

PPL CAPITAL FUNDING INC

Form FWP

March 16, 2007

Filed pursuant to Rule 433

Registration Nos. 333-132574 and 333-132574-02

Free Writing Prospectus Dated March 16, 2007

PPL CAPITAL FUNDING, INC.

\$500,000,000

2007 SERIES A JUNIOR SUBORDINATED NOTES DUE 2067

| | |
|--|---|
| Issuer: | PPL Capital Funding, Inc. |
| Guarantor | PPL Corporation |
| Junior Subordinated Notes: | |
| Title: | 2007 Series A Junior Subordinated Notes due 2067 |
| Legal Format: | SEC Registered |
| Principal Amount: | \$500,000,000 |
| Date of Maturity: | March 30, 2067 |
| Interest Rate During Fixed Rate Period: | From Settlement Date to March 30, 2017, at the annual rate of 6.700%, payable semi-annually in arrears on March 30 and September 30 of each year, beginning on September 30, 2007 |
| Interest Rate During Floating Rate Period: | From March 30, 2017 to maturity at a floating rate based on the 3-month LIBOR Rate plus 266.5 basis points, reset quarterly, payable quarterly in arrears on March 30, June 30, September 30 and December 30 of each year, beginning June 30, 2017. |
| Optional Deferral: | Maximum of 10 consecutive years per deferral |
| Price to Public: | 99.766% of the principal amount thereof |
| Treasury Benchmark: | 4.625% due February 15, 2017 |
| Benchmark Yield: | 4.532% |
| Spread to Benchmark Treasury: | +220 basis points |
| Reoffer Yield: | 6.732% |
| Trade Date: | March 16, 2007 |
| Settlement Date: | March 20, 2007 (T + 2) |
| Make-Whole Call: | At any time prior to March 30, 2017 at 100% plus accrued and unpaid interest, plus make-whole premium at discount rate equal to treasury yield plus 35 basis points |
| Tax Event Call: | At any time prior to March 30, 2017 at 100% plus accrued and unpaid interest, plus tax event make-whole premium at discount rate equal to treasury yield plus 50 basis points |
| Ratings Event Call: | At any time prior to March 30, 2017 at 100% plus accrued and unpaid interest, plus ratings event make-whole premium at discount rate equal to treasury yield plus 50 basis points |
| Par Call: | At any time on and after March 30, 2017 at 100% of the principal amount plus accrued and unpaid interest |

Edgar Filing: PPL CAPITAL FUNDING INC - Form FWP

CUSIP / ISIN Number: 69352P AC7/US69352PAC77

Expected Credit Ratings*:

Moody's Investors Service Inc.: Baa3

Standard & Poor's Ratings Services: BB+

Fitch Ratings: BBB-

Joint Bookrunners:

Barclays Capital Inc.

J.P. Morgan Securities Inc.

Morgan Stanley & Co. Incorporated

Wachovia Capital Markets, LLC

Co-Managers:

Credit Suisse Securities (USA) LLC

Merrill Lynch, Pierce, Fenner & Smith
Incorporated

UBS Securities LLC

*** A security rating is not a recommendation to buy, sell or hold securities and should be evaluated independently of any other rating. The rating is subject to revision or withdrawal at any time by the assigning rating organization.**

The issuer has filed a registration statement (including a prospectus) with the SEC for the offering to which this communication relates. Before you invest, you should read the prospectus in that registration statement and other documents the issuer has filed with the SEC for more complete information about the issuer and this offering. You may get these documents for free by visiting EDGAR on the SEC Web site at www.sec.gov. Alternatively, the issuer, any underwriter or any dealer participating in the offering will arrange to send you the prospectus if you request it by calling Barclays Capital Inc. toll-free at 1-888-227-2275 x. 2663, J.P. Morgan Securities Inc. collect at 1-212-834-4533, Morgan Stanley & Co. Incorporated toll-free at 1-866-718-1649 or Wachovia Capital Markets, LLC toll-free at 1-866-289-1262.