

LOWER VALLEY ENERGY
STATEMENT OF OPERATIONS
For The Month Ended
August 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

September 20, 2016
DATE

SIGNATURE OF PRESIDENT AND CEO

September 20, 2016
DATE

STATEMENT OF OPERATIONS - CONSOLIDATED

ITEM	YEAR-TO-DATE			
	Electric	Natural Gas	Consolidated	Budget
1 Operating Revenue	\$ 30,114,586	\$ 5,119,597	\$ 35,234,183	\$ 34,745,573
2 Power Production Expense	85,814	-	85,814	104,135
3 Cost of Purchased Power/Gas Sold	15,434,966	1,582,493	17,017,459	17,497,164
4 Transmission Operation & Maintenance	329,265	129,514	458,779	460,314
5 Regional Market Expense	-	-	-	-
6 Distribution Operation Expense	2,151,444	232,907	2,384,351	2,351,171
7 Distribution Maintenance Expense	884,666	172,111	1,056,777	1,133,616
8 Consumer Accounts Expense	503,425	58,377	561,802	619,692
9 Customer Service and Informational Expense	336,686	16,978	353,664	412,024
10 Sales Expense	-	-	-	-
11 Administrative and General Expense	1,335,758	246,420	1,582,178	1,577,085
12 Total Operation & Maintenance Expense (2 thru 11)	\$ 21,062,024	\$ 2,438,801	\$ 23,500,825	\$ 24,155,200
13 Depreciation and Amortization Expense	3,106,965	838,013	3,944,978	4,164,940
14 Tax Expense-Property	297,520	140,560	438,080	444,560
15 Tax Expense-Other	28,836	7,233	36,069	34,600
16 Interest on Long-Term Debt	3,008,221	905,662	3,913,883	4,048,688
17 Interest Charged to Construction-Credit	-	-	-	-
18 Interest Expense-Other ¹	5,985	3,753	6,721	8,000
19 Other Deductions	(119,298)	-	(119,298)	(119,298)
20 Total Cost of Electric Service (16 thru 23)	\$ 27,390,254	\$ 4,334,020	\$ 31,721,258	\$ 32,736,690
21 Patronage Capital & Operating Margins (3 minus 24)	\$ 2,724,332	\$ 785,576	\$ 3,512,925	\$ 2,008,883
22 Non Operating Margins-Interest ¹	151,940	-	148,923	56,000
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	525,000
28 Extraordinary Items	-	-	-	-
29 Patronage Capital or Margins (21 thru 28)	\$ 2,964,278	\$ 793,698	\$ 3,757,977	\$ 2,589,883

DATA ON TRANSMISSION AND DISTRIBUTION

ITEM	YEAR-TO-DATE			
	Electric	Natural Gas	Consolidated	Last Year
1 New Services Connected	275	53	328	409
2 Services Retired	88	19	107	519
3 Total Services in Place	26,450	4,093	30,543	31,310
4 Idle Services (Excluding Seasonal)	215	34	249	244
5 Miles Transmission	235	53	288	288
6 Miles Distribution - Overhead	937	-	937	936
7 Miles Distribution - Underground	1,473	196	1,669	1,739
8 Total Miles In Service (5 + 6 + 7)	2,645	249	2,894	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
August 31, 2016

STATEMENT OF OPERATIONS - CONSOLIDATED

ITEM	YEAR-TO-DATE			THIS MONTH (d)
	LAST YEAR	THIS YEAR	BUDGET	
	(a)	(b)	(c)	
1 Operating Revenue	\$ 34,213,002	\$ 35,234,183	\$ 34,745,573	\$ 3,257,128
2 Power Production Expense	74,630	85,814	104,135	5,813
3 Cost of Purchased Power & Gas	15,549,853	17,017,459	17,497,164	1,404,596
4 Transmission Operation & Maintenance	584,547	458,779	460,314	52,795
5 Regional Market Expense	-	-	-	-
6 Distribution Operation Expense	2,104,234	2,384,351	2,351,171	318,494
7 Distribution Maintenance Expense	1,015,190	1,056,777	1,133,616	136,969
8 Consumer Accounts Expense	561,574	561,802	619,692	59,254
9 Customer Service and Informational Expense	270,799	353,664	412,024	24,239
10 Sales Expense	-	-	-	-
11 Administrative and General Expense	1,568,869	1,582,178	1,577,085	177,667
12 Total Operation & Maintenance Expense (2 thru 11)	\$ 21,729,694	\$ 23,500,825	\$ 24,155,200	\$ 2,179,827
13 Depreciation and Amortization Expense	4,011,029	3,944,978	4,164,940	494,668
14 Tax Expense-Property	461,560	438,080	444,560	54,760
15 Tax Expense-Other	33,704	36,069	34,600	3,116
16 Interest on Long-Term Debt	4,495,356	3,913,883	4,048,688	482,469
17 Interest Charged to Construction-Credit	-	-	-	-
18 Interest Expense-Other ¹	45,773	6,721	8,000	1,002
19 Other Deductions	(119,298)	(119,298)	(119,298)	(14,912)
20 Total Cost of Electric Service (16 thru 23)	\$ 30,657,819	\$ 31,721,258	\$ 32,736,690	\$ 3,200,930
21 Patronage Capital & Operating Margins (3 minus 24)	\$3,555,183	\$3,512,925	\$2,008,883	\$56,198
22 Non Operating Margins-Interest ¹	85,406	148,923	56,000	21,511
23 Allowance for Funds Used During Construction	-	-	-	-
24 Income (Loss) from Equity Investments	-	-	-	-
25 Non Operating Margins-Other	1,700	42,253	-	-
26 Generation and Transmission Capital Credits	-	-	-	-
27 Other Capital Credits and Patronage Dividends	590,324	53,876	525,000	-
28 Extraordinary Items	-	-	-	-
29 Patronage Capital or Margins (21 thru 28)	\$ 4,232,613	\$ 3,757,977	\$ 2,589,883	\$ 77,709

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	328	5. Miles Trans.	288	288
2. Services Retired	519	107	6. Miles Dist. - OH	936	937
3. Total Services in Place	31,310	30,543	7. Miles Dist. - UG	1,739	1,669
4. Idle Services (Exclude Seasonal)	244	249	8. Total Miles (5 + 6 + 7)	2,963	2,894

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
August 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	\$ 202,923,116	\$ 207,858,594	30 Memberships	\$ -	\$ -
2 Construction Work in Progress	1,122,770	3,301,064	31 Patronage Capital	54,189,808	53,699,422
3 Total Utility Plant	204,045,886	211,159,658	32 Operating Margins-Prior Years	6,259,035	2,920,444
4 Accum. Provision for Depreciation and Amort	96,542,928	94,569,192	33 Operating Margins-Current Year	3,509,248	3,555,183
5 Net Utility Plant	107,502,958	116,590,466	34 Non Operating Margins	248,069	677,430
6 Nonutility Property - Net	-	-	35 Other Margins and Equities	16,972,974	16,943,220
7 Investments in Subsidiary Companies	-	-	36 Total Margins & Equities	81,179,134	77,795,700
8 Invest. in Assoc. Org. - Patronage Capital	2,359,366	2,593,854	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)	47,355,089	49,777,516
12 Other Investments	605,467	646,574	40a Long-Term Debt-BPA Power Prepayment	126,993,900	135,207,510
13 Special Funds	-	-	41 Long-Term Debt - WY SEO (Net)	1,136,156	1,318,965
14 Total Other Property & Investments	4,992,163	5,376,377	42 Payments - Unapplied	-	-
15 Cash-General Funds	365,717	598,295	43 Total Long-Term Debt	175,485,145	186,303,991
16 Cash-Construction Funds-Trustee	-	-	44 Obligations under Capital Leases	-	-
17 Special Deposits	1,323,008	1,198,657	45 Accumulated Operating Provisions	-	-
18 Temporary Investments	6,621,486	4,072,956	46 Total Other Noncurrent Liabilities	-	-
19 Notes Receivable-Net	329,493	296,169	47 Notes Payable	-	0
20 Accounts Receivable-Net Sales of Energy	2,623,679	2,498,799	48 Accounts Payable	1,507,121	1,382,340
21 Accounts Receivable-Net Other	1,328,911	443,449	49 Consumers Deposits	525,872	580,497
22 Renewable Energy Credits	-	-	50 Current Maturities Long-Term Debt	10,818,847	10,830,546
23 Materials & Supplies-Electric and Other	2,195,225	2,015,873	51 Current Maturities LTD - Econ. Devel.	-	-
24 Prepayments (inc. BPA Power Prepayment)	187,337	132,458	52 Current Maturities Capital Leases	-	-
24a BPA Power Prepayment - Current	7,891,736	7,540,913	53 Other Current & Accrued Liabilities	3,156,161	2,832,650
25 Other Current & Accrued Assets	1,137,279	1,458,601	54 Total Current & Accrued Liabilities	16,008,001	15,626,033
26 Total Current & Accrued Assets	24,003,871	20,256,170	55 Regulatory Liabilities	-	-
27 Regulatory Assets	-	-	56 Deferred Credits	3,910,516	5,191,622
28 Other Deferred Debits	19,926,122	14,410,446	57 Total Liabilities & Other Credits	\$ 276,582,797	\$ 284,917,345
28a BPA Power Prepayment - Non-current	120,157,683	128,283,887			
29 Total Assets & Other Debits	\$ 276,582,797	\$ 284,917,345			
			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)	1,835,915	2,290,194
			60 Total Contributions-In-Aid-Of-Construction	\$59,269,030	\$56,747,278