

# **EXHIBIT 5**

KENTUCKY UTILITIES  
Debt Analysis

PROPOSED FINANCING

PRESENT VALUE ANALYSIS

Comparison: Auction Rate vs. Terming out Auction Rate Bond

AUCTION RATE BONDS (Current Situation)

Date	Principal Outstanding	Interest @ Variable	Amortization	Auction Agent Fee	Taxes	Total Cash Outflow	Present Value	Interest @ 1.350%	Debt Expense Amortization (1)	Issue Expenses	Taxes (2)	Total Cash Outflow	Present Value	Periodic (Cost) or SAVINGS from Refunding	Present Value Factor	Present Value SAVINGS
01-Jun-16	\$ 96,000,000	598,160	37,009	67,200	(292,688)	380,674	379,106	667,200	292,838	\$552,525	(387,468)	\$552,525	552,525	(\$52,525)	1.0000	(\$52,525)
01-Dec-16	\$ 96,000,000	598,160	37,009	67,200	(378,556)	529,804	518,497	667,200	292,838		(387,468)	279,704	278,552	100,869	0.9899	100,869
01-Jun-17	\$ 96,000,000	598,160	37,009	67,200	(378,556)	529,804	517,357	667,200	292,838		(387,468)	279,704	277,405	244,089	0.9818	244,089
01-Dec-17	\$ 96,000,000	598,160	37,009	67,200	(378,556)	529,804	515,226	667,200	292,838		(387,468)	279,704	275,122	244,089	0.9777	244,089
01-Jun-18	\$ 96,000,000	598,160	37,009	67,200	(378,556)	529,804	513,104	667,200	292,838		(387,468)	279,704	273,861	244,089	0.9735	244,089
01-Dec-18	\$ 96,000,000	598,160	37,009	67,200	(378,556)	529,804	510,990	667,200	292,838		(387,468)	279,704	272,862	244,089	0.9755	244,089
<b>TOTAL</b>		<b>\$4,778,850</b>	<b>\$222,063</b>	<b>\$403,200</b>	<b>(\$2,180,468)</b>	<b>\$2,988,892</b>	<b>\$2,955,296</b>	<b>\$4,003,200</b>	<b>\$1,757,061</b>	<b>\$552,525</b>	<b>(\$2,354,973)</b>	<b>\$2,230,752</b>	<b>\$2,238,722</b>	<b>\$768,940</b>		<b>\$748,568</b>

(1) Debt Amortization Expense includes issuing costs of new series and unamortized debt expense through put date.  
(2) Tax calculation based on interest expense and the amortization of new issue debt expense.

Assumptions

Kentucky Utilities - Term Auction Rate Bond for 3 Years

Comparison: Auction Rate vs. Terming out Auction Rate Bond

Interest Rate as of 2/10/2016: 0.742%  
 Projected Fed Increase in June 2016: 0.500% (25bps Fed Increase results in 50bps increase in Auction Rate)  
 Rate as of June 2016: 1.242%  
 Projected Fed Increase in Dec 2016: 0.500% (25bps Fed Increase results in 50bps increase in Auction Rate)  
 Rate as of December 2016: 1.742%  
 Unamortized Debt Expense at 12/31/2015: 1,235,348  
 Maturity: (6/1/68)  
 Unamortized Debt Expense at 6/1/2015: 1,204,506

3-Year Put (Price Indication per Bond)

Put Rate as of 2/5/2016: 1.180%  
 Forward Rate Spread: 0.200%  
 Put Rate as of 6/1/2016: 1.380%

Principal	Put Date	# of Months	Amort. Month	Amort/6 Months
\$ 86,000,000	6/1/2016	36	15,348	200,751
Unamortized Debt over 3 years				\$552,525

Bond Issue Costs	Underwriting	Bond Counsel	Company Counsel	Underwriters Counsel	Ratings	Printing	Trustee	Accountants	Trustees	FMB Trustee	AMT
	\$ 45,514.63	\$ 59,555.22	\$ 45,105.00	\$ 40,000.00	\$ 2,850.00	\$ 2,500.00	\$ 4,000.00	\$ 4,000.00	\$ 6,000.00		
	0.250%	0.09%	0.05%	0.04%	0.00%	0.14%	0.10%	0.00%	0.00%		

MISCELLANEOUS

Insurance costs	0.25%
Tax rate	40.3633%
Discount rate	0.83%

KENTUCKY UTILITIES  
Debt Analysis

Kentucky Utilities - Reference Auction Rate Bond for 3-YR LUC Backed Bond  
Comparison: Auction Rate vs. 3-YR LUC Backed Bond  
Impact on Cash Flow

PROPOSED FINANCING  
Comparison: Auction Rate vs. 3-YR LUC Backed Bond

AUCTION RATE BONDS (Current Situation)										PRESENT VALUE ANALYSIS								
Date	Principal Outstanding	Interest @ Variable	Amortization	Auction Agent Fee	Taxes	Total Cash Outlay	Present Value	Interest @ Variable	Debt Expense Amortization (1)	UC Credit Facility Remarketing Fee	Issue Expenses	Taxes (2)	Total Cash Outlay	Present Value	Periodic SAVINGS from Refunding	Present Value Factor	Present Value SAVINGS	
01-Jun-16	\$ 96,000,000	596,150	37,009	67,200	(292,696)	380,674	379,104	129,600	286,560	48,000	\$514,857	(302,652)	\$514,857	1,0000	(9514,857)	1.0000	(9514,857)	
01-Dec-16	\$ 96,000,000	836,150	37,009	67,200	(379,556)	523,804	519,497	249,600	286,560	48,000	514,857	(381,087)	204,946	0.9959	175,726	0.9959	175,726	
01-Jun-17	\$ 96,000,000	836,150	37,009	67,200	(379,556)	523,804	517,357	249,600	286,560	48,000	514,857	(381,087)	204,946	0.9918	175,726	0.9918	175,726	
01-Dec-17	\$ 96,000,000	836,150	37,009	67,200	(379,556)	523,804	515,226	249,600	286,560	48,000	514,857	(381,087)	204,946	0.9877	175,726	0.9877	175,726	
01-Jun-18	\$ 96,000,000	836,150	37,009	67,200	(379,556)	523,804	513,104	249,600	286,560	48,000	514,857	(381,087)	204,946	0.9836	175,726	0.9836	175,726	
01-Dec-18	\$ 96,000,000	836,150	37,009	67,200	(379,556)	523,804	510,980	249,600	286,560	48,000	514,857	(381,087)	204,946	0.9795	175,726	0.9795	175,726	
TOTAL	\$4,776,950	\$222,053	\$403,200	\$2,699,692	\$2,180,460	\$2,699,692	\$2,699,692	\$1,377,600	\$1,719,363	\$288,000	\$514,857	\$2,238,088	\$2,102,371	\$387,320	\$897,320		\$897,320	
NPV							\$2,699,692							\$2,699,692				\$2,699,692

(1) Debt Amortization Expense includes issuing costs of new series and unamortized debt expense through LUC Facility termination date.  
(2) Tax calculation based on interest expense and the amortization of new issue debt expense.

Assumptions

Kentucky Utilities - Reference Auction Rate Bond for 3-YR LUC Backed Bond  
Comparison: Auction Rate vs. 3-YR LUC Backed Bond  
Assumptions

As of 2/10/2016	0.742%
Projected Fed Increase in June 2016	0.500% (25bps Fed Increase results in 50bps increase in Auction Rate)
Rate as of June 2016	1.242%
Projected Fed Increase in Dec 2016	0.500% (25bps Fed Increase results in 50bps increase in Auction Rate)
Rate as of December 2016	1.742%
Unamortized Debt Expense at 12/31/2015	1,235,346
Monthly Amortization	(6,168)
Unamortized Debt Expense at 6/1/2015	1,204,508

3-Year LUC Backed Bond

Principal	LUC Facility Termination	# of Months	Amort./Month	Amort/6 Months
\$ 96,000,000	6/1/2019	36	14,302	86,610
Unamortized Debt over 3 years		36	33,458	200,751

SIFMA	0.020%	\$ 96,000,000
Projected Fed Increase in June 2016	0.250%	
Rate as of June 2016	0.270%	
Projected Fed Increase in Dec 2016	0.250%	
Rate as of December 2016	0.520%	

LUC Facility

Bond Issue Costs	0.15%	\$514,857
Company Counsel	0.05%	
Underwriters Cour	0.12%	
Rating	0.08%	
Printing Counsel	0.00%	
Accountants	0.01%	
Trustee	0.01%	
FMB Trustee	0.00%	
AMT	0.00%	
Issuance costs	0.39%	

MISCELLANEOUS	0
Tax rate	40.3633%
Discount rate	0.83%