

LOWER VALLEY ENERGY
STATEMENT OF OPERATIONS
For The Month Ended
January 31, 2016

CONSOLIDATED

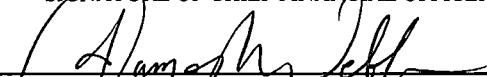
We hereby certify that the entries in this report are in accordance with the accounts and other records of Lower Valley Energy, Inc. and reflect the status of the Cooperative to the best of our knowledge and belief.



 SIGNATURE OF CHIEF FINANCIAL OFFICER

March 2, 2016

 DATE



 SIGNATURE OF PRESIDENT AND CEO

March 2, 2016

 DATE

STATEMENT OF OPERATIONS - CONSOLIDATED

ITEM	YEAR-TO-DATE			
	Electric	Natural Gas	Consolidated	Budget
1 Operating Revenue	\$ 5,632,737	\$ 1,260,103	\$ 6,892,841	\$ 6,702,426
2 Power Production Expense	14,070	-	14,070	15,995
3 Cost of Purchased Power/Gas Sold	3,457,068	377,181	3,834,249	3,751,209
4 Transmission Operation & Maintenance	27,381	16,871	44,252	48,552
5 Regional Market Expense	-	-	-	-
6 Distribution Operation Expense	265,152	39,438	304,590	317,419
7 Distribution Maintenance Expense	77,729	16,860	94,588	110,175
8 Consumer Accounts Expense	62,667	6,875	69,542	71,365
9 Customer Service and Informational Expense	22,970	1,611	24,581	49,080
10 Sales Expense	-	-	-	-
11 Administrative and General Expense	146,293	36,699	182,992	281,491
12 Total Operation & Maintenance Expense (2 thru 11)	\$ 4,073,330	\$ 495,534	\$ 4,568,864	\$ 4,645,286
13 Depreciation and Amortization Expense	386,850	104,503	491,354	519,995
14 Tax Expense-Property	37,190	17,570	54,760	55,570
15 Tax Expense-Other	5,125	1,876	7,001	7,000
16 Interest on Long-Term Debt	382,608	114,077	496,685	514,646
17 Interest Charged to Construction-Credit	-	-	-	-
18 Interest Expense-Other ¹	848	2,075	971	1,000
19 Other Deductions	(14,912)	-	(14,912)	(14,912)
20 Total Cost of Electric Service (16 thru 23)	\$ 4,871,039	\$ 735,635	\$ 5,604,721	\$ 5,728,585
21 Patronage Capital & Operating Margins (3 minus 24)	\$ 761,698	\$ 524,469	\$ 1,288,119	\$ 973,841
22 Non Operating Margins-Interest ¹	19,762	-	17,810	7,000
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	-	-	-	-
28 Extraordinary Items	-	-	-	-
29 Patronage Capital or Margins (21 thru 28)	\$ 781,460	\$ 524,469	\$ 1,305,929	\$ 980,841

DATA ON TRANSMISSION AND DISTRIBUTION

ITEM	YEAR-TO-DATE			
	Electric	Natural Gas	Consolidated	Last Year
1 New Services Connected	48	4	52	32
2 Services Retired	1	-	1	3
3 Total Services in Place	27,143	4,040	31,183	31,123
4 Idle Services (Excluding Seasonal)	223	33	256	274
5 Miles Transmission	235	53	288	288
6 Miles Distribution - Overhead	933	-	933	938
7 Miles Distribution - Underground	1,497	196	1,693	1,684
8 Total Miles In Service (5 + 6 + 7)	2,665	249	2,915	2,910

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
January 31, 2016

STATEMENT OF OPERATIONS - CONSOLIDATED

ITEM	YEAR-TO-DATE			THIS MONTH (d)
	LAST YEAR	THIS YEAR	BUDGET	
	(a)	(b)	(c)	
1 Operating Revenue	\$ 6,884,523	\$ 6,892,841	\$ 6,702,426	\$ 6,892,841
2 Power Production Expense	11,124	14,070	15,995	14,070
3 Cost of Purchased Power & Gas	3,525,832	3,834,249	3,751,209	3,834,249
4 Transmission Operation & Maintenance	36,161	44,252	48,552	44,252
5 Regional Market Expense	-	-	-	-
6 Distribution Operation Expense	279,963	304,590	317,419	304,590
7 Distribution Maintenance Expense	108,715	94,588	110,175	94,588
8 Consumer Accounts Expense	69,111	69,542	71,365	69,542
9 Customer Service and Informational Expense	96,376	24,581	49,080	24,581
10 Sales Expense	-	-	-	-
11 Administrative and General Expense	170,290	182,992	281,491	182,992
12 Total Operation & Maintenance Expense (2 thru 11)	\$ 4,297,571	\$ 4,568,864	\$ 4,645,286	\$ 4,568,864
13 Depreciation and Amortization Expense	498,646	491,354	519,995	491,354
14 Tax Expense-Property	57,695	54,760	55,570	54,760
15 Tax Expense-Other	6,851	7,001	7,000	7,001
16 Interest on Long-Term Debt	563,445	496,685	514,646	496,685
17 Interest Charged to Construction-Credit	-	-	-	-
18 Interest Expense-Other ¹	12,260	971	1,000	971
19 Other Deductions	(14,912)	(14,912)	(14,912)	(14,912)
20 Total Cost of Electric Service (16 thru 23)	\$ 5,421,555	\$ 5,604,721	\$ 5,728,585	\$ 5,604,721
21 Patronage Capital & Operating Margins (3 minus 24)	\$1,462,967	\$1,288,119	\$973,841	\$1,288,119
22 Non Operating Margins-Interest ¹	14,006	17,810	7,000	17,810
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	-	-	-	-
28 Extraordinary Items	-	-	-	-
29 Patronage Capital or Margins (21 thru 28)	\$ 1,476,973	\$ 1,305,929	\$ 980,841	\$ 1,305,929

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	32	52	5. Miles Trans.	288	288
2. Services Retired	3	1	6. Miles Dist. - OH	938	933
3. Total Services in Place	31,123	31,183	7. Miles Dist. - UG	1,684	1,693
4. Idle Services (Exclude Seasonal)	274	256	8. Total Miles (5 + 6 + 7)	2,910	2,915

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
January 31, 2016

CONSOLIDATED

ASSETS AND OTHER DEBITS			LIABILITIES AND OTHER CREDITS		
	Current Year	Prior Year		Current Year	Prior Year
1 Total Utility Plant in Service	\$ 201,252,353	\$ 205,663,051	30 Memberships	\$ -	\$ -
2 Construction Work in Progress	657,708	3,811,697	31 Patronage Capital	54,200,865	52,602,076
3 Total Utility Plant	201,910,061	209,474,748	32 Operating Margins-Prior Years	6,259,035	4,735,303
4 Accum. Provision for Depreciation and Amort	92,960,803	91,028,415	33 Operating Margins-Current Year	1,286,167	1,462,967
5 Net Utility Plant	108,949,258	118,446,332	34 Non Operating Margins	19,762	14,006
6 Nonutility Property - Net	-	-	35 Other Margins and Equities	17,254,613	16,421,124
7 Investments in Subsidiary Companies	-	-	36 Total Margins & Equities	79,020,442	75,235,477
8 Invest. in Assoc. Org. - Patronage Capital	2,317,970	2,023,893	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	2,019,375	2,130,401	39 Long-Term Debt - Other - RUS Guaranteed	-	-
11 Investments in Economic Development Projects	2,093	2,093	40 Long-Term Debt-Other (Net)	49,117,468	51,846,085
12 Other Investments	630,000	673,784	40a Long-Term Debt-BPA Power Prepayment	131,822,755	139,857,750
13 Special Funds	-	-	41 Long-Term Debt - WY SEO (Net)	1,318,965	1,500,000
14 Total Other Property & Investments	4,976,124	4,836,857	42 Payments - Unapplied	-	-
15 Cash-General Funds	517,415	378,896.11	43 Total Long-Term Debt	182,259,188	193,203,835
16 Cash-Construction Funds-Trustee	-	-	44 Obligations under Capital Leases	-	-
17 Special Deposits	1,299,541	1,176,209	45 Accumulated Operating Provisions	-	-
18 Temporary Investments	4,576,110	-	46 Total Other Noncurrent Liabilities	-	-
19 Notes Receivable-Net	335,103	281,023	47 Notes Payable	-	2,011,050
20 Accounts Receivable-Net Sales of Energy	5,924,953	5,670,647	48 Accounts Payable	4,202,936	3,754,716
21 Accounts Receivable-Net Other	806,469	120,987	49 Consumers Deposits	610,640	547,995
22 Renewable Energy Credits	-	-	50 Current Maturities Long-Term Debt	10,945,242	10,556,156
23 Materials & Supplies-Electric and Other	1,640,918	1,475,183	51 Current Maturities LTD - Econ. Devel.	-	-
24 Prepayments (inc. BPA Power Prepayment)	388,860	135,668	52 Current Maturities Capital Leases	-	-
24a BPA Power Prepayment - Current	7,891,736	7,540,913	53 Other Current & Accrued Liabilities	3,030,955	2,875,639
25 Other Current & Accrued Assets	2,579,031	2,526,094	54 Total Current & Accrued Liabilities	18,789,772	19,745,555
26 Total Current & Accrued Assets	25,960,137	19,305,621	55 Regulatory Liabilities	-	-
27 Regulatory Assets	-	-	56 Deferred Credits	4,884,789	1,787,209
28 Other Deferred Debits	20,333,830	14,728,058	57 Total Liabilities & Other Credits	\$ 284,954,192	\$ 289,972,077
28a BPA Power Prepayment - Non-current	124,734,843	132,655,209			
29 Total Assets & Other Debits	\$ 284,954,191	\$ 289,972,077			
			ESTIMATED CONTRIBUTIONS-IN-AID-OF-CONSTRUCTION		
			58 Balance Beginning of Year (1978 Thru 2013)	\$57,433,115	\$54,457,084
			59 Amounts Received This Year (Net)	59,588	2,976,031
			60 Total Contributions-In-Aid-Of-Construction	\$57,492,704	\$57,433,115