

LOWER VALLEY ENERGY
STATEMENT OF OPERATIONS
For The Month Ended
August 31, 2018

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 19, 2018
DATE

SIGNATURE OF PRESIDENT AND CEO

September 19, 2018
DATE

STATEMENT OF OPERATIONS - CONSOLIDATED

ITEM	YEAR-TO-DATE			
	Electric	Natural Gas	Consolidated	Budget
1 Operating Revenue	\$ 32,411,048	\$ 6,349,323	\$ 38,760,371	\$ 39,261,903
2 Power Production Expense	75,551	-	75,551	114,844
3 Cost of Purchased Power/Gas Sold	19,065,119	2,595,765	21,660,885	22,477,521
4 Transmission Operation & Maintenance	558,232	185,701	743,933	738,334
5 Regional Market Expense	-	-	-	-
6 Distribution Operation Expense	2,259,007	252,017	2,511,025	2,485,221
7 Distribution Maintenance Expense	944,645	373,291	1,317,937	1,461,343
8 Consumer Accounts Expense	425,717	68,739	494,456	565,346
9 Customer Service and Informational Expense	199,223	36,465	235,688	278,791
10 Sales Expense	-	-	-	-
11 Administrative and General Expense	1,586,231	310,629	1,896,860	1,828,328
12 Total Operation & Maintenance Expense (2 thru 11)	\$ 25,113,726	\$ 3,822,609	\$ 28,936,334	\$ 29,949,728
13 Depreciation and Amortization Expense	3,227,687	852,861	4,080,548	4,239,744
14 Tax Expense-Property	315,499	148,558	464,057	482,960
15 Tax Expense-Other	29,954	8,658	38,612	40,100
16 Interest on Long-Term Debt	2,623,992	853,910	3,477,901	3,499,290
17 Interest Charged to Construction-Credit	-	-	-	-
18 Interest Expense-Other ¹	101,258	5,819	51,442	70,525
19 Other Deductions	-	-	-	-
20 Total Cost of Service (16 thru 23)	\$ 31,412,115	\$ 5,692,414	\$ 37,048,894	\$ 38,282,347
21 Patronage Capital & Operating Margins (3 minus 24)	\$ 998,933	\$ 656,909	\$ 1,711,477	\$ 979,556
22 Non Operating Margins-Interest ¹	201,089	55,635	201,089	184,488
23 Allowance for Funds Used During Construction	-	-	-	-
24 Income (Loss) from Equity Investments	-	-	-	-
25 Non Operating Margins-Other	-	-	-	18,000
26 Generation and Transmission Capital Credits	-	-	-	-
27 Other Capital Credits and Patronage Dividends	386,110	108,721	494,830	498,900
28 Extraordinary Items	-	-	-	-
29 Patronage Capital or Margins (21 thru 28)	\$ 1,586,132	\$ 821,264	\$ 2,407,397	\$ 1,680,944

DATA ON TRANSMISSION AND DISTRIBUTION

ITEM	YEAR-TO-DATE			
	Electric	Natural Gas	Consolidated	Last Year
1 New Services Connected	357	62	419	315
2 Services Retired	90	5	95	87
3 Total Services in Place	28,203	4,323	32,526	31,860
4 Idle Services (Excluding Seasonal)	205	42	247	256
5 Miles Transmission	264	53	317	317
6 Miles Distribution - Overhead	930	-	930	929
7 Miles Distribution - Underground	1,541	226	1,767	1,743
8 Total Miles In Service (5 + 6 + 7)	2,736	279	3,015	2,990

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, 2018

STATEMENT OF OPERATIONS - CONSOLIDATED

ITEM	YEAR-TO-DATE			THIS MONTH (d)
	LAST YEAR	THIS YEAR	BUDGET	
	(a)	(b)	(c)	
1 Operating Revenue	\$ 37,595,774	\$ 38,760,371	\$ 39,261,903	\$ 3,802,014
2 Power Production Expense	66,633	75,551	114,844	7,532
3 Cost of Purchased Power & Gas	19,726,741	21,660,885	22,477,521	1,975,155
4 Transmission Operation & Maintenance	629,081	743,933	738,334	105,577
5 Regional Market Expense	-	-	-	-
6 Distribution Operation Expense	2,389,303	2,511,025	2,485,221	282,992
7 Distribution Maintenance Expense	1,138,026	1,317,937	1,461,343	123,377
8 Consumer Accounts Expense	527,841	494,456	565,346	59,225
9 Customer Service and Informational Expense	225,349	235,688	278,791	43,079
10 Sales Expense	-	-	-	-
11 Administrative and General Expense	1,460,657	1,896,860	1,828,328	236,381
12 Total Operation & Maintenance Expense (2 thru 11)	\$ 26,163,630	\$ 28,936,334	\$ 29,949,728	\$ 2,833,318
13 Depreciation and Amortization Expense	4,002,540	4,080,548	4,239,744	513,179
14 Tax Expense-Property	516,403	464,057	482,960	58,007
15 Tax Expense-Other	37,283	38,612	40,100	3,478
16 Interest on Long-Term Debt	3,692,697	3,477,901	3,499,290	425,315
17 Interest Charged to Construction-Credit	-	-	-	-
18 Interest Expense-Other ¹	7,678	51,442	70,525	7,028
19 Other Deductions	(25,136)	-	-	-
20 Total Cost of Service (16 thru 23)	\$ 34,395,093	\$ 37,048,894	\$ 38,282,347	\$ 3,840,324
21 Patronage Capital & Operating Margins (3 minus 24)	\$3,200,681	\$1,711,477	\$979,556	(\$38,310)
22 Non Operating Margins-Interest ¹	220,789	201,089	184,488	27,937
23 Allowance for Funds Used During Construction	-	-	-	-
24 Income (Loss) from Equity Investments	-	-	-	-
25 Non Operating Margins-Other	5,477	-	18,000	-
26 Generation and Transmission Capital Credits	-	-	-	-
27 Other Capital Credits and Patronage Dividends	519,122	494,830	498,900	487,654
28 Extraordinary Items	-	-	-	-
29 Patronage Capital or Margins (21 thru 28)	\$ 3,946,069	\$ 2,407,397	\$ 1,680,944	\$ 477,281

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	315	419	5. Miles Trans.	317	317
2. Services Retired	87	95	6. Miles Dist. - OH	929	930
3. Total Services in Place	31,860	32,526	7. Miles Dist. - UG	1,743	1,767
4. Idle Services (Exclude Seasonal)	256	247	8. Total Miles (5 + 6 + 7)	2,990	3,015

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, 2018

CONSOLIDATED

ASSETS AND OTHER DEBITS			LIABILITIES AND OTHER CREDITS		
	Current Year	Prior Year		Current Year	Prior Year
1 Total Utility Plant in Service	\$ 225,595,211	\$ 222,044,600	30 Memberships	\$ -	\$ -
2 Construction Work in Progress	24,361,934	2,374,717	31 Patronage Capital	64,108,832	63,564,663
3 Total Utility Plant	249,957,145	224,419,317	32 Operating Margins-Prior Years	-	-
4 Accum. Provision for Depreciation and Amort	107,647,153	101,939,637	33 Operating Margins-Current Year	1,655,842	3,200,681
5 Net Utility Plant	142,309,992	122,479,680	34 Non Operating Margins	751,555	745,388
6 Nonutility Property - Net	-	-	35 Other Margins and Equities	19,656,831	18,346,504
7 Investments in Subsidiary Companies	-	-	36 Total Margins & Equities	86,173,060	85,857,236
8 Invest. in Assoc. Org. - Patronage Capital	3,092,102	3,127,074	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	2,016,793	2,017,692	39 Long-Term Debt - Other - RUS Guaranteed	-	-
11 Investments in Economic Development Projects	2,093	2,093	40 Long-Term Debt - Other (Net)	52,344,178	54,215,930
12 Other Investments	530,000	566,667	40a Long-Term Debt - BPA Power Prepayment	100,411,218	109,608,104
13 Special Funds	-	-	41 Long-Term Debt - Econ Dev (WYO REERLP)	474,235	765,392
14 Total Other Property & Investments	5,647,674	5,720,211	41a Long-Term Debt - Econ Dev (REDL&G)	948,454	1,000,000
15 Cash-General Funds	858,053	336,961	42 Payments - Unapplied	-	-
16 Cash-Construction Funds-Trustee	-	-	43 Total Long-Term Debt	154,178,084	165,589,427
17 Special Deposits	1,188,922	1,355,668	44 Obligations under Capital Leases	-	-
18 Temporary Investments	5,197,571	11,019,178	45 Accumulated Operating Provisions	-	-
19 Notes Receivable-Net	1,317,826	1,338,520	46 Total Other Noncurrent Liabilities	-	-
20 Accounts Receivable-Net Sales of Energy	2,874,050	2,718,066	47 Notes Payable	20,738,264	-
21 Accounts Receivable-Net Other	2,935,847	631,226	48 Accounts Payable	2,306,218	1,626,783
22 Renewable Energy Credits	-	-	49 Consumers Deposits	613,289	587,123
23 Materials & Supplies-Electric and Other	2,399,308	1,668,512	50 Current Maturities LTD - Other	1,771,236	1,852,929
24 Prepayments (excl. BPA Power Prepayment)	190,558	194,488	50a Current Maturities LTD - BPA Power Prepayment	9,196,886	8,856,699
24a BPA Power Prepayment - Current	8,643,106	8,258,881	51 Current Maturities LTD - Econ Dev	290,691	186,521
25 Other Current & Accrued Assets	4,913,326	3,459,819	52 Current Maturities Capital Leases	-	-
26 Total Current & Accrued Assets	30,518,568	30,981,318	53 Other Current & Accrued Liabilities	6,644,712	5,705,426
27 Regulatory Assets	-	-	54 Total Current & Accrued Liabilities	41,561,296	18,815,481
28 Other Deferred Debits	4,889,318	3,203,879	55 Regulatory Liabilities	-	-
28a BPA Power Prepayment - Non-current	102,758,589	111,655,899	56 Deferred Credits	4,211,702	3,778,844
29 Total Assets & Other Debits	\$ 286,124,141	\$ 274,040,987	57 Total Liabilities & Other Credits	\$ 286,124,141	\$ 274,040,987
			ESTIMATED CONTRIBUTIONS-IN-AID-OF-CONSTRUCTION		
			58 Balance Beginning of Year (1978 Thru 2017)	\$60,642,009	\$57,433,115
			59 Amounts Received This Year (Net)	2,433,603	1,450,180
			60 Total Contributions-In-Aid-Of-Construction	\$63,075,612	\$58,883,295

LOWER VALLEY ENERGY, INC.
NOTES TO FINANCIAL STATEMENTS

As of
August 31, 2018

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

	2018		2017	
	July	August	July	August
1 Cost of Power & Gas				
Cost from Income Statement	\$ 19,685,730	\$ 21,660,885	\$ 18,097,808	\$ 19,726,741
Plus: Interest on BPA Prepayment Loan	2,169,851	2,471,536	2,335,570	2,661,390
Total Cost of Power with BPA Interest	<u>\$ 21,855,581</u>	<u>\$ 24,132,420</u>	<u>\$ 20,433,378</u>	<u>\$ 22,388,131</u>
2 Current Assets/Liabilities	1.47	0.73	1.80	1.70
3 Equity	32.24%	30.12%	31.39%	31.57%
Equity excluding BPA Power Prepayment	55.01%	48.82%	52.73%	55.92%
4 Long Term Debt as a % of Plant	72.77%	66.19%	79.60%	78.64%
Long Term Debt as a % of Plant excl. BPA Power Prepayment	24.45%	22.22%	26.18%	21.91%
5 Debt Service Coverage	0.89	0.89	1.05	1.03
Debt Service Coverage excl. BPA Power Prepayment	1.94	1.89	2.16	0.81
6 Intercompany Receivables/(Payables) :				
Natural Gas Division Receivable/(Payable)	\$ 3,798,785	\$ 3,570,826	\$ 2,556,075	\$ 2,037,136
less: Teton Village CIAC Receivable	1,016,197	1,004,333	1,241,350	1,230,401
Net Balance	<u>\$ 4,814,982</u>	<u>\$ 4,575,159</u>	<u>\$ 3,797,425</u>	<u>\$ 3,267,537</u>
7 Total Shared Overhead - Gas Division	<u>275,896</u>	<u>315,061</u>	<u>242,568</u>	<u>278,694</u>
8 Material Inventory:				
Material	2,275,643	2,399,308	1,808,709	1,668,512
Special Equip.	2,673,418	2,634,539	2,596,908	2,588,718
Total Material	<u>4,949,061</u>	<u>5,033,847</u>	<u>4,405,617</u>	<u>4,257,230</u>
9 Inventory Carrying Cost (YTD)	<u>29,846</u>	<u>35,495</u>	<u>28,459</u>	<u>32,661</u>
10 Inventory Turnover - Electric (Dist & Trans)				
Dollar Value	0.99	0.95	0.79	0.80
Quantity	1.15	1.13	1.00	0.98
11 Aged Accounts Receivable (Over 60 Days):	<u>75,721</u>	<u>53,104</u>	<u>88,606</u>	<u>82,363</u>
12 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
August 31, 2018

CONSOLIDATED

	YEAR TO DATE	BUDGET	THIS MONTH
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net Margins	\$ 2,407,397	\$ 1,679,255	\$ 477,281
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:			
Depreciation Expense	4,080,548	4,239,744	513,179
Decrease/(Increase) in:			
Special Deposits	17 180,185	-	-
Accounts Receivable	20 2,822,634	-	(254,459)
Other Accounts Receivable	21 95,572	-	(243,428)
Materials & Supplies	23 (966,723)	-	(123,665)
Prepayments	24 (455,602)	-	(33,586)
BPA Prepayment - Non-current	28a 6,102,517	3,481,710	724,303
Other Current Assets	25 (398,850)	-	146,109
Other Deferred Debits	28 (1,807,790)	63,360	16,622
Increase/(Decrease) in:			
Accounts Payable (excluding line of credit)	48 (1,642,380)	-	251,220
Consumer Deposits	49 19,600	-	8,673
Other Current Liabilities	53 1,602,866	-	(511,929)
Deferred Credits	56 (842,356)	(160,672)	(2,295)
Net cash provided by operating activities	11,197,619	9,303,397	968,025
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of Fixed Assets Net of Retirements	(20,073,812)	(1,180,075)	(19,049,231)
Change in Notes Receivable	19 62,739	-	16,350
Change in Investments in Associated Organizations	8-10 (198,179)	-	-
Change in Investments in Economic Development Projects	11 -	-	-
Change in Temporary Investments	18 (1,369,225)	-	1,033,712
Change in Other Investments	12 20,000	-	-
Net cash provided/(used) by investing activities	(21,558,477)	(1,180,075)	(17,999,169)
CASH FLOWS FROM FINANCING AND CAPITAL CREDIT ACTIVITIES:			
Change in Capital Credits	31 (423,554)	(1,635,627)	(246,394)
Change in Line of Credit	20,738,264	-	20,738,264
Change in Long-term Debt	40-40a, 41-41a, 50 (7,726,574)	(7,614,918)	(1,233,448)
Net cash provided/(used) by financing and capital credit activities	12,588,136	(9,250,545)	19,258,422
Total change in cash	2,227,278	(1,127,223)	2,227,278
Beginning cash and cash equivalents	3,828,346	6,500,000	3,828,346
Ending cash and cash equivalents	\$ 6,055,624	\$ 5,372,777	\$ 6,055,624

LOWER VALLEY ENERGY, INC
SUMMARY OF DEFERRED DEBITS & CREDITS

As of
August 31, 2018

CONSOLIDATED

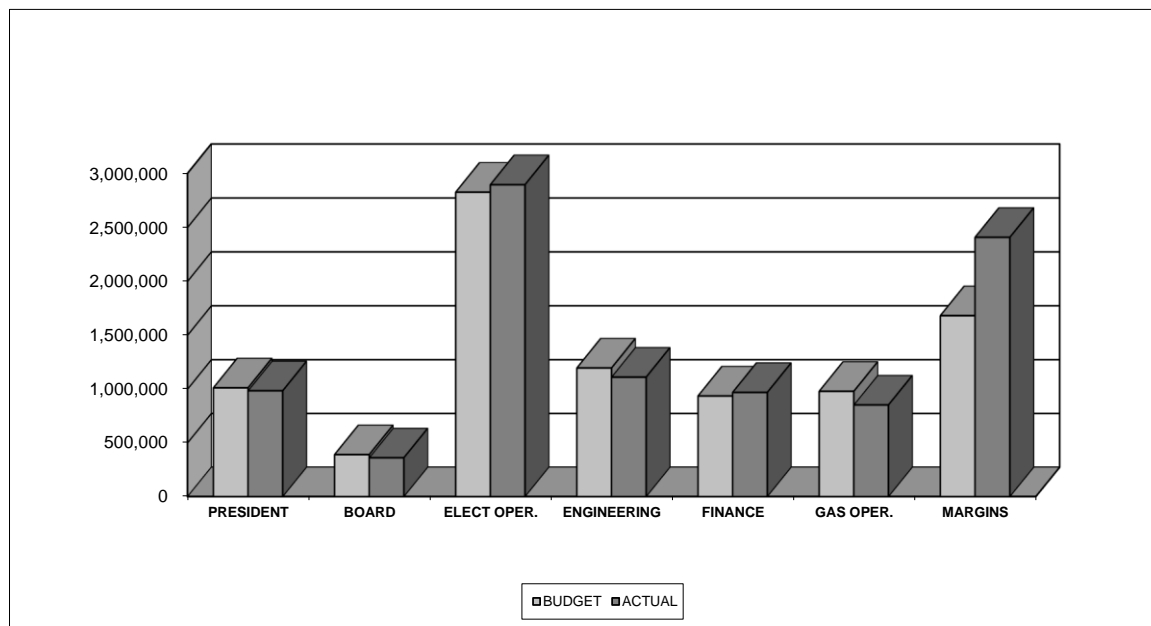
	YEAR TO DATE	PRIOR MONTH	PRIOR YEAR
Deferred Debits - Electric Division			
CFC Repricing Fees	397,759	399,098	413,830
Town of Afton Swift Creek Receivable	100,371	93,431	76,394
Teton Village Contribution in Aid Rec. - Trans. Line	1,982,535	1,986,315	-
	2,480,664	2,478,844	490,224
Deferred Debits - Gas Division			
CFC Repricing Fees	1,404,321	1,410,899	1,483,254
Teton Village Contribution in Aid Rec. - Pipeline	1,004,333	1,016,197	1,230,401
	2,408,654	2,427,096	2,713,656
Total Deferred Debits	\$ 4,889,318	\$ 4,905,940	\$ 3,203,879
Deferred Credits - Electric Division			
Horse Butte Wind (Eagle Mountain)	\$ 2,846,479	\$ 2,863,627	\$ 3,052,249
Conservation Expenditures	(87,256)	(51,999)	(301,326)
Conservation - Loan Loss Reserve	200,000	200,000	200,000
Conservation Funds	408,448	408,448	290,871
Prepaid Revenue-Gift Certificates	3,450	3,450	3,395
Boardman liability	280,248	290,257	400,354
	3,651,369	3,713,782	3,645,543
Deferred Credits - Gas Division			
Natural Gas Fuel Balancing Account	560,333	500,214	133,300
	560,333	500,214	133,300
Total Deferred Credits	\$ 4,211,702	\$ 4,213,997	\$ 3,778,844

Lower Valley Energy
 Consolidated Budget vs. Actual Comparison
 For The Month Ended
 August 31, 2018

ITEM	YTD Actual	YTD Budget	YTD Variance	%
				Variance
1 Operating Revenue	\$ 38,760,371	\$ 39,261,903	\$ (501,532)	-1.28%
2 Power Production Expense	75,551	114,844	(39,293)	-34.21%
3 Cost of Purchased Power	21,660,885	22,477,521	(816,636)	-3.63%
4 Transmission Operation & Maintenance	743,933	738,334	5,599	0.76%
5 Regional Market Expense	-	-	-	0.00%
6 Distribution Operation Expense	2,511,025	2,485,221	25,804	1.04%
7 Distribution Maintenance Expense	1,317,937	1,461,343	(143,406)	-9.81%
8 Consumer Accounts Expense	494,456	565,346	(70,890)	-12.54%
9 Customer Service and Informational Expense	235,688	278,791	(43,103)	-15.46%
10 Sales Expense	-	-	-	0.00%
11 Administrative and General Expense	1,896,860	1,828,328	68,532	3.75%
12 Total Operation & Maintenance Expense (2 thru 11)	28,936,334	29,949,728	(1,013,394)	-3.38%
13 Depreciation and Amortization Expense	4,080,548	4,239,744	(159,196)	-3.75%
14 Tax Expense-Property	464,057	482,960	(18,903)	-3.91%
15 Tax Expense-Other	38,612	40,100	(1,488)	-3.71%
16 Interest on Long-Term Debt	3,477,901	3,499,290	(21,389)	-0.61%
17 Interest Charged to Construction-Credit	-	-	-	0.00%
18 Interest Expense-Other	51,442	70,525	(19,083)	-27.06%
19 Other Deductions	-	-	-	0.00%
20 Total Cost of Service (12 thru 19)	37,048,894	38,282,347	(1,233,453)	-3.22%
21 Patronage Capital & Operating Margins (1 minus 20)	1,711,477	979,556	731,921	74.72%
22 Non Operating Margins-Interest	201,089	184,488	16,601	9.00%
23 Allowance for Funds Used During Construction	-	-	-	0.00%
24 Income (Loss) from Equity Investments	-	-	-	0.00%
25 Non Operating Margins-Other	-	18,000	(18,000)	-100.00%
26 Generation and Transmission Capital Credits	-	-	-	0.00%
27 Other Capital Credits and Patronage Dividends	494,830	498,900	(4,070)	-0.82%
28 Extraordinary Items	-	-	-	0.00%
29 Patronage Capital or Margins (21 thru 28)	\$ 2,407,397	\$ 1,680,944	\$ 726,453	43.22%

Tier - Oper.	1.49	1.28
Tier - Total	1.69	1.48

BUDGET BY DEPARTMENT



LOWER VALLEY ENERGY
STATEMENT OF OPERATIONS
For The Month Ended
August 31, 2018

ELECTRIC DIVISION

ITEM	YEAR-TO-DATE			THIS MONTH (d)
	LAST YEAR (a)	THIS YEAR (b)	BUDGET (c)	
1 Operating Revenue and Patronage Capital	\$ 31,369,660	\$ 32,411,048	\$ 32,844,775	\$ 3,187,813
2 Power Production Expense	66,633	75,551	114,844	7,532
3 Cost of Purchased Power	17,178,467	19,065,119	19,666,367	1,791,515
4 Transmission Operation & Maintenance	506,166	558,232	552,004	73,945
5 Regional Market Expense	-	-	-	-
6 Distribution Operation Expense	2,123,426	2,259,007	2,243,908	252,224
7 Distribution Maintenance Expense	968,787	944,645	967,448	88,344
8 Consumer Accounts Expense	455,220	425,717	487,783	50,914
9 Customer Service and Informational Expense	197,696	199,223	252,723	37,612
10 Sales Expense	-	-	-	-
11 Administrative and General Expense	1,218,548	1,586,231	1,508,669	200,198
12 Total Operation & Maintenance Expense (2 thru 11)	\$ 22,714,944	\$ 25,113,726	\$ 25,793,746	\$ 2,502,283
13 Depreciation and Amortization Expense	3,156,052	3,227,687	3,379,128	406,480
14 Tax Expense-Property	364,810	315,499	334,400	39,437
15 Tax Expense-Other	29,118	29,954	31,400	3,045
16 Interest on Long-Term Debt	2,812,397	2,623,992	2,645,470	319,336
17 Interest Charged to Construction-Credit	-	-	-	-
18 Interest Expense-Other	6,375	101,258	65,645	12,180
19 Other Deductions	(25,136)	-	-	-
20 Total Cost of Electric Service (12 thru 19)	\$ 29,058,559	\$ 31,412,115	\$ 32,249,789	\$ 3,282,761
21 Patronage Capital & Operating Margins (1 minus 20)	\$ 2,311,100	\$ 998,933	\$ 594,986	\$ (94,949)
22 Non Operating Margins-Interest	220,789	201,089	184,488	27,937
23 Allowance for Funds Used During Construction	-	-	-	-
24 Income (Loss) from Equity Investments	-	-	-	-
25 Non Operating Margins-Other	5,152	-	18,000	-
26 Generation and Transmission Capital Credits	-	-	-	-
27 Other Capital Credits and Patronage Dividends	408,985	386,110	388,480	378,934
28 Extraordinary Items	-	-	-	-
29 Patronage Capital or Margins (21 thru 28)	\$ 2,946,026	\$ 1,586,132	\$ 1,185,954	\$ 311,922

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	250	357	5. Miles Trans.	264	264
2. Services Retired	86	90	6. Miles Dist. - Overhead	929	930
3. Total Services in Place	27,658	28,203	7. Miles Dist. - Underground	1,517	1,541
4. Idle Services (Exclude Seasonal)	218	205	8. Total Miles (5 + 6 + 7)	2,711	2,736

LOWER VALLEY ENERGY
BALANCE SHEET
As of
August 31, 2018

ELECTRIC DIVISION

ASSETS AND OTHER DEBITS			LIABILITIES AND OTHER CREDITS		
	Current Year	Prior Year		Current Year	Prior Year
1 Total Utility Plant in Service	\$ 179,770,984	\$ 176,459,326	30 Memberships	\$ -	\$ -
2 Construction Work in Progress	23,742,473	1,839,811	31 Patronage Capital	53,508,562	54,230,421
3 Total Utility Plant	203,513,456	178,299,137	32 Operating Margins-Prior Years	-	-
4 Accum. Provision for Depreciation and Amort	93,029,278	88,613,636	33 Operating Margins-Current Year	998,933	2,311,100
5 Net Utility Plant	110,484,178	89,685,501	34 Non Operating Margins	587,199	634,925
6 Nonutility Property - Net	-	-	35 Other Margins and Equities	19,568,582	18,310,970
7 Investments in Subsidiary Companies	-	-	36 Total Margins & Equities	74,663,276	75,487,417
8 Invest. in Assoc. Org. - Patronage Capital	2,439,986	2,370,490	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	1,437,893	1,438,792	39 Long-Term Debt - Other - RUS Guaranteed	-	-
11 Investments in Economic Development Projects	2,093	2,093	40 Long-Term Debt - Other (Net)	25,528,851	26,328,054
12 Other Investments	530,000	566,667	40a Long-Term Debt - BPA Power Prepayment	100,411,218	109,608,104
13 Special Funds	-	-	41 Long-Term Debt - Econ Dev (WYO REERLP)	474,235	765,392
14 Total Other Property & Investments	4,416,659	4,384,728	41a Long-Term Debt - Econ Dev (REDL&G)	948,454	1,000,000
15 Cash-General Funds	858,053	336,961	42 Payments - Unapplied	-	-
16 Cash-Construction Funds-Trustee	-	-	43 Total Long-Term Debt	127,362,758	137,701,551
17 Special Deposits	1,188,922	1,355,668	44 Obligations under Capital Leases	-	-
18 Temporary Investments	5,197,571	11,019,178	45 Accumulated Operating Provisions	-	-
19 Notes Receivable-Net	1,317,826	1,338,520	46 Total Other Noncurrent Liabilities	-	-
20 Accounts Receivable-Net Sales of Energy	2,465,309	2,350,157	47 Notes Payable	20,738,264	1,038,050
21 Accounts Receivable-Net Other	2,926,933	577,547	48 Accounts Payable	2,278,266	1,607,199
22 Renewable Energy Credits	-	-	49 Consumers Deposits	555,924	534,439
23 Materials & Supplies-Electric and Other	2,223,325	1,624,511	50 Current Maturities LTD - Other	698,687	826,881
24 Prepayments	190,558	194,488	50a Current Maturities LTD - BPA Power Prepayment	9,196,886	8,856,699
24a BPA Power Prepayment - Current	8,643,106	8,258,881	51 Current Maturities LTD - Econ Dev	290,691	186,521
25 Other Current & Accrued Assets	859,208	1,244,284	52 Current Maturities Capital Leases	-	-
26 Total Current & Accrued Assets	25,870,811	28,300,194	53 Other Current & Accrued Liabilities	6,574,780	4,632,245
27 Regulatory Assets	-	-	54 Total Current & Accrued Liabilities	40,333,498	17,682,034
28 Other Deferred Debits	2,480,664	490,224	55 Regulatory Liabilities	-	-
28a BPA Power Prepayment - Non-current	102,758,589	111,655,899	56 Deferred Credits	3,651,369	3,645,543
29 Total Assets & Other Debits	\$ 246,010,900	\$ 234,516,545	57 Total Liabilities & Other Credits	\$ 246,010,900	\$ 234,516,545

NOTES TO FINANCIAL STATEMENTS

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

	2018		2017	
	July	August	July	August
1 Cost of Power				
Cost of Power from Income Statement	\$ 17,273,604	\$ 19,065,119	\$ 15,706,587	\$ 17,178,467
plus: Interest on BPA Prepayment Loan	2,169,851	2,471,536	2,335,570	2,661,390
Total Power Cost	<u>\$ 19,443,455</u>	<u>\$ 21,536,655</u>	<u>\$ 18,042,157</u>	<u>\$ 19,839,857</u>
2 Current Assets/Liabilities	1.34	0.64	1.64	1.58
3 Equity	32.96%	30.35%	31.96%	32.19%
Equity excluding BPA Power Prepayment	64.35%	54.74%	64.80%	65.05%
4 Long Term Debt as a % of Plant	75.92%	67.59%	83.85%	82.77%
Long Term Debt as a % of Plant excl. BPA Power Prepayment	15.42%	13.73%	16.13%	14.30%
5 Material Inventory:				
Material	2,134,979	2,223,325	1,771,215	1,624,511
Special Equip.	2,673,418	2,634,539	2,596,908	2,588,718
Total Material	<u>4,808,397</u>	<u>4,857,863</u>	<u>4,368,123</u>	<u>4,213,229</u>

LOWER VALLEY ENERGY, INC
STATEMENT OF CASH FLOWS
For The Month Ended
August 31, 2018

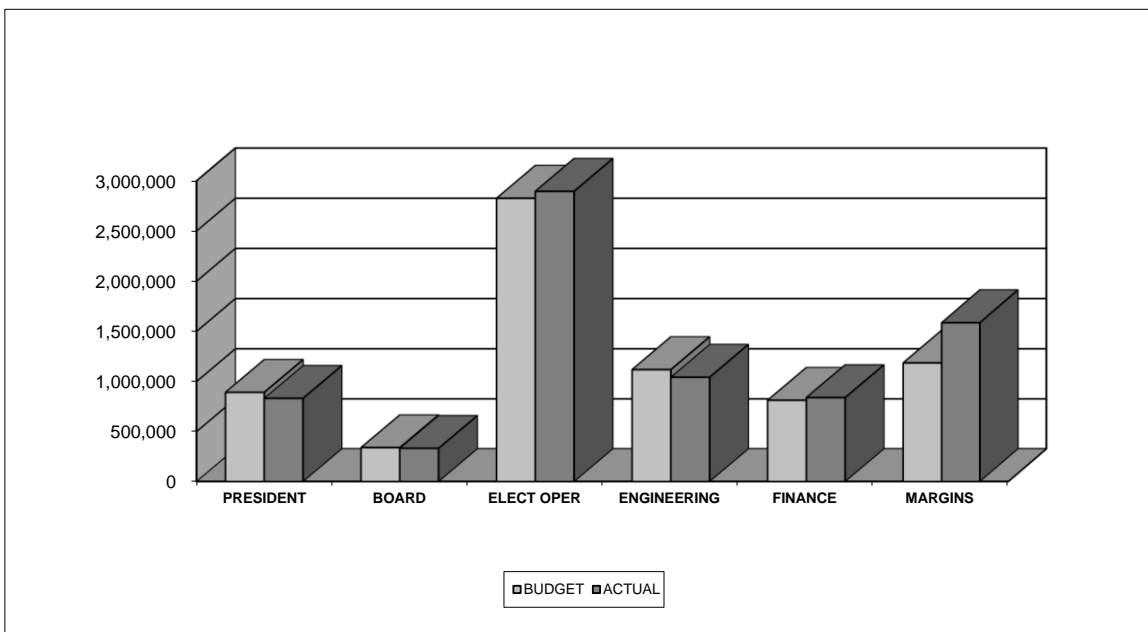
ELECTRIC DIVISION

	YEAR TO DATE	THIS MONTH
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Margins	\$ 1,586,132	\$ 311,922
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Depreciation Expense	3,227,687	406,480
Decrease/(Increase) in:		
Special Deposits	180,185	-
Accounts Receivable	2,192,427	(219,605)
Other Accounts Receivable	364,875	(248,261)
Materials & Supplies	(883,977)	(88,345)
Prepayments	(497,739)	(38,177)
BPA Prepayment	6,102,517	724,303
Other Current Assets	1,454,238	88,372
Other Deferred Debits	(2,015,396)	(1,820)
Increase/(Decrease) in:		
Accounts Payable	(1,670,331)	223,269
Consumer Deposits	14,862	5,861
Other Current Liabilities	1,842,674	(320,114)
Deferred Credits	(1,306,560)	(62,413)
Net cash provided by operating activities	10,591,594	781,469
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets Net of Retirements	(21,656,697)	(21,105,268)
Change in Notes Receivable	62,739	16,350
Change in Investments in Associated Organizations	(143,819)	(145,152)
Change in Investments in Economic Development Projects	-	-
Change in Temporary Investments	(1,369,225)	1,033,712
Change in Other Investments	20,000	-
Net cash provided/(used) by investing activities	(23,087,002)	(20,200,358)
CASH FLOWS FROM FINANCING AND CAPITAL CREDIT		
Change in Capital Credits	(432,012)	(246,394)
Change in Line of Credit	20,738,264	20,738,264
Change in Long-term Debt	(6,952,791)	(930,990)
Net cash provided/(used) by financing and capital credit activities	13,353,461	19,560,880
Total change in cash	858,053	141,992
Beginning cash	-	716,061
Ending cash	\$ 858,053	\$ 858,053
Add: Cash Equivalents	5,197,571	
Ending cash and cash equivalents	\$ 6,055,624	

Lower Valley Energy
Electric Budget vs. Actual Comparison
For The Month Ended
August 31, 2018

<u>ITEM</u>	<u>YTD Actual</u>	<u>YTD Budget</u>	<u>YTD Variance</u>	<u>% Variance</u>
1 Operating Revenue	\$ 32,411,048	\$ 32,844,775	\$ (433,727)	-1.32%
2 Power Production Expense	75,551	114,844	(39,293)	-34.21%
3 Cost of Purchased Power	19,065,119	19,666,367	(601,248)	-3.06%
4 Transmission Operation & Maintenance	558,232	552,004	6,228	1.13%
5 Regional Market Expense	-	-	-	0.00%
6 Distribution Operation Expense	2,259,007	2,243,908	15,099	0.67%
7 Distribution Maintenance Expense	944,645	967,448	(22,803)	-2.36%
8 Consumer Accounts Expense	425,717	487,783	(62,066)	-12.72%
9 Customer Service and Informational Expense	199,223	252,723	(53,500)	-21.17%
10 Sales Expense	-	-	-	0.00%
11 Administrative and General Expense	1,586,231	1,508,669	77,562	5.14%
12 Total Operation & Maintenance Expense (2 thru 11)	25,113,726	25,793,746	(680,020)	-2.64%
13 Depreciation and Amortization Expense	3,227,687	3,379,128	(151,441)	-4.48%
14 Tax Expense-Property	315,499	334,400	(18,901)	-5.65%
15 Tax Expense-Other	29,954	31,400	(1,446)	-4.60%
16 Interest on Long-Term Debt	2,623,992	2,645,470	(21,478)	-0.81%
17 Interest Charged to Construction-Credit	-	-	-	0.00%
18 Interest Expense-Other	101,258	65,645	35,613	54.25%
19 Other Deductions	-	-	-	0.00%
20 Total Cost of Electric Service (12 thru 19)	31,412,115	32,249,789	(837,674)	-2.60%
21 Patronage Capital & Operating Margins (1 minus 20)	998,933	594,986	403,947	67.89%
22 Non Operating Margins-Interest	201,089	184,488	16,601	9.00%
23 Allowance for Funds Used During Construction	-	-	-	0.00%
24 Income (Loss) from Equity Investments	-	-	-	0.00%
25 Non Operating Margins-Other	-	18,000	(18,000)	-100.00%
26 Generation and Transmission Capital Credits	-	-	-	0.00%
27 Other Capital Credits and Patronage Dividends	386,110	388,480	(2,370)	-0.61%
28 Extraordinary Items	-	-	-	0.00%
29 Patronage Capital or Margins (21 thru 28)	\$ 1,586,132	\$ 1,185,954	\$ 400,178	33.74%
Tier - Oper.	1.38	1.22		
Tier - Total	1.60	1.45		

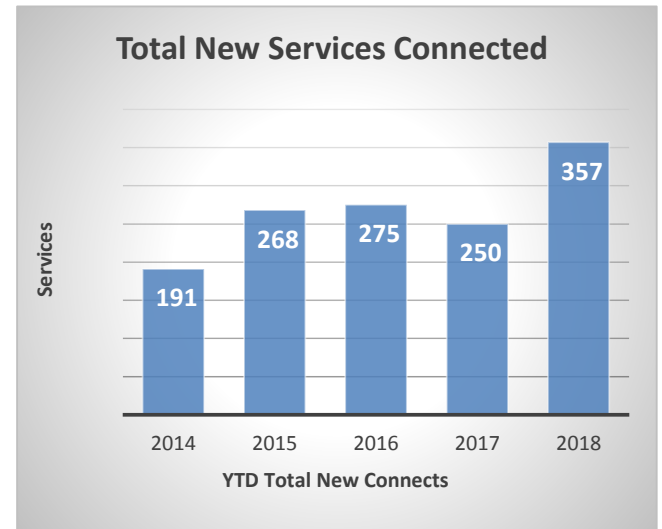
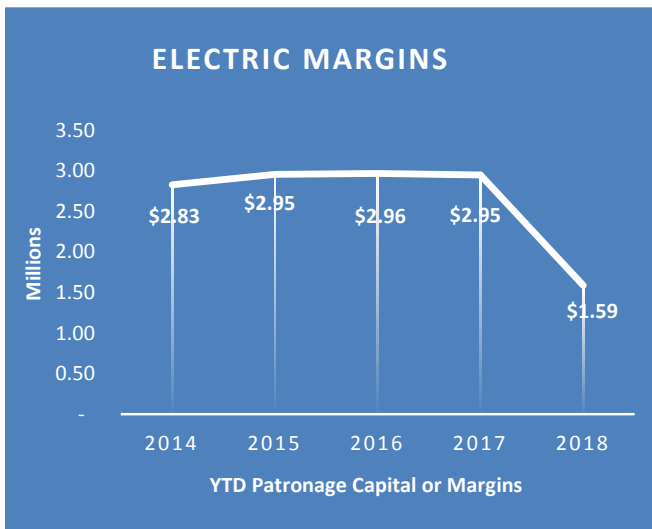
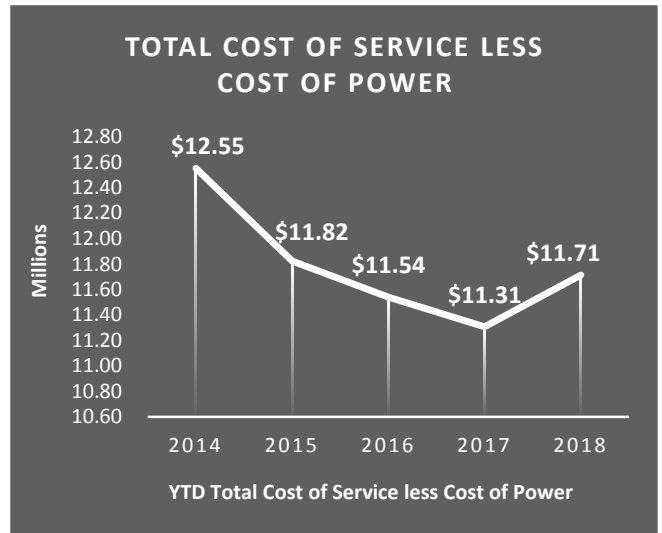
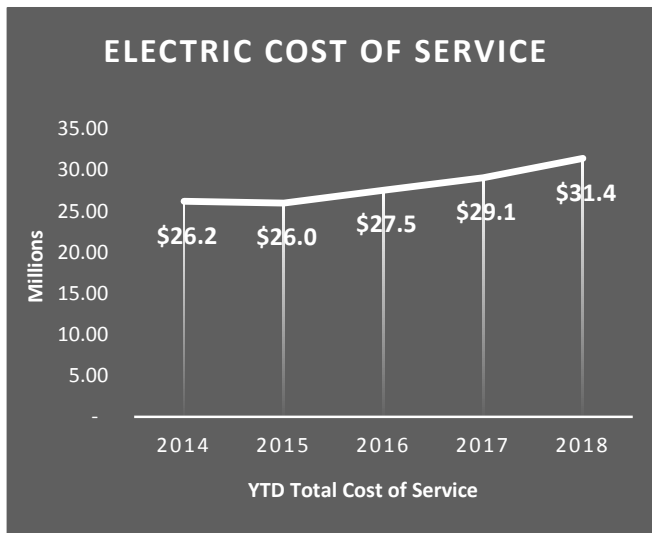
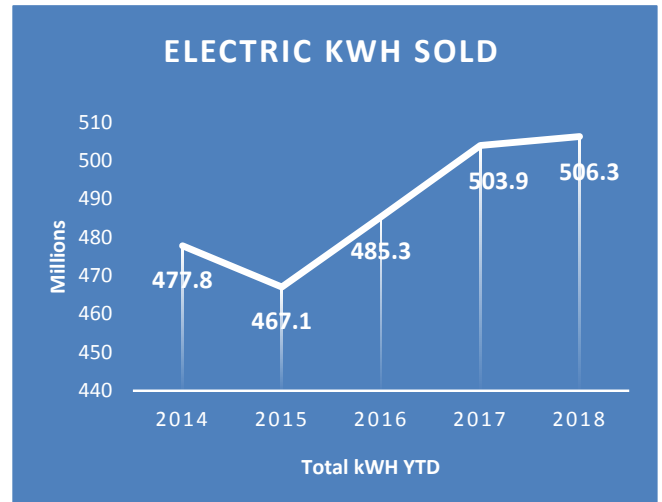
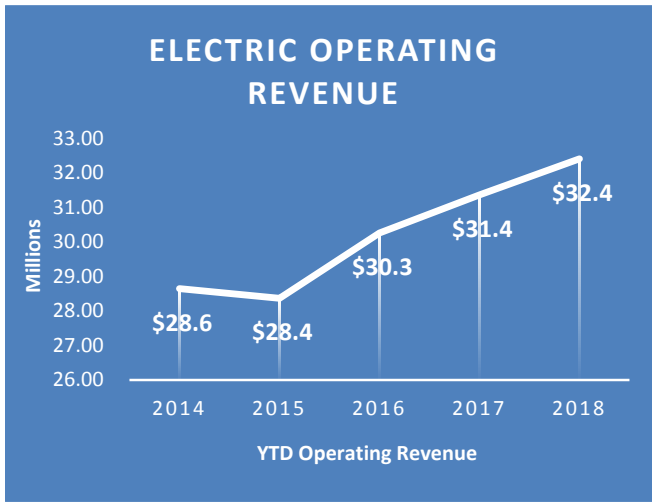
BUDGET BY DEPARTMENT



Lower Valley Energy
Electric Five Year Comparison
For the Month Ended
August 31, 2018

ITEM	Year to Date 2018		Year to Date 2017		Year to Date 2016		Year to Date 2015		Year to Date 2014	
	\$	% of Op Rev	\$	% of Op Rev	\$	% of Op Rev	\$	% of Op Rev	\$	% of Op Rev
1 Operating Revenue	\$32,411,048		\$31,369,660		\$30,264,410		\$28,368,231		\$28,649,334	
2 Power Production Expense	\$75,551	0.23%	\$66,633	0.21%	\$85,814	0.28%	\$74,630	0.26%	\$61,565	0.21%
3 Cost of Purchased Power	19,065,119	58.82%	17,178,467	54.76%	15,584,589	51.49%	13,643,310	48.09%	13,279,835	46.35%
4 Transmission Operation & Maintenance	558,232	1.72%	506,166	1.61%	329,265	1.09%	436,880	1.54%	295,692	1.03%
5 Regional Market Expense		0.00%		0.00%	0	0.00%	0	0.00%	0	0.00%
6 Distribution Operation	2,259,007	6.97%	2,123,426	6.77%	2,151,444	7.11%	1,925,115	6.79%	2,273,466	7.94%
7 Distribution Maintenance	944,645	2.91%	968,787	3.09%	884,666	2.92%	884,896	3.12%	809,967	2.83%
8 Consumer Accounts Expense	425,717	1.31%	455,220	1.45%	503,425	1.66%	493,423	1.74%	550,370	1.92%
9 Customer Service & Information Expense	199,223	0.61%	197,696	0.63%	336,686	1.11%	255,071	0.90%	311,178	1.09%
10 Sales Expense	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
11 Administrative & General Expense	1,586,231	4.89%	1,218,548	3.88%	1,335,758	4.41%	1,310,390	4.62%	1,470,107	5.13%
12 Total Operation & Maintenance Expense	\$25,113,726	77.49%	\$22,714,944	72.41%	\$21,211,648	70.09%	\$19,023,714	67.06%	\$19,052,180	66.50%
13 Depreciation & Amortization Expense	3,227,687	9.96%	3,156,052	10.06%	3,106,965	10.27%	3,165,317	11.16%	3,101,048	10.82%
14 Tax Expense - Property	315,499	0.97%	364,810	1.16%	297,520	0.98%	314,440	1.11%	298,725	1.04%
15 Tax Expense - Other	29,954	0.09%	29,118	0.09%	28,836	0.10%	25,905	0.09%	26,679	0.09%
16 Interest on Long-Term Debt	2,623,992	8.10%	2,812,397	8.97%	3,008,221	9.94%	3,554,870	12.53%	3,831,832	13.37%
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	101,258	0.31%	6,375	0.02%	5,985	0.02%	12,578	0.04%	27,288	0.10%
19 Other Deductions	0	0.00%	(25,136)	-0.08%	(119,298)	-0.39%	(119,298)	-0.42%	(149,122)	-0.52%
20 Total Cost of Service	\$31,412,115	96.92%	\$29,058,559	92.63%	\$27,539,878	91.00%	\$25,977,527	91.57%	\$26,188,631	91.41%
21 Patronage Capital & Operating Margins	\$998,933	3.08%	\$2,311,100	7.37%	\$2,724,532	9.00%	\$2,390,704	8.43%	\$2,460,703	8.59%
22 Non Operating Margins - Interest	\$201,089	0.62%	\$220,789	0.70%	\$151,940	0.50%	\$85,406	0.30%	\$114,810	0.40%
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%	5,152	0.02%	34,131	0.11%	0	0.00%	35,377	0.12%
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	386,110	1.19%	408,985	1.30%	53,876	0.18%	478,052	1.69%	215,101	0.75%
28 Extraordinary Items	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
29 Patronage Capital or Margins	\$1,586,132	4.89%	\$2,946,026	9.39%	\$2,964,478	9.80%	\$2,954,162	10.41%	\$2,825,992	9.86%
30 Total Cost of Service Less Cost of Power	\$11,713,212	36.14%	\$11,307,293	36.05%	\$11,540,209	38.13%	\$11,822,707	41.68%	\$12,551,538	43.81%
31 Tier - Oper.	1.38		1.82		1.91		1.67		1.64	
32 Tier - Total	1.60		2.05		1.99		1.83		1.74	
33 New Services Connected	357		250		275		268		191	
34 Total Services in Place	28,203		27,658		27,114		27,056		26,981	
35 Miles of Line	2,736		2,711		2,674		2,648		2,632	

Lower Valley Energy
 Electric Five Year Comparison
For The Month Ended
August 31, 2018



LOWER VALLEY ENERGY, INC. ELECTRIC DIVISION FINANCIAL AND STATISTICAL REPORT				BORROWER DESIGNATION Wyoming 11, Lincoln				
				PERIOD ENDED August 31, 2018				
PART R. POWER REQUIREMENTS DATA BASE								
CLASSIFICATION	CONSUMER SALES AND REVENUE DATA	JANUARY (a)	FEBRUARY (b)	MARCH (c)	APRIL (d)	MAY (e)	JUNE (f)	TOTAL (Columns a thru l)
1. Residential Sales (excluding seasonal)	a. No. Consumers Served	21,104	21,119	21,125	21,156	21,196	21,302	
	b. kWh Sold	62,349,390	53,488,244	53,705,950	42,648,091	27,611,163	23,616,212	263,419,050
	c. Revenue	\$3,818,675	\$3,321,768	\$3,334,124	\$2,714,616	\$1,872,001	\$1,650,071	\$16,711,256
2. Irrigation Sales	a. No. Consumers Served	197	196	196	194	193	198	
	b. kWh Sold	11,133	8,965	8,105	7,173	19,718	294,832	349,926
	c. Revenue	\$1,821	\$1,657	\$1,605	\$1,526	\$2,502	\$21,228	\$30,339
3. Small Comm 1000 kVA or Less	a. No. Consumers Served	4,586	4,585	4,581	4,570	4,587	4,596	
	b. kWh Sold	11,479,204	10,383,266	10,409,552	8,798,885	6,986,543	7,311,131	55,368,581
	c. Revenue	\$748,218	\$682,732	\$684,499	\$589,775	\$485,395	\$505,348	\$3,695,967
4. Large Comm 1000 kVA or less	a. No. Consumers Served	428	429	427	427	427	429	
	b. kWh Sold	16,248,318	13,508,769	14,338,274	11,131,013	9,344,336	10,645,278	75,215,988
	c. Revenue	\$954,114	\$812,273	\$841,954	\$695,259	\$611,118	\$664,453	\$4,579,170
5. Large Pwr and Ind. Over 1000 kVA	a. No. Consumers Served	17	17	17	17	17	17	
	b. kWh Sold	7,724,080	7,406,620	8,066,340	6,589,540	6,120,240	5,352,120	41,258,940
	c. Revenue	\$364,106	\$347,032	\$375,770	\$313,522	\$292,066	\$258,461	\$1,950,957
6. Public Street and Highway Lighting	a. No. Consumers Served	1,314	1,314	1,309	1,308	1,309	1,309	
	b. kWh Sold	49,240	48,693	48,678	48,733	49,054	49,422	293,820
	c. Revenue	\$10,258	\$10,241	\$10,244	\$10,261	\$10,424	\$10,648	\$62,076
7. Unbilled Revenue	b. kWh Sold	(3,539,230)	(2,503,800)	(9,227,838)	(4,256,162)	(3,284,439)	(3,360,586)	(26,172,055)
	c. Revenue	(\$748,312)	\$426,317	(\$496,202)	(\$1,332,306)	\$739,872	(\$221,120)	(\$1,631,752)
8. TOTAL No. Consumers (lines 1a - 9a)		27,646	27,660	27,655	27,672	27,729	27,851	
9. TOTAL kWh Sold (lines 1b - 9b)		94,322,135	82,340,757	77,349,061	64,967,273	46,846,615	43,908,409	409,734,250
10. TOTAL Revenue Received From Sales of Electric Energy (lines 1c - 9c)		\$5,148,880	\$5,602,020	\$4,751,994	\$2,992,653	\$4,013,378	\$2,889,089	\$25,398,014
11. Other Electric Revenue		\$136,764	\$36,677	\$79,013	\$73,137	\$79,105	\$91,590	\$496,286
12. kWh - Own Use		260,799	242,510	266,266	210,851	124,874	98,830	1,204,130
13. TOTAL kWh Purchased		98,680,223	86,774,311	84,223,188	61,904,873	47,095,162	44,232,507	422,910,264
14. TOTAL kWh Generated		1,068,900	884,500	960,900	1,051,200	2,292,700	1,084,100	7,342,300
15. Cost of Purchases and Generation		\$3,609,661	\$3,106,886	\$2,858,396	\$2,439,439	\$1,634,551	\$1,844,751	\$15,493,685
16. Peak - Sum All kW Input (Metered) X Coincident Non-Coincident		193,557	183,401	172,916	145,455	105,998	82,119	193,557

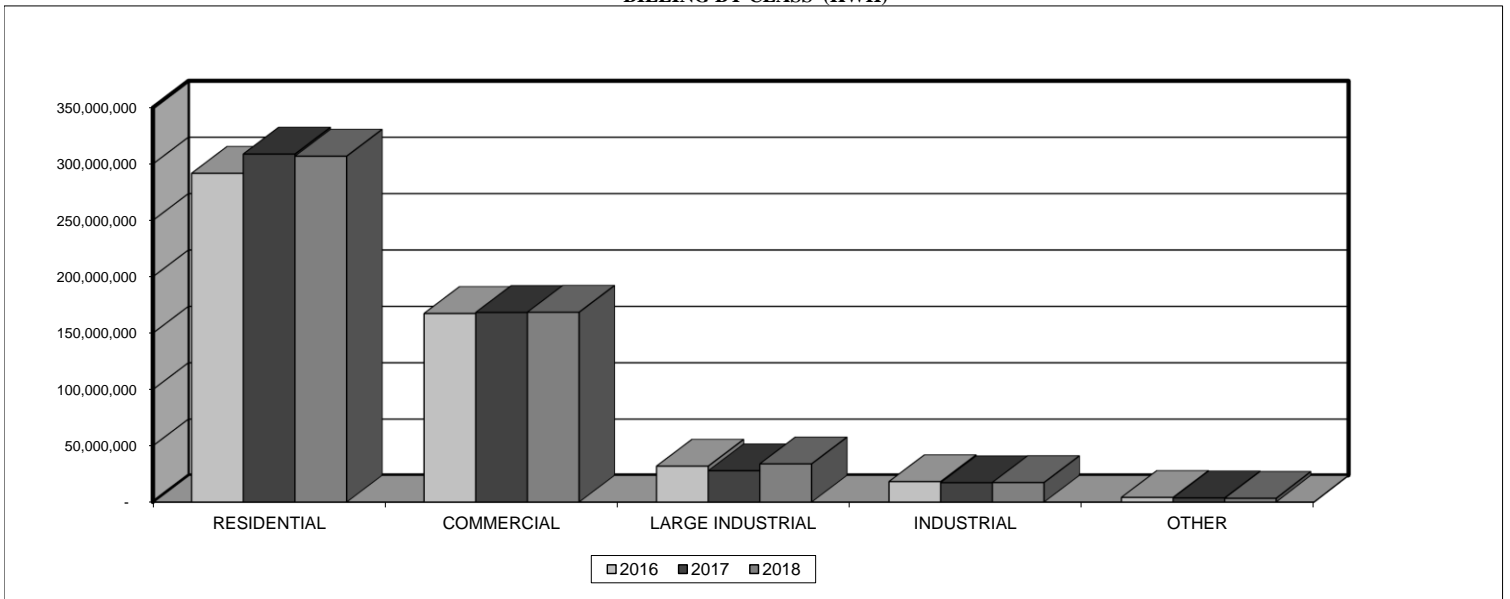
LOWER VALLEY ENERGY, INC. ELECTRIC DIVISION FINANCIAL AND STATISTICAL REPORT				BORROWER DESIGNATION Wyoming 11, Lincoln				
				PERIOD ENDED August 31, 2018				
PART R. POWER REQUIREMENTS DATA BASE								
CLASSIFICATION	CONSUMER SALES AND REVENUE DATA	JULY (a)	AUGUST (b)	SEPTEMBER (c)	OCTOBER (d)	NOVEMBER (e)	DECEMBER (f)	TOTAL (Columns a thru l)
1. Residential Sales (excluding seasonal)	a. No. Consumers Served	21,351	21,435					
	b. kWh Sold	21,161,063	22,281,490					306,861,603
	c. Revenue	\$1,513,829	\$1,578,413					\$19,803,498
2. Irrigation Sales	a. No. Consumers Served	200	197					
	b. kWh Sold	941,555	1,695,101					2,986,582
	c. Revenue	\$59,427	\$99,229					\$188,995
3. Small Comm 1000 kVA or Less	a. No. Consumers Served	4,612	4,609					
	b. kWh Sold	7,296,555	8,156,034					70,821,170
	c. Revenue	\$503,824	\$555,001					\$4,754,791
4. Large Comm 1000 kVA or less	a. No. Consumers Served	430	428					
	b. kWh Sold	10,705,770	11,735,069					97,656,827
	c. Revenue	\$653,444	\$686,278					\$5,918,892
5. Large Pwr and Ind. Over 1000 kVA	a. No. Consumers Served	17	17					
	b. kWh Sold	4,348,960	5,656,900					51,264,800
	c. Revenue	\$247,642	\$278,805					\$2,477,404
6. Public Street and Highway Lighting	a. No. Consumers Served	1,309	1,312					
	b. kWh Sold	49,380	49,101					392,301
	c. Revenue	\$10,642	\$10,616					\$83,334
7. Unbilled Revenue	b. kWh Sold	3,927,093	(1,450,549)					(23,695,511)
	c. Revenue	\$263,741	(\$93,878)					(\$1,461,889)
8. TOTAL No. Consumers (lines 1a - 9a)		27,919	27,998					
9. TOTAL kWh Sold (lines 1b - 9b)		48,430,376	48,123,146					506,287,772
10. TOTAL Revenue Received From Sales of Electric Energy (lines 1c - 9c)		\$3,252,548	\$3,114,464					\$31,765,026
11. Other Electric Revenue		\$76,388	\$73,348					\$646,022
12. kWh - Own Use		86,336	96,550					1,387,016
13. TOTAL kWh Purchased		48,959,975	48,886,545					520,756,784
14. TOTAL kWh Generated		1,129,100	1,951,300					10,422,700
15. Cost of Purchases and Generation		\$1,847,938	\$1,799,047					\$19,140,671
16. Peak - Sum All kW Input (Metered) X Coincident Non-Coincident		78,620	78,487					193,557

ANALYSIS OF BILLING
August 31, 2018
ELECTRIC
Accrual Basis

YEAR	NUMBER			NUMBER			NUMBER		
	OF METERS	KWH	AMOUNT	OF METERS	KWH	AMOUNT	OF METERS	KWH	AMOUNT
	Residential			Small & Large Commercial			Large Power & Industrial		
2016	20,671	291,671,079	\$18,237,634	4,925	167,396,254	\$10,160,984	16	18,157,340	\$1,014,617
2017	20,943	308,748,201	\$19,211,651	4,980	168,280,292	\$10,233,009	16	17,196,200	\$966,480
2018	21,435	306,861,603	\$19,803,498	5,037	168,477,997	\$10,673,683	16	17,346,320	\$917,146
	Irrigation			Lighting			Large Industrial		
2016	192	3,736,259	\$216,155	1,309	416,000	\$84,956	1	31,911,120	\$1,351,521
2017	193	3,308,597	\$197,949	1,307	412,609	\$84,249	1	27,852,120	\$1,194,025
2018	197	2,986,582	\$188,995	1,312	392,301	\$83,334	1	33,918,480	\$1,560,258
	Change in Unbilled Revenue			August Total			Year to Date Totals		
2016		(2,176,474)	(\$110,368)	27,114	47,488,331	\$2,977,235	27,114	511,111,578	\$30,955,499
2017		(21,859,280)	(\$1,164,679)	27,440	50,046,788	\$3,182,821	27,440	503,938,739	\$30,722,684
2018		(23,695,511)	(\$1,461,889)	27,998	48,123,146	\$3,187,812	27,998	506,287,772	\$31,765,026

YTD KW	Degree Days		Revenue Summary Form 7 Part A Line 1		Lower Valley Energy KWH Usage		
	Normal	Actual					
2016	184,876	5,917	5,862	Year to Date Billing	\$31,765,026	2016	1,164,204
2017	218,819	5,916	5,742	Other Revenue	<u>646,022</u>	2017	1,176,825
2018	193,557	5,928	5,698	Form 7a Line 1 YTD Revenue	<u><u>\$32,411,048</u></u>	2018	1,387,016

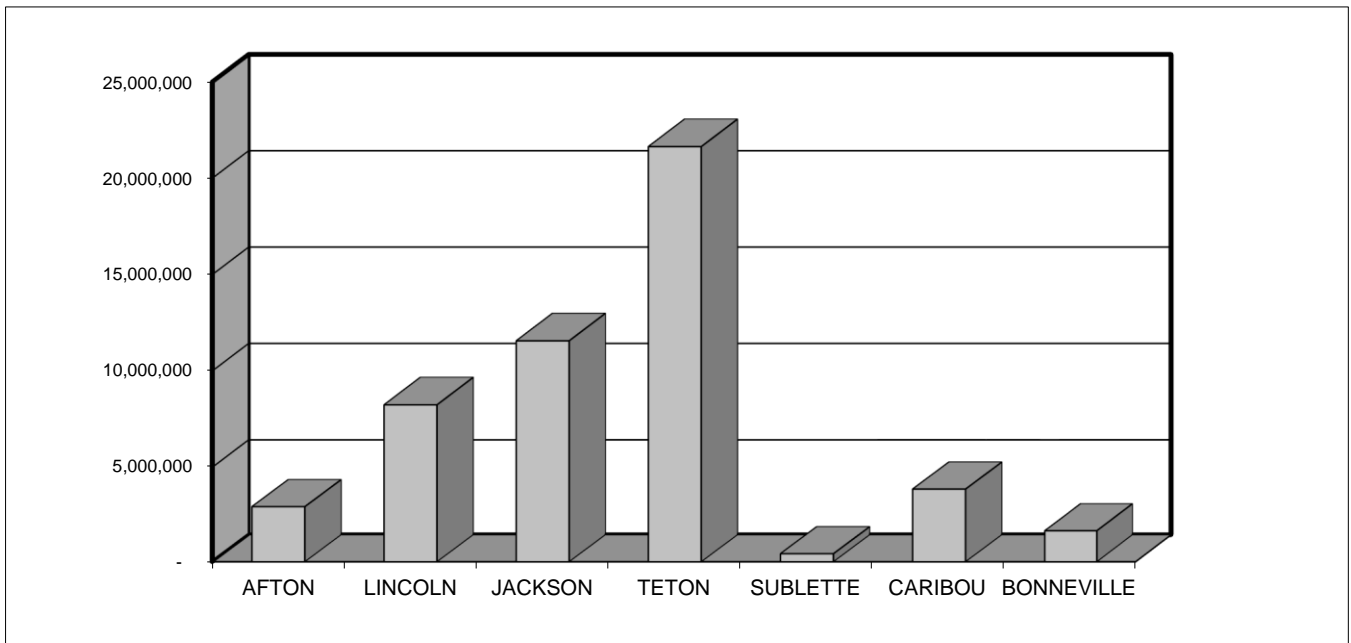
BILLING BY CLASS (KWH)



**LOWER VALLEY ENERGY
BILLING BY GEOGRAPHIC AREAS
ELECTRIC DIVISION
August 31, 2018
BILLING BASIS**

	CONSUMERS	KWH	CHARGES	AVERAGE KWH	AVERAGE BILL	REVENUE PER KWH CENTS
TOWN OF AFTON	1,957	2,911,663	\$198,112	1,488	\$101.23	6.80
LINCOLN COUNTY (less Afton)	7,526	8,237,601	\$570,348	1,095	\$75.78	6.92
TOWN OF JACKSON	7,462	11,557,930	\$741,533	1,549	\$99.37	6.42
TETON COUNTY (less Jackson)	8,713	21,637,368	\$1,353,465	2,483	\$155.34	6.26
SUBLETTE COUNTY	549	424,255	\$31,937	773	\$58.17	7.53
CARIBOU COUNTY	295	3,841,192	\$194,225	13,021	\$658.39	5.06
BONNEVILLE COUNTY	1,496	1,638,417	\$109,577	1,095	\$73.25	6.69
TOTAL	<u>27,998</u>	<u>50,248,426</u>	<u>\$3,199,198</u>	<u>1,795</u>	<u>\$114.27</u>	<u>6.37</u>
			<u>Adjustments and Accruals</u>			
						<u>(11,385)</u>
			Total Operating Revenue			<u>\$3,187,813</u>

KWH



LOWER VALLEY ENERGY
STATEMENT OF OPERATIONS
For The Month Ended
August 31, 2018

NATURAL GAS DIVISION

ITEM	YEAR-TO-DATE			THIS MONTH
	LAST YEAR	THIS YEAR	BUDGET	
	(a)	(b)	(c)	
1 Operating Revenue and Patronage Capital	\$ 6,226,114	\$ 6,349,323	\$ 6,417,128	\$ 614,201
2 Power Production Expense	-	-	-	-
3 Cost of Gas	2,548,273	2,595,765	2,811,154	183,640
4 Transmission Operation & Maintenance	122,915	185,701	186,330	31,632
5 Regional Market Expense	-	-	-	-
6 Distribution Operation Expense	265,876	252,017	241,313	30,768
7 Distribution Maintenance Expense	169,240	373,291	493,895	35,033
8 Consumer Accounts Expense	72,621	68,739	77,563	8,311
9 Customer Service and Informational Expense	27,652	36,465	26,068	5,467
10 Sales Expense	-	-	-	-
11 Administrative and General Expense	242,109	310,629	319,659	36,183
12 Total Operation & Maintenance Expense (2 thru 11)	\$ 3,448,686	\$ 3,822,609	\$ 4,155,982	\$ 331,034
13 Depreciation and Amortization Expense	846,487	852,861	860,616	106,699
14 Tax Expense-Property	151,593	148,558	148,560	18,570
15 Tax Expense-Other	8,165	8,658	8,700	433
16 Interest on Long-Term Debt	880,300	853,910	853,820	105,979
17 Interest Charged to Construction-Credit	-	-	-	-
18 Interest Expense-Other	1,303	5,819	4,880	953
19 Other Deductions	-	-	-	-
20 Total Cost of Service (12 thru 19)	\$ 5,336,533	\$ 5,692,414	\$ 6,032,558	\$ 563,667
21 Patronage Capital & Operating Margins (1 minus 20)	\$ 889,581	\$ 656,909	\$ 384,570	\$ 50,534
22 Non Operating Margins-Interest	-	55,635	-	6,105
23 Allowance for Funds Used During Construction	-	-	-	-
24 Income (Loss) from Equity Investments	-	-	-	-
25 Non Operating Margins-Other	325	-	-	-
26 Generation and Transmission Capital Credits	-	-	-	-
27 Other Capital Credits and Patronage Dividends	110,138	108,721	110,420	108,721
28 Extraordinary Items	-	-	-	-
29 Patronage Capital or Margins (21 thru 28)	\$ 1,000,043	\$ 821,264	\$ 494,990	\$ 165,359

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	65	62	5. Miles Trans.	53	53
2. Services Retired	1	5	6. Miles Distr. - 2" or less	165	168
3. Total Services in Place	4,202	4,323	7. Miles Dist. - Over 2"	57	58
4. Idle Services (Exclude Seasonal)	38	42	8. Total Miles (5 + 6 + 7)	275	279

LOWER VALLEY ENERGY
BALANCE SHEET
As of
August 31, 2018

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	\$ 45,824,228	\$ 45,585,274	30	Memberships	-	-
2	Construction Work in Progress	619,461	534,906	31	Patronage Capital	10,600,269	9,334,242
3	Total Utility Plant	46,443,689	46,120,180	32	Operating Margins-Prior Years	-	-
4	Accum. Provision for Depreciation and Amort	14,617,874	13,326,001	33	Operating Margins-Current Year	656,909	889,581
5	Net Utility Plant	31,825,815	32,794,179	34	Non Operating Margins	164,356	110,463
6	Nonutility Property - Net	-	-	35	Other Margins and Equities	88,250	35,534
7	Investments in Subsidiary Companies	-	-	36	Total Margins & Equities	11,509,784	10,369,819
8	Invest. in Assoc. Org. - Patronage Capital	652,115	756,583	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)	26,815,327	27,887,876
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	1,231,015	1,335,483	42	Payments - Unapplied	-	-
15	Cash-General Funds	-	-	43	Total Long-Term Debt	26,815,327	27,887,876
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	408,741	367,910	48	Accounts Payable	27,951	19,584
21	Accounts Receivable-Net Other	8,914	53,679	49	Consumers Deposits	57,366	52,684
22	Renewable Energy Credits	-	-	50	Current Maturities Long-Term Debt	1,072,549	1,026,048
23	Materials & Supplies-Electric and Other	175,984	44,000	51	Current Maturities Long-Term Debt - Econ. Devel.	-	-
24	Prepayments	-	-	52	Current Maturities Capital Leases	-	-
25	Other Current & Accrued Assets	4,054,118	2,215,535	53	Other Current & Accrued Liabilities	69,932	35,131
26	Total Current & Accrued Assets	4,647,757	2,681,124	54	Total Current & Accrued Liabilities	1,227,798	1,133,447
27	Regulatory Assets	-	-	55	Regulatory Liabilities	-	-
28	Other Deferred Debits	2,408,654	2,713,656	56	Deferred Credits	560,333	133,300
28a	Other Non-current Assets-BPA Power Prepayment	-	-	57	Total Liabilities & Other Credits	\$ 40,113,241	\$ 39,524,442
29	Total Assets & Other Debits	\$ 40,113,241	\$ 39,524,442				

NOTES TO FINANCIAL STATEMENTS

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

	2018		2017	
	July	August	July	August
1. Current Assets/Liabilities	1.63	1.71	2.39	2.37
2. Equity	28.16%	28.71%	27.82%	27.67%
3. Long Term Debt as a % of Plant	60.44%	60.05%	63.31%	62.69%
4. Material Inventory:	140,664	175,984	37,494	44,000
5. Intercompany Receivable/(Payable)	3,798,785	3,570,826	2,556,075	2,037,136

LOWER VALLEY ENERGY, INC
STATEMENT OF CASH FLOWS
For The Month Ended
August 31, 2018

NATURAL GAS DIVISION

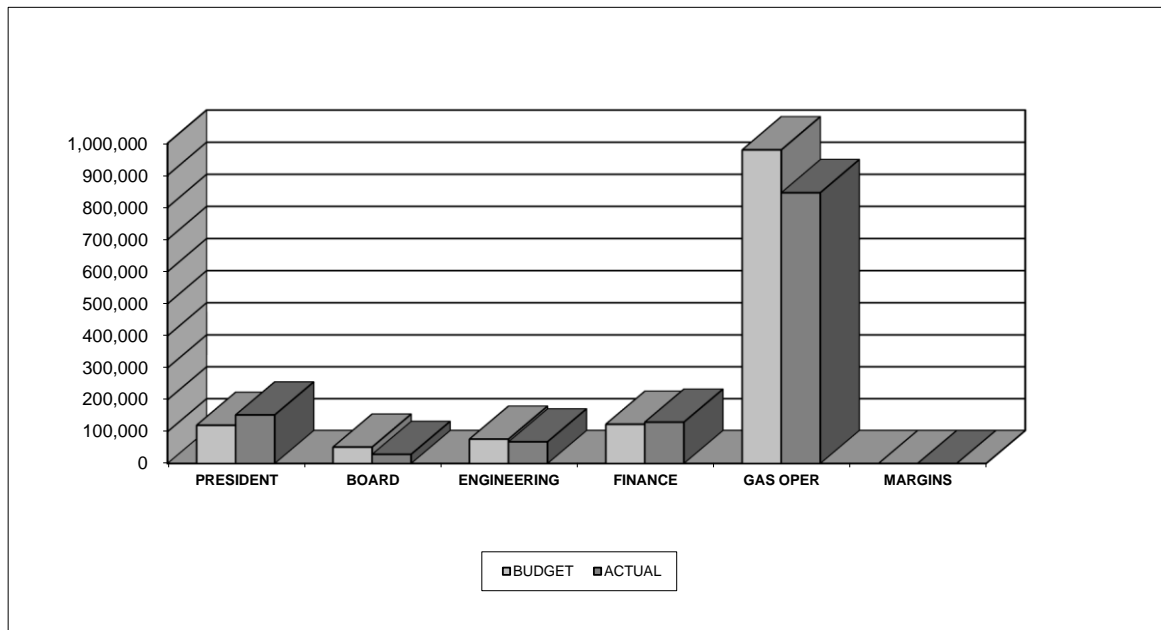
	YEAR TO DATE	THIS MONTH
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Margins	\$ 821,264	\$ 165,359
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Depreciation Expense	852,861	106,699
Decrease/(Increase) in:		
Special Deposits	-	-
Accounts Receivable	619,734	(34,854)
Other Accounts Receivable	70,923	4,834
Materials & Supplies	(82,746)	(35,320)
Prepayments	42,138	4,592
Other Current Assets	(1,401,658)	57,737
Other Deferred Debits	207,607	18,442
Increase/(Decrease) in:		
Accounts Payable (excluding line of credit)	27,951	27,951
Consumer Deposits	4,738	2,812
Other Current Liabilities	(137,901)	(419,773)
Deferred Credits	464,205	60,118
Net cash provided by operating activities	1,489,115	(41,402)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets Net of Retirements	549,344	130,799
Change in Notes Receivable	-	-
Change in Investments in Associated Organizations	(54,360)	(54,360)
Change in Investments in Economic Development Projects	-	-
Change in Temporary Investments	-	-
Change in Other Investments	-	-
Net cash provided/(used) by investing activities	494,984	76,439
CASH FLOWS FROM FINANCING AND CAPITAL CREDIT		
Change in Capital Credits	(17,332)	(2,205)
Change in Long-term Debt	-	(260,790)
Net cash provided/(used) by financing and capital credit activities	(17,332)	(262,995)
Total change in intercompany balance	1,966,767	(227,958)
Beginning intercompany balance	1,604,059	3,798,785
Ending intercompany balance	\$ 3,570,826	\$ 3,570,826

Lower Valley Energy
 Natural Gas Budget vs. Actual Comparison
 For The Month Ended
 August 31, 2018

ITEM	YTD Actual	YTD Budget	YTD Variance	%
	\$	\$	\$	Variance
1 Operating Revenue	6,349,323	6,417,128	(67,805)	-1.06%
2 Power Production Expense	-	-	-	0.00%
3 Cost of Purchased Gas	2,595,765	2,811,154	(215,389)	-7.66%
4 Transmission Operation & Maintenance	185,701	186,330	(629)	-0.34%
5 Regional Market Expense	-	-	-	0.00%
6 Distribution Operation Expense	252,017	241,313	10,704	4.44%
7 Distribution Maintenance Expense	373,291	493,895	(120,604)	-24.42%
8 Consumer Accounts Expense	68,739	77,563	(8,824)	-11.38%
9 Customer Service and Informational Expense	36,465	26,068	10,397	39.89%
10 Sales Expense	-	-	-	0.00%
11 Administrative and General Expense	310,629	319,659	(9,030)	-2.82%
12 Total Operation & Maintenance Expense (2 thru 11)	3,822,609	4,155,982	(333,373)	-8.02%
13 Depreciation and Amortization Expense	852,861	860,616	(7,755)	-0.90%
14 Tax Expense-Property	148,558	148,560	(2)	0.00%
15 Tax Expense-Other	8,658	8,700	(42)	-0.49%
16 Interest on Long-Term Debt	853,910	853,820	90	0.01%
17 Interest Charged to Construction-Credit	-	-	-	0.00%
18 Interest Expense-Other	5,819	4,880	939	19.24%
19 Other Deductions	-	-	-	0.00%
20 Total Cost of Service (12 thru 19)	5,692,414	6,032,558	(340,144)	-5.64%
21 Patronage Capital & Operating Margins (1 minus 20)	656,909	384,570	272,339	70.82%
22 Non Operating Margins-Interest	55,635	-	55,635	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	108,721	110,420	(1,699)	-1.54%
28 Extraordinary Items	-	-	-	0.00%
29 Patronage Capital or Margins (21 thru 28)	\$ 821,264	\$ 494,990	\$ 326,274	65.92%

Tier - Oper.	1.77	1.45
Tier - Total	1.96	1.58

BUDGET BY DEPARTMENT

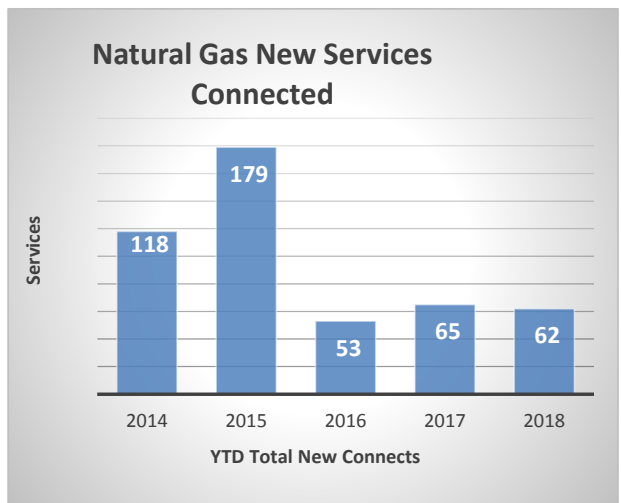
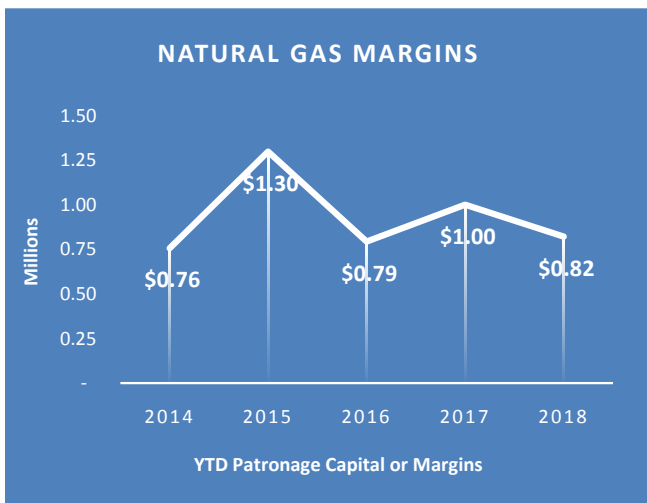
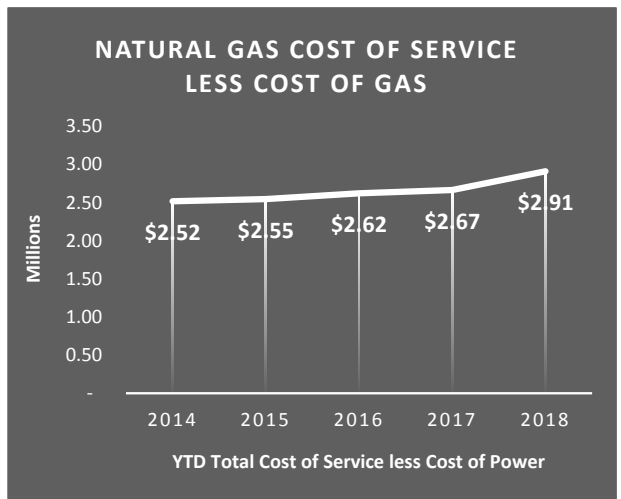
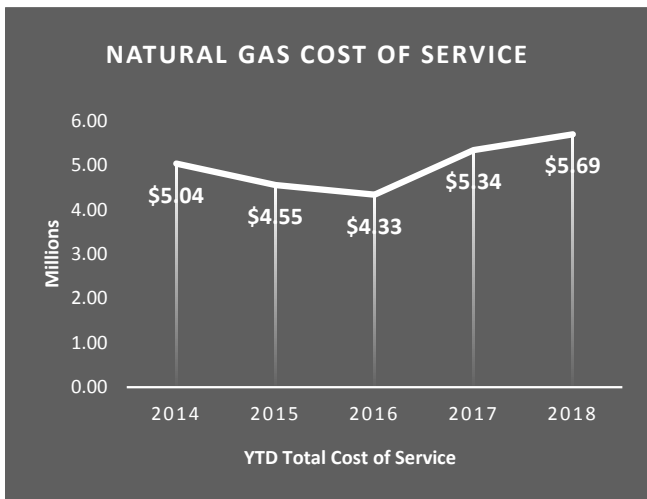
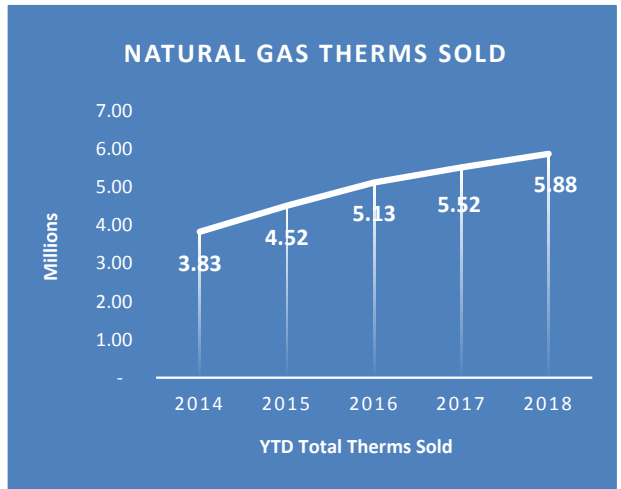
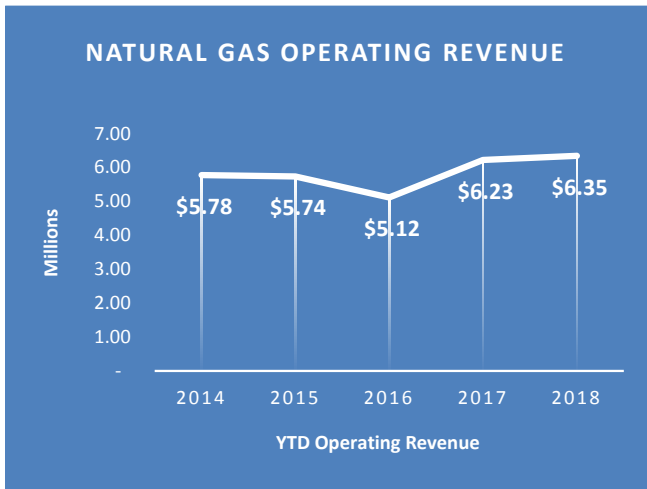


Lower Valley Energy
Natural Gas Five Year Comparison

For the Month Ended
August 31, 2018

ITEM	Year to Date 2018		Year to Date 2017		Year to Date 2016		Year to Date 2015		Year to Date 2014	
	\$	% of Op Rev	\$	% of Op Rev	\$	% of Op Rev	\$	% of Op Rev	\$	% of Op Rev
1 Operating Revenue	\$ 6,349,323		\$ 6,226,114		\$ 5,119,421		\$ 5,739,326		\$ 5,783,294	
2 Power Production Expense	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
3 Cost of Gas Sold	2,595,765	40.88%	2,548,273	40.93%	1,582,493	30.91%	1,860,153	32.41%	2,407,911	41.64%
4 Transmission Operation & Maintenance	185,701	2.92%	122,915	1.97%	129,514	2.53%	147,667	2.57%	110,138	1.90%
5 Regional Market Expense	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
6 Distribution Operation	252,017	3.97%	265,876	4.27%	232,907	4.55%	163,240	2.84%	159,357	2.76%
7 Distribution Maintenance	373,291	5.88%	169,240	2.72%	172,111	3.36%	121,149	2.11%	98,604	1.70%
8 Consumer Accounts Expense	68,739	1.08%	72,621	1.17%	58,377	1.14%	61,253	1.07%	67,632	1.17%
9 Customer Service & Information Expense	36,465	0.57%	27,652	0.44%	16,978	0.33%	14,653	0.26%	17,588	0.30%
10 Sales Expense	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
11 Administrative & General Expense	310,629	4.89%	242,109	3.89%	246,420	4.81%	225,676	3.93%	203,548	3.52%
12 Total Operation & Maintenance Expense	\$ 3,822,609	60.20%	\$ 3,448,686	55.39%	\$ 2,438,801	47.64%	\$ 2,593,791	45.19%	\$ 3,064,778	52.99%
13 Depreciation & Amortization Expense	852,861	13.43%	846,487	13.60%	838,013	16.37%	836,761	14.58%	767,451	13.27%
14 Tax Expense - Property	148,558	2.34%	151,593	2.43%	140,560	2.75%	141,200	2.46%	124,120	2.15%
15 Tax Expense - Other	8,658	0.14%	8,165	0.13%	7,233	0.14%	7,798	0.14%	9,046	0.16%
16 Interest on Long-Term Debt	853,910	13.45%	880,300	14.14%	905,662	17.69%	940,486	16.39%	1,030,099	17.81%
17 Interest Charged to Construction - Credit	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
18 Interest Expense - Other	5,819	0.09%	1,303	0.02%	3,753	0.07%	33,147	0.58%	40,338	0.70%
19 Other Deductions	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
20 Total Cost of Service	\$ 5,692,414	89.65%	\$ 5,336,533	85.71%	\$ 4,334,020	84.66%	\$ 4,553,183	79.33%	\$ 5,035,833	87.08%
21 Patronage Capital & Operating Margins	\$ 656,909	10.35%	\$ 889,581	14.29%	\$ 785,400	15.34%	\$ 1,186,142	20.67%	\$ 747,461	12.92%
22 Non Operating Margins - Interest	55,635	0.88%	-	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%	325	0.01%	8,122	0.16%	-	0.00%	9,020	0.16%
26 Generation & Transmission Capital Credits	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
27 Other Capital Credits & Patronage Dividends	108,721	1.71%	110,138	1.77%	-	0.00%	112,272	1.96%	-	0.00%
28 Extraordinary Items	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
29 Patronage Capital or Margins	\$ 821,264	12.93%	\$ 1,000,043	16.06%	\$ 793,522	15.50%	\$ 1,298,414	22.62%	\$ 756,481	13.08%
30 Total Cost of Service Less Cost of Gas	\$ 2,910,948	45.85%	\$ 2,665,346	42.81%	\$ 2,622,013	51.22%	\$ 2,545,364	44.35%	\$ 2,517,784	43.54%
31 Tier - Oper.	1.77		2.01		1.87		2.26		1.73	
32 Tier - Total	1.96		2.14		1.88		2.38		1.73	
33 New Services Connected	62		65		53		179		118	
34 Total Services in Place	4,323		4,202		4,096		4,035		3,919	
35 Miles of Line	279		275		266		249		242	

Lower Valley Energy
 Natural Gas Five Year Comparison
 For The Month Ended
 August 31, 2018



LOWER VALLEY ENERGY, INC. NATURAL GAS FINANCIAL AND STATISTICAL REPORT		BORROWER DESIGNATION						
		Wyoming 11, Lincoln						
		PERIOD ENDED						
		August 31, 2018						
PART R. GAS REQUIREMENTS DATA BASE								
CLASSIFICATION	CONSUMER SALES AND REVENUE DATA	JANUARY (a)	FEBRUARY (b)	MARCH (c)	APRIL (d)	MAY (e)	JUNE (f)	TOTAL (Columns a thru l)
1. Residential Sales	a. No. Consumers Served	3,216	3,221	3,225	3,232	3,239	3,253	
	b. Therms Sold	397,989	342,133	343,048	262,303	141,180	94,733	1,581,386
	c. Revenue	\$447,314	\$397,539	\$398,524	\$309,373	\$175,601	\$124,354	\$1,852,706
2. Comm. and Ind.	a. No. Consumers Served	1,003	1,007	1,004	1,005	1,006	1,008	
	b. Therms Sold	867,804	726,239	789,394	549,345	330,554	335,019	3,598,355
	c. Revenue	\$897,756	\$753,661	\$818,529	\$572,158	\$345,015	\$347,186	\$3,734,305
3. Unbilled Revenue	b. Therms Sold	31,438	(32,758)	(148,224)	(70,750)	(57,528)	(120,998)	(398,820)
	c. Revenue	\$35,170	(\$35,053)	(\$161,482)	(\$74,343)	(\$62,678)	(\$134,056)	(\$432,442)
10. TOTAL No. Consumers (lines 1a - 3a)		4,219	4,228	4,229	4,237	4,245	4,261	
11. TOTAL Therms Sold (lines 1b - 3b)		1,297,231	1,035,614	984,218	740,898	414,206	308,754	4,780,921
12. TOTAL Revenue Received From Sales of Gas Energy (lines 1c - 3c)		\$1,380,241	\$1,116,147	\$1,055,571	\$807,188	\$457,939	\$337,484	\$5,154,569
13. Other Gas Revenue		\$1,807	\$2,350	\$1,112	\$9,397	\$8,696	\$1,121	\$24,483
14. Therms - Own Use		16,972	20,057	13,028	17,501	11,830	13,081	92,469
15. Cost of Purchases		\$431,820	\$432,642	\$615,727	\$340,031	\$188,157	\$243,029	\$2,251,406

LOWER VALLEY ENERGY, INC.
NATURAL GAS DIVISION
 FINANCIAL AND STATISTICAL REPORT

BORROWER DESIGNATION
 Wyoming 11, Lincoln
PERIOD ENDED
 August 31, 2018

PART R. GAS REQUIREMENTS DATA BASE (continued)

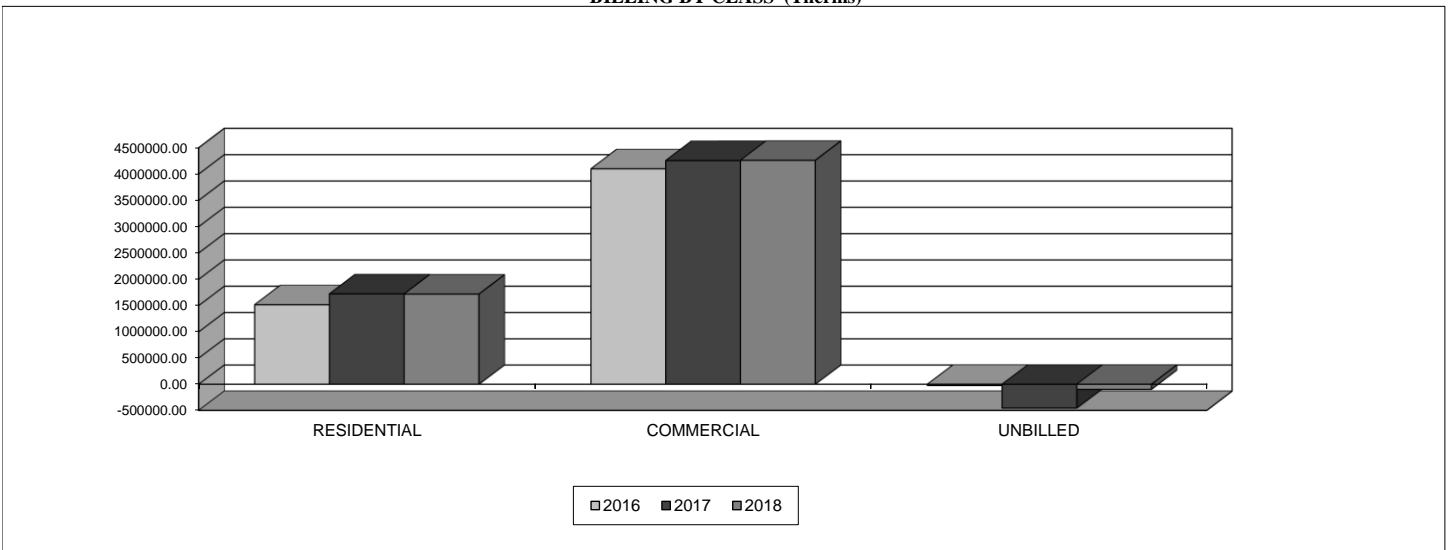
CLASSIFICATION	CONSUMER SALES AND REVENUE DATA	JULY (g)	AUGUST (h)	SEPTEMBER (i)	OCTOBER (j)	NOVEMBER (k)	DECEMBER (l)	TOTAL (Columns a thru l)
1. Residential Sales	a. No. Consumers Served	3,265	3,269					
	b. Therms Sold	72,670	64,981					1,719,037
	c. Revenue	98,990	89,649					\$2,041,345
2. Comm. and Ind.	a. No. Consumers Served	1,011	1,012					
	b. Therms Sold	305,803	357,399					4,261,557
	c. Revenue	307,706	352,594					\$4,394,605
3. Unbilled Revenue	a. No. Consumers Served							
	b. Therms Sold	138,233	162,576					(98,011)
	c. Revenue	148,541	170,221					(\$113,680)
10. TOTAL No. Consumers (lines 1a - 3a)		4,276	4,281					
11. TOTAL Therms Sold (lines 1b - 3b)		516,706	584,956					5,882,583
12. TOTAL Revenue Received From Sales of Gas Energy (lines 1c - 3c)		555,237	612,464					\$6,322,270
13. Other Gas Revenue		832	1,737					\$27,053
14. Therms - Own Use		9,773	9,546					111,788
15. Cost of Purchases		160,719	183,640					\$2,595,765

ANALYSIS OF BILLING
August 31, 2018
Natural Gas Division
Accrual Basis

YEAR	NUMBER			NUMBER			NUMBER		
	OF METERS	THERMS	AMOUNT	OF METERS	THERMS	AMOUNT	OF METERS	THERMS	AMOUNT
	Residential			Commercial					
2016	3,069	1,516,479	\$1,709,066	990	4,100,557	\$3,930,364			
2017	3,156	1,723,150	\$2,118,532	1,008	4,257,289	\$4,577,128			
2018	3,269	1,719,037	\$2,041,345	1,012	4,261,557	\$4,394,605			
	Change in Unbilled Revenue			August Totals			Year to Date Totals		
2016		(23,776)	(\$14,855)	4,059	342,835	\$350,300	4059	5,593,260	5,624,575
2017		(455,650)	(\$496,005)	4,164	309,732	\$340,590	4164	5,524,789	6,199,655
2018		(98,011)	(\$113,680)	4,281	584,956	\$614,201	4281	5,882,583	6,322,270

Degree Days			Revenue Summary Form 7 Part A Line 1		Lower Valley Energy Therm Usage	
	Normal	Actual				
2016	5,917	5,862	Year to Date Billing	\$6,322,270	2016	109,768
2017	5,916	5,742	Other Revenue	<u>27,053</u>	2017	101,979
2018	5,928	5,698	Form 7a Line 1 YTD Revenue	<u>\$6,349,323</u>	2018	111,788

BILLING BY CLASS (Therms)

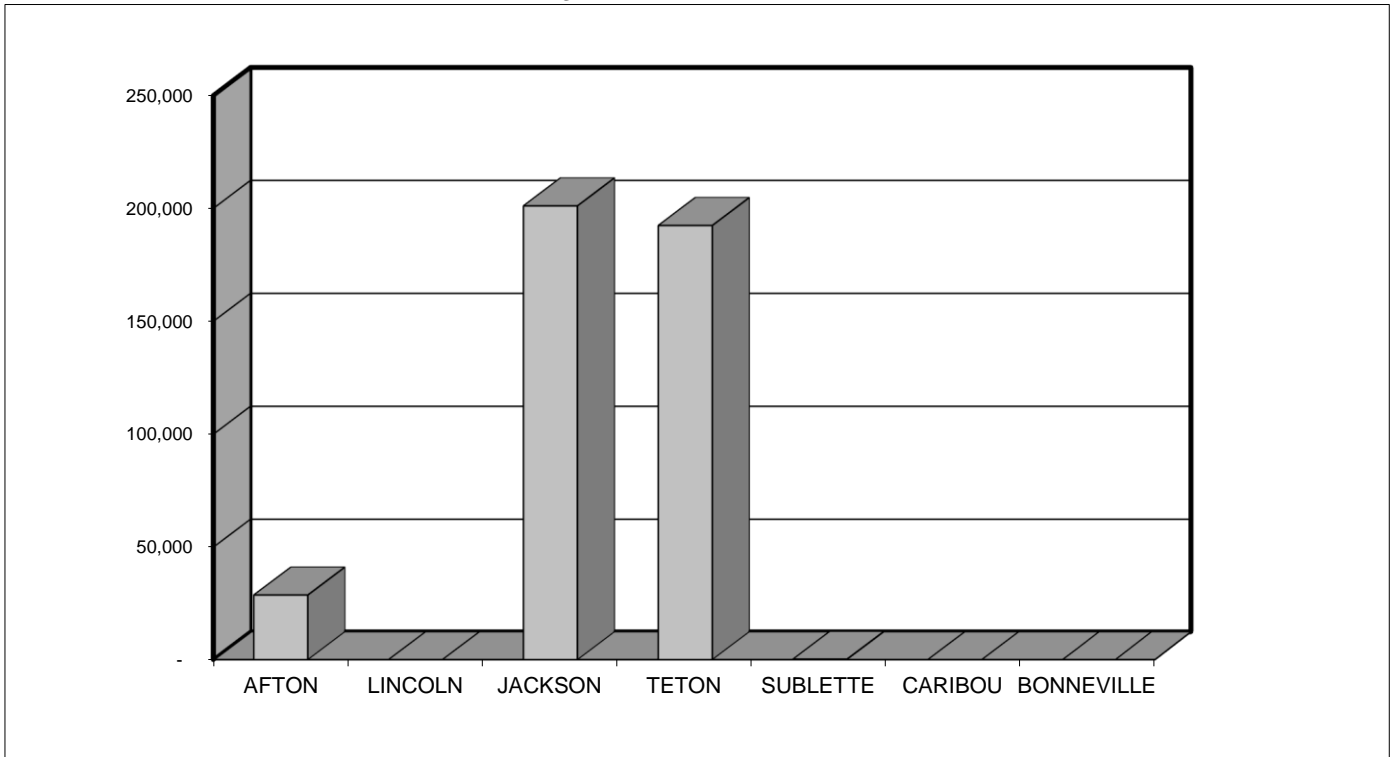


**LOWER VALLEY ENERGY
BILLING BY GEOGRAPHIC
NATURAL GAS
August 31, 2018
BILLING BASIS**

	CONSUMERS	THERMS	CHARGES	AVERAGE THERMS	AVERAGE BILL	REVENUE PER THERM
TOWN OF AFTON	817	28,697	\$33,451	35	\$40.94	\$1.17
TOWN OF JACKSON	2,414	201,073	\$215,302	83	\$89.19	\$1.07
TETON COUNTY	1,034	192,374	\$193,174	186	\$186.82	\$1.00
SUBLETTE COUNTY	16	236	\$316	15	\$19.73	\$1.34
TOTAL	<u>4,265</u>	<u>422,380</u>	<u>\$442,243</u>	<u>99</u>	<u>\$103.69</u>	<u>\$1.05</u>

Adjustments and Accruals	<u>171,958</u>
Total Operating Revenue	<u>\$614,201</u>

THERMS BILLED



SWIFT CREEK HYDRO
STATEMENT OF OPERATIONS
For The Month Ended
August 31, 2018

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.....	\$ 192,450	\$ 221,545	\$ 253,835	\$ 26,187
2. Power Production Expense.....	49,401	59,757	70,946	5,243
3. Scheduling and Delivery.....	24,773	2,139	994	261
4. Transmission Operation & Maintenance.....	-	-	11,824	-
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.....	15,480	11,386	11,050	1,421
11. Total Operation & Maintenance Expense (2 thru 10)...	89,654	73,282	94,814	6,925
12. Depreciation and Amortization Expense.....	98,460	98,460	98,480	12,308
13. Tax Expense-Property.....	14,890	12,877	12,480	1,610
14. Tax Expense-Other.....	-	-	-	-
15. Interest on Long-Term Debt.....	76,629	124,076	80,320	19,225
16. Interest Charged to Construction-Credit.....	-	-	-	-
17. Interest Expense-Other.....	-	-	-	-
18. Other Deductions.....	-	-	-	-
19. Total Cost of Service (11 thru 18).....	279,634	308,696	286,094	40,067
20. Patronage Capital & Operating Margins (1 minus 19)...	(87,183)	(87,151)	(32,259)	(13,880)
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).....	\$ (87,183)	\$ (87,151)	\$ (32,259)	\$ (13,880)

Notes:

1. Sales for 2018 consisted of the following:

PacifiCorp PURPA sales	\$ -
LVE sales	\$ 206,438
Green sales to Teton County	15,107
	<u>\$ 221,545</u>

2. This statement reflects total revenues and expenses for Swift Creek Hydro. Lower Valley Energy and the Town of Afton share margins equally. Lower Valley Energy's share is reflected in the Electric Division's financial statements.

SWIFT CREEK HYDRO
FINANCIAL AND STATISTICAL REPORT
For the Month Ended
August 31, 2018

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..... (127,962)
4. Accum. Provision for Depreciation and Amort..... 1,323,244	33. Operating Margins-Current Year..... (87,151)
5. Net Utility Plant (3 - 4)..... 5,748,952	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)..... 315,644
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)..... 5,123,731
12. Other Investments..... -	41. Total Long-Term Debt (37 thru 40)..... 5,123,731
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..... 43,563
20. Accounts Receivable-Net Sales of Energy..... -	49. Other Current & Accrued Liabilities..... 167,536
21. Accounts Receivable-Net Other..... -	50. Total Current & Accrued Liabilities (45 thru 48)..... 211,099
22. Materials & Supplies-Electric and Other..... -	51. Deferred Credits..... 198,848
23. Prepayments..... -	52. Miscellaneous Operating Reserves..... -
24. Other Current & Accrued Assets..... -	53. Total Liabilities & Other Credits
25. Total Current & Accrued Assets (15 thru 24)..... -	(36 +41 + 44 + 50 thru 52)..... \$ 5,849,323
26. Regulatory Assets..... -	
27. Deferred Debits..... 100,371	
28. Accumulated Deferred Income Taxes..... -	
29. Total Assets & Other Debits (5 + 14 + 25 thru 28)..... \$ 5,849,323	

Notes:

1. This balance sheet reflects total assets, liabilities, and equities of Swift Creek Hydro. Lower Valley Energy's net investment booked to-date totals \$5,318,566 and is reflected in the Electric Division's financial statements.
2. The Town of Afton's remaining balance due to the State of Wyoming totals \$304,283. Installment payments in the amount of \$23,402.95 are due annually in September.

LOWER VALLEY ENERGY, INC
STATEMENT OF CASH FLOWS

For The Month Ended
August 31, 2018

SWIFT CREEK HYDRO

	YEAR TO DATE	THIS MONTH
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Margins	\$ (87,151)	\$ (13,880)
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Depreciation Expense	98,460	12,308
Decrease/(Increase) in:		
Special Deposits	-	-
Accounts Receivable	-	-
Other Accounts Receivable	-	-
Materials & Supplies	-	-
Prepayments	-	-
Other Current Assets	-	-
Other Deferred Debits	(43,576)	(6,940)
Increase/(Decrease) in:		
Accounts Payable (excluding line of credit)	-	-
Consumer Deposits	-	-
Other Current and Accrued Liabilities	(59,795)	(75,145)
Deferred Credits	29,674	29,674
Net cash provided by operating activities	(62,387)	(53,983)
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	13,901	13,901
Change in Long-term Debt	(100,675)	(10,560)
Net cash provided/(used) by financing and capital credit activities	(86,774)	3,341
Total change in intercompany balance	(149,161)	(50,642)
Beginning intercompany balance	(19,131)	(117,650)
Ending intercompany balance (positive = cash, negative = liability)	\$ (168,292)	\$ (168,292)