

**LOWER VALLEY ENERGY**  
**STATEMENT OF OPERATIONS**  
*For The Month Ended*  
**November 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

December 18, 2015  
 \_\_\_\_\_  
 DATE

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

December 18, 2015  
 \_\_\_\_\_  
 DATE

**STATEMENT OF OPERATIONS - CONSOLIDATED**

ITEM	YEAR-TO-DATE			
	Electric	Combined Gas	Consolidated	Budget
<b>1 Operating Revenue</b>	\$ 37,998,228	\$ 7,825,470	\$ 45,823,698	\$ 47,723,652
2 Power Production Expense	97,541	-	97,541	133,537
3 Cost of Purchased Power/Gas Sold	18,314,084	2,677,159	20,991,242	22,582,351
4 Transmission Operation & Maintenance	589,097	183,258	772,355	693,884
5 Regional Market Expense	-	-	-	-
6 Distribution Operation Expense	2,610,884	246,741	2,857,625	3,505,343
7 Distribution Maintenance Expense	1,166,733	183,385	1,350,119	1,241,006
8 Consumer Accounts Expense	682,332	87,731	770,063	811,613
9 Customer Service and Informational Expense	312,447	20,900	333,347	448,840
10 Sales Expense	-	-	-	-
11 Administrative and General Expense	1,736,194	339,266	2,075,460	2,093,864
<b>12 Total Operation &amp; Maintenance Expense (2 thru 11)</b>	\$ 25,509,313	\$ 3,738,440	\$ 29,247,752	\$ 31,510,438
13 Depreciation and Amortization Expense	4,371,856	1,161,501	5,533,357	5,702,910
14 Tax Expense-Property	426,010	199,830	625,840	645,040
15 Tax Expense-Other	34,612	9,553	44,165	48,000
16 Interest on Long-Term Debt	4,796,487	1,284,998	6,081,485	6,180,729
17 Interest Charged to Construction-Credit	-	-	-	-
18 Interest Expense-Other <sup>1</sup>	14,335	40,872	13,987	55,000
19 Other Deductions	(164,035)	-	(164,035)	(164,010)
<b>20 Total Cost of Electric Service (16 thru 23)</b>	\$ 34,988,577	\$ 6,435,194	\$ 41,382,552	\$ 43,978,107
<b>21 Patronage Capital &amp; Operating Margins (3 minus 24)</b>	\$ 3,009,651	\$ 1,390,276	\$ 4,441,146	\$ 3,745,545
22 Non Operating Margins-Interest <sup>1</sup>	116,675	-	75,455	27,500
23 Allowance for Funds Used During Construction	-	-	-	-
24 Income (Loss) from Equity Investments	-	-	-	-
25 Non Operating Margins-Other	-	1,355	1,355	10,000
26 Generation and Transmission Capital Credits	-	-	-	-
27 Other Capital Credits and Patronage Dividends	478,052	112,272	590,324	345,000
28 Extraordinary Items	-	-	-	-
<b>29 Patronage Capital or Margins (21 thru 28)</b>	\$ 3,604,378	\$ 1,503,902	\$ 5,108,280	\$ 4,128,045

**DATA ON TRANSMISSION AND DISTRIBUTION**

ITEM	YEAR-TO-DATE			
	Electric	Combined Gas	Consolidated	Last Year
1 New Services Connected	399	169	568	409
2 Services Retired	395	183	578	141
3 Total Services in Place	27,075	4,119	31,194	31,132
4 Idle Services (Excluding Seasonal)	223	34	257	273
5 Miles Transmission	235	53	288	285
6 Miles Distribution - Overhead	936	-	936	933
7 Miles Distribution - Underground	1,477	229	1,706	1,714
8 Total Miles In Service ( 5 + 6 + 7 )	2,648	282	2,931	2,932

<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*  
*November 30, 2015*

**STATEMENT OF OPERATIONS - CONSOLIDATED**

ITEM	YEAR-TO-DATE			THIS MONTH (d)
	LAST YEAR	THIS YEAR	BUDGET	
	(a)	(b)	(c)	
1 Operating Revenue	\$ 48,521,149	\$ 45,823,698	\$ 47,723,652	\$ 5,099,649
2 Power Production Expense	78,347	97,541	133,537	4,553
3 Cost of Purchased Power & Gas	23,127,077	20,991,242	22,582,351	2,451,674
4 Transmission Operation & Maintenance	564,365	772,355	693,884	45,272
5 Regional Market Expense	-	-	-	-
6 Distribution Operation Expense	3,193,298	2,857,625	3,505,343	233,801
7 Distribution Maintenance Expense	1,289,172	1,350,119	1,241,006	90,988
8 Consumer Accounts Expense	786,377	770,063	811,613	71,190
9 Customer Service and Informational Expense	353,016	333,347	448,840	100,966
10 Sales Expense	-	-	-	-
11 Administrative and General Expense	2,360,001	2,075,460	2,093,864	146,409
12 Total Operation & Maintenance Expense (2 thru 11)	\$ 31,751,654	\$ 29,247,752	\$ 31,510,438	\$ 3,144,852
13 Depreciation and Amortization Expense	5,342,858	5,533,357	5,702,910	509,695
14 Tax Expense-Property	601,080	625,840	645,040	54,760
15 Tax Expense-Other	46,391	44,165	48,000	4,509
16 Interest on Long-Term Debt	6,630,491	6,081,485	6,180,729	518,872
17 Interest Charged to Construction-Credit	-	-	-	-
18 Interest Expense-Other <sup>1</sup>	115,783	13,987	55,000	698
19 Other Deductions	(164,035)	(164,035)	(164,010)	(14,912)
20 Total Cost of Electric Service (16 thru 23)	\$ 44,324,222	\$ 41,382,552	\$ 43,978,107	\$ 4,218,473
21 Patronage Capital & Operating Margins (3 minus 24)	\$4,196,926	\$4,441,146	\$3,745,545	\$881,176
22 Non Operating Margins-Interest <sup>1</sup>	174,946	75,455	27,500	7,476
23 Allowance for Funds Used During Construction	-	-	-	-
24 Income (Loss) from Equity Investments	-	-	-	-
25 Non Operating Margins-Other	44,397	1,355	10,000	-
26 Generation and Transmission Capital Credits	-	-	-	-
27 Other Capital Credits and Patronage Dividends	546,042	590,324	345,000	-
28 Extraordinary Items	-	-	-	-
29 Patronage Capital or Margins (21 thru 28)	\$ 4,962,311	\$ 5,108,280	\$ 4,128,045	\$ 888,652

**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	409	568	5. Miles Trans.	285	288
2. Services Retired	141	578	6. Miles Dist. - OH	933	936
3. Total Services in Place	31,132	31,194	7. Miles Dist. - UG	1,714	1,706
4. Idle Services (Exclude Seasonal)	273	257	8. Total Miles (5 + 6 + 7)	2,932	2,931

<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*  
**November 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	\$ 209,686,412	\$ 202,521,977	30 Memberships	\$ -	\$ -
2 Construction Work in Progress	2,315,160	6,017,945	31 Patronage Capital	54,434,448	53,039,111
<b>3 Total Utility Plant</b>	<b>212,001,572</b>	<b>208,539,921</b>	32 Operating Margins-Prior Years	-	-
4 Accum. Provision for Depreciation and Amort	95,965,398	89,988,815	33 Operating Margins-Current Year	4,399,927	4,196,204
<b>5 Net Utility Plant</b>	<b>116,036,174</b>	<b>118,551,106</b>	34 Non Operating Margins	708,353	765,385
6 Nonutility Property - Net	-	-	35 Other Margins and Equities	17,156,163	15,992,472
7 Investments in Subsidiary Companies	-	-	<b>36 Total Margins &amp; Equities</b>	<b>76,698,891</b>	<b>73,993,173</b>
8 Invest. in Assoc. Org. - Patronage Capital	2,299,075	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	2,128,281	39 Long-Term Debt - Other - RUS Guaranteed	-	-
11 Investments in Economic Development Projects	2,093	2,093	40 Long-Term Debt-Other (Net)	49,261,295	52,187,450
12 Other Investments	631,720	706,844	40a Long-Term Debt-BPA Power Prepayment	133,183,038	141,167,719
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>5,066,744</b>	<b>4,584,586</b>	42 Payments - Unapplied	-	-
15 Cash-General Funds	676,150	266,479	<b>43 Total Long-Term Debt</b>	<b>183,763,298</b>	<b>194,855,169</b>
16 Cash-Construction Funds-Trustee	-	-	44 Obligations under Capital Leases	-	-
17 Special Deposits	1,210,233	1,158,800	45 Accumulated Operating Provisions	-	-
18 Temporary Investments	4,172,386	-	<b>46 Total Other Noncurrent Liabilities</b>	<b>-</b>	<b>-</b>
19 Notes Receivable-Net	299,319	272,876	47 Notes Payable	-	1,427,017
20 Accounts Receivable-Net Sales of Energy	2,984,472	3,291,139	48 Accounts Payable	2,215,625	2,374,061
21 Accounts Receivable-Net Other	496,464	127,617	49 Consumers Deposits	601,781	535,143
22 Renewable Energy Credits	-	-	50 Current Maturities Long-Term Debt	10,911,508	10,323,419
23 Materials & Supplies-Electric and Other	2,039,283	1,895,911	51 Current Maturities LTD - Econ. Devel.	-	-
24 Prepayments (inc. BPA Power Prepayment)	102,508	126,837	52 Current Maturities Capital Leases	-	-
24a BPA Power Prepayment - Current	7,540,913	7,205,685	53 Other Current & Accrued Liabilities	4,656,537	4,563,231
25 Other Current & Accrued Assets	2,309,053	2,304,400	<b>54 Total Current &amp; Accrued Liabilities</b>	<b>18,385,451</b>	<b>19,222,871</b>
<b>26 Total Current &amp; Accrued Assets</b>	<b>21,830,781</b>	<b>16,649,744</b>	55 Regulatory Liabilities	-	-
27 Regulatory Assets	-	-	56 Deferred Credits	4,714,012	1,768,273
28 Other Deferred Debits	14,254,310	15,781,969	<b>57 Total Liabilities &amp; Other Credits</b>	<b>\$ 283,561,652</b>	<b>\$ 289,839,485</b>
28a BPA Power Prepayment - Non-current	126,373,643	134,272,080			
<b>29 Total Assets &amp; Other Debits</b>	<b>\$ 283,561,652</b>	<b>\$ 289,839,485</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)	2,936,393	1,961,174
			60 Total Contributions-In-Aid-Of-Construction	<b>\$57,393,477</b>	<b>\$54,381,602</b>