

LOWER VALLEY ENERGY
STATEMENT OF OPERATIONS
For The Month Ended
February 29, 2016

CONSOLIDATED

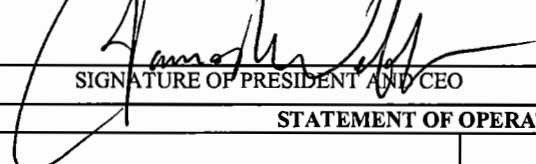
We hereby certify that the entries in this report are in accordance with the accounts and other records of Lower Valley Energy, Inc. and reflect the status of the Cooperative to the best of our knowledge and belief.



 SIGNATURE OF CHIEF FINANCIAL OFFICER

March 18, 2016

 DATE



 SIGNATURE OF PRESIDENT AND CEO

March 18, 2016

 DATE

STATEMENT OF OPERATIONS - CONSOLIDATED

ITEM	YEAR-TO-DATE			
	Electric	Natural Gas	Consolidated	Budget
1 Operating Revenue	\$ 10,423,452	\$ 2,343,669	\$ 12,767,121	\$ 11,877,683
2 Power Production Expense	33,551	-	33,551	33,752
3 Cost of Purchased Power/Gas Sold	6,062,654	699,017	6,761,671	6,628,112
4 Transmission Operation & Maintenance	53,263	29,394	82,657	97,635
5 Regional Market Expense	-	-	-	-
6 Distribution Operation Expense	544,407	71,904	616,312	654,484
7 Distribution Maintenance Expense	149,137	35,688	184,825	229,360
8 Consumer Accounts Expense	129,322	14,181	143,503	146,495
9 Customer Service and Informational Expense	44,603	3,554	48,157	101,675
10 Sales Expense	-	-	-	-
11 Administrative and General Expense	327,755	75,364	403,119	517,950
12 Total Operation & Maintenance Expense (2 thru 11)	\$ 7,344,693	\$ 929,102	\$ 8,273,795	\$ 8,409,464
13 Depreciation and Amortization Expense	774,535	209,293	983,828	1,040,120
14 Tax Expense-Property	74,380	35,140	109,520	111,140
15 Tax Expense-Other	9,639	3,309	12,948	12,600
16 Interest on Long-Term Debt	765,641	228,153	993,794	1,027,038
17 Interest Charged to Construction-Credit	-	-	-	-
18 Interest Expense-Other ¹	1,506	3,233	1,723	2,000
19 Other Deductions	(29,824)	-	(29,824)	(29,824)
20 Total Cost of Electric Service (16 thru 23)	\$ 8,940,570	\$ 1,408,231	\$ 10,345,783	\$ 10,572,538
21 Patronage Capital & Operating Margins (3 minus 24)	\$ 1,482,883	\$ 935,438	\$ 2,421,338	\$ 1,305,145
22 Non Operating Margins-Interest ¹	38,851	-	35,835	14,000
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	19,219	-	19,219	-
28 Extraordinary Items	-	-	-	-
29 Patronage Capital or Margins (21 thru 28)	\$ 1,540,953	\$ 935,438	\$ 2,476,391	\$ 1,319,145

DATA ON TRANSMISSION AND DISTRIBUTION

ITEM	YEAR-TO-DATE			
	Electric	Natural Gas	Consolidated	Last Year
1 New Services Connected	65	10	75	48
2 Services Retired	17	1	18	19
3 Total Services in Place	27,130	4,042	31,172	31,166
4 Idle Services (Excluding Seasonal)	222	33	255	273
5 Miles Transmission	235	53	288	288
6 Miles Distribution - Overhead	933	-	933	938
7 Miles Distribution - Underground	1,497	196	1,693	1,694
8 Total Miles In Service (5 + 6 + 7)	2,665	249	2,915	2,920

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
February 29, 2016

STATEMENT OF OPERATIONS - CONSOLIDATED

ITEM	YEAR-TO-DATE			THIS MONTH (d)
	LAST YEAR	THIS YEAR	BUDGET	
	(a)	(b)	(c)	
1 Operating Revenue	\$ 12,180,748	\$ 12,767,121	\$ 11,877,683	\$ 5,874,280
2 Power Production Expense	22,282	33,551	33,752	19,481
3 Cost of Purchased Power & Gas	6,311,613	6,761,671	6,628,112	2,927,422
4 Transmission Operation & Maintenance	78,013	82,657	97,635	38,405
5 Regional Market Expense	-	-	-	-
6 Distribution Operation Expense	593,905	616,312	654,484	311,722
7 Distribution Maintenance Expense	227,188	184,825	229,360	90,237
8 Consumer Accounts Expense	129,668	143,503	146,495	73,961
9 Customer Service and Informational Expense	120,103	48,157	101,675	23,576
10 Sales Expense	-	-	-	-
11 Administrative and General Expense	385,763	403,119	517,950	220,128
12 Total Operation & Maintenance Expense (2 thru 11)	\$ 7,868,536	\$ 8,273,795	\$ 8,409,464	\$ 3,704,932
13 Depreciation and Amortization Expense	997,748	983,828	1,040,120	492,475
14 Tax Expense-Property	115,390	109,520	111,140	54,760
15 Tax Expense-Other	12,248	12,948	12,600	5,947
16 Interest on Long-Term Debt	1,135,222	993,794	1,027,038	497,109
17 Interest Charged to Construction-Credit	-	-	-	-
18 Interest Expense-Other ¹	21,916	1,723	2,000	751
19 Other Deductions	(29,824)	(29,824)	(29,824)	(14,912)
20 Total Cost of Electric Service (16 thru 23)	\$ 10,121,236	\$ 10,345,783	\$ 10,572,538	\$ 4,741,062
21 Patronage Capital & Operating Margins (3 minus 24)	\$2,059,512	\$2,421,338	\$1,305,145	\$1,133,218
22 Non Operating Margins-Interest ¹	26,110	35,835	14,000	18,024
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	70	19,219	-	19,219
28 Extraordinary Items	-	-	-	-
29 Patronage Capital or Margins (21 thru 28)	\$ 2,085,692	\$ 2,476,391	\$ 1,319,145	\$ 1,170,462

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	48	75	5. Miles Trans.	288	288
2. Services Retired	19	18	6. Miles Dist. - OH	938	933
3. Total Services in Place	31,166	31,172	7. Miles Dist. - UG	1,694	1,693
4. Idle Services (Exclude Seasonal)	273	255	8. Total Miles (5 + 6 + 7)	2,920	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
February 29, 2016

CONSOLIDATED

ASSETS AND OTHER DEBITS			LIABILITIES AND OTHER CREDITS		
	Current Year	Prior Year		Current Year	Prior Year
1 Total Utility Plant in Service	\$ 201,705,635	\$ 206,347,560	30 Memberships	\$ -	\$ -
2 Construction Work in Progress	334,170	3,266,294	31 Patronage Capital	54,082,737	52,579,564
3 Total Utility Plant	202,039,806	209,613,854	32 Operating Margins-Prior Years	6,259,035	4,735,303
4 Accum. Provision for Depreciation and Amort	93,487,279	91,505,260	33 Operating Margins-Current Year	2,418,321	2,059,512
5 Net Utility Plant	108,552,526	118,108,594	34 Non Operating Margins	58,070	26,180
6 Nonutility Property - Net	-	-	35 Other Margins and Equities	17,317,345	16,430,778
7 Investments in Subsidiary Companies	-	-	36 Total Margins & Equities	80,135,507	75,831,337
8 Invest. in Assoc. Org. - Patronage Capital	2,331,423	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)	48,610,833	51,268,609
12 Other Investments	626,667	669,653	40a Long-Term Debt-BPA Power Prepayment	131,139,401	139,199,673
13 Special Funds	-	-	41 Long-Term Debt - WY SEO (Net)	1,318,965	1,500,000
14 Total Other Property & Investments	4,986,243	4,832,726	42 Payments - Unapplied	-	-
15 Cash-General Funds	684,971	893,478.00	43 Total Long-Term Debt	181,069,199	191,968,283
16 Cash-Construction Funds-Trustee	-	-	44 Obligations under Capital Leases	-	-
17 Special Deposits	1,306,225	1,177,033	45 Accumulated Operating Provisions	-	-
18 Temporary Investments	4,610,356	-	46 Total Other Noncurrent Liabilities	-	-
19 Notes Receivable-Net	325,235	309,375	47 Notes Payable	-	2,233,773
20 Accounts Receivable-Net Sales of Energy	5,299,886	4,782,792	48 Accounts Payable	2,808,733	2,993,822
21 Accounts Receivable-Net Other	919,233	338,582	49 Consumers Deposits	588,829	549,605
22 Renewable Energy Credits	-	-	50 Current Maturities Long-Term Debt	10,837,087	10,556,156
23 Materials & Supplies-Electric and Other	1,631,640	1,553,098	51 Current Maturities LTD - Econ. Devel.	-	-
24 Prepayments (inc. BPA Power Prepayment)	344,323	258,221	52 Current Maturities Capital Leases	-	-
24a BPA Power Prepayment - Current	7,891,736	7,540,913	53 Other Current & Accrued Liabilities	2,895,246	2,627,411
25 Other Current & Accrued Assets	2,163,847	2,140,789	54 Total Current & Accrued Liabilities	17,129,896	18,960,767
26 Total Current & Accrued Assets	25,177,453	18,994,281	55 Regulatory Liabilities	-	-
27 Regulatory Assets	-	-	56 Deferred Credits	4,646,776	1,856,172
28 Other Deferred Debits	20,176,782	14,643,480	57 Total Liabilities & Other Credits	\$ 282,981,378	\$ 288,616,558
28a BPA Power Prepayment - Non-current	124,088,373	132,037,477			
29 Total Assets & Other Debits	\$ 282,981,378	\$ 288,616,558			
			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)	90,140	94,315
			60 Total Contributions-In-Aid-Of-Construction	\$57,523,256	\$54,551,399