

LOWER VALLEY ENERGY
STATEMENT OF OPERATIONS

For The Month Ended
January 31, 2017

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

March 3, 2017

DATE

SIGNATURE OF PRESIDENT AND CEO

March 3, 2017

DATE

STATEMENT OF OPERATIONS - CONSOLIDATED

ITEM	YEAR-TO-DATE			
	Electric	Natural Gas	Consolidated	Budget
1 Operating Revenue	\$ 6,366,364	\$ 1,610,532	\$ 7,976,896	\$ 7,246,362
2 Power Production Expense	3,694	-	3,694	15,850
3 Cost of Purchased Power/Gas Sold	3,865,155	634,919	4,500,074	4,382,925
4 Transmission Operation & Maintenance	31,103	9,969	41,072	55,061
5 Regional Market Expense	-	-	-	-
6 Distribution Operation Expense	303,589	34,456	338,046	344,312
7 Distribution Maintenance Expense	106,215	13,300	119,515	116,138
8 Consumer Accounts Expense	57,183	7,524	64,707	68,245
9 Customer Service and Informational Expense	18,432	1,629	20,061	32,672
10 Sales Expense	-	-	-	-
11 Administrative and General Expense	112,589	28,390	140,979	334,247
12 Total Operation & Maintenance Expense (2 thru 11)	\$ 4,497,962	\$ 730,186	\$ 5,228,148	\$ 5,349,450
13 Depreciation and Amortization Expense	389,000	105,429	494,429	507,195
14 Tax Expense-Property	45,601	18,949	64,550	59,370
15 Tax Expense-Other	5,137	2,028	7,165	7,200
16 Interest on Long-Term Debt	357,417	110,946	468,364	471,740
17 Interest Charged to Construction-Credit	-	-	-	-
18 Interest Expense-Other ¹	791	59	850	2,000
19 Other Deductions	(14,912)	-	(14,912)	(14,915)
20 Total Cost of Electric Service (16 thru 23)	\$ 5,280,996	\$ 967,598	\$ 6,248,594	\$ 6,382,040
21 Patronage Capital & Operating Margins (3 minus 24)	\$ 1,085,369	\$ 642,934	\$ 1,728,303	\$ 864,322
22 Non Operating Margins-Interest ¹	23,290	-	23,290	17,423
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)	\$ 1,108,658	\$ 642,934	\$ 1,751,592	\$ 881,745

DATA ON TRANSMISSION AND DISTRIBUTION

ITEM	YEAR-TO-DATE			
	Electric	Natural Gas	Consolidated	Last Year
1 New Services Connected	26	10	36	173
2 Services Retired	5	-	5	30
3 Total Services in Place	27,524	4,162	31,686	31,461
4 Idle Services (Excluding Seasonal)	230	35	265	257
5 Miles Transmission	235	53	288	288
6 Miles Distribution - Overhead	935	-	935	933
7 Miles Distribution - Underground	1,485	210	1,695	1,725
8 Total Miles In Service (5 + 6 + 7)	2,655	263	2,918	2,946

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, 2017

STATEMENT OF OPERATIONS - CONSOLIDATED

ITEM	YEAR-TO-DATE			THIS MONTH (d)
	LAST YEAR	THIS YEAR	BUDGET	
	(a)	(b)	(c)	
1 Operating Revenue	\$ 6,892,841	\$ 7,976,896	\$ 7,246,362	\$ 7,976,896
2 Power Production Expense	14,070	3,694	15,850	3,694
3 Cost of Purchased Power & Gas	3,834,249	4,500,074	4,382,925	4,500,074
4 Transmission Operation & Maintenance	44,252	41,072	55,061	41,072
5 Regional Market Expense	-	-	-	-
6 Distribution Operation Expense	304,590	338,046	344,312	338,046
7 Distribution Maintenance Expense	94,588	119,515	116,138	119,515
8 Consumer Accounts Expense	69,542	64,707	68,245	64,707
9 Customer Service and Informational Expense	24,581	20,061	32,672	20,061
10 Sales Expense	-	-	-	-
11 Administrative and General Expense	182,992	140,979	334,247	140,979
12 Total Operation & Maintenance Expense (2 thru 11)	\$ 4,568,864	\$ 5,228,148	\$ 5,349,450	\$ 5,228,148
13 Depreciation and Amortization Expense	491,354	494,429	507,195	494,429
14 Tax Expense-Property	54,760	64,550	59,370	64,550
15 Tax Expense-Other	7,001	7,165	7,200	7,165
16 Interest on Long-Term Debt	496,685	468,364	471,740	468,364
17 Interest Charged to Construction-Credit	-	-	-	-
18 Interest Expense-Other ¹	2,923	850	2,000	850
19 Other Deductions	(14,912)	(14,912)	(14,915)	(14,912)
20 Total Cost of Electric Service (16 thru 23)	\$ 5,606,673	\$ 6,248,594	\$ 6,382,040	\$ 6,248,594
21 Patronage Capital & Operating Margins (3 minus 24)	\$1,286,167	\$1,728,303	\$864,322	\$1,728,303
22 Non Operating Margins-Interest ¹	19,762	23,290	17,423	23,290
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)	\$ 1,305,929	\$ 1,751,592	\$ 881,745	\$ 1,751,592

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	173	36	5. Miles Trans.	288	288
2. Services Retired	30	5	6. Miles Dist. - OH	933	935
3. Total Services in Place	31,461	31,686	7. Miles Dist. - UG	1,725	1,695
4. Idle Services (Exclude Seasonal)	257	265	8. Total Miles (5 + 6 + 7)	2,946	2,918

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, 2017

CONSOLIDATED

ASSETS AND OTHER DEBITS			LIABILITIES AND OTHER CREDITS		
	Current Year	Prior Year		Current Year	Prior Year
1 Total Utility Plant in Service	\$ 220,507,602	\$ 218,429,840	30 Memberships	\$ -	\$ -
2 Construction Work in Progress	630,531	253,182	31 Patronage Capital	57,899,926	60,817,658
3 Total Utility Plant	221,138,133	218,683,022	32 Operating Margins-Prior Years	6,659,375	-
4 Accum. Provision for Depreciation and Amort	98,537,002	92,960,803	33 Operating Margins-Current Year	1,728,303	1,286,167
5 Net Utility Plant	122,601,130	125,722,219	34 Non Operating Margins	23,290	19,762
6 Nonutility Property - Net	-	-	35 Other Margins and Equities	17,804,060	16,896,855
7 Investments in Subsidiary Companies	-	-	36 Total Margins & Equities	84,114,953	79,020,442
8 Invest. in Assoc. Org. - Patronage Capital	2,614,741	2,317,970	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	2,017,692	2,019,375	39 Long-Term Debt - Other - RUS Guaranteed	-	-
11 Investments in Economic Development Projects	2,093	2,093	40 Long-Term Debt-Other (Net)	46,812,165	49,117,468
12 Other Investments	590,000	630,000	40a Long-Term Debt-BPA Power Prepayment	123,479,135	131,822,755
13 Special Funds	-	-	41 Long-Term Debt - WY SEO (Net)	1,136,156	1,318,965
14 Total Other Property & Investments	5,231,211	4,976,124	41a Long-Term Debt - REDL&G	1,000,000	-
15 Cash-General Funds	1,159,001	516,970	42 Payments - Unapplied	-	-
16 Cash-Construction Funds-Trustee	-	-	43 Total Long-Term Debt	172,427,456	182,259,188
17 Special Deposits	2,328,834	1,299,541	44 Obligations under Capital Leases	-	-
18 Temporary Investments	8,131,551	4,576,110	45 Accumulated Operating Provisions	-	-
19 Notes Receivable-Net	349,895	335,103	46 Total Other Noncurrent Liabilities	-	-
20 Accounts Receivable-Net Sales of Energy	6,101,868	5,924,950	47 Notes Payable	-	-
21 Accounts Receivable-Net Other	367,148	806,917	48 Accounts Payable	4,278,003	4,202,936
22 Renewable Energy Credits	-	-	49 Consumers Deposits	533,677	610,640
23 Materials & Supplies-Electric and Other	1,671,134	1,640,918	50 Current Maturities Long-Term Debt	2,259,212	10,945,242
24 Prepayments (inc. BPA Power Prepayment)	310,898	388,860	50a Current Maturities LTD (BPA Prepay)	8,664,099	-
24a BPA Power Prepayment - Current	8,258,881	7,891,736	51 Current Maturities LTD - Econ. Devel.	-	-
25 Other Current & Accrued Assets	3,059,086	2,579,031	52 Current Maturities Capital Leases	-	-
26 Total Current & Accrued Assets	31,738,295	25,960,137	53 Other Current & Accrued Liabilities	3,091,987	3,030,955
27 Regulatory Assets	-	-	54 Total Current & Accrued Liabilities	18,826,976	18,789,772
28 Other Deferred Debits	3,425,417	3,560,869	55 Regulatory Liabilities	-	-
28a BPA Power Prepayment - Non-current	116,446,000	124,734,843	56 Deferred Credits	4,072,668	4,884,789
29 Total Assets & Other Debits	\$ 279,442,053	\$ 284,954,191	57 Total Liabilities & Other Credits	\$ 279,442,053	\$ 284,954,191
ESTIMATED CONTRIBUTIONS-IN-AID-OF-CONSTRUCTION					
58 Balance Beginning of Year (1978 Thru 2015)				\$60,642,009	\$57,433,118
59 Amounts Received This Year (Net)				17,643	59,588
60 Total Contributions-In-Aid-Of-Construction				<u>\$60,659,652</u>	<u>\$57,492,706</u>

LOWER VALLEY ENERGY, INC.
NOTES TO FINANCIAL STATEMENTS

As of
January 31, 2017

THE SPACE BELOW IS PROVIDED FOR IMPORTANT NOTES REGARDING THE FINANCIAL STATEMENT CONTAINED IN THIS REPORT.

	2017		2016	
	December	January	December	January
1 Cost of Power & Gas				
Cost from Income Statement		\$ 4,500,074		\$ 3,834,249
Plus: Interest on BPA Prepayment Loan		339,485		362,222
Total Cost of Power with BPA Interest		<u>\$ 4,839,559</u>		<u>\$ 4,196,471</u>
2 Current Assets/Liabilities	1.66	1.69	1.69	1.38
3 Equity	29.54%	30.10%	30.10%	27.73%
Equity excluding BPA Power Prepayment	53.22%	53.93%	53.93%	51.60%
4 Long Term Debt as a % of Plant	83.26%	82.91%	82.91%	88.35%
5 Debt Service Coverage	1.13	2.31	1.15	0.19
6 Inventory Turnover - Electric (Dist & Trans)				
Dollar Value	0.41	0.51	0.80	0.63
Quantity	0.83	0.97	1.44	1.25
7 Intercompany Receivables/(Payables) :				
Combined Gas Division due to Electric	\$ (81,902)	\$ 344,900	\$ (1,348,802)	\$ (832,060)
less: Teton Village CIA Receivable	1,383,964	1,343,122	1,482,693	1,448,491
Net Balance	<u>\$ 1,302,062</u>	<u>\$ 1,688,022</u>	<u>\$ 133,892</u>	<u>\$ 616,431</u>
8 Total Shared Overhead - Gas Division	<u>343,186</u>	<u>19,341</u>	<u>356,771</u>	<u>22,399</u>
9 Total Shared Overheads - Beartooth Electric	<u>577,895</u>	<u>49,156</u>	<u>417,874</u>	<u>47,523</u>
10 Material Inventory:				
Material	2,253,540	1,671,134	1,655,081	1,640,918
Special Equip.	2,332,435	2,322,352	2,294,197	2,313,392
Total Material	<u>4,585,975</u>	<u>3,993,486</u>	<u>3,949,278</u>	<u>3,954,310</u>
11 Inventory Carrying Cost (YTD)	<u>58,713</u>	<u>4,010</u>	<u>52,395</u>	<u>3,983</u>
12 Aged Accounts Receivable (Over 60 Days):	<u>14,258</u>	<u>13,248</u>	<u>14,144</u>	<u>14,302</u>
13 LVE has a \$12 Million dollar line of credit with CFC, and a \$5 Million line of credit with 1st Bank to meet short term cash needs.				
CFC line of credit balance is:		\$ -		
1st Bank line of credit balance is:		-		
Total lines of credit		<u>\$ -</u>		

LOWER VALLEY ENERGY, INC
STATEMENT OF CASH FLOWS
For The Month Ended
January 31, 2017

CONSOLIDATED

	YEAR TO DATE	BUDGET	THIS MONTH
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net Margins	\$ 1,751,592	\$ 881,745	\$ 1,751,592
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:			
Depreciation Expense	494,429	507,195	494,429
Decrease/(Increase) in:			
Special Deposits	(23)	-	(23)
Accounts Receivable	41,038	-	41,038
Other Accounts Receivable	618,189	-	618,189
Materials & Supplies	(63,932)	-	(63,932)
Prepayments	(257,682)	-	(257,682)
BPA Prepayment	673,987	476,013	673,987
Other Current Assets	331,825	-	331,826
Other Deferred Debits	(57,731)	7,920	(57,731)
Increase/(Decrease) in:			
Accounts Payable (excluding line of credit)	815,511	-	815,511
Consumer Deposits	5,892	-	5,892
Other Current Liabilities	(641,619)	-	(641,619)
Deferred Credits	(1,159,263)	(32,062)	(1,159,263)
Net cash provided by operating activities	2,552,215	1,840,811	2,552,215
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of Fixed Assets Net of Retirements	(31,433)	(106,353)	(31,433)
Change in Notes Receivable	(1,705)	-	(1,705)
Change in Investments in Associated Organizations	860	-	860
Change in Investments in Economic Development Projects	-	-	-
Change in Temporary Investments	(560,556)	-	(560,556)
Change in Other Investments	-	-	-
Net cash provided/(used) by investing activities	(592,835)	(106,353)	(592,835)
CASH FLOWS FROM FINANCING AND CAPITAL CREDIT ACTIVITIES:			
Change in Capital Credits	(93,004)	(125,000)	(93,004)
Change in Line of Credit	-	-	-
Change in Long-term Debt	(707,376)	(818,954)	(707,376)
Net cash provided/(used) by financing and capital credit activities	(800,379)	(943,954)	(800,379)
Total change in cash	1,159,001	790,504	1,159,001
Beginning cash	-	7,000,000	-
Ending cash	\$ 1,159,001	\$ 7,790,504	\$ 1,159,001
Add: Temporary investments	8,131,551		
Ending cash and temporary investments	\$ 9,290,552		

LOWER VALLEY ENERGY, INC
SUMMARY OF DEFERRED DEBITS & CREDITS

As of
January 31, 2017

CONSOLIDATED

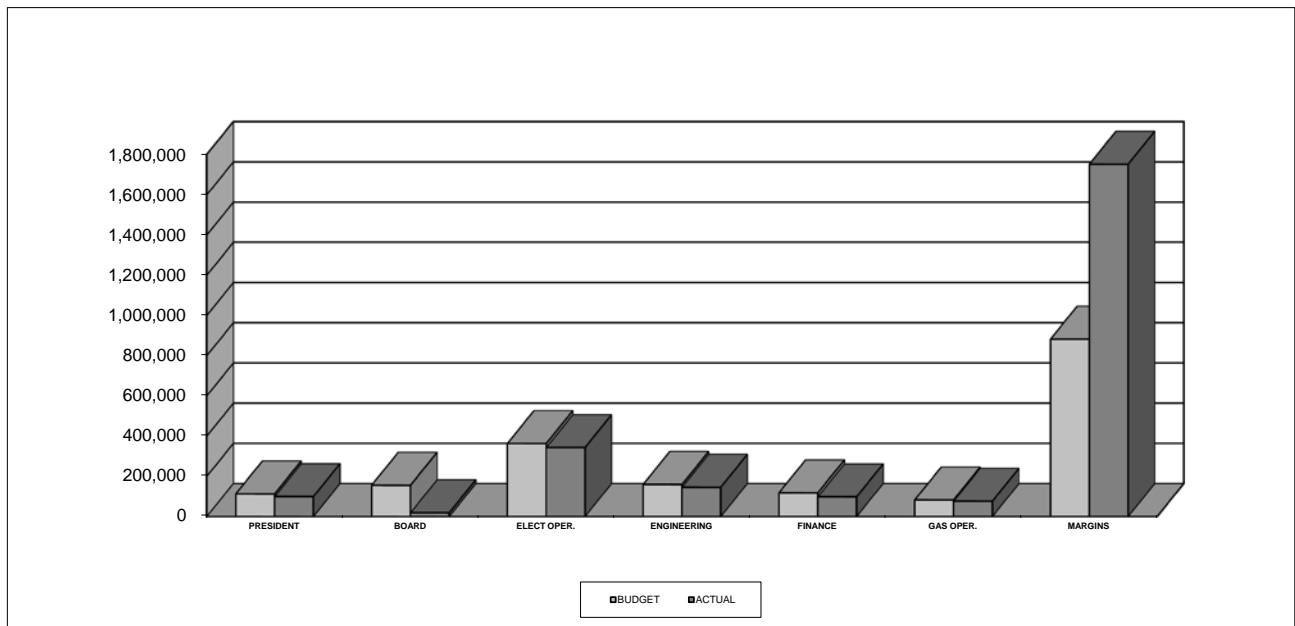
	YEAR TO DATE	PRIOR MONTH	PRIOR YEAR
Deferred Debits - Electric Division			
Transportation Expense Clearing	\$ -	\$ -	\$ -
CFC Repricing Fees	423,205	424,544	439,276
Vehicle Clearing Account	-	-	-
Town of Afton Swift Creek Receivable	31,576	23,302	30,910
	454,780	447,846	470,185
Deferred Debits - Gas Division			
CFC Repricing Fees	1,529,298	1,535,876	1,608,231
Teton Village Contribution in Aid Rec.	1,343,122	1,383,964	1,448,491
Propane Fuel Balancing Account	-	-	-
Natural Gas Fuel Balancing Account	98,216	-	33,962
	2,970,636	2,919,840	3,090,684
Total Deferred Debits	\$ 3,425,417	\$ 3,367,686	\$ 3,560,869
Deferred Credits - Electric Division			
Horse Butte Wind Payment from Eagle Mountain	\$ 3,172,281	\$ 3,189,429	\$ 3,602,808
Conservation Expenditures	(83,137)	-	(317,178)
Conservation - Loan Loss Reserve	200,000	200,000	200,000
Conservation Funds	289,555	289,555	275,699
Prepaid Revenue-Gift Certificates	3,320	4,020	4,290
Unamortized Gain on Debt Discount	10,224	25,136	189,171
Boardman liability	480,425	480,425	930,000
	4,072,668	5,188,272	4,884,789
Deferred Credits - Gas Division			
Natural Gas Fuel Balancing Account	-	-	-
	-	43,659	-
Total Deferred Credits	\$ 4,072,668	\$ 5,231,931	\$ 4,884,789

Lower Valley Energy
 Consolidated Budget vs. Actual Comparison
 For The Month Ended
 January 31, 2017

ITEM	2017 Total			YTD Variance	% Variance
	Budget	YTD Actual	YTD Budget		
1 Operating Revenue	\$ 53,654,363	\$ 7,976,896	\$ 7,246,362	\$ 730,534	10.08%
2 Power Production Expense	152,585	3,694	15,850	(12,155)	-76.69%
3 Cost of Purchased Power	26,431,653	4,500,074	4,382,925	117,149	2.67%
4 Transmission Operation & Maintenance	692,611	41,072	55,061	(13,989)	-25.41%
5 Regional Market Expense	-	-	-	-	0.00%
6 Distribution Operation Expense	3,403,728	338,046	344,312	(6,266)	-1.82%
7 Distribution Maintenance Expense	1,603,716	119,515	116,138	3,377	2.91%
8 Consumer Accounts Expense	909,065	64,707	68,245	(3,538)	-5.18%
9 Customer Service and Informational Expense	633,249	20,061	32,672	(12,611)	-38.60%
10 Sales Expense	-	-	-	-	0.00%
11 Administrative and General Expense	2,616,832	140,979	334,247	(193,268)	-57.82%
12 Total Operation & Maintenance Expense (2 thru 11)	36,443,439	5,228,148	5,349,450	(121,302)	-2.27%
13 Depreciation and Amortization Expense	6,267,080	494,429	507,195	(12,766)	-2.52%
14 Tax Expense-Property	666,840	64,550	59,370	5,180	8.73%
15 Tax Expense-Other	51,900	7,165	7,200	(35)	-0.49%
16 Interest on Long-Term Debt	6,011,788	468,364	471,740	(3,376)	-0.72%
17 Interest Charged to Construction-Credit	-	-	-	-	0.00%
18 Interest Expense-Other	84,000	850	2,000	(1,150)	-57.49%
19 Other Deductions	(178,947)	(14,912)	(14,915)	3	-0.02%
20 Total Cost of Electric Service (12 thru 19)	49,346,100	6,248,594	6,382,040	(133,447)	-2.09%
21 Patronage Capital & Operating Margins (1 minus 20)	4,308,263	1,728,303	864,322	863,981	99.96%
22 Non Operating Margins-Interest	156,000	23,290	17,423	5,867	33.67%
23 Allowance for Funds Used During Construction	-	-	-	-	0.00%
24 Income (Loss) from Equity Investments	-	-	-	-	0.00%
25 Non Operating Margins-Other	10,000	-	-	-	0.00%
26 Generation and Transmission Capital Credits	-	-	-	-	0.00%
27 Other Capital Credits and Patronage Dividends	525,000	-	-	-	0.00%
28 Extraordinary Items	-	-	-	-	0.00%
29 Patronage Capital or Margins (21 thru 28)	\$ 4,999,263	\$ 1,751,592	\$ 881,745	\$ 869,848	98.65%

Tier - Oper.	1.72	4.69	2.83
Tier - Total	1.83	4.74	2.87

BUDGET BY DEPARTMENT



LOWER VALLEY ENERGY
STATEMENT OF OPERATIONS
For The Month Ended
January 31, 2017

ELECTRIC DIVISION

ITEM	YEAR-TO-DATE			THIS MONTH
	LAST YEAR	THIS YEAR	BUDGET	
	(a)	(b)	(c)	
1 Operating Revenue and Patronage Capital	\$ 5,632,737	\$ 6,366,364	\$ 5,857,862	\$ 6,366,364
2 Power Production Expense	14,070	3,694	15,850	3,694
3 Cost of Purchased Power	3,457,068	3,865,155	3,840,376	3,865,155
4 Transmission Operation & Maintenance	27,381	31,103	38,738	31,103
5 Regional Market Expense	-	-	-	-
6 Distribution Operation Expense	265,152	303,589	310,367	303,589
7 Distribution Maintenance Expense	77,729	106,215	98,549	106,215
8 Consumer Accounts Expense	62,667	57,183	58,170	57,183
9 Customer Service and Informational Expense	22,970	18,432	30,048	18,432
10 Sales Expense	-	-	-	-
11 Administrative and General Expense	146,293	112,589	270,394	112,589
12 Total Operation & Maintenance Expense (2 thru 11)	\$ 4,073,330	\$ 4,497,962	\$ 4,662,492	\$ 4,497,962
13 Depreciation and Amortization Expense	386,850	389,000	401,680	389,000
14 Tax Expense-Property	37,190	45,601	41,770	45,601
15 Tax Expense-Other	5,125	5,137	5,300	5,137
16 Interest on Long-Term Debt	382,608	357,417	360,790	357,417
17 Interest Charged to Construction-Credit	-	-	-	-
18 Interest Expense-Other	848	791	1,200	791
19 Other Deductions	(14,912)	(14,912)	(14,915)	(14,912)
20 Total Cost of Electric Service (12 thru 19)	\$ 4,871,039	\$ 5,280,996	\$ 5,458,317	\$ 5,280,996
21 Patronage Capital & Operating Margins (1 minus 20)	\$ 761,698	\$ 1,085,369	\$ 399,546	\$ 1,085,369
22 Non Operating Margins-Interest	19,762	23,290	17,423	23,290
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	\$ 1,108,658	\$ 416,969	\$ 1,108,658

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	26	5. Miles Trans.	235	235
2. Services Retired	1	5	6. Miles Dist. - Overhead	933	935
3. Total Services in Place	27,143	27,524	7. Miles Dist. - Underground	1,497	1,485
4. Idle Services (Exclude Seasonal)	223	230	8. Total Miles (5 + 6 + 7)	2,665	2,655

LOWER VALLEY ENERGY
BALANCE SHEET
As of
January 31, 2017

ELECTRIC DIVISION

ASSETS AND OTHER DEBITS			LIABILITIES AND OTHER CREDITS		
	Current Year	Prior Year		Current Year	Prior Year
1 Total Utility Plant in Service	\$ 174,959,513	\$ 173,089,322	30 Memberships	-	-
2 Construction Work in Progress	378,702	227,502	31 Patronage Capital	49,984,278	52,892,291
3 Total Utility Plant	175,338,215	173,316,823	32 Operating Margins-Prior Years	5,228,047	-
4 Accum. Provision for Depreciation and Amort	85,981,726	81,678,621	33 Operating Margins-Current Year	1,085,369	761,698
5 Net Utility Plant	89,356,489	91,638,202	34 Non Operating Margins	23,290	19,762
6 Nonutility Property - Net	-	-	35 Other Margins and Equities	17,778,308	16,878,631
7 Investments in Subsidiary Companies	-	-	36 Total Margins & Equities	74,099,291	70,552,382
8 Invest. in Assoc. Org. - Patronage Capital	1,968,295	1,725,863	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	1,438,792	1,440,475	39 Long-Term Debt - Other - RUS Guaranteed	-	-
11 Investments in Economic Development Projects	2,093	2,093	40 Long-Term Debt-Other (Net)	18,150,507	19,463,290
12 Other Investments	590,000	630,000	40a Long-Term Debt-BPA Power Prepayment	123,479,135	131,822,755
13 Special Funds	-	-	41 Long-Term Debt - WY SEO (Net)	1,136,156	1,318,965
14 Total Other Property & Investments	4,005,866	3,805,116	41a Long-Term Debt - REDL&G	1,000,000	-
15 Cash-General Funds	1,159,001	516,970	42 Payments - Unapplied	-	-
16 Cash-Construction Funds-Trustee	-	-	43 Total Long-Term Debt	143,765,798	152,605,009
17 Special Deposits	2,328,834	1,299,541	44 Obligations under Capital Leases	-	-
18 Temporary Investments	8,131,551	4,576,110	45 Accumulated Operating Provisions	-	-
19 Notes Receivable-Net	349,895	335,103	46 Total Other Noncurrent Liabilities	-	-
20 Accounts Receivable-Net Sales of Energy	4,637,036	4,560,994	47 Notes Payable	-	-
21 Accounts Receivable-Net Other	312,004	733,475	48 Accounts Payable	4,196,851	4,126,457
22 Renewable Energy Credits	-	-	49 Consumers Deposits	489,447	526,935
23 Materials & Supplies-Electric and Other	1,553,356	1,545,688	50 Current Maturities Long-Term Debt	1,266,691	9,995,702
24 Prepayments	310,898	388,860	50a Current Maturities LTD (BPA Prepay)	8,664,099	-
24a BPA Power Prepayment - Current	8,258,881	7,891,736	51 Current Maturities LTD - Econ. Devel.	-	-
25 Other Current & Accrued Assets	1,988,200	2,885,336	52 Current Maturities Capital Leases	-	-
26 Total Current & Accrued Assets	29,029,655	24,733,813	53 Other Current & Accrued Liabilities	2,737,946	2,690,884
27 Regulatory Assets	-	-	54 Total Current & Accrued Liabilities	17,355,034	17,339,979
28 Other Deferred Debits	454,780	470,185	55 Regulatory Liabilities	-	-
28a BPA Power Prepayment - Non-current	116,446,000	124,734,843	56 Deferred Credits	4,072,668	4,884,789
29 Total Assets & Other Debits	\$ 239,292,791	\$ 245,382,160	57 Total Liabilities & Other Credits	\$ 239,292,791	\$ 245,382,160

NOTES TO FINANCIAL STATEMENTS

THE SPACE BELOW IS PROVIDED FOR IMPORTANT NOTES REGARDING THE FINANCIAL STATEMENT CONTAINED IN THIS REPORT.

	2017		2016	
	December	January	December	January
1 Cost of Power				
Cost of Power from Income Statement		\$ 3,865,155		\$ 3,457,068
plus: Interest on BPA Prepayment Loan		339,485		362,222
Total Power Cost		<u>\$ 4,204,640</u>		<u>\$ 3,819,290</u>
2 Current Assets/Liabilities	1.68	1.67	1.44	1.43
3 Equity	30.50%	29.42%	27.86%	27.25%
Equity excluding BPA Power Prepayment	63.30%	62.28%	60.98%	60.36%
4 Long Term Debt as a % of Plant	82.43%	81.99%	88.56%	88.05%
5 Material Inventory:				
Material	1,492,129	1,553,356	1,556,972	1,545,688
Special Equip.	2,332,435	2,322,352	2,294,197	2,313,392
Total Material	3,824,564	3,875,708	3,851,169	3,859,080

LOWER VALLEY ENERGY, INC
STATEMENT OF CASH FLOWS

For The Month Ended
January 31, 2017

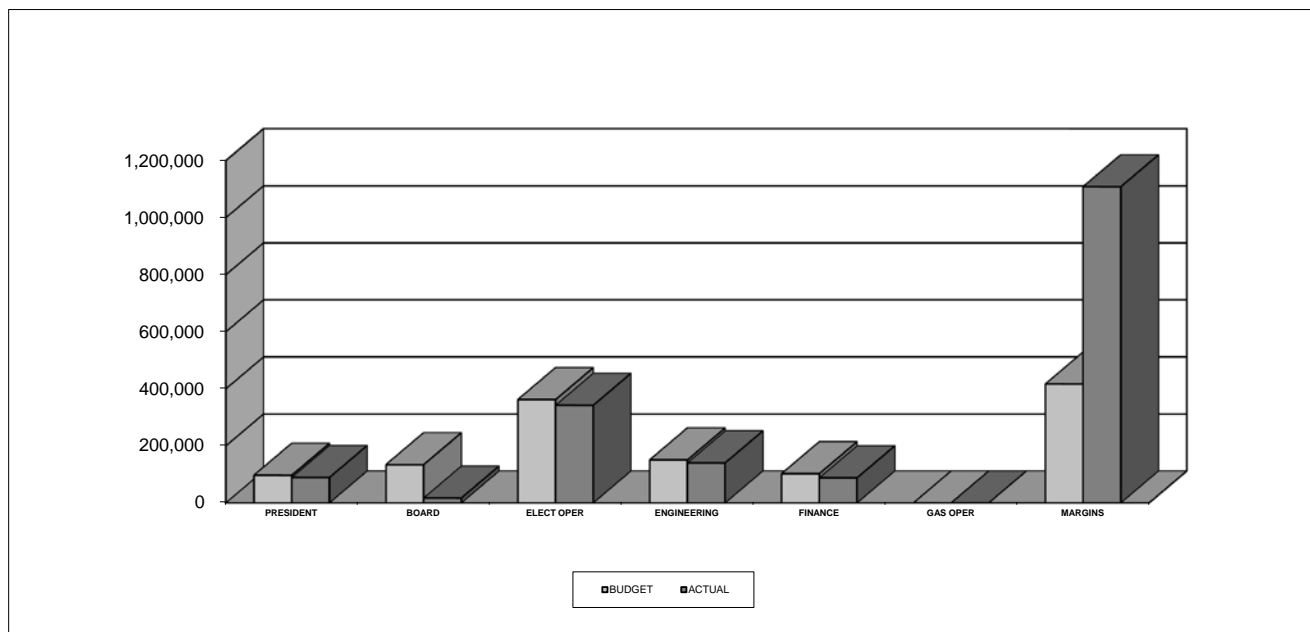
ELECTRIC DIVISION

	YEAR TO DATE	THIS MONTH
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Margins	\$ 1,108,658	\$ 1,108,658
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Depreciation Expense	389,000	389,000
Decrease/(Increase) in:		
Special Deposits	(23)	(23)
Accounts Receivable	351,511	351,511
Other Accounts Receivable	621,437	621,437
Materials & Supplies	(61,227)	(61,227)
Prepayments	(257,682)	(257,682)
BPA Prepayment	673,987	673,987
Other Current Assets	381,062	381,062
Other Deferred Debits	(6,935)	(6,935)
Increase/(Decrease) in:		
Accounts Payable (excluding line of credit)	800,119	800,119
Consumer Deposits	6,124	6,124
Other Current Liabilities	(355,315)	(355,315)
Deferred Credits	(1,115,604)	(1,115,604)
Net cash provided by operating activities	2,535,113	2,535,113
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets Net of Retirements	(14,330)	(14,330)
Change in Notes Receivable	(1,705)	(1,705)
Change in Investments in Associated Organizations	860	860
Change in Investments in Economic Development Projects	-	-
Change in Temporary Investments	(560,556)	(560,556)
Change in Other Investments	-	-
Net cash provided/(used) by investing activities	(575,732)	(575,732)
CASH FLOWS FROM FINANCING AND CAPITAL CREDIT		
Change in Capital Credits	(93,004)	(93,004)
Change in Line of Credit	-	-
Change in Long-term Debt	(707,376)	(707,376)
Net cash provided/(used) by financing and capital credit activities	(800,379)	(800,379)
Total change in cash	1,159,001	1,159,001
Beginning cash	-	-
Ending cash	\$ 1,159,001	\$ 1,159,001
Add: Temporary investments	8,131,551	
Ending cash and temporary investments	\$ 9,290,552	

Lower Valley Energy
 Electric Budget vs. Actual Comparison
 For The Month Ended
 January 31, 2017

ITEM	2017 Total			YTD Variance	% Variance
	Budget	YTD Actual	YTD Budget		
1 Operating Revenue	\$ 45,529,363	\$ 6,366,364	\$ 5,857,862	\$ 508,502	8.68%
2 Power Production Expense	152,585	3,694	15,850	(12,155)	-76.69%
3 Cost of Purchased Power	23,725,597	3,865,155	3,840,376	24,780	0.65%
4 Transmission Operation & Maintenance	462,317	31,103	38,738	(7,634)	-19.71%
5 Regional Market Expense	-	-	-	-	0.00%
6 Distribution Operation Expense	3,070,714	303,589	310,367	(6,778)	-2.18%
7 Distribution Maintenance Expense	1,412,259	106,215	98,549	7,666	7.78%
8 Consumer Accounts Expense	791,976	57,183	58,170	(988)	-1.70%
9 Customer Service and Informational Expense	545,394	18,432	30,048	(11,615)	-38.66%
10 Sales Expense	-	-	-	-	0.00%
11 Administrative and General Expense	2,092,986	112,589	270,394	(157,805)	-58.36%
12 Total Operation & Maintenance Expense (2 thru 11)	32,253,829	4,497,962	4,662,492	(164,530)	-3.53%
13 Depreciation and Amortization Expense	5,014,910	389,000	401,680	(12,680)	-3.16%
14 Tax Expense-Property	456,000	45,601	41,770	3,831	9.17%
15 Tax Expense-Other	39,900	5,137	5,300	(163)	-3.08%
16 Interest on Long-Term Debt	4,659,956	357,417	360,790	(3,373)	-0.93%
17 Interest Charged to Construction-Credit	-	-	-	-	0.00%
18 Interest Expense-Other	12,000	791	1,200	(409)	-34.05%
19 Other Deductions	(178,947)	(14,912)	(14,915)	3	-0.02%
20 Total Cost of Electric Service (12 thru 19)	42,257,648	5,280,996	5,458,317	(177,321)	-3.25%
21 Patronage Capital & Operating Margins (1 minus 20)	3,271,715	1,085,369	399,546	685,823	171.65%
22 Non Operating Margins-Interest	156,000	23,290	17,423	5,867	33.67%
23 Allowance for Funds Used During Construction	-	-	-	-	0.00%
24 Income (Loss) from Equity Investments	-	-	-	-	0.00%
25 Non Operating Margins-Other	10,000	-	-	-	0.00%
26 Generation and Transmission Capital Credits	-	-	-	-	0.00%
27 Other Capital Credits and Patronage Dividends	425,000	-	-	-	0.00%
28 Extraordinary Items	-	-	-	-	0.00%
29 Patronage Capital or Margins (21 thru 28)	\$ 3,862,715	\$ 1,108,658	\$ 416,969	\$ 691,690	165.89%
Tier - Oper.	1.70	4.04	2.11		
Tier - Total	1.83	4.10	2.16		

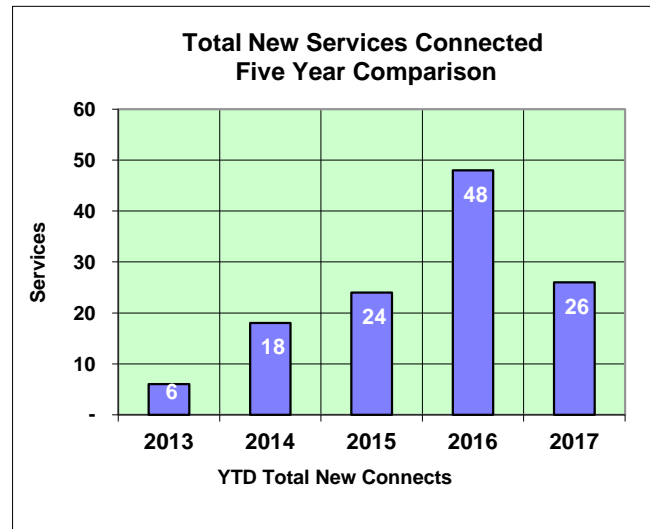
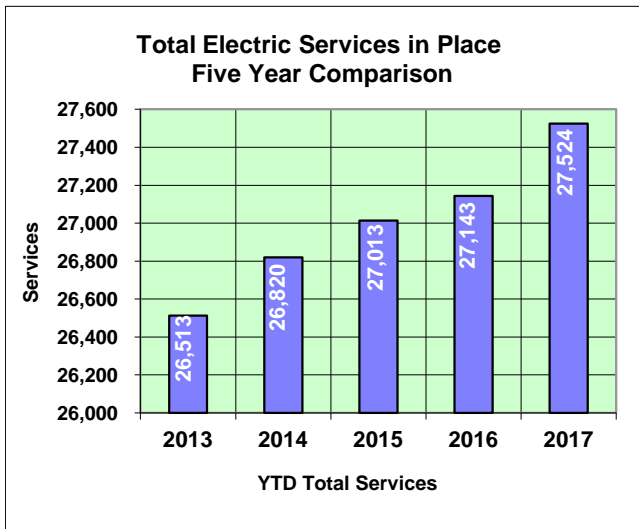
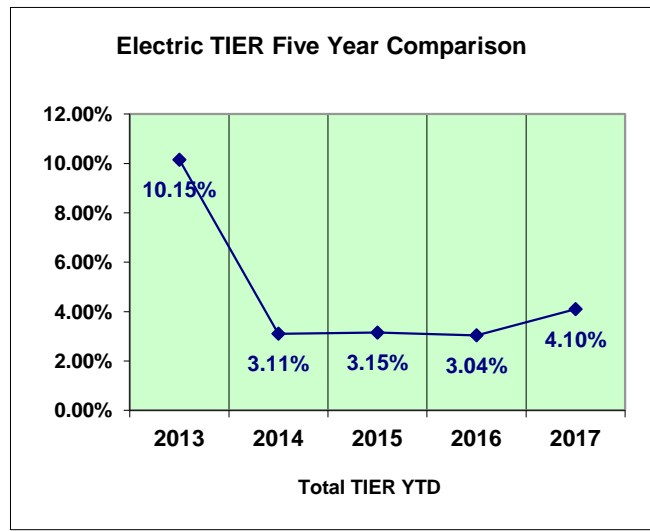
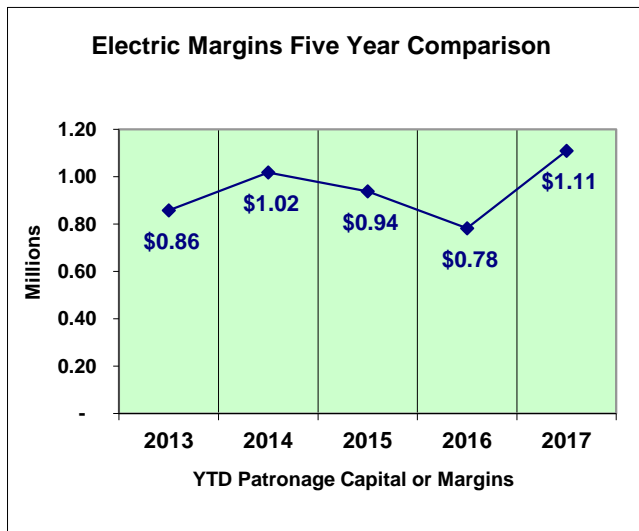
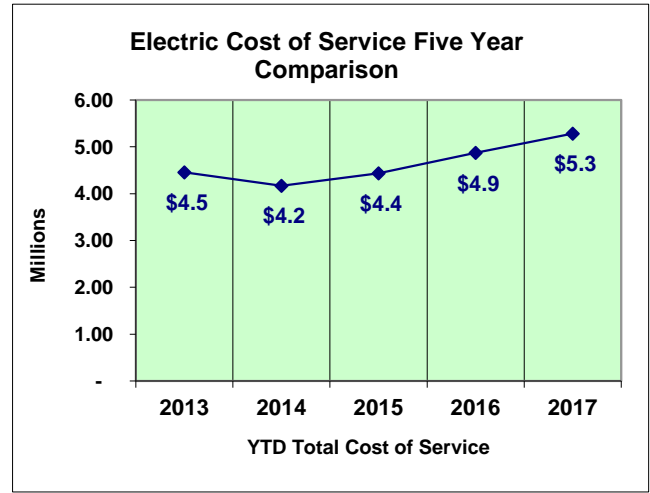
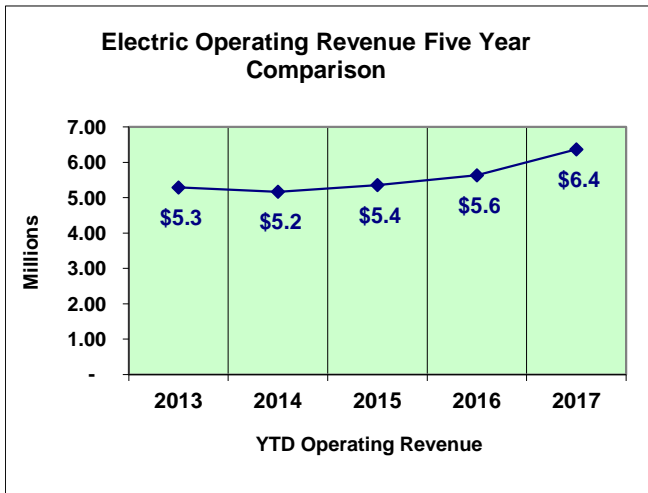
BUDGET BY DEPARTMENT



Lower Valley Energy
Electric Five Year Comparison
For the Month Ended
January 31, 2017

ITEM	Year to Date 2017		Year to Date 2016		Year to Date 2015		Year to Date 2014		Year to Date 2013	
	\$	% of Op Rev	\$	% of Op Rev	\$	% of Op Rev	\$	% of Op Rev	\$	% of Op Rev
1 Operating Revenue	\$6,366,364		\$5,632,737		\$5,357,167		\$5,168,281		\$5,288,317	
2 Power Production Expense	\$3,694	0.06%	\$14,070	0.25%	\$11,124	0.21%	\$6,313	0.12%	\$4,050	0.08%
3 Cost of Purchased Power	3,865,155	60.71%	3,457,068	61.37%	2,910,969	54.34%	2,685,672	51.96%	3,481,950	65.84%
4 Transmission Operation & Maintenance	31,103	0.49%	27,381	0.49%	22,060	0.41%	31,485	0.61%	43,079	0.81%
5 Regional Market Expense		0.00%		0.00%	0	0.00%	0	0.00%	0	0.00%
6 Distribution Operation	303,589	4.77%	265,152	4.71%	242,606	4.53%	256,076	4.95%	278,598	5.27%
7 Distribution Maintenance	106,215	1.67%	77,729	1.38%	94,328	1.76%	30,126	0.58%	25,927	0.49%
8 Consumer Accounts Expense	57,183	0.90%	62,667	1.11%	57,788	1.08%	38,197	0.74%	53,455	1.01%
9 Customer Service & Information Expense	18,432	0.29%	22,970	0.41%	94,601	1.77%	59,159	1.14%	59,224	1.12%
10 Sales Expense	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
11 Administrative & General Expense	112,589	1.77%	146,293	2.60%	138,169	2.58%	158,784	3.07%	128,025	2.42%
12 Total Operation & Maintenance Expense	\$4,497,962	70.65%	\$4,073,330	72.32%	\$3,571,644	66.67%	\$3,265,812	63.19%	\$4,074,308	77.04%
13 Depreciation & Amortization Expense	389,000	6.11%	386,850	6.87%	393,049	7.34%	386,148	7.47%	368,199	6.96%
14 Tax Expense - Property	45,601	0.72%	37,190	0.66%	39,305	0.73%	37,980	0.73%	36,595	0.69%
15 Tax Expense - Other	5,137	0.08%	5,125	0.09%	4,699	0.09%	4,830	0.09%	20,990	0.40%
16 Interest on Long-Term Debt	357,417	5.61%	382,608	6.79%	435,796	8.13%	482,749	9.34%	93,677	1.77%
17 Interest Charged to Construction - Credit	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
18 Interest Expense - Other	791	0.01%	848	0.02%	4,081	0.08%	4,633	0.09%	9,489	0.18%
19 Other Deductions	(14,912)	-0.23%	(14,912)	-0.26%	(14,912)	-0.28%	(14,912)	-0.29%	(149,122)	-2.82%
20 Total Cost of Service	\$5,280,996	82.95%	\$4,871,039	86.48%	\$4,433,662	82.76%	\$4,167,239	80.63%	\$4,454,137	84.23%
21 Patronage Capital & Operating Margins	\$1,085,369	17.05%	\$761,698	13.52%	\$923,505	17.24%	\$1,001,042	19.37%	\$834,180	15.77%
22 Non Operating Margins - Interest	\$23,290	0.37%	\$19,762	0.35%	\$14,006	0.26%	\$16,259	0.31%	\$22,959	0.43%
23 Allowance for Funds used During Constructio	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
24 Income (Loss) from Equity Investments	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
25 Non Operating Margins - Other	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
26 Generation & Transmission Capital Credits	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
27 Other Capital Credits & Patronage Dividends	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
28 Extraordinary Items	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
29 Patronage Capital or Margins	\$1,108,658	17.41%	\$781,460	13.87%	\$937,511	17.50%	\$1,017,301	19.68%	\$857,138	16.21%
30 Total Cost of Service Less Cost of Power	\$1,381,043	21.69%	\$1,372,520	24.37%	\$1,489,509	27.80%	\$1,443,769	27.94%	\$925,058	17.49%
31 Tier - Oper.	4.04		2.99		3.12		3.07		9.90	
32 Tier - Total	4.10		3.04		3.15		3.11		10.15	
33 New Services Connected	26		48		24		18		6	
34 Total Services in Place	27,524		27,143		27,013		26,820		26,513	
35 Miles of Line	2,655		2,665		2,629		2,629		2,590	

Lower Valley Energy
 Electric Five Year Comparison
For The Month Ended
January 31, 2017



LOWER VALLEY ENERGY, INC.
ELECTRIC DIVISION
 FINANCIAL AND STATISTICAL REPORT

BORROWER DESIGNATION
 Wyoming 11, Lincoln
PERIOD ENDED
 January 31, 2017

PART R. POWER REQUIREMENTS DATA BASE

CLASSIFICATION	CONSUMER SALES AND REVENUE DATA	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE
		(a)	(b)	(c)	(d)	(e)	(f)
1. Residential Sales (excluding seasonal)	a. No. Consumers Served	20,801					
	b. kWH Sold	70,214,631					
	c. Revenue	4,104,623					
2. Residential Sales- Seasonal	a. No. Consumers Served						
	b. kWH Sold						
	c. Revenue						
3. Irrigation Sales	a. No. Consumers Served	192					
	b. kWH Sold	9,790					
	c. Revenue	1,543					
4. Comm. and Ind. 1000 kVA or Less	a. No. Consumers Served	4,972					
	b. kWH Sold	29,183,111					
	c. Revenue	1,704,315					
5. Comm. and Ind. Over 1000 kVA	a. No. Consumers Served	17					
	b. kWH Sold	7,637,600					
	c. Revenue	364,523					
6. Public Street and Highway Lighting	a. No. Consumers Served	1,312					
	b. kWH Sold	50,550					
	c. Revenue	10,293					
7. Other Sales to Public Auth.	a. No. Consumers Served						
	b. kWH Sold						
	c. Revenue						
8. Sales for Resales- REA Borrowers	a. No. Consumers Served						
	b. kWH Sold						
	c. Revenue						
9. Unbilled Revenue	a. No. Consumers Served						
	b. kWH Sold	1,004,228					
	c. Revenue	47,600					
10. TOTAL No. Consumers (lines 1a - 9a)		27,294					
11. TOTAL kWH Sold (lines 1b - 9b)		108,099,910					
12. TOTAL Revenue Received From Sales of Electric Energy (lines 1c - 9c)		6,232,899					
13. Other Electric Revenue		133,465					
14. kWH - Own Use		191,506					
15. TOTAL kWH Purchased		113,822,712					
16. TOTAL kWH Generated		649,200					
17. Cost of Purchases and Generation		3,868,849					
18. Interchange - kWH - Net							
19. Peak - Sum All kW Input (Metered) <input checked="" type="checkbox"/> Coincident <input type="checkbox"/> Non-Coincident		218,819					

ANALYSIS OF BILLING
January 31, 2017
ELECTRIC
Accrual Basis

YEAR	NUMBER OF METERS	KWH	AMOUNT	NUMBER OF METERS	KWH	AMOUNT	NUMBER OF METERS	KWH	AMOUNT
Residential			Commercial			Industrial			
2015	20,282	61,170,392	\$3,494,280	4,831	28,119,385	\$1,592,578	16	3,326,380	\$176,735
2016	20,485	65,556,295	\$3,846,887	4,916	28,730,828	\$1,684,850	16	3,312,760	\$178,376
2017	20,801	70,214,631	\$4,104,623	4,972	29,183,111	\$1,704,315	16	2,921,780	\$165,647
Irrigation			Lighting			Large Industrial			
2015	186	4,506	\$1,153	1,550	51,587	\$10,165	1	5,343,120	\$213,228
2016	189	90,859	\$5,196	1,313	50,761	\$10,324	1	5,306,220	\$219,698
2017	192	9,790	\$1,543	1,312	50,550	\$10,293	1	4,715,820	\$198,876
Change in Unbilled Revenue			January Totals			Year to Date Totals			
2015		(2,286,072)	(\$160,429)	26,866	95,729,298	\$5,327,710	26,866	95,729,298	\$5,327,710
2016		(7,172,503)	(\$365,717)	26,920	103,047,723	\$5,945,331	26,920	95,875,220	\$5,579,614
2017		1,004,228	\$47,600	27,294	107,095,717	\$6,185,335	27,294	108,099,910	\$6,232,898

YTD KW

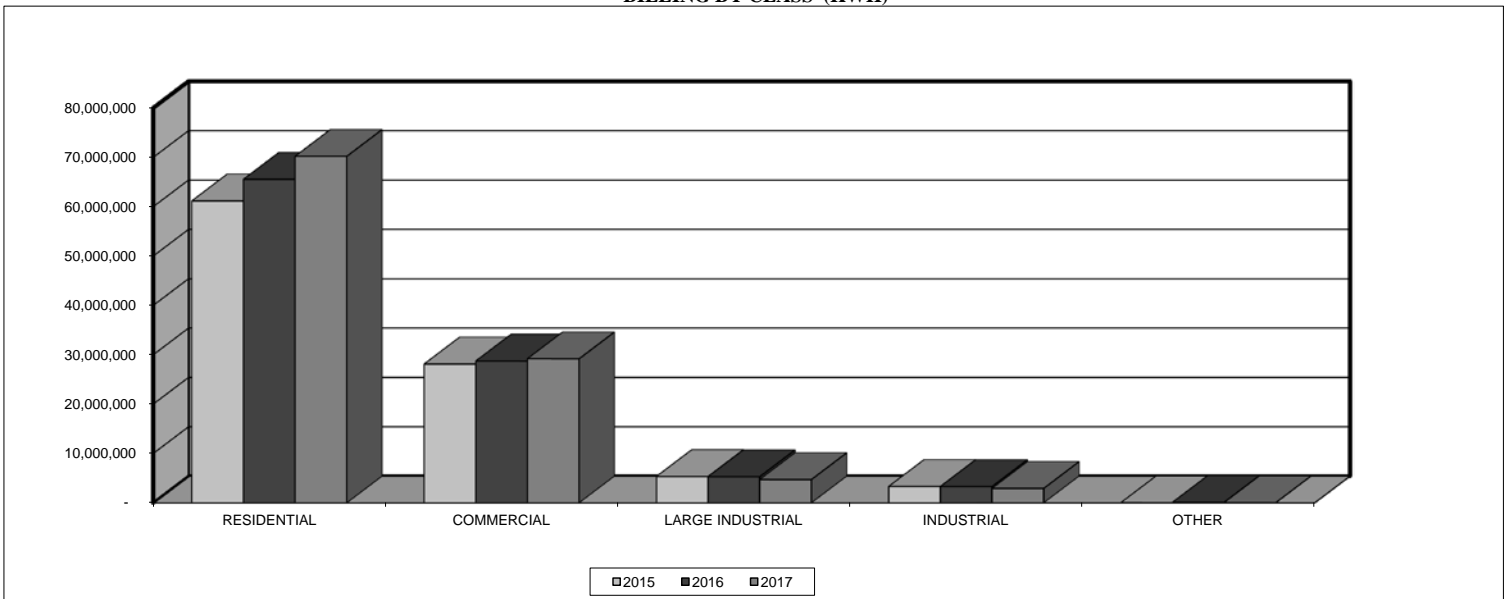
Degree Days

Revenue Summary Form 7 Part A Line 1

Lower Valley Energy KWH Usage

		Normal	Actual					
2015	184,876	1,531	1,498	Year to Date Billing		\$6,232,898	2015	290,514
2016	184,876	1,537	1,540	Other Revenue		<u>133,466</u>	2016	259,231
2017	-	1,524	1,765	Form 7a Line 1 YTD Revenue		<u><u>\$6,366,364</u></u>	2017	191,506

BILLING BY CLASS (KWH)

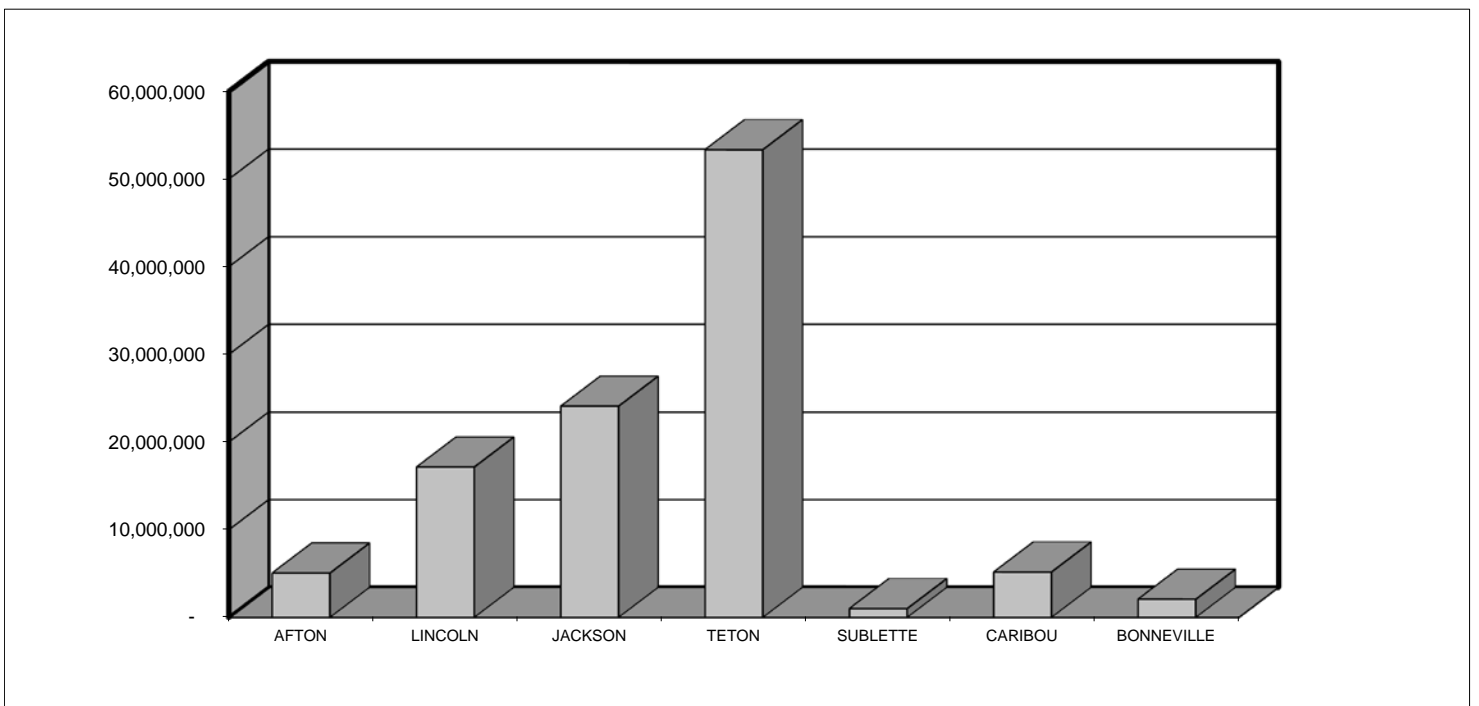


**LOWER VALLEY ENERGY
BILLING BY GEOGRAPHIC AREAS
ELECTRIC DIVISION
January 31, 2017
BILLING BASIS**

	CONSUMERS	KWH	CHARGES	AVERAGE KWH	AVERAGE BILL	REVENUE PER KWH CENTS
TOWN OF AFTON	1,918	5,050,359	\$302,452	2,633	\$157.69	5.99
LINCOLN COUNTY (less Afton)	7,259	17,141,296	\$1,029,784	2,361	\$141.86	6.01
TOWN OF JACKSON	7,298	24,085,255	\$1,406,783	3,300	\$192.76	5.84
TETON COUNTY (less Jackson)	8,535	53,349,042	\$3,019,313	6,251	\$353.76	5.66
SUBLETTE COUNTY	537	999,786	\$61,722	1,862	\$114.94	6.17
CARIBOU COUNTY	287	5,172,505	\$227,275	18,023	\$791.90	4.39
BONNEVILLE COUNTY	1,460	2,065,862	\$130,999	1,415	\$89.73	6.34
TOTAL	<u>27,294</u>	<u>107,864,105</u>	<u>\$6,178,328</u>	<u>3,952</u>	<u>\$226.36</u>	<u>5.73</u>
			<u>188,036</u>			
			<u>\$6,366,364</u>			

Adjustments and Accruals
Total Operating Revenue

KWH



LOWER VALLEY ENERGY
STATEMENT OF OPERATIONS
For The Month Ended
January 31, 2017

NATURAL GAS DIVISION

ITEM	YEAR-TO-DATE			THIS MONTH (d)
	LAST YEAR (a)	THIS YEAR (b)	BUDGET (c)	
1 Operating Revenue and Patronage Capital	\$ 1,260,103	\$ 1,610,532	\$ 1,388,500	\$ 1,610,532
2 Power Production Expense	-	-	-	-
3 Cost of Gas	377,181	634,919	542,550	634,919
4 Transmission Operation & Maintenance	16,871	9,969	16,323	9,969
5 Regional Market Expense	-	-	-	-
6 Distribution Operation Expense	39,438	34,456	33,945	34,456
7 Distribution Maintenance Expense	16,860	13,300	17,588	13,300
8 Consumer Accounts Expense	6,875	7,524	10,075	7,524
9 Customer Service and Informational Expense	1,611	1,629	2,624	1,629
10 Sales Expense	-	-	-	-
11 Administrative and General Expense	36,699	28,390	63,854	28,390
12 Total Operation & Maintenance Expense (2 thru 11)	\$ 495,534	\$ 730,186	\$ 686,959	\$ 730,186
13 Depreciation and Amortization Expense	104,503	105,429	105,515	105,429
14 Tax Expense-Property	17,570	18,949	17,600	18,949
15 Tax Expense-Other	1,876	2,028	1,900	2,028
16 Interest on Long-Term Debt	114,077	110,946	110,950	110,946
17 Interest Charged to Construction-Credit	-	-	-	-
18 Interest Expense-Other	2,075	59	800	59
19 Other Deductions	-	-	-	-
20 Total Cost of Service (12 thru 19)	\$ 735,635	\$ 967,598	\$ 923,724	\$ 967,598
21 Patronage Capital & Operating Margins (1 minus 20)	\$ 524,469	\$ 642,934	\$ 464,776	\$ 642,934
22 Non Operating Margins-Interest	-	-	-	-
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)	\$ 524,469	\$ 642,934	\$ 464,776	\$ 642,934

DATA ON TRANSMISSION AND DISTRIBUTION

ITEM	YEAR-TO-DATE		ITEM	YEAR-TO-DATE	
	LAST YEAR (a)	THIS YEAR (b)		LAST YEAR (a)	THIS YEAR (b)
1. New Services Connected	125	10	5. Miles Trans.	53	53
2. Services Retired	29	0	6. Miles Distr. - 2" or less	151	165
3. Total Services in Place	4,141	4,162	7. Miles Dist. - Over 2"	45	45
4. Idle Services (Exclude Seasonal)	34	35	8. Total Miles (5 + 6 + 7)	249	263

LOWER VALLEY ENERGY
BALANCE SHEET
As of
January 31, 2017

NATURAL GAS DIVISION

ASSETS AND OTHER DEBITS			LIABILITIES AND OTHER CREDITS		
	Current Year	Prior Year		Current Year	Prior Year
1 Total Utility Plant in Service	\$ 45,548,089	\$ 45,340,518	30 Memberships	-	-
2 Construction Work in Progress	251,829	25,681	31 Patronage Capital	7,915,648	7,925,367
3 Total Utility Plant	45,799,917	45,366,198	32 Operating Margins-Prior Years	1,431,329	-
4 Accum. Provision for Depreciation and Amort	12,555,276	11,282,181	33 Operating Margins-Current Year	642,934	524,469
5 Net Utility Plant	33,244,641	34,084,017	34 Non Operating Margins	-	-
6 Nonutility Property - Net	-	-	35 Other Margins and Equities	25,752	18,224
7 Investments in Subsidiary Companies	-	-	36 Total Margins & Equities	10,015,662	8,468,060
8 Invest. in Assoc. Org. - Patronage Capital	646,445	592,107	37 Long-Term Debt - RUS (Net)	-	-
9 Invest. in Assoc. Org.-Other-General Funds	-	-	38 Long-Term Debt - FFB - RUS Guaranteed	-	-
10 Invest. in Assoc. Org.-Other-Nongeneral Funds	578,900	578,900	39 Long-Term Debt - Other - RUS Guaranteed	-	-
11 Investments in Economic Development Projects	-	-	40 Long-Term Debt-Other (Net)	28,661,658	29,654,179
12 Other Investments	-	-	40a Long-Term Debt-Other (BPA Power Prepayment)	-	-
13 Special Funds	-	-	41 Long-Term Debt - RUS Econ. Devel. (Net)	-	-
14 Total Other Property & Investments	1,225,345	1,171,007	42 Payments - Unapplied	-	-
15 Cash-General Funds	-	-	43 Total Long-Term Debt	28,661,658	29,654,179
16 Cash-Construction Funds-Trustee	-	-	44 Obligations under Capital Leases	-	-
17 Special Deposits	-	-	45 Accumulated Operating Provisions	-	-
18 Temporary Investments	-	-	46 Total Other Noncurrent Liabilities	-	-
19 Notes Receivable-Net	-	-	47 Notes Payable	-	-
20 Accounts Receivable-Net Sales of Energy	1,464,831	1,363,957	48 Accounts Payable	81,152	76,478
21 Accounts Receivable-Net Other	55,144	73,442	49 Consumers Deposits	44,230	83,704
22 Renewable Energy Credits	-	-	50 Current Maturities Long-Term Debt	992,520	949,540
23 Materials & Supplies-Electric and Other	117,778	95,230	51 Current Maturities Long-Term Debt - Econ. Devel.	-	-
24 Prepayments	-	-	52 Current Maturities Capital Leases	-	-
25 Other Current & Accrued Assets	725,986	525,755	53 Other Current & Accrued Liabilities	9,140	1,172,130
26 Total Current & Accrued Assets	2,363,739	2,058,384	54 Total Current & Accrued Liabilities	1,127,042	2,281,853
27 Regulatory Assets	-	-	55 Regulatory Liabilities	-	-
28 Other Deferred Debits	2,970,636	3,090,684	56 Deferred Credits	-	-
28a Other Non-current Assets-BPA Power Prepayment	-	-	57 Total Liabilities & Other Credits	\$ 39,804,362	\$ 40,404,092
29 Total Assets & Other Debits	\$ 39,804,362	\$ 40,404,092			

NOTES TO FINANCIAL STATEMENTS

THE SPACE BELOW IS PROVIDED FOR IMPORTANT NOTES REGARDING THE FINANCIAL STATEMENT CONTAINED IN THIS REPORT.

	2017		2016	
	December	January	December	January
1. Current Assets/Liabilities	1.43	2.10	0.71	0.90
2. Equity	23.74%	22.37%	22.66%	20.96%
3. Long Term Debt as a % of Plant	62.61%	62.58%	65.40%	65.37%
4. Material Inventory:	115,073	117,778	98,109	95,230
5. Intercompany payable	(81,902)	344,900	(1,348,802)	(832,060)

LOWER VALLEY ENERGY, INC
STATEMENT OF CASH FLOWS

For The Month Ended
January 31, 2017

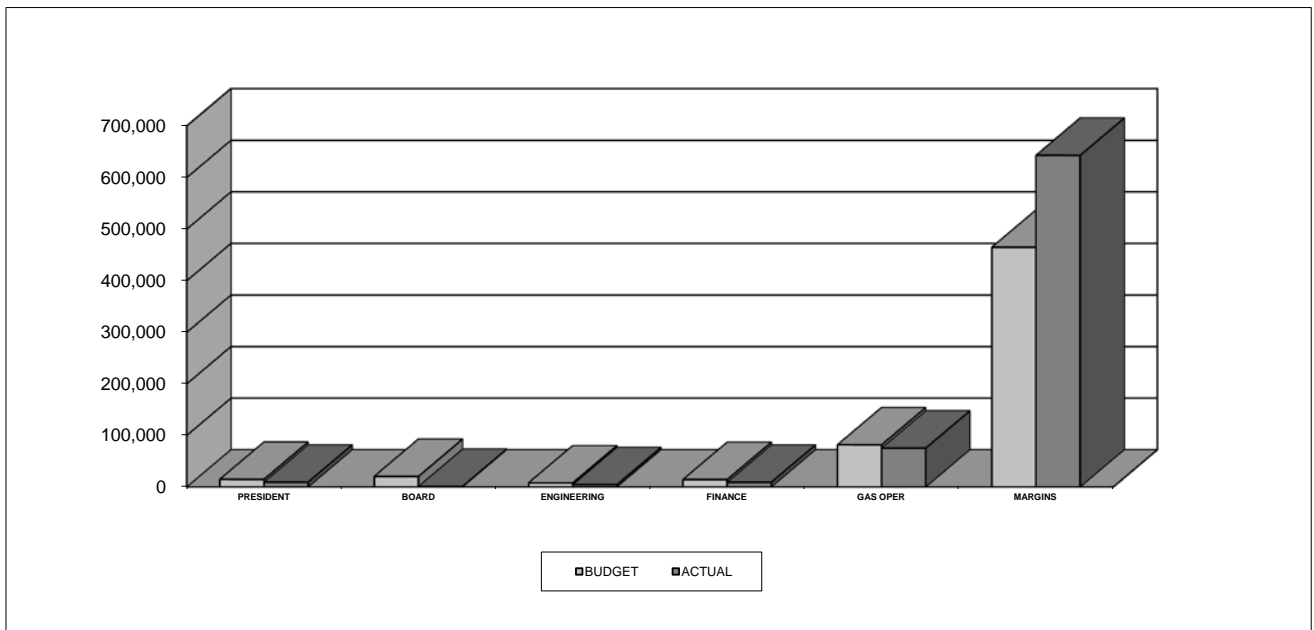
NATURAL GAS DIVISION

	YEAR TO DATE	THIS MONTH
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Margins	\$ 642,934	\$ 642,934
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Depreciation Expense	105,429	105,429
Decrease/(Increase) in:		
Special Deposits	-	-
Accounts Receivable	(310,473)	(310,473)
Other Accounts Receivable	(3,248)	(3,248)
Materials & Supplies	(2,705)	(2,705)
Prepayments	-	-
Other Current Assets	(49,236)	(49,236)
Other Deferred Debits	(50,796)	(50,796)
Increase/(Decrease) in:		
Accounts Payable (excluding line of credit)	15,392	15,392
Consumer Deposits	262	262
Other Current Liabilities	140,499	140,499
Deferred Credits	(43,659)	(43,659)
Net cash provided by operating activities	444,398	444,398
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets Net of Retirements	(17,103)	(17,103)
Change in Notes Receivable	-	-
Change in Investments in Associated Organizations	-	-
Change in Investments in Economic Development Projects	-	-
Change in Temporary Investments	-	-
Change in Other Investments	-	-
Net cash provided/(used) by investing activities	(17,103)	(17,103)
CASH FLOWS FROM FINANCING AND CAPITAL CREDIT		
Change in Capital Credits	(493)	(493.16)
Change in Long-term Debt	-	-
Net cash provided/(used) by financing and capital credit activities	(493)	(493)
Total change in intercompany balance	426,803	426,803
Beginning intercompany balance	(81,902)	(81,902)
Ending intercompany balance	\$ 344,900	\$ 344,900

Lower Valley Energy
 Natural Gas Budget vs. Actual Comparison
 For The Month Ended
 January 31, 2017

ITEM	2016 Total Budget	YTD Actual	YTD Budget	YTD Variance	%
	Variance				
1 Operating Revenue	\$ 8,125,000	\$ 1,610,532	\$ 1,388,500	\$ 222,032	15.99%
2 Power Production Expense	-	-	-	-	0.00%
3 Cost of Purchased Gas	2,706,055	634,919	542,550	92,369	17.02%
4 Transmission Operation & Maintenance	230,294	9,969	16,323	(6,354)	-38.93%
5 Regional Market Expense	-	-	-	-	0.00%
6 Distribution Operation Expense	333,014	34,456	33,945	511	1.51%
7 Distribution Maintenance Expense	191,458	13,300	17,588	(4,289)	-24.38%
8 Consumer Accounts Expense	117,089	7,524	10,075	(2,550)	-25.31%
9 Customer Service and Informational Expense	87,854	1,629	2,624	(996)	-37.94%
10 Sales Expense	-	-	-	-	0.00%
11 Administrative and General Expense	523,846	28,390	63,854	(35,464)	-55.54%
12 Total Operation & Maintenance Expense (2 thru 11)	4,189,610	730,186	686,959	43,228	6.29%
13 Depreciation and Amortization Expense	1,252,170	105,429	105,515	(86)	-0.08%
14 Tax Expense-Property	210,840	18,949	17,600	1,349	7.67%
15 Tax Expense-Other	12,000	2,028	1,900	128	6.76%
16 Interest on Long-Term Debt	1,351,832	110,946	110,950	(4)	0.00%
17 Interest Charged to Construction-Credit	-	-	-	-	0.00%
18 Interest Expense-Other	72,000	59	800	(741)	-92.66%
19 Other Deductions	-	-	-	-	0.00%
20 Total Cost of Service (12 thru 19)	7,088,452	967,598	923,724	43,874	4.75%
21 Patronage Capital & Operating Margins (1 minus 20)	1,036,548	642,934	464,776	178,158	38.33%
22 Non Operating Margins-Interest	-	-	-	-	0.00%
23 Allowance for Funds Used During Construction	-	-	-	-	0.00%
24 Income (Loss) from Equity Investments	-	-	-	-	0.00%
25 Non Operating Margins-Other	-	-	-	-	0.00%
26 Generation and Transmission Capital Credits	-	-	-	-	0.00%
27 Other Capital Credits and Patronage Dividends	100,000	-	-	-	0.00%
28 Extraordinary Items	-	-	-	-	0.00%
29 Patronage Capital or Margins (21 thru 28)	\$ 1,136,548	\$ 642,934	\$ 464,776	\$ 178,158	38.33%
Tier - Oper.	1.77	6.80	5.19		
Tier - Total	1.84	6.80	5.19		

BUDGET BY DEPARTMENT



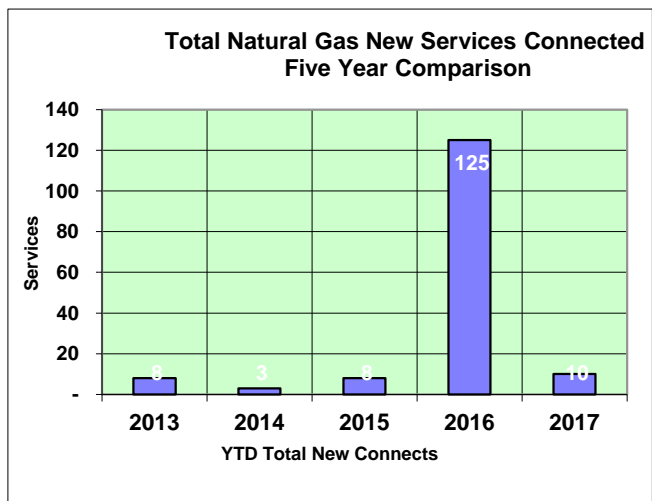
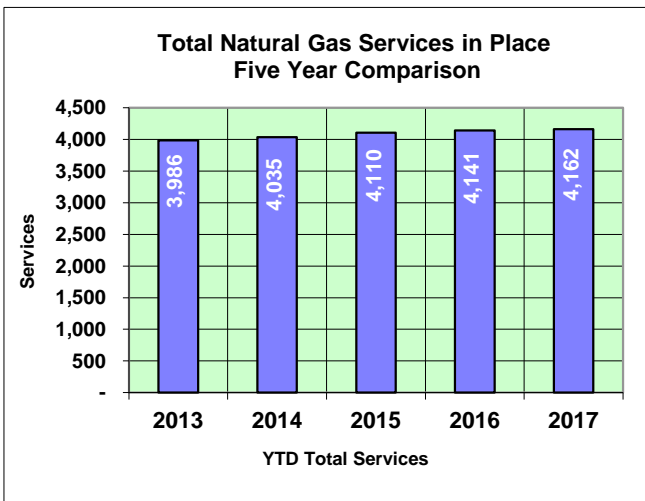
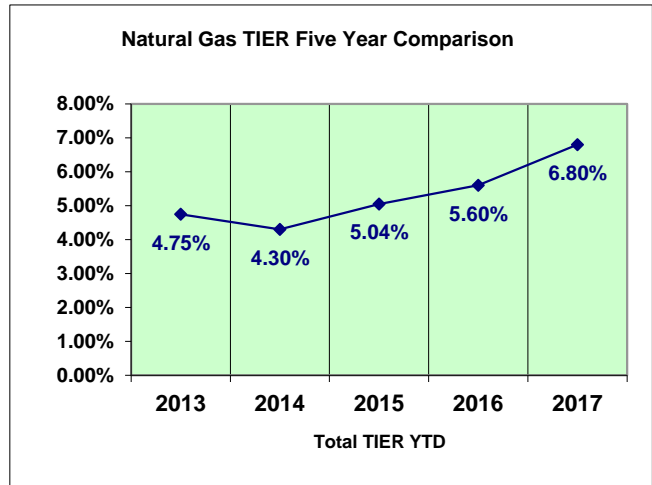
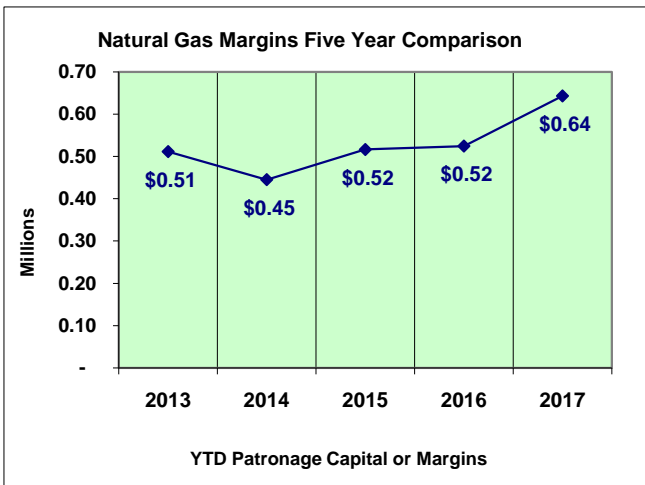
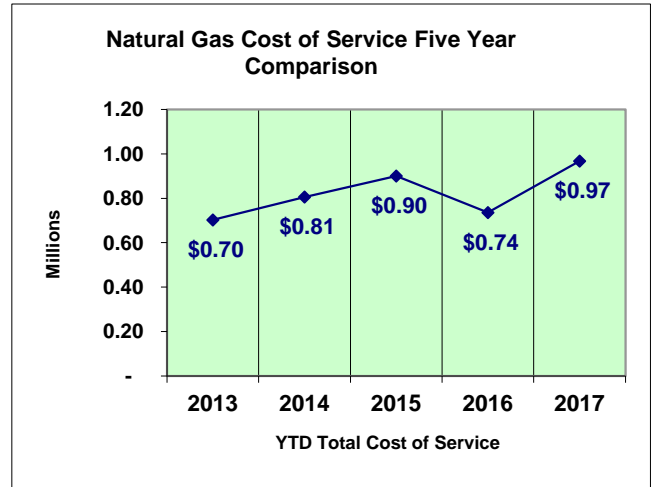
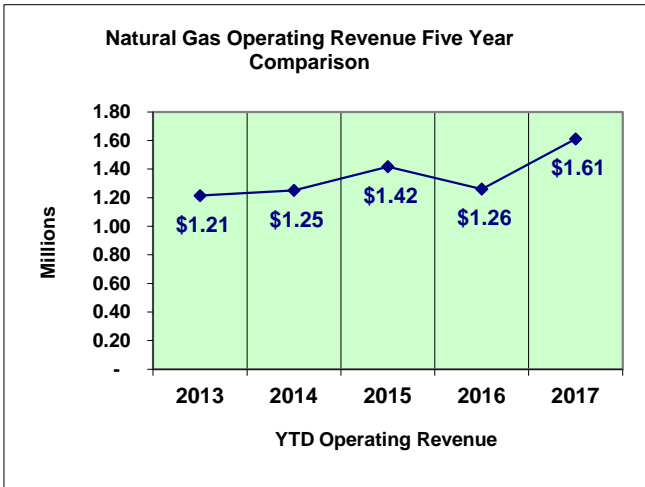
Lower Valley Energy
Natural Gas Five Year Comparison

For the Month Ended

January 31, 2017

ITEM	Year to Date 2017		Year to Date 2016		Year to Date 2015		Year to Date 2014		Year to Date 2013	
	\$	% of Op Rev	\$	% of Op Rev	\$	% of Op Rev	\$	% of Op Rev	\$	% of Op Rev
1 Operating Revenue	\$ 1,610,532		\$ 1,260,103		\$ 1,416,621		\$ 1,250,915		\$ 1,213,766	
2 Power Production Expense	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
3 Cost of Gas Sold	634,919	39.42%	377,181	29.93%	537,373	37.93%	486,698	38.91%	368,460	30.36%
4 Transmission Operation & Maintenance	9,969	0.62%	16,871	1.34%	14,102	1.00%	7,837	0.63%	25,614	2.11%
5 Regional Market Expense	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
6 Distribution Operation	34,456	2.14%	39,438	3.13%	34,453	2.43%	16,602	1.33%	18,283	1.51%
7 Distribution Maintenance	13,300	0.83%	16,860	1.34%	13,761	0.97%	5,357	0.43%	8,158	0.67%
8 Consumer Accounts Expense	7,524	0.47%	6,875	0.55%	10,442	0.74%	5,629	0.45%	6,599	0.54%
9 Customer Service & Information Expense	1,629	0.10%	1,611	0.13%	1,644	0.12%	1,212	0.10%	1,942	0.16%
10 Sales Expense	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
11 Administrative & General Expense	28,390	1.76%	36,699	2.91%	28,463	2.01%	23,942	1.91%	21,883	1.80%
12 Total Operation & Maintenance Expense	\$ 730,186	45.34%	\$ 495,534	39.32%	\$ 640,237	45.19%	\$ 547,277	43.75%	\$ 450,939	37.15%
13 Depreciation & Amortization Expense	105,429	6.55%	104,503	8.29%	104,473	7.37%	95,645	7.65%	81,116	6.68%
14 Tax Expense - Property	18,949	1.18%	17,570	1.39%	17,650	1.25%	15,210	1.22%	14,570	1.20%
15 Tax Expense - Other	2,028	0.13%	1,876	0.15%	2,152	0.15%	2,234	0.18%	2,075	0.17%
16 Interest on Long-Term Debt	110,946	6.89%	114,077	9.05%	127,649	9.01%	134,985	10.79%	136,551	11.25%
17 Interest Charged to Construction - Credit	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
18 Interest Expense - Other	59	0.00%	2,075	0.16%	8,174	0.58%	10,408	0.83%	17,110	1.41%
19 Other Deductions	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
20 Total Cost of Service	\$ 967,598	60.08%	\$ 735,635	58.38%	\$ 900,334	63.56%	\$ 805,758	64.41%	\$ 702,361	57.87%
21 Patronage Capital & Operating Margins	\$ 642,934	39.92%	\$ 524,469	41.62%	\$ 516,287	36.44%	\$ 445,157	35.59%	\$ 511,406	42.13%
22 Non Operating Margins - Interest	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
23 Allowance for Funds used During Constructio	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
24 Income (Loss) from Equity Investments	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
25 Non Operating Margins - Other	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
26 Generation & Transmission Capital Credits	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
27 Other Capital Credits & Patronage Dividends	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
28 Extraordinary Items	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
29 Patronage Capital or Margins	\$ 642,934	39.92%	\$ 524,469	41.62%	\$ 516,287	36.44%	\$ 445,157	35.59%	\$ 511,406	42.13%
30 Total Cost of Service Less Cost of Gas	\$ 322,710	20.04%	\$ 341,582	27.11%	\$ 348,860	24.63%	\$ 311,223	24.88%	\$ 308,286	25.40%
31 Tier - Oper.	6.80		5.60		5.04		4.30		4.75	
32 Tier - Total	6.80		5.60		5.04		4.30		4.75	
33 New Services Connected	10		125		8		3		8	
34 Total Services in Place	4,162		4,141		4,110		4,035		3,986	
35 Miles of Line	263		249		281		274		258	

Lower Valley Energy
 Natural Gas Five Year Comparison
For The Month Ended
January 31, 2017



LOWER VALLEY ENERGY, INC. NATURAL GAS FINANCIAL AND STATISTICAL REPORT	BORROWER DESIGNATION Wyoming 11, Lincoln PERIOD ENDED January 31, 2017
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PART R. GAS REQUIREMENTS DATA BASE

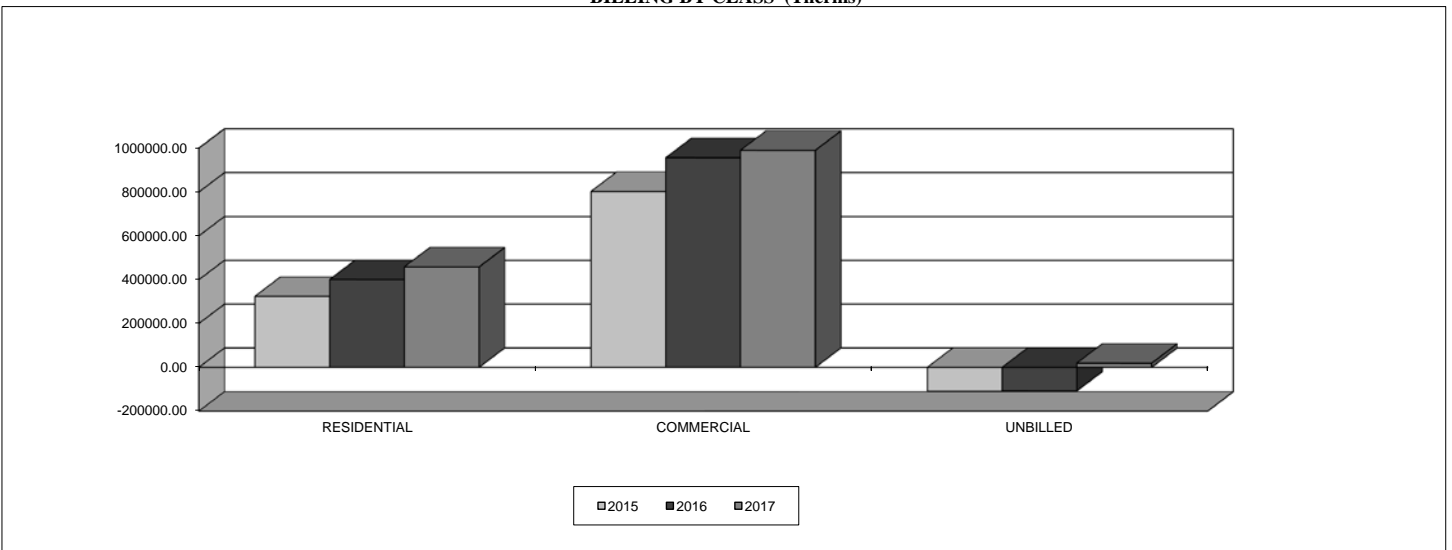
CLASSIFICATION	CONSUMER SALES AND REVENUE DATA	JANUARY <i>(a)</i>	FEBRUARY <i>(b)</i>	MARCH <i>(c)</i>	APRIL <i>(d)</i>	MAY <i>(e)</i>	JUNE <i>(f)</i>
1. Residential Sales	a. No. Consumers Served	3,124					
	b. Therms Sold	458,118					
	c. Revenue	524,540					
2. Comm. and Ind.	a. No. Consumers Served	1,003					
	b. Therms Sold	990,535					
	c. Revenue	1,035,502					
3. Unbilled Revenue	a. No. Consumers Served						
	b. Therms Sold	18,829					
	c. Revenue	49,236					
10. TOTAL No. Consumers (lines 1a - 3a)		4,127					
11. TOTAL Therms Sold (lines 1b - 3b)		1,448,653					
12. TOTAL Revenue Received From Sales of Gas Energy (lines 1c - 3c)		1,609,278					
13. Other Gas Revenue		1,254					
14. Therms - Own Use		20,867					
15. Cost of Purchases		634,919					

ANALYSIS OF BILLING
January 31, 2017
Natural Gas Division
Accrual Basis

YEAR	NUMBER			NUMBER			NUMBER		
	OF METERS	THERMS	AMOUNT	OF METERS	THERMS	AMOUNT	OF METERS	THERMS	AMOUNT
	Residential			Commercial					
2015	2,909	323,516	\$494,653	987	802,873	\$1,067,548			
2016	3,017	400,407	\$449,503	990	956,636	\$952,050			
2017	3,124	458,118	\$524,540	1,003	990,535	\$1,035,502			
	Change in Unbilled Revenue			January Totals			Year to Date Totals		
2015		(108,777)	(\$150,085)	3,896	1,017,612	\$1,412,116	3896	1,017,612	1,412,116
2016		(107,406)	(\$144,752)	4,007	1,357,043	\$1,401,553	4007	1,249,637	1,256,801
2017		18,829	\$49,236	4,127	1,448,676	\$1,560,042	4127	1,467,482	1,609,278

Degree Days			Revenue Summary Form 7 Part A Line 1		Lower Valley Energy Therm Usage	
	Normal	Actual				
2014	1,531	1,498	Year to Date Billing	\$1,609,278	2015	1,250
2015	1,537	1,540	Other Revenue	<u>1,254</u>	2016	17,952
2016	1,524	1,765	Form 7a Line 1 YTD Revenue	<u>\$1,610,532</u>	2017	20,867

BILLING BY CLASS (Therms)



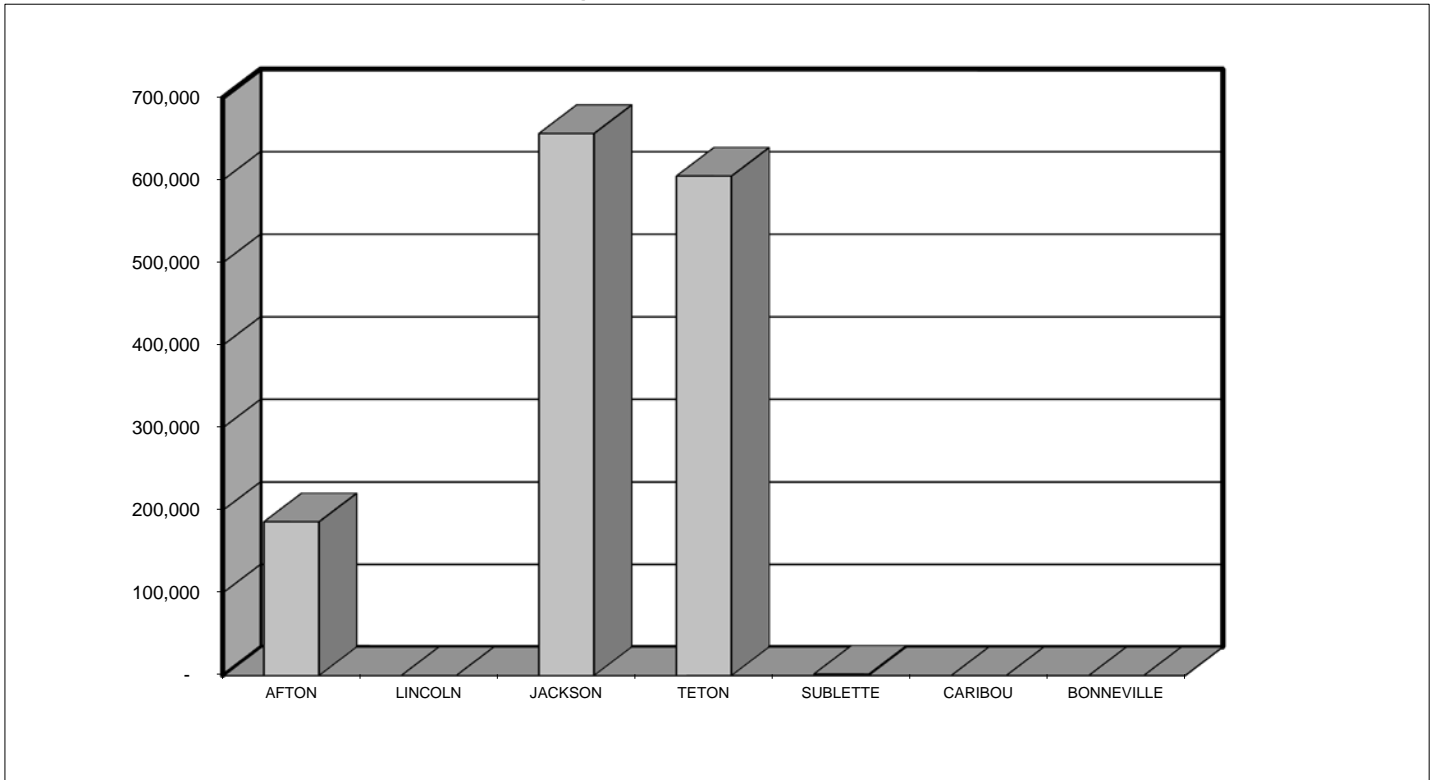
**LOWER VALLEY ENERGY
BILLING BY GEOGRAPHIC
NATURAL GAS
January 31, 2017
BILLING BASIS**

	CONSUMERS	THERMS	CHARGES	AVERAGE THERMS	AVERAGE BILL	REVENUE PER THERM
TOWN OF AFTON	788	186,153	\$203,377	236	\$258.09	\$1.09
TOWN OF JACKSON	2,345	656,534	\$712,018	280	\$303.63	\$1.08
TETON COUNTY	979	604,995	\$643,044	618	\$656.84	\$1.06
SUBLETTE COUNTY	15	1,708	\$1,952	114	\$130.11	\$1.14
TOTAL	4,112	1,449,390	\$1,560,391	352	\$379.47	\$1.08

Adjustments and Accruals
Total Operating Revenue

50,141
\$1,610,532

THERMS BILLED



SWIFT CREEK HYDRO
STATEMENT OF OPERATIONS
For The Month Ended
January 31, 2017

STATEMENT OF OPERATIONS - SWIFT CREEK HYDRO DIVISION

ITEM	YEAR-TO-DATE			THIS MONTH (d)
	LAST YEAR (a)	THIS YEAR (b)	BUDGET (c)	
1. Operating Revenue and Patronage Capital.....	\$ 17,645	\$ 14,218	\$ 12,110	\$ 11,651
2. Power Production Expense.....	4,085	3,048	6,138	3,048
3. Scheduling and Delivery.....	391	3,051	3,000	484
4. Transmission Operation & Maintenance.....	-	-	-	-
5. Distribution Operation Expense.....	-	-	-	-
6. Distribution Maintenance Expense.....	-	-	-	-
7. Consumer Accounts Expense.....	-	-	-	-
8. Customer Service and Informational Expense.....	-	-	-	-
9. Sales Expense.....	-	-	-	-
10. Administrative and General Expense.....	678	1,935	675	1,935
11. Total Operation & Maintenance Expense (2 thru 10)...	5,154	8,034	9,813	5,467
12. Depreciation and Amortization Expense.....	12,308	12,308	12,320	12,308
13. Tax Expense-Property.....	1,620	1,861	1,650	1,861
14. Tax Expense-Other.....	-	-	-	-
15. Interest on Long-Term Debt.....	7,272	8,563	7,570	8,563
16. Interest Charged to Construction-Credit.....	-	-	-	-
17. Interest Expense-Other.....	-	-	-	-
18. Other Deductions.....	-	-	-	-
19. Total Cost of Electric Service (11 thru 18).....	26,354	30,766	31,353	28,199
20. Patronage Capital & Operating Margins (1 minus 19)...	(8,709)	(16,548)	(19,243)	(16,548)
21. Non Operating Margins-Interest.....	-	-	-	-
22. Allowance for Funds Used During Construction.....	-	-	-	-
23. Income (Loss) from Equity Investments.....	-	-	-	-
24. Non Operating Margins-Other.....	-	-	-	-
25. Generation and Transmission Capital Credits.....	-	-	-	-
26. Other Capital Credits and Patronage Dividends.....	-	-	-	-
27. Extraordinary Items.....	-	-	-	-
28. Patronage Capital or Margins (20 thru 27).....	\$ (8,709)	\$ (16,548)	\$ (19,243)	\$ (16,548)

Note:

Sales for 2017 consisted of the following:

PacifiCorp PURPA sales	\$ 11,651
DOE Hydro Incentive	-
Green sales to Teton County	<u>2,567</u>
	<u>\$ 14,218</u>

SWIFT CREEK HYDRO
FINANCIAL AND STATISTICAL REPORT
For the Month Ended
January 31, 2017

BALANCE SHEET - SWIFT CREEK HYDRO DIVISION

ASSETS AND OTHER DEBITS	LIABILITIES AND OTHER CREDITS
1. Total Utility Plant in Service..... \$ 7,072,196	30. Memberships..... \$ -
2. Construction Work in Progress..... -	31. Patronage Capital..... -
3. Total Utility Plant (1 + 2)..... 7,072,196	32. Operating Margins-Prior Years..... (67,600)
4. Accum. Provision for Depreciation and Amort..... 1,089,401	33. Operating Margins-Current Year..... (16,548)
5. Net Utility Plant (3 - 4)..... 5,982,795	34. Non Operating Margins..... -
6. Nonutility Property - Net..... -	35. Other Margins and Equities..... 530,757
7. Investments in Subsidiary Companies..... -	36. Total Margins & Equities (30 thru 35)..... 446,609
8. Invest. in Assoc. Org. - Patronage Capital..... -	37. Long-Term Debt - Bonds..... -
9. Invest. in Assoc. Org.-Other-General Funds..... -	38. Long-Term Debt Other - Econ. Devel. (Net)..... -
10. Invest. in Assoc. Org.-Other-Nongeneral Funds..... -	39. Long-Term Debt Other - Guaranteed..... -
11. Investments in Economic Development Projects..... -	40. Long-Term Debt-Other (Net)..... 5,266,464
12. Other Investments..... -	41. Total Long-Term Debt (37 thru 40)..... 5,266,464
13. Special Funds..... -	42. Obligations under Capital Leases..... -
14. Total Other Property & Investments (6 thru 13)..... -	43. Accumulated Operating Provisions..... -
15. Cash-General Funds..... -	44. Total Other Noncurrent Liabilities (42 + 43)..... -
16. Cash-Construction Funds-Trustee..... -	45. Notes Payable..... -
17. Special Deposits..... -	46. Accounts Payable..... -
18. Temporary Investments..... -	47. Consumers Deposits..... -
19. Notes Receivable-Net..... -	48. Current Maturities of Long-term Debt..... 225,412
20. Accounts Receivable-Net Sales of Energy..... -	49. Other Current & Accrued Liabilities..... (32,158)
21. Accounts Receivable-Net Other..... 28,634	50. Total Current & Accrued Liabilities (45 thru 48)..... 193,254
22. Materials & Supplies-Electric and Other..... -	51. Deferred Credits..... 136,678
23. Prepayments..... -	52. Miscellaneous Operating Reserves..... -
24. Other Current & Accrued Assets..... -	53. Total Liabilities & Other Credits
25. Total Current & Accrued Assets (15 thru 24)..... 28,634	(36 +41 + 44 + 50 thru 52)..... \$ 6,043,005
26. Regulatory Assets..... -	
27. Deferred Debits..... 31,576	
28. Accumulated Deferred Income Taxes..... -	
29. Total Assets & Other Debits (5 + 14 + 25 thru 28)..... \$ 6,043,005	

LOWER VALLEY ENERGY, INC
STATEMENT OF CASH FLOWS
For The Month Ended
January 31, 2017

SWIFT CREEK HYDRO

	YEAR TO DATE	THIS MONTH
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Margins	\$ (16,548)	\$ (16,548)
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Depreciation Expense	12,308	12,308
Decrease/(Increase) in:		
Special Deposits	-	-
Accounts Receivable	-	-
Other Accounts Receivable	5,290	5,290
Materials & Supplies	-	-
Prepayments	-	-
Other Current Assets	-	-
Other Deferred Debits	(8,274)	(8,274)
Increase/(Decrease) in:		
Accounts Payable (excluding line of credit)	-	-
Consumer Deposits	-	-
Other Current Liabilities	(1,050)	(1,050)
Deferred Credits	17,887	17,887
Net cash provided by operating activities	9,613	9,613
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets Net of Retirements	-	-
Change in Notes Receivable	-	-
Change in Investments in Associated Organizations	-	-
Change in Investments in Economic Development Projects	-	-
Change in Temporary Investments	-	-
Change in Other Investments	-	-
Net cash provided/(used) by investing activities	-	-
CASH FLOWS FROM FINANCING AND CAPITAL CREDIT		
Change in Capital Credits	-	-
Change in Long-term Debt	-	-
Net cash provided/(used) by financing and capital credit activities	-	-
Total change in intercompany balance	9,613	9,613
Beginning intercompany balance	69,314	69,314
Ending intercompany balance (positive = cash, negative = liability)	\$ 78,927	\$ 78,927