



#36769

**DATE:** MAY 18, 2015

**SUBJECT:** PPL CORPORATION - DISTRIBUTION  
OPTION SYMBOL: PPL  
NEW SYMBOL: PPL1  
FUTURES SYMBOLS: PPL1C/PPL1D  
NEW SYMBOLS: PPL2C/PPL2D  
DATE: 6/2/15  
\* \* \*UPDATE\* \* \*

**CONTRACT ADJUSTMENT - OPTIONS**

**EFFECTIVE DATE:** June 2, 2015

**OPTION SYMBOL:** PPL changes to PPL1

**STRIKE PRICES:** No Change

**NUMBER OF CONTRACTS:** No Change

**MULTIPLIER:** 100 (e.g., a premium of 1.50 yields \$150; a strike of 34 yields \$3,400)

**NEW DELIVERABLE PER CONTRACT**

- 1) 100 PPL Corporation (PPL) Common Shares
- 2) Approximately 12 (New) Talen Energy Corporation (TLN) Common Shares
- 3) Cash in lieu of approximately 0.5 fractional TLN shares

**SETTLEMENT ALLOCATION:** **PPL: 95%**  
**TLN: 5%**

**CUSIPS:** PPL: 69351T106  
TLN: 87422J105

THE SETTLEMENT ALLOCATION OF THE TOTAL STRIKE PRICE AMOUNT IS BEING PROVIDED SOLELY FOR THE PURPOSE OF THE INTERFACE BETWEEN OCC AND THE NATIONAL SECURITY CLEARING CORPORATION (NSCC), AND IS NOT INTENDED TO BE USED FOR ANY OTHER PURPOSE, TRANSACTION OR CUSTOMER ACCOUNT STATEMENTS.

**PRICING**

Until the final distribution ratio and the cash in lieu amount are determined, the underlying price for PPL1 will be determined as follows:

$$\text{PPL1} = \text{PPL} + 0.125 (\text{TLN})$$

## **DELAYED SETTLEMENT**

The PPL component of the PPL1 deliverable will settle through National Securities Clearing Corporation (NSCC). OCC will delay settlement of the TLN and cash components of the PPL1 deliverable until the final distribution ratio and cash in lieu amount are determined. Upon determination of the final distribution ratio and cash in lieu amount, OCC will require Put exercisers and Call assignees to deliver the appropriate number of TLN shares and cash amount.

## **CONTRACT ADJUSTMENT - FUTURES**

EFFECTIVE DATE:	June 2, 2015
FUTURES SYMBOLS:	PPL1C changes to PPL2C PPL1D changes to PPL2D
SETTLEMENT PRICES:	No Change
NUMBER OF CONTRACTS:	No Change
MULTIPLIER:	100 (e.g., a premium of 1.50 yields \$150)
NEW DELIVERABLE PER CONTRACT	1) 100 PPL Corporation (PPL) Common Shares 2) Approximately 12 (New) Talen Energy Corporation (TLN) Common Shares 3) Cash in lieu of approximately 0.5 fractional TLN shares
SETTLEMENT ALLOCATION:	<b>PPL: 95%</b> <b>TLN: 5%</b>
CUSIPS:	PPL: 69351T106 TLN: 87422J105

THE SETTLEMENT ALLOCATION IS BEING PROVIDED SOLELY FOR THE PURPOSE OF THE INTERFACE BETWEEN OCC AND THE NATIONAL SECURITY CLEARING CORPORATION (NSCC), AND IS NOT INTENDED TO BE USED FOR ANY OTHER PURPOSE, TRANSACTION OR CUSTOMER ACCOUNT STATEMENTS.

## **PRICING**

Until the final distribution ratio and the cash in lieu amount are determined, the underlying price for the PPL2C/PPL2D Futures contract deliverables, expressed in term of current market value, would be calculated as follows:

$$\text{PPL2D} = \text{PPL} + 0.125 (\text{TLN})$$

Please note that the valuation would apply only to the PPL2C/PPL2D deliverables in terms of current market value of the deliverable securities. The resulting price would not be equivalent to the daily settlement price of a futures contract month, whose determination would include cost of money carrying charges, adjustment for dividends, and other factors.

## **DELAYED SETTLEMENT**

The PPL component of the PPL2C/PPL2D deliverables will settle through National Securities Clearing Corporation (NSCC). OCC will delay settlement of the TLN and cash components of the PPL2C/PPL2D deliverables until the final distribution ratio and cash in lieu amount are determined. Upon determination of the final distribution ratio and cash in lieu amount, OCC will require delivery of the appropriate number of TLN shares and cash amount.

## **BACKGROUND**

PPL Corporation (PPL) has announced a distribution of (New) Talen Energy Corporation (TLN) Common Shares. The distribution ratio is approximately 0.125 of a TLN share for each PPL share held. The record date is May 20, 2015; the mail date is June 1, 2015. The New York Stock Exchange (NYSE) has set June 2, 2015, as the ex-distribution date for this distribution

**Talen Energy Corporation Common Shares began trading on a when issued basis on May 18, 2015 on the New York Stock Exchange under the trading symbol “TLN WI”.**

## **DISCLAIMER**

This Information Memo provides an unofficial summary of the terms of corporate events affecting listed options or futures prepared for the convenience of market participants. OCC accepts no responsibility for the accuracy or completeness of the summary, particularly for information which may be relevant to investment decisions. Option or futures investors should independently ascertain and evaluate all information concerning this corporate event(s).

The determination to adjust options and the nature of any adjustment is made by a panel of The OCC Securities Committee pursuant to OCC By-Laws, Article VI, Sections 11 and 11A. The adjustment panel is comprised of representatives from OCC and each exchange which trades the affected option. The determination to adjust futures and the nature of any adjustment is made by OCC pursuant to OCC By-Laws, Article XII, Sections 3, 4, or 4A, as applicable. For both options and futures, each adjustment decision is made on a case by case basis. Adjustment decisions are based on information available at the time and are subject to change as additional information becomes available or if there are material changes to the terms of the corporate event(s) occasioning the adjustment.

**ALL CLEARING MEMBERS ARE REQUESTED TO IMMEDIATELY ADVISE ALL BRANCH OFFICES AND CORRESPONDENTS ON THE ABOVE.**

For questions regarding this memo, call Investor Services at 1-888-678-4667 or email [investorservices@theocc.com](mailto:investorservices@theocc.com). Clearing Members may contact Member Services at 1-800-544-6091 or, within Canada, at 1-800-424-7320, or email [memberservices@theocc.com](mailto:memberservices@theocc.com).