

**LOWER VALLEY ENERGY**  
**STATEMENT OF OPERATIONS**  
For The Month Ended  
**June 30, 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

July 27, 2015

DATE

\_\_\_\_\_  
SIGNATURE OF PRESIDENT AND CEO

July 27, 2015

DATE

**STATEMENT OF OPERATIONS - CONSOLIDATED**

ITEM	YEAR-TO-DATE			
	Electric	Combined Gas	Consolidated	Budget
<b>1 Operating Revenue</b>	<b>\$ 22,400,055</b>	<b>\$ 5,156,642</b>	<b>\$ 27,556,698</b>	<b>\$ 28,575,019</b>
2 Power Production Expense	60,394	-	60,394	74,662
3 Cost of Purchased Power/Gas Sold	11,560,521	1,824,407	13,384,927	14,268,332
4 Transmission Operation & Maintenance	321,421	124,245	445,667	379,479
5 Regional Market Expense	-	-	-	-
6 Distribution Operation Expense	1,499,900	139,247	1,639,147	2,058,120
7 Distribution Maintenance Expense	639,283	101,965	741,249	650,976
8 Consumer Accounts Expense	376,349	53,511	429,860	460,641
9 Customer Service and Informational Expense	200,309	11,932	212,240	242,326
10 Sales Expense	-	-	-	-
11 Administrative and General Expense	991,960	194,096	1,186,056	1,278,660
<b>12 Total Operation &amp; Maintenance Expense (2 thru 11)</b>	<b>\$ 15,650,137</b>	<b>\$ 2,449,403</b>	<b>\$ 18,099,540</b>	<b>\$ 19,413,195</b>
13 Depreciation and Amortization Expense	2,369,122	635,281	3,004,403	3,101,620
14 Tax Expense-Property	235,830	110,340	346,170	351,840
15 Tax Expense-Other	20,925	7,234	28,159	30,600
16 Interest on Long-Term Debt	2,674,161	709,307	3,383,468	3,406,762
17 Interest Charged to Construction-Credit	-	-	-	-
18 Interest Expense-Other <sup>1</sup>	11,396	27,113	10,141	30,000
19 Other Deductions	(89,473)	-	(89,473)	(89,460)
<b>20 Total Cost of Electric Service (16 thru 23)</b>	<b>\$ 20,872,098</b>	<b>\$ 3,938,677</b>	<b>\$ 24,782,407</b>	<b>\$ 26,244,557</b>
<b>21 Patronage Capital &amp; Operating Margins (3 minus 24)</b>	<b>\$ 1,527,958</b>	<b>\$ 1,217,965</b>	<b>\$ 2,774,291</b>	<b>\$ 2,330,462</b>
22 Non Operating Margins-Interest <sup>1</sup>	65,293	-	36,925	15,000
23 Allowance for Funds Used During Construction	-	-	-	-
24 Income (Loss) from Equity Investments	-	-	-	-
25 Non Operating Margins-Other	-	-	-	10,000
26 Generation and Transmission Capital Credits	-	-	-	-
27 Other Capital Credits and Patronage Dividends	766	-	766	-
28 Extraordinary Items	-	-	-	-
<b>29 Patronage Capital or Margins (21 thru 28)</b>	<b>\$ 1,594,017</b>	<b>\$ 1,217,965</b>	<b>\$ 2,811,982</b>	<b>\$ 2,355,462</b>

**DATA ON TRANSMISSION AND DISTRIBUTION**

ITEM	YEAR-TO-DATE			
	Electric	Combined Gas	Consolidated	Last Year
1 New Services Connected	155	125	280	130
2 Services Retired	312	171	483	40
3 Total Services in Place	26,044	4,057	30,101	29,846
4 Idle Services (Excluding Seasonal)	204	33	237	259
5 Miles Transmission	235	53	288	285
6 Miles Distribution - Overhead	936	-	936	939
7 Miles Distribution - Underground	1,474	229	1,704	1,681
8 Total Miles In Service ( 5 + 6 + 7 )	2,646	282	2,928	2,905

<sup>1</sup> 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*  
**June 30, 2015**

**STATEMENT OF OPERATIONS - CONSOLIDATED**

ITEM	YEAR-TO-DATE			THIS MONTH
	LAST YEAR	THIS YEAR	BUDGET	
	(a)	(b)	(c)	
1 Operating Revenue	\$ 29,579,845	\$ 27,556,698	\$ 28,575,019	\$ 3,094,167
2 Power Production Expense	43,501	60,394	74,662	11,165
3 Cost of Purchased Power & Gas <sup>1</sup>	14,757,825	13,384,927	14,268,332	1,184,834
4 Transmission Operation & Maintenance	319,768	445,667	379,479	91,016
5 Regional Market Expense	-	-	-	-
6 Distribution Operation Expense	1,767,076	1,639,147	2,058,120	250,304
7 Distribution Maintenance Expense	682,903	741,249	650,976	186,365
8 Consumer Accounts Expense	474,546	429,860	460,641	115,216
9 Customer Service and Informational Expense	313,175	212,240	242,326	(57,466)
10 Sales Expense	-	-	-	-
11 Administrative and General Expense	1,279,914	1,186,056	1,278,660	142,772
12 Total Operation & Maintenance Expense (2 thru 11)	\$ 19,638,709	\$ 18,099,540	\$ 19,413,195	\$ 1,924,207
13 Depreciation and Amortization Expense	2,901,798	3,004,403	3,101,620	503,568
14 Tax Expense-Property	317,400	346,170	351,840	57,695
15 Tax Expense-Other	29,856	28,159	30,600	3,050
16 Interest on Long-Term Debt	3,724,043	3,383,468	3,406,762	558,470
17 Interest Charged to Construction-Credit	-	-	-	-
18 Interest Expense-Other <sup>1</sup>	67,862	10,141	30,000	(1,471)
19 Other Deductions	(89,473)	(89,473)	(89,460)	(14,912)
20 Total Cost of Electric Service (16 thru 23)	\$ 26,590,193	\$ 24,782,407	\$ 26,244,557	\$ 3,030,607
21 Patronage Capital & Operating Margins (3 minus 24)	\$2,989,652	\$2,774,291	\$2,330,462	\$63,560
22 Non Operating Margins-Interest <sup>1</sup>	103,433	36,925	15,000	(10,395)
23 Allowance for Funds Used During Construction	-	-	-	-
24 Income (Loss) from Equity Investments	-	-	-	-
25 Non Operating Margins-Other	44,397	-	10,000	-
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)	\$ 3,160,294	\$ 2,811,982	\$ 2,355,462	\$ 53,165

**DATA ON TRANSMISSION AND DISTRIBUTION**

ITEM	YEAR-TO-DATE		ITEM	YEAR-TO-DATE	
	LAST YEAR	THIS YEAR		LAST YEAR	THIS YEAR
	(a)	(b)		(a)	(b)
1. New Services Connected	130	280	5. Miles Trans.	285	288
2. Services Retired	40	483	6. Miles Dist. - OH	939	936
3. Total Services in Place	29,846	30,101	7. Miles Dist. - UG	1,681	1,704
4. Idle Services (Exclude Seasonal)	259	237	8. Total Miles (5 + 6 + 7)	2,905	2,928

<sup>1</sup> 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*  
**June 30, 2015**

**CONSOLIDATED**

ASSETS AND OTHER DEBITS			LIABILITIES AND OTHER CREDITS		
	Current Year	Prior Year		Current Year	Prior Year
1 Total Utility Plant in Service	\$ 207,588,737	\$ 200,419,920	30 Memberships	\$ -	\$ -
2 Construction Work in Progress	2,754,518	6,900,293	31 Patronage Capital	52,064,368	50,787,403
<b>3 Total Utility Plant</b>	<b>210,343,256</b>	<b>207,320,213</b>	32 Operating Margins-Prior Years	4,735,304	5,006,169
4 Accum. Provision for Depreciation and Amort	93,516,030	87,573,485	33 Operating Margins-Current Year	2,745,923	2,989,149
<b>5 Net Utility Plant</b>	<b>116,827,226</b>	<b>119,746,728</b>	34 Non Operating Margins	66,059	170,642
6 Nonutility Property - Net	-	-	35 Other Margins and Equities	16,847,951	15,397,407
7 Investments in Subsidiary Companies	-	-	<b>36 Total Margins &amp; Equities</b>	<b>76,459,604</b>	<b>74,350,770</b>
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	2,378,281	39 Long-Term Debt - Other - RUS Guaranteed	-	-
11 Investments in Economic Development Projects	2,093	2,093	40 Long-Term Debt-Other (Net)	50,675,412	49,493,342
12 Other Investments	653,115	723,715	40a Long-Term Debt-BPA Power Prepayment	136,546,599	144,406,863
13 Special Funds	-	-	41 Long-Term Debt - WY SEO (Net)	1,318,965	1,500,000
<b>14 Total Other Property &amp; Investments</b>	<b>4,793,361</b>	<b>4,851,457</b>	42 Payments - Unapplied	-	-
15 Cash-General Funds	403,159	149,344	<b>43 Total Long-Term Debt</b>	<b>188,540,976</b>	<b>195,400,206</b>
16 Cash-Construction Funds-Trustee	-	-	44 Obligations under Capital Leases	-	-
17 Special Deposits	1,193,669	1,253,956	45 Accumulated Operating Provisions	-	-
18 Temporary Investments	4,669,946	-	<b>46 Total Other Noncurrent Liabilities</b>	<b>-</b>	<b>-</b>
19 Notes Receivable-Net	290,726	249,149	47 Notes Payable	-	1,072,006
20 Accounts Receivable-Net Sales of Energy	2,480,025	2,915,112	48 Accounts Payable	1,344,986	1,458,967
21 Accounts Receivable-Net Other	476,172	290,615	49 Consumers Deposits	546,448	524,819
22 Renewable Energy Credits	-	-	50 Current Maturities Long-Term Debt	10,722,860	9,981,192
23 Materials & Supplies-Electric and Other	1,858,670	2,109,365	51 Current Maturities LTD - Econ. Devel.	-	-
24 Prepayments (inc. BPA Power Prepayment)	172,638	228,419	52 Current Maturities Capital Leases	-	-
24a BPA Power Prepayment - Current	7,540,913	7,205,685	53 Other Current & Accrued Liabilities	2,879,149	3,274,309
25 Other Current & Accrued Assets	1,133,418	1,395,865	<b>54 Total Current &amp; Accrued Liabilities</b>	<b>15,493,444</b>	<b>16,311,293</b>
<b>26 Total Current &amp; Accrued Assets</b>	<b>20,219,335</b>	<b>15,797,511</b>	55 Regulatory Liabilities	-	-
27 Regulatory Assets	-	-	56 Deferred Credits	5,385,992	1,782,971
28 Other Deferred Debits	14,523,899	10,146,733	<b>57 Total Liabilities &amp; Other Credits</b>	<b>\$ 285,880,016</b>	<b>\$ 287,845,240</b>
28a BPA Power Prepayment - Non-current	129,516,195	137,302,811			
<b>29 Total Assets &amp; Other Debits</b>	<b>\$ 285,880,016</b>	<b>\$ 287,845,239</b>			
			<b>ESTIMATED CONTRIBUTIONS-IN-AID-OF-CONSTRUCTION</b>		
			58 Balance Beginning of Year (1978 Thru 2013)	\$54,457,084	\$52,420,428
			59 Amounts Received This Year (Net)	1,733,608	644,575
			60 Total Contributions-In-Aid-Of-Construction	\$56,190,692	\$53,065,003