

PPL CORP  
Form 11-K  
June 18, 2004

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549**

---

**FORM 11-K**

---

(Mark One)

- ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 [NO FEE REQUIRED]**

For the fiscal year ended December 31, 2003

**OR**

- TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 [NO FEE REQUIRED]**

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

**Commission file number 001-11459**

- A. **Full title of the plan and the address of the plan is different from that of the issuer named below.**

**PPL EMPLOYEE STOCK OWNERSHIP PLAN**

- B. **Name of issuer of the securities held pursuant to the plan and the address of its principal executive office:**

**PPL CORPORATION  
TWO NORTH NINTH STREET  
ALLENTOWN, PENNSYLVANIA 18101-1179**

---

PPL EMPLOYEE STOCK OWNERSHIP PLAN

FINANCIAL STATEMENTS AND  
SUPPLEMENTAL SCHEDULES FOR THE  
YEARS ENDED DECEMBER 31, 2003 AND 2002  
AND REPORT OF INDEPENDENT  
REGISTERED PUBLIC ACCOUNTING FIRM

PREPARED FOR FILING AS PART OF THE  
ANNUAL RETURN REPORT OF EMPLOYEE  
BENEFIT PLAN (FORM 5500)

---

TABLE OF CONTENTS

**Report of Independent Registered Public Accounting Firm**

**Financial Statements:**

Statements Of Net Assets Available for Benefits at December 31, 2003 and 2002

Statements of Changes in Net Assets Available for Benefits -  
For the Years Ended December 31, 2003 and 2002

Notes to Financial Statements

**Supplemental Schedules:**

Schedule of Assets (Held at end of year)

Schedule of Reportable Transactions

**Signature**

**Exhibit:**

23.1 - Consent of Independent Registered Public Accounting Firm

---

## Report of Independent Registered Public Accounting Firm

To the Participants and Administrator of the  
PPL Employee Stock Ownership Plan

In our opinion, the accompanying statements of net assets available for benefits and the related statements of changes in net assets available for benefits present fairly, in all material respects, the net assets available for benefits of the PPL Employee Stock Ownership Plan (the "Plan") at December 31, 2003 and 2002, and the changes in net assets available for benefits for the years then ended in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedule of assets (held at end of year) and schedule of reportable transactions are presented for the purpose of additional analysis and are not a required part of the basic financial statements but are supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. These supplemental schedules are the responsibility of the Plan's management. The supplemental schedules have been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

/s/ PricewaterhouseCoopers LLP

June 18, 2004

---

**PPL EMPLOYEE STOCK OWNERSHIP PLAN****STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS  
AT DECEMBER 31, 2003 AND 2002**

(Thousands of Dollars)

	<b>2003</b>	<b>2002</b>
<u>Assets</u>		
Investment - common stock of PPL Corporation at fair value	\$211,815	\$174,147
Dividends receivable	1,822	1,761
Cash	5,223	-
Total assets	218,860	175,908
 <u>Liabilities</u>		
Payable for securities purchased	5,223	-
Dividends payable to participants	1,822	1,761
Total liabilities	7,045	1,761
 Net assets available for benefits	 \$211,815	 \$174,147

*The accompanying notes are an integral part of these financial statements.*

---

**PPL EMPLOYEE STOCK OWNERSHIP PLAN****STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS  
FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002**

(Thousands of Dollars)

	<b>2003</b>	<b>2002</b>
<u>Additions to net assets attributed to:</u>		
Investment Income:		
Net appreciation/(depreciation) of investment	\$44,031	\$(1,043)
Dividend income	7,425	7,186
Employer contributions	5,223	4,794
Total additions	56,679	10,937
<u>Deductions from net assets attributed to:</u>		
Distributions of dividends to participants	(7,425)	(7,186)
Distributions of stock and cash to participants	(11,586)	(8,763)
Total deductions	(19,011)	(15,949)
Net increase/(decrease)	37,668	(5,012)
Net assets available for benefits:		
Beginning of year	174,147	179,159
End of year	\$211,815	\$174,147

*The accompanying notes are an integral part of these financial statements.*

---

PPL EMPLOYEE STOCK OWNERSHIP PLAN

NOTES TO FINANCIAL STATEMENTS

1. PLAN DESCRIPTION

The PPL Employee Stock Ownership Plan (the "Plan") was adopted effective January 1, 1975 to provide for employee ownership in PPL Corporation (PPL). The Plan is currently sponsored by PPL Services Corporation (the "Company"), an unregulated subsidiary of PPL. Amounts contributed to the Plan are used to purchase shares of PPL Corporation common stock. The following description of the Plan provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan provisions.

Employees of participating PPL companies, as defined in the Plan agreement, who have completed one year of credited service are eligible to participate in the Plan.

The shares of common stock allocated to a participant's account may not exceed the maximum permitted by law. All shares of common stock credited to a participant's account are 100% vested and nonforfeitable, but cannot be pledged as security by the employee. Stock certificates representing shares in the Plan are held by Mellon Bank (the "Trustee").

The Plan requires that dividends on shares credited to participants' accounts be paid in cash. Under existing income tax laws, PPL is permitted to deduct the amount of those dividends for income tax purposes on its consolidated Federal income tax return and to contribute the resulting tax savings (dividend-based contribution) to the Plan. The dividend-based contribution is used to buy shares of PPL's common stock and is expressly conditioned upon the deductibility of the contribution for federal income tax purposes. Shares are allocated to participants' accounts, 75% on the basis of shares held in a participant's account and 25% on the basis of the participant's compensation.

Participants may elect to withdraw from their accounts common stock which has been allocated with respect to a Plan year ending at least 84 months prior to the end of the Plan year in which the election is made. Participants so electing may receive cash or stock certificates for the number of whole shares, cash for any fractional shares available for withdrawal or may make a rollover to a qualified plan.

Participants who have attained age 55 and have completed ten years of participation in the Plan may elect to withdraw a limited number of shares added to their accounts after December 31, 1986. For the first five years after meeting the requirement, participants may withdraw up to an aggregate of 25% of such shares. In the sixth year, qualified participants may withdraw up to an aggregate of 50% of such shares.

Upon termination of service with a participating PPL company, participants are entitled to receive cash or stock certificates for the number of whole shares, cash for any fractional shares allocated to them or may make a rollover to a qualified plan. Participants who terminate service with a participating PPL company and whose account balance exceeds, or exceeded at the time of any prior distribution, \$5,000, may defer distribution of the shares of stock in the account until the earlier of age 65 or death. Participants who terminate service with a participating PPL company on or after age 55 may defer distribution of the shares of stock in the account up to April 1 of the year following the year in which the participant attains the age of 70-1/2.

The Company has reserved the right to amend or terminate the Plan at any time by or pursuant to action of the Board of Directors of PPL. Upon termination of the Plan the interests of Plan participants, their estates and beneficiaries shall be nonforfeitable and shall be fully vested. Distributions shall be made to those eligible under Plan provisions in full shares of stock and cash in lieu of fractional shares. No stock may be distributed

to a participant within seven years after the month in which such stock was allocated to a participant's account except in the case of the participant's retirement. The Trustee will hold such stock until the participant satisfies the seven-year holding period.

The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended.

## 2. SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements have been prepared under the accrual basis of accounting.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of increases and decreases during the reporting period. Actual results could differ from those estimates.

The Plan's common stock investment is stated at fair value. Fair value is the quoted market price of PPL Corporation common stock at the end of the year. Realized gains and losses from the sale or distribution of stock by the Trustee are based on the average cost of common stock held at the time of sale. Net appreciation/depreciation as reported in the accompanying financial statements includes both realized and unrealized gains and losses. Dividend income and dividend distributions to participants are recorded on dividend record dates.

## 3. ADMINISTRATION

The Plan is administered by the Employee Benefit Plan Board (the "Plan Administrator"), composed of certain PPL officers and employees appointed by the Board of Directors of PPL.

Expenses incurred in the administration of the Plan are paid by the Company, and the facilities of the Company are used by the Plan at no charge.

## 4. INVESTMENTS

The Plan's investment is as follows:

	December 31,	
	2003	2002
PPL Corporation Common Stock:		
Number of Shares	4,841,488	5,021,544
Cost	\$ 99,053,091	\$ 99,500,696
Fair Value	\$211,815,100	\$174,147,146

The fair value per share of PPL Corporation common stock at December 31, 2003 and 2002 was \$43.75 and \$34.68, respectively.

## 5. TAX STATUS

The Plan obtained its latest determination letter dated January 28, 2003, in which the Internal Revenue Service stated that the Plan, as then designed, was in compliance with the applicable requirements of the Internal Revenue Code (the "Code"). The Plan has been amended since receiving the determination letter; however, the Plan's legal counsel and Plan Administrator believe that the Plan is designed and is currently being

operated in compliance with the applicable requirements of the Code.

---

**PPL EMPLOYEE STOCK OWNERSHIP  
PLAN**

**Schedule H, Line 4i - SCHEDULE OF ASSETS (Held at end of year)  
DECEMBER 31, 2003**

---

Identity of Issue, Borrower, Lessor, or Similar Party	Description of Investment	Cost	Current Value
Cash	Noninterest bearing cash	\$5,223,137	\$5,223,137
* PPL Corporation	4,841,488 Shares of PPL Corp Common Stock - \$0.01 par value	\$99,053,091	\$211,815,100

\* Represents a Party-In-Interest



**PPL EMPLOYEE STOCK OWNERSHIP PLAN**

Schedule H, Line 4j - SCHEDULE OF REPORTABLE TRANSACTIONS  
 YEAR ENDED DECEMBER 31, 2003

**SERIES OF TRANSACTIONS, INVOLVING SECURITIES OF THE SAME ISSUE, IN EXCESS OF 5% OF THE CURRENT VALUE OF NET ASSETS AVAILABLE FOR BENEFITS AT THE BEGINNING OF THE PLAN YEAR**

IDENTITY OF PARTY INVOLVED	DESCRIPTION OF ASSET	TOTAL PURCHASE PRICE	TOTAL SELLING PRICE	EXPENSE INCURRED WITH TRANSACTION	COST OF ASSET	CURRENT VALUE OF ASSET ON TRANSACTION DATE	NET GAIN (LOSS)
The Employee Benefit Plan Board of PPL Corporation as Administrator of the PPL Employee Stock Ownership Plan	PPL Corporation Common Stock: Purchase of 120,035 shares Sale of 160,304 shares	\$5,223,137	\$6,262,983		\$3,029,295	\$5,223,137 \$6,262,983	\$3,233,718



**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, the Employee Benefit Plan Board has duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

PPL Employee Stock Ownership Plan

By: /s/ Thoburn W. Hatten II  
Thoburn W. Hatten II  
Chairman, Employee Benefit Plan Board  
PPL Services Corporation

Dated: June 18, 2004

---

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statement on Form S-8 (No. 333-110372) of PPL Corporation of our report dated June 18, 2004 relating to the financial statements and supplemental schedules of the PPL Employee Stock Ownership Plan, which appears in this Form 11-K.

/s/ PricewaterhouseCoopers LLP

Philadelphia, Pennsylvania  
June 18, 2004

---