

LOWER VALLEY ENERGY
STATEMENT OF OPERATIONS

For The Month Ended
November 30, 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 ACCOUNTING MANAGER

December 22, 2016
DATE

SIGNATURE OF PRESIDENT AND CEO

December 22, 2016
DATE

STATEMENT OF OPERATIONS - CONSOLIDATED

ITEM	YEAR-TO-DATE			
	Electric	Natural Gas	Consolidated	Budget
1 Operating Revenue	\$ 40,418,409	\$ 6,926,865	\$ 47,345,273	\$ 46,884,624
2 Power Production Expense	113,034	-	113,034	139,344
3 Cost of Purchased Power/Gas Sold	20,623,978	2,177,675	22,801,653	23,189,736
4 Transmission Operation & Maintenance	523,840	158,243	682,084	634,665
5 Regional Market Expense	-	-	-	-
6 Distribution Operation Expense	2,765,726	281,105	3,046,832	3,113,639
7 Distribution Maintenance Expense	1,240,986	204,392	1,445,377	1,502,491
8 Consumer Accounts Expense	660,749	75,483	736,233	836,076
9 Customer Service and Informational Expense	389,883	21,803	411,685	571,025
10 Sales Expense	-	-	-	-
11 Administrative and General Expense	1,727,751	302,911	2,030,662	2,100,121
12 Total Operation & Maintenance Expense (2 thru 11)	\$ 28,045,947	\$ 3,221,613	\$ 31,267,560	\$ 32,087,097
13 Depreciation and Amortization Expense	4,279,505	1,152,708	5,432,213	5,740,995
14 Tax Expense-Property	434,324	197,407	631,731	611,270
15 Tax Expense-Other	38,073	8,980	47,053	45,800
16 Interest on Long-Term Debt	4,099,388	1,240,888	5,340,276	5,524,645
17 Interest Charged to Construction-Credit	-	-	-	-
18 Interest Expense-Other ¹	7,773	4,313	8,672	11,000
19 Other Deductions	(164,035)	-	(164,035)	(164,035)
20 Total Cost of Electric Service (16 thru 23)	\$ 36,740,976	\$ 5,825,909	\$ 42,563,471	\$ 43,856,772
21 Patronage Capital & Operating Margins (3 minus 24)	\$ 3,677,433	\$ 1,100,956	\$ 4,781,803	\$ 3,027,852
22 Non Operating Margins-Interest ¹	216,868	-	213,454	77,000
23 Allowance for Funds Used During Construction	-	-	-	-
24 Income (Loss) from Equity Investments	-	-	-	-
25 Non Operating Margins-Other	54,631	8,122	62,753	10,000
26 Generation and Transmission Capital Credits	-	-	-	-
27 Other Capital Credits and Patronage Dividends	481,400	108,843	590,244	525,000
28 Extraordinary Items	-	-	-	-
29 Patronage Capital or Margins (21 thru 28)	\$ 4,430,331	\$ 1,217,921	\$ 5,648,253	\$ 3,639,852

DATA ON TRANSMISSION AND DISTRIBUTION

ITEM	YEAR-TO-DATE			
	Electric	Natural Gas	Consolidated	Last Year
1 New Services Connected	426	112	538	568
2 Services Retired	128	22	150	578
3 Total Services in Place	27,437	4,137	31,574	31,371
4 Idle Services (Excluding Seasonal)	225	34	259	257
5 Miles Transmission	235	53	288	288
6 Miles Distribution - Overhead	937	-	937	936
7 Miles Distribution - Underground	1,476	196	1,673	1,739
8 Total Miles In Service (5 + 6 + 7)	2,648	249	2,897	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
November 30, 2016

STATEMENT OF OPERATIONS - CONSOLIDATED

ITEM	YEAR-TO-DATE			THIS MONTH
	LAST YEAR	THIS YEAR	BUDGET	
	(a)	(b)	(c)	
1 Operating Revenue	\$ 45,823,698	\$ 47,345,273	\$ 46,884,624	\$ 4,648,445
2 Power Production Expense	97,541	113,034	139,344	8,805
3 Cost of Purchased Power & Gas	20,991,242	22,801,653	23,189,736	2,206,609
4 Transmission Operation & Maintenance	772,355	682,084	634,665	43,327
5 Regional Market Expense	-	-	-	-
6 Distribution Operation Expense	2,857,714	3,046,832	3,113,639	220,985
7 Distribution Maintenance Expense	1,350,119	1,445,377	1,502,491	83,342
8 Consumer Accounts Expense	770,062	736,233	836,076	66,193
9 Customer Service and Informational Expense	333,347	411,685	571,025	22,325
10 Sales Expense	-	-	-	-
11 Administrative and General Expense	2,075,460	2,030,662	2,100,121	119,347
12 Total Operation & Maintenance Expense (2 thru 11)	\$ 29,247,841	\$ 31,267,560	\$ 32,087,097	\$ 2,770,933
13 Depreciation and Amortization Expense	5,533,357	5,432,213	5,740,995	496,314
14 Tax Expense-Property	625,840	631,731	611,270	64,550
15 Tax Expense-Other	44,165	47,053	45,800	4,221
16 Interest on Long-Term Debt	6,081,485	5,340,276	5,524,645	475,382
17 Interest Charged to Construction-Credit	-	-	-	-
18 Interest Expense-Other ¹	55,207	8,672	11,000	671
19 Other Deductions	(164,035)	(164,035)	(164,035)	(14,912)
20 Total Cost of Electric Service (16 thru 23)	\$ 41,423,860	\$ 42,563,471	\$ 43,856,772	\$ 3,797,158
21 Patronage Capital & Operating Margins (3 minus 24)	\$4,399,838	\$4,781,803	\$3,027,852	\$851,287
22 Non Operating Margins-Interest ¹	116,675	213,454	77,000	21,706
23 Allowance for Funds Used During Construction	-	-	-	-
24 Income (Loss) from Equity Investments	-	-	-	-
25 Non Operating Margins-Other	1,355	62,753	10,000	-
26 Generation and Transmission Capital Credits	-	-	-	-
27 Other Capital Credits and Patronage Dividends	590,324	590,244	525,000	-
28 Extraordinary Items	-	-	-	-
29 Patronage Capital or Margins (21 thru 28)	\$ 5,108,191	\$ 5,648,253	\$ 3,639,852	\$ 872,993

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	568	538	5. Miles Trans.	288	288
2. Services Retired	578	150	6. Miles Dist. - OH	936	937
3. Total Services in Place	31,371	31,574	7. Miles Dist. - UG	1,739	1,673
4. Idle Services (Exclude Seasonal)	257	259	8. Total Miles (5 + 6 + 7)	2,963	2,897

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
November 30, 2016

CONSOLIDATED

ASSETS AND OTHER DEBITS			LIABILITIES AND OTHER CREDITS		
	Current Year	Prior Year		Current Year	Prior Year
1 Total Utility Plant in Service	\$ 203,299,510	\$ 209,686,412	30 Memberships	\$ -	\$ -
2 Construction Work in Progress	1,222,647	2,315,160	31 Patronage Capital	58,297,619	54,434,448
3 Total Utility Plant	204,522,157	212,001,572	32 Operating Margins-Prior Years	-	-
4 Accum. Provision for Depreciation and Amort	98,107,492	95,965,398	33 Operating Margins-Current Year	4,778,389	4,394,173
5 Net Utility Plant	106,414,665	116,036,174	34 Non Operating Margins	869,864	708,353
6 Nonutility Property - Net	-	-	35 Other Margins and Equities	17,548,494	17,156,163
7 Investments in Subsidiary Companies	-	-	36 Total Margins & Equities	81,494,366	76,693,137
8 Invest. in Assoc. Org. - Patronage Capital	2,628,797	2,299,075	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)	46,867,926	49,261,295
12 Other Investments	602,133	631,720	40a Long-Term Debt-BPA Power Prepayment	124,891,668	133,183,038
13 Special Funds	-	-	41 Long-Term Debt - WY SEO (Net)	2,136,156	1,318,965
14 Total Other Property & Investments	5,258,261	5,066,744	42 Payments - Unapplied	-	-
15 Cash-General Funds	703,318	676,151	43 Total Long-Term Debt	173,895,750	183,763,298
16 Cash-Construction Funds-Trustee	-	-	44 Obligations under Capital Leases	-	-
17 Special Deposits	2,329,695	1,210,233	45 Accumulated Operating Provisions	-	-
18 Temporary Investments	7,517,413	4,172,386	46 Total Other Noncurrent Liabilities	-	-
19 Notes Receivable-Net	353,655	299,319	47 Notes Payable	-	0
20 Accounts Receivable-Net Sales of Energy	2,899,210	2,984,472	48 Accounts Payable	2,311,538	2,239,164
21 Accounts Receivable-Net Other	1,749,268	496,464	49 Consumers Deposits	531,467	601,781
22 Renewable Energy Credits	-	-	50 Current Maturities Long-Term Debt	10,867,550	10,911,508
23 Materials & Supplies-Electric and Other	2,253,540	2,057,067	51 Current Maturities LTD - Econ. Devel.	-	-
24 Prepayments (inc. BPA Power Prepayment)	125,921	102,508	52 Current Maturities Capital Leases	-	-
24a BPA Power Prepayment - Current	7,891,736	7,540,913	53 Other Current & Accrued Liabilities	4,660,148	4,563,464
25 Other Current & Accrued Assets	1,962,665	2,215,981	54 Total Current & Accrued Liabilities	18,370,703	18,315,917
26 Total Current & Accrued Assets	27,786,422	21,755,493	55 Regulatory Liabilities	-	-
27 Regulatory Assets	-	-	56 Deferred Credits	3,580,117	4,714,012
28 Other Deferred Debits	19,723,018	14,254,310	57 Total Liabilities & Other Credits	\$ 277,340,935	\$ 283,486,364
28a BPA Power Prepayment - Non-current	118,158,569	126,373,643			
29 Total Assets & Other Debits	\$ 277,340,935	\$ 283,486,364			
			ESTIMATED CONTRIBUTIONS-IN-AID-OF-CONSTRUCTION		
			58 Balance Beginning of Year (1978 Thru 2015)	\$57,433,115	\$54,457,084
			59 Amounts Received This Year (Net)	3,093,096	2,936,393
			60 Total Contributions-In-Aid-Of-Construction	<u>\$60,526,212</u>	<u>\$57,393,477</u>