

PPL Corp  
Form 424B5  
April 13, 2011

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**Filed Pursuant to Rule 424(b)(5)**  
**File No. 333-158200 and 333-158200-03**

**Equity Units fee table****CALCULATION OF REGISTRATION FEE**

<b>Title of Each Class of Securities to be Registered</b>	<b>Amount to be Registered</b>	<b>Maximum Offering Price Per Unit</b>	<b>Maximum Aggregate Offering Price</b>	<b>Amount of Registration Fee(1)</b>
Equity Units	19,550,000	\$50.00	\$977,500,000.00	\$113,487.75

(1) Calculated in accordance with Rule 457(r) and 457(o) under the Securities Act of 1933.

**PROSPECTUS SUPPLEMENT**

**(To Prospectus dated March 25, 2009)**

**17,000,000 Equity Units**

**(Initially Consisting of 17,000,000 Corporate Units)**

**PPL Corporation**

This is an offering of Equity Units by PPL Corporation. Each Equity Unit will have a stated amount of \$50 and will initially be in the form of Corporate Units, each of which consists of a purchase contract issued by us and, initially, a 1/20, or 5.0%, undivided beneficial ownership interest in \$1,000 principal amount of PPL Capital Funding, Inc.'s 4.32% junior subordinated notes due 2019, which we refer to as the notes. The notes will be fully and unconditionally guaranteed by PPL Corporation pursuant to subordinated guarantees of PPL Corporation.

The purchase contract will obligate you to purchase from us, no later than May 1, 2014, for a price of \$50 in cash, the following number of shares of our common stock, subject to anti-dilution adjustments:

if the applicable market value, which is the average volume weighted average price, or VWAP, of our common stock over the 20-trading day period ending on the third scheduled trading day prior to May 1, 2014, equals or exceeds approximately \$30.99, 1.6133 shares of our common stock;

if the applicable market value is less than approximately \$30.99 but greater than \$25.30, a number of shares of our common stock having a value, based on the applicable market value, equal to \$50; and

if the applicable market value is less than or equal to \$25.30, 1.9763 shares of our common stock.

The notes will initially bear interest at a rate of 4.32% per year, payable quarterly on February 1, May 1, August 1 and November 1 of each year (except where such date is not a business day, in which case interest will be payable as of the next subsequent business day, without adjustment), commencing on August 1, 2011. The notes will be subordinated to all of PPL Capital Funding Inc.'s existing and future Senior Indebtedness (as defined under Description of the Notes Subordination ). In addition, the notes will be effectively subordinated to all liabilities of

our subsidiaries (other than those of PPL Capital Funding, Inc.). Prior to May 1, 2016, PPL Capital Funding, Inc. will have the right to defer interest payments on the notes one or more times for one or more consecutive interest periods without giving rise to an event of default. The notes will be remarketed in two tranches and will be the subordinated, unsecured obligations of PPL Capital Funding as described in this prospectus supplement. We may elect to remarket the notes as fixed-rate notes and/or as floating-rate notes and to modify certain other terms of the notes in connection with the remarketing. If the remarketing is successful, the interest rate on the notes will be reset and thereafter, if any of the remarketed notes are fixed-rate notes, interest on such notes will be payable semi-annually.

We will also pay you quarterly contract adjustment payments at a rate of 4.43% per year of the stated amount of \$50 per Equity Unit, or \$2.215 per year, subject to our right to defer contract adjustment payments, as described in this prospectus supplement.

Other than during a blackout period (as defined herein) or after a successful remarketing, you can create Treasury Units from Corporate Units by substituting Treasury securities for your undivided beneficial ownership interest in the notes comprising a part of the Corporate Units, and you can recreate Corporate Units by substituting your undivided beneficial ownership interest in the notes for the Treasury securities comprising a part of the Treasury Units.

Your ownership interest in the notes (or after a successful optional remarketing, the applicable ownership interest in the Treasury portfolio) or the Treasury securities, as the case may be, will be pledged to us to secure your obligation under the related purchase contract.

If there is a successful optional remarketing of the notes as described in this prospectus supplement, and you hold Corporate Units, your applicable ownership interest in the Treasury portfolio purchased with the proceeds from the remarketing will be used to satisfy your payment obligations under the purchase contract.

If there is a successful final remarketing of the notes as described in this prospectus supplement, and you hold Corporate Units, the proceeds from the remarketing will be used to satisfy your payment obligations under the purchase contract, unless you have elected to settle with separate cash.

Concurrently with this offering of Equity Units, we are offering, by means of a separate prospectus supplement, 80,000,000 shares of our common stock (or 92,000,000 shares of our common stock if the underwriters of that offering exercise in full their over-allotment option). This offering of Equity Units is not contingent on the offering of common stock and the offering of common stock is not contingent upon this offering of Equity Units. See **Concurrent Common Stock Offering** in this prospectus supplement.

We expect trading of the Corporate Units on the New York Stock Exchange to commence within 30 days of the date of initial issuance of the Corporate Units under the symbol **PPL PR W**. Prior to this offering, there has been no public market for the Corporate Units.

Our common stock is listed on the New York Stock Exchange under the symbol **PPL**. The closing price of our common stock on April 11, 2011 was \$25.69 per share.

**Investing in the Equity Units involves certain risks. See **Risk Factors** beginning on page S-24 of this prospectus supplement, page 3 of the accompanying prospectus and in Item 1A in our Annual Report on Form 10-K for the year ended December 31, 2010.**

	<b>Per Corporate Unit</b>	<b>Total</b>
Public offering price	\$ 50.00	\$ 850,000,000.00
Underwriting discounts and commissions	\$ 1.50	\$ 25,500,000.00
Proceeds, before expenses, to us	\$ 48.50	\$ 824,500,000.00

We have granted the underwriters an option to purchase from us on a pro rata basis up to 2,550,000 additional Corporate Units within 13 days of the closing date of this offering solely to cover over-allotments, if any.

**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 supplement or the accompanying prospectus is accurate or complete. Any representation to the contrary is a criminal offense.**

The underwriters expect to deliver the Corporate Units to purchasers in book-entry form only through The Depository Trust Company on or about April 15, 2011.

*Joint Book-Running Managers*

**Credit Suisse**

**BofA Merrill Lynch**

**Citi**

**J.P. Morgan**

**UBS Investment Bank**

*Co-Managers*

**Barclays Capital**

**BBVA**

**BNP PARIBAS**

**BNY Mellon Capital  
Markets, LLC**

**Credit Agricole CIB**

**Deutsche Bank  
Securities**

**Goldman, Sachs & Co.**

**KeyBanc Capital Markets**

**Mitsubishi UFJ Securities**

**Mizuho Securities**

**Morgan Stanley**

**PNC Capital Markets LLC**

**RBC Capital Markets**

**RBS**

**Santander**

**Scotia Capital**

**SunTrust Robinson**

**The Williams Capital**

**Humphrey**

**US Bancorp**

**Wells Fargo Securities**

**Group, L.P.**

The date of this prospectus supplement is April 11, 2011.

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We have authorized only the information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus, and any free writing prospectus and you should not assume we have verified any such information and we take no responsibility for it to be delivered to you. Neither we nor the underwriters have authorized anyone to provide you with different or additional information and you should not assume we have verified any such information and we take no responsibility for it. We are not making an offer of these securities in any state where the offer is not permitted. You should not assume that the information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus is accurate as of any date after the date of this prospectus supplement.

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Dividends

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Experts

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Validity of the Securities and the PPL Guarantees

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As used in this prospectus supplement, the terms we, our, us, the Company and PPL refer to PPL Corporation and the term PPL Capital Funding refers to PPL Capital Funding, Inc.

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**ABOUT THIS PROSPECTUS SUPPLEMENT**

This prospectus supplement is part of a registration statement that PPL Corporation and PPL Capital Funding have filed with the Securities and Exchange Commission ( SEC ) utilizing a shelf registration process. Under this shelf process, we are offering to sell the Equity Units, using this prospectus supplement and the accompanying prospectus. This prospectus supplement describes the specific terms of this offering. The accompanying prospectus and the information incorporated by reference therein describe our business and give more general information, some of which may not apply to this offering. Generally, when we refer only to the prospectus, we are referring to both parts combined. You should read this prospectus supplement together with the accompanying prospectus before making a decision to invest in the Equity Units. If the information in this prospectus supplement or the information incorporated by reference in this prospectus supplement is inconsistent with the accompanying prospectus, the information in this prospectus supplement or the information incorporated by reference in this prospectus supplement will apply and will supersede that information in the accompanying prospectus.

Certain affiliates of PPL Corporation, specifically PPL Capital Funding Inc., PPL Energy Supply, LLC and PPL Electric Utilities Corporation, have also registered their securities on the shelf registration statement referred to above. However, the notes are solely obligations of PPL Capital Funding, Inc. and, to the extent of the guarantees, PPL Corporation, and not of any of PPL Corporation's other subsidiaries. Similarly, the purchase contracts are obligations solely of PPL Corporation, and not any of its subsidiaries. None of PPL Energy Supply, LLC or PPL Electric Utilities Corporation or any of PPL Corporation's other subsidiaries will guarantee or provide any credit support for the notes or the purchase contracts.

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**WHERE YOU CAN FIND MORE INFORMATION**

**Available Information**

PPL Corporation files reports and other information with the SEC. You may obtain copies of this information by mail from the Public Reference Room of the SEC, 100 F Street, N.E., Room 1580, 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 maintains an Internet Web site at [www.pplweb.com](http://www.pplweb.com). On the Investor Center page of that Web site, PPL Corporation provides access to its SEC filings free of charge, as soon as reasonably practicable after filing with the SEC. The information on PPL Corporation's Web site is not incorporated in this prospectus supplement by reference, and you should not consider it a part of this prospectus supplement. PPL Corporation's filings are also available at the SEC's Web site ([www.sec.gov](http://www.sec.gov)).

We have filed with the SEC a registration statement on Form S-3 with respect to the securities offered hereby. This prospectus supplement does not contain all the information set forth in the registration statement, parts of which are omitted in accordance with the rules and regulations of the SEC. For further information with respect to us and the securities offered hereby, reference is made to the registration statement.

PPL Corporation Common Stock is listed on the New York Stock Exchange ( NYSE ) (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. In addition, proxy statements, reports and other information concerning PPL Corporation can be inspected at its offices at Two North Ninth Street, Allentown, Pennsylvania 18101-1179.

**Incorporation by Reference**

PPL Corporation will incorporate by reference information into this prospectus supplement by disclosing important information to you by referring you to another document that it files 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.

**SEC Filings**

**Period/Date**

Annual Report on Form 10-K (including information specifically incorporated by reference into the Annual Report on Form 10-K from our Definitive Proxy Statement on Schedule 14A, filed with the SEC on April 6, 2011)	Year ended December 31, 2010 filed with the SEC on February 28, 2011
Current Reports on Form 8-K	Filed with the SEC on June 21, 2010; November 5, 2010 (Form 8-K/A); January 6, 2011; January 14, 2011 (Form 8-K/A); January 31, 2011; February 28, 2011; March 2, 2011 (second filing, SEC film no. 11657315), March 10, 2011; March 29, 2011; April 1, 2011; April 8,

2011 and April 11, 2011.

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 supplement and the termination of this offering of Equity Units are also incorporated herein by reference. Unless specifically stated to the contrary, none of the information that we disclose under Items 2.02 or 7.01 of any Current Report on Form 8-K that we have furnished or may from time to time furnish with the SEC is or will be incorporated by reference into, or otherwise included in, this prospectus supplement.

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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 its filings with the SEC. You may request a copy of these filings by writing or telephoning PPL Corporation at:

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 notes because (1) PPL Capital Funding is a wholly-owned subsidiary that 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 in the accompanying prospectus. 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 Section 13 and 15(d) of the Exchange Act. Accordingly, we do not expect PPL Capital Funding to file those reports.

**CURRENCY PRESENTATION AND EXCHANGE RATE INFORMATION**

In this prospectus supplement: (i) £, sterling, or pound sterling refer to the lawful currency of the United Kingdom and (ii) \$ or U.S. dollar refer to the lawful currency of the United States. In this prospectus supplement certain pound sterling amounts have been converted into U.S. dollar amounts at a rate of \$1.6030 per £1, which was the rate as of 4 p.m. Greenwich Mean Time on March 31, 2011. Our inclusion of the exchange rate is not meant to suggest that the pound sterling amounts actually represent such U.S. dollar amounts or that such amounts could have been converted into U.S. dollars at any particular rate, if at all.

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**FORWARD-LOOKING INFORMATION**

Statements contained in or incorporated by reference into this prospectus supplement concerning expectations, beliefs, plans, objectives, goals, strategies, future events or performance and underlying assumptions and other statements which are other than statements of historical fact 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. Forward-looking statements are subject to many risks and uncertainties, and actual results may differ materially from the results discussed in forward-looking statements. In addition to the specific factors discussed in Risk Factors set forth below and in the accompanying prospectus, in Item 1A. Risk Factors in our Annual Report on Form 10-K for the year ended December 31, 2010, the following are among the important factors that could cause actual results to differ materially from the forward-looking statements.

fuel supply cost and availability;

continuing ability to recover fuel and natural gas supply costs in a timely manner at Louisville Gas and Electric Company and Kentucky Utilities Company;

weather conditions affecting generation, customer energy use and operating costs;

operation, availability and operating costs of existing generation facilities;

transmission and distribution system conditions and operating costs;

potential expansion of alternative sources of electricity generation;

potential laws or regulations to reduce emissions of greenhouse gases or the physical effects of climate change;

collective labor bargaining negotiations;

the outcome of litigation against PPL and its subsidiaries;

potential effects of threatened or actual terrorism, war or other hostilities, or natural disasters;

the commitments and liabilities of PPL and its subsidiaries;

market demand and prices for energy, capacity, emission allowances and delivered fuel;

competition in retail and wholesale power markets;

liquidity of wholesale power markets;

defaults by counterparties under energy, fuel or other power product contracts;

market prices of commodity inputs for ongoing capital expenditures;

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capital market conditions, including the availability of capital or credit, changes in interest rates, and decisions regarding capital structure;

stock price performance of PPL;

the fair value of debt and equity securities and the impact on defined benefit costs and resultant cash funding requirements for defined benefit plans;

interest rates and their effect on pension, retiree medical and nuclear decommissioning liabilities;

volatility in or the impact of other changes in financial or commodity markets and economic conditions;

the profitability and liquidity, including access to capital markets and credit facilities, of PPL and its subsidiaries;

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

changes in securities and credit ratings;

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foreign currency exchange rates;

current and future environmental conditions, laws, regulations and other requirements and the related costs or liabilities, including environmental capital expenditures, emission allowance costs and other expenses;

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

receipt of necessary governmental permits, approvals and rate relief;

new state, federal or foreign legislation, including new tax, environmental, healthcare or pension-related legislation;

state, federal and foreign regulatory developments;

the outcome of any rate cases by PPL Electric Utilities Corporation at the Pennsylvania Public Utility Commission, by Louisville Gas and Electric Company or Kentucky Utilities Company at the Kentucky Public Service Commission, Virginia State Corporation Commission or the Tennessee Regulatory Authority, or by Western Power Distribution (South West) plc, Western Power Distribution (South Wales) plc, Western Power Distribution (East Midlands) plc and Western Power Distribution (West Midlands) plc at the Office of Gas and Electricity Markets in the United Kingdom;

the impact of any state, federal or foreign investigations applicable to PPL and its subsidiaries and the energy industry;

the effect of any business or industry restructuring;

development of new projects, markets and technologies;

performance of new ventures; and

business or asset acquisitions and dispositions, including PPL's acquisition of Central Networks East plc and Central Networks Limited and its subsidiary, Central Networks West plc, from E.ON AG and our ability to successfully operate such acquired businesses and realize expected synergies and benefits.

Any such forward-looking statements should be considered in light of such important factors and in conjunction with other documents of PPL on file with 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 PPL to predict all 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 PPL undertakes no obligation to update the information contained in such statement to reflect subsequent developments or information.

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**SUMMARY**

*The following summary contains information about the offering of the Equity Units. It does not contain all of the information that may be important to you in making a decision to purchase the Equity Units. For a more complete understanding of PPL Capital Funding, PPL Corporation and the offering of the Equity Units and the related guarantees, we urge you to read this entire prospectus supplement, the accompanying prospectus and the documents incorporated by reference herein carefully, including the Risk Factors sections and our financial statements and the notes to those financial statements.*

**PPL Corporation**

PPL Corporation, headquartered in Allentown, PA, is an energy and utility holding company that was incorporated in 1994. Through its subsidiaries, PPL owns or controls nearly 19,000 megawatts ( MW ) of generating capacity in the United States, sells energy in key U.S. markets and delivers electricity and natural gas to approximately 10 million customers in the United States and the United Kingdom.

**PPL Capital Funding**

PPL Capital Funding 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.

**Acquisition of Central Networks**

On April 1, 2011, we, through our indirect wholly owned subsidiary, acquired from E.ON AG, a German corporation, all of the issued and outstanding ordinary share capital of Central Networks East plc and Central Networks Limited, together with certain other assets transferred by or on behalf of E.ON AG, collectively representing the electricity distribution businesses of Central Networks East plc and Central Networks West plc (collectively, Central Networks ), located in the Midlands region of England (the Acquisition ). The approximately £4.1 billion (\$6.6 billion) purchase price was paid at closing by the assumption of approximately £500 million of indebtedness and the payment in cash of approximately £3.6 billion, comprised of approximately £2.6 billion representing the equity purchase price, and approximately £1.0 billion representing repayment of certain intercompany indebtedness owed by Central Networks to E.ON AG and its affiliates. Upon the completion of the Acquisition, the name of Central Networks East was changed to Western Power Distribution (East Midlands) plc ( East Midlands ) and the name of Central Networks West was changed to Western Power Distribution (West Midlands) plc ( West Midlands and together with East Midlands, WPD Midlands ).

WPD Midlands is the second largest provider of regulated electricity distribution services in the United Kingdom, serving approximately 5.1 million customers and operating approximately 84,000 miles of lines in an area comprising central England, including the cities of Birmingham and Nottingham. We also provide regulated distribution services to 2.6 million customers in England and Wales through Western Power Distribution (South West) plc ( WPD South West ) and Western Power Distribution (South Wales) plc ( WPD South Wales and together with WPD South West, WPD ). WPD operates about 52,000 miles of lines in South West England and South Wales, including the cities of Bristol and Cardiff. The WPD and WPD Midlands service territories are contiguous and, upon completion of the Acquisition, PPL became the owner and operator of the largest network of electricity delivery companies in the United Kingdom in terms of regulated asset value, at a combined value of approximately £4.9 billion (\$7.8 billion).

Concurrently with the Acquisition, we borrowed £3.6 billion under a 364-day unsecured bridge facility (the Bridge Facility ) to fund the Acquisition and pay certain fees and expenses incurred in connection with the Acquisition. We expect that borrowings under the Bridge Facility will be repaid with the proceeds of certain alternative forms of financing, including proceeds from this offering, the concurrent common stock offering described below and subsequent issuances of debt by one or more of the WPD Midlands companies and their affiliates.

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**Acquisition Rationale**

We believe the Acquisition will provide us with significant benefits:

***Acquiring an attractive business***

We believe the regulatory framework under which U.K. electricity network utilities operate is attractive. Under the U.K. regulatory framework, revenues are based on a regulator-approved five-year forward looking operating and capital plan. In our view, the U.K. regulatory framework (which permits higher revenue for greater efficiency) compares favorably in certain respects to the ratemaking framework that is common for U.S. electricity distribution utilities, which requires periodic rate cases that are based on the recovery of historical costs. Additionally, under the U.K. regulatory framework, returns are not subject to volumetric risk or inflation risk, as revenues are adjusted annually for both changes in load and inflation. The U.K. regulator also provides additional incentives for operational efficiency and high quality service, which we believe have the potential to be significant.

***Leveraging PPL's existing U.K. management team and providing potential for increased returns***

WPD's best-in-class management team has consistently performed at a high level relative to its peers, both in capital cost efficiency and customer service. Under the U.K. regulatory framework, outperformance in each of these categories has the potential to earn incentive rewards. WPD has an established track record of outperformance and, as a result, earning significant bonus revenue. During the 2005-2009 rate cycle, WPD earned more bonus revenue, as a percentage of price controlled revenue, than any other network operator in the United Kingdom. The lower historical performance of WPD Midlands as compared to WPD creates a significant opportunity for our management team to improve the performance of WPD Midlands and potentially earn additional bonus revenue. As evidenced by WPD's integration of WPD South Wales, which was acquired in 2000, the WPD management team has demonstrated its ability to rapidly and successfully integrate a significant U.K. electric distribution network. The WPD and WPD Midlands service territories are contiguous, providing the opportunity for significant synergies from the combined operations. We expect to realize immediate synergy benefits resulting from the combined operations in the form of operating and capital expenditure savings, which we aim to grow to approximately \$100 million per year by 2013 and be approximately evenly split between operating and capital expenditures. As permitted under the U.K. regulatory framework, we believe we can retain substantially all of these synergies through the current price control review period ending in March 2015 and approximately 47% in the next review period, which is expected to end in March 2023. Pro forma for the Acquisition, PPL will have the largest electric delivery business in the United Kingdom with an expected regulated asset value of approximately £4.9 billion as of March 31, 2011.

***Accretive to earnings***

We expect the Acquisition to be accretive to earnings in part due to the expected retention of synergies described above. In addition, the WPD management team has an opportunity to earn incentive rewards during the U.K. regulator's fifth distribution price control review.

***Achieves a more regulated business mix in attractive regulatory environments***

The Acquisition further increases our regulated business mix by adding a regulatory asset base in an attractive regulatory environment. Pro forma for the Acquisition, we expect that approximately two-thirds of our consolidated regulated capital expenditures will be subject to minimal or no regulatory review periods, which we believe will help enable us to earn attractive returns at our regulated businesses.

With the addition of WPD Midlands, we expect to nearly triple our regulatory asset base in the United Kingdom, growing from \$2.8 billion in 2010 to \$8.1 billion in 2011, creating a more diversified enterprise while providing additional opportunities for regulated business growth and an opportunity to leverage WPD's management capabilities.

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**Combined Business**

The Acquisition creates a diversified utility holding company with pro forma 2010 revenues of over \$11.8 billion. PPL now serves approximately 10 million electricity customers across its service areas in the United States and the United Kingdom, and owns a competitive generation business with a total capacity of over 11,000 MW. We believe we will benefit from a more highly regulated business mix with significant scale, positioned in attractive regulated and competitive markets, with visible growth opportunities while preserving the value of our well-positioned competitive generation fleet. Our principal subsidiaries (giving effect to the Acquisition) are shown below:

**Regulated Operations**

***PPL Electric Utilities***

PPL Electric Utilities Corporation, or PPL Electric, serves approximately 1.4 million customers in Pennsylvania and enjoys attractive rate base investment opportunities to support its infrastructure and maintain reliability. PPL Electric's rate base is expected to grow by approximately \$1.7 billion between 2011 and 2015, with an estimated compound annual growth rate of approximately 7% in its distribution rate base and approximately 22% in its transmission rate base. PPL Electric's transmission development projects include the construction of the 150-mile, 500 kV Susquehanna-Roseland transmission line that is part of Pennsylvania-New Jersey-Maryland's ( PJM ) Regional Transmission Expansion Program. PPL Electric's portion of the line is expected to cost \$500 million. The FERC tariff for this project includes an approved 12.93% return on equity ( ROE ).

***LG&E and KU***

Louisville Gas and Electric Company ( LG&E ) and Kentucky Utilities Company ( KU ) are vertically integrated utility companies. LG&E delivers electricity and gas to approximately 715,000 customers in Kentucky and KU delivers electricity to approximately 544,000 customers in Kentucky and Virginia. We believe the companies operate in a constructive and fair regulatory environment that is generally viewed as balancing the interests of consumers and investors, generally providing timely recovery of approved environmental investments, as well as timely recovery for fuel costs and gas supply. These regulatory mechanisms, together with periodic rate case filings, provide the utilities the opportunity to earn their allowed ROEs. LG&E and KU also have strong customer service records as demonstrated by their first place J.D. Power regional awards for customer service in seven of the last ten years. The utilities have among the lowest operating costs in the United States and overall rates that are among the lowest rates in the nation, with 2010 electric retail rates 31% below the Midwest average and 31% below the overall U.S. average, according to the Edison Electric Institute. LG&E and KU's rate base is expected to grow by approximately \$3.3 billion between 2011 and 2015, with an estimated compound annual growth rate of approximately 10.5%.

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***PPL Global, LLC***

PPL Global, LLC, an indirect wholly owned subsidiary of PPL, engages in the operation of international electricity distribution businesses in the United Kingdom principally through its four operating subsidiaries, WPD South West, WPD South Wales, East Midlands and West Midlands (each a Distribution Network Operator, or DNO ).

Each DNO is licensed by the U.K. government to provide electricity distribution services within its concession areas and service territories, subject to certain conditions and obligations. For instance, each DNO is subject to governmental regulation of the prices it can charge and the quality of service it must provide, and each DNO can be fined or have its licenses revoked if it does not meet the mandated standard of service.

Each DNO operates under distribution licenses and price controls regulated by the U.K. regulator, the Office of Gas and Electricity Markets ( Ofgem ). The price control formula that governs each DNO s allowed revenue is normally determined every five years. Ofgem completed its most recent distribution price control review in December 2009 for the five-year period from April 1, 2010 through March 31, 2015.

***WPD***

WPD South West and WPD South Wales are each indirect subsidiaries of PPL Global, LCC, and together deliver electricity to approximately 2.6 million end users in the United Kingdom. Each of WPD South West and WPD South Wales is regulated by Ofgem. WPD s regulatory asset base is expected to increase from \$2.8 billion to \$3.5 billion between 2011 and 2015. WPD is allowed an average annual increase in total revenues, before inflationary adjustments, of 6.9% for the five year period from April 1, 2010 through March 31, 2015 based on the outcome of the most recent five-year review of WPD s cost structure by Ofgem. The utility has earned the U.K. government s Customer Service Excellence Standard for 19 consecutive years.

***East Midlands***

East Midlands (formerly known as Central Networks East), an indirect wholly owned subsidiary of PPL Global, LLC, is the regulated distributor of electricity in the East Midlands area of England. East Midlands was incorporated as a public limited company on April 1, 1989. East Midlands principal activity is the distribution of electricity to industrial, commercial and domestic customers within its regulated area. East Midlands is regulated by Ofgem.

East Midlands distribution license authorizes it to distribute electricity in Great Britain with additional obligations in the East Midlands over an area covering approximately 6,293 square miles, extending from the Lincolnshire coast to the outskirts of Coventry, and from Milton Keynes in the south to the Derbyshire Peak District in the north. As a result, it serves a diverse customer base including rural communities and the large metropolitan areas on the M1 motorway corridor such as Nottingham, Derby, Northampton and Rugby. East Midlands network, which consists of approximately 30,634 miles of underground cables and 13,857 miles of overhead lines (as of March 31, 2010), distributed 28,300 gigawatt hours of electricity in the year ended March 31, 2010 to approximately 2.6 million end customers.

***West Midlands***

West Midlands (formerly known as Central Networks West), an indirect wholly owned subsidiary of PPL Global, LLC, is the regulated distributor of electricity in the West Midlands area of England. West Midlands was incorporated as a public limited company on July 20, 1998. West Midlands principal activity is the distribution of electricity to industrial, commercial and domestic customers. West Midlands is regulated by Ofgem.

West Midlands distribution license authorizes it to distribute electricity in Great Britain with additional obligations in the West Midlands over an area covering approximately 5,174 square miles, extending from the outskirts of Bristol in the South to Staffordshire in the North and from approximately the M6 motorway to the Welsh boundary. As a result, it serves a diverse customer base including rural communities and England's second largest city, Birmingham. West Midlands network, which consists of approximately 24,296 miles of underground cables and 15,037 miles of overhead lines (as of March 31, 2010), distributed 24,700 gigawatt hours of electricity in the year ended March 31, 2010 to approximately 2.5 million end customers.

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**Competitive Electricity Generation Operations**

***PPL Energy Supply***

PPL Energy Supply owns a highly attractive baseload-oriented competitive generation portfolio, with competitively positioned gas, nuclear, hydro and efficient coal assets. Our coal and nuclear fleet accounted for a total of 55% of 2010 installed capacity and 79% of 2010 generation, and we expect our coal and nuclear fleet to account for a greater proportion of our competitive generation portfolio following the March 2011 sale of 969 MW of non-core hydro and gas assets. Our nuclear and hydro uprate / expansion projects are expected to add an additional 214 MW by 2013. Approximately 40% of our current generation output emits low or no carbon dioxide and, as a result, PPL Energy Supply could be a potential net beneficiary of certain potential carbon emission regulation. The underlying value of PPL Energy Supply is strongly and positively correlated to a recovery in natural gas prices because gas-fired generation generally establishes the marginal clearing price for electricity in the PJM Regional Transmission Interconnection Area where PPL Energy Supply has significant generation capacity. PPL Energy Supply's disciplined multi-year hedging program is designed to mitigate against further weakness in energy prices in the near term. As of December 31, 2010, expected baseload volumes are hedged 99% for 2011, 68% for 2012 and 15% for 2013.

**Concurrent Common Stock Offering**

Concurrently with this offering of Equity Units, we are offering, by means of a separate prospectus supplement, 80,000,000 shares of our common stock (or 92,000,000 shares of our common stock if the underwriters of that offering exercise in full their over-allotment option). This offering of Equity Units is not contingent on the offering of common stock and the offering of common stock is not contingent upon this offering of Equity Units. See Concurrent Common Stock Offering .

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**THE OFFERING**

**What are Equity Units?**

Equity Units may be either Corporate Units or Treasury Units, as described below. The Equity Units will initially consist of 17,000,000 Corporate Units (or 19,550,000 Corporate Units if the underwriters exercise their over-allotment option in full), each with a stated amount of \$50. You can create Treasury Units from Corporate Units in the manner described below under [How can I create Treasury Units from Corporate Units?](#)

**What are the components of a Corporate Unit?**

Each Corporate Unit initially consists of a purchase contract and a 1/20, or 5.0%, undivided beneficial ownership interest in \$1,000 principal amount of PPL Capital Funding's 4.32% junior subordinated notes due 2019. The undivided beneficial ownership interest in the notes corresponds to \$50 principal amount of PPL Capital Funding's notes. The notes will be issued in minimum denominations of \$1,000 and integral multiples of \$1,000, except in certain limited circumstances. Your undivided beneficial ownership interest in the notes comprising part of each Corporate Unit is owned by you, but will be pledged to us through the collateral agent to secure your obligation under the related purchase contract. Upon a successful optional remarketing (as defined under [What is an optional remarketing?](#)), the notes comprising part of the Corporate Units will be replaced by the Treasury portfolio described below under [What is the Treasury Portfolio?](#) and the applicable ownership interest in the Treasury portfolio will then be pledged to us through the collateral agent to secure your obligation under the related purchase contract.

**What is a purchase contract?**

Each purchase contract that is a component of an Equity Unit obligates you to purchase, and obligates us to sell, on May 1, 2014 (which we refer to as the [purchase contract settlement date](#)), for \$50 in cash, a number of shares of our common stock equal to the [settlement rate](#). The settlement rate will be calculated, subject to adjustment under the circumstances set forth in [Description of the Purchase Contracts - Anti-dilution Adjustments](#) and [Description of the Purchase Contracts - Early Settlement Upon a Fundamental Change](#), as follows:

if the applicable market value (as defined below) of our common stock is equal to or greater than the [threshold appreciation price](#) of approximately \$30.99, the settlement rate will be 1.6133 shares of our common stock (we refer to such settlement rate as the [minimum settlement rate](#));

if the applicable market value of our common stock is less than the threshold appreciation price but greater than the [reference price](#) of \$25.30, the settlement rate will be a number of shares of our common stock equal to \$50 divided by the applicable market value, rounded to the nearest ten thousandth of a share; and

if the applicable market value of our common stock is less than or equal to the reference price of \$25.30, the settlement rate will be 1.9763 shares of our common stock (we refer to such settlement rate as the [maximum settlement rate](#)).

We will not issue any fractional shares of our common stock upon settlement of a purchase contract. Instead of a fractional share, you will receive an amount of cash equal to this fraction multiplied by the closing price of our common stock on the trading day immediately preceding the purchase contract settlement date.

[Applicable market value](#) means the average VWAP of our common stock on each of the 20 consecutive trading days ending on the third scheduled trading day immediately preceding the purchase contract settlement date. The terms [trading day](#) and [VWAP](#) and [closing price](#) of our common stock are defined under [Description of the Purchase](#)

Contracts Purchase of Common Stock. The reference price is the public offering price of our common stock in the concurrent common stock offering. The threshold appreciation price is equal to \$50 divided by the minimum settlement rate (such quotient rounded to the nearest \$0.0001), which is approximately \$30.99 and represents appreciation of approximately 22.5% over the reference price.

You may satisfy your obligation to purchase our common stock pursuant to the purchase contracts as described under How can I satisfy my obligation under the purchase contracts? below.

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### **Can I settle the purchase contract early?**

You can settle a purchase contract at any time prior to 5:00 p.m., New York City time, on the second business day immediately preceding the purchase contract settlement date, other than, in the case of the Corporate Units, (i) from 5:00 p.m., New York City time, on the second business day immediately following the date on which we give our notice of an optional remarketing until the settlement date of such remarketing or the date we announce that such remarketing was unsuccessful and (ii) after 5:00 p.m., New York City time, on the second business day immediately preceding the first day of the final remarketing period (as defined under [What is a final remarketing?](#)) (we refer to each such period as a [blackout period](#)), by paying \$50 in cash, in which case 1.6133 shares of our common stock will be issued to you pursuant to the purchase contract (subject to adjustment as described below under [Description of the Purchase Contracts](#) [Anti-Dilution Adjustments](#) and [Description of the Purchase Contracts](#) [Early Settlement Upon a Fundamental Change](#)). You may only elect early settlement in integral multiples of 20 Corporate Units and 20 Treasury Units; *provided* that if the Treasury portfolio has replaced the notes as a component of the Corporate Units as a result of a successful optional remarketing, holders of Corporate Units may settle early only in integral multiples of 50,000 Corporate Units. See [Description of the Purchase Contracts](#) [Early Settlement](#).

Your early settlement right is subject to the condition that, if required under the U.S. federal securities laws, we have a registration statement under the Securities Act of 1933, as amended, which we refer to as the [Securities Act](#), in effect and an available prospectus covering the shares of common stock and other securities, if any, deliverable upon settlement of a purchase contract. We have agreed that, if required by U.S. federal securities laws, we will use our commercially reasonable efforts to have a registration statement in effect and to provide a prospectus covering those shares of common stock or other securities to be delivered in respect of the purchase contracts being settled, subject to certain exceptions.

### **What is a Treasury Unit?**

A Treasury Unit is a unit created from a Corporate Unit and consists of a purchase contract and a 1/20, or 5.0%, undivided beneficial ownership interest in a zero-coupon U.S. Treasury security with a principal amount at maturity of \$1,000 that matures on or prior to April 30, 2014 (CUSIP No. 912820TM9), which we refer to as a [Treasury security](#). The ownership interest in the Treasury security that is a component of a Treasury Unit will be owned by you, but will be pledged to us through the collateral agent to secure your obligation under the related purchase contract.

### **How can I create Treasury Units from Corporate Units?**

Each holder of Corporate Units will have the right, at any time other than during a [blackout period](#) or after a successful remarketing, to substitute for the related undivided beneficial ownership interest in notes held by the collateral agent, Treasury securities with a total principal amount at maturity equal to the aggregate principal amount of the notes underlying the undivided beneficial ownership interests in notes for which substitution is being made. Because Treasury securities and the notes are issued in minimum denominations of \$1,000, holders of Corporate Units may make this substitution only in integral multiples of 20 Corporate Units. Each of these substitutions will create Treasury Units, and the notes underlying the undivided beneficial ownership interest in notes will be released to the holder and such notes will be separately tradable from the Treasury Units. After a successful remarketing, holders of Corporate Units may not create Treasury Units.

### **How can I recreate Corporate Units from Treasury Units?**

Each holder of Treasury Units will have the right, at any time other than during a [blackout period](#) or after a successful remarketing, to substitute for the related Treasury securities held by the collateral agent, notes having a principal amount equal to the aggregate principal amount at stated maturity of the Treasury securities for which substitution is

being made. Because Treasury securities and the notes are issued in minimum denominations of \$1,000, holders of Treasury Units may make these substitutions only in integral multiples of 20 Treasury Units. Each of these substitutions will recreate Corporate Units and the applicable Treasury securities will be released to the holder and will be separately tradable from the Corporate Units. If the Treasury portfolio has replaced the notes as a component of the Corporate Units as a result of a successful optional remarketing, holders of Treasury Units

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may not recreate Corporate Units by substituting the applicable ownership interests in the Treasury portfolio for Treasury securities.

### **What payments am I entitled to as a holder of Corporate Units?**

Subject to any deferral as described in [Do we or does PPL Capital Funding have the option to defer current payments?](#) below, holders of Corporate Units will be entitled to receive quarterly cash distributions consisting of their pro rata share of interest payments on the notes, equivalent to the rate of 4.32% per year, on the undivided beneficial ownership interest in notes (or distributions on the applicable ownership interests in the Treasury portfolio if the notes have been replaced by the Treasury portfolio) and quarterly contract adjustment payments payable by us at the rate of 4.43% per year on the stated amount of \$50 per Corporate Unit until the earliest of the purchase contract settlement date, the early settlement date (in the case of early settlement upon a fundamental change) and the most recent quarterly payment date on or before any early settlement of the related purchase contracts (in the case of early settlement other than upon a fundamental change). Our obligations with respect to the contract adjustment payments will be subordinated and junior in right of payment to our obligations under any of our Senior Indebtedness (as defined under [Description of the Notes](#) [Subordination](#) ).

### **What payments will I be entitled to if I convert my Corporate Units to Treasury Units?**

Subject to any deferral as described in [Do we or does PPL Capital Funding have the option to defer current payments?](#) below, holders of Treasury Units will be entitled to receive quarterly contract adjustment payments payable by us at the rate of 4.43% per year on the stated amount of \$50 per Treasury Unit. There will be no distributions in respect of the Treasury securities that are a component of the Treasury Units, but the holders of the Treasury Units will continue to receive the scheduled quarterly interest payments on the notes that were released to them when they created the Treasury Units as long as they continue to hold such notes, subject to PPL Capital Funding's right to defer such payments.

### **Do we or does PPL Capital Funding have the option to defer current payments?**

We have the right to defer the payment of contract adjustment payments until the purchase contract settlement date; *provided* that in the event of an early settlement upon a fundamental change or an early settlement other than upon a fundamental change, each as described in this prospectus supplement, we will pay deferred contract adjustment payments to, but excluding, the early settlement date or to, but excluding, the quarterly payment date immediately preceding the early settlement of the purchase contracts, respectively. Any deferred contract adjustment payments will accrue additional contract adjustment payments at the rate of 8.75% per year until paid, compounded quarterly, to, but excluding, the payment date. We refer to additional contract adjustment payments that accrue on deferred contract adjustment payments as [compounded contract adjustment payments](#). We may pay any such deferred contract adjustment payments (including compounded contract adjustment payments thereon) on any scheduled contract adjustment payment date.

If we exercise our option to defer the payment of contract adjustment payments, then until the deferred contract adjustment payments (including compounded contract adjustment payments thereon) have been paid, we will not declare or pay dividends on, make distributions with respect to, or redeem, purchase or acquire, or make a liquidation payment with respect to, any of our capital stock, subject to the exceptions set forth under [Description of the Purchase Contracts](#) [Contract Adjustment Payments](#).

In addition, PPL Capital Funding may elect at one or more times to defer payment of interest on the notes for one or more consecutive interest periods; *provided* that each deferred interest payment may only be deferred until the earlier of (x) the third anniversary of the interest payment date on which the interest payment was originally scheduled to be

paid and (y) May 1, 2016. We or PPL Capital Funding may pay any such deferred interest on any scheduled interest payment date occurring on or prior to May 1, 2016. Deferred interest on the notes will bear interest at the interest rate applicable to the notes, compounded on each interest payment date, subject to applicable law. In connection with any successful remarketing during the final remarketing period, all accrued and unpaid deferred interest (including compounded interest thereon) will be paid to the holders of the notes (whether or not such notes were remarketed in such remarketing) on the purchase contract settlement date in cash.

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PPL Capital Funding will not be permitted to defer the interest payable on the purchase contract settlement date with respect to any notes that are successfully remarketed during the final remarketing period.

In the event that PPL Capital Funding exercises the option to defer the payment of interest, then until the deferred interest payments (including compounded interest thereon) have been paid, among other things, we generally will not (i) declare or pay dividends on, make distributions with respect to, or redeem, purchase or acquire, or make a liquidation payment with respect to, any of our capital stock or (ii) make a payment on any of our indebtedness or on a guarantee that in each case ranks *pari passu* with, or junior to, the guarantees, subject to certain exceptions. See Description of the Notes Dividend and Other Payment Stoppages During Interest Deferral and Under Certain Other Circumstances.

For the avoidance of doubt, in all cases, including in the event of a failed remarketing, we will have no right to defer the payment of interest on the notes beyond May 1, 2016. In connection with a successful remarketing, PPL Capital Funding will remove the interest deferral provisions of the notes.

### **What are the payment dates for the Corporate Units and Treasury Units?**

Subject to any deferral as described in Do we or does PPL Capital Funding have the option to defer current payments? above, the payments described above in respect of the Equity Units will be payable quarterly in arrears on February 1, May 1, August 1 and November 1 of each year (except where such date is not a business day, in which case interest and contract adjustment payments will be payable on the next subsequent business day, without adjustment), commencing August 1, 2011. We will make these payments to the person in whose name the Equity Unit is registered at the close of business on the fifteenth day of the month preceding the month in which the payment date falls.

### **What is a remarketing?**

We refer to each of an optional remarketing and a final remarketing as a remarketing, whereby the notes that are a part of Corporate Units and any separate notes whose holders have decided to participate in the remarketing will be remarketed in two tranches, as described below under What is an optional remarketing? or, if no optional remarketing has occurred or is successful, in a final remarketing as described below under What is a final remarketing?

The notes to be remarketed will be divided into two tranches, such that neither tranche will have an aggregate principal amount of less than the lesser of \$250 million and 50% of the aggregate principal amount of the notes to be remarketed. One tranche will mature on or about the third anniversary of the settlement date of the remarketing and the other will mature on or about the fifth anniversary of such settlement date. The interest deferral provisions of the notes will not apply to the notes remarketed in an optional remarketing or a final remarketing. The remarketed notes will be the subordinated, unsecured obligations of PPL Capital Funding and will continue to be fully and unconditionally guaranteed by PPL Corporation on a subordinated basis. We will allocate the notes whose holders elect not to participate in any remarketing, without any requirement for the consent of such holders, into these two tranches, such that neither tranche immediately after the settlement date of the remarketing will have an aggregate principal amount of less than the lesser of \$250 million and 50% of the aggregate principal amount of the notes then outstanding.

In order to remarket each tranche of notes, the remarketing agent may reset the interest rate on the notes of such tranche (either upward or downward) in order to produce the required price in the remarketing. In connection with any successful remarketing, PPL Capital Funding, in consultation with the remarketing agent and without the consent of any holders of notes, may, with respect to each tranche, elect to:

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extend the earliest redemption date on which PPL Capital Funding may call the notes of such tranche for redemption from May 1, 2016 to a later date or to eliminate the redemption provisions of the notes of such tranche altogether; and /or

calculate interest on the notes of such tranche on a fixed or floating rate basis.

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During the applicable blackout period:

you may not settle a purchase contract early;

you may not create Treasury Units; and

you may not recreate Corporate Units from Treasury Units.

We have agreed to enter into a remarketing agreement with one or more nationally recognized investment banking firms (as the remarketing agent(s)) and the purchase contract agent no later than 30 days prior to the first day of the optional remarketing period. We will separately pay a fee to the remarketing agent for its services as remarketing agent. Holders whose notes are remarketed will not be responsible for the payment of any remarketing fee in connection with the remarketing.

**What is an optional remarketing?**

We may elect, at our option, to remarket the notes in two tranches over a period of one or more dates selected by us that fall during the period from and including January 30, 2014 (the second business day immediately preceding the interest payment date prior to the purchase contract settlement date) and ending on April 15, 2014 (the third business day prior to the first day of the final remarketing period), whereby the aggregate principal amount of the notes that are a part of Corporate Units and any separate notes whose holders have decided to participate in the optional remarketing will be remarketed. We refer to this period as the optional remarketing period, a remarketing that occurs during the optional remarketing period as an optional remarketing and the date we price the notes offered in an optional remarketing as the optional remarketing date. If we elect to conduct an optional remarketing, the remarketing agent will use its reasonable efforts to obtain a price for each tranche of notes to be remarketed that results in proceeds of at least 100% of the relevant fraction (as defined below) of the aggregate of the purchase price for the Treasury portfolio described below under What is the Treasury portfolio? and the separate notes purchase price described under

Description of the Notes Remarketing of Notes That Are Not Included in Corporate Units. The relevant fraction for a tranche of notes is a fraction the numerator of which is the aggregate principal amount of the notes in such tranche that are being remarketed and the denominator of which is the aggregate principal amount of the notes to be remarketed. If we elect to remarket the notes in the optional remarketing period, the optional remarketing date will be the same for both tranches and the settlements of both tranches will be conditioned on each other. We will request that the depository notify its participants holding Corporate Units, Treasury Units and separate notes of our election to conduct an optional remarketing no later than 15 days prior to the date we begin the optional remarketing. On the business day following the optional remarketing date, we will notify holders of separate notes who decided not to participate in the optional remarketing how we will allocate their notes between the two tranches.

Notwithstanding anything to the contrary, we may only elect to conduct an optional remarketing if PPL Capital Funding is not then deferring interest on the notes.

Following a successful optional remarketing of the notes, the remarketing agent will purchase the Treasury portfolio at the Treasury portfolio purchase price (as defined herein), and deduct such price from the proceeds of the optional remarketing. Any remaining proceeds will be remitted by the remarketing agent to the purchase contract agent for the benefit of the holders whose notes were remarketed.

The Corporate Unit holder's applicable ownership interest in the Treasury portfolio will be substituted for the holder's applicable ownership interest in the notes as a component of the Corporate Units and will be pledged to us through the collateral agent to secure the Corporate Unit holder's obligation under the related purchase contract. On the purchase

contract settlement date, a portion of the proceeds from the Treasury portfolio equal to \$50 will automatically be applied to satisfy the Corporate Unit holder's obligation to purchase common stock under the purchase contract and proceeds from the Treasury portfolio equal to the interest payment (assuming no reset of the interest rate) that would have been attributable to the applicable ownership interests in notes on the purchase contract settlement date will be paid to the Corporate Unit holders.

If we elect to conduct an optional remarketing and such remarketing is successful:

settlement of the remarketed notes will occur on the third business day following the optional remarketing date (we refer to such third business day as the optional remarketing settlement date );

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the interest rate on each tranche of remarketed notes will be reset on the optional remarketing settlement date, if applicable;

your Corporate Units will consist of a purchase contract and the applicable ownership interest in the Treasury portfolio, as described above; and

you may no longer create Treasury Units or recreate Corporate Units from Treasury Units.

If we do not elect to conduct an optional remarketing during the optional remarketing period, or no optional remarketing succeeds for any reason, the notes will continue to be a component of the Corporate Units or will continue to be held separately and the remarketing agent will use its reasonable efforts to remarket the notes during the final remarketing period, as described below.

### **What is a final remarketing?**

Unless the Treasury portfolio has replaced the notes as a component of the Corporate Units as a result of a successful optional remarketing, we will remarket the notes, in two tranches, during the 7 business day period ending on April 28, 2014 (the third business day immediately preceding the purchase contract settlement date), whereby the aggregate principal amount of the notes that are a part of Corporate Units and any separate notes whose holders have decided to participate in the remarketing will be remarketed. We refer to such period as the final remarketing period, the remarketing during this period as the final remarketing and the date we price the notes offered in the final marketing as the final remarketing date. The remarketing agent will use its reasonable efforts to obtain a price for each tranche of notes to be remarketed that results in proceeds of at least 100% of the aggregate principal amount of such tranche of notes. We will request that the depository notify its participants holding Corporate Units, Treasury Units and separate notes of the final remarketing no later than the third business day prior to the first day of the final remarketing period. On the business day following the final remarketing date, we will notify holders of separate notes who decided not to participate in the final remarketing how we will allocate their notes between the two tranches. We have the right to postpone the final remarketing in our absolute discretion on any day prior to the last five business days of the final remarketing period. The final remarketing date will be the same for both tranches of notes and settlements of both tranches will be conditioned on each other.

Following a successful remarketing during the final remarketing period, the remarketing agent will remit the proceeds of the remarketing directly to the purchase contract agent, and the portion of the proceeds equal to the total principal amount of the notes underlying the Corporate Units will automatically be applied to satisfy in full the Corporate Unit holders' obligations to purchase common stock under the related purchase contracts. Any excess proceeds will be remitted by the remarketing agent to the purchase contract agent for the benefit of the holders whose notes were remarketed.

Upon a successful final remarketing, settlement of the remarketed notes will occur on the purchase contract settlement date and, if applicable, the interest rate on each tranche of the notes will be reset on such date.

### **What happens if the notes are not successfully remarketed?**

Unless the Treasury portfolio has replaced the notes as a component of the Corporate Units as a result of a successful optional remarketing, if (1) despite using its reasonable efforts, the remarketing agent cannot remarket the notes during the final remarketing period at a price equal to or greater than 100% of the aggregate principal amount of notes remarketed, or (2) the final remarketing has not occurred because a condition precedent to the remarketing has not been fulfilled, in each case resulting in a failed remarketing, holders of all notes will have the right to put their notes to

us for an amount equal to the principal amount of their notes, plus accrued and unpaid interest (including deferred interest and compounded interest thereon), on the purchase contract settlement date. A holder of Corporate Units will be deemed to have automatically exercised this put right with respect to the notes underlying such Corporate Units unless, prior to 5:00 p.m., New York City time, on the second business day immediately prior to the purchase contract settlement date, the holder provides written notice of an intention to settle the related purchase contracts with separate cash and on or prior to the business day immediately preceding the purchase contract settlement date delivers to the collateral agent \$50 in cash per purchase contract. This settlement with separate cash may only be effected in integral multiples of 20 Corporate Units. Unless a holder of

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Corporate Units has settled the related purchase contracts with separate cash on or prior to the business day immediately preceding the purchase contract settlement date, the holder will be deemed to have elected to apply a portion of the proceeds of the put price equal to the principal amount of the notes against such holder's obligations to us under the related purchase contracts, thereby satisfying such obligations in full, and we will deliver to the holder our common stock pursuant to the related purchase contracts.

### **Do I have to participate in the remarketing?**

You may elect not to participate in any remarketing and to retain the notes underlying the undivided beneficial ownership interests in notes comprising part of your Corporate Units by (1) creating Treasury Units at any time other than during a blackout period, (2) settling the related purchase contracts early at any time other than during a blackout period or (3) in the case of a final remarketing, notifying the purchase contract agent of your intention to pay cash to satisfy your obligation under the related purchase contracts prior to 5:00 p.m., New York City time, on the second business day immediately prior to the first day of the final remarketing period, and delivering the cash payment required under the purchase contracts to the collateral agent on or prior to 5:00 p.m., New York City time, on the business day immediately prior to the first day of the final remarketing period. You can only elect to satisfy your obligation in cash in increments of 20 Corporate Units. See [Description of the Purchase Contracts](#) [Notice to Settle with Cash](#).

### **Which provisions will govern the notes following the remarketing?**

The remarketed notes will continue to be subordinated and to be governed by the indenture and the supplemental indenture under which they were issued; however, we may modify some of the terms of the notes without the consent of any holders of notes in connection with the remarketing. See [Description of the Notes](#) [Remarketing](#).

### **If I am holding a note as a separate security from the Corporate Units, can I still participate in a remarketing of the notes?**

If you hold notes separately, you may elect, in the manner described in this prospectus supplement, to have your notes remarketed by the remarketing agent along with the notes underlying the Corporate Units. See [Description of the Notes](#) [Remarketing of Notes That Are Not Included in Corporate Units](#). You may also participate in any remarketing by recreating Corporate Units from your Treasury Units at any time prior to such remarketing, other than during a blackout period.

### **How can I satisfy my obligation under the purchase contracts?**

You may satisfy your obligations under the purchase contracts as follows:

in the case of the Corporate Units, through the automatic application of the portion of the proceeds of the remarketing equal to the principal amount of the notes underlying the Corporate Units, as described under [What is a final remarketing?](#) [above](#);

through early settlement as described under [Can I settle the purchase contract early?](#) [and under](#) [What happens if there is early settlement upon a fundamental change?](#) [below](#);

in the case of Corporate Units, through cash settlement as described under [Do I have to participate in the remarketing?](#) [above](#);

through the automatic application of the proceeds of the Treasury securities, in the case of the Treasury Units;

in the case of Corporate Units, through the automatic application of the portion of the proceeds from the Treasury portfolio equal to the principal amount of the notes if the Treasury portfolio has replaced the notes as a component of the Corporate Units as a result of a successful optional remarketing; or

in the case of Corporate Units, through exercise of the put right as described under What happens if the notes are not successfully remarketed? above.

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In addition, the purchase contract and pledge agreement that governs the Corporate Units and Treasury Units provides that your obligations under the purchase contracts will be terminated without any further action upon the termination of the purchase contracts as a result of our bankruptcy, insolvency or reorganization.

If you settle a purchase contract early (other than pursuant to your fundamental change early settlement right) you will be entitled to receive any accrued and unpaid contract adjustment payments (including any accrued and unpaid deferred contract adjustment payments and compounded contract adjustment payments thereon) to, but excluding, the quarterly payment date immediately preceding the early settlement date. If your purchase contract is terminated as a result of our bankruptcy, insolvency or reorganization, you will have no right to receive any accrued but unpaid contract adjustment payments (including deferred contract adjustment payments and compounded contract adjustment payments thereon). See [Description of the Purchase Contracts Early Settlement](#) and [Description of the Purchase Contracts Termination](#).

### **What interest payments will I receive on the notes or on the undivided beneficial ownership interests in the notes?**

Subject to any deferral as described in [Do we or does PPL Capital Funding have the option to defer current payments?](#) above, the notes will bear interest at the rate of 4.32% per year from the original issuance date to the purchase contract settlement date or, if earlier, the optional remarketing settlement date, initially payable quarterly in arrears on February 1, May 1, August 1 and November 1 of each year, commencing August 1, 2011 (except where such date is not a business day, interest will be payable as of the next subsequent business day, without adjustment). On and after the purchase contract settlement date or, if earlier, the optional remarketing settlement date, interest on each note will be payable at the relevant reset interest rate or, if the interest rate has not been reset, at the initial interest rate of 4.32% per year. Interest will be payable to the person in whose name the note is registered at the close of business on the fifteenth day of the month preceding the month in which the interest payment date falls. In addition, if any of the remarketed notes are fixed-rate notes, following a successful remarketing, interest on such notes will be payable on a semi-annual basis.

### **When will the interest rate on the notes be reset and what is the reset rate?**

The interest rate on each tranche of notes may be reset in connection with a successful remarketing as described above under [What is an optional remarketing?](#) and [What is a final remarketing?](#), respectively. The reset rate will be the interest rate determined by the remarketing agent as the rate the notes of such tranche should bear in order for the aggregate principal amount of such tranche of notes to have an aggregate market value on the optional remarketing date of at least 100% of the relevant fraction of the aggregate of the Treasury portfolio purchase price plus the separate notes purchase price, if any, in the case of an optional remarketing, or at least 100% of the aggregate principal amount of the notes of such tranche being remarketed, in the case of a final remarketing. In any case, a reset rate may be higher or lower than the initial interest rate of the notes depending on the results of the remarketing and market conditions at that time. The interest rate on the notes will not be reset if there is not a successful remarketing and the notes will continue to bear interest at the initial interest rate. The reset rate may not exceed the maximum rate, if any, permitted by applicable law.

### **When may the notes be redeemed?**

The notes may not be redeemed by PPL Capital Funding until May 1, 2016. The notes will be redeemable thereafter, at PPL Capital Funding's option, in whole but not in part, at any time or from time to time, at a redemption price equal to the principal amount thereof and any accrued and unpaid interest to the date of redemption. PPL Capital Funding may at any time irrevocably waive its right to redeem the notes for any specified period (including the remaining term

of the notes).

**What happens if there is early settlement upon a fundamental change?**

Prior to the purchase contract settlement date, if we are involved in a transaction that constitutes a fundamental change, as such term is defined under Description of the Purchase Contracts Early Settlement Upon a Fundamental Change, you will have the right, subject to certain exceptions and conditions described in this

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prospectus supplement, to accelerate and settle a purchase contract early at the settlement rate described under Description of the Purchase Contracts Early Settlement Upon a Fundamental Change, plus an additional make-whole amount of shares (such additional make-whole amount of shares being hereafter referred to as the make-whole shares ); *provided* that at such time, if so required under the U.S. federal securities laws, there is in effect a registration statement covering the common stock and other securities, if any, to be delivered in respect of the purchase contracts being settled. We refer to this right as the fundamental change early settlement right.

We will provide each of the holders with a notice of the completion of a fundamental change within five business days thereof. The notice will specify a date, which shall be at least 10 days after the date of the notice but no later than the earlier of 20 days after the date of such notice and two business days prior to the commencement of the optional remarketing period, or, if we do not elect to conduct an optional remarketing or the optional remarketing is not successful, the commencement of the final remarketing period or, if the final remarketing is not successful, the purchase contract settlement date, by which each holder's fundamental change early settlement right must be exercised. The notice will set forth, among other things, the applicable settlement rate and the amount of the cash, securities and other consideration receivable by the holder upon settlement. To exercise the fundamental change early settlement right, you must deliver to the purchase contract agent, no later than 4:00 p.m., New York City time, on the third business day before the early settlement date, the certificate evidencing your Corporate Units or Treasury Units if they are held in certificated form, and payment of the applicable purchase price in immediately available funds less the amount of any accrued and unpaid contract adjustment payments (including any deferred contract adjustment payments and compounded contract adjustment payments thereon) to, but excluding, the early settlement date.

If you exercise the fundamental change early settlement right, we will deliver to you on the early settlement date the kind and amount of securities, cash or other property that you would have been entitled to receive if you had settled the purchase contract immediately before the fundamental change at the settlement rate described above, plus the make-whole shares. You will also receive the notes, applicable ownership interests in the Treasury portfolio or Treasury securities underlying the Corporate Units or Treasury Units, as the case may be. If you do not elect to exercise your fundamental change early settlement right, your Corporate Units or Treasury Units will remain outstanding and subject to normal settlement on the settlement date. We have agreed that, if required under the U.S. federal securities laws, we will use our commercially reasonable efforts to (1) have in effect a registration statement covering the common stock and other securities, if any, to be delivered in respect of the purchase contracts being settled and (2) provide a prospectus in connection therewith, in each case in a form that may be used in connection with the early settlement upon a fundamental change. In the event that a holder seeks to exercise its fundamental change early settlement right and a registration statement is required to be effective in connection with the exercise of such right but no such registration statement is then effective, the holder's exercise of such right shall be void unless and until such a registration statement shall be effective and we will have no further obligation with respect to any such registration statement if, notwithstanding using our commercially reasonable efforts, no registration statement is then effective.

Unless the Treasury portfolio has replaced the notes as a component of the Corporate Units, holders of Corporate Units may exercise the fundamental change early settlement right only in integral multiples of 20 Corporate Units. If the Treasury portfolio has replaced the notes as a component of Corporate Units, holders of the Corporate Units may exercise the fundamental change early settlement right only in integral multiples of Corporate Units.

A holder of Treasury Units may exercise the fundamental change early settlement right only in integral multiples of 20 Treasury Units.

The number of make-whole shares applicable to a fundamental change early settlement will be determined by reference to the table set forth under Description of the Purchase Contracts Early Settlement Upon a Fundamental Change.



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### **What is the Treasury portfolio?**

Upon a successful optional remarketing, the notes will be replaced by the Treasury portfolio. The Treasury portfolio is a portfolio of U.S. Treasury securities consisting of:

U.S. Treasury securities (or principal or interest strips thereof) that mature on or prior to the purchase contract settlement date in an aggregate amount equal to the principal amount of the notes underlying the applicable ownership interests in the notes included in the Corporate Units; and

U.S. Treasury securities (or principal or interest strips thereof) that mature on or prior to the purchase contract settlement date, in an aggregate amount at maturity equal to the aggregate interest payment (assuming no reset of the interest rate) that would have been due on the purchase contract settlement date on the principal amount of the notes underlying the applicable ownership interests in the notes included in the Corporate Units.

### **What is the ranking of the notes?**

The notes will be subordinated to all of PPL Capital Funding's existing and future Senior Indebtedness. PPL Capital Funding's obligations under the notes are also effectively subordinated to all our subsidiaries' obligations (other than those of PPL Capital Funding).

See Description of the Notes Subordination.

### **What are the guarantees?**

The notes will be fully and unconditionally guaranteed by PPL Corporation as to payment of principal and interest pursuant to subordinated guarantees of PPL Corporation. The subordinated guarantees will be PPL Corporation's unsecured obligations and will be subordinated to all of PPL Corporation's Senior Indebtedness. The subordinated guarantees will rank equally in right of payment with PPL Corporation's other unsecured and subordinated indebtedness. As PPL Corporation is a holding company, its obligations under the subordinated guarantees will be effectively subordinated to all existing or future preferred stock and indebtedness, guarantees and other liabilities of its subsidiaries, including trade payables, and effectively subordinated to any of its secured indebtedness to the extent of the value of the assets securing such indebtedness. Since PPL Corporation conducts many of its operations through its subsidiaries, its right to participate in any distribution of the assets of a subsidiary when it winds up its business is subject to the prior claims of the creditors of the subsidiary. This means that your rights under the subordinated guarantees will also be subject to the prior claims of these creditors if a subsidiary liquidates or reorganizes or otherwise winds up its business. Unless we are considered a creditor of the subsidiary, your claims will be recognized behind these creditors.

### **What are the U.S. federal income tax consequences related to the Equity Units and notes?**

The U.S. federal income tax treatment of an investment in Equity Units is not entirely clear. An owner of Equity Units will be treated for U.S. federal income tax purposes as owning the purchase contract and the applicable ownership interests in the notes, Treasury portfolio or Treasury securities constituting the Equity Unit, as applicable. You must allocate the purchase price of the Equity Units between the notes and the purchase contract in proportion to their respective fair market values, which will establish your initial tax basis in the notes and the purchase contract. With respect to each Corporate Unit purchased in the offering, we expect to treat the fair market value (as of the issue date) of each undivided interest in each note as \$50 and the fair market value (as of the issue date) of the purchase contract as \$0. This position generally will be binding on each beneficial owner of Equity Units but not on the Internal Revenue Service (IRS).

For U.S. federal income tax purposes, you will be required to take into account interest payments on the notes at the time they are paid or accrued in accordance with your regular method of accounting for tax purposes. If the Treasury portfolio has replaced the notes as a component of the Corporate Units as a result of a successful optional remarketing, an owner of Corporate Units will generally be required to include in gross income its allocable share of acquisition discount (as described under *Certain United States Federal Income and Estate Tax Consequences* ) on applicable ownership interest in the Treasury portfolio.

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We intend to treat contract adjustment payments as taxable ordinary income to a U.S. holder (as defined in *Certain United States Federal Income and Estate Tax Consequences*) when received or accrued, in accordance with the U.S. holder's regular method of tax accounting. We intend to treat any contract adjustment payments paid to a non-U.S. holder (as defined in *Certain United States Federal Income and Estate Tax Consequences*) as amounts generally subject to withholding tax at a 30% rate, unless an income tax treaty reduces or eliminates such tax.

Although the IRS has issued a published ruling discussing certain aspects of instruments similar to the Equity Units, the Equity Units are complex financial instruments and there is no statutory, judicial or administrative authority directly addressing the tax treatment of securities with the terms of the Equity Units. Please consult your own tax advisors concerning the tax consequences of an investment in the Equity Units. For a more extensive discussion of the U.S. federal income tax consequences of an investment in the Equity Units, see *Certain United States Federal Income and Estate Tax Consequences*.

### **What are the uses of proceeds from the offering?**

We estimate that the net proceeds from the sale of the Equity Units in this offering will be approximately \$824 million (approximately \$947 million if the underwriters exercise their over-allotment option in full), after deducting the underwriters' discounts and commissions and estimated offering expenses payable by us. In addition, we expect to receive net proceeds, after deducting underwriting discounts and commissions and estimated offering expenses, of approximately \$2.0 billion from our concurrent common stock offering (or approximately \$2.3 billion if the underwriters of that offering exercise in full their option to purchase additional shares).

We will use the net proceeds from this offering and the concurrent common stock offering to reduce our obligations under the Bridge Facility, the proceeds of which were used to fund the consideration for the Acquisition and pay certain fees and expenses relating to the Acquisition.

We currently intend to use the proceeds from the settlement of the purchase contracts to repay debt as soon as practicable following such settlement, and we have agreed not to use such proceeds to repurchase shares of our common stock.

### **What are the risks relating to the Equity Units?**

See *Risk Factors* and other information included or incorporated by reference in this prospectus supplement and the accompanying prospectus for a discussion of factors you should carefully consider before deciding to invest in the Equity Units.

### **Conflicts of Interest**

Affiliates of Credit Suisse Securities (USA) LLC and Merrill Lynch, Pierce, Fenner & Smith Incorporated are lenders under the Bridge Facility and will receive more than five percent of the net proceeds of this offering. See *Use of Proceeds*. Thus, Credit Suisse Securities (USA) LLC and Merrill Lynch, Pierce, Fenner & Smith Incorporated have a conflict of interest as defined under the applicable provisions of Rule 5121 of the Conduct Rules of the Financial Industry Regulatory Authority, Inc., or FINRA. Accordingly, this offering will be made in compliance with the applicable provisions of Rule 5121 of the Conduct Rules, which requires that a qualified independent underwriter participate in the preparation of the prospectus supplement and exercise the usual standards of due diligence in respect thereto. Citigroup Global Markets Inc. is acting as the qualified independent underwriter. See *Conflicts of Interest*.

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**The Offering Explanatory Diagrams**

The following diagrams illustrate some of the key features of the purchase contracts and the undivided beneficial ownership interests in notes, Corporate Units and Treasury Units.

The following diagrams assume that the notes are successfully remarketed and priced during the final remarketing period and the interest rate on each tranche of notes is reset on the purchase contract settlement date.

**Purchase Contract**

Corporate Units and Treasury Units both include a purchase contract under which the holder agrees to purchase shares of our common stock on the purchase contract settlement date. In addition, these purchase contracts require us to make contract adjustment payments as shown in the diagrams on the following pages.

**Applicable Market Value<sup>(6)</sup>**

**Applicable Market Value<sup>(6)</sup>**

Notes:

- (1) If the applicable market value of our common stock is less than or equal to the reference price of \$25.30, 1.9763 shares of our common stock (subject to adjustment).
- (2) If the applicable market value of our common stock is between the reference price and the threshold appreciation price of approximately \$30.99, the number of shares of our common stock to be delivered to a holder of an Equity Unit will be calculated by dividing the stated amount of \$50 by the applicable market value, rounded to the nearest ten thousandth of a share (subject to adjustment).
- (3) If the applicable market value of our common stock is greater than or equal to the threshold appreciation price, the number of shares of our common stock to be delivered to a holder of an Equity Unit will be 1.6133 shares (subject to adjustment).
- (4) The reference price is the public offering price of our common stock in the concurrent common stock offerings.
- (5) The threshold appreciation price is equal to \$50 divided by the minimum settlement rate, which is approximately \$30.99 and represents appreciation of approximately 22.5% over the reference price.
- (6) Expressed as a percentage of the reference price. The applicable market value means the average VWAP of our common stock on each of the 20 consecutive trading days ending on the third scheduled trading day immediately preceding the purchase contract settlement date (subject to adjustment).

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**Corporate Units**

A Corporate Unit consists of two components as described below:

Notes:

- (1) Each owner of an undivided beneficial ownership interest in notes will be entitled to 1/20, or 5.0%, of each interest payment paid in respect of a \$1,000 principal amount note.
- (2) Interest payments may be deferred as described in this prospectus supplement. In connection with a successful remarketing, the optional deferral provisions of the notes will cease to apply.
- (3) Contract adjustment payments may be deferred as described in this prospectus supplement.
- (4) Notes will be issued in minimum denominations of \$1,000, except in limited circumstances. Each undivided beneficial ownership interest in notes represents a 1/20, or 5.0%, undivided beneficial ownership interest in a \$1,000 principal amount note.

The holder of a Corporate Unit owns the 1/20 undivided beneficial ownership interest in notes that forms a part of the Corporate Unit but will pledge it to us through the collateral agent to secure its obligation under the related purchase contract.

If the Treasury portfolio has replaced the notes as a result of a successful optional remarketing prior to the final remarketing period, the applicable ownership interests in the Treasury portfolio will replace the notes as a component of the Corporate Unit. Unless the purchase contract is terminated as a result of our bankruptcy, insolvency or reorganization, the proceeds from the applicable ownership interest in the Treasury portfolio will be used to satisfy the holder's obligation under the related purchase contract.

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**Treasury Units**

A Treasury Unit consists of two components as described below: <sup>(1)</sup>

The holder of a Treasury Unit owns the 1/20 undivided beneficial ownership interest in the Treasury security that forms a part of the Treasury Unit but will pledge it to us through the collateral agent to secure its obligation under the related purchase contract. Unless the purchase contract is terminated as a result of our bankruptcy, insolvency or reorganization or the holder recreates a Corporate Unit, the proceeds from the Treasury security will be used to satisfy the holder's obligation under the related purchase contract.

Notes:

- (1) Unless the Treasury portfolio has replaced the notes as a component of the Corporate Units, Treasury Units may only be created with integral multiples of 20 Corporate Units. As a result, the creation of 20 Treasury Units will release \$1,000 principal amount of the notes held by the collateral agent.
- (2) Contract adjustment payments may be deferred as described in this prospectus supplement.

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**The Notes**

The notes have the terms described below:

Notes:

- (1) Interest payments may be deferred as described in this prospectus supplement. In connection with a successful remarketing, the interest deferral provisions of the notes will cease to apply.

**Transforming Corporate Units into Treasury Units and Notes**

Because the notes and the Treasury securities are issued in minimum denominations of \$1,000, holders of Corporate Units may only create Treasury Units in integral multiples of 20 Corporate Units.

To create 20 Treasury Units, a holder separates 20 Corporate Units into their two components 20 purchase contracts and a note and then combines the purchase contracts with a Treasury security that matures on or prior to April 30, 2014.

The note, which is no longer a component of Corporate Units and has a principal amount of \$1,000, is released to the holder and is tradable as a separate security.

A holder owns the Treasury security that forms a part of the Treasury Units but will pledge it to us through the collateral agent to secure its obligation under the related purchase contract.

The Treasury security together with the 20 purchase contracts constitute 20 Treasury Units.

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Following a successful remarketing, you may not create Treasury Units or recreate Corporate Units.

Unless there has been a successful remarketing, the holder can also transform 20 Treasury Units and a \$1,000 principal note into 20 Corporate Units. Following that transformation, the Treasury security, which will no longer be a component of the Treasury Unit, will be released to the holder and will be tradable as a separate security.

Notes:

- (1) Each holder will own a 1/20, or 5.0%, undivided beneficial ownership interest in, and will be entitled to a corresponding portion of each interest payment payable in respect of, a \$1,000 principal amount note.
- (2) Notes will be issued in minimum denominations of \$1,000 and integral multiples thereof, except in limited circumstances.
- (3) Contract adjustment payments may be deferred as described in this prospectus supplement.
- (4) Interest payments may be deferred as described in this prospectus supplement. In connection with a successful remarketing, the interest deferral provisions of the notes will cease to apply.

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**Illustrative Remarketing Timeline**

The following timeline is for illustrative purposes only. The dates in this timeline are based on the time periods set forth in the purchase contract and pledge agreement and the form of remarketing agreement that will be an exhibit to the purchase contract and pledge agreement. These dates are subject to change based on changes in the number of business and/or trading days for the relevant periods. This timeline assumes that we are remarketing the aggregate principal amount of notes that are components of the Corporate Units and any separate notes whose holders have decided to participate in the remarketing on the first day of the optional remarketing period, and that we will attempt to remarket such notes during the optional remarketing period and final remarketing period.

<b>Date</b>	<b>Event</b>
No later than January 15, 2014 (15 days prior to the first day of the optional remarketing period)	We will request that the depository notify its participants holding Corporate Units, Treasury Units and separate notes if we elect to conduct an optional remarketing between January 30, 2014 and April 15, 2014. If we elect to conduct an optional remarketing, we will give notice to holders of Corporate Units, Treasury Units and separate notes as to the date or dates of and procedures to be followed in the optional remarketing.
January 17, 2014 (two business days following the date on which we give notice of an optional remarketing)	Last day prior to the optional remarketing to create Treasury Units from Corporate Units and recreate Corporate Units from Treasury Units (holders may once again be able to create and recreate units if the optional remarketing is not successful);
	Last day prior to the optional remarketing for holders of Corporate Units to settle the related purchase contracts early (holders may once again be able to early settle if the optional remarketing is not successful); and
	Last day for holders of separate notes to give notice of their election to participate in the optional remarketing.
January 30, 2014 to April 15, 2014	Optional remarketing period: if the optional remarketing is not successful, we will issue a press release; or if the optional remarketing is successful, the remarketing agent will purchase the Treasury portfolio. If the optional remarketing is successful, settlement of the remarketed notes will occur on the third business day following the optional remarketing date.
No later than April 15, 2014 (third business day prior to the first day of the final remarketing period)	We will request that the depository notify its participants holding Corporate Units, Treasury Units and separate notes of the final remarketing between April 18, 2014 and April 28, 2014. We will give notice to holders of Corporate Units, Treasury Units and separate notes of the procedures to be followed in the final remarketing.
April 16, 2014 (two business days prior to the first day of the final remarketing period)	Last day to create Treasury Units from Corporate Units and recreate Corporate Units from Treasury Units;

Last day for holders of Corporate Units to give notice of desire to settle the related purchase contracts with separate cash; and

Last day for holders of separate notes to give notice of their election to participate in the remarketing.

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<b>Date</b>	<b>Event</b>
April 17, 2014 (one business day prior to the first day of the final remarketing period)	<p>Last day for holders of Corporate Units or Treasury Units to settle the related purchase contracts early;</p> <p>Last day for holders of Corporate Units who have elected to settle the related purchase contracts with separate cash to pay the purchase price; and</p> <p>Last day for holders of separate notes to give notice of their withdrawal from participating in the remarketing.</p>
April 18, 2014 to April 28, 2014 (final remarketing period)	<p>We will attempt a remarketing during the final remarketing period. We may elect to postpone the final remarketing on any day other than one of the last five business days of the final remarketing period.</p> <p>If there has not been a successful final remarketing, last day for holders of Corporate Units to elect to settle the related purchase contracts with separate cash.</p>
April 29, 2014 (two business days prior to the purchase contract settlement date)	<p>If there has not been a successful final remarketing, last day for holders of Corporate Units who have elected to settle the related purchase contracts with separate cash to pay the purchase price.</p>
April 30, 2014 (one business day prior to the purchase contract settlement date)	<p>Purchase contract settlement date and settlement date for any successful final remarketing of the notes.</p>
May 1, 2014	

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**RISK FACTORS**

*Investing in the Equity Units involves a high degree of risk. In addition to the other information contained in this prospectus supplement, the accompanying prospectus and the information incorporated by reference herein and therein, you should consider carefully the following factors relating to us and the Equity Units before making an investment in the Equity Units offered hereby. In addition to the risk factors set forth below, please read the information included or incorporated by reference under Risk Factors in the accompanying prospectus and in our Annual Report on Form 10-K for the year ended December 31, 2010. If any of the following risks or those incorporated by reference actually occur, our business, results of operations, financial condition, cash flows or prospects could be materially adversely affected, which in turn could adversely affect the trading price of the Equity Units and our common stock. As a result, you may lose all or part of your original investment.*

*The Corporate Units consist of a purchase contract to acquire our common stock and notes issued by us. When considering an investment in our Corporate Units, you are making an investment decision with respect to our common stock and the notes as well as the Corporate Units. You can create Treasury Units from Corporate Units by substituting Treasury securities for the notes. You should carefully review the information in this prospectus supplement and the accompanying prospectus about these securities. As used in this section, we, our, us, PPL and the Company refer to PPL Corporation and not to any of its subsidiaries.*

**Risks Relating to the Equity Units**

*You assume the risk that the market value of our common stock may decline.*

The number of shares of our common stock that you will receive upon the settlement of a purchase contract is not fixed but instead will depend on the average VWAP of our common stock on each of the 20 consecutive trading days ending on the third scheduled trading day immediately preceding the purchase contract settlement date, which we refer to as the applicable market value. There can be no assurance that the market value of common stock received by you on the purchase contract settlement date will be equal to or greater than the effective price per share paid by you for our common stock on the date of issuance of the Equity Units. If the applicable market value of the common stock is less than the reference price of \$25.30, the market value of the common stock issued to you pursuant to each purchase contract on the purchase contract settlement date (assuming that the market value on the purchase contract settlement date is the same as the applicable market value of the common stock) will be less than the effective price per share paid by you for the common stock. Accordingly, you assume the risk that the market value of our common stock may decline, and that the decline could be substantial.

*The opportunity for equity appreciation provided by an investment in the Equity Units is less than that provided by a direct investment in our common stock.*

Your opportunity for equity appreciation afforded by investing in the Equity Units is less than your opportunity for equity appreciation if you directly invested in our common stock. This opportunity is less because the market value of the common stock to be received by you pursuant to the purchase contract on the purchase contract settlement date (assuming that the market value on the purchase contract settlement date is the same as the applicable market value of the common stock) will only exceed the effective price per share paid by you for our common stock if the applicable market value of the common stock exceeds the threshold appreciation price (which represents an appreciation of approximately 22.5% over the reference price). If the applicable market value of our common stock exceeds the reference price but does not exceed the threshold appreciation price, you will realize no equity appreciation of the common stock for the period during which you own the purchase contract. Furthermore, if the applicable market value

of our common stock equals or exceeds the threshold appreciation price, you would receive on the purchase contract settlement date only approximately 81.6% of the value of the shares of common stock you could have purchased with \$50 at the closing price of our common stock on the date of the pricing of the Equity Units.

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***The trading prices for the Corporate Units and Treasury Units will be directly affected by the trading prices of our common stock.***

The trading prices of Corporate Units and Treasury Units in the secondary market will be directly affected by the trading prices of our common stock, the general level of interest rates and our credit quality. It is impossible to predict whether the price of our common stock or interest rates will rise or fall. Trading prices of our common stock will be influenced by our operating results and prospects and by economic, financial and other factors. In addition, general market conditions, including the level of, and fluctuations in, the trading prices of stocks generally, and sales or other issuances of substantial amounts of common stock (or securities convertible into, or that may otherwise be settled in, shares of common stock) by us in the market after the offering of the Equity Units, or the perception that such sales or other issuances could occur, could affect the price of our common stock. The price of our common stock could also be affected by possible sales of our common stock by investors who view the Equity Units as a more attractive means of equity participation in us and by hedging or arbitrage trading activity that may develop involving our common stock. This trading activity could, in turn, affect the trading price of the Corporate Units or the Treasury Units.

Concurrently with this offering of Equity Units, we are offering, by means of a separate prospectus supplement, 80,000,000 shares of our common stock (or 92,000,000 shares of our common stock if the underwriters of that offering exercise in full their over-allotment option).

***Fluctuations in interest rates may give rise to arbitrage opportunities, which would affect the trading price of the Corporate Units, Treasury Units, the notes and our common stock.***

Fluctuations in interest rates may give rise to arbitrage opportunities based upon changes in the relative value of the common stock underlying the stock purchase contracts and of the other components of the Equity Units. Any such arbitrage could, in turn, affect the trading prices of the Corporate Units, Treasury Units, the notes, and our common stock.

***If you hold Corporate Units or Treasury Units, you will not be entitled to any rights with respect to our common stock, but you will be subject to all changes made with respect to our common stock.***

If you hold Corporate Units or Treasury Units, you will not be entitled to any rights with respect to our common stock (including, without limitation, voting rights and rights to receive any dividends or other distributions on the common stock), but you will be subject to all changes affecting the common stock. You will only be entitled to rights on the common stock if and when we deliver shares of common stock in exchange for Corporate Units or Treasury Units on the purchase contract settlement date, or as a result of early settlement, as the case may be, and if the applicable record date, if any, for the exercise of such rights occurs on or after that date. For example, in the event that an amendment is proposed to our certificate of incorporation or by-laws requiring stockholder approval and the record date for determining the stockholders of record entitled to vote on the amendment occurs prior to the delivery date of our common stock under the stock purchase contracts, you will not be entitled to vote on the amendment, although you will nevertheless be subject to any changes in the powers, preferences or special rights of our common stock.

***The delivery of make-whole shares upon a fundamental change early settlement may not adequately compensate you.***

If a fundamental change (as defined below under [Description of the Purchase Contracts](#) [Early Settlement Upon a Fundamental Change](#) ) occurs and you exercise your fundamental change early settlement right, you will be entitled to receive additional value in respect of make-whole shares unless the stock price, as defined below, is in excess of \$100.00, subject to adjustment. A description of how the make-whole shares will be determined is set forth under [Description of the Purchase Contracts](#) [Early Settlement Upon a Fundamental Change](#) [Calculation of Make-Whole](#)

Shares. Although the make-whole shares are designed to compensate you for the lost value of your Equity Units as a result of the fundamental change, this feature may not adequately compensate you for such loss. In addition, if the effective date of the fundamental change occurs after May 1, 2014, or if the stock price is

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greater than \$100.00 per share (subject to adjustment), the fundamental change provisions in the purchase contract will not compensate you for any additional loss suffered in connection with a fundamental change.

***You may suffer dilution of our common stock issuable upon settlement of your purchase contract.***

The number of shares of our common stock issuable upon settlement of your purchase contract is subject to adjustment only for stock splits and combinations, stock dividends and specified other transactions that significantly modify our capital structure. See Description of the Purchase Contracts Anti-dilution Adjustments. The number of shares of our common stock issuable upon settlement of each purchase contract is not subject to adjustment for other events, such as certain employee stock option grants or offerings of common stock for cash, or in connection with acquisitions or other transactions that may adversely affect the price of our common stock. There can be no assurance that an event that adversely affects the value of the Equity Units, but does not result in an adjustment to the settlement rate, will not occur. The terms of the Equity Units do not restrict our ability to offer common stock in the future or to engage in other transactions that could dilute our common stock. We have no obligation to consider the interests of the holders of the Equity Units in engaging in any such offering or transaction. If we issue additional shares of common stock, those issuances may materially and adversely affect the price of our common stock and, because of the relationship of the number of shares holders are to receive on the purchase contract settlement date to the price of our common stock, those issuances may adversely affect the trading price of the Equity Units.

***The secondary market for the Corporate Units, Treasury Units or notes may be illiquid.***

It is not possible to predict how Corporate Units, Treasury Units or notes will trade in the secondary market or whether the market will be liquid or illiquid. There is currently no secondary market for our Corporate Units, Treasury Units or notes. We expect trading of the Corporate Units on the New York Stock Exchange under the symbol PPL PR W to commence within 30 days of the date of initial issuance of the Corporate Units. If the Treasury Units or the notes are separately traded to a sufficient extent that applicable exchange listing requirements are met, we will try to list the Treasury Units or the notes on the same exchange as the Corporate Units. There can be no assurance as to the liquidity of any market that may develop for the Corporate Units, the Treasury Units or the notes, your ability to sell these securities or whether a trading market, if it develops, will continue. In addition, in the event a sufficient number of holders of Equity Units were to convert their Treasury Units to Corporate Units or their Corporate Units to Treasury Units, as the case may be, the liquidity of Corporate Units or Treasury Units could be adversely affected. There can be no assurance that the Corporate Units will not be de-listed from the New York Stock Exchange or that trading in the Corporate Units will not be suspended as a result of your election to create Treasury Units by substituting collateral, which could cause the number of Corporate Units to fall below the requirement for listing securities on the New York Stock Exchange.

***Your rights to the pledged securities will be subject to our security interest and may be affected by a bankruptcy proceeding.***

Although you will be the beneficial owner of the applicable ownership interests in notes, Treasury securities or applicable ownership interests in the Treasury portfolio, as applicable, those securities will be pledged to us through the collateral agent to secure your obligations under the related purchase contracts. Thus, your rights to the pledged securities will be subject to our security interest. Additionally, notwithstanding the automatic termination of the purchase contracts, in the event that we become the subject of a case under the U.S. Bankruptcy Code, the delivery of the pledged securities to you may be delayed by the imposition of the automatic stay under Section 362 of the Bankruptcy Code or by exercise of the bankruptcy court's power under Section 105(a) of the Bankruptcy Code and claims arising out of the notes, like all other claims in bankruptcy proceedings, will be subject to the equitable jurisdiction and powers of the bankruptcy court.

*Upon a successful remarketing of the notes, the terms of your notes may be modified even if you elect not to participate in the remarketing.*

When we attempt to remarket the notes, the remarketing agent will agree to use its reasonable efforts to sell the notes included in the remarketing. In connection with the remarketing, we and the remarketing agent will remarket

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the notes into two tranches of debt securities maturing 3 years and 5 years, respectively from the settlement date of the remarketing, and we and the remarketing agent may change the terms of the notes, including the interest rate on the notes, the method of calculating interest payments on the notes and the optional redemption terms. If the remarketing is successful, the modified terms will apply to all the notes, even if they were not included in the remarketing. However, holders of the notes must elect to participate in the remarketing before knowing what the modified terms of the notes will be. Whenever we remarket the notes, we will notify holders of Corporate Units, Treasury Units and separate notes of such remarketing. On the business day following the optional remarketing date or the final remarketing date, as applicable, we will notify holders of separate notes who decided not to participate in the remarketing how we will allocate their notes between the two tranches. You may determine that the revised terms are not as favorable to you as you would deem appropriate.

***The purchase contract and pledge agreement will not be qualified under the Trust Indenture Act and the obligations of the purchase contract agent are limited.***

The purchase contract and pledge agreement among us, the purchase contract agent and the collateral agent will not be qualified as an indenture under the Trust Indenture Act of 1939, or the Trust Indenture Act, and the purchase contract agent and collateral agent will not be required to qualify as a trustee under the Trust Indenture Act. Thus, you will not have the benefit of the protection of the Trust Indenture Act with respect to the purchase contract and pledge agreement or the purchase contract agent. The notes constituting a part of the Corporate Units will be issued pursuant to an indenture, as amended and supplemented, which is qualified under the Trust Indenture Act. Accordingly, if you hold Corporate Units, you will have the benefit of the protections of the Trust Indenture Act only to the extent applicable to the applicable ownership interests in notes included in the Corporate Units. The protections generally afforded the holder of a security issued under an indenture that has been qualified under the Trust Indenture Act include:

disqualification of the indenture trustee for conflicting interests, as defined under the Trust Indenture Act;

provisions preventing a trustee that is also a creditor of the issuer from improving its own credit position at the expense of the security holders immediately prior to or after a default under such indenture; and

the requirement that the indenture trustee deliver reports at least annually with respect to certain matters concerning the indenture trustee and the securities.

***The trading price of the Corporate Units or any separate notes may not fully reflect the value of their accrued but unpaid interest.***

The Corporate Units and any separate notes may trade at a price that does not fully reflect the value of accrued but unpaid interest on the notes. If you dispose of Corporate Units or separate notes between record dates for interest payments, you will be required to include in gross income the interest accrued through the date of disposition as ordinary income (to the extent not previously included in income), which will have the effect of reducing the gain or increasing the loss that you would otherwise recognize on the disposition of the notes. To the extent the selling price is less than your adjusted tax basis, you will recognize a loss. A holder's ability to deduct capital losses may be limited.

***You may not be able to exercise your rights to settle a purchase contract prior to the purchase contract settlement date unless a registration statement under the Securities Act is in effect and a prospectus is available covering the shares of common stock deliverable upon early settlement of a purchase contract.***

The early settlement rights under the purchase contracts are subject to the condition that, if required under the U.S. federal securities laws, we have a registration statement under the Securities Act in effect and an available

prospectus covering the shares of common stock and other securities, if any, deliverable upon settlement of a purchase contract. Although we have agreed to use our commercially reasonable efforts to have such a registration statement in effect and to provide a prospectus if so required under the U.S. federal securities laws, any failure or inability to maintain an effective registration statement or to have available a prospectus covering the common stock, including as a result of pending corporate events or announcements that prevent the delivery of a current prospectus, may prevent or delay an early settlement.

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***The subordinated guarantee of the notes and the contract adjustment payments are subordinated to our existing and future Senior Indebtedness and are effectively subordinated to any existing or future preferred stock and indebtedness, guarantees and other liabilities of our subsidiaries. The notes are subordinated to PPL Capital Funding's existing and future Senior Indebtedness.***

The subordinated guarantee of the notes and the contract adjustment payments are subordinated to our existing and future Senior Indebtedness and will be effectively subordinated to existing or future preferred stock and indebtedness, guarantees and other liabilities, including trade payables, of our subsidiaries. The notes are subordinated to PPL Capital Funding's existing and future Senior Indebtedness. The indenture governing the notes and the subordinated guarantee will not restrict us or our subsidiaries from incurring substantial additional unsecured indebtedness in the future.

Our subsidiaries are separate and distinct legal entities from us. Our subsidiaries (other than PPL Capital Funding with respect to the notes) have no obligation to pay any amounts due on the notes, the subordinated guarantee of the notes or the purchase contracts or to provide us or PPL Capital Funding with funds to meet our respective payment obligations on the notes, the subordinated guarantee of the notes or purchase contracts, as applicable, whether in the form of dividends, distributions, loans or other payments. In addition, any payment of dividends, loans or advances by our subsidiaries could be subject to statutory or contractual restrictions. Payments to us by our subsidiaries will also be contingent upon the subsidiaries' earnings and business considerations. Our right to receive any assets of any of our subsidiaries upon their bankruptcy, liquidation or reorganization, and therefore the right of the holders of the notes or purchase contracts to participate in those assets, will be effectively subordinated to the claims of that subsidiary's creditors, including trade creditors. In addition, even if we are a creditor of any of our subsidiaries, our right as a creditor would be subordinate to any security interest in the assets of our subsidiaries and any indebtedness of our subsidiaries senior to that held by us.

***Recent developments in the equity-linked and convertible securities markets may adversely affect the market value of the Equity Units.***

Governmental actions that interfere with the ability of equity-linked and convertible securities investors to effect short sales of the underlying shares of common stock could significantly affect the market value of the Equity Units. Such government actions could make the convertible arbitrage strategy that many equity-linked and convertible securities investors employ difficult to execute for outstanding equity-linked or convertible securities of any company whose shares of common stock are subject to such actions. This could, in turn, adversely affect the trading price and liquidity of the Equity Units and/or separate purchase contracts.

At an open meeting on February 24, 2010, the SEC adopted a new short sale price test through an amendment to Rule 201 of Regulation SHO. The amendments to Rule 201 became effective on May 10, 2010 and restrict short selling when the price of a covered security has triggered a circuit breaker by falling at least 10% in one day, at which point short sale orders can be displayed or executed only if the order price is above the current national best bid, subject to certain limited exceptions. Compliance with the amendments to Rule 201 was required by November 10, 2010. Because our common stock is a covered security, the new restrictions may interfere with the ability of investors in, and potential purchasers of, the Equity Units, to effect short sales in our common stock and conduct the convertible arbitrage strategy that we believe they will employ, or seek to employ, with respect to the Equity Units.

In addition, on June 10, 2010, the SEC approved a six-month pilot (the circuit breaker pilot) pursuant to which several national securities exchanges and the Financial Industry Regulatory Authority, Inc. (FINRA) adopted rules to halt trading in securities included in the S&P 500 Index if the price of any such security moves 10% or more from a sale in a five-minute period. On September 10, 2010, the SEC approved an expansion of the circuit breaker pilot to include component securities of the Russell 1000 Index and over 300 exchange traded funds. Because our common stock is

included in both S&P 500 Index and the Russell 1000 Index, it is subject to the circuit breaker pilot. A four-month extension of the expanded circuit breaker pilot was approved by the SEC on December 9, 2010 pursuant to which the circuit breaker pilot is currently scheduled to expire on April 11, 2011. The circuit breaker pilot may decrease or prevent an increase in the market price and/or liquidity of our common stock and/or interfere with the ability of investors in, and potential purchasers of, the Equity Units, to effect

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hedging transactions in or relating to our common stock and conduct the convertible arbitrage strategy that we believe they will employ, or will seek to employ, with respect to the Equity Units and/or separate purchase contracts.

Although the direction and magnitude of the effect that the amendments to Regulation SHO, the circuit breaker pilot and any additional regulations may have on the trading price and the liquidity of the Equity Units will depend on a variety of factors, many of which cannot be determined at this time, past regulatory actions have had a significant impact on the trading prices and liquidity of convertible debt instruments. For example, in September 2008, the SEC issued emergency orders generally prohibiting short sales in the common stock of a variety of financial services companies while Congress worked to provide a comprehensive legislative plan to stabilize the credit and capital markets. The orders made the convertible arbitrage strategy that many convertible debt investors employ difficult to execute and adversely affected both the liquidity and trading price of convertible notes issued by many of the financial services companies subject to the prohibition. Any governmental actions that restrict the ability of investors in, or potential purchasers of, the Equity Units to effect short sales in our common stock or to implement hedging strategies, including the recently adopted amendments to Regulation SHO, could similarly adversely affect the trading price and the liquidity of the Equity Units and/or separate purchase contracts.

***We may defer contract adjustment payments under the purchase contracts, and this may have an adverse effect on the trading prices of the Equity Units.***

We may at our option defer the payment of all or part of the contract adjustment payments under the purchase contracts. If we exercise our right to defer contract adjustment payments, the market price of the Equity Units is likely to be adversely affected. As a result of the existence of our deferral rights, the market price of the Equity Units may be more volatile than the market prices of other securities that are not subject to these optional deferrals. Furthermore, you will be subject to the risk that we may not be able to pay such deferred contract adjustment payments (including compounded contract adjustment payments thereon) in the future. In addition, if we make such a deferral, and you use the accrual method of accounting for tax purposes you may be required to continue to recognize income for U.S. federal income tax purposes in respect of the purchase contracts in advance of your receipt of any corresponding cash distributions.

***If PPL Capital Funding exercises its right to defer interest payments on the notes, the market price of the Corporate Units is likely to be adversely affected.***

Prior to May 1, 2016 PPL Capital Funding may at its option defer interest payments on the notes for one or more consecutive interest periods. During any such deferral period (as defined below under Description of the Notes Option to Defer Interest Payments ), holders of the notes will receive limited or no current payments and, so long as we and PPL Capital Funding are otherwise in compliance with our obligations, such holders will have no remedies against us or PPL Capital Funding for nonpayment unless we or PPL Capital Funding fail to pay all previously deferred interest (including compounded interest thereon) in cash within 30 days of the date due. If PPL Capital Funding exercises its right to defer interest, the market price of the Corporate Units is likely to be adversely affected. As a result of the existence of PPL Capital Funding's deferral rights, the market price of the Corporate Units may be more volatile than the market prices of other securities that are not subject to optional interest deferrals. We and PPL Capital Funding may not be able to pay such deferred interest (including compounded interest thereon) in the future.

***The U.S. federal income tax consequences of the purchase, ownership and disposition of the Equity Units are unclear.***

Although the IRS has issued a Revenue Ruling addressing the treatment of units similar to the Equity Units, no statutory, judicial or administrative authority directly addresses all aspects of the treatment of the Equity Units or instruments similar to the Equity Units for U.S. federal income tax purposes, and no assurance can be given that the

conclusions in the Revenue Ruling would apply to the Equity Units. As a result, the U.S. federal income tax consequences of the purchase, ownership and disposition of the Equity Units are unclear. In addition, there can be no assurance that the IRS or a court will agree with the characterization of the notes as indebtedness for U.S. federal income tax purposes. You should consult with your own tax advisors regarding the tax consequences of an investment in the Equity Units. See Certain United States Federal Income and Estate Tax Consequences.

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**Table of Contents*****You may have to pay taxes with respect to distributions on common stock that you do not receive.***

You may be treated as receiving a constructive distribution from us with respect to the purchase contract if (1) the fixed settlement rates are adjusted (or fail to be adjusted) and, as a result of the adjustment (or failure to adjust), your proportionate interest in our assets or earnings and profits is increased, and (2) the adjustment (or failure to adjust) is not made pursuant to a bona fide, reasonable anti-dilution formula. Thus, under certain circumstances, an increase in (or a failure to decrease) the fixed settlement rates might give rise to a taxable dividend to you even though you will not receive any cash in connection with the increase in (or failure to decrease) the fixed settlement rates. If you are a non-U.S. holder (as defined in [Certain United States Federal Income and Estate Tax Consequences](#)), such deemed dividend may be subject to U.S. federal withholding tax at a 30% rate or such lower rate as may be specified by an applicable treaty. See [Certain United States Federal Income and Estate Tax Consequences](#) [U.S. Holders](#) [Purchase Contracts](#) [Constructive Distributions and Dividends](#) and [Non-U.S. Holders](#) [U.S. Federal Withholding Tax](#).

***We will report contract adjustment payments as ordinary income and we will withhold tax on payments made to non-U.S. holders.***

We intend to treat contract adjustment payments as taxable ordinary income to a U.S. holder (as defined in [Certain United States Federal Income and Estate Tax Consequences](#)) when received or accrued, in accordance with the U.S. holder's regular method of tax accounting. We intend to treat any contract adjustment payments paid to a non-U.S. holder (as defined in [Certain United States Federal Income and Estate Tax Consequences](#)) as amounts generally subject to withholding tax at a 30% rate, unless an income tax treaty reduces or eliminates such tax and the holder satisfies the relevant certification requirements. However, contract adjustment payments that are effectively connected with the conduct of a trade or business by a non-U.S. holder within the United States (and, where a tax treaty applies, are attributable to a U.S. permanent establishment of the non-U.S. holder) are not subject to the withholding tax, *provided* that the holder satisfies the relevant certification requirements, but instead are generally subject to U.S. federal income tax on a net income basis. See [Certain United States Federal Income and Estate Tax Consequences](#). Persons considering the purchase of Equity Units should consult their own tax advisors concerning the possible alternative characterization and tax treatment of Equity Units and the contract adjustment payments.

***You may have to include interest in your taxable income before you receive cash.***

If PPL Capital Funding defers interest payments on the notes, you will be required to accrue income, in the form of original issue discount, for U.S. federal income tax purposes in respect of your notes, even if you normally report income when received and even though you may not receive the cash attributable to that income during the deferral period. You will also not receive from PPL Capital Funding the cash payment of any accrued and unpaid interest if you sell your interest in the notes before the record date for any such payment, even if you held the interest in such notes on the date that the payments would normally have been paid. See [Certain United States Federal Income and Estate Tax Consequences](#) [U.S. Holders](#) [Notes](#) [Interest Income and Original Issue Discount](#).

**Risk Factors Relating to Our Common Stock*****We have issued securities that contain provisions that could restrict our payment of dividends.***

We and our subsidiaries currently have outstanding \$1,630,000,000 principal amount of junior subordinated notes, and pursuant to this offering expect to issue an additional \$850,000,000 principal amount of our junior subordinated notes (or \$977,500,000 principal amount if the underwriters exercise in full their over-allotment option), and we and our subsidiaries may in the future issue additional junior subordinated notes or similar securities, that in certain circumstances, including the failure to pay current interest, would limit our ability to pay dividends on our common stock. While we currently do not anticipate that any of these circumstances will occur, no assurance can be given that

these circumstances will not occur in the future.

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***There may be future sales or other dilution of our equity, which may adversely affect the market price of our common stock.***

Except as described under Underwriting, we are not restricted from issuing additional shares of our common stock, including any securities that are convertible into or exchangeable for, or that represent the right to receive, our common stock. The market price of our common stock could decline as a result of sales of shares of our common stock or sales of such other securities made after this offering or the perception that such sales could occur.

***The price of our common stock may fluctuate significantly.***

The price of our common stock on the NYSE constantly changes. We expect that the market price of our common stock will continue to fluctuate.

Our stock price may fluctuate as a result of a variety of factors, many of which are beyond our control. These factors include:

periodic variations in our operating results or the quality of our assets;

operating results that vary from the expectations of securities analysts and investors;

changes in expectations as to our future financial performance;

announcements of innovations, new products, strategic developments, significant contracts, acquisitions, divestitures and other material events by us or our competitors;

the operating and securities price performance of other companies that investors believe are comparable to us;

future sales of our equity or equity-related securities; and

changes in U.S. and global financial markets and economies and general market conditions, such as interest or foreign exchange rates, stock, commodity or real estate valuations or volatility.

In addition, in recent years, the stock market in general has experienced extreme price and volume fluctuations. This volatility has had a significant effect on the market price of securities issued by many companies, including for reasons unrelated to their operating performance. These broad market fluctuations may adversely affect our stock price regardless of our operating results.

## **Risks Relating to the Acquisition**

***The Acquisition may not achieve its intended results, including anticipated synergies and cost savings.***

Although we completed the Acquisition with the expectation that it will result in various benefits, including a significant amount of synergies, cost savings and other financial and operational benefits, there can be no assurance regarding when or the extent to which we will be able to realize these synergies, cost-savings or other benefits. Achieving the anticipated benefits, including synergies and cost savings, is subject to a number of uncertainties, including whether the businesses acquired can be operated in the manner we intend and whether our costs to finance the Acquisition will be consistent with our expectations. Events outside of our control, including but not limited to regulatory changes or developments in the United Kingdom, could also adversely affect our ability to realize the anticipated benefits from the Acquisition. Thus the integration may be unpredictable, subject to delays or changed

circumstances, and we can give no assurance that the acquired businesses will perform in accordance with our expectations or that our expectations with respect to integration, synergies or cost savings as a result of the Acquisition will materialize. In addition, we expect to incur additional costs and charges in connection with integrating the acquired Central Networks businesses, including severance payments and other restructuring and transitional charges. Additional unanticipated costs may also arise during the integration process. In addition, we continue to integrate parts of our acquisition of LG&E and KU, which we acquired in November 2010. The integration of the WPD Midlands businesses may place an additional burden on our management and internal resources, and the diversion of management's attention during the integration and restructuring process could have an adverse effect on our business, financial condition and expected operating results.

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***The Acquisition exposes us to additional risks and uncertainties with respect to the acquired businesses and their operations.***

We expect that the Acquisition will rebalance our business mix to a greater percentage of regulated operations. While we believe this should help mitigate our exposure to downturns in the wholesale power markets, it will increase our dependence on rate-of-return regulation. Although we are already exposed to risks relating to rate-of-return regulation, the Acquisition will increase these risks.

The acquired businesses will generally be subject to risks similar to those that we are subject to in our existing U.K. businesses. In addition, they will be subject to the following risks:

Under current regulation by Ofgem, our U.K. regulated businesses' allowed revenue is determined by the distribution price controls set out under the terms of their respective distribution licenses, and is typically set by Ofgem every five years. The current price control period runs from April 1, 2010 to March 31, 2015. Furthermore, our ability to earn additional revenue under Ofgem regulations is highly dependent on our ability to achieve certain operational efficiency, customer service and other incentives, and we can provide no assurance that we will be able to achieve such incentives.

There are various changes being contemplated by Ofgem to the current electricity distribution, gas transmission and gas distribution regulatory frameworks in the United Kingdom and there can be no assurance as to the effects such changes will have on our U.K. regulated businesses in the future, including the acquired businesses. In particular, in October 2010, Ofgem announced a new regulatory framework that is expected to become effective in April 2015 for the electricity distribution sector in the United Kingdom. The framework, known as RIIO (Revenues = Incentives + Innovation + Outputs), focuses on sustainability, environmental-focused output measures, promotion of low carbon energy networks and financing of new investments. The new regulatory framework is expected to have a wide-ranging effect on electricity distribution companies operating in the United Kingdom, including changes to price controls and price review periods. Our U.K. regulated businesses' compliance with this new regulatory framework may result in significant additional capital expenditures, increases in operating and compliance costs and adjustments to our pricing models.

Ofgem has formal powers to propose modifications to each distribution license. We are not currently aware of any planned modification to any of our U.K. regulated businesses' distribution licenses that would result in a material adverse effect to the U.K. regulated businesses and PPL. There can, however, be no assurance that a restrictive modification will not be introduced in the future, which could have an adverse effect on the operations and financial condition of the U.K. regulated businesses and PPL.

A failure to operate the WPD Midlands' network properly could lead to compensation payments or penalties or a failure to make capital expenditures in line with agreed investment programs could lead to deterioration of the network. While our U.K. regulated businesses' investment programs are targeted to maintain asset conditions over a five year period and reduce customer interruptions and customer minutes lost over the period, no assurance can be provided that these regulatory requirements will be met.

A failure by any of our U.K. regulated businesses to comply with the terms of a distribution license may lead to the issuance of an enforcement order by Ofgem that could have an adverse impact on PPL. Ofgem has powers to levy fines of up to 10 percent of revenue for any breach of a distribution license or, in certain circumstances such as insolvency, the distribution license itself may be revoked. Unless terminated in the circumstances mentioned above, a distribution license continues indefinitely until revoked by Ofgem following no less than 25 years' written notice. Our U.K. regulated businesses have in place policies, systems and processes to help

ensure compliance with their distribution licenses and relevant legislation. While none of our U.K. regulated businesses are currently subject to any formal or informal investigation by Ofgem in relation to enforcement matters and we are not aware of any area of material non-compliance, there can be no guarantee that our regulated U.K. businesses will not be subject to investigation or enforcement action in the future.

We will be subject to increased foreign currency exchange rate risks because a greater portion of our cash flows and reported earnings will be generated by our U.K. business operations. These risks relate primarily

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to changes in the relative value of the pound sterling and the U.S. dollar between the time we initially invest U.S. dollars in our U.K. businesses and the time that cash is repatriated to the United States from the United Kingdom, including cash flows from our U.K. businesses that may be distributed as future dividends to our shareholders. In addition, our consolidated reported earnings on a U.S. GAAP basis may be subject to increased earnings translation risk, which is the result of the conversion of earnings as reported in our U.K. businesses on a pound sterling basis to a U.S. dollar basis in accordance with U.S. GAAP requirements.

Environmental costs and liabilities associated with aspects of the acquired businesses may differ from those of our existing business, including with respect to our electricity distribution, gas transmission and certain former operations, as well as with governmental and other third party proceedings.

***We will incur significant transaction and Acquisition-related costs in connection with financing the Acquisition.***

We expect to incur significant non-recurring costs associated with financing the Acquisition, including costs associated with borrowings under the Bridge Facility. Concurrently with the Acquisition, we borrowed the full amount available under the Bridge Facility to fund the Acquisition purchase price and pay certain fees and expenses incurred in connection with the Acquisition. While we expect that borrowings under the Bridge Facility will be repaid with the proceeds of certain alternative forms of financing, including proceeds from this offering and the concurrent common stock offering, as well as subsequent issuances of debt by one or more of the WPD Midlands companies and their affiliates, the costs of continued borrowing under the Bridge Facility are likely to be significant. In addition, we will be subject to numerous market risks in connection with our plan to raise alternative financing to repay our obligations under the Bridge Facility, including risks related to general economic conditions, changes in the costs of capital and of the demand for securities of the types we will seek to offer to raise the alternative financing, including the securities being offered hereunder.

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**USE OF PROCEEDS**

We expect that net proceeds from this offering, after deducting underwriting discounts and commissions and estimated offering expenses payable by us, will be approximately \$824 million (approximately \$947 million if the underwriters' over-allotment option is exercised in full).

In addition, we expect to receive net proceeds, after deducting underwriting discounts and commissions and estimated offering expenses, of approximately \$2.0 billion from our concurrent common stock offering (\$2.3 billion if the underwriters' over-allotment option is exercised in full). The common stock offering is not contingent on the completion of this offering and this offering is not contingent on the completion of the common stock offering.

We will use the net proceeds from this offering and the concurrent common stock offering to reduce our April 1, 2011 borrowings under the Bridge Facility, the proceeds of which were used to fund the consideration for the Acquisition and pay certain fees and expenses relating to the Acquisition. The Bridge Facility was entered into on March 25, 2011 and is a 364-day unsecured credit facility (with an option to extend the maturity date for up to six months). The initial rate of interest payable under the Bridge Facility is 2.61875%. The rate of interest payable under the Bridge Facility is the aggregate per annum of an adjusted LIBOR rate plus the applicable interest margin. The applicable interest margin may vary from 1.25% to 3.25% depending on the passage of time and the occurrence of certain events.

We currently intend to use the proceeds from the settlement of the purchase contracts to repay debt as soon as practicable following such settlement, and we have agreed not to use such proceeds to repurchase shares of our common stock.

**Table of Contents****CAPITALIZATION**

The following table sets forth the historical consolidated cash and cash equivalents and capitalization of PPL Corporation and its consolidated subsidiaries as of December 31, 2010:

on an actual (unaudited) basis; and

on an as-adjusted (unaudited) basis, after giving effect to:

the Acquisition and borrowings under the Bridge Facility used to fund the consideration for the Acquisition and pay certain related fees and expenses.

the issuance and sale of the Equity Units, including the notes, offered hereby (assuming no exercise of the underwriters' over-allotment option);

the issuance and sale of the common stock offered in the concurrent common stock offering (assuming no exercise of the underwriters' over-allotment option for the concurrent common stock offering); and

the repayment of amounts borrowed under the Bridge Facility with the net proceeds of this offering and the concurrent common stock offering (assuming no exercise of the underwriters' over-allotment option for this offering or the concurrent common stock offering) as described under "Use of Proceeds."

This table should be read in conjunction with the section of this prospectus supplement entitled "Use of Proceeds"; the consolidated financial statements of PPL Corporation and its consolidated subsidiaries and the notes related thereto; and the financial and operating data incorporated by reference in this prospectus supplement and the accompanying prospectus, including our current report on Form 8-K filed April 11, 2011 for the unaudited historical consolidated financial data of Central Networks and unaudited pro forma combined financial data and accompanying disclosures.

	<b>As of December 31, 2010</b>	
	<b>Actual</b>	<b>As Adjusted (In millions)</b>
Cash and cash equivalents	\$ 925	\$ 816
Short-term debt(1):		
Bridge Facility	\$	\$ 2,983(2)
Other short-term debt	694	698
Total short-term debt	694	3,681
Long-term debt, including current portion	12,663	13,491
4.32% Junior subordinated notes due 2019(3)		850
Total long-term debt	12,663	14,341
Noncontrolling interests	268	268

Shareowners common equity	8,210	9,953(4)
Total equity	8,478	10,221
Total capitalization	\$ 21,141	\$ 24,562

- (1) The total short-term debt and Bridge Facility as adjusted amounts reflect the application of net proceeds of approximately \$824 million from this offering and net proceeds of approximately \$2.0 billion from the concurrent common stock offering as described under Use of Proceeds. The common stock offering is not contingent on the completion of this offering and this offering is not contingent on the completion of the common stock offering.
- (2) Reflects the repayment of approximately \$2.8 billion of borrowings under the Bridge Facility with the net proceeds of this offering and the concurrent common stock offering (assuming no exercise of the underwriters over-allotment option for this offering or the concurrent common stock offering). On April 1, 2011, we

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borrowed £3.6 billion (approximately \$5.7 billion) under the Bridge Facility to fund the Acquisition and pay certain fees and expenses incurred in connection with the Acquisition. See Summary Acquisition of Central Networks.

- (3) The 4.32% junior subordinated notes due 2019 are a component of the Equity Units offered hereby. The as adjusted amount will increase to approximately \$978 million if the underwriters exercise their over-allotment option in full.
- (4) Reflects an adjustment of approximately \$105 million representing the estimated present value of the contract adjustments payable in connection with the Equity Units.

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**Table of Contents****PRICE RANGE OF COMMON STOCK AND DIVIDENDS**

Our common stock is listed on the NYSE under the symbol PPL . The following table sets forth on a per share basis the high and low sales prices for consolidated trading in our common stock as reported on the NYSE and dividends for the quarters indicated. The closing price of our common stock on April 11, 2011 was \$25.69

	<b>Price Range of Common Stock</b>		<b>Dividend Paid per Share</b>
	<b>High</b>	<b>Low</b>	
Fiscal Year 2008			
First Quarter	\$ 55.23	\$ 44.72	\$ 0.305
Second Quarter	\$ 54.00	\$ 46.04	\$ 0.335
Third Quarter	\$ 53.78	\$ 34.95	\$ 0.335
Fourth Quarter	\$ 37.88	\$ 26.84	\$ 0.335
Fiscal Year 2009			
First Quarter	\$ 33.54	\$ 24.25	\$ 0.335
Second Quarter	\$ 34.42	\$ 27.40	\$ 0.345
Third Quarter	\$ 34.21	\$ 28.27	\$ 0.345
Fourth Quarter	\$ 33.05	\$ 28.82	\$ 0.345
Fiscal Year 2010			
First Quarter	\$ 32.77	\$ 27.47	\$ 0.345
Second Quarter	\$ 28.80	\$ 23.75	\$ 0.350
Third Quarter	\$ 28.00	\$ 24.83	\$ 0.350
Fourth Quarter	\$ 28.14	\$ 25.13	\$ 0.350
Fiscal year 2011			
First Quarter	\$ 26.98	\$ 24.10	\$ 0.350
Second Quarter (through April 11, 2011)	\$ 25.99	\$ 25.23	\$ 0.350

The number of registered shareholders of our common stock at March 31, 2011, was 69,883. We expect to continue our policy of paying regular cash dividends, although there is no assurance as to future dividends because they are dependent on future earnings, capital requirements, financial condition and any contractual restriction or restrictions that may be imposed by our existing or future debt instruments.

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**CONCURRENT COMMON STOCK OFFERING**

Concurrently with this offering, under a separate prospectus supplement dated the date hereof, we are offering 80,000,000 shares (92,000,000 shares if the underwriters' over-allotment option is exercised in full) of our common stock in an underwritten public offering. The common stock offering is not contingent on the completion of this offering and this offering is not contingent upon the completion of the common stock offering. We plan to use the proceeds from the common stock offering and the proceeds of this offering to reduce our obligations under the Bridge Facility, the proceeds of which were used to fund the consideration for the Acquisition and pay certain fees and expenses relating to the Acquisition. See Use of Proceeds .

The foregoing description and other information regarding the common stock offering is included herein solely for informational purposes. Nothing in this prospectus supplement should be construed as an offer to sell, or the solicitation of an offer to buy, any shares of our common stock included in the common stock offering.

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**ACCOUNTING TREATMENT**

The net proceeds from the sale of the Corporate Units will be allocated between the purchase contracts and the notes in our financial statements based on the underlying fair value of each instrument at the time of issuance taking into consideration the contract adjustment payments. The fair value of the purchase contract is expected to approximate the present value of the Corporate Units contract adjustment payments and will be initially recorded as a reduction to shareowners' common equity (common stock and capital in excess of par value), with an offsetting credit to liabilities. This liability is accreted over three years by interest charges to the income statement based on a constant rate calculation. Subsequent contract adjustment payments will reduce this liability.

The purchase contracts are forward transactions in our common stock. Upon settlement of each purchase contract, we will receive \$50 pursuant to that purchase contract and will issue the requisite number of shares of our common stock. The \$50 we receive will be credited to shareowners' common equity (common stock and capital in excess of par value).

Before the issuance of shares of our common stock upon settlement of the purchase contracts, the purchase contracts will be reflected in our diluted earnings per share calculations using the treasury stock method. Under this method, the number of shares of our common stock used in calculating diluted earnings per share, based on the settlement formula applied at the end of each reporting period, is deemed to be increased by the excess, if any, of the number of shares that would be issued upon settlement of the purchase contracts less the number of shares that could be purchased by us in the market, at the average market price during the period, using the proceeds receivable upon settlement. Consequently, we anticipate there will be no dilutive effect on our earnings per share except during periods when the average market price of our common stock is above the threshold appreciation price of approximately \$30.99.

Both the Financial Accounting Standards Board and its Emerging Issues Task Force continue to study the accounting for financial instruments and derivative instruments, including instruments such as the Corporate Units. It is possible that our accounting for the purchase contracts and the notes could be affected by any new accounting rules that might be issued by these groups or other accounting standard setting groups or in the event of any other change in any law or regulation of any accounting rule, pronouncement or interpretation.

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**DESCRIPTION OF THE EQUITY UNITS**

*The following is a summary of some of the terms of the Equity Units. This summary, together with the summary of the terms of the purchase contracts, the purchase contract and pledge agreement and the notes set forth under the captions Description of the Purchase Contracts, Certain Provisions of the Purchase Contract and Pledge Agreement and Description of the Notes in this prospectus supplement, contain a description of all of the material terms of the Equity Units, but are not complete. This summary is subject to and is qualified by reference to all the provisions of the purchase contract and pledge agreement, the indenture, the supplemental indenture, the notes and the form of remarketing agreement, including the definitions of certain terms used therein, which has been attached as an exhibit to the purchase contract and pledge agreement, which has been filed as an exhibit to the registration statement of which this prospectus forms a part.*

**General**

We will issue the Equity Units under the purchase contract and pledge agreement among us and The Bank of New York Mellon, as purchase contract agent (the purchase contract agent), and The Bank of New York Mellon, as collateral agent, custodial agent and securities intermediary (the collateral agent). The Equity Units may be either Corporate Units or Treasury Units. The Equity Units will initially consist of 17,000,000 Corporate Units (up to 19,550,000 Corporate Units if the underwriters exercise their over-allotment option in full), each with a stated amount of \$50.

Each Corporate Unit offered will consist of:

a purchase contract under which

the holder will agree to purchase from us, and we will agree to sell to the holder, no later than on May 1, 2014, which we refer to as the purchase contract settlement date, or upon early settlement, for \$50, a number of shares of our common stock equal to the applicable settlement rate described under Description of the Purchase Contracts Purchase of Common Stock, Description of the Purchase Contracts Early Settlement or Description of the Purchase Contracts Early Settlement Upon a Fundamental Change, as the case may be; and

we will pay the holder quarterly contract adjustment payments at the rate of 4.43% per year on the stated amount of \$50, or \$2.215 per year, subject to our right to defer such contract adjustment payments, and

either:

a 1/20, or 5.0%, undivided beneficial ownership interest in a \$1,000 principal amount 4.32% junior subordinated note due 2019 issued by PPL Capital Funding, and under which PPL Capital Funding will pay to the holder 1/20, or 5.0%, of the interest payment on a \$1,000 principal amount note at the initial rate of 4.32%, or \$43.20 per year per \$1,000 principal amount of notes, subject to PPL Capital Funding's right to defer such interest payments; or

following a successful optional remarketing, the applicable ownership interest in a portfolio of U.S. Treasury securities, which we refer to as the Treasury portfolio.

Applicable ownership interest means, with respect to a Corporate Unit and the U.S. Treasury securities in the Treasury portfolio,

(1) a 1/20, or 5.0%, undivided beneficial ownership interest in \$1,000 face amount of U.S. Treasury securities (or principal or interest strips thereof) included in the Treasury portfolio that matures on or prior to April 30, 2014; and

(2) for the scheduled interest payment date occurring on the purchase contract settlement date, a 0.054% undivided beneficial ownership interest in \$1,000 face amount of U.S. Treasury securities (or principal or interest strips thereof) that mature on or prior to the purchase contract settlement date.

The fair value of the Corporate Units we issue will be recorded in our financial statements based on an allocation between the purchase contracts and the notes in proportion to their respective fair market values.

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So long as the units are in the form of Corporate Units, the related undivided beneficial ownership interest in the note or the applicable ownership interest in the Treasury portfolio, as the case may be, will be pledged to us through the collateral agent to secure the holders' obligations to purchase our common stock under the related purchase contracts.

**Creating Treasury Units by Substituting a Treasury Security for a Note**

Each holder of 20 Corporate Units may create, at any time other than during the period (i) from 5:00 p.m., New York City time, on the second business day immediately following the date on which we give our notice of an optional remarketing until the settlement date of such remarketing or the date we announce that such remarketing was unsuccessful and (ii) after 5:00 p.m., New York City time, on the second business day immediately preceding the first day of the final remarketing period (we refer to each such period as a "blackout period") and other than after a successful remarketing, 20 Treasury Units by substituting for a note a zero-coupon U.S. Treasury security (CUSIP No. 912820TM9) with a principal amount at maturity equal to \$1,000 and maturing on or prior to April 30, 2014, which we refer to as a "Treasury security." This substitution would create 20 Treasury Units and the note would be released to the holder and would be separately tradable from the Treasury Units. Because Treasury securities and notes are issued in integral multiples of \$1,000, holders of Corporate Units may make the substitution only in integral multiples of 20 Corporate Units. After a successful remarketing, holders may not create Treasury Units from Corporate Units.

Each Treasury Unit will consist of:

a purchase contract under which