PPL ELECTRIC UTILITIES CORP
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March 21, 2002

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14C

Information Statement Pursuant to Section 14(c)
of the Securities Exchange Act of 1934 (Amendment No.   )

Check the appropriate box:

[_] Preliminary Information Statement
[_] Confidential, for Use of the Commission Only (as permitted by Rule 14c-5(d)(2))
[X] Definitive Information Statement

PPL Electric Utilities Corporation

(Name of Registrant As Specified In Charter)

Payment of Filing Fee (Check the appropriate box):

[X] No Fee required
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(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (Set forth the amount on which the filing fee is calculated and state how it was determined):

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(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

PPL Electric Utilities Corporation

Notice of Annual Meeting

April 22, 2002

and

Information Statement
(including appended
2001 Financial Statements)

Notice of Annual Meeting of Shareowners

The Annual Meeting of Shareowners of PPL Electric Utilities Corporation (PPL Electric Utilities or the Company) will be held at the Clarion Hotel in the Harvest Room, 904 Hamilton Street, Allentown, Pennsylvania, on Monday, April 22, 2002, at 8:00 a.m. The Annual Meeting will be held for the purposes stated below and more fully described in the accompanying Information Statement, and to transact such other business as may properly come before the Annual Meeting or any adjournments thereof:

1. The election of directors.

The Board of Directors is not aware of any other matters to be presented for action at the Annual Meeting.

Proxies are not being solicited from PPL Electric Utilities Shareowners because a quorum exists for the Annual Meeting based on the PPL Electric Utilities stock held by its parent, PPL Corporation (PPL). PPL owns all of the outstanding common stock and as a result 99% of the voting shares of PPL Electric Utilities, and intends to vote all of these shares in favor of the election of the Company s nominees as directors.

Only Shareowners of record at the close of business on Thursday, February 28, 2002, will be entitled to vote at the Annual Meeting or any adjournments thereof. All Shareowners are invited to attend the Annual Meeting in person. If the Annual Meeting is interrupted or delayed for any reason, the Shareowners attending the adjourned Meeting shall constitute a quorum and may act upon such business as may properly come before the Annual Meeting.

By Order of the Board of Directors.

Elizabeth Stevens Duane
Secretary

March 21, 2002

Information Statement

The Company s principal executive offices are located at Two North Ninth Street, Allentown, Pennsylvania 18101, telephone number 610-774-5151. This Information Statement was first released to Shareowners on or about March 21, 2002.

PPL Electric Utilities parent, PPL Corporation (PPL), owns all of the shares of the Company s outstanding common stock, which represents 99% of PPL Electric Utilities outstanding voting shares. As a result, a quorum exists for the Annual Meeting based on PPL s stock ownership. **ACCORDINGLY, WE ARE NOT ASKING THE SHAREOWNERS FOR A PROXY, AND SHAREOWNERS ARE REQUESTED NOT TO SEND US A PROXY.**

OUTSTANDING STOCK AND VOTING RIGHTS

The Board of Directors has established Thursday, February 28, 2002, as the record date for Shareowners entitled to vote at the Annual Meeting (the Record Date). The transfer books of the Company will not be closed. PPL Electric Utilities Amended and Restated Articles of Incorporation (the Articles) divide its voting stock into four classes: 4½% Preferred Stock, Series Preferred Stock, Preference Stock and Common Stock. There were no shares of Preference Stock outstanding on the Record Date. Each currently outstanding share of each class of stock entitles the holder to one vote upon any business properly presented to the Annual Meeting. A total of 78,846,052 shares was outstanding on the Record Date, consisting of 78,029,863 shares of Common Stock all owned by PPL, 247,524 shares of 4½% Preferred Stock and 568,665 shares of Series Preferred Stock.

As of February 15, 2002, there are no entities known by the Company to own more than five percent of any class or series of preferred stock entitled to vote at the Annual Meeting.

Although proxies are not being solicited, Shareowners may attend the Annual Meeting and vote in person. If you plan to attend the Annual Meeting and vote in person, we will give you a ballot when you arrive. However, if your shares are held in the name of your broker, bank or other nominee, you must bring an account statement or letter from the nominee indicating that you were the beneficial owner of the shares on February 28, 2002, the record date for voting. PPL intends to vote all of its shares of the Company s common stock, or 99% of the voting shares of the Company, in favor of election of each of the nominees for director (see Election of Directors), thereby assuring the election of these directors.

To preserve voter confidentiality, the Company voluntarily limits access to Shareowner voting records to certain designated employees of PPL Services Corporation. These employees sign a confidentiality agreement which prohibits them from disclosing the manner in which a Shareowner has voted to any employee of PPL affiliates or to any other person (except to the Judges of Election or the person in whose name the shares are registered), unless otherwise required by law.

With respect to the election of directors, Shareowners have the unconditional right of cumulative voting. Shareowners may vote in this manner by multiplying the number of shares registered in their respective names on the Record Date by the total number of directors to be elected at the Annual Meeting and casting all of such votes for one nominee or distributing them among any two or more nominees. The nominees receiving the highest number of votes, up to the number of directors to be elected, will be elected. Authority to vote for any individual nominee can be withheld by striking a line through that person s name in the list of nominees on the ballot. Shares will be voted for the remaining nominees on a pro rata basis.

PROPOSAL 1: ELECTION OF DIRECTORS

The nominees this year are John R. Biggar, Michael E. Bray, Paul T. Champagne, Dean A. Christiansen, Lawrence E. De Simone, Robert J. Grey, William F. Hecht, James H. Miller and Roger L. Petersen, who are currently serving as directors. The Board of Directors has no reason to believe that any of the nominees will become unavailable for election, but, if any nominee should become unavailable prior to the meeting, PPL intends to vote its shares of PPL Electric Utilities common stock for the election of such other person as the Board of Directors may recommend in place of that nominee.

The Board of Directors
recommends that Shareowners vote FOR Proposal 1

NOMINEES FOR DIRECTORS:

JOHN R. BIGGAR, 57, serves as Executive Vice President and Chief Financial Officer of the Company s parent, PPL Corporation. He is also a director of PPL Corporation, and is a manager of PPL Montana, LLC and PPL Transition Bond Company, LLC. Mr. Biggar earned a Bachelor s degree in political science from Lycoming College and a Juris Doctor degree from the College of Law at Syracuse University. He joined the Company in 1969. Before being named as Executive Vice President and Chief Financial Officer of PPL Corporation in 2001, Mr. Biggar served two years as Senior Vice President and Chief Financial Officer and 14 years as Vice President-Finance. Mr. Biggar has been a Director since 2000.

MICHAEL E. BRAY, 54, serves as President of the Company and also serves as Chief Executive Officer of PPL Gas Utilities Corporation, a PPL Corporation subsidiary specializing in natural gas distribution, transmission and storage services and the sale of propane. Mr. Bray holds a B.S. in mechanical engineering from the University of Missouri and an M.B.A. from Washington University. Mr. Bray has worked for 30 years in the energy industry, holding key positions at General Electric Co. from 1970 to 1987. Prior to joining the Company in April 2000, he served as President and Chief Executive Officer of Consolidated Edison Development, Inc., Senior Vice President of the Electric Business Unit of Long Island Lighting Co. and President and Chief Executive Officer of D.B. Riley Consolidated, Inc. He currently serves as Chairman of the Energy Association of Pennsylvania. Mr. Bray has been a Director since 2000.

PAUL T. CHAMPAGNE, 43, serves as President of PPL EnergyPlus, LLC, a subsidiary of PPL Corporation that markets energy in key U.S. markets. Mr. Champagne earned a B.S. in chemical engineering and completed master s course work in mechanical engineering at the University of Illinois. Mr. Champagne served as President of PPL Global, LLC, a PPL Corporation subsidiary, for three years and prior to that as its Vice President and Senior Development Officer. Prior to joining PPL Global in 1995, he served in several business development positions at Edison Mission Energy Company, including Midwest regional manager. Mr. Champagne has been a Director since 2000.

DEAN A. CHRISTIANSEN, 42, is President of Lord Securities Corporation of New York, a financial services and administration company with operations world-wide. Lord provides structuring support to the asset securitizations industry through independent governance, ownership and management of special purpose entities formed in connection with securitization and similar debt issuances. He is a founding principal of Acacia Capital, Inc., a New York City-based corporate finance advisory firm founded in 1990. Mr. Christiansen is a graduate of the University of Notre Dame with a degree in Government, and has completed additional studies in Aerospace engineering. Mr. Christiansen is also a member of the board of managers of PPL Transition Bond Company, LLC and PSEG Transition Funding LLC. He has been a Director since 2001.

LAWRENCE E. DE SIMONE, 54, serves as Executive Vice President Supply of the Company s parent, PPL Corporation. He is also a member of the board of managers of PPL Transition Bond Company, LLC. Mr. De Simone earned a B.A. in economics from Claremont McKenna College and a Ph.D. in business administration from the University of California at Berkeley. Before being named to his current position, Mr. De Simone served as President of PPL EnergyPlus, LLC, a PPL Corporation subsidiary. Before joining PPL EnergyPlus in 1998, Mr. De Simone served as Senior Vice President-Energy Services for Virginia Power Co. and President of Central & South West Corp. s energy services and telecommunications operations as well as its Vice President for Strategic Planning. He has been a Director since 2000.

ROBERT J. GREY, 51, serves as Senior Vice President, General Counsel and Secretary of the Company s parent, PPL Corporation and is a manager of PPL Energy Supply, LLC. Mr. Grey earned his B.A. from Columbia University, a law degree from Emory University, and a Master of Laws degree in taxation from George Washington University. Before being named as Senior Vice President, General Counsel and Secretary of PPL Corporation and the Company in 1996, Mr. Grey served as Vice President, General Counsel and Secretary. Before joining the Company in 1995, Mr. Grey served as General Counsel for Long Island Lighting Company and was a partner with the law firm of Preston Gates & Ellis. He has been a Director since 2000.

WILLIAM F. HECHT, 59, is Chairman, President and Chief Executive Officer of the Company s parent, PPL Corporation and is Chairman of the Company. Mr. Hecht received a B.S. and M.S. in Electrical Engineering from Lehigh University, and joined the Company in 1964. He was elected President and Chief Operating Officer in 1991 and was named Chairman, President and Chief Executive Officer of the Company in 1993, and to his PPL Corporation position in February 1995. Mr. Hecht is a director of Dentsply International, Inc., RenaissanceRe Holdings Ltd. and PPL Corporation, is a manager of PPL Energy Supply, LLC and serves on the board of a number of civic and charitable organizations. Mr. Hecht has been a Director since 1990.

JAMES H. MILLER, 53, is President of PPL Generation, LLC, a PPL Corporation subsidiary that operates power plants in Pennsylvania, Montana, Connecticut, Maine and Arizona and serves as a manager of PPL Montana, LLC. Mr. Miller earned a B.S. degree in electrical engineering from the University of Delaware and served in the U.S. Navy nuclear program. Before joining PPL Generation, LLC in February 2001, Mr. Miller served as Executive Vice President of USEC, Inc., President of ABB Environmental Systems, President of UC Operating Services, President of ABB Resource Recovery Systems and Plant Manager of Delmarva Power and Light Co. Mr. Miller has been a Director since 2001.

ROGER L. PETERSEN, 51, serves as President of PPL Global, LLC, a subsidiary of PPL Corporation that invests in and develops power projects world-wide. Mr. Petersen earned a business management degree from the University of California at Los Angeles, a bachelor s degree in mechanical engineering from South Dakota State University and a master s degree in engineering from California Polytechnic University at Pomona. Prior to being named to his current position in October 2001, Mr. Petersen served as President and Chief Executive Officer of PPL Montana, LLC for two years, and Vice President and Chief Operating Officer of PPL Global, LLC for four years, both of which are PPL Corporation subsidiaries. Mr. Petersen also served as regional Vice President of Edison Mission Energy and as project manager of U.S. and international projects at Fluor-Daniel. Mr. Petersen has been a Director since 2001.

GENERAL INFORMATION REGARDING DIRECTORS AND EXECUTIVE OFFICERS

Director Attendance at Board Meetings

The Board of Directors held four meetings during 2001. Each director attended 75% of the meetings held by the Board and its Committees during the year, except for Mr. De Simone who attended 50%. The average attendance of directors at the Board and Committee meetings held during 2001 was 82%.

Compensation of Directors

The Company pays Lord Securities Corporation an annual fee of $7,000 for providing the services of its independent director, Dean A. Christiansen. Directors who are employees of the Company or its affiliates receive no separate compensation for service on the Board of Directors.

Stock Ownership

As noted above, all of the outstanding common stock of PPL Electric Utilities is owned by PPL Corporation. No directors or executive officers own any PPL Electric Utilities preferred stock.

Board Committees

Executive Committee. During the periods between Board meetings, the Executive Committee s function is to act on behalf of the Board on appropriate matters that do not require full Board approval under the Pennsylvania Business Corporation Law or the Company s Articles and Bylaws. This Committee did not meet during 2001. The members of the Executive Committee are Mr. Hecht (chair), and Messrs. Biggar and Bray.

Retirement Plans for Executive Officers

PPL Electric Utilities officers are eligible for benefits under the PPL Retirement Plan and the PPL Supplemental Executive Retirement Plan (SERP) upon retirement. The following table shows the estimated annual retirement benefits for executive officers payable under these Plans for officers hired before January 1, 1998.

Estimated Annual Retirement Benefits
at Normal Retirement Age of 65
Officers Hired Before 1/1/98

Five-Year Average Annual Compensation	Years of Service			
	15 Years	20 Years	25 Years	30 Years
$ 300,000	101,580	142,080	157,080	172,080
350,000	121,830	169,080	186,580	204,080
400,000	142,080	196,080	216,080	236,080
450,000	162,330	223,080	245,580	268,080
500,000	182,580	250,080	275,080	300,080
550,000	202,830	277,080	304,580	332,080
600,000	223,080	304,080	334,080	364,080
650,000	243,330	331,080	363,580	396,080
700,000	263,580	358,080	393,080	428,080
750,000	283,830	385,080	422,580	460,080
800,000	304,080	412,080	452,080	492,080
850,000	324,330	439,080	481,580	524,080
900,000	344,580	466,080	511,080	556,080
950,000	364,830	493,080	540,580	588,080
1,000,000	385,080	520,080	570,080	620,080
1,050,000	405,330	547,080	599,580	652,080
1,100,000	425,580	574,080	629,080	684,080
1,150,000	445,830	601,080	658,580	716,080
1,200,000	466,080	628,080	688,080	748,080
1,250,000	486,330	655,080	717,580	780,080

Benefits under the Retirement Plan are calculated by determining the greater of two formulas. One formula uses average compensation for the highest 60 consecutive months in the final 120 months of employment, and the other formula uses a fixed percentage of actual compensation for each year of service, added up over all years of service. Benefits under the SERP are based on length of service and the average compensation for the highest 60 consecutive months in the final 120 months of employment. For purposes of calculating benefits under the Retirement Plan, the compensation used is base salary less amounts deferred under the PPL Officers Deferred Compensation Plan. Base salary, including any amounts deferred, is listed in the Summary Compensation Table which follows. (Of the officers listed in that Table, Mr. Abel deferred $15,600 of compensation for 2001.) For purposes of calculating benefits under the SERP, the compensation used is base salary, cash bonus, and, in some cases, the value of any restricted stock grant for the year in which earned, as listed in the Table, as well as dividends paid on restricted stock.

Benefits payable under the Retirement Plan are subject to limits set forth in the Internal Revenue Code and are not subject to any deduction for Social Security benefits or other offset. They are computed on the basis of the life annuity form of pension at the normal retirement age of 65. Benefits payable under the SERP are computed on the same basis; are offset by Retirement Plan benefits and the maximum Social Security benefit payable at 65; and are reduced for retirement prior to age 60.

As of January 1, 2002, the years of credited service under the Retirement Plan for Messrs. Bray, McCabe and Abel were 1.58, 7.08 and 20.92, respectively. The years of credited service under the SERP for each of these officers are three years less than under the Retirement Plan, except in the case of Mr. Bray who is entitled to three years of additional credited service.

For officers hired on or after January 1, 1998, including Mr. Bray, benefits under the SERP are based on a new formula, as follows: (i) restricted stock grants are not included in compensation for purposes of calculating benefits under the SERP; (ii) the percentage of pay provided as a retirement benefit is changed from 2.7% for the first 20 years of service plus 1.0% for the next 10 years, to 2.0% for the first 20 years and 1.5% for the next 10 years; and (iii) credit for years of service will commence as of the employee s date of hire instead of at age 30.

The following table shows the estimated annual retirement benefits for executive officers payable under the new SERP formula:

Estimated Annual Retirement Benefits
at Normal Retirement Age of 65
Officers Hired On or After 1/1/98

Five-Year Average Annual Compensation	**Years of Service**			
	15 Years	**20 Years**	**25 Years**	**30 Years**
$ 300,000	90,000	120,000	142,500	165,000
350,000	105,000	140,000	166,250	192,500
400,000	120,000	160,000	190,000	220,000
450,000	135,000	180,000	213,750	247,500
500,000	150,000	200,000	237,500	275,000
550,000	165,000	220,000	261,250	302,500
600,000	180,000	240,000	285,000	330,000
650,000	195,000	260,000	308,750	357,500
700,000	210,000	280,000	332,500	385,000
750,000	225,000	300,000	356,250	412,500
800,000	240,000	320,000	380,000	440,000
850,000	255,000	340,000	403,750	467,500
900,000	270,000	360,000	427,500	495,000
950,000	285,000	380,000	451,250	522,500
1,000,000	300,000	400,000	475,000	550,000
1,050,000	315,000	420,000	498,750	577,500
1,100,000	330,000	440,000	522,500	605,000
1,150,000	345,000	460,000	546,250	632,500
1,200,000	360,000	480,000	570,000	660,000
1,250,000	375,000	500,000	593,750	687,500

For existing officers, effective January 1, 1998, benefits under the SERP are calculated under the greater of the old formula or the new formula, except that compensation for purposes of the old formula includes restricted stock grants only to the extent earned through December 31, 2001, and will be frozen as of December 31, 2001, and compensation for purposes of the new formula includes restricted stock grants only to the extent earned through December 31, 1997. The years of credited service under the SERP for Mr. Bray are 4.58.

SUMMARY COMPENSATION TABLE

The following table summarizes all compensation for the President and the most highly compensated executive officers (Named Executive Officers) for the last three fiscal years. Each officer was an employee of the Company until June 30, 2000. Effective July 1, 2000, Messrs. McCabe and Abel are not paid separately as officers of PPL Electric Utilities, but are employees of PPL Services Corporation.

		Annual Compensation			Long-Term Compensation		
Name and Principal Position	Year	Salary[1] ($)	Bonus[1] ($)	Other Annual Compensation ($)	Restricted Stock Award[3] ($)	Options (#)	All Other Compensation[4] ($)
Michael E. Bray	2001	294,808	103,139	0	66,900	37,780	5,100
President and Vice	2000	197,307	189,080	0	143,236	0	68,394
Chair	1999	0	0	0	0	0	0
Joseph J. McCabe	2001	209,728	58,438	0	41,144	15,750	5,335
Vice President and	2000	194,617	91,817	0	58,131	15,950	5,294
Controller	1999	174,000	63,842	0	28,400	13,100	3,887
James E. Abel	2001	205,553	57,202	900[2]	40,475	15,550	5,828
Treasurer	2000	191,584	90,658	0	57,270	15,410	5,697
	1999	154,813	64,046	0	27,291	5,750	4,365

1 Salary and bonus data include deferred compensation. Bonus data includes a one-time employment bonus of $50,000 for Mr. Bray, who joined the Company in April 2000, as Senior Vice President. Effective July 1, 2000, Mr. Bray became President and Vice Chair.

2 Includes fees earned by Mr. Abel for serving as a director of Safe Harbor Water Power Corporation, an affiliate of the Company.

3 Mr. Bray was granted 2,500 shares of restricted PPL common stock with a three-year restriction period, as a one-time employment bonus. The dollar value of restricted common stock awards was calculated by multiplying the number of shares awarded by the closing price per share on the date of the grant. As of December 31, 2001, the officers listed in this table held the following number of shares of restricted common stock, with the following values: Mr. Bray 4,440 shares ($154,734), Mr. McCabe 3,420 shares ($119,187) and Mr. Abel 3,060 shares ($106,641). These year-end data do not include awards made in January 2002, for 2001 performance, or awards which had originally been restricted and for which the restriction periods have lapsed or been lifted. Dividends are paid currently on restricted stock awards. All outstanding restricted stock awards to these individuals have a restriction period of three years.

4 Includes Company contributions to the Officers Deferred Savings Plan and the ESOP accounts; also includes relocation expenses paid to Mr. Bray in 2000.

OPTION GRANTS IN LAST FISCAL YEAR

The following table provides information on stock options granted to the Named Executive Officers during 2001.

	Individual Grants[1]				Grant Date Value
Name	Number of Securities Underlying Options Granted	% of Total Options Granted to Employees in 2001	Exercise or Base Price	Expiration Date	Grant Date[2] Present Value
M. E. Bray	37,780	4.1%	$ 43.1562	1/24/2011	$ 356,265
J. J. McCabe	15,750	1.7	43.1562	1/24/2011	148,523
J. E. Abel	15,550	1.7	43.1562	1/24/2011	146,637

1 Exercisable in three equal annual installments beginning January 25, 2002.

2 Values indicated are an estimate based on a modified Binomial option pricing model. Although executives risk forfeiting these options under certain circumstances, these risks are not factored into the calculated values. The actual value realized will be determined by the excess of the stock price over the exercise price on the date the option is exercised. There is no certainty that the actual value realized will be at or near the value estimated by the modified Binomial option pricing model.

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Assumptions used for the modified Binomial model are as follows:

Risk-free interest rate	5.74%
Volatility	30.04%
Dividend yield	4.78%
Time of exercise	10 years

AGGREGATED OPTION EXERCISES IN LAST FISCAL YEAR AND FISCAL YEAR-END OPTION VALUES

The following table summarizes information for the Named Executive Officers concerning exercises of stock options during 2001 and the number and values of all unexercised stock options as of December 31, 2001.

			Number of Securities Underlying Unexercised Options at December 31, 2001		Value of Unexercised In-the-Money Options at December 31, 2001	
Name	Shares Acquired on Exercise #	Value Realized $	Exercisable #	Unexercisable #	Exercisable $	Unexercisable $
M. E. Bray	0			37,780	0	0
J. J. McCabe	5,317	$ 127,329	24,483	30,750	72,975	169,909
J. E. Abel	7,053	135,869	0	27,740		144,919

Value of unexercised options at fiscal year-end represents the difference between the exercise price of any outstanding in-the-money option grant and $35.20, the average of the high and low price of PPL common stock on December 31, 2001.

CHANGE IN CONTROL ARRANGEMENTS

PPL has entered into agreements with each of the Named Executive Officers, which agreements provide benefits to the officers upon certain terminations of employment following a change in control of PPL (as such term is defined in the agreements). The benefits provided under these agreements replace any other severance benefits provided to these officers by PPL, or any prior severance agreement.

Each of the agreements continues in effect until December 31, 2002, and the agreements generally are automatically extended for additional one-year periods. Upon the occurrence of a change in control, the agreements will expire no earlier than thirty-six months after the month in which the change in control occurs. Each agreement provides that the officer will be entitled to the severance benefits described below if PPL terminates the officer s employment following a change in control for any reason other than death, disability, retirement or cause, or if the officer terminates employment for good reason (as such terms are defined in the agreements).

The benefits consist of a lump sum payment equal to three times the sum of (a) the officer s base salary in effect immediately prior to date of termination, or if higher, immediately prior to the first occurrence of an event or circumstance constituting good reason, and (b) the highest annual bonus in respect of the last three fiscal years ending immediately prior to the fiscal year in which the change in control occurs, or if higher, the fiscal year immediately prior to the fiscal year in which first occurs an event or circumstance constituting good reason. (This bonus amount would include the value of restricted stock awards for calendar years prior to 1998.) In addition, under the terms of each agreement, PPL would provide the officer and dependents with continuation of welfare benefits (reduced to the extent the officer receives comparable benefits), and would pay the officer unpaid incentive compensation that has been allocated or awarded, a lump sum payment having an actuarial present value equal to the additional pension benefits the officer would have received had the officer continued to be employed by the Company for an additional thirty-six months, outplacement services for up to three years and, for Mr. Bray, a gross-up payment for any excise tax imposed under the Internal Revenue Code. In addition, under the agreements, PPL would provide post-retirement health care and life insurance benefits to officers who would have become eligible for such benefits within the thirty-six month period following the change in control.

In addition, in the event of a change in control, the restriction period applicable to any outstanding restricted stock awards under the Incentive Compensation Plan lapses.

EMPLOYMENT AGREEMENT

Mr. Bray has an employment agreement with the Company which provides for a base annual salary for his first year of employment of $285,000, guaranteed for one year unless terminated for cause. If his employment is terminated for reasons other than for cause after his first year of employment, he will continue to receive his salary for a period of 52 weeks or until he secures alternative employment, whichever occurs first, under certain conditions. In addition, Mr. Bray as an officer of the Company participates in the Short-Term Incentive Plan and the Incentive Compensation Plan; his employment agreement guarantees that his first-year Short-Term cash award and restricted stock multiples will be based on a guaranteed minimum of 100% goal attainment and will be calculated based on a full year s base salary. Under the agreement, Mr. Bray also participates in the SERP described above.

COMPENSATION REPORT OF THE BOARD OF DIRECTORS

GENERALLY

PPL Corporation (together with its subsidiaries, PPL) is the parent holding company for numerous subsidiaries. PPL s principal operating subsidiaries are PPL Electric Utilities, PPL EnergyPlus, LLC, PPL Generation, LLC and PPL Global, LLC.

The Compensation and Corporate Governance Committee of PPL s Board of Directors (the Committee) establishes compensation and benefit practices for the members of PPL s Corporate Leadership Council (which sets corporate policy for the Company) and the presidents of PPL s principal operating subsidiaries, including Mr. Bray[1] (collectively the executive officers). This Committee is comprised entirely of independent outside directors.

Messrs. Abel and McCabe are officers of PPL Electric Utilities and certain other affiliated companies. Accordingly, their compensation discussed herein includes compensation earned for services to PPL Electric Utilities and its affiliates.

COMPENSATION PHILOSOPHY

During 2001, PPL had in place two major components of compensation for the executive officers base salary and incentive compensation. Base salaries reflect the value of the various PPL executive positions relative to similar positions both within PPL and in other companies and individual executive performance. The incentive compensation component is designed with the objective of placing a large portion of executive compensation at risk. The incentive component, which is comprised of cash, restricted stock and stock options, is designed to incent and reward executive officers for annual corporate financial and operational performance, the achievement of certain corporate initiatives, and long-term enhancement of shareowner value. The following is a description of the 2001 executive officer base salaries established, and incentive compensation awarded, by the Committee pursuant to PPL s Short-Term Incentive Plan and Incentive Compensation Plan.

Base Salaries

In general, PPL s objective is to provide salary levels that are sufficiently competitive with comparable companies to enable PPL to attract and retain high-quality executive talent. To meet this objective, PPL regularly reviews salary information for similar companies provided by independent, nationally recognized compensation consultants. In addition, PPL annually reviews the performance of each executive to determine the appropriate level of base salary adjustment for that officer.

The Committee reviewed salary ranges for Mr. Bray by comparing these salary levels with levels at companies of comparable size to the Company in the energy industry and in general industry. Base salary market comparisons were made against the 50th percentile salaries of the comparison companies.