

**LOWER VALLEY ENERGY
STATEMENT OF OPERATIONS**

*For The Month Ended
May 31, 2015*

CONSOLIDATED

We hereby certify that the entries in this report are in accordance with the accounts and other records of Lower Valley Energy, Inc. and reflect the status of the Cooperative to the best of our knowledge and belief.


SIGNATURE OF CHIEF FINANCIAL OFFICER

June 15, 2015

DATE


SIGNATURE OF PRESIDENT AND CEO

June 15, 2015

DATE

STATEMENT OF OPERATIONS - CONSOLIDATED

ITEM	YEAR-TO-DATE			
	Electric	Combined Gas	Consolidated	Budget
1 Operating Revenue	\$ 19,703,182	\$ 4,759,348	\$ 24,462,530	\$ 25,284,595
2 Power Production Expense	49,229	-	49,229	65,481
3 Cost of Purchased Power/Gas Sold	10,483,937	1,716,156	12,200,093	12,945,293
4 Transmission Operation & Maintenance	251,613	103,038	354,650	308,904
5 Regional Market Expense	-	-	-	-
6 Distribution Operation Expense	1,259,190	129,652	1,388,842	1,768,196
7 Distribution Maintenance Expense	467,616	87,268	554,883	531,295
8 Consumer Accounts Expense	274,308	40,335	314,644	388,118
9 Customer Service and Informational Expense	259,831	9,875	269,706	197,741
10 Sales Expense	-	-	-	-
11 Administrative and General Expense	874,733	168,552	1,043,285	1,120,332
12 Total Operation & Maintenance Expense (2 thru 11)	\$ 13,920,458	\$ 2,254,875	\$ 16,175,333	\$ 17,325,359
13 Depreciation and Amortization Expense	1,971,282	529,553	2,500,835	2,584,230
14 Tax Expense-Property	196,525	91,950	288,475	293,200
15 Tax Expense-Other	18,354	6,754	25,108	27,400
16 Interest on Long-Term Debt	2,231,280	593,718	2,824,998	2,845,133
17 Interest Charged to Construction-Credit	-	-	-	-
18 Interest Expense-Other ¹	10,831	28,030	11,612	25,000
19 Other Deductions	(74,561)	-	(74,561)	(74,550)
20 Total Cost of Electric Service (16 thru 23)	\$ 18,274,169	\$ 3,504,879	\$ 21,751,800	\$ 23,025,772
21 Patronage Capital & Operating Margins (3 minus 24)	\$ 1,429,013	\$ 1,254,469	\$ 2,710,730	\$ 2,258,823
22 Non Operating Margins-Interest ¹	74,569	-	47,320	12,500
23 Allowance for Funds Used During Construction	-	-	-	-
24 Income (Loss) from Equity Investments	-	-	-	-
25 Non Operating Margins-Other	-	-	-	-
26 Generation and Transmission Capital Credits	-	-	-	-
27 Other Capital Credits and Patronage Dividends	766	-	766	-
28 Extraordinary Items	-	-	-	-
29 Patronage Capital or Margins (21 thru 28)	\$ 1,504,348	\$ 1,254,469	\$ 2,758,816	\$ 2,271,323

DATA ON TRANSMISSION AND DISTRIBUTION

ITEM	YEAR-TO-DATE			
	Electric	Combined Gas	Consolidated	Last Year
1 New Services Connected	106	118	224	96
2 Services Retired	296	170	466	35
3 Total Services in Place	26,903	4,056	30,959	30,923
4 Idle Services (Excluding Seasonal)	211	32	243	258
5 Miles Transmission	235	53	288	285
6 Miles Distribution - Overhead	936	-	936	938
7 Miles Distribution - Underground	1,473	229	1,703	1,680
8 Total Miles In Service (5 + 6 + 7)	2,645	282	2,927	2,903

¹ Lines 18 and 22 in the Consolidated column do not include intercompany interest earned or accrued between the Electric and Gas divisions.

LOWER VALLEY ENERGY
STATEMENT OF OPERATIONS
For The Month Ended
May 31, 2015

STATEMENT OF OPERATIONS - CONSOLIDATED

ITEM	YEAR-TO-DATE			THIS MONTH (d)
	LAST YEAR (a)	THIS YEAR (b)	BUDGET (c)	
1 Operating Revenue	\$ 26,142,267	\$ 24,462,530	\$ 25,284,595	\$ 3,438,951
2 Power Production Expense	38,780	49,229	65,481	6,182
3 Cost of Purchased Power & Gas ¹	13,305,185	12,200,093	12,945,293	1,117,055
4 Transmission Operation & Maintenance	277,707	354,650	308,904	122,622
5 Regional Market Expense	-	-	-	-
6 Distribution Operation Expense	1,479,826	1,388,842	1,768,196	203,519
7 Distribution Maintenance Expense	581,265	554,883	531,295	120,347
8 Consumer Accounts Expense	386,860	314,644	388,118	68,237
9 Customer Service and Informational Expense	352,318	269,706	197,741	72,273
10 Sales Expense	-	-	-	-
11 Administrative and General Expense	1,066,492	1,043,285	1,120,332	170,933
12 Total Operation & Maintenance Expense (2 thru 11)	\$ 17,488,434	\$ 16,175,333	\$ 17,325,359	\$ 1,881,168
13 Depreciation and Amortization Expense	2,416,553	2,500,835	2,584,230	501,094
14 Tax Expense-Property	264,500	288,475	293,200	57,695
15 Tax Expense-Other	26,711	25,108	27,400	3,612
16 Interest on Long-Term Debt	3,120,914	2,824,998	2,845,133	561,778
17 Interest Charged to Construction-Credit	-	-	-	-
18 Interest Expense-Other ¹	59,759	11,612	25,000	1,059
19 Other Deductions	(74,561)	(74,561)	(74,550)	(14,912)
20 Total Cost of Electric Service (16 thru 23)	\$ 23,302,310	\$ 21,751,800	\$ 23,025,772	\$ 2,991,494
21 Patronage Capital & Operating Margins (3 minus 24)	\$2,839,958	\$2,710,730	\$2,258,823	\$447,457
22 Non Operating Margins-Interest ¹	106,084	47,320	12,500	23,384
23 Allowance for Funds Used During Construction	-	-	-	-
24 Income (Loss) from Equity Investments	-	-	-	-
25 Non Operating Margins-Other	44,397	-	-	-
26 Generation and Transmission Capital Credits	-	-	-	-
27 Other Capital Credits and Patronage Dividends	22,812	766	-	-
28 Extraordinary Items	-	-	-	-
29 Patronage Capital or Margins (21 thru 28)	\$ 3,013,250	\$ 2,758,816	\$ 2,271,323	\$ 470,841

DATA ON TRANSMISSION AND DISTRIBUTION

ITEM	YEAR-TO-DATE		ITEM	YEAR-TO-DATE	
	LAST YEAR (a)	THIS YEAR (b)		LAST YEAR (a)	THIS YEAR (b)
1. New Services Connected	96	224	5. Miles Trans.	285	288
2. Services Retired	35	466	6. Miles Dist. - OH	938	936
3. Total Services in Place	30,923	30,959	7. Miles Dist. - UG	1,680	1,703
4. Idle Services (Exclude Seasonal)	258	243	8. Total Miles (5 + 6 + 7)	2,903	2,927

¹ Lines 18 and 22 do not include intercompany interest earned or accrued between the Electric and Gas divisions.

LOWER VALLEY ENERGY, INC.

BALANCE SHEET

As of

May 31, 2015

CONSOLIDATED

ASSETS AND OTHER DEBITS			LIABILITIES AND OTHER CREDITS		
	Current Year	Prior Year		Current Year	Prior Year
1 Total Utility Plant in Service	\$ 207,553,422	\$ 109,961,432	30 Memberships	\$ -	\$ -
2 Construction Work in Progress	2,480,677	6,554,776	31 Patronage Capital	52,443,519	50,835,519
3 Total Utility Plant	210,034,099	206,516,208	32 Operating Margins-Prior Years	4,735,304	5,006,169
4 Accum. Provision for Depreciation and Amort	92,979,224	87,067,197	33 Operating Margins-Current Year	2,683,482	2,839,958
5 Net Utility Plant	117,054,875	119,449,011	34 Non Operating Margins	75,335	173,293
6 Nonutility Property - Net	-	-	35 Other Margins and Equities	16,508,838	15,374,929
7 Investments in Subsidiary Companies	-	-	36 Total Margins & Equities	76,446,478	74,220,866
8 Invest. in Assoc. Org. - Patronage Capital	2,004,296	1,740,683	37 Long-Term Debt - RUS (Net)	-	-
9 Invest. in Assoc. Org.-Other-General Funds	6,685	6,685	38 Long-Term Debt - FFB - RUS Guaranteed	-	-
10 Invest. in Assoc. Org.-Other-Nongeneral Funds	2,127,171	2,628,281	39 Long-Term Debt - Other - RUS Guaranteed	-	-
11 Investments in Economic Development Projects	2,093	2,093	40 Long-Term Debt-Other (Net)	50,701,008	49,517,992
12 Other Investments	657,249	731,082	40a Long-Term Debt-BPA Power Prepayment	137,212,995	145,048,610
13 Special Funds	-	-	41 Long-Term Debt - WY SEO (Net)	1,500,000	1,500,000
14 Total Other Property & Investments	4,797,495	5,108,824	42 Payments - Unapplied	-	-
15 Cash-General Funds	421,551	769,248	43 Total Long-Term Debt	189,414,004	196,066,602
16 Cash-Construction Funds-Trustee	-	-	44 Obligations under Capital Leases	-	-
17 Special Deposits	1,189,510	1,246,472	45 Accumulated Operating Provisions	-	-
18 Temporary Investments	4,307,855	-	46 Total Other Noncurrent Liabilities	-	-
19 Notes Receivable-Net	300,215	253,642	47 Notes Payable	-	2,558,336
20 Accounts Receivable-Net Sales of Energy	2,916,909	3,334,801	48 Accounts Payable	1,648,198	1,406,560
21 Accounts Receivable-Net Other	535,544	333,220	49 Consumers Deposits	540,737	524,274
22 Renewable Energy Credits	-	-	50 Current Maturities Long-Term Debt	10,697,264	9,956,542
23 Materials & Supplies-Electric and Other	1,781,764	1,967,777	51 Current Maturities LTD - Econ. Devel.	-	-
24 Prepayments (inc. BPA Power Prepayment)	220,706	268,202	52 Current Maturities Capital Leases	-	-
24a BPA Power Prepayment - Current	7,540,913	7,205,685	53 Other Current & Accrued Liabilities	2,542,828	3,001,333
25 Other Current & Accrued Assets	1,303,922	1,436,751	54 Total Current & Accrued Liabilities	15,429,026	17,447,046
26 Total Current & Accrued Assets	20,518,889	16,815,798	55 Regulatory Liabilities	-	-
27 Regulatory Assets	-	-	56 Deferred Credits	5,812,047	1,785,017
28 Other Deferred Debits	14,557,757	10,279,442	57 Total Liabilities & Other Credits	\$ 287,101,554	\$ 289,528,531
28a BPA Power Prepayment - Non-current	130,172,538	137,875,456			
29 Total Assets & Other Debits	\$ 287,101,554	\$ 289,528,531			
			ESTIMATED CONTRIBUTIONS-IN-AID-OF-CONSTRUCTION		
			58 Balance Beginning of Year (1978 Thru 2013)	\$54,457,084	\$52,420,428
			59 Amounts Received This Year (Net)	1,314,028	488,319
			60 Total Contributions-In-Aid-Of-Construction	\$55,771,112	\$52,908,747