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PPL CORP
Form 8-K
September 09, 2002

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): September 6, 2002

PPL Corporation

(Exact Name of Registrant as Specified in Its Charter)

| | | |
|--|---|---|
| Pennsylvania ----- (State or other jurisdiction of Incorporation) | 1-11459 ----- (Commission File Number) | 23-2758192 ----- (IRS Employer Identification No.) |
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PPL Energy Supply, LLC

(Exact Name of Registrant as Specified in Its Charter)

| | | |
|--|---|---|
| Delaware ----- (State or other jurisdiction of Incorporation) | 333-74794 ----- (Commission File Number) | 23-3074920 ----- (IRS Employer Identification No.) |
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Two North Ninth Street, Allentown, Pennsylvania 18101-1179

(Address of principal executive offices)

Registrant's Telephone Number, including Area Code: (610) 774-5151

ITEM 2. ACQUISITIONS OR DISPOSITION OF ASSETS

On September 6, 2002, PPL Corporation ("PPL"), through an indirect, wholly-owned subsidiary (the "Acquiring Subsidiary") of PPL Energy Supply, LLC ("PPL Energy Supply"), acquired Mirant Corporation's 49% indirect equity interest in Western Power Distribution Holdings Limited and WPD Investment Holdings Limited (together, "WPD") for an aggregate consideration of approximately \$235 million. PPL Energy Supply and Mirant Corporation have each guaranteed the obligations of their respective subsidiaries under the acquisition documents. The consideration paid by the Acquiring Subsidiary for the acquisition was funded with a bridge loan provided by a United States affiliate from the issuance of commercial paper. The Acquiring Subsidiary intends to replace this bridge financing with

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permanent debt financing in the near future.

WPD, through indirect, wholly-owned subsidiaries, operates two electric transmission and distribution companies in the United Kingdom which together serve approximately 2.5 million customers. Prior to the acquisition, PPL and PPL Energy Supply indirectly held 51% of the equity interests in WPD but shared control of WPD with Mirant Corporation pursuant to shareholders' agreements. The shareholders' agreements were terminated in connection with the closing of the acquisition.

For the calendar year ended December 31, 2001 and for the six months ended June 30, 2002, WPD recorded revenues of (pound)375.3 million (\$540.7 million based on an average exchange rate of \$1.441 per British pound for the period) and (pound)199.4 million (\$287.9 million based on an average exchange rate of \$1.444 per British pound for the period), and at June 30, 2002, WPD had total assets of (pound)2,912.3 million (\$4,464.6 million based on an exchange rate of \$1.533 per British pound at June 30, 2002) and total debt of (pound)1,338.7 million (\$2,052.2 million based on an exchange rate of \$1.533 per British pound), (pound)310.0 million (\$475.3 million based on an exchange rate of \$1.533 per British pound) of which falls due within one year. All currently outstanding indebtedness of WPD is non-recourse to all other PPL affiliates. All of the preceding amounts are unaudited. Historically, PPL and PPL Energy Supply have accounted for their investment in WPD using the equity method of accounting. From and after the acquisition of the remaining interest in WPD, the results of WPD will be consolidated with the results of PPL and PPL Energy Supply, meaning that PPL and PPL Energy Supply will eliminate the related investment account from their respective financial statements and fully reflect all of WPD's income statement and balance sheet amounts, including all of WPD's debt, in their financial statements on a U.S. GAAP basis.

ITEM 9. REGULATION FD DISCLOSURE

On September 6, 2002, PPL Corporation issued a press release announcing, among other things, the acquisition described in this report and 2003 earnings guidance and reaffirming 2002 earnings guidance.

ITEM 7. FINANCIAL STATEMENTS, PRO FORMA INFORMATION AND EXHIBITS

- (a) Financial Statements of Business Acquired. Pursuant to Section 3-05(b)(4)(i)(B) of Regulation S-X, audited financial statements for the acquired business will be filed within 74 days of the date of the acquisition.
- (b) Pro Forma Financial Information. Pursuant to Section 3-05(b)(4)(i)(B) of Regulation S-X, pro forma financial information giving effect to the acquisition described in this report will be filed within 74 days of the date of the acquisition.
- (c) Exhibits.
 - 2.1 Purchase and Sale Agreement by and between Mirant Investments UK, Ltd. as Seller and Towerweave Limited as Purchaser, for the Sale of Shares of Western Power Distribution Holdings Limited, dated as of September 6, 2002.

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- 2.2 Purchase and Sale Agreement by and between Mirant Investments Europe UK, Inc. and Mirant Holdings Europe UK, Inc., as Sellers and Towerweave Limited, as Purchaser, for the Sale of Shares of WPD Investment Holdings Limited, dated as of September 6, 2002.
- 10.1 Purchaser Guaranty Agreement, dated as of September 6, 2002, by PPL Energy Supply, LLC, for the benefit of Mirant Investments UK, Ltd.
- 10.2 Purchaser Guaranty Agreement, dated as of September 6, 2002, by PPL Energy Supply, LLC, for the benefit of Mirant Investments Europe UK, Inc. and Mirant Holdings Europe UK, Inc.
- 10.3 Seller Guaranty Agreement, dated as of September 6, 2002, by Mirant Corporation, for the benefit of Towerweave Limited.
- 10.4 Seller Guaranty Agreement, dated as of September 6, 2002, by Mirant Corporation, for the benefit of Towerweave Limited.
- 99.1 Press Release filed pursuant to Regulation FD.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrants have duly caused this report to be signed on their behalf by the undersigned hereunto duly authorized.

PPL CORPORATION

By: /s/ James E. Abel

James E. Abel
Vice President-Finance and Treasurer

PPL ENERGY SUPPLY, LLC

By: /s/ James E. Abel

James E. Abel
Treasurer

Dated: September 9, 2002