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9. FINANCIAL INFORMATION

Table 9 provides the Present (base year) value of revenue requirements stated in dollar terms for the 2005 integrated resource acquisition plan and the Nominal and Real Revenue Requirements (in $millions). The Average Rate for each of the forecast years included in the plan is defined as the Nominal Revenue Requirements divided by the total System Energy Requirements (in ¢/kWh) and is also included in Table 9.

The discount rate used in present value calculations is 7.14%. This value is the combined Company before-tax incremental weighted average cost of capital.

Table 9

Kentucky Utilities Company and Louisville Gas & Electric Company
Resource Assesment and Acquisition Plan
Financial Information

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
1	Present Value of Revenue Requirements ($ million)														
2	Discount Rate	7.14%	7.14%	7.14%	7.14%	7.14%	7.14%	7.14%	7.14%	7.14%	7.14%	7.14%	7.14%	7.14%	7.14%
	Inflation Rate	2.40%	2.40%	2.40%	2.40%	2.40%	2.40%	2.40%	2.40%	2.40%	2.40%	2.40%	2.40%	2.40%	2.40%
3	Real Value of Revenue Requirements ($ million)														
	Nominal Value of Revenue Requirements ($ million)														
4	Average Rate (Cents/kWh)														

Note: Present Value and Real Value Revenue Requirements are in 2004$.
Note: Average Rate is Nominal Value of Revenue Requirements divided by total Energy Requirements from Table 8.(4)(b).
Note: Inflation Rate is average Global Insight inflation rate from 2005 through 2019.
Note: Present Value is nominal value discounted at the discount rate. Real value is the nominal valued discounted at the inflation rate.