

**LOWER VALLEY ENERGY**  
**STATEMENT OF OPERATIONS**  
*For The Month Ended*  
**September 30, 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

October 18, 2018

DATE

\_\_\_\_\_  
SIGNATURE OF PRESIDENT AND CEO

October 18, 2018

DATE

**STATEMENT OF OPERATIONS - CONSOLIDATED**

ITEM	YEAR-TO-DATE			
	Electric	Natural Gas	Consolidated	Budget
<b>1 Operating Revenue</b>	\$ 35,526,261	\$ 6,534,805	\$ 42,061,066	\$ 42,767,652
2 Power Production Expense	81,309	-	81,309	127,162
3 Cost of Purchased Power/Gas Sold	20,768,210	2,688,878	23,457,088	24,384,697
4 Transmission Operation & Maintenance	709,518	225,055	934,573	826,414
5 Regional Market Expense	-	-	-	-
6 Distribution Operation Expense	2,442,621	268,238	2,710,859	2,697,174
7 Distribution Maintenance Expense	1,005,988	457,090	1,463,078	1,669,921
8 Consumer Accounts Expense	470,429	76,114	546,543	623,752
9 Customer Service and Informational Expense	216,024	40,104	256,128	313,536
10 Sales Expense	-	-	-	-
11 Administrative and General Expense	1,742,259	336,598	2,078,857	2,027,252
<b>12 Total Operation &amp; Maintenance Expense (2 thru 11)</b>	\$ 27,436,358	\$ 4,092,077	\$ 31,528,435	\$ 32,669,908
13 Depreciation and Amortization Expense	3,634,392	959,750	4,594,142	4,769,712
14 Tax Expense-Property	350,005	163,153	513,158	543,330
15 Tax Expense-Other	32,650	9,230	41,879	43,700
16 Interest on Long-Term Debt	2,944,012	959,027	3,903,039	3,924,400
17 Interest Charged to Construction-Credit	-	-	-	-
18 Interest Expense-Other <sup>1</sup>	113,491	7,801	59,587	75,095
19 Other Deductions	-	-	-	-
<b>20 Total Cost of Service (16 thru 23)</b>	\$ 34,510,907	\$ 6,191,036	\$ 40,640,239	\$ 42,026,145
<b>21 Patronage Capital &amp; Operating Margins (3 minus 24)</b>	\$ 1,015,354	\$ 343,768	\$ 1,420,826	\$ 741,507
22 Non Operating Margins-Interest <sup>1</sup>	230,234	61,705	230,234	202,819
23 Allowance for Funds Used During Construction	-	-	-	-
24 Income (Loss) from Equity Investments	-	-	-	-
25 Non Operating Margins-Other	-	51	51	18,000
26 Generation and Transmission Capital Credits	-	-	-	-
27 Other Capital Credits and Patronage Dividends	386,109	108,721	494,830	498,900
28 Extraordinary Items	-	-	-	-
<b>29 Patronage Capital or Margins (21 thru 28)</b>	\$ 1,631,696	\$ 514,245	\$ 2,145,941	\$ 1,461,226

**DATA ON TRANSMISSION AND DISTRIBUTION**

ITEM	YEAR-TO-DATE			
	Electric	Natural Gas	Consolidated	Last Year
1 New Services Connected	422	76	498	378
2 Services Retired	102	5	107	94
3 Total Services in Place	28,189	4,334	32,523	31,416
4 Idle Services (Excluding Seasonal)	208	44	252	252
5 Miles Transmission	264	53	317	317
6 Miles Distribution - Overhead	930	-	930	929
7 Miles Distribution - Underground	1,545	226	1,771	1,743
8 Total Miles In Service ( 5 + 6 + 7 )	2,740	279	3,018	2,990

<sup>1</sup> 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*  
**September 30, 2018**

**STATEMENT OF OPERATIONS - CONSOLIDATED**

ITEM	YEAR-TO-DATE			THIS MONTH (d)
	LAST YEAR	THIS YEAR	BUDGET	
	(a)	(b)	(c)	
1 Operating Revenue	\$ 41,032,873	\$ 42,061,066	\$ 42,767,652	\$ 3,300,694
2 Power Production Expense	73,436	81,309	127,162	5,757
3 Cost of Purchased Power & Gas	21,743,053	23,457,088	24,384,697	1,796,203
4 Transmission Operation & Maintenance	816,208	934,573	826,414	190,640
5 Regional Market Expense	-	-	-	-
6 Distribution Operation Expense	2,582,986	2,710,859	2,697,174	199,834
7 Distribution Maintenance Expense	1,263,365	1,463,078	1,669,921	145,142
8 Consumer Accounts Expense	578,661	546,543	623,752	52,287
9 Customer Service and Informational Expense	256,753	256,128	313,536	20,440
10 Sales Expense	-	-	-	-
11 Administrative and General Expense	1,643,209	2,078,857	2,027,252	181,996
12 Total Operation & Maintenance Expense (2 thru 11)	\$ 28,957,671	\$ 31,528,435	\$ 32,669,908	\$ 2,592,299
13 Depreciation and Amortization Expense	4,506,143	4,594,142	4,769,712	513,594
14 Tax Expense-Property	558,571	513,158	543,330	49,101
15 Tax Expense-Other	40,477	41,879	43,700	3,268
16 Interest on Long-Term Debt	4,142,186	3,903,039	3,924,400	425,137
17 Interest Charged to Construction-Credit	-	-	-	-
18 Interest Expense-Other <sup>1</sup>	14,995	59,587	75,095	8,145
19 Other Deductions	(25,136)	-	-	-
20 Total Cost of Service (16 thru 23)	\$ 38,194,906	\$ 40,640,239	\$ 42,026,145	\$ 3,591,544
21 Patronage Capital & Operating Margins (3 minus 24)	\$2,837,967	\$1,420,826	\$741,507	(\$290,850)
22 Non Operating Margins-Interest <sup>1</sup>	250,733	230,234	202,819	29,144
23 Allowance for Funds Used During Construction	-	-	-	-
24 Income (Loss) from Equity Investments	-	-	-	-
25 Non Operating Margins-Other	5,477	51	18,000	51
26 Generation and Transmission Capital Credits	-	-	-	-
27 Other Capital Credits and Patronage Dividends	519,122	494,830	498,900	(0)
28 Extraordinary Items	-	-	-	-
29 Patronage Capital or Margins (21 thru 28)	\$ 3,613,299	\$ 2,145,941	\$ 1,461,226	\$ (261,655)

**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	378	498	5. Miles Trans.	317	317
2. Services Retired	94	107	6. Miles Dist. - OH	929	930
3. Total Services in Place	31,416	32,523	7. Miles Dist. - UG	1,743	1,771
4. Idle Services (Exclude Seasonal)	252	252	8. Total Miles (5 + 6 + 7)	2,990	3,018

<sup>1</sup> 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*  
**September 30, 2018**

**CONSOLIDATED**

ASSETS AND OTHER DEBITS			LIABILITIES AND OTHER CREDITS		
	Current Year	Prior Year		Current Year	Prior Year
1 Total Utility Plant in Service	\$ 226,153,440	\$ 222,654,905	30 Memberships	\$ -	\$ -
2 Construction Work in Progress	28,829,735	3,151,866	31 Patronage Capital	63,993,029	63,353,123
<b>3 Total Utility Plant</b>	<b>254,983,175</b>	<b>225,806,770</b>	32 Operating Margins-Prior Years	-	-
4 Accum. Provision for Depreciation and Amort	108,176,583	102,301,503	33 Operating Margins-Current Year	1,359,122	2,837,967
<b>5 Net Utility Plant</b>	<b>146,806,591</b>	<b>123,505,268</b>	34 Non Operating Margins	786,819	775,332
6 Nonutility Property - Net	-	-	35 Other Margins and Equities	19,681,528	18,468,173
7 Investments in Subsidiary Companies	-	-	<b>36 Total Margins &amp; Equities</b>	<b>85,820,498</b>	<b>85,434,596</b>
8 Invest. in Assoc. Org. - Patronage Capital	3,137,766	2,869,469	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	53,989,003
12 Other Investments	530,000	560,000	40a Long-Term Debt - BPA Power Prepayment	99,629,049	108,854,867
13 Special Funds	-	-	41 Long-Term Debt - Econ Dev (WYO REERLP)	474,235	764,925
<b>14 Total Other Property &amp; Investments</b>	<b>5,693,338</b>	<b>5,455,940</b>	41a Long-Term Debt - Econ Dev (REDL&G)	938,144	1,000,000
15 Cash-General Funds	712,490	398,770	42 Payments - Unapplied	-	-
16 Cash-Construction Funds-Trustee	-	-	<b>43 Total Long-Term Debt</b>	<b>153,385,606</b>	<b>164,608,795</b>
17 Special Deposits	1,188,922	1,359,027	44 Obligations under Capital Leases	-	-
18 Temporary Investments	5,671,552	9,675,000	45 Accumulated Operating Provisions	-	-
19 Notes Receivable-Net	1,296,384	1,336,104	<b>46 Total Other Noncurrent Liabilities</b>	<b>-</b>	<b>-</b>
20 Accounts Receivable-Net Sales of Energy	2,710,536	2,857,915	47 Notes Payable	24,670,237	-
21 Accounts Receivable-Net Other	2,531,211	1,000,870	48 Accounts Payable	3,137,341	2,404,508
22 Renewable Energy Credits	-	-	49 Consumers Deposits	621,867	591,351
23 Materials & Supplies-Electric and Other	2,904,027	1,895,759	50 Current Maturities LTD - Other	1,771,236	2,079,856
24 Prepayments (excl. BPA Power Prepayment)	148,436	189,679	50a Current Maturities LTD - BPA Power Prepayment	9,225,818	8,884,561
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	4,466,858	3,525,554	52 Current Maturities Capital Leases	-	-
<b>26 Total Current &amp; Accrued Assets</b>	<b>30,273,522</b>	<b>30,497,558</b>	53 Other Current & Accrued Liabilities	6,621,905	4,989,567
27 Regulatory Assets	-	-	<b>54 Total Current &amp; Accrued Liabilities</b>	<b>46,339,095</b>	<b>19,136,364</b>
28 Other Deferred Debits	4,873,327	3,181,556	55 Regulatory Liabilities	-	-
28a BPA Power Prepayment - Non-current	102,031,537	110,961,167	56 Deferred Credits	4,133,116	4,421,734
<b>29 Total Assets &amp; Other Debits</b>	<b>\$ 289,678,315</b>	<b>\$ 273,601,489</b>	<b>57 Total Liabilities &amp; Other Credits</b>	<b>\$ 289,678,315</b>	<b>\$ 273,601,489</b>
			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)	2,830,715	1,676,356
			60 Total Contributions-In-Aid-Of-Construction	\$63,472,724	\$59,109,471

**LOWER VALLEY ENERGY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

*As of*  
**September 30, 2018**

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

	2018		2017	
	August	September	August	September
1 Cost of Power & Gas				
Cost from Income Statement	\$ 21,660,885	\$ 23,457,088	\$ 19,726,741	\$ 21,743,053
Plus: Interest on BPA Prepayment Loan	2,471,536	2,771,168	2,661,390	2,985,233
Total Cost of Power with BPA Interest	<u>\$ 24,132,420</u>	<u>\$ 26,228,255</u>	<u>\$ 22,388,131</u>	<u>\$ 24,728,286</u>
2 Current Assets/Liabilities	0.73	0.65	1.70	1.67
3 Equity	30.12%	29.63%	31.57%	31.47%
Equity excluding BPA Power Prepayment	48.82%	47.46%	55.92%	52.52%
4 Long Term Debt as a % of Plant	66.19%	64.58%	78.64%	77.84%
Long Term Debt as a % of Plant excl. BPA Power Prepayment	22.22%	21.78%	21.91%	25.61%
5 Debt Service Coverage	0.89	0.86	1.03	0.99
Debt Service Coverage excl. BPA Power Prepayment	1.89	1.87	2.10	2.05
6 Intercompany Receivables/(Payables) :				
Natural Gas Division Receivable/(Payable)	\$ 3,570,826	\$ 3,228,905	\$ 2,037,136	\$ 2,084,183
less: Teton Village CIAC Receivable	1,004,333	993,466	1,230,401	1,219,007
Net Balance	<u>\$ 4,575,159</u>	<u>\$ 4,222,370</u>	<u>\$ 3,267,537</u>	<u>\$ 3,303,190</u>
7 Total Shared Overhead - Gas Division	<u>315,061</u>	<u>347,753</u>	<u>278,694</u>	<u>308,806</u>
8 Material Inventory:				
Material	2,399,308	2,904,027	1,668,512	1,895,759
Special Equip.	2,634,539	2,899,568		2,625,724
Total Material	<u>5,033,847</u>	<u>5,803,595</u>	<u>1,668,512</u>	<u>4,521,483</u>
9 Inventory Carrying Cost (YTD)	<u>35,495</u>	<u>41,903</u>	<u>32,661</u>	<u>36,968</u>
10 Inventory Turnover - Electric (Dist & Trans)				
Dollar Value	0.95	0.88	0.80	0.80
Quantity	1.13	1.10	0.98	1.03
11 Aged Accounts Receivable (Over 60 Days):	<u>53,104</u>	<u>37,495</u>	<u>82,363</u>	<u>63,890</u>
12 LVE has a \$12 Million dollar line of credit with CFC to meet short term cash needs. CFC line of credit balance is:	\$	-		

**LOWER VALLEY ENERGY, INC**  
**STATEMENT OF CASH FLOWS**  
*For The Month Ended*  
**September 30, 2018**

**CONSOLIDATED**

	YEAR TO DATE	BUDGET	THIS MONTH
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Net Margins	\$ 2,145,941	\$ 1,459,323	\$ (261,655)
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:			
Depreciation Expense	4,594,142	4,769,712	513,594
Decrease/(Increase) in:			
Special Deposits	17 180,185	-	-
Accounts Receivable	20 2,986,148	-	163,511
Other Accounts Receivable	21 500,208	-	406,044
Materials & Supplies	23 (1,471,441)	-	(504,719)
Prepayments	24 (413,480)	-	42,122
BPA Prepayment - Non-current	28a 6,829,570	3,904,660	727,052
Other Current Assets	25 47,619	-	446,469
Other Deferred Debits	28 (1,791,798)	71,280	(1,927,514)
Increase/(Decrease) in:			
Accounts Payable (excluding line of credit)	48 (811,256)	-	831,123
Consumer Deposits	49 28,178	-	8,578
Other Current Liabilities	53 1,580,059	-	(22,807)
Deferred Credits	56 (920,942)	(180,756)	(78,586)
Net cash provided by operating activities	13,483,132	10,024,219	343,213
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Purchase of Fixed Assets Net of Retirements	(24,610,024)	(1,526,355)	(370,631)
Change in Notes Receivable	19 84,181	-	21,442
Change in Investments in Associated Organizations	8-10 (243,844)	-	-
Change in Investments in Economic Development Projects	11 -	-	-
Change in Temporary Investments	18 (1,843,206)	-	(473,981)
Change in Other Investments	12 20,000	-	-
Net cash provided/(used) by investing activities	(26,592,893)	(1,526,355)	(823,169)
<b>CASH FLOWS FROM FINANCING AND CAPITAL CREDIT ACTIVITIES:</b>			
Change in Capital Credits	31 (514,660)	(1,851,431)	(91,107)
Change in Line of Credit	24,670,237	-	3,931,973
Change in Long-term Debt	40-40a, 41-41a, 50, (8,490,120)	(8,368,155)	(805,214)
Net cash provided/(used) by financing and capital credit activities	15,665,457	(10,219,586)	3,035,652
Total change in cash	2,555,696	(1,721,722)	2,555,696
Beginning cash and cash equivalents	3,828,346	6,500,000	3,828,346
Ending cash and cash equivalents	\$ 6,384,042	\$ 4,778,278	\$ 6,384,042

**LOWER VALLEY ENERGY, INC**  
**SUMMARY OF DEFERRED DEBITS & CREDITS**

*As of*  
**September 30, 2018**

**CONSOLIDATED**

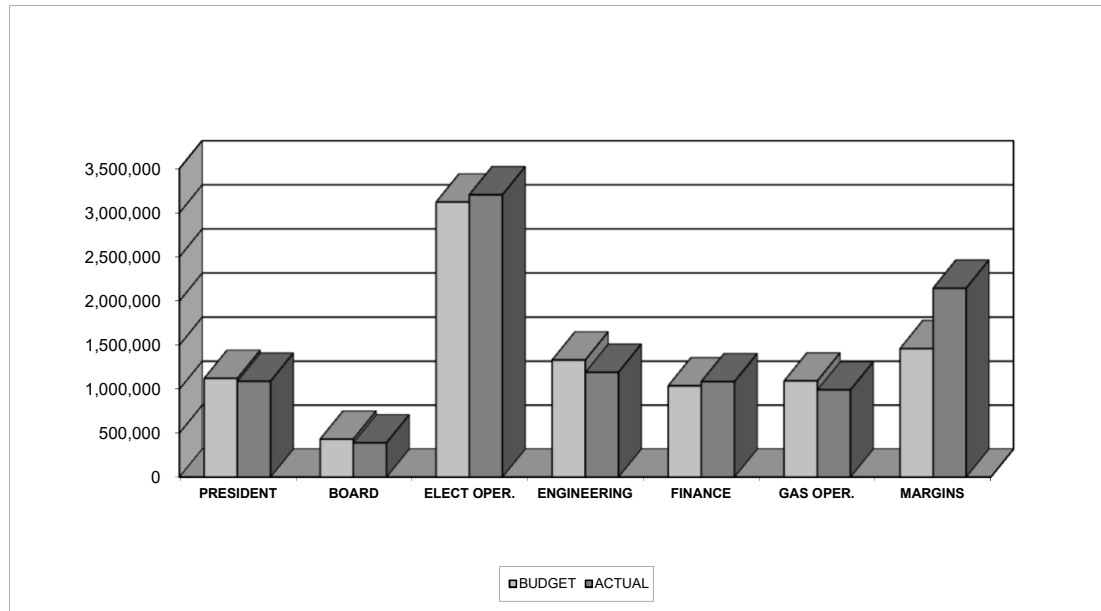
	YEAR TO DATE	PRIOR MONTH	PRIOR YEAR
<b>Deferred Debits - Electric Division</b>			
CFC Repricing Fees	396,419	397,759	412,490
Town of Afton Swift Creek Receivable	106,361	100,371	73,383
Teton Village Contribution in Aid Rec. - Trans. Line	1,979,337	39,029	-
	2,482,117	537,159	485,873
<b>Deferred Debits - Gas Division</b>			
CFC Repricing Fees	1,397,744	1,404,321	1,476,677
Teton Village Contribution in Aid Rec. - Pipeline	993,466	1,004,333	1,219,007
	2,391,209	2,408,654	2,695,683
<b>Total Deferred Debits</b>	<b>\$ 4,873,327</b>	<b>\$ 2,945,813</b>	<b>\$ 3,181,556</b>
<b>Deferred Credits - Electric Division</b>			
Horse Butte Wind (Eagle Mountain)	\$ 2,829,332	\$ 2,846,479	\$ 3,035,101
Conservation Expenditures	(92,333)	(87,256)	308,324
Conservation - Loan Loss Reserve	200,000	200,000	200,000
Conservation Funds	409,842	408,448	365,551
Prepaid Revenue-Gift Certificates	3,450	3,450	3,395
Boardman liability	270,239	280,248	390,345
	3,620,530	3,651,369	4,302,717
<b>Deferred Credits - Gas Division</b>			
Natural Gas Fuel Balancing Account	492,137	560,333	119,017
Prepaid Lease-CNG Compressor SV Nat Gas	20,449	-	-
	512,586	560,333	119,017
<b>Total Deferred Credits</b>	<b>\$ 4,133,116</b>	<b>\$ 4,211,702</b>	<b>\$ 4,421,734</b>

**Lower Valley Energy**  
 Consolidated Budget vs. Actual Comparison  
**For The Month Ended**  
**September 30, 2018**

ITEM	YTD Actual	YTD Budget	YTD Variance	%
<b>1 Operating Revenue</b>	<b>\$ 42,061,066</b>	<b>\$ 42,767,652</b>	<b>\$ (706,586)</b>	<b>-1.65%</b>
2 Power Production Expense	81,309	127,162	(45,853)	-36.06%
3 Cost of Purchased Power	23,457,088	24,384,697	(927,609)	-3.80%
4 Transmission Operation & Maintenance	934,573	826,414	108,159	13.09%
5 Regional Market Expense	-	-	-	0.00%
6 Distribution Operation Expense	2,710,859	2,697,174	13,685	0.51%
7 Distribution Maintenance Expense	1,463,078	1,669,921	(206,843)	-12.39%
8 Consumer Accounts Expense	546,543	623,752	(77,209)	-12.38%
9 Customer Service and Informational Expense	256,128	313,536	(57,408)	-18.31%
10 Sales Expense	-	-	-	0.00%
11 Administrative and General Expense	2,078,857	2,027,252	51,605	2.55%
<b>12 Total Operation &amp; Maintenance Expense (2 thru 11)</b>	<b>31,528,435</b>	<b>32,669,908</b>	<b>(1,141,473)</b>	<b>-3.49%</b>
13 Depreciation and Amortization Expense	4,594,142	4,769,712	(175,570)	-3.68%
14 Tax Expense-Property	513,158	543,330	(30,172)	-5.55%
15 Tax Expense-Other	41,879	43,700	(1,821)	-4.17%
16 Interest on Long-Term Debt	3,903,039	3,924,400	(21,361)	-0.54%
17 Interest Charged to Construction-Credit	-	-	-	0.00%
18 Interest Expense-Other	59,587	75,095	(15,508)	-20.65%
19 Other Deductions	-	-	-	0.00%
<b>20 Total Cost of Service (12 thru 19)</b>	<b>40,640,239</b>	<b>42,026,145</b>	<b>(1,385,906)</b>	<b>-3.30%</b>
<b>21 Patronage Capital &amp; Operating Margins (1 minus 20)</b>	<b>1,420,826</b>	<b>741,507</b>	<b>679,319</b>	<b>91.61%</b>
22 Non Operating Margins-Interest	230,234	202,819	27,415	13.52%
23 Allowance for Funds Used During Construction	-	-	-	0.00%
24 Income (Loss) from Equity Investments	-	-	-	0.00%
25 Non Operating Margins-Other	51	18,000	(17,949)	-99.72%
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%
<b>29 Patronage Capital or Margins (21 thru 28)</b>	<b>\$ 2,145,941</b>	<b>\$ 1,461,226</b>	<b>\$ 684,715</b>	<b>46.86%</b>

Tier - Oper.	1.36	1.19
Tier - Total	1.55	1.37

**BUDGET BY DEPARTMENT**



**LOWER VALLEY ENERGY**  
**STATEMENT OF OPERATIONS**  
*For The Month Ended*  
**September 30, 2018**

**ELECTRIC DIVISION**

ITEM	YEAR-TO-DATE			THIS MONTH (d)
	LAST YEAR (a)	THIS YEAR (b)	BUDGET (c)	
<b>1 Operating Revenue and Patronage Capital</b>	<b>\$ 34,325,524</b>	<b>\$ 35,526,261</b>	<b>\$ 35,936,343</b>	<b>\$ 3,115,213</b>
2 Power Production Expense	73,436	81,309	127,162	5,757
3 Cost of Purchased Power	19,036,148	20,768,210	21,409,698	1,703,091
4 Transmission Operation & Maintenance	684,174	709,518	629,516	151,286
5 Regional Market Expense	-	-	-	-
6 Distribution Operation Expense	2,293,290	2,442,621	2,430,045	183,614
7 Distribution Maintenance Expense	1,076,303	1,005,988	1,103,149	61,343
8 Consumer Accounts Expense	499,251	470,429	538,370	44,912
9 Customer Service and Informational Expense	225,730	216,024	284,826	16,801
10 Sales Expense	-	-	-	-
11 Administrative and General Expense	1,375,539	1,742,259	1,673,753	156,028
<b>12 Total Operation &amp; Maintenance Expense (2 thru 11)</b>	<b>\$ 25,263,871</b>	<b>\$ 27,436,358</b>	<b>\$ 28,196,519</b>	<b>\$ 2,322,832</b>
13 Depreciation and Amortization Expense	3,553,847	3,634,392	3,801,519	406,706
14 Tax Expense-Property	387,972	350,005	376,200	34,507
15 Tax Expense-Other	31,949	32,650	34,600	2,695
16 Interest on Long-Term Debt	3,153,381	2,944,012	2,965,460	320,020
17 Interest Charged to Construction-Credit	-	-	-	-
18 Interest Expense-Other	13,395	113,491	69,365	12,233
19 Other Deductions	(25,136)	-	-	-
<b>20 Total Cost of Electric Service (12 thru 19)</b>	<b>\$ 32,379,279</b>	<b>\$ 34,510,907</b>	<b>\$ 35,443,663</b>	<b>\$ 3,098,992</b>
21 Patronage Capital & Operating Margins (1 minus 20)	\$ 1,946,245	\$ 1,015,354	\$ 492,680	\$ 16,221
22 Non Operating Margins-Interest	250,733	230,234	202,819	29,144
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	386,109	388,480	(0)
28 Extraordinary Items	-	-	-	-
<b>29 Patronage Capital or Margins (21 thru 28)</b>	<b>\$ 2,611,114</b>	<b>\$ 1,631,696</b>	<b>\$ 1,101,979</b>	<b>\$ 45,365</b>

**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	309	422	5. Miles Trans.	264	264
2. Services Retired	92	102	6. Miles Dist. - Overhead	929	930
3. Total Services in Place	27,282	28,189	7. Miles Dist. - Underground	1,517	1,545
4. Idle Services (Exclude Seasonal)	214	208	8. Total Miles (5 + 6 + 7)	2,711	2,740



**LOWER VALLEY ENERGY**  
BALANCE SHEET  
As of  
**September 30, 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	\$ 180,255,187	\$ 177,058,411	30 Memberships	\$ -	\$ -
2 Construction Work in Progress	28,169,026	2,513,538	31 Patronage Capital	53,402,439	54,020,536
<b>3 Total Utility Plant</b>	<b>208,424,213</b>	<b>179,571,949</b>	32 Operating Margins-Prior Years	-	-
4 Accum. Provision for Depreciation and Amort	93,448,394	88,866,963	33 Operating Margins-Current Year	1,015,354	1,946,245
<b>5 Net Utility Plant</b>	<b>114,975,820</b>	<b>90,704,986</b>	34 Non Operating Margins	616,343	664,869
6 Nonutility Property - Net	-	-	35 Other Margins and Equities	19,585,779	18,431,406
7 Investments in Subsidiary Companies	-	-	<b>36 Total Margins &amp; Equities</b>	<b>74,619,914</b>	<b>75,063,056</b>
8 Invest. in Assoc. Org. - Patronage Capital	2,485,651	2,167,955	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	26,101,127
12 Other Investments	530,000	560,000	40a Long-Term Debt - BPA Power Prepayment	99,629,049	108,854,867
13 Special Funds	-	-	41 Long-Term Debt - Econ Dev (WYO REERLP)	474,235	764,925
<b>14 Total Other Property &amp; Investments</b>	<b>4,462,323</b>	<b>4,175,526</b>	41a Long-Term Debt - Econ Dev (REDL&G)	938,144	1,000,000
15 Cash-General Funds	712,490	398,770	42 Payments - Unapplied	-	-
16 Cash-Construction Funds-Trustee	-	-	<b>43 Total Long-Term Debt</b>	<b>126,570,280</b>	<b>136,720,919</b>
17 Special Deposits	1,188,922	1,359,027	44 Obligations under Capital Leases	-	-
18 Temporary Investments	5,671,552	9,675,000	45 Accumulated Operating Provisions	-	-
19 Notes Receivable-Net	1,296,384	1,336,104	<b>46 Total Other Noncurrent Liabilities</b>	<b>-</b>	<b>-</b>
20 Accounts Receivable-Net Sales of Energy	2,342,302	2,441,969	47 Notes Payable	24,670,237	-
21 Accounts Receivable-Net Other	2,520,766	936,587	48 Accounts Payable	3,110,289	2,379,002
22 Renewable Energy Credits	-	-	49 Consumers Deposits	562,985	538,530
23 Materials & Supplies-Electric and Other	2,372,657	1,852,257	50 Current Maturities LTD - Other	698,687	1,053,808
24 Prepayments	148,436	189,679	50a Current Maturities LTD - BPA Power Prepayment	9,225,818	8,884,561
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	983,366	1,198,006	52 Current Maturities Capital Leases	-	-
<b>26 Total Current &amp; Accrued Assets</b>	<b>25,879,980</b>	<b>27,646,280</b>	53 Other Current & Accrued Liabilities	6,462,346	4,844,718
27 Regulatory Assets	-	-	<b>54 Total Current &amp; Accrued Liabilities</b>	<b>45,021,052</b>	<b>17,887,139</b>
28 Other Deferred Debits	2,482,117	485,873	55 Regulatory Liabilities	-	-
28a BPA Power Prepayment - Non-current	102,031,537	110,961,167	56 Deferred Credits	3,620,530	4,302,717
<b>29 Total Assets &amp; Other Debits</b>	<b>\$ 249,831,777</b>	<b>\$ 233,973,832</b>	<b>57 Total Liabilities &amp; Other Credits</b>	<b>\$ 249,831,777</b>	<b>\$ 233,973,832</b>

**NOTES TO FINANCIAL STATEMENTS**

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

	2018		2017	
	August	September	August	September
1 Cost of Power				
Cost of Power from Income Statement	\$ 19,065,119	\$ 20,768,210	\$ 17,178,467	\$ 19,036,148
plus: Interest on BPA Prepayment Loan	2,471,536	2,771,168	2,661,390	2,985,233
Total Power Cost	<u>\$ 21,536,655</u>	<u>\$ 23,539,378</u>	<u>\$ 19,839,857</u>	<u>\$ 22,021,381</u>
2 Current Assets/Liabilities	0.64	0.57	1.58	1.55
3 Equity	30.35%	29.87%	32.19%	32.08%
Equity excluding BPA Power Prepayment	54.74%	52.93%	65.05%	59.99%
4 Long Term Debt as a % of Plant	67.59%	65.63%	77.10%	76.14%
Long Term Debt as a % of Plant excl. BPA Power Prepayment	13.73%	13.40%	16.31%	16.10%
5 Material Inventory:				
Material	2,223,325	2,372,657	1,771,215	1,852,257
Special Equip.	2,634,539	2,899,568	2,596,908	2,625,724
<b>Total Material</b>	<u><b>4,857,863</b></u>	<u><b>5,272,225</b></u>	<u><b>4,368,123</b></u>	<u><b>4,477,982</b></u>

**LOWER VALLEY ENERGY, INC**  
**STATEMENT OF CASH FLOWS**

*For The Month Ended*  
*September 30, 2018*

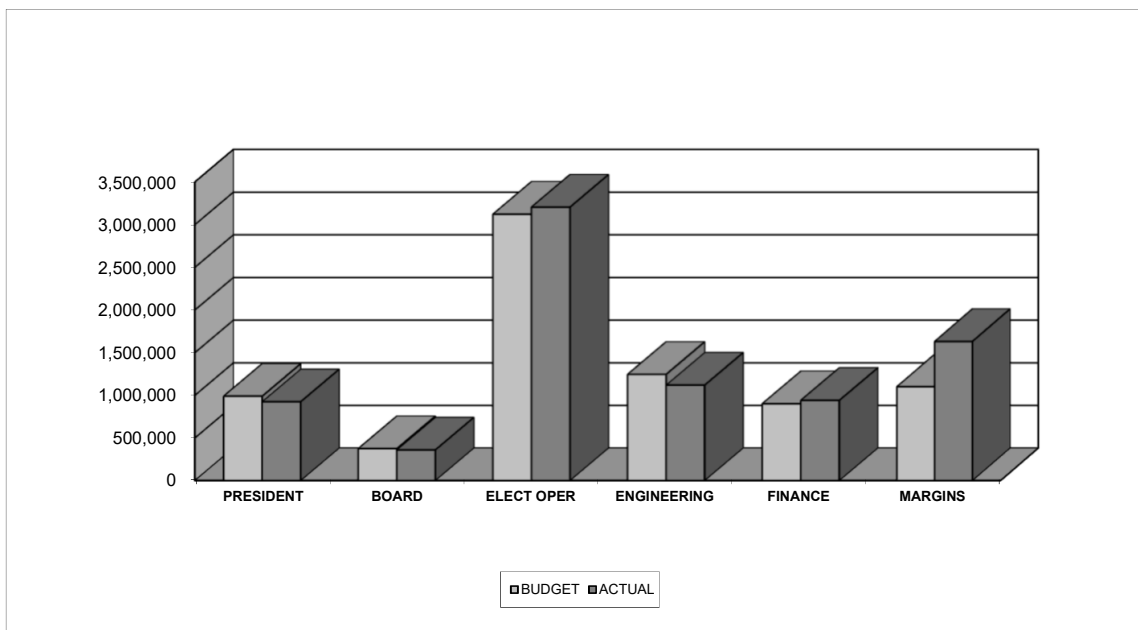
**ELECTRIC DIVISION**

	DATE	THIS MONTH
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net Margins	\$ 1,631,696	\$ 45,365
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Depreciation Expense	3,634,392	406,706
Decrease/(Increase) in:		
Special Deposits	180,185	-
Accounts Receivable	2,315,434	123,004
Other Accounts Receivable	771,042	407,575
Materials & Supplies	(1,033,309)	(149,332)
Prepayments	(455,617)	42,122
BPA Prepayment	6,829,569	727,052
Other Current Assets	1,330,080	(124,157)
Other Deferred Debits	(2,016,849)	(1,944,959)
Increase/(Decrease) in:		
Accounts Payable	(838,308)	832,023
Consumer Deposits	21,923	7,061
Other Current Liabilities	1,730,240	(112,434)
Deferred Credits	(1,337,399)	(30,839)
Net cash provided by operating activities	12,763,081	229,187
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of Fixed Assets Net of Retirements	(26,555,044)	(2,952,661)
Change in Notes Receivable	84,181	21,442
Change in Investments in Associated Organizations	(189,484)	(45,665)
Change in Investments in Economic Development Projects	-	-
Change in Temporary Investments	(1,843,206)	(473,981)
Change in Other Investments	20,000	-
Net cash provided/(used) by investing activities	(28,483,553)	(3,450,864)
<b>CASH FLOWS FROM FINANCING AND CAPITAL CREDIT</b>		
Change in Capital Credits	(520,938)	(91,107)
Change in Line of Credit	24,670,237	3,931,973
Change in Long-term Debt	(7,716,337)	(763,546)
Net cash provided/(used) by financing and capital credit activities	16,432,962	3,077,320
Total change in cash	712,490	(144,357)
Beginning cash	-	856,848
Ending cash	\$ 712,490	\$ 712,490
Add: Cash Equivalents	5,671,552	
Ending cash and cash equivalents	\$ 6,384,042	

**Lower Valley Energy**  
Electric Budget vs. Actual Comparison  
*For The Month Ended*  
*September 30, 2018*

ITEM	YTD Actual	YTD Budget	YTD Variance	% Variance
<b>1 Operating Revenue</b>	<b>\$ 35,526,261</b>	<b>\$ 35,936,343</b>	<b>\$ (410,082)</b>	<b>-1.14%</b>
2 Power Production Expense	81,309	127,162	(45,853)	-36.06%
3 Cost of Purchased Power	20,768,210	21,409,698	(641,488)	-3.00%
4 Transmission Operation & Maintenance	709,518	629,516	80,002	12.71%
5 Regional Market Expense	-	-	-	0.00%
6 Distribution Operation Expense	2,442,621	2,430,045	12,576	0.52%
7 Distribution Maintenance Expense	1,005,988	1,103,149	(97,161)	-8.81%
8 Consumer Accounts Expense	470,429	538,370	(67,941)	-12.62%
9 Customer Service and Informational Expense	216,024	284,826	(68,802)	-24.16%
10 Sales Expense	-	-	-	0.00%
11 Administrative and General Expense	1,742,259	1,673,753	68,506	4.09%
<b>12 Total Operation &amp; Maintenance Expense (2 thru 11)</b>	<b>27,436,358</b>	<b>28,196,519</b>	<b>(760,161)</b>	<b>-2.70%</b>
13 Depreciation and Amortization Expense	3,634,392	3,801,519	(167,127)	-4.40%
14 Tax Expense-Property	350,005	376,200	(26,195)	-6.96%
15 Tax Expense-Other	32,650	34,600	(1,950)	-5.64%
16 Interest on Long-Term Debt	2,944,012	2,965,460	(21,448)	-0.72%
17 Interest Charged to Construction-Credit	-	-	-	0.00%
18 Interest Expense-Other	113,491	69,365	44,126	63.61%
19 Other Deductions	-	-	-	0.00%
<b>20 Total Cost of Electric Service (12 thru 19)</b>	<b>34,510,907</b>	<b>35,443,663</b>	<b>(932,756)</b>	<b>-2.63%</b>
<b>21 Patronage Capital &amp; Operating Margins (1 minus 20)</b>	<b>1,015,354</b>	<b>492,680</b>	<b>522,674</b>	<b>106.09%</b>
22 Non Operating Margins-Interest	230,234	202,819	27,415	13.52%
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	386,109	388,480	(2,371)	-0.61%
28 Extraordinary Items	-	-	-	0.00%
<b>29 Patronage Capital or Margins (21 thru 28)</b>	<b>\$ 1,631,696</b>	<b>\$ 1,101,979</b>	<b>\$ 529,717</b>	<b>48.07%</b>
Tier - Oper.	1.34	1.17		
Tier - Total	1.55	1.37		

**BUDGET BY DEPARTMENT**



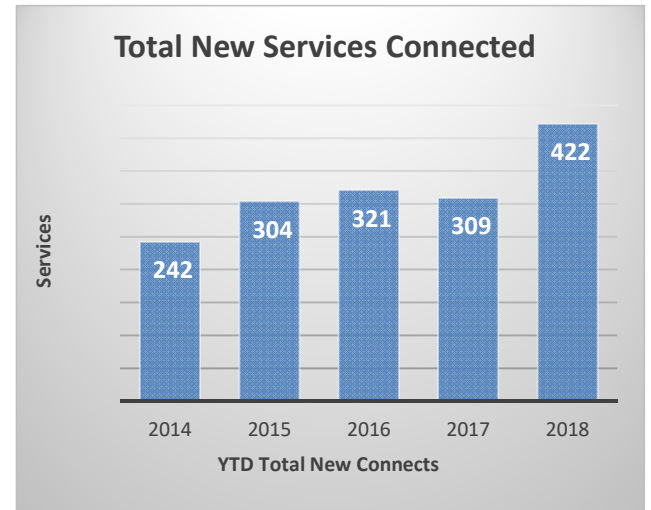
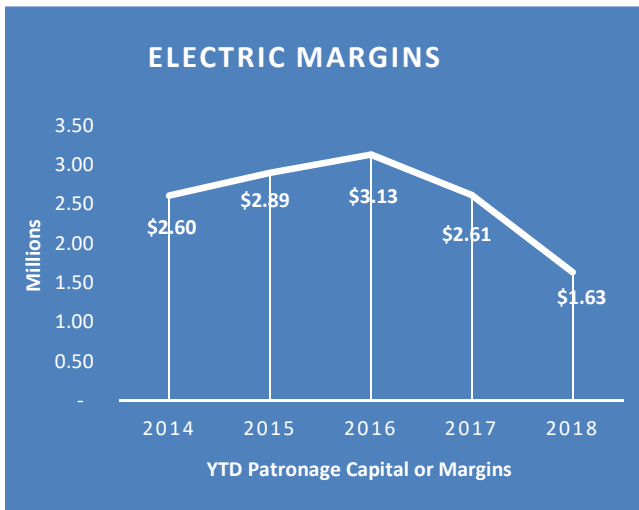
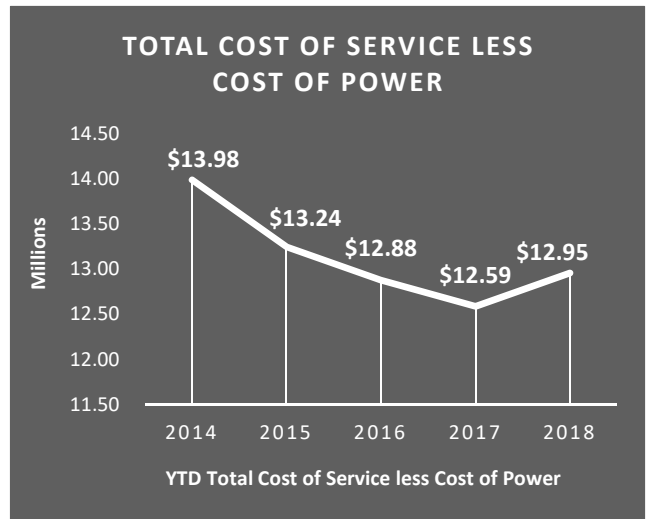
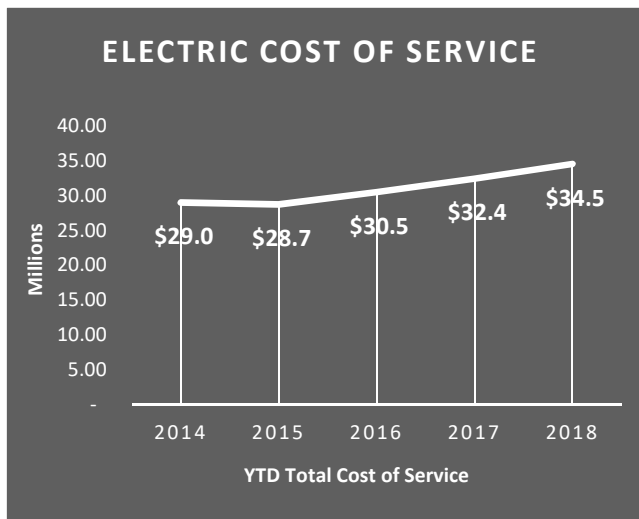
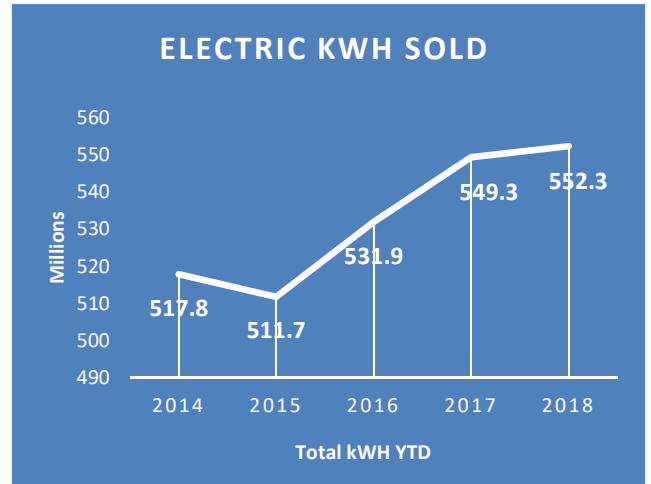
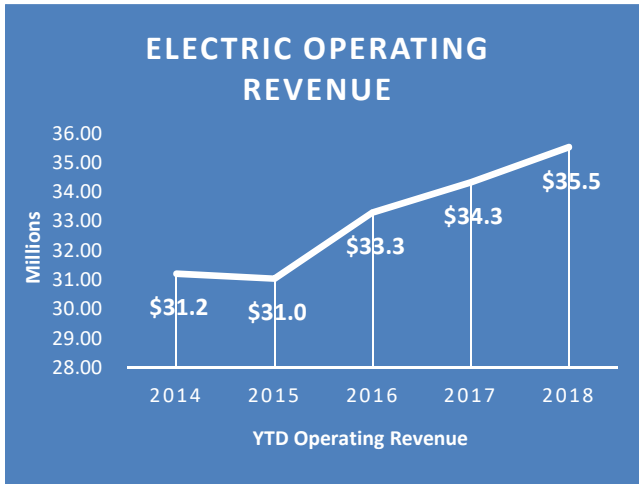
**Lower Valley Energy**  
**Electric Five Year Comparison**

For the Month Ended

September 30, 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
<b>1 Operating Revenue</b>	<b>\$35,526,261</b>		<b>\$34,325,524</b>		<b>\$33,298,273</b>		<b>\$31,030,120</b>		<b>\$31,202,796</b>	
2 Power Production Expense	\$81,309	0.23%	\$73,436	0.21%	\$97,318	0.29%	\$83,779	0.27%	\$66,250	0.21%
3 Cost of Purchased Power	20,768,210	58.46%	19,036,148	55.46%	17,083,910	51.31%	14,885,164	47.97%	14,590,835	46.76%
4 Transmission Operation & Maintenance	709,518	2.00%	684,174	1.99%	395,863	1.19%	498,402	1.61%	322,794	1.03%
5 Regional Market Expense		0.00%		0.00%	0	0.00%	0	0.00%	0	0.00%
6 Distribution Operation	2,442,621	6.88%	2,293,290	6.68%	2,366,036	7.11%	2,159,322	6.96%	2,501,593	8.02%
7 Distribution Maintenance	1,005,988	2.83%	1,076,303	3.14%	1,021,898	3.07%	992,730	3.20%	937,726	3.01%
8 Consumer Accounts Expense	470,429	1.32%	499,251	1.45%	549,209	1.65%	562,091	1.81%	593,400	1.90%
9 Customer Service & Information Expense	216,024	0.61%	225,730	0.66%	350,057	1.05%	290,332	0.94%	271,473	0.87%
10 Sales Expense	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
11 Administrative & General Expense	1,742,259	4.90%	1,375,539	4.01%	1,471,630	4.42%	1,426,720	4.60%	1,660,316	5.32%
<b>12 Total Operation &amp; Maintenance Expense</b>	<b>\$27,436,358</b>	<b>77.23%</b>	<b>\$25,263,871</b>	<b>73.60%</b>	<b>\$23,335,922</b>	<b>70.08%</b>	<b>\$20,898,541</b>	<b>67.35%</b>	<b>\$20,944,388</b>	<b>67.12%</b>
13 Depreciation & Amortization Expense	3,634,392	10.23%	3,553,847	10.35%	3,497,265	10.50%	3,563,804	11.48%	3,486,826	11.17%
14 Tax Expense - Property	350,005	0.99%	387,972	1.13%	343,121	1.03%	351,630	1.13%	338,030	1.08%
15 Tax Expense - Other	32,650	0.09%	31,949	0.09%	31,760	0.10%	28,576	0.09%	29,173	0.09%
16 Interest on Long-Term Debt	2,944,012	8.29%	3,153,381	9.19%	3,372,876	10.13%	3,990,670	12.86%	4,283,703	13.73%
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	113,491	0.32%	13,395	0.04%	6,567	0.02%	13,161	0.04%	30,204	0.10%
19 Other Deductions	0	0.00%	(25,136)	-0.07%	(134,210)	-0.40%	(134,210)	-0.43%	(149,122)	-0.48%
<b>20 Total Cost of Service</b>	<b>\$34,510,907</b>	<b>97.14%</b>	<b>\$32,379,279</b>	<b>94.33%</b>	<b>\$30,453,301</b>	<b>91.46%</b>	<b>\$28,712,171</b>	<b>92.53%</b>	<b>\$28,963,202</b>	<b>92.82%</b>
<b>21 Patronage Capital &amp; Operating Margins</b>	<b>\$1,015,354</b>	<b>2.86%</b>	<b>\$1,946,245</b>	<b>5.67%</b>	<b>\$2,844,972</b>	<b>8.54%</b>	<b>\$2,317,949</b>	<b>7.47%</b>	<b>\$2,239,594</b>	<b>7.18%</b>
22 Non Operating Margins - Interest	\$230,234	0.65%	\$250,733	0.73%	\$173,644	0.52%	\$97,116	0.31%	\$113,583	0.36%
23 Allowance for Funds used During Construction	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%	54,631	0.16%	0	0.00%	35,377	0.11%
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	386,109	1.09%	408,985	1.19%	53,876	0.16%	478,052	1.54%	215,101	0.69%
28 Extraordinary Items	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
<b>29 Patronage Capital or Margins</b>	<b>\$1,631,696</b>	<b>4.59%</b>	<b>\$2,611,114</b>	<b>7.61%</b>	<b>\$3,127,122</b>	<b>9.39%</b>	<b>\$2,893,117</b>	<b>9.32%</b>	<b>\$2,603,655</b>	<b>8.34%</b>
<b>30 Total Cost of Service Less Cost of Power</b>	<b>\$12,951,870</b>	<b>36.46%</b>	<b>\$12,585,521</b>	<b>36.67%</b>	<b>\$12,876,209</b>	<b>38.67%</b>	<b>\$13,244,826</b>	<b>42.68%</b>	<b>\$13,983,323</b>	<b>44.81%</b>
31 Tier - Oper.	1.34		1.62		1.84		1.58		1.52	
32 Tier - Total	1.55		1.83		1.93		1.73		1.61	
33 New Services Connected	422		309		321		304		242	
34 Total Services in Place	28,189		27,282		27,385		27,088		27,028	
35 Miles of Line	2,740		2,711		2,648		2,648		2,634	

**Lower Valley Energy**  
 Electric Five Year Comparison  
*For The Month Ended*  
*September 30, 2018*



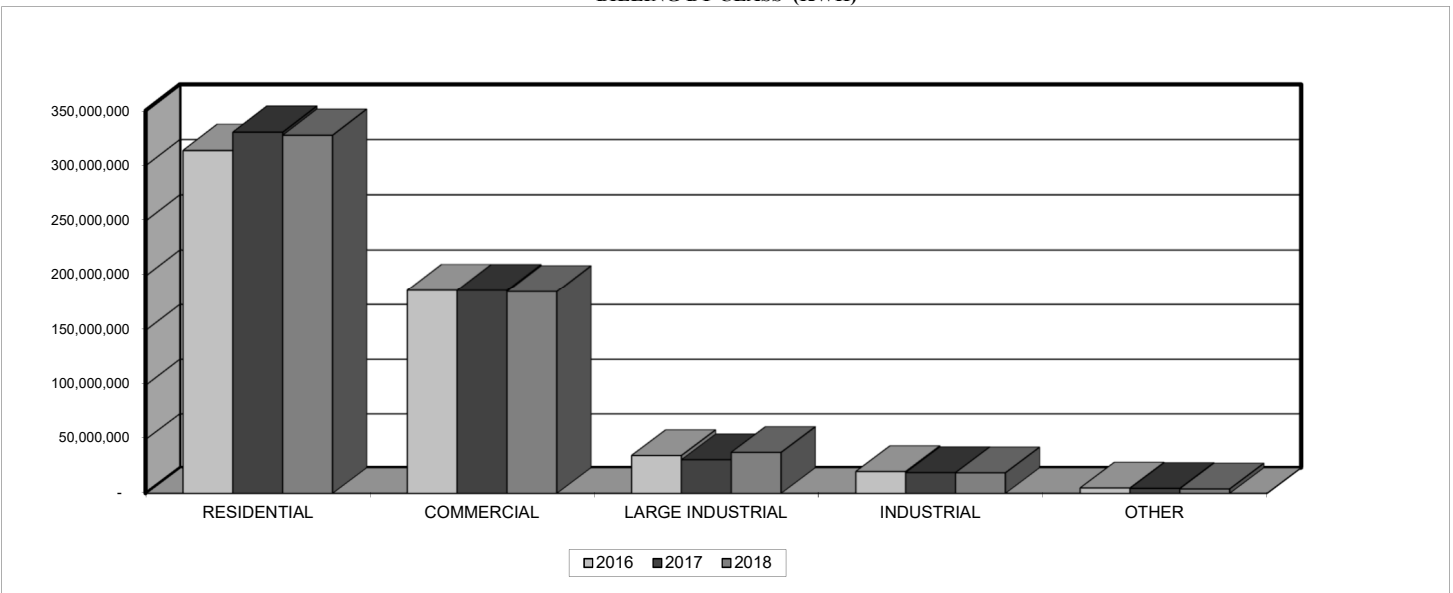
LOWER VALLEY ENERGY, INC. ELECTRIC DIVISION FINANCIAL AND STATISTICAL REPORT				BORROWER DESIGNATION Wyoming 11, Lincoln				
				PERIOD ENDED September 30, 2018				
PART R. POWER REQUIREMENTS DATA BASE								
CLASSIFICATION	CONSUMER SALES AND REVENUE DATA	JANUARY (a)	FEBRUARY (b)	MARCH (c)	APRIL (d)	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 September 30, 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	21,393				
	b. kWH Sold	21,161,063	22,281,490	20,708,096				327,569,699
	c. Revenue	\$1,513,829	\$1,578,413	\$1,489,984				\$21,293,482
2. Irrigation Sales	a. No. Consumers Served	200	197	197				
	b. kWH Sold	941,555	1,695,101	707,524				3,694,106
	c. Revenue	\$59,427	\$99,229	\$44,402				\$233,397
3. Small Comm 1000 kVA or Less	a. No. Consumers Served	4,612	4,609	4,637				
	b. kWH Sold	7,296,555	8,156,034	6,948,256				77,769,426
	c. Revenue	\$503,824	\$555,001	\$484,110				\$5,238,902
4. Large Comm 1000 kVA or less	a. No. Consumers Served	430	428	429				
	b. kWH Sold	10,705,770	11,735,069	10,076,992				107,733,819
	c. Revenue	\$653,444	\$686,278	\$623,451				\$6,542,343
5. Large Pwr and Ind. Over 1000 kVA	a. No. Consumers Served	17	17	17				
	b. kWH Sold	4,348,960	5,656,900	5,732,060				56,996,860
	c. Revenue	\$247,642	\$278,805	\$284,582				\$2,761,986
6. Public Street and Highway Lighting	a. No. Consumers Served	1,309	1,312	1,308				
	b. kWH Sold	49,380	49,101	48,940				441,241
	c. Revenue	\$10,642	\$10,616	\$10,586				\$93,921
7. Unbilled Revenue	b. kWH Sold	3,927,093	(1,450,549)	1,756,463				(21,939,048)
	c. Revenue	\$263,741	(\$93,878)	\$116,660				(\$1,345,228)
8. TOTAL No. Consumers (lines 1a - 9a)		27,919	27,998	27,981				
9. TOTAL kWH Sold (lines 1b - 9b)		48,430,376	48,123,146	45,978,331				552,266,103
10. TOTAL Revenue Received From Sales of Electric Energy (lines 1c - 9c)		\$3,252,548	\$3,114,464	\$3,053,776				\$34,818,802
11. Other Electric Revenue		\$76,388	\$73,348	\$61,437				\$707,459
12. kWH - Own Use		86,336	96,550	85,166				1,472,182
13. TOTAL kWH Purchased		48,959,975	48,886,545	46,872,973				567,629,757
14. TOTAL kWH Generated		1,129,100	1,951,300	1,691,600				12,114,300
15. Cost of Purchases and Generation		\$1,847,938	\$1,799,047	\$1,708,848				\$20,849,519
16. Peak - Sum All kW Input (Metered) X Coincident Non-Coincident		78,620	78,487	100,045				193,557

**ANALYSIS OF BILLING**  
**September 30, 2018**  
**ELECTRIC**  
**Accrual Basis**

YEAR	NUMBER			NUMBER			NUMBER		
	OF METERS	KWH	AMOUNT	OF METERS	KWH	AMOUNT	OF METERS	KWH	AMOUNT
	<b>Residential</b>			<b>Small &amp; Large Commercial</b>			<b>Large Power &amp; Industrial</b>		
2016	20,709	313,790,677	\$19,748,293	4,940	186,728,342	\$11,333,766	16	20,232,400	\$1,126,789
2017	20,984	330,365,053	\$20,699,725	4,993	186,682,228	\$11,377,766	16	19,211,140	\$1,078,465
2018	21,393	327,569,699	\$21,293,482	5,066	185,503,245	\$11,781,245	16	19,056,280	\$1,008,948
	<b>Irrigation</b>			<b>Lighting</b>			<b>Large Industrial</b>		
2016	191	4,488,394	\$260,143	1,309	469,062	\$95,817	1	35,069,760	\$1,486,687
2017	196	4,137,389	\$245,529	1,306	465,366	\$95,052	1	31,158,360	\$1,333,641
2018	197	3,694,106	\$233,397	1,308	441,241	\$93,921	1	37,940,580	\$1,753,038
	<b>Change in Unbilled Revenue</b>			<b>September Total</b>			<b>Year to Date Totals</b>		
2016		(28,919,045)	(\$1,516,553)	27,166	47,490,583	\$2,985,629	27,166	531,859,590	\$32,534,942
2017		(22,727,142)	(\$1,215,690)	27,496	46,221,517	\$2,942,815	27,496	549,292,394	\$33,614,488
2018		(21,939,048)	(\$1,345,228)	27,981	45,978,331	\$3,053,776	27,981	552,266,103	\$34,818,802
	<b>YTD KW</b>	<b>Degree Days</b>		<b>Revenue Summary Form 7 Part A Line 1</b>			<b>Lower Valley Energy KWH Usage</b>		
		<b>Normal</b>	<b>Actual</b>						
2016	184,876	5,700	6,003	Year to Date Billing		\$34,818,802	2016	1,245,235	
2017	218,819	6,293	6,184	Other Revenue		<u>707,459</u>	2017	1,261,846	
2018	193,557	6,309	6,067	Form 7a Line 1 YTD Revenue		<u>\$35,526,261</u>	2018	1,472,182	

**BILLING BY CLASS (KWH)**



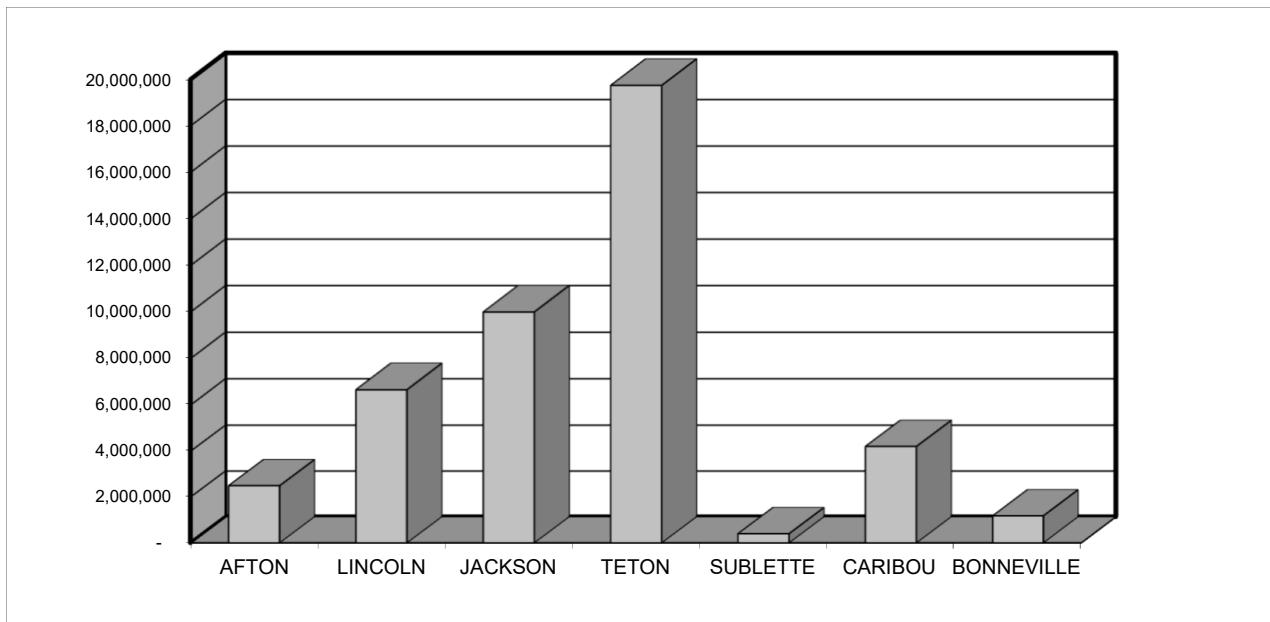


**LOWER VALLEY ENERGY  
BILLING BY GEOGRAPHIC AREAS  
ELECTRIC DIVISION  
September 30, 2018  
BILLING BASIS**

	<b>CONSUMERS</b>	<b>KWH</b>	<b>CHARGES</b>	<b>AVERAGE KWH</b>	<b>AVERAGE BILL</b>	<b>REVENUE PER KWH CENTS</b>
<b>TOWN OF AFTON</b>	1,955	2,496,473	\$176,850	1,277	\$90.46	7.08
<b>LINCOLN COUNTY (less Afton)</b>	7,520	6,665,502	\$482,878	886	\$64.21	7.24
<b>TOWN OF JACKSON</b>	7,460	10,005,915	\$669,701	1,341	\$89.77	6.69
<b>TETON COUNTY (less Jackson)</b>	8,708	19,741,394	\$1,275,036	2,267	\$146.42	6.46
<b>SUBLETTE COUNTY</b>	548	401,273	\$30,606	732	\$55.85	7.63
<b>CARIBOU COUNTY</b>	295	4,212,435	\$207,474	14,279	\$703.30	4.93
<b>BONNEVILLE COUNTY</b>	1,495	1,180,600	\$87,544	790	\$58.56	7.42
<b>TOTAL</b>	<u>27,981</u>	<u>44,703,592</u>	<u>\$2,930,089</u>	<u>1,598</u>	<u>\$104.72</u>	<u>6.55</u>
			<u>185,124</u>			
			<u><b>\$3,115,213</b></u>			

**Adjustments and Accruals**  
**Total Operating Revenue**

**KWH**



**LOWER VALLEY ENERGY**  
**STATEMENT OF OPERATIONS**  
*For The Month Ended*  
*September 30, 2018*

**NATURAL GAS DIVISION**

ITEM	YEAR-TO-DATE			THIS MONTH (d)
	LAST YEAR (a)	THIS YEAR (b)	BUDGET (c)	
<b>1 Operating Revenue and Patronage Capital</b>	<b>\$ 6,707,350</b>	<b>\$ 6,534,805</b>	<b>\$ 6,831,309</b>	<b>\$ 185,482</b>
2 Power Production Expense	-	-	-	-
3 Cost of Gas	2,706,905	2,688,878	2,974,999	93,113
4 Transmission Operation & Maintenance	132,034	225,055	196,898	39,353
5 Regional Market Expense	-	-	-	-
6 Distribution Operation Expense	289,695	268,238	267,129	16,220
7 Distribution Maintenance Expense	187,061	457,090	566,772	83,799
8 Consumer Accounts Expense	79,410	76,114	85,382	7,375
9 Customer Service and Informational Expense	31,023	40,104	28,710	3,639
10 Sales Expense	-	-	-	-
11 Administrative and General Expense	267,671	336,598	353,499	25,969
<b>12 Total Operation &amp; Maintenance Expense (2 thru 11)</b>	<b>\$ 3,693,800</b>	<b>\$ 4,092,077</b>	<b>\$ 4,473,389</b>	<b>\$ 269,468</b>
13 Depreciation and Amortization Expense	952,296	959,750	968,193	106,889
14 Tax Expense-Property	170,599	163,153	167,130	14,595
15 Tax Expense-Other	8,528	9,230	9,100	572
16 Interest on Long-Term Debt	988,804	959,027	958,940	105,117
17 Interest Charged to Construction-Credit	-	-	-	-
18 Interest Expense-Other	1,600	7,801	5,730	1,982
19 Other Deductions	-	-	-	-
<b>20 Total Cost of Service (12 thru 19)</b>	<b>\$ 5,815,627</b>	<b>\$ 6,191,036</b>	<b>\$ 6,582,482</b>	<b>\$ 498,622</b>
21 Patronage Capital & Operating Margins (1 minus 20)	\$ 891,723	\$ 343,768	\$ 248,827	\$ (313,141)
22 Non Operating Margins-Interest	-	61,705	-	6,070
23 Allowance for Funds Used During Construction	-	-	-	-
24 Income (Loss) from Equity Investments	-	-	-	-
25 Non Operating Margins-Other	325	51	-	51
26 Generation and Transmission Capital Credits	-	-	-	-
27 Other Capital Credits and Patronage Dividends	110,138	108,721	110,420	-
28 Extraordinary Items	-	-	-	-
<b>29 Patronage Capital or Margins (21 thru 28)</b>	<b>\$ 1,002,185</b>	<b>\$ 514,245</b>	<b>\$ 359,247</b>	<b>\$ (307,020)</b>

**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	69	76	5. Miles Trans.	53	53
2. Services Retired	2	5	6. Miles Distr. - 2" or less	165	168
3. Total Services in Place	4,134	4,334	7. Miles Dist. - Over 2"	57	58
4. Idle Services (Exclude Seasonal)	38	44	8. Total Miles (5 + 6 + 7)	275	279

**LOWER VALLEY ENERGY**  
BALANCE SHEET  
As of  
**September 30, 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	\$ 45,898,253	\$ 45,596,494	30 Memberships	\$ -	\$ -
2 Construction Work in Progress	660,709	638,328	31 Patronage Capital	10,590,590	9,332,587
<b>3 Total Utility Plant</b>	<b>46,558,961</b>	<b>46,234,822</b>	32 Operating Margins-Prior Years	-	-
4 Accum. Provision for Depreciation and Amort	14,728,189	13,434,540	33 Operating Margins-Current Year	343,768	891,723
<b>5 Net Utility Plant</b>	<b>31,830,772</b>	<b>32,800,282</b>	34 Non Operating Margins	170,477	110,463
6 Nonutility Property - Net	-	-	35 Other Margins and Equities	95,748	36,767
7 Investments in Subsidiary Companies	-	-	<b>36 Total Margins &amp; Equities</b>	<b>11,200,583</b>	<b>10,371,540</b>
8 Invest. in Assoc. Org. - Patronage Capital	652,115	701,514	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)	-	-
<b>14 Total Other Property &amp; Investments</b>	<b>1,231,015</b>	<b>1,280,414</b>	42 Payments - Unapplied	-	-
15 Cash-General Funds	-	-	<b>43 Total Long-Term Debt</b>	<b>26,815,327</b>	<b>27,887,876</b>
16 Cash-Construction Funds-Trustee	-	-	44 Obligations under Capital Leases	-	-
17 Special Deposits	-	-	45 Accumulated Operating Provisions	-	-
18 Temporary Investments	-	-	<b>46 Total Other Noncurrent Liabilities</b>	<b>-</b>	<b>-</b>
19 Notes Receivable-Net	-	-	47 Notes Payable	-	-
20 Accounts Receivable-Net Sales of Energy	368,234	415,946	48 Accounts Payable	27,052	25,506
21 Accounts Receivable-Net Other	10,445	64,283	49 Consumers Deposits	58,882	52,821
22 Renewable Energy Credits	-	-	50 Current Maturities Long-Term Debt	1,072,549	1,026,048
23 Materials & Supplies-Electric and Other	531,370	43,501	51 Current Maturities Long-Term Debt - Econ. Devel.	-	-
24 Prepayments	-	-	52 Current Maturities Capital Leases	-	-
25 Other Current & Accrued Assets	3,483,492	2,327,548	53 Other Current & Accrued Liabilities	159,559	144,850
<b>26 Total Current &amp; Accrued Assets</b>	<b>4,393,542</b>	<b>2,851,278</b>	<b>54 Total Current &amp; Accrued Liabilities</b>	<b>1,318,043</b>	<b>1,249,225</b>
27 Regulatory Assets	-	-	55 Regulatory Liabilities	-	-
28 Other Deferred Debits	2,391,209	2,695,683	56 Deferred Credits	512,586	119,017
28a Other Non-current Assets-BPA Power Prepayment	-	-	<b>57 Total Liabilities &amp; Other Credits</b>	<b>\$ 39,846,538</b>	<b>\$ 39,627,658</b>
<b>29 Total Assets &amp; Other Debits</b>	<b>\$ 39,846,538</b>	<b>\$ 39,627,658</b>			

**NOTES TO FINANCIAL STATEMENTS**

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

	2018		2017	
	August	September	August	September
1. Current Assets/Liabilities	1.71	1.68	2.37	2.29
2. Equity	28.71%	28.13%	27.67%	27.63%
3. Long Term Debt as a % of Plant	60.05%	59.90%	62.69%	62.54%
4. Material Inventory:	175,984	531,370	44,000	43,501
5. Intercompany Receivable/(Payable)	3,570,826	3,228,905	2,037,136	2,084,183

**LOWER VALLEY ENERGY, INC**  
**STATEMENT OF CASH FLOWS**  
*For The Month Ended*  
*September 30, 2018*

**NATURAL GAS DIVISION**

	YEAR TO DATE	THIS MONTH
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net Margins	\$ 514,245	\$ (307,020)
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Depreciation Expense	959,750	106,889
Decrease/(Increase) in:		
Special Deposits	-	-
Accounts Receivable	660,241	40,507
Other Accounts Receivable	69,392	(1,531)
Materials & Supplies	(438,132)	(355,387)
Prepayments	42,138	-
Other Current Assets	(1,279,842)	570,626
Other Deferred Debits	225,052	17,445
Increase/(Decrease) in:		
Accounts Payable (excluding line of credit)	27,052	(899)
Consumer Deposits	6,254	1,516
Other Current Liabilities	(48,274)	(252,294)
Deferred Credits	416,458	(47,747)
Net cash provided by operating activities	1,154,332	(227,895)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of Fixed Assets Net of Retirements	544,386	(111,846)
Change in Notes Receivable	-	-
Change in Investments in Associated Organizations	(54,360)	-
Change in Investments in Economic Development Projects	-	-
Change in Temporary Investments	-	-
Change in Other Investments	-	-
Net cash provided/(used) by investing activities	490,026	(111,846)
<b>CASH FLOWS FROM FINANCING AND CAPITAL CREDIT</b>		
Change in Capital Credits	(19,512)	(2,181)
Change in Long-term Debt	-	-
Net cash provided/(used) by financing and capital credit activities	(19,512)	(2,181)
Total change in intercompany balance	1,624,846	(341,922)
Beginning intercompany balance	1,604,059	3,570,826
Ending intercompany balance	\$ 3,228,905	\$ 3,228,905

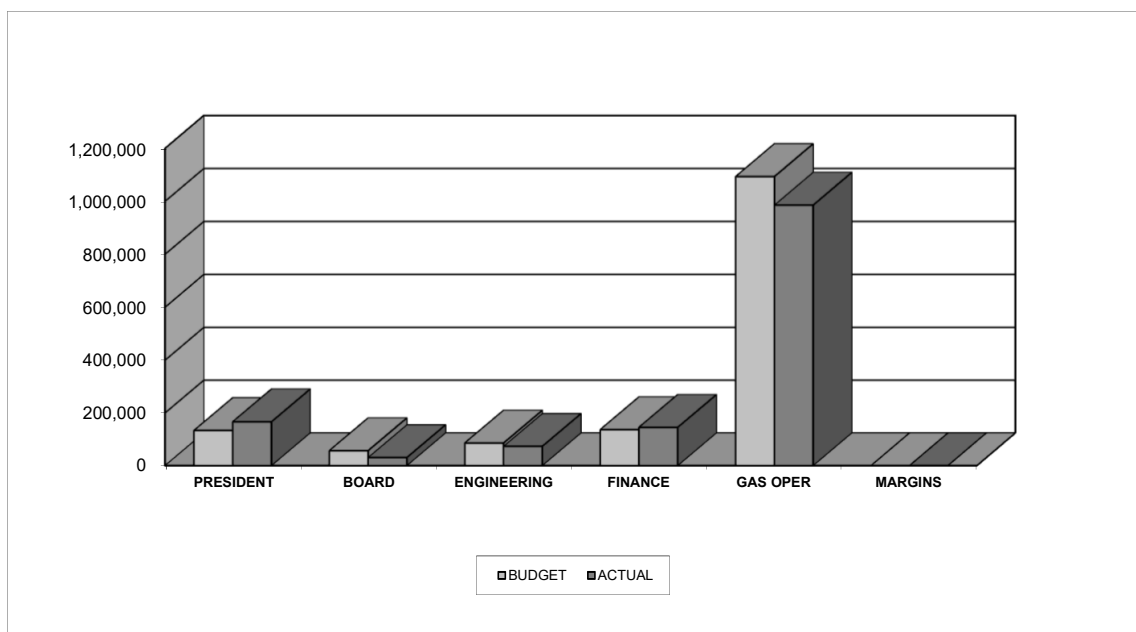
**Lower Valley Energy**  
 Natural Gas Budget vs. Actual Comparison  
*For The Month Ended*  
**September 30, 2018**

<b>ITEM</b>	<b>YTD Actual</b>	<b>YTD Budget</b>	<b>YTD Variance</b>	<b>% Variance</b>
<b>1 Operating Revenue</b>	<b>\$ 6,534,805</b>	<b>\$ 6,831,309</b>	<b>\$ (296,504)</b>	<b>-4.34%</b>
2 Power Production Expense	-	-	-	0.00%
3 Cost of Purchased Gas	2,688,878	2,974,999	(286,121)	-9.62%
4 Transmission Operation & Maintenance	225,055	196,898	28,157	14.30%
5 Regional Market Expense	-	-	-	0.00%
6 Distribution Operation Expense	268,238	267,129	1,109	0.41%
7 Distribution Maintenance Expense	457,090	566,772	(109,682)	-19.35%
8 Consumer Accounts Expense	76,114	85,382	(9,268)	-10.85%
9 Customer Service and Informational Expense	40,104	28,710	11,394	39.69%
10 Sales Expense	-	-	-	0.00%
11 Administrative and General Expense	336,598	353,499	(16,901)	-4.78%
<b>12 Total Operation &amp; Maintenance Expense (2 thru 11)</b>	<b>4,092,077</b>	<b>4,473,389</b>	<b>(381,312)</b>	<b>-8.52%</b>
13 Depreciation and Amortization Expense	959,750	968,193	(8,443)	-0.87%
14 Tax Expense-Property	163,153	167,130	(3,977)	-2.38%
15 Tax Expense-Other	9,230	9,100	130	1.43%
16 Interest on Long-Term Debt	959,027	958,940	87	0.01%
17 Interest Charged to Construction-Credit	-	-	-	0.00%
18 Interest Expense-Other	7,801	5,730	2,071	36.14%
19 Other Deductions	-	-	-	0.00%
<b>20 Total Cost of Service (12 thru 19)</b>	<b>6,191,036</b>	<b>6,582,482</b>	<b>(391,446)</b>	<b>-5.95%</b>
<b>21 Patronage Capital &amp; Operating Margins (1 minus 20)</b>	<b>343,768</b>	<b>248,827</b>	<b>94,941</b>	<b>38.16%</b>
22 Non Operating Margins-Interest	61,705	-	61,705	0.00%
23 Allowance for Funds Used During Construction	-	-	-	0.00%
24 Income (Loss) from Equity Investments	-	-	-	0.00%
25 Non Operating Margins-Other	51	-	51	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%
<b>29 Patronage Capital or Margins (21 thru 28)</b>	<b>\$ 514,245</b>	<b>\$ 359,247</b>	<b>\$ 154,998</b>	<b>43.15%</b>

Tier - Oper.  
 Tier - Total

1.36                      1.26  
 1.54                      1.37

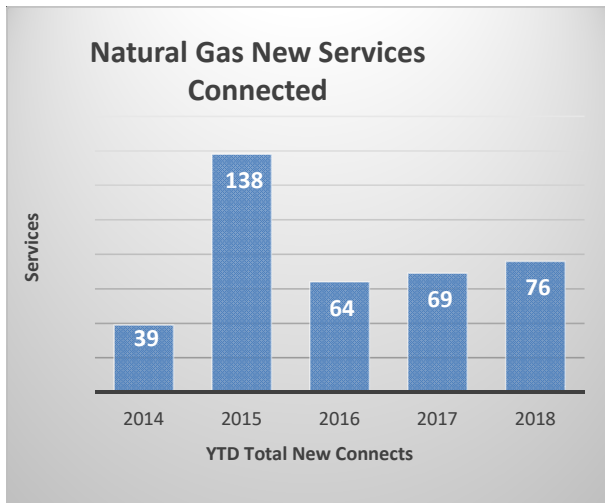
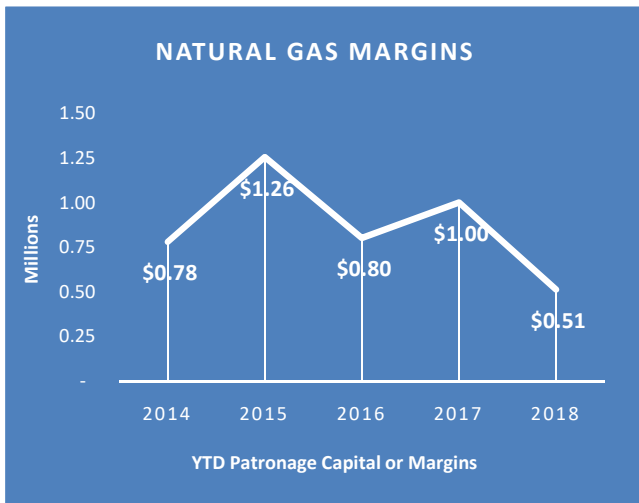
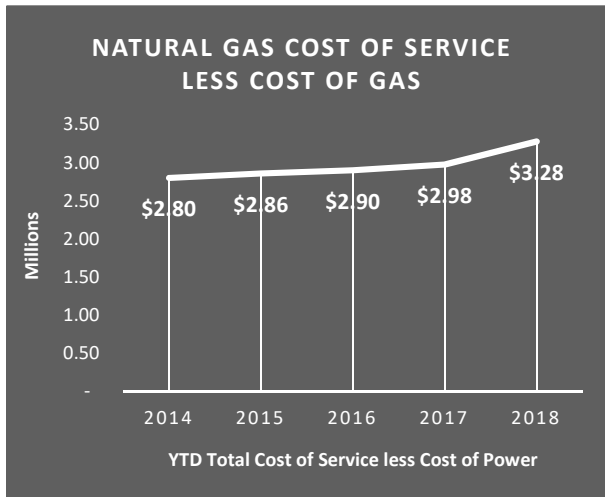
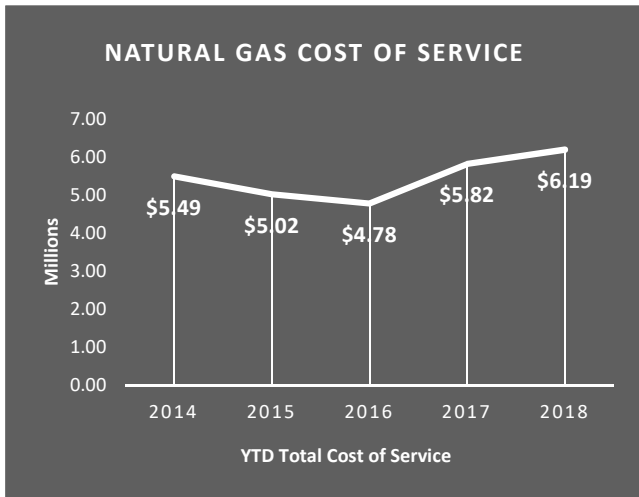
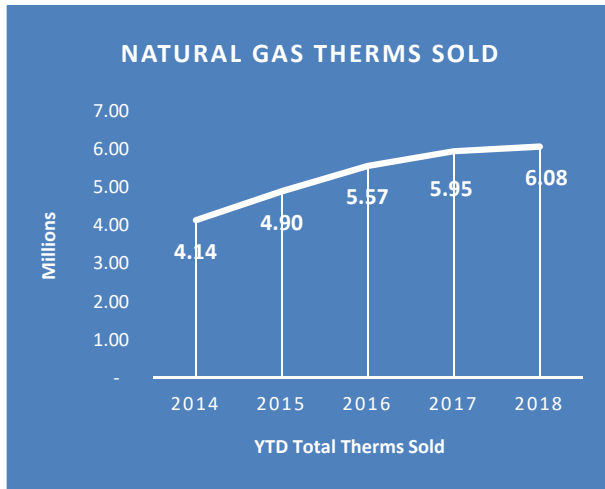
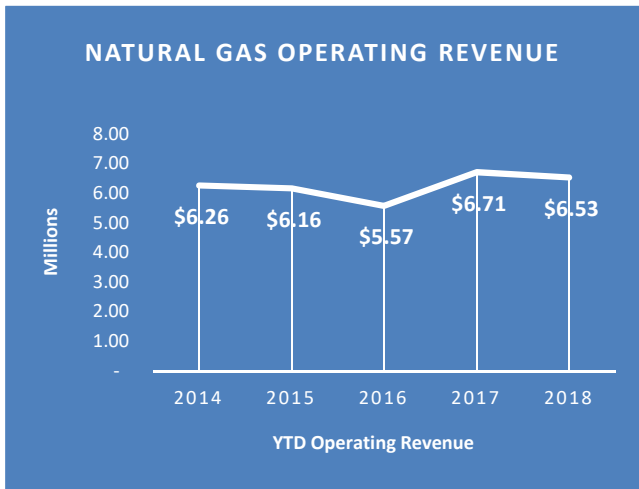
**BUDGET BY DEPARTMENT**



**Lower Valley Energy**  
**Natural Gas Five Year Comparison**  
For the Month Ended  
September 30, 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
<b>1 Operating Revenue</b>	<b>\$ 6,534,805</b>		<b>\$ 6,707,350</b>		<b>\$ 5,572,576</b>		<b>\$ 6,160,147</b>		<b>\$ 6,260,282</b>	
2 Power Production Expense	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
3 Cost of Gas Sold	2,688,878	41.15%	2,706,905	40.36%	1,739,442	31.21%	1,998,838	32.45%	2,565,839	40.99%
4 Transmission Operation & Maintenance	225,055	3.44%	132,034	1.97%	140,259	2.52%	157,460	2.56%	122,943	1.96%
5 Regional Market Expense	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
6 Distribution Operation	268,238	4.10%	289,695	4.32%	248,805	4.46%	183,960	2.99%	174,999	2.80%
7 Distribution Maintenance	457,090	6.99%	187,061	2.79%	172,237	3.09%	145,142	2.36%	113,149	1.81%
8 Consumer Accounts Expense	76,114	1.16%	79,410	1.18%	63,336	1.14%	68,577	1.11%	72,601	1.16%
9 Customer Service & Information Expense	40,104	0.61%	31,023	0.46%	18,367	0.33%	16,389	0.27%	19,343	0.31%
10 Sales Expense	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
11 Administrative & General Expense	336,598	5.15%	267,671	3.99%	263,780	4.73%	246,401	4.00%	228,878	3.66%
<b>12 Total Operation &amp; Maintenance Expense</b>	<b>\$ 4,092,077</b>	<b>62.62%</b>	<b>\$ 3,693,800</b>	<b>55.07%</b>	<b>\$ 2,646,226</b>	<b>47.49%</b>	<b>\$ 2,816,766</b>	<b>45.73%</b>	<b>\$ 3,297,751</b>	<b>52.68%</b>
13 Depreciation & Amortization Expense	959,750	14.69%	952,296	14.20%	942,888	16.92%	940,595	15.27%	865,882	13.83%
14 Tax Expense - Property	163,153	2.50%	170,599	2.54%	159,509	2.86%	158,070	2.57%	141,770	2.26%
15 Tax Expense - Other	9,230	0.14%	8,528	0.13%	7,592	0.14%	8,151	0.13%	9,516	0.15%
16 Interest on Long-Term Debt	959,027	14.68%	988,804	14.74%	1,017,404	18.26%	1,055,323	17.13%	1,141,317	18.23%
17 Interest Charged to Construction - Credit	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
18 Interest Expense - Other	7,801	0.12%	1,600	0.02%	3,806	0.07%	36,377	0.59%	32,677	0.52%
19 Other Deductions	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
<b>20 Total Cost of Service</b>	<b>\$ 6,191,036</b>	<b>94.74%</b>	<b>\$ 5,815,627</b>	<b>86.71%</b>	<b>\$ 4,777,424</b>	<b>85.73%</b>	<b>\$ 5,015,283</b>	<b>81.41%</b>	<b>\$ 5,488,913</b>	<b>87.68%</b>
<b>21 Patronage Capital &amp; Operating Margins</b>	<b>\$ 343,768</b>	<b>5.26%</b>	<b>\$ 891,723</b>	<b>13.29%</b>	<b>\$ 795,152</b>	<b>14.27%</b>	<b>\$ 1,144,864</b>	<b>18.59%</b>	<b>\$ 771,369</b>	<b>12.32%</b>
22 Non Operating Margins - Interest	61,705	0.94%	-	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	51	0.00%	325	0.00%	8,122	0.15%	-	0.00%	9,020	0.14%
26 Generation & Transmission Capital Credits	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
27 Other Capital Credits & Patronage Dividends	108,721	1.66%	110,138	1.64%	-	0.00%	112,272	1.82%	-	0.00%
28 Extraordinary Items	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
<b>29 Patronage Capital or Margins</b>	<b>\$ 514,245</b>	<b>7.87%</b>	<b>\$ 1,002,185</b>	<b>14.94%</b>	<b>\$ 803,274</b>	<b>14.41%</b>	<b>\$ 1,257,135</b>	<b>20.41%</b>	<b>\$ 780,389</b>	<b>12.47%</b>
<b>30 Total Cost of Service Less Cost of Gas</b>	<b>\$ 3,277,104</b>	<b>50.15%</b>	<b>\$ 2,976,687</b>	<b>44.38%</b>	<b>\$ 2,897,723</b>	<b>52.00%</b>	<b>\$ 2,858,986</b>	<b>46.41%</b>	<b>\$ 2,800,131</b>	<b>44.73%</b>
31 Tier - Oper.	1.36		1.90		1.78		2.08		1.68	
32 Tier - Total	1.54		2.01		1.79		2.19		1.68	
33 New Services Connected	76		69		64		138		39	
34 Total Services in Place	4,334		4,134		4,105		3,998		3,849	
35 Miles of Line	279		275		249		249		242	

**Lower Valley Energy**  
 Natural Gas Five Year Comparison  
*For The Month Ended*  
*September 30, 2018*



LOWER VALLEY ENERGY, INC. NATURAL GAS FINANCIAL AND STATISTICAL REPORT				BORROWER DESIGNATION Wyoming 11, Lincoln				
				PERIOD ENDED September 30, 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**  
 September 30, 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	3,275				
	b. Therms Sold	72,670	64,981	70,436				1,789,473
	c. Revenue	98,990	89,649	93,520				\$2,134,865
2. Comm. and Ind.	a. No. Consumers Served	1,011	1,012	1,015				
	b. Therms Sold	305,803	357,399	337,738				4,599,295
	c. Revenue	307,706	352,594	320,668				\$4,715,273
3. Unbilled Revenue	a. No. Consumers Served							
	b. Therms Sold	138,233	162,576	(214,506)				(312,517)
	c. Revenue	148,541	170,221	(228,704)				(\$342,384)
10. TOTAL No. Consumers (lines 1a - 3a)		4,276	4,281	4,290				
11. TOTAL Therms Sold (lines 1b - 3b)		516,706	584,956	193,668				6,076,251
12. TOTAL Revenue Received From Sales of Gas Energy (lines 1c - 3c)		555,237	612,464	185,484				\$6,507,754
13. Other Gas Revenue		832	1,737	(2)				\$27,051
14. Therms - Own Use		9,773	9,546	10,426				122,214
15. Cost of Purchases		160,719	183,640	93,113				\$2,688,878

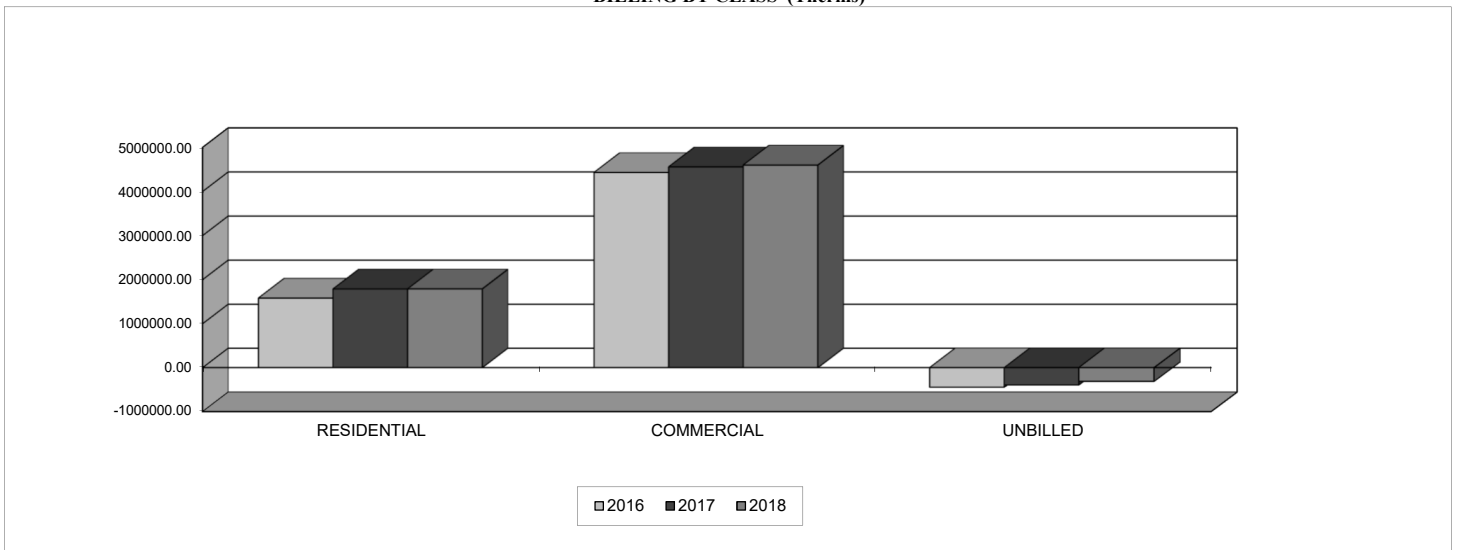
**ANALYSIS OF BILLING**  
**September 30, 2018**  
**Natural Gas Division**  
**Accrual Basis**

YEAR	RESIDENTIAL			COMMERCIAL		
	NUMBER OF METERS	THERMS	AMOUNT	NUMBER OF METERS	THERMS	AMOUNT
2016	3,079	1,582,665	\$1,804,815	991	4,431,979	\$4,257,993
2017	3,164	1,788,972	\$2,210,403	1,008	4,558,976	\$4,890,188
2018	3,275	1,789,473	\$2,134,865	1,015	4,599,295	\$4,715,273

YEAR	Change in Unbilled Revenue		September Totals			Year to Date Totals		
	THERMS	AMOUNT	NUMBER OF METERS	THERMS	AMOUNT	NUMBER OF METERS	THERMS	AMOUNT
2016	(444,719)	(\$504,725)	4,070	397,608	\$411,358	4070	5,569,925	5,558,083
2017	(393,044)	(\$429,832)	4,172	430,115	\$471,103	4172	5,954,904	6,670,759
2018	(312,517)	(\$342,384)	4,290	408,174	\$414,188	4290	6,076,251	6,507,754

YEAR	Degree Days		Revenue Summary Form 7 Part A Line 1		Lower Valley Energy Therm Usage	
	Normal	Actual				
2016	5,700	6,003	Year to Date Billing	\$6,507,754	2016	117,995
2017	6,293	6,184	Other Revenue	<u>27,051</u>	2017	112,084
2018	6,309	6,067	Form 7a Line 1 YTD Revenue	<u><u>\$6,534,805</u></u>	2018	122,214

**BILLING BY CLASS (Therms)**

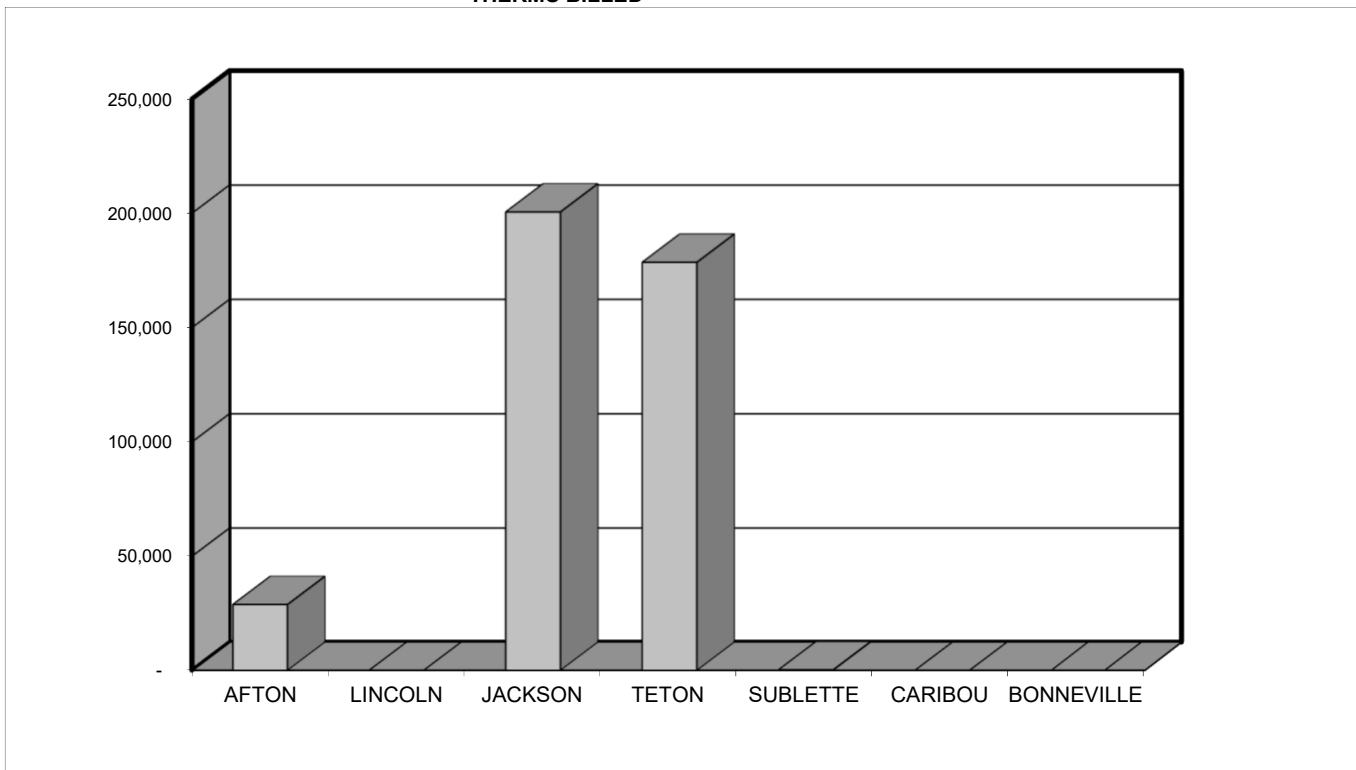


**LOWER VALLEY ENERGY  
BILLING BY GEOGRAPHIC  
NATURAL GAS  
September 30, 2018  
BILLING BASIS**

	<b>CONSUMERS</b>	<b>THERMS</b>	<b>CHARGES</b>	<b>AVERAGE THERMS</b>	<b>AVERAGE BILL</b>	<b>REVENUE PER THERM</b>
<b>TOWN OF AFTON</b>	817	28,829	\$32,279	35	\$39.51	\$1.12
<b>TOWN OF JACKSON</b>	2,414	200,566	\$206,978	83	\$85.74	\$1.03
<b>TETON COUNTY</b>	1,043	178,545	\$174,616	171	\$167.42	\$0.98
<b>SUBLETTE COUNTY</b>	16	234	\$315	15	\$19.71	\$1.35
<b>TOTAL</b>	<u>4,274</u>	<u>408,174</u>	<u>\$414,188</u>	<u>96</u>	<u>\$96.91</u>	<u>\$1.01</u>

<b>Adjustments and Accruals</b>	<u>(228,706)</u>
<b>Total Operating Revenue</b>	<u><b>\$185,482</b></u>

**THERMS BILLED**



**SWIFT CREEK HYDRO**  
**STATEMENT OF OPERATIONS**  
*For The Month Ended*  
*September 30, 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.....	\$ 217,885	\$ 247,867	\$ 286,794	\$ 26,322
2. Power Production Expense.....	63,403	63,799	76,641	4,042
3. Scheduling and Delivery.....	27,871	2,366	1,116	227
4. Transmission Operation & Maintenance.....	-	-	13,302	-
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.....	17,415	12,517	12,440	1,132
11. Total Operation & Maintenance Expense (2 thru 10).....	108,689	78,682	103,499	5,400
12. Depreciation and Amortization Expense.....	110,768	110,768	110,790	12,308
13. Tax Expense-Property.....	16,105	14,286	14,040	1,408
14. Tax Expense-Other.....	-	-	-	-
15. Interest on Long-Term Debt.....	86,887	143,262	90,140	19,185
16. Interest Charged to Construction-Credit.....	-	-	-	-
17. Interest Expense-Other.....	-	-	-	-
18. Other Deductions.....	-	-	-	-
19. Total Cost of Service (11 thru 18).....	322,449	346,997	318,469	38,301
20. Patronage Capital & Operating Margins (1 minus 19).....	(104,564)	(99,131)	(31,675)	(11,980)
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).....	\$ (104,564)	\$ (99,131)	\$ (31,675)	\$ (11,980)

Notes:

1. Sales for 2018 consisted of the following:

PacifiCorp PURPA sales	\$ -
LVE sales	\$ 231,364
Green sales to Teton County	16,502
	<u>247,867</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*  
*September 30, 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..... 1,335,552	33. Operating Margins-Current Year..... (99,131)
5. Net Utility Plant (3 - 4)..... 5,736,645	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)..... 303,665
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..... 167,209
21. Accounts Receivable-Net Other..... -	50. Total Current & Accrued Liabilities (45 thru 48)..... 210,772
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)..... \$ 5,837,015
26. Regulatory Assets..... -	
27. Deferred Debits..... 106,361	
28. Accumulated Deferred Income Taxes..... -	
29. Total Assets & Other Debits (5 + 14 + 25 thru 28)..... \$ 5,843,005	

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 \$5,312,248 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*  
**September 30, 2018**

**SWIFT CREEK HYDRO**

	YEAR TO DATE	THIS MONTH
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net Margins	\$ (99,131)	\$ (11,980)
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Depreciation Expense	110,768	12,308
Decrease/(Increase) in:		
Special Deposits	-	-
Accounts Receivable	-	-
Other Accounts Receivable	-	-
Materials & Supplies	-	-
Prepayments	-	-
Other Current Assets	-	-
Other Deferred Debits	(49,566)	(5,990)
Increase/(Decrease) in:		
Accounts Payable (excluding line of credit)	-	-
Consumer Deposits	-	-
Other Current and Accrued Liabilities	(34,872)	(18,652)
Deferred Credits	29,674	29,674
Net cash provided by operating activities	(43,127)	5,359
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
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	-	-
<b>CASH FLOWS FROM FINANCING AND CAPITAL CREDIT</b>		
Change in Capital Credits	13,901	13,901
Change in Long-term Debt	(100,675)	-
Net cash provided/(used) by financing and capital credit activities	(86,774)	13,901
Total change in intercompany balance	(129,900)	19,261
Beginning intercompany balance	(19,131)	(168,292)
Ending intercompany balance (positive = cash, negative = liability)	\$ (149,032)	\$ (149,032)