere or incorporated by reference in this prospectus supplement and the accompanying prospectus, before making an investment decision.

PPL Corporation

Overview

PPL Corporation is an energy and utility holding company that, through its subsidiaries, is primarily engaged in the generation and marketing of electricity in the northeastern and western United States and in the delivery of electricity in Pennsylvania, the United Kingdom and Latin America. As of December 31, 2003, we owned or controlled 11,527 megawatts, or MW, of low-cost and diverse power generation capacity. We are also developing or constructing new electric generation capacity in Pennsylvania that will add 663 MW to our generation portfolio. Additionally, we provide energy-related services to businesses primarily in the mid-Atlantic and northeastern United States.

Approximately 6,500 MW of our total generation capacity is currently committed to meeting the obligation of our Pennsylvania delivery company to provide electricity through the year 2009 under fixed-price tariffs pursuant to Pennsylvania's Customer Choice Act. We have another 450 MW of generation capacity committed to providing electricity to a delivery company in Montana through June 2007. These two commitments, combined with other contractual sales to other counterparties for terms of various lengths, commit, on average, over 80% of our expected annual output for the period 2004 through 2008. These arrangements are consistent with and are an integral part of our overall business strategy, which includes the matching of energy supply with load, or customer demand, under long-term and intermediate-term contracts with creditworthy counterparties to capture profits while reducing our exposure to movements in energy and fuel prices and counterparty credit risk.

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 and PPL EnergyPlus, and acquire and develop U.S. generation projects through our PPL Global subsidiary. These entities are direct, wholly-owned subsidiaries of PPL Energy Supply, LLC. PPL Energy Supply is a wholly-owned subsidiary of PPL Corporation.

PPL Generation owns or controls a portfolio of domestic power generation assets, with a total capacity of 11,527 MW as of December 31, 2003. These power plants are located in Pennsylvania (8,582 MW), Montana (1,157 MW), Arizona (750 MW), Illinois (540 MW), Connecticut (243 MW), New York (159 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 competitive wholesale and deregulated retail markets, primarily in the northeastern and western portions of the United States. 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 (domestic operations) acquires and develops U.S. generation projects that are, in turn, operated by PPL Generation as part of its portfolio of generation assets.

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Energy Delivery

We provide energy delivery services in the mid-Atlantic regions of the United States through our subsidiaries, PPL Electric Utilities and PPL Gas Utilities, and in the United Kingdom and Latin America through our PPL Global subsidiary.

PPL Electric Utilities is a regulated public utility company, incorporated in 1920, providing electricity delivery services to approximately 1.3 million customers in eastern and central Pennsylvania.

PPL Gas Utilities is a regulated public utility providing gas delivery services to approximately 105,000 customers in Pennsylvania and Maryland.

PPL Global (international operations) currently owns and operates energy delivery businesses serving approximately 3.5 million customers in the United Kingdom and Latin America. In September 2002, PPL Global acquired a controlling interest in, and consequently gained 100% ownership of, Western Power Distribution Holdings Limited and WPD Investment Holdings Limited, which together we refer to as WPD. WPD operates two electric distribution companies in the U.K., which together serve approximately 2.5 million end-users. WPD delivered 28,137 million kWh of electricity in 2003.

Recent Developments

PEPS Units Exchange Offer

On January 21, 2004, PPL Corporation closed an exchange offer made to holders of the PEPS Units in which PPL Corporation issued 3,975,160 7 3/4% Premium Equity Participating Security Units (PEPSSM Units), Series B, referred to herein as the PEPS Units, Series B, plus approximately \$1.5 million in cash in exchange for 3,975,160 PEPS Units. The PEPS Units, Series B consist of a forward purchase contract to purchase shares of PPL Corporation common stock (which purchase contract is substantially identical to the purchase contract in the PEPS Units) and an aggregate of \$99.4 million of senior unsecured notes due May 2006 issued by PPL Capital Funding and guaranteed by PPL Corporation. As a result of the exchange offer, there are outstanding 19,024,840 PEPS Units consisting of forward purchase contracts to purchase shares of PPL Corporation common stock and an aggregate liquidation amount of \$475,621,000 trust preferred securities, a portion of which are the trust preferred securities being remarketed pursuant to this prospectus supplement.

PPL Earnings Results

2003 Earnings Results. PPL had increases in net income, or earnings, reported in accordance with generally accepted accounting principles, or GAAP, for the year ended December 31, 2003 compared to a year ago. PPL had all-time record earnings of \$734 million, or \$4.24 per share, for 2003 compared to \$208 million, or \$1.36 per share, for 2002.

PPL reports the following unaudited financial data. The financial data set forth below should be read in conjunction with our financial statements and related notes and other financial and operating data incorporated by reference in this prospectus as specified under *Where You Can Find More Information*. The Statement of Income Data and Balance Sheet Data for the year ended December 31, 2002 have been derived from the audited consolidated financial statements incorporated by reference in this prospectus. Some previously reported amounts have been reclassified to conform with the current period presentation.

	Year Ended December 31,	
	2003	2002
Statement of Income Data \$ millions:		
Operating revenues	\$5,587	\$5,481
Operating income	1,340	1,246
Income from continuing operations	719	360
Income before cumulative effect of a change in accounting principle ^{(a)(b)}	699	358
Net income ^{(a)(b)}	734	208
Balance Sheet Data \$ millions (end of period):		
Cash and cash equivalents	476	245
Property, plant and equipment, net ^{(b)(c)}	10,446	9,566
Recoverable transition costs	1,687	1,946
Goodwill and other intangibles ^(c)	1,278	663
Total assets	17,123	15,552
Short-term debt, including current maturities of long-term debt	451	1,309
Long-term debt, excluding current maturities ^{(b)(d)}	8,145	5,901
Deferred income taxes and investment tax credits ^(c)	2,201	2,287
Company-obligated mandatorily redeemable preferred securities of subsidiary trusts holding solely company debentures ^(d)	0	661
Preferred stock	51	82
Shareowners common equity	3,259	2,224

- (a) On January 1, 2003, we adopted the provisions of SFAS 143, Accounting for Asset Retirement Obligations. See Note 13 to our financial statements included in our Form 10-Q for the quarter ended March 31, 2003, which is incorporated herein by reference. On January 1, 2002, we adopted the provisions of SFAS 142, Goodwill and Other Intangible Assets, which provides that goodwill no longer be amortized. See Note 18 to our financial statements included in our Form 10-K for the year ended December 31, 2002, which is also incorporated herein by reference.
- (b) PPL adopted FASB Interpretation Number 46, Consolidation of Variable Interest Entities, effective December 31, 2003 for certain entities. This resulted in the consolidation of the Sundance, University Park and Lower Mt. Bethel projects, which were financed under off-balance sheet synthetic leases. Approximately \$1.1 billion was added to both Property, plant and equipment net and Long-term debt and PPL also recorded a charge of \$27 million, after tax, as a cumulative effect of a change in accounting principle as a result of adopting FIN 46. The adoption of FIN 46 also resulted in the deconsolidation of PPL Capital Funding Trust I and a wholly-owned subsidiary of WPD. This deconsolidation resulted in additional debt of \$20 million.
- (c)

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The December 31, 2003 balance sheet includes the impact of the final adjustments related to the acquisition of the controlling interest in WPD in September 2002. The final purchase price allocations were recorded as of October 1, 2003, based on an independent appraisal of property, plant and equipment and intangible assets, as well as other available information. As a result of this final valuation, Property, plant and equipment net decreased by approximately \$800 million from the preliminary valuation, with offsetting increases in Goodwill and other intangibles and reductions in Deferred income taxes and investment tax credits.

- (d) PPL adopted Statement of Financial Accounting Standards 150, Accounting for Certain Financial Instruments with Characteristics of Both Liabilities and Equity, effective July 1, 2003. This required the reclassification of company-obligated mandatorily redeemable preferred securities to long-term debt effective at that date. SFAS 150 prohibits the restatement of financial statements for periods prior to its adoption.

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Earnings by Business Segment

The following chart shows earnings contributions from PPL's business segments for the year ended December 31, 2003 compared to the year ended December 31, 2002.

Earnings by Business Segment

	Year Ended December 31,	
	2003	2002
	(in millions)	
Supply	\$502	\$356
Delivery	36	48
International	196	(196)
<hr/>		
Total	\$734	\$208
<hr/>		
<hr/>		

PPL's domestic electricity delivery earnings continue to be adversely affected by rising transmission and distribution operating costs and by increased expenses related to necessary investments in infrastructure. Early in 2004, PPL Electric Utilities expects to request a general rate increase. PPL Electric Utilities also would benefit through the recovery of charges for transmission-related services regulated by the Federal Energy Regulatory Commission. The new rates and the recovery of the charges for transmission-related services would become effective January 1, 2005, after the end of the cap on transmission and distribution rates.

Within the international segment, the benefits of a full year of ownership of WPD and the improved financial performance of PPL's delivery businesses in Latin America bolstered PPL's consolidated earnings results.

Cash Flow and Credit Positions

At December 31, 2003, PPL had \$476 million of cash on hand and \$1.7 billion of available credit facilities. In 2003, PPL generated approximately \$1.36 billion in cash flow from operations, which supported capital expenditures of about \$850 million, including construction expenditures for projects previously treated as operating leases; common and preferred stock dividends of about \$290 million; and the repayment of about \$250 million of transition bonds.

PPL's equity to total capitalization ratio, using debt and equity as presented on PPL's balance sheet as of December 31, 2003, was 28 percent. Included as debt in this ratio are \$1.4 billion of transition bonds, \$2.3 billion of

debt of international affiliates that is non-recourse to PPL and the \$575 million of PEPS Units that were outstanding as of December 31, 2003 and scheduled to convert to common stock in May 2004.

PPL Capital Funding, Inc.

PPL Capital Funding, Inc. is a Delaware corporation and a wholly-owned subsidiary of PPL Corporation. PPL Capital Funding's primary business is to provide PPL Corporation with financing for its operations.

PPL Capital Funding Trust I

PPL Capital Funding Trust I, or the Trust, is a statutory 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 are owned by PPL Capital Funding and represent at least 3% of the total capital of the Trust. Payments are made on the common securities pro rata with the trust preferred securities, except that the common securities' right to payment is subordinated to the rights of the trust.

preferred securities if there is a default under the amended and restated trust agreement, referred to herein as the trust agreement, resulting from an event of default under the subordinated indenture under which the subordinated notes were issued.

The address of our principal executive offices is Two North Ninth Street, Allentown, Pennsylvania 18101-1179 and our telephone number is (610) 774-5151.

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The Remarketing

Issuer	PPL Capital Funding Trust I, a statutory trust created under Delaware law.
Securities remarketed	Approximately \$257,200,750 aggregate liquidation amount of trust preferred securities. The exact aggregate liquidation amount of trust preferred securities to be remarketed, up to a maximum of \$475,621,000 aggregate liquidation amount, will be confirmed on February 11, 2004 upon the notification of participation in this remarketing by any holders of separate trust preferred securities. Each trust preferred security represents an undivided beneficial interest in the assets of the Trust. As of the date hereof, approximately \$218,420,250 aggregate liquidation amount of trust preferred securities have elected not to participate in the remarketing through a collateral substitution under the terms of the PEPS Units. The Trust pays you cash distributions of \$0.4556 each quarter (which is equal to 7.29% per year of the \$25 stated liquidation amount) on your trust preferred security.
Distributions on the trust preferred securities	The trust preferred securities bear distributions payable at the rate of 7.29% per year of the stated liquidation amount of \$25 per trust preferred security to, but excluding, May 18, 2006. In addition, because the trust preferred securities are subject to the contingent payment rules, original issue discount accrues on the trust preferred securities at the comparable yield. See United States Income Tax Consequences for a discussion of the United States federal income tax consequences related to owning a trust preferred security. The Trust will pay distributions only when it has funds available for payment. The Trust's sole source of funds for distributions is the payments of interest we make on the subordinated notes of PPL Capital Funding that the Trust holds. PPL Corporation unconditionally guarantees the payment of principal of and any interest on the subordinated notes of PPL Capital Funding.
The guarantee	PPL Corporation guarantees 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 securities. You can find more information about this guarantee arrangement under the heading Description of the Guarantee in this prospectus supplement.
Interest payments on the PPL Capital Funding subordinated notes	The Trust issued all the common securities and the trust preferred securities to PPL Capital Funding, collectively referred to as the trust securities, in exchange for the PPL Capital Funding subordinated notes. The PPL Capital Funding subordinated notes are the sole assets of the Trust. Interest is paid to the Trust on the PPL Capital Funding subordinated notes at a rate of 7.29% per year on a quarterly basis to, but excluding, May 18, 2006. The Trust uses the interest payments to pay distributions on the trust preferred securities.

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).
Use of proceeds	We are remarketing up to an aggregate liquidation amount of approximately \$257,200,750 of trust preferred securities to investors on behalf of holders of PPL Corporation's PEPS Units issued in May 2001 and holders of PPL Capital Funding Trust I's trust preferred securities not part of a PEPS Unit. We will not receive any of the proceeds from the remarketing. You can find more information about the use of proceeds under the heading "Use of Proceeds" in this prospectus supplement.
Possible repurchase or exchange of trust preferred securities following a successful remarketing	When we issued the PEPS Units in May 2001, the trust preferred securities carried investment-grade credit ratings of Baa3 by Moody's Investors Service, BBB- by Standard & Poor's and BBB by Fitch Ratings. Since that time, the ratings of the trust preferred securities were downgraded to below investment-grade ratings of Ba1 by Moody's Investors Service and BB+ by Standard & Poor's, but still carry an investment-grade rating of BBB- by Fitch Ratings. Based on these ratings, we believe that the trust preferred securities may trade at prices resulting in higher yields to investors than investment-grade securities that PPL Capital Funding could issue to replace them. In addition, our current business plans have changed such that we expect to require less capital than was anticipated at the time the PEPS Units were issued. Accordingly, we may offer to repurchase a portion of the trust preferred securities remarketed pursuant to this prospectus supplement or offer to exchange a portion of the trust preferred securities remarketed pursuant to this prospectus supplement for notes of PPL Capital Funding. Certain financial institutions with which we have commercial and investment banking relationships have indicated that they may seek to purchase a significant portion of the trust preferred securities in the remarketing, and we may consider a repurchase or exchange offer involving some or all of their trust preferred securities. Such institutions are under no obligation to purchase any of the trust preferred securities, the remarketing agent is under no obligation to sell any of the trust preferred securities to them and we are under no obligation to repurchase or enter into an exchange offer involving any trust preferred securities that they purchase in the remarketing. Any repurchase or exchange offer that we commence could be a partial repurchase or exchange offer and, if a private repurchase or exchange offer, including with the financial institutions referred to above, may not be made to all of the holders of the trust preferred securities. See "Risk Factors" Risk Factors Relating to the Trust Preferred Securities Secondary trading in the trust preferred securities may be limited, and we may repurchase a significant portion of the remarketed trust preferred securities or exchange a significant portion of trust preferred securities for other securities and "Plan of Distribution."

RISK FACTORS

*In considering whether to purchase the trust preferred securities, 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-18 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.*

*As used in this *Risk Factors* section only, the terms *we*, *our*, *ours*, and *us* refers to PPL.*

Risk Factors Relating to the Trust Preferred Securities

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.

PPL Capital Funding may redeem its subordinated notes upon the occurrence of a tax event.

PPL Capital Funding may redeem its subordinated notes, in whole but not in part, at any time if a tax event occurs and continues under the circumstances described in this prospectus supplement. If PPL Capital Funding exercises this option, it will redeem its subordinated notes at the redemption price plus accrued and unpaid interest, if any. See *Description of the PPL Capital Funding Subordinated Notes Optional Redemption Tax Event* in this prospectus supplement. If PPL Capital Funding redeems its subordinated notes, it will pay the redemption price to the Trust and the Trust will use such proceeds to redeem the trust preferred securities. A tax event redemption will be a taxable event to the holders of the trust preferred securities.

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 executed by PPL Corporation for the benefit of the holders of the trust preferred securities, PPL Corporation 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 trustee or assert your own right to bring an action directly against us to enforce payments on the PPL Capital Funding subordinated notes. The trust agreement 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.

Secondary trading in the trust preferred securities may be limited, and we may repurchase a significant portion of the remarketed trust preferred securities or exchange a significant portion of trust preferred securities for

other securities.

It is impossible to predict how 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 these securities as, prior to the remarketing, we do not believe there have been any trust preferred securities trading separately from the PEPS Units. We cannot assure the liquidity of any trading market that may develop, the

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ability of holders to sell their securities in that market or whether any such market will continue. In addition, after this remarketing, we may, in our sole discretion, offer to repurchase a significant portion of the trust preferred securities or offer to exchange a significant portion of the trust preferred securities for other securities, including notes, issued by PPL Corporation or any one of its subsidiaries. Any repurchase or exchange could take the form of a public or private repurchase or exchange offer, could be a partial repurchase or exchange offer and, if a private repurchase or exchange offer, may not be made to all of the holders of the trust preferred securities. In the event any transaction of this sort takes place, the outstanding aggregate liquidation amount of trust preferred securities could be significantly less than the amount of trust preferred securities remarketed pursuant to this prospectus supplement which could negatively impact the liquidity and price of the outstanding trust preferred securities. See Plan of Distribution.

Because the subordinated notes are contingent payment debt instruments, you will have to include interest in your taxable income before you receive cash.

Because the subordinated notes are subject to the contingent payment rules, the subordinated notes were deemed to be issued with original issue discount for United States federal income tax purposes. Original issue discount has accrued from the issue date of the subordinated notes at the comparable yield of the subordinated notes. As a result, you will be required to include original issue discount in your gross income for United States federal income tax purposes before you receive cash payments to which the original issue discount is attributable. See United States Federal Income Tax Consequences.

By purchasing a trust preferred security, you will be deemed to have purchased the subordinated note underlying the trust preferred security. Although you may have purchased a subordinated note for an amount that differs from the adjusted issue price of the subordinated note at the time of purchase, you will be required to accrue original issue discount on the subordinated note in accordance with the comparable yield even if market conditions have changed since the date of issuance. However, you will be required to adjust the amount of your original issue discount accrual to take into account this difference. Because of the manner in which original issue discount is accrued on the subordinated notes, the amount of original issue discount accrued on the subordinated notes for each quarter ending after February 18, 2004 will be less than the amount of interest paid on the subordinated notes for such quarter.

Risks Related to Our Supply Businesses

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.

Changes in power prices or fuel costs 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. Most power prices and fuel costs have fluctuated historically. For example, during the past several years, wholesale electricity prices in the northwestern United States for all hours reached a high of \$525 per megawatt hour in December 2000 and a low in May 2002 of \$13 per megawatt hour. During the past several years, prices for wholesale natural gas as reported on NYMEX have ranged from a high of \$9.98 per btu in January 2001 to a low of \$1.83 per btu in October 2001. In addition, the price for 1% residual oil at New York Harbor, which is the primary pricing location for the northeastern United States, has ranged from a high of \$35 per barrel in February 2003 to a low of \$15 per barrel in February 2002. 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;

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liquidity in the general wholesale electricity market; and

weather conditions impacting demand for electricity.

A key part of our business strategy is to sell our anticipated generation production under long-term power sales agreements that include fixed prices for our electric power. If we cannot secure or maintain favorable long-term fuel purchase agreements for our power generation facilities, our fuel costs could exceed the revenues that we derive under our long-term, fixed-price power sales agreements. In addition, in the absence of long-term power sales agreements, we must sell the energy, capacity and other products from our facilities into the competitive wholesale power markets. Unlike most other commodities, electric power cannot be stored and must be produced at the time of use. As a result, the wholesale power markets are subject to significant price fluctuations over relatively short periods of time and can be unpredictable. Given the volatility and potential for material differences between actual power prices and fuel and other costs, if we cannot secure or maintain long-term power sales and favorable long-term fuel purchase agreements for our power generation facilities, our revenues will be subject to increased volatility and our financial results may be materially adversely affected.

Our facilities may not operate as planned, which may increase our expenses or decrease our revenues and, thus, have an adverse effect on our financial performance.

Operation of power plants involves many risks, including the breakdown or failure of equipment or processes, accidents, labor disputes, fuel interruption and 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, if we are unable to perform our contractual obligations as a result, penalties or damages.

We may not be able to obtain adequate fuel supplies, which could adversely affect our ability to operate our facilities.

We purchase fuel from a number of suppliers. Disruption in the delivery of fuel, including disruptions as a result of weather, labor relations or environmental regulations affecting our fuel suppliers, could adversely affect our ability to operate our facilities, which could result in lower sales and/or higher costs and thereby adversely affect our results of operations.

We have agreed to provide electricity to PPL Electric Utilities in amounts sufficient to satisfy its provider of last resort, or PLR, obligations at prices which may be below our cost, which could adversely affect our financial condition.

PPL Electric Utilities has PLR obligations to serve those electric retail customers that did not select an alternate supplier under the Pennsylvania's Customer Choice Act. PPL EnergyPlus has entered into long-term contracts to supply PPL Electric Utilities' PLR requirements at agreed prices through 2009. While PPL Energy Supply satisfies its energy supply obligations through a portfolio approach of providing energy from its generation assets, contractual relationships and market purchases, if the PLR requirements were satisfied solely from our existing Pennsylvania generating assets, this obligation currently would represent approximately 75% of the normal operating capacity of our existing Pennsylvania generation assets. The prices we receive are established under the contracts and may not have any relationship to the cost to us of supplying this power. This means that we are required to absorb increasing costs, including the risk of fuel price increases and increased costs of production.

The PLR contract obligations do not provide us with any guaranteed level of sales. If the customers of PPL Electric Utilities obtain service from alternate suppliers, which they are entitled to do at any time, our sales of power under the contract may decrease. Alternatively, customers could switch back to PPL Electric Utilities from alternative

suppliers, which may increase demand above our facilities' available capacity. Any such switching by customers could have a material adverse effect on our results of operations or financial position.

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We are subject to the risks of nuclear generation, including the risk that our Susquehanna nuclear plant could become subject to revised safety requirements that would increase our capital and operating expenditures, and uncertainties associated with decommissioning our plant at the end of its licensed life.

Nuclear generation accounts for about 20% of our generation capacity. The risks of nuclear generation generally include:

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 and liabilities 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.

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

We have a limited history of operating many of our generation facilities in a competitive environment, in which we are not assured of any return on our investment.

Many of our facilities were historically operated within vertically-integrated, regulated utilities that sold electricity to consumers at prices based on predetermined rates set by state public utility commissions. Unlike regulated utilities, we are not assured 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 factors and ancillary services.

Changes in technology may impair 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 relatively low price. There are other technologies that produce electricity, most notably fuel cells, microturbines, windmills and photovoltaic (solar) cells. Research and development activities are ongoing to seek improvements in the alternate technologies. It is possible that advances will reduce the cost of alternate 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.

We are exposed to operational, price and credit risks associated with selling and marketing products in the wholesale power markets.

We purchase and sell power at the wholesale level under market-based tariffs authorized by the Federal Energy Regulatory Commission, or FERC, 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, we could be required to pay damages. These damages would generally 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, transmissions disruptions, and other factors could affect our ability to meet our obligations, or cause significant increases in the market price of

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replacement capacity and energy. We also face credit risk that parties with whom we contract will default in their performance, in which case we may have to sell our power into a lower-priced market or make purchases in a higher priced market than existed at the time of contract. 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 be required to pay damages for failure to perform or that we will not experience counterparty non-performance.

We do not always hedge against risks associated with energy and fuel price volatility.

We attempt to mitigate risks associated with satisfying our contractual power sales arrangements 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 unfavorably.

Our trading, marketing and risk management policies, relating to energy and fuel prices, interest rates and foreign currency, may not work as planned and we may suffer economic losses despite such policies.

We actively manage the market risk inherent in our energy and fuel, debt and foreign currency positions. The procedures implemented by us and monitored by us to ensure compliance with these policies include validation of transaction and market prices, verification of risk and transaction limits, sensitivity analyses and daily portfolio reporting, including open position, mark-to-market valuations and other risk measurement metrics. Nonetheless, adverse changes in energy and fuel prices, interest rates and foreign currency exchange rates may result in losses in our earnings or cash flows and adversely affect our balance sheet. Our trading, marketing and risk management program may not work as planned. For instance, actual energy and fuel prices may be significantly different or more volatile than the historical trends upon which we based our assumptions for our risk management positions. Similarly, interest rates or foreign currency exchange rates in Europe, particularly the United Kingdom and Latin America where we have foreign operations, could change in significant ways that our risk management procedures were not set up to address. As a result, we cannot always predict the impact that our trading, marketing and risk management decisions may have on us if actual events lead to greater losses or costs due to the ineffectiveness of these decisions, which could adversely affect our earnings and cash flows and our balance sheet.

In addition, our trading, marketing and risk management activities are exposed to the credit risk that counterparties that owe us money or energy will breach their obligations. We have established risk management policies and programs, including credit policies to evaluate counterparty credit risk. However, if counterparties to these arrangements fail to perform, we may be forced to enter into alternative hedging arrangements or honor underlying commitments at then-current market prices. In that event, our financial results are likely to be adversely affected.

Our operating results may fluctuate on a seasonal basis, especially as a result of unusually severe weather conditions.

Electrical power supply may be seasonal. For example, in some parts of the country, demand for, and market prices of, electricity peak during the hot summer months, while in other parts of the country such peaks occur in the cold winter months. As a result, our overall operating results in the future may fluctuate substantially on a seasonal basis, especially when unusually severe weather conditions such as heat waves or winter storms make such fluctuations more pronounced. The pattern of this fluctuation may change depending on the nature and location of the facilities we acquire or develop and the terms of our contracts to sell electricity.

We rely on 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 for use in our electric generation facilities. In Arizona, Illinois, Montana, New England and New York, where we do not own transmission lines, 100% of the output from our generation assets is transmitted over facilities owned and operated by other companies. In Pennsylvania, although we own transmission and distribution facilities, we are a member of the PJM Interconnection, which operates the electric transmission network and electric energy market in the mid-Atlantic region of the United States. Our transmission through PJM is highly dependent on operational conditions at a given time depending on what generation assets are operating within PJM, customer demand, the status of the transmission system and whether or not PJM is importing or exporting energy to other adjacent power pools. If transmission is disrupted, or if capacity is inadequate, our ability to sell and deliver products and satisfy our contractual obligations 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 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.

Risks Related to Our Business Generally and to Our Industry

A downgrade in our or our subsidiaries' credit ratings could negatively affect our ability to access capital and increase the cost of maintaining our credit facilities and any new debt.

Moody's Investors Service, Inc. rates PPL Energy Supply's senior unsecured debt at Baa2, PPL Electric Utilities' senior secured debt at Baa1 and PPL Capital Funding's senior unsecured debt at Baa3. Fitch Ratings rates PPL Capital Funding's senior unsecured debt at BBB and has placed PPL Corporation, PPL Energy Supply and PPL Capital Funding on negative outlook. Standard & Poor's Ratings Services, a Division of the McGraw-Hill Companies, rates PPL Corporation and PPL Energy Supply at BBB, PPL Capital Funding's senior unsecured debt at BBB- and PPL Electric Utilities at A-. Our Standard & Poor's ratings for PPL Corporation and PPL Energy Supply remain on negative outlook. While we do not expect these ratings to limit our ability to fund our short-term liquidity needs and we expect these ratings decisions to have an immaterial impact on the cost to maintain our credit facilities and to access any new long-term debt, any future ratings downgrades, including downgrades to our short-term debt ratings, could negatively affect our ability to fund our short-term liquidity needs and more significantly impact the cost to maintain our credit facilities and to access new long-term debt.

We face competition in our energy supply and development businesses, which may adversely affect our ability to operate profitably.

The electric power industry has experienced a significant increase in the level of competition in the energy markets over the last several years in response to federal and state deregulation initiatives. Many companies that compete with us and may compete with us in the future have greater financial resources than us and have expanded or may expand their businesses to a greater extent. This competition may negatively impact our ability to sell energy and

related products and the prices which we may charge for such products, which could adversely affect our results of operations and our ability to grow our business.

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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. The acquisition, financing, development and operation of projects outside of the United States entail significant 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;

changes in government policies, personnel or approval requirements;

changes in general economic conditions affecting each country;

regulatory reviews of tariffs for local distribution companies;

changes in labor relations in foreign operations;

limitations on foreign investment or ownership of projects and returns or distributions to foreign investors;

limitations on ability of foreign companies to borrow money from foreign lenders and lack of local capital or loans;

fluctuations in currency exchange rates and difficulty in converting our foreign funds to U.S. dollars, which can increase our expenses and/or impair our ability to meet such expenses, and difficulty moving funds out of the country in which the funds were earned;

limitations on ability to import or export property and equipment;

compliance with United States foreign corrupt practices laws;

political instability and civil unrest; and

expropriation and confiscation of assets and facilities.

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. In addition, WPD is a regulated regional monopoly distribution business in Great Britain subject to control on the prices it can charge and the quality of supply it must provide. The current distribution price control formula that governs WPD's allowed revenue is scheduled to operate until April 1, 2005. Any significant lowering of rates implemented by the regulatory authority upon the 2005 regulatory review could lower the amount of revenue WPD generates in relation to its operational costs and could materially lower the income of WPD.

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

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We operate in competitive segments of the electric power industry created by deregulation initiatives at the state and federal levels. If the present trend towards competition is reversed, discontinued or delayed, our business prospects and financial condition could be materially adversely affected.

Some restructured markets have recently experienced supply problems and price volatility. In some of these markets, government agencies and other interested parties have made proposals to delay market restructuring or even re-regulate areas of these markets that have previously been deregulated. In California, legislation has been passed placing a moratorium on the sale of generation plants by public utilities regulated by the California Public Utilities Commission. In 2001, the FERC instituted a series of price controls designed to mitigate (or cap) prices in the entire western U.S. to address the extreme volatility in the California energy markets. These price controls have had the effect of significantly lowering spot and forward energy prices in the western market.

In addition, the independent system operators, or ISOs, that oversee the transmission systems in certain wholesale power markets have from time to time been authorized 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.

Other proposals to re-regulate our industry may be made, and legislative or other action affecting 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.

Our business is subject to extensive regulation, which may increase our costs, reduce our revenues, or prevent or delay operation of our facilities.

Our U.S. generation subsidiaries are exempt wholesale generators, or EWGs, which sell electricity into the wholesale market. Generally, our EWGs and our marketing subsidiaries are subject to regulation by the FERC. The FERC has authorized us to sell generation from our facilities and power from our marketing subsidiaries 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 adversely affect our results of operations.

The acquisition, ownership and operation of power generation facilities require numerous permits, approvals, licenses 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 or maintain 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 delayed 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 and emission fees.

New environmental laws and regulations affecting our operations, and new interpretations of existing laws and regulations, may be adopted or become applicable to us. 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.

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We may not be able to obtain or maintain all environmental regulatory approvals necessary to our business. If there is a delay in obtaining any required environmental regulatory approval or if we fail to obtain, maintain or comply with any such approval, operations at our 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 generation units.

Our business development activities may not be successful and our projects under construction may not commence operation as scheduled, which could increase our costs and impair our ability to recover our investment.

The acquisition, development and construction of generating facilities involves numerous risks. We may be required to expend significant sums for preliminary engineering, permitting, fuel supply, resource exploration, legal and other expenses in preparation for competitive bids which we may not win or before it can be established whether a project is feasible, economically attractive or capable of being financed. 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. If we were unable to complete the development of a facility, we would generally not be able to recover our investment in the project.

Currently, we have power plants with 663 MW of generation capacity under development or construction and we intend to continue to evaluate opportunities to acquire and develop new, low-cost and efficient electric power generation facilities in key northeastern and western markets. Successful completion of these facilities is subject to numerous factors, including:

- changes in market prices of power and fuel;
- our ability to obtain permits and approvals and comply with applicable regulations;
- availability and timely delivery of gas turbine generators and other equipment;
- unforeseen engineering problems;
- construction delays and contractor performance shortfalls;
- shortages and inconsistent quality of equipment, material and labor;
- work stoppages;
- adverse weather conditions;
- environmental and geological conditions; and
- unanticipated cost increases.

Any of these factors could give rise to delays, cost overruns or the termination of a project.

The failure to complete construction according to specifications and on time can result in cost overruns, liabilities, reduced plant efficiency, higher operating and other costs and reduced earnings.

Risks Related to Corporate and Financial Structure

Our cash flow and ability to meet debt obligations largely depend on the performance of our subsidiaries and affiliates, some of which we do not control.

We are a holding company and conduct our operations primarily through wholly-owned subsidiaries. Substantially all of our consolidated assets are held by these subsidiaries. Accordingly, our cash flow and our ability to meet our obligations under the notes are largely dependent upon the earnings of our subsidiaries and the distribution or other payment of such earnings to us in the form of dividends or loans or advances and repayment of loans or advances from us. The subsidiaries are separate and distinct legal entities and have no obligation to pay any amounts due on the notes or to make any funds available for such payment.

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Because we are a holding company, our obligations under the notes will be effectively subordinated to all existing and future liabilities of our subsidiaries and, as of September 30, 2003, excluding the obligations of PPL Corporation and PPL Capital Funding, our subsidiaries had outstanding approximately \$6.1 billion of indebtedness on their balance sheets. Furthermore, as of September 30, 2003, PPL had approximately \$1.5 billion of debt obligations (excluding the trust preferred securities and the new notes) due prior to May 2006, the maturity of the subordinated notes underlying the trust preferred securities. Therefore, our rights and the rights of our creditors, including the rights of the holders of the notes, to participate in the assets of any subsidiary in the event that such a subsidiary is liquidated or reorganized will be subject to the prior claims of such subsidiary's creditors. To the extent that either we may be a creditor with recognized claims against any such subsidiary, our claims would still be effectively subordinated to any security interest in, or mortgages or other liens on, the assets of such subsidiary and would be subordinated to any indebtedness or other liabilities of such subsidiary senior to that held by us. Although certain agreements to which we and our subsidiaries are parties limit the incurrence of additional indebtedness, we and our subsidiaries retain the ability to incur substantial additional indebtedness and other liabilities.

The debt agreements of some of our subsidiaries and affiliates restrict their ability to pay dividends, make distributions or otherwise transfer funds to us upon failing to meet certain financial tests or covenants prior to the payment of other obligations, including operating expenses, debt service and reserves, although we currently believe that all of our subsidiaries and affiliates are in compliance with such tests and covenants. Further, if we elect to receive distributions of earnings from our foreign operations, we may incur United States taxes, net of any available foreign tax credits, on such amounts. Distributions to us from our international projects are, in some countries, also subject to withholding taxes.

We may need significant additional financing to pursue growth opportunities.

We continually review potential acquisitions and development projects and may enter into significant acquisitions or development projects in the future. Any acquisition or development project will likely require access to substantial capital from outside sources on acceptable terms. We can give no assurance that we will obtain the substantial debt and equity capital required to invest in, acquire and develop new generation projects or to refinance existing projects. We may also need external financing to fund capital expenditures, including capital expenditures necessary to comply with environmental regulations or other regulatory requirements.

Our ability to arrange financing and our cost of capital are dependent on numerous factors, including:

general economic conditions, including the conditions in the energy industry;

credit availability from banks and other financial institutions;

market prices for electricity and fuels;

our capital structure and the maintenance of acceptable credit ratings;

our financial performance;

the success of current projects and the perceived quality of new projects; and

provisions of relevant tax and securities laws.

The inability to obtain sufficient financing on terms that are acceptable to us could adversely affect our ability to pursue acquisition and development opportunities and fund capital expenditures.

FORWARD-LOOKING INFORMATION

Certain statements included or incorporated by reference in this prospectus supplement, including statements with respect to future earnings, energy supply and demand, costs, electric rates, subsidiary performance, growth, new technology, project development, fuel and 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 be 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 section in this prospectus supplement and our reports that are incorporated by reference, 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 conditions affecting customer energy usage and operating costs;

competition in retail and wholesale power markets;

effect of any business or industry restructuring;

profitability and liquidity of PPL Corporation and its subsidiaries;

new accounting requirements or new interpretations or applications of existing requirements;

operation of existing facilities and operating costs of PPL Corporation and its subsidiaries;

environmental conditions and requirements;

transmission and distribution system conditions and operating costs;

development of new projects, markets and technologies;

performance of new ventures;

asset acquisitions and dispositions;

political, regulatory or economic conditions in states, regions or countries where PPL Corporation or its subsidiaries conduct business;

receipt of necessary governmental permits, approvals and rate relief;

impact of state or federal investigations applicable to us or our industry;

outcome of litigation against us;

capital markets conditions and decisions regarding capital structure;

stock price performance of PPL Corporation;

market prices of equity securities and resultant cash funding requirements for defined benefit pension plans;

securities and credit ratings of PPL Corporation and its subsidiaries;

state and federal regulatory developments;

foreign exchange rates;

new state or federal legislation, including new tax legislation;

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national or regional economic conditions, including any potential effects arising from the September 11, 2001 terrorist attacks in the United States, the situation in Iraq and any consequential hostilities or other hostilities; and

commitments and liabilities of PPL Corporation and its subsidiaries.

Any such forward-looking statements should be considered in light of such important factors and in conjunction with other documents of PPL Corporation and its subsidiaries that are on file with the Securities and Exchange Commission, or the SEC.

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.

We caution you that any one of these factors or other factors described under the heading **Risk Factors** in this prospectus supplement, or a combination of these factors, could materially affect our future results of operations and financial position 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** in this prospectus supplement and other cautionary statements in this prospectus supplement and the documents we have incorporated by reference.

RATIO OF EARNINGS TO FIXED CHARGES

	Twelve Months Ended September 30, 2003	Year Ended December 31,				
		2002	2001	2000	1999	1998
Ratio of Earnings to Fixed Charges ^(a)	2.3	1.9	1.7	2.5	2.7	3.1

(a) Computed using earnings and fixed charges of PPL Corporation 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.

USE OF PROCEEDS

We are remarketing approximately \$257,200,750, and no more than \$475,621,000, of trust preferred securities to investors on behalf of holders of PPL Corporation's PEPS Units issued in May 2001, holders of Treasury PEPS Units and holders of PPL Capital Funding Trust I's trust preferred securities not a part of a PEPS Unit. Each PEPS Unit initially consisted of a trust preferred security and a purchase contract under which the holder agreed to purchase shares of common stock from PPL Corporation for \$25 on or prior to May 18, 2004.

We will not receive any proceeds from the remarketing. An amount equal to 100% of the liquidation amount of the remarketed trust preferred securities currently held as components of PEPS Units will be applied to purchase a portfolio of U.S. Treasury securities that mature on or prior to May 17, 2004, to secure the obligations of the PEPS Unit holders under the purchase contracts. An amount equal to any proceeds from the remarketing of those trust preferred securities in excess of the U.S. Treasury securities purchase price will be paid to those holders after the remarketing agent deducts the placement fee of up to 0.25% of the liquidation amount of those trust preferred securities.

An amount equal to 100% of the liquidation amount of separate trust preferred securities that are currently not components of a PEPS Unit will be paid to the original holders, who are voluntarily participating in this remarketing. Any excess proceeds from the sale of those separate trust preferred securities will be paid to those holders after the remarketing agent deducts the placement fee of up to 0.25% of the liquidation amount of those trust preferred securities.

ACCOUNTING TREATMENT

As a result of the implementation of FIN 46 effective December 31, 2003, the Trust has been deconsolidated from PPL Corporation since PPL Corporation would not be the primary beneficiary of the Trust. This deconsolidation has resulted in PPL Corporation reflecting a liability for the PPL Capital Funding subordinated notes payable to the Trust, which under the prior accounting treatment would have been eliminated in consolidation. Any amortization of debt discount and interest payments associated with any PPL Capital Funding subordinated notes payable will be classified on the consolidated statements of income as interest expense.

DESCRIPTION OF THE REMARKETED 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 have been issued pursuant to the terms of the trust agreement. The terms of the trust preferred securities include those stated in the trust agreement and those made part of the trust agreement by the Trust Indenture Act.

The following description of certain terms of the trust preferred securities and certain provisions of the trust agreement 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 trust agreement (including the definitions of certain terms used therein) that is filed as an exhibit or incorporated by reference to the registration statement, the Delaware Statutory Trust Act and the Trust Indenture Act.

Securities Issuable by the Trust

The trust agreement 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 owns 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 generally have equivalent terms, except that:

if an event of default under the subordinated notes indenture occurs and is continuing, the holders of the trust preferred securities have the right to receive all unpaid and accumulated periodic distributions and liquidation, redemption and other payments before the holder of the trust common securities receives any payments; and

unless an event of default under the subordinated notes indenture occurs, the holder of trust common securities has the right to appoint, remove or replace the trustees; and

the holder of trust common securities has the exclusive right to increase or decrease the number of trustees.

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 at a rate per year of 7.29% of the stated liquidation amount of \$25 per trust preferred security. 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, 2006. The term distribution, as used herein, includes any such distributions payable unless otherwise stated. Distributions will be payable to the person in whose name the trust preferred security is registered at the close of business on the 15th day (whether or not a business day) prior to the distribution payment date, except that when the trust preferred securities are represented by global security certificates held by DTC, the record date will be one business day prior to the distribution payment date.

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.

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Interest on the subordinated notes will be cumulative, will accrue from February 18, 2004 and will be payable quarterly, in arrears, on February 18, May 18, August 18 and November 18 of each year, commencing

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May 18, 2004, and, as a result, distributions on the trust preferred securities will be cumulative, will accumulate from February 18, 2004, 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.

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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 were issued under a subordinated indenture, dated as of May 9, 2001, as supplemented by a first supplemental indenture relating to the PPL Capital Funding subordinated notes, between us and JPMorgan Chase Bank (formerly known as 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 filed as exhibits or incorporated by reference to the registration statement and to the Trust Indenture Act.

General

The subordinated notes are PPL Capital Funding's direct, unsecured obligations and 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 were issued in an aggregate principal amount equal to \$592,783,506, such amount being the sum of the maximum aggregate stated liquidation amounts of the trust preferred securities and the trust common securities. As a result of the exchange offer completed on January 21, 2004 in which 3,975,160 outstanding PEPS Units were exchanged for 3,975,160 PEPS Units, Series B, upon the remarketing, there will be subordinated notes in an aggregate principal amount equal to \$493,404,506 outstanding, being the sum of the aggregate stated liquidation amount of the remarketed trust preferred securities and the trust common securities.

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

The subordinated notes are not 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.

PPL Corporation has 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 (other than as a result of the redemption of the subordinated notes), 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 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 The Depository Trust Company, or 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 subordinated notes 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.

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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

Each subordinated note will bear interest at the rate of 7.29% per year from February 18, 2004, payable quarterly in arrears on February 18, May 18, August 18 and November 18 of each year, commencing May 18, 2004. Interest will be payable to the person in whose name the subordinated note is registered at the close of business on the 15th day (whether or not a business day) prior to the interest payment date, except that when the subordinated notes are represented by global security certificates held by DTC or are held by the Trust, the record date will be one business day prior to the interest payment date. Because the subordinated notes are subject to the contingent payment rules, original issue discount (OID) will accrue on the subordinated notes for United States federal income tax purposes.

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 covenants that during the continuance of an event of default under the trust agreement, 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 payment of principal, interest or premium, if any, on or repay, repurchase or redeem any debt securities that rank equally 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, 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;

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.

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. Upon a tax event redemption, the Trust will use the proceeds of such tax event redemption to redeem trust preferred securities

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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 to the date of redemption.

Redemption amount means, 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.

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.

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 preceding the tax event redemption date for the purchase of the treasury portfolio for settlement on the tax event redemption date.

Treasury portfolio means a portfolio of zero-coupon U.S. Treasury securities consisting of (i) principal or interest strips of U.S. Treasury securities that mature on or prior to May 17, 2006 in an aggregate amount equal to the aggregate principal amount of subordinated notes outstanding on the tax event redemption date and (ii) 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 such U.S. Treasury securities that mature on or prior to such date in an aggregate amount equal to the aggregate interest payment that would be due on the aggregate principal amount of subordinated notes outstanding on such date.

Applicable principal amount means 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.

Quotation agent means (1) Morgan Stanley & Co. Incorporated and its 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 trust agreement.

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Agreement by Purchasers of Certain Tax Treatment

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

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DESCRIPTION OF THE GUARANTEE

The following description is a summary of the terms of the guarantee that was 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 are 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.

To the extent described below, PPL Corporation agrees to pay the following amounts in full if they are not paid by the Trust:

any accumulated and unpaid distributions 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 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.

PPL Corporation is not required to make these liquidation payments if:

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. PPL Corporation is obligated to make guarantee payments when due, regardless of any defense, right of set-off or counterclaim that the Trust may have or assert. PPL Corporation may satisfy its 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 is:

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

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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 trust agreement.

Covenants of PPL Corporation

Under the guarantee, PPL Corporation agrees 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
any event of default under the trust agreement has occurred and is continuing.

In these circumstances, PPL Corporation agrees 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 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

DTC will act as securities depository for the trust preferred securities and, if applicable, the subordinated notes of PPL Capital Funding, collectively referred to as 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, or the Exchange Act. 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 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.

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

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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.

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.

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UNITED STATES INCOME TAX CONSEQUENCES

The following summary describes the material United States federal income tax consequences of the purchase, ownership and disposition of the trust preferred securities. Except where noted, this summary deals only with a trust preferred security held as a capital asset by a holder who:

is a United States holder (as defined below), and

purchases the trust preferred security in the remarketing at the remarketing offering price.

A United States holder is a beneficial owner of a trust preferred security who is one of the following:

a citizen or resident of the United States;

a corporation, partnership or other entity treated as a corporation or partnership for United States federal income tax purposes that is 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 if it (1) is subject to the primary supervision of a court within the United States and one or more United States persons have the authority to control all substantial decisions of the trust, or (2) has a valid election in effect under applicable United States Treasury regulations to be treated as a United States person.

A Non-United States holder is a beneficial owner of a trust preferred security other than a United States holder.

The tax treatment of a holder may vary depending on such holder's 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;

insurance companies;

real estate investment companies;

regulated investment companies;

persons holding the trust preferred security as part of a hedging, conversion, integrated or constructive sale transaction;

persons holding the trust preferred security as part of a straddle;

United States holders whose functional currency is not the United States dollar; or

persons liable for alternative minimum tax.

In addition, if a partnership holds trust preferred securities, the tax treatment of a partner will generally depend upon the status of the partner and the activities of the partnership. If an investor is a partner of a partnership holding the trust preferred securities, such investor should consult its tax advisors.

This summary is based on the Internal Revenue Code of 1986, as amended (which is referred to as the Code), the Treasury regulations promulgated under the Code and administrative and judicial

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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 trust preferred securities.

No statutory, administrative or judicial authority directly addresses the treatment of trust preferred securities or instruments similar to trust preferred securities for United States federal income tax purposes. As a result, no assurance can be given that the Internal Revenue Service, or 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 trust preferred securities, including the tax consequences under state, local, foreign and other tax laws.

Trust Preferred Securities

Classification of the Trust

In connection with the issuance of the trust preferred securities, Simpson Thacher & Bartlett LLP is of the opinion that under current law and assuming full compliance with the terms of the trust agreement, 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

PPL Capital Funding intends to take the position that its subordinated notes will be classified for all United States tax purposes as indebtedness of PPL Capital Funding under current law. PPL Capital Funding, the Trust and you, by your acceptance of a beneficial ownership interest in a trust preferred security, agree to treat the PPL Capital Funding 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 PPL Capital Funding subordinated notes.

United States Holders

Accrual of Interest

Because of the manner in which the interest rate on the subordinated notes is reset, the subordinated notes are classified as contingent payment debt obligations under the Treasury regulations. 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 use the accrual method with respect to the subordinated notes.

Under the contingent payment debt rules, each year you will be required to include in income original issue discount adjusted in the manner described below, regardless of your usual method of tax accounting. Such original issue discount will be based on the comparable yield of the subordinated notes. This amount will differ from the

interest payments actually received by you.

Pursuant to the contingent payment debt rules, PPL Capital Funding was required to provide the comparable yield and, solely for tax purposes, was also required to provide a projected payment schedule with respect to the subordinated notes. PPL Capital Funding determined, as of the issue date of the subordinated notes, that the comparable yield was an annual rate of 7.71%. Based on the comparable yield, the projected payment schedule for the subordinated notes per \$25 of principal amount was \$0.5012 for the initial period ending on August 18, 2001, \$0.4556 for each subsequent quarter ending on or prior to February 18, 2004,

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\$0.5024 for each quarter ending after February 18, 2004 and \$25.5024 at maturity (which includes the stated principal amount of the subordinated notes as well as the final projected interest payment). Under the first supplemental indenture governing the subordinated notes, PPL Capital Funding agreed, and by acceptance of a beneficial interest in the subordinated notes you will be deemed to have agreed, for United States federal income tax purposes, to be bound by PPL Capital Funding's 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 equals \$25.00, increased by original issue discount previously accrued on the subordinated note and decreased by the payments projected to be made on the subordinated note. The amount of original issue discount so determined is then allocated on a ratable basis to each day in the accrual period that a holder held the subordinated note. As a result of the remarketing, the remaining payments on the subordinated notes will become fixed for each quarter, and the difference between such fixed amount and the \$0.5024 projected amount to be paid will constitute an adjustment to the amount of original issue discount that will be accrued on the subordinated notes. 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 you purchase a trust preferred security in the secondary market, you will be deemed to have purchased the underlying subordinated note. If you purchase a subordinated note for an amount that differs from the adjusted issue price of the subordinated note at the time of purchase, you will be required to accrue original issue discount on the subordinated note in accordance with the comparable yield even if market conditions have changed since the date of issuance. Adjustments will cause, as the case may be, a positive adjustment (*i.e.*, an increase) or a negative adjustment (*i.e.*, a decrease) to your original issue discount inclusion. If the purchase price of a subordinated note is less than its adjusted issue price, a positive adjustment will result, and if the purchase price is more than the adjusted issue price of a subordinated note, a negative adjustment will result. Any difference between your purchase price for the subordinated note and the adjusted issue price of the subordinated note should be allocated to daily portions of original issue discount over the remaining term of the subordinated note. The amount so allocated to a daily portion of original issue discount should be taken into account by you as a reduction or increase in such original issue discount. Any negative or positive adjustment of the kind described above made by you will decrease or increase, respectively, your tax basis in the subordinated note.

Because of the manner in which original issue discount accrues on the subordinated notes, the amount of the original issue discount so accrued on a subordinated note for each quarter ending after February 18, 2004 will be less than the amount of interest paid on the subordinated note for such quarter.

Certain United States holders will receive IRS Forms 1099-OID reporting interest accruals on their subordinated note. Those forms will not, however, reflect the effect of any positive or negative adjustments resulting from your purchase of the subordinated note in the remarketing at a price that differs from its adjusted issue price on the date of purchase. You are urged to consult your tax advisor as to whether, and how, such adjustments should be made to the amounts reported on any IRS Form 1099-OID.

Sale, Exchange or Other Disposition of the Trust Preferred Securities

Upon the disposition of a trust preferred security, you will generally have gain or loss equal to the difference between your amount realized and your adjusted tax basis in the subordinated note underlying the trust preferred security. Gain or loss on the sale, exchange or other disposition of a subordinated note underlying a trust preferred security that occurs during the six-month period following the date the interest

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rate is reset will generally be treated as ordinary income or loss, unless no further payments are due during the remainder of the six month period. Gain recognized on the sale, exchange or other disposition of a subordinated note underlying a trust preferred security starting from the date when no further payments are due during the six-month period after the interest rate on the subordinated notes is reset will generally 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 and the present value of the total remaining payments set forth on the projected payment schedule for such subordinated note. The amount of any ordinary loss may not exceed your prior net interest inclusions (reduced by the total net negative adjustments previously allowed as an ordinary loss). Any gain or loss recognized on a sale, exchange or other disposition of a subordinated note which is not treated as ordinary income or loss (as described above) generally will be treated as capital gain or loss. Capital gains of individuals derived in respect of capital assets held for more than one year are subject to tax at preferential rates. Your ability to deduct capital losses is subject to limitations.

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

Distribution of Subordinated Notes or Cash Upon Liquidation of the Trust

As discussed 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 you and the Trust.

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 certain circumstances described under the caption *Description of the PPL Capital Funding Subordinated Notes Option 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 above under *Sale, Exchange or Other Disposition of the Trust Preferred Securities*.

Non-United States Holders

The following discussion is a summary of certain United States federal tax consequences that will apply to you if you are a Non-United States holder of the trust preferred securities. Special rules may apply to you if you are a controlled foreign corporation, passive foreign investment company, foreign personal holding company or, in certain circumstances, an individual who is a United States expatriate and therefore subject to special treatment under the Code. You should consult your own tax advisor to determine the United States federal, state, local and other tax consequences that may be relevant to you.

United States Federal Withholding Tax

The 30% United States federal withholding tax will generally not apply to any payment, including original issue discount, on a subordinated note underlying the trust preferred security under the portfolio interest rule provided that:

interest paid on the subordinated note is not effectively connected with your conduct of a trade or business in the United States;

you do not actually, or constructively, own 10% or more of the total combined voting power of all classes of PPL Corporation or PPL Capital Funding voting stock within the meaning of Section 871(h)(3) of the Code and the Treasury regulations;

you are not a controlled foreign corporation that is related to PPL Corporation or PPL Capital Funding, actually or constructively, through stock ownership;

you are not a bank whose receipt of interest on the subordinated notes is described in section 881(c)(3)(A) of the Code; and

(1) you provide your name and address on an Internal Revenue Service (IRS) Form W-8BEN (or other applicable form), and certify, under penalties of perjury, that you are not a United States holder, or (2) you hold the trust preferred securities through certain foreign intermediaries and you satisfy the certification requirements of applicable Treasury regulations.

Special certification rules apply to Non-United States holders that are pass-through entities rather than individuals.

If you cannot satisfy the requirements described above, payments 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 form) claiming an exemption from, or reduction in the rate of, withholding under the benefit of an applicable income tax treaty or (2) IRS Form W-8ECI (or other applicable form) stating that interest paid on the subordinated notes is not subject to withholding tax because it is effectively connected with your conduct of a trade or business in the United States (as described below under United States Federal Income Tax). Alternative documentation may be applicable in certain situations.

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 subordinated notes underlying the trust preferred securities is effectively connected with the conduct of that trade or business, you will be subject to United States federal income tax on that interest on a net income basis (although exempt from the 30% withholding tax, provided you comply with certain certification and disclosure requirements discussed above in United States Federal Withholding Tax) in the same manner as if you were a United States holder. In addition, if you are a foreign corporation, you may be subject to a branch profits tax equal to 30%, or lower applicable income tax 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.

Any gain realized on the disposition of a trust preferred security will generally 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.

United States Federal Estate Tax

Your estate will not be subject to United States federal estate tax on trust preferred securities beneficially owned by you at the time of your death, provided that any payment to you on a subordinated notes would be eligible for exemption from the 30% withholding tax under the rules described in the bullet points under the

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heading United States Federal Withholding Tax, without regard to the certification requirements of the fifth bullet point.

Information Reporting and Backup Withholding

If you are a United States holder of trust preferred securities, information reporting requirements will generally apply to all payments PPL Capital Funding makes to you and the proceeds from the sale of a trust preferred security paid to you, unless you are an exempt recipient such as a corporation. Backup withholding tax will apply to those payments if you fail to provide an accurate taxpayer identification number, a certification of exempt status, or if you fail to comply with applicable U.S. information reporting requirements.

If you are a Non-United States holder of trust preferred securities, PPL Capital Funding must report annually to the IRS and to you the amount of payments we make to you and the tax withheld with respect to such payments, regardless of whether withholding was required. Copies of the information returns reporting such payments and withholding may also be made available to the tax authorities in the country in which you reside under the provisions of an applicable income tax treaty. In general, you will not be subject to backup withholding regarding payments PPL Capital Funding makes to you provided that we do not have actual knowledge or reason to know that you are a United States holder and we have received from you the statement described above under Non-United States Holders United States Federal Withholding Tax. In addition, you will be subject to information reporting and, depending on the circumstances, backup withholding regarding the proceeds of the sale of a trust preferred security made within the United States or conducted through a United States-related intermediary, unless the payor receives the statement described above and does not have actual knowledge or reason to know that you are a United States holder, or you otherwise establish an exemption.

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

PLAN OF DISTRIBUTION

Under the terms and conditions contained in the remarketing agreement, dated May 9, 2001, and the supplemental remarketing agreement, dated February , 2004, we have agreed that Morgan Stanley & Co. Incorporated, as the remarketing agent, will use its commercially reasonable efforts to remarket the trust preferred securities on February 12, 2004, at a price of 100.25% of the purchase price for a specified portfolio of U.S. Treasury securities, or the remarketing value. The specified portfolio of U.S. Treasury securities 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 equal to the principal amount of the subordinated notes underlying the trust preferred securities included in PEPS Units; and

with respect to the scheduled interest payment date on the subordinated notes underlying the trust preferred securities that occurs on May 18, 2004, interest or principal strips of U.S. Treasury securities that mature on or prior to May 18, 2004 in an aggregate amount equal to the aggregate interest payment that would be due on May 18, 2004 on the principal amount of the subordinated notes underlying the trust preferred securities included in the PEPS Units assuming no reset of the interest rate on the subordinated notes underlying the trust preferred securities.

On February 12, 2004, the remarketing agent will attempt to reset the rate of interest payable on the subordinated notes underlying the remarketed trust preferred securities so that each trust preferred security can be remarketed at a purchase price equal to approximately 100.25% of the specified portfolio of U.S. Treasury securities. However, the reset rate of distribution cannot be less than the initial distribution rate of 7.29% payable on the trust preferred securities. The remarketing agreement provides that the remarketing is subject to customary conditions precedent, including the delivery of legal opinions, and that the remarketing agent must remarket the trust preferred securities, other than to us, at a price equal to or greater than 100% of the aggregate remarketing value. Upon a successful remarketing, the remarketing agent will use the net proceeds of the remarketing of trust preferred securities comprising a part of PEPS Units (i.e., PEPS Units consisting of a trust preferred security and a purchase contract) to purchase the U.S. Treasury securities described above, which will be pledged to support the obligations of holders of PEPS Units to purchase shares of PPL Corporation common stock under the purchase contracts.

Pursuant to the remarketing agreement, the remarketing agent will retain a total remarketing fee not exceeding 25 basis points (0.25%) of the total proceeds of the remarketing. Neither we nor the holders of trust preferred securities participating in this remarketing will otherwise be responsible for any remarketing fee or commission in connection with this remarketing.

The trust preferred securities have no established trading market. The remarketing agent has advised us that it intends to make a market for the trust preferred securities, but it has no obligation to do so and may discontinue market making at any time without providing any notice. No assurance can be given as to the liquidity of any trading market for the trust preferred securities. When we issued the PEPS Units in May 2001, the trust preferred securities carried investment-grade credit ratings of Baa3 by Moody's Investors Service, BBB- by Standard & Poor's and BBB by Fitch Ratings. Since that time, the ratings of the trust preferred securities were downgraded to below investment-grade ratings of Ba1 by Moody's Investors Service and BB+ by Standard & Poor's, but still carry an investment-grade rating of BBB- by Fitch Ratings. Based on these ratings, we believe that the trust preferred securities may trade at prices resulting in higher yields to investors than investment-grade securities that PPL Capital Funding could issue to replace them. In addition, our current business plans have changed such that we expect to require less capital than was anticipated at the time the PEPS Units were issued. Accordingly, we may offer to repurchase a portion of the trust preferred securities remarketed pursuant to this prospectus supplement or offer to exchange a portion of the trust preferred securities remarketed pursuant to this prospectus supplement for notes of PPL Capital Funding. Certain

financial institutions with which we have commercial and investment banking relationships have indicated that they may seek to purchase a significant portion of the trust preferred securities in the remarketing, and we may consider a repurchase or exchange offer involving some or all their trust preferred securities. Such institutions are under no obligation to purchase any of the trust preferred securities, the

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remarketing agent is under no obligation to sell any of the trust preferred securities to them and we are under no obligation to repurchase or enter into an exchange offer involving any trust preferred securities that they purchase in the remarketing. Any repurchase or exchange offer that we commence could take the form of a public or private repurchase or exchange offer, could be a partial repurchase or exchange offer and, if a private repurchase or exchange offer, may not be made to all holders of the trust preferred securities. If we exchange for new securities some or all of the securities held by financial institutions that have purchased in the remarketing for new securities, those institutions may offer the new securities to new investors. We have no agreement or other commitment to make any repurchase or exchange, and there is no certainty as to whether or when a repurchase or an exchange might occur.

In order to facilitate the remarketing of the trust preferred securities, the remarketing agent may engage in transactions that stabilize, maintain or otherwise affect the price of the trust preferred securities. These transactions consist of bids or purchases for the purpose of pegging, fixing or maintaining the price of the trust preferred securities. In general, purchases of a security for the purpose of stabilization could cause the price of the security to be higher than it might be in the absence of these purchases. We and the remarketing agent make no representation or prediction as to the direction or magnitude of any effect that the transactions described above may have on the price of the trust preferred securities. In addition, we and the remarketing agent make no representation that the remarketing agent will engage in these transactions or that these transactions, once commenced, will not be discontinued without notice.

We have agreed to indemnify the remarketing agent against or to contribute to payments that the remarketing agent may be required to make in respect of, certain liabilities, including liabilities under the Securities Act of 1933, as amended.

From time to time, the remarketing agent and its affiliates have provided, and continue to provide, investment banking and commercial banking services to PPL Corporation and its affiliates.

EXPERTS

The consolidated financial statements incorporated in this prospectus supplement by reference to the Annual Report on Form 10-K for the year ended December 31, 2002 have been so incorporated in reliance on the report of PricewaterhouseCoopers LLP, independent accountants, given on the authority of said firm as experts in auditing and accounting.

LEGAL MATTERS

Simpson Thacher & Bartlett LLP, New York, New York, counsel to PPL Corporation, PPL Capital Funding and PPL Capital Funding Trust I, will pass upon the validity of the securities and the securities guarantees for PPL Corporation, PPL Capital Funding and the Trust and certain tax matters with respect to the offering of the securities. Thomas D. Salus, Esq., Senior Counsel of PPL Services Corporation, will pass upon the validity of the guarantee for PPL Corporation. Sullivan & Cromwell LLP, New York, New York, will pass upon the validity of the securities and the securities guarantees for the remarketing agent. Certain matters of Delaware law relating to the validity of the trust preferred securities, the enforceability of the trust agreement and the creation of the Trust will be passed upon by Richards, Layton & Finger, P.A., special Delaware counsel to PPL Corporation, PPL Capital Funding and the Trust. Simpson Thacher & Bartlett LLP and Sullivan & Cromwell LLP will rely on the opinion of Mr. Salus as to matters involving the law of the Commonwealth of Pennsylvania, and on the opinion of Richards, Layton & Finger, P.A., as to matters involving the law of the State of Delaware in connection with the trust preferred securities.

WHERE YOU CAN FIND MORE INFORMATION

Available Information

PPL Corporation files reports, proxy statements and other information with the SEC. You may read and obtain copies of this information by mail from the Public Reference Room of the SEC, 450 Fifth Street, N.W., Washington, D.C. 20549, at prescribed rates. Further information on the operation of the SEC's Public Reference Room in Washington, D.C. can be obtained by calling the SEC at 1-800-SEC-0330.

PPL Corporation's Internet website is www.pplweb.com. On the Investor Center page of that website, PPL Corporation provides access to all SEC filings of PPL Corporation registrants free of charge, as soon as reasonably practicable after filing with the SEC. Additionally, PPL Corporation registrants' filings are available at the SEC's website (www.sec.gov).

PPL Corporation's common stock is listed on the NYSE and the Philadelphia Stock Exchange (symbol: PPL), and reports, proxy statements and other information concerning PPL Corporation can also be inspected at the offices of the NYSE at 20 Broad Street, New York, New York 10005 and the Philadelphia Stock Exchange, 1900 Market Street, Philadelphia, Pennsylvania 19103. In addition, reports, proxy statements and other information concerning PPL Corporation can be inspected at its offices at Two North Ninth Street, Allentown, Pennsylvania 18101-1179. PPL Corporation's Internet site at www.pplweb.com contains information concerning PPL Corporation and its affiliates. The information at PPL Corporation's Internet site is not incorporated in this prospectus supplement by reference, and you should not consider it a part of this prospectus supplement.

Incorporation by Reference

The rules of the SEC allow us to incorporate by reference information into this prospectus supplement, which means that we can disclose important information to you by referring you to another document that is filed separately with the SEC. The information incorporated by reference is deemed to be part of this prospectus supplement, and later

information that we file with the SEC will automatically update and supersede that information. This prospectus supplement incorporates by reference the documents set forth below that have been previously filed with the SEC. These documents contain important information about PPL Corporation.

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SEC Filings (File No. 1-11459)	Period/Date
Annual Report on Form 10-K	Year ended December 31, 2002
Quarterly Report on Form 10-Q	Quarters ended March 31, 2003, June 30, 2003 and September 30, 2003
Current Reports on Form 8-K	April 2, May 16, June 19, July 2, July 9, 2003 and January 9, 2004
PPL Corporation's Registration Statement on Form 8-B	April 27, 1995

We are also incorporating by reference additional documents that PPL Corporation files with the SEC pursuant to Section 13(a), 13(c), 14 or 15(d) of the Exchange Act, between the date of this supplement and the termination of this offering.

PPL Corporation will provide without charge to each person, including any beneficial owner, to whom a copy of this prospectus supplement has been delivered, a copy of any and all of these filings. You may request a copy of these filings by writing or telephoning us at:

PPL Corporation

Two North Ninth Street
Allentown, Pennsylvania 18101-1179
Attention: Investor Services Department
Telephone: 1-800-345-3085

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PROSPECTUS

PPL Corporation

PPL Capital Funding, Inc.

PPL Capital Funding Trust I

Two North Ninth Street

Allentown, Pennsylvania 18101-1179

(610) 774-5151

\$1,200,000,000

PPL Corporation

**Common Stock, Preferred Stock,
Stock Purchase Contracts and Stock Purchase Units**

PPL Capital Funding, Inc.

Debt Securities and Subordinated Debt Securities

**Guaranteed as to payment as described
in this prospectus by PPL Corporation**

PPL Capital Funding Trust I

Preferred Trust Securities

**Guaranteed as described
in this prospectus by PPL Corporation**

We will provide the specific terms of these securities in supplements to this prospectus. You should read this prospectus and the supplements carefully before you invest. This prospectus may not be used to sell securities unless accompanied by a prospectus supplement.

We may offer the securities directly or through underwriters or agents. The applicable prospectus supplement will describe the terms of any particular plan of distribution.

These securities have not been approved or disapproved by the Securities and Exchange Commission or any state securities commission, nor has the Securities and Exchange Commission or any state securities commission determined that this prospectus is accurate or complete. Any representation to the contrary is a criminal offense.

The date of this prospectus is February 9, 2001.

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ABOUT THIS PROSPECTUS

This prospectus is part of a registration statement that PPL Corporation, PPL Capital Funding, Inc. (PPL Capital Funding) and PPL Capital Funding Trust I (the Trust) filed with the Securities and Exchange Commission, or SEC, using a shelf registration process. Under this shelf process, we may, from time to time, sell combinations of the securities described in this prospectus in one or more offerings up to a total dollar amount of \$1,200,000,000. This amount includes \$398,084,506 of securities registered under an earlier registration statement. This prospectus provides a general description of the securities we may offer. Each time we sell securities, we will provide a prospectus supplement that will contain specific information about the terms of that offering. The prospectus supplement may also add, update or change information contained in this prospectus. You should read both this prospectus and any prospectus supplement together with additional information described under Where You Can Find More Information.

We may use this prospectus to offer from time to time:

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- (a) shares of PPL Corporation Common Stock, par value \$.01 per share (Common Stock);
- (b) shares of PPL Corporation Preferred Stock, par value \$.01 per share (Preferred Stock);
- (c) contracts to purchase shares of PPL Corporation Common Stock (Stock Purchase Contracts); and
- (d) stock purchase units, each representing either (1) a Stock Purchase Contract or (2) a Stock Purchase Contract and debt securities or preferred trust securities of third parties (such as Debt Securities or Subordinated Debt Securities of PPL Capital Funding, Preferred Trust Securities of the Trust or United States Treasury securities) that are pledged to secure the stock purchase unit holders obligations to purchase Common Stock under the Stock Purchase Contracts (Stock Purchase Units).

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We may also use this prospectus to offer from time to time:

(a) PPL Capital Funding's unsecured and unsubordinated debt securities (Debt Securities); and

(b) PPL Capital Funding's unsecured subordinated debt securities (Subordinated Debt Securities).

PPL Corporation will unconditionally guarantee the payment of principal, premium and interest on the PPL Capital Funding Debt Securities and Subordinated Debt Securities as described below in Description of the Debt Securities PPL Corporation Guarantees and Description of the Subordinated Debt Securities Subordinated Guarantees.

We may also use this prospectus to offer from time to time the Trust's preferred trust securities (Preferred Trust Securities). PPL Corporation will guarantee the Trust's obligations under the Preferred Trust Securities as described below under Description of the Preferred Securities Guarantee.

We sometimes refer to the Common Stock, the Preferred Stock, the Stock Purchase Contracts, the Stock Purchase Units, the Debt Securities, the Subordinated Debt Securities and the Preferred Trust Securities collectively as the Securities. In addition, we sometimes refer to PPL Corporation's guarantees of Debt Securities (Guarantees), guarantees of Subordinated Debt Securities (Subordinated Guarantees), and the guarantee of Preferred Trust Securities (Preferred Securities Guarantee), collectively as Securities Guarantees.

For more detailed information about the Securities and the Securities Guarantees, you can read the exhibits to the registration statement. Those exhibits have been either filed with the registration statement or incorporated by reference to earlier SEC filings listed in the registration statement.

WHERE YOU CAN FIND MORE INFORMATION

Available Information

PPL Corporation files reports, proxy statements and other information with the SEC. Information filed with the SEC by PPL Corporation can be inspected and copied at the Public Reference Room maintained by the SEC and at the following Regional Offices of the SEC:

Public Reference Room
450 Fifth Street, N.W.
Room 1024
Washington, D.C. 20549

New York Regional Office
7 World Trade Center
Suite 1300
New York, New York 10048

Chicago Regional Office
Citicorp Center
500 West Madison Street
Suite 1400
Chicago, Illinois 60661-2551

You may also obtain copies of this information by mail from the Public Reference Section of the SEC, 450 Fifth Street, N.W., Room 1024, Washington, D.C. 20549, at prescribed rates. Further information on the operation of the SEC's Public Reference Room in Washington, D.C. can be obtained by calling the SEC at 1-800-SEC-0330.

The SEC also maintains an Internet world wide web site that contains reports, proxy statements and other information about issuers, such as PPL Corporation, who file electronically with the Commission. The address of that site is <http://www.sec.gov>.

PPL Corporation Common Stock is listed on the New York Stock Exchange (NYSE) and the Philadelphia Stock Exchange (symbol: PPL), and reports, proxy statements and other information concerning PPL Corporation can also be inspected at the offices of the NYSE at 20 Broad Street, New York, New York 10005 and the Philadelphia Stock Exchange, 1900 Market Street, Philadelphia, Pennsylvania 19103. In addition, reports, proxy statements and other

information concerning PPL Corporation can be inspected at its offices at Two North Ninth Street, Allentown, Pennsylvania 18101-1179. PPL Corporation maintains an Internet site at <http://www.pplweb.com> (which is not intended to be an active hyperlink herein) which

contains information concerning PPL Corporation and its affiliates. The information at PPL Corporation's Internet site is not incorporated in this prospectus by reference, and you should not consider it a part of this prospectus.

Incorporation by Reference

The rules of the SEC allow us to incorporate by reference information into this prospectus, which means that we can disclose important information to you by referring you to another document filed separately with the SEC. The information incorporated by reference is deemed to be part of this prospectus, and later information that we file with the SEC will automatically update and supersede that information. This prospectus incorporates by reference the documents set forth below that have been previously filed with the SEC. These documents contain important information about PPL Corporation.

SEC Filings (File No. 1-11459)	Period/Date
Annual Report on Form 10-K, as amended by Form 10-K/ A, filed with the SEC on June 28, 2000	Year ended December 31, 1999
Quarterly Reports on Form 10-Q	Quarters ended March 31, June 30 and September 30, 2000
Current Reports on Form 8-K	January 28, February 14, May 26, June 2, June 15, July 5, July 14, July 31, August 1, August 23, October 20, October 26 and December 21, 2000 and January 26, 2001
PPL Corporation's Registration Statement on Form 8-B	April 27, 1995

We are also incorporating by reference additional documents that PPL Corporation files with the SEC pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, as amended (the Exchange Act), between the date of this prospectus and the termination of the offering of the Securities. In addition, we are also incorporating by reference any additional documents that PPL Corporation files with the SEC pursuant to these sections of the Exchange Act after the date of the filing of the registration statement containing this prospectus, and prior to the effectiveness of the registration statement.

PPL Corporation will provide without charge to each person, including any beneficial owner, to whom a copy of this prospectus has been delivered, a copy of any and all of these filings. You may request a copy of these filings by writing or telephoning us at:

PPL Corporation
 Two North Ninth Street
 Allentown, Pennsylvania 18101-1179
 Attention: Investor Services Department
 Telephone: 1-800-345-3085

We have not included or incorporated by reference any separate financial statements of PPL Capital Funding herein. We do not consider those financial statements to be material to holders of the Debt Securities or Subordinated Debt Securities because (1) PPL Capital Funding was formed for the primary purpose of providing financing for PPL Corporation and its subsidiaries, (2) PPL Capital Funding does not currently engage in any independent operations and (3) PPL Capital Funding does not currently plan to engage, in the future, in more than minimal independent operations. See PPL Capital Funding. PPL Capital Funding has received a no action letter from the Staff of the SEC stating that the Staff would not raise any objection if PPL Capital Funding does not file periodic reports under Sections 13 and 15(d) of the Exchange Act. Accordingly, we do not expect PPL Capital Funding to file those reports.

We have similarly not included or incorporated by reference any separate financial statements of the Trust herein. We do not consider those financial statements to be material to holders of the Preferred Trust

Securities because (1) the Trust is a newly formed special purpose entity and has no operating history or independent operations, and (2) the Trust is not engaged in and does not propose to engage in any activity other than holding as trust assets the Subordinated Debt Securities of PPL Capital Funding and issuing the Preferred Trust Securities and the Common Trust Securities. We do not expect the Trust to file periodic reports under Sections 13 and 15(d) of the Exchange Act.

PPL CORPORATION

PPL Corporation is a holding company with headquarters in Allentown, Pennsylvania. Its principal subsidiaries include:

PPL Electric Utilities Corporation (PPL Utilities), which provides electricity delivery service in eastern and central Pennsylvania;

PPL Energy Funding Corporation (Energy Funding), a holding company for PPL Corporation's unregulated business;

PPL EnergyPlus, LLC (EnergyPlus), which sells energy and energy services in deregulated markets;

PPL Generation, LLC (PPL Generation), which owns and operates all of PPL Corporation's U.S. generation facilities, including those generating facilities previously owned by PPL Utilities;

PPL Montana Holdings, LLC, which holds, through subsidiaries, investments in electricity generation and related assets in Montana;

PPL Montana, LLC, which generates electricity for wholesale and retail customers in Montana and the Northwest;

PPL Global, LLC (PPL Global), an international independent power company which develops and acquires U.S. and international energy projects and which owns international energy projects;

PPL Gas Utilities Corporation, which provides natural gas distribution, transmission and storage services and sells propane;

PPL Spectrum, Inc., which markets energy-related products and services;

PPL Capital Funding, which engages in financing for PPL Corporation and its subsidiaries;

H.T. Lyons, Inc., McClure Company, McCarl's Inc., Burns Mechanical, and Western Mass. Holdings, Inc., which are mechanical contracting and engineering firms; and

PPL Transition Bond Company, LLC (a special purpose subsidiary of PPL Utilities), formed to issue transition bonds under the Pennsylvania Electricity Generation and Customer Choice and Competition Act (Customer Choice Act).

Corporate Realignment

Prior to July 1, 2000, PPL Utilities had been an integrated public utility which engaged in the generation, transmission and distribution of electricity in its franchised territory in eastern and central Pennsylvania, and which also engaged in wholesale energy marketing in the United States and Canada. PPL Utilities also engaged in retail

energy marketing in newly deregulated markets through EnergyPlus, which had been a wholly-owned subsidiary of PPL Utilities.

As a result of federal