

LOWER VALLEY ENERGY
STATEMENT OF OPERATIONS
For The Month Ended
July 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

August 15, 2016
DATE

SIGNATURE OF PRESIDENT AND CEO

August 15, 2016
DATE

STATEMENT OF OPERATIONS - CONSOLIDATED

ITEM	YEAR-TO-DATE			
	Electric	Natural Gas	Consolidated	Budget
1 Operating Revenue	\$ 27,193,281	\$ 4,783,774	\$ 31,977,055	\$ 31,514,202
2 Power Production Expense	80,001	-	80,001	95,535
3 Cost of Purchased Power/Gas Sold	14,146,783	1,466,080	15,612,863	16,164,933
4 Transmission Operation & Maintenance	301,309	104,676	405,985	397,785
5 Regional Market Expense	-	-	-	-
6 Distribution Operation Expense	1,846,414	219,443	2,065,857	2,064,402
7 Distribution Maintenance Expense	760,526	159,283	919,809	955,431
8 Consumer Accounts Expense	449,953	52,596	502,549	546,625
9 Customer Service and Informational Expense	314,506	14,919	329,425	370,734
10 Sales Expense	-	-	-	-
11 Administrative and General Expense	1,178,453	226,718	1,405,171	1,413,500
12 Total Operation & Maintenance Expense (2 thru 11)	\$ 19,077,944	\$ 2,243,714	\$ 21,321,658	\$ 22,008,944
13 Depreciation and Amortization Expense	2,717,104	733,206	3,450,310	3,642,885
14 Tax Expense-Property	260,330	122,990	383,320	388,990
15 Tax Expense-Other	26,011	6,942	32,953	31,800
16 Interest on Long-Term Debt	2,638,281	793,132	3,431,414	3,550,282
17 Interest Charged to Construction-Credit	-	-	-	-
18 Interest Expense-Other ¹	5,039	3,697	5,719	7,000
19 Other Deductions	(104,386)	-	(104,386)	(104,386)
20 Total Cost of Electric Service (16 thru 23)	\$ 24,620,323	\$ 3,903,682	\$ 28,520,988	\$ 29,525,515
21 Patronage Capital & Operating Margins (3 minus 24)	\$ 2,572,958	\$ 880,092	\$ 3,456,067	\$ 1,988,686
22 Non Operating Margins-Interest ¹	130,429	-	127,412	49,000
23 Allowance for Funds Used During Construction	-	-	-	-
24 Income (Loss) from Equity Investments	-	-	-	-
25 Non Operating Margins-Other	34,131	8,122	42,253	-
26 Generation and Transmission Capital Credits	-	-	-	-
27 Other Capital Credits and Patronage Dividends	53,876	-	53,876	-
28 Extraordinary Items	-	-	-	-
29 Patronage Capital or Margins (21 thru 28)	\$ 2,791,393	\$ 888,215	\$ 3,679,608	\$ 2,037,686

DATA ON TRANSMISSION AND DISTRIBUTION

ITEM	YEAR-TO-DATE			
	Electric	Natural Gas	Consolidated	Last Year
1 New Services Connected	208	45	253	338
2 Services Retired	75	18	93	498
3 Total Services in Place	27,263	4,079	31,342	31,236
4 Idle Services (Excluding Seasonal)	214	33	247	253
5 Miles Transmission	235	53	288	288
6 Miles Distribution - Overhead	933	-	933	936
7 Miles Distribution - Underground	1,497	196	1,693	1,738
8 Total Miles In Service (5 + 6 + 7)	2,665	249	2,915	2,963

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
July 31, 2016

STATEMENT OF OPERATIONS - CONSOLIDATED

ITEM	YEAR-TO-DATE			THIS MONTH
	LAST YEAR	THIS YEAR	BUDGET	
	(a)	(b)	(c)	
1 Operating Revenue	\$ 30,612,624	\$ 31,977,055	\$ 31,514,202	\$ 3,316,347
2 Power Production Expense	69,390	80,001	95,535	8,831
3 Cost of Purchased Power & Gas	14,418,316	15,612,863	16,164,933	1,618,848
4 Transmission Operation & Maintenance	508,954	405,985	397,785	52,167
5 Regional Market Expense	-	-	-	-
6 Distribution Operation Expense	1,845,896	2,065,857	2,064,402	265,119
7 Distribution Maintenance Expense	878,191	919,809	955,431	166,459
8 Consumer Accounts Expense	496,836	502,549	546,625	65,868
9 Customer Service and Informational Expense	250,245	329,425	370,734	24,987
10 Sales Expense	-	-	-	-
11 Administrative and General Expense	1,429,525	1,405,171	1,413,500	178,318
12 Total Operation & Maintenance Expense (2 thru 11)	\$ 19,897,354	\$ 21,321,658	\$ 22,008,944	\$ 2,380,597
13 Depreciation and Amortization Expense	3,507,508	3,450,310	3,642,885	494,461
14 Tax Expense-Property	403,865	383,320	388,990	54,760
15 Tax Expense-Other	30,966	32,953	31,800	2,816
16 Interest on Long-Term Debt	3,940,353	3,431,414	3,550,282	482,594
17 Interest Charged to Construction-Credit	-	-	-	-
18 Interest Expense-Other ¹	41,600	5,719	7,000	712
19 Other Deductions	(104,386)	(104,386)	(104,386)	(14,912)
20 Total Cost of Electric Service (16 thru 23)	\$ 27,717,260	\$ 28,520,988	\$ 29,525,515	\$ 3,401,027
21 Patronage Capital & Operating Margins (3 minus 24)	\$2,895,364	\$3,456,067	\$1,988,686	(\$84,680)
22 Non Operating Margins-Interest ¹	74,773	127,412	49,000	20,606
23 Allowance for Funds Used During Construction	-	-	-	-
24 Income (Loss) from Equity Investments	-	-	-	-
25 Non Operating Margins-Other	-	42,253	-	-
26 Generation and Transmission Capital Credits	-	-	-	-
27 Other Capital Credits and Patronage Dividends	766	53,876	-	-
28 Extraordinary Items	-	-	-	-
29 Patronage Capital or Margins (21 thru 28)	\$ 2,970,904	\$ 3,679,608	\$ 2,037,686	\$ (64,073)

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	338	253	5. Miles Trans.	288	288
2. Services Retired	498	93	6. Miles Dist. - OH	936	933
3. Total Services in Place	31,236	31,342	7. Miles Dist. - UG	1,738	1,693
4. Idle Services (Exclude Seasonal)	253	247	8. Total Miles (5 + 6 + 7)	2,963	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
July 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	\$ 202,780,891	\$ 207,658,240	30 Memberships	\$ -	\$ -
2 Construction Work in Progress	705,974	3,043,523	31 Patronage Capital	54,241,212	53,858,472
3 Total Utility Plant	203,486,865	210,701,763	32 Operating Margins-Prior Years	6,259,035	2,920,444
4 Accum. Provision for Depreciation and Amort	96,027,591	94,043,190	33 Operating Margins-Current Year	3,453,050	2,895,364
5 Net Utility Plant	107,459,274	116,658,573	34 Non Operating Margins	226,558	75,539
6 Nonutility Property - Net	-	-	35 Other Margins and Equities	16,997,891	16,837,156
7 Investments in Subsidiary Companies	-	-	36 Total Margins & Equities	81,177,746	76,586,975
8 Invest. in Assoc. Org. - Patronage Capital	2,359,366	2,004,296	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	2,018,552	2,127,171	39 Long-Term Debt - Other - RUS Guaranteed	-	-
11 Investments in Economic Development Projects	2,093	2,093	40 Long-Term Debt-Other (Net)	47,894,629	50,649,815
12 Other Investments	605,467	647,379	40a Long-Term Debt-BPA Power Prepayment	127,690,253	135,878,106
13 Special Funds	-	-	41 Long-Term Debt - WY SEO (Net)	1,136,156	1,318,965
14 Total Other Property & Investments	4,992,163	4,787,624	42 Payments - Unapplied	-	-
15 Cash-General Funds	524,214	2,400,145	43 Total Long-Term Debt	176,721,038	187,846,886
16 Cash-Construction Funds-Trustee	-	-	44 Obligations under Capital Leases	-	-
17 Special Deposits	1,322,987	1,197,830	45 Accumulated Operating Provisions	-	-
18 Temporary Investments	8,149,415	3,500,000	46 Total Other Noncurrent Liabilities	-	-
19 Notes Receivable-Net	320,136	301,227	47 Notes Payable	-	0
20 Accounts Receivable-Net Sales of Energy	2,505,687	2,401,296	48 Accounts Payable	1,675,128	1,441,515
21 Accounts Receivable-Net Other	1,599,212	168,959	49 Consumers Deposits	544,618	576,233
22 Renewable Energy Credits	-	-	50 Current Maturities Long-Term Debt	11,123,994	10,748,456
23 Materials & Supplies-Electric and Other	2,264,103	1,894,765	51 Current Maturities LTD - Econ. Devel.	-	-
24 Prepayments (inc. BPA Power Prepayment)	157,980	162,256	52 Current Maturities Capital Leases	-	-
24a BPA Power Prepayment - Current	7,891,736	7,540,913	53 Other Current & Accrued Liabilities	3,360,667	2,865,574
25 Other Current & Accrued Assets	1,093,701	879,693	54 Total Current & Accrued Liabilities	16,704,407	15,631,779
26 Total Current & Accrued Assets	25,829,170	20,447,083	55 Regulatory Liabilities	-	-
27 Regulatory Assets	-	-	56 Deferred Credits	4,501,379	5,224,489
28 Other Deferred Debits	20,004,943	14,481,024	57 Total Liabilities & Other Credits	\$ 279,104,570	\$ 285,290,129
28a BPA Power Prepayment - Non-current	120,819,020	128,915,825			
29 Total Assets & Other Debits	\$ 279,104,570	\$ 285,290,129			
			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)	1,540,878	2,105,432
			60 Total Contributions-In-Aid-Of-Construction	<u>\$58,973,993</u>	<u>\$56,562,516</u>