

KU  
Debt Analysis

**KU - 2018 Callable Bonds**

Comparison: Bonds Remain Outstanding vs. Refinancing With Tax-Exempt

**Impact on Cash Flow**

KU Carroll County 2007 Series A      17875000

BONDS REMAIN OUTSTANDING

Comparison: Bonds Remain Outstanding vs. Refinancing With Tax-Exempt

PROPOSED FINANCING

PRESENT VALUE ANALYSIS

Date	Principal Outstanding	Interest @ 5.750%	Amortization	Issue Expenses	Taxes	Total Cash		Interest @ 3.625%	45 Days Till Redemption 5.750%	Debt Expense Amortization (1)	Issue Expenses	Taxes (2)	Total Cash		Periodic (Cost) or SAVINGS from Refunding	Present Value Factor	Present Value SAVINGS
						Outlay	Present Value						Outlay	Present Value			
01-Jun-18	17,875,000			0		0	0				0	0	0	0	0	1.00000	0
01-Sep-18	17,875,000	256,953	0		(66,140)	190,813	189,593	256,953	128,477	0	440,029	(99,210)	726,249	721,605	(535,435)	0.99361	(532,012)
01-Jun-19	17,875,000	770,859	0		(198,419)	572,440	557,939	485,977		43,519		(136,292)	349,684	340,826	222,756	0.97467	217,113
01-Dec-19	17,875,000	513,906	0		(132,279)	381,627	367,218	323,984		29,013		(90,861)	233,123	224,321	148,504	0.96224	142,897
01-Jun-20	17,875,000	513,906	0		(132,279)	381,627	362,537	323,984		29,013		(90,861)	233,123	221,461	148,504	0.94998	141,075
01-Dec-20	17,875,000	513,906	0		(132,279)	381,627	357,915	323,984		29,013		(90,861)	233,123	218,638	148,504	0.93787	139,277
01-Jun-21	17,875,000	513,906	0		(132,279)	381,627	353,353	323,984		29,013		(90,861)	233,123	215,851	148,504	0.92591	137,501
01-Dec-21	17,875,000	513,906	0		(132,279)	381,627	348,848	323,984		29,013		(90,861)	233,123	213,100	148,504	0.91411	135,749
01-Jun-22	17,875,000	513,906	0		(132,279)	381,627	344,401	323,984		29,013		(90,861)	233,123	210,383	148,504	0.90246	134,018
01-Dec-22	17,875,000	513,906	0		(132,279)	381,627	340,011	323,984		29,013		(90,861)	233,123	207,701	148,504	0.89095	132,310
01-Jun-23	17,875,000	513,906	0		(132,279)	381,627	335,677	323,984		29,013		(90,861)	233,123	205,053	148,504	0.87959	130,623
01-Dec-23	17,875,000	513,906	0		(132,279)	381,627	331,398	323,984		29,013		(90,861)	233,123	202,440	148,504	0.86838	128,958
01-Jun-24	17,875,000	513,906	0		(132,279)	381,627	327,173	323,984		29,013		(90,861)	233,123	199,859	148,504	0.85731	127,314
01-Dec-24	17,875,000	513,906	0		(132,279)	381,627	323,002	323,984		29,013		(90,861)	233,123	197,311	148,504	0.84638	125,691
01-Jun-25	17,875,000	513,906	0		(132,279)	381,627	318,885	323,984		29,013		(90,861)	233,123	194,796	148,504	0.83559	124,089
01-Dec-25	17,875,000	513,906	0		(132,279)	381,627	314,820	323,984		29,013		(90,861)	233,123	192,313	148,504	0.82494	122,507
01-Feb-26	0	171,302	0		(44,093)	127,209	103,602	107,995		4,835		(29,043)	78,952	64,301	48,257	0.81443	39,301
<b>TOTAL</b>		<b>7,879,896</b>	<b>0</b>	<b>0</b>	<b>(2,028,285)</b>	<b>5,851,611</b>		<b>5,062,721</b>	<b>128,477</b>	<b>425,522</b>	<b>440,029</b>	<b>(1,445,744)</b>	<b>4,185,483</b>	<b>3,829,959</b>	<b>1,666,128</b>		<b>1,446,412</b>
NPV																	

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

**Assumptions**

**KU - 2018 Callable Bonds**

Comparison: Bonds Remain Outstanding vs. Refinancing With Tax-Exempt

Indicative Rate                    3.400%  
90% of 25bps June Increase      0.225%  
Tax-Exempt Rate                    3.625%

Principal	Maturity Date	# of Months	Amort./Month	Amort/6 Months	Issuance Cost	Monthly Amort.	6 Months
\$ 17,875,000	2/1/2026	91	4,835	29,013	440,029	4,835	29,013

Bond Issue Costs	0.50%	\$89,375	LG&E \$60MM Is	\$ 657,373.66
Underwriting	0.500%		Less Underwrit	\$ (306,719.89)
				\$ 350,653.77
			Underwriter	\$ 89,375.00
				\$ 440,028.77

**MISCELLANEOUS**

Tax rate	25.740%
Pre Tax Cost of Debt	3.50%
Discount rate	2.60%