

**LOWER VALLEY ENERGY**  
**STATEMENT OF OPERATIONS**

*For The Month Ended*  
*February 28, 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

\_\_\_\_\_  
March 22, 2018

\_\_\_\_\_  
DATE

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

\_\_\_\_\_  
March 22, 2018

\_\_\_\_\_  
DATE

**STATEMENT OF OPERATIONS - CONSOLIDATED**

ITEM	YEAR-TO-DATE			
	Electric	Natural Gas	Consolidated	Budget
<b>1 Operating Revenue</b>	<b>\$ 10,924,340</b>	<b>\$ 2,500,545</b>	<b>\$ 13,424,886</b>	<b>\$ 14,488,211</b>
2 Power Production Expense	11,631	-	11,631	20,249
3 Cost of Purchased Power/Gas Sold	6,704,916	865,006	7,569,922	8,704,422
4 Transmission Operation & Maintenance	100,027	39,976	140,004	186,341
5 Regional Market Expense	-	-	-	-
6 Distribution Operation Expense	612,020	70,474	682,494	673,527
7 Distribution Maintenance Expense	163,062	35,874	198,936	339,452
8 Consumer Accounts Expense	104,274	18,135	122,410	143,744
9 Customer Service and Informational Expense	43,000	8,947	51,947	48,719
10 Sales Expense	-	-	-	-
11 Administrative and General Expense	385,524	98,405	483,929	442,479
<b>12 Total Operation &amp; Maintenance Expense (2 thru 11)</b>	<b>\$ 8,124,455</b>	<b>\$ 1,136,817</b>	<b>\$ 9,261,272</b>	<b>\$ 10,558,933</b>
13 Depreciation and Amortization Expense	800,330	212,970	1,013,300	1,059,936
14 Tax Expense-Property	78,875	37,140	116,014	120,740
15 Tax Expense-Other	9,551	3,337	12,888	14,700
16 Interest on Long-Term Debt	666,118	215,344	881,461	891,330
17 Interest Charged to Construction-Credit	-	-	-	-
18 Interest Expense-Other <sup>1</sup>	19,832	464	10,478	45,385
19 Other Deductions	-	-	-	-
<b>20 Total Cost of Service (16 thru 23)</b>	<b>\$ 9,699,161</b>	<b>\$ 1,606,071</b>	<b>\$ 11,295,413</b>	<b>\$ 12,691,024</b>
<b>21 Patronage Capital &amp; Operating Margins (3 minus 24)</b>	<b>\$ 1,225,180</b>	<b>\$ 894,474</b>	<b>\$ 2,129,472</b>	<b>\$ 1,797,187</b>
22 Non Operating Margins-Interest <sup>1</sup>	43,076	9,818	43,076	73,097
23 Allowance for Funds Used During Construction	-	-	-	-
24 Income (Loss) from Equity Investments	-	-	-	-
25 Non Operating Margins-Other	-	-	-	-
26 Generation and Transmission Capital Credits	-	-	-	-
27 Other Capital Credits and Patronage Dividends	-	-	-	4,680
28 Extraordinary Items	-	-	-	-
<b>29 Patronage Capital or Margins (21 thru 28)</b>	<b>\$ 1,268,256</b>	<b>\$ 904,292</b>	<b>\$ 2,172,548</b>	<b>\$ 1,874,964</b>

**DATA ON TRANSMISSION AND DISTRIBUTION**

ITEM	YEAR-TO-DATE			
	Electric	Natural Gas	Consolidated	Last Year
1 New Services Connected	52	11	63	51
2 Services Retired	25	1	26	15
3 Total Services in Place	27,872	4,189	32,061	31,643
4 Idle Services (Excluding Seasonal)	212	39	251	264
5 Miles Transmission	264	53	317	317
6 Miles Distribution - Overhead	931	-	931	935
7 Miles Distribution - Underground	1,533	227	1,760	1,712
8 Total Miles In Service ( 5 + 6 + 7 )	2,728	280	3,009	2,965

<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*  
*February 28, 2018*

**STATEMENT OF OPERATIONS - CONSOLIDATED**

ITEM	YEAR-TO-DATE			THIS MONTH (d)
	LAST YEAR	THIS YEAR	BUDGET	
	(a)	(b)	(c)	
1 Operating Revenue	\$ 14,045,621	\$ 13,424,886	\$ 14,488,211	\$ 6,757,194
2 Power Production Expense	7,872	11,631	20,249	6,332
3 Cost of Purchased Power & Gas	7,615,163	7,569,922	8,704,422	3,546,686
4 Transmission Operation & Maintenance	75,848	140,004	186,341	78,526
5 Regional Market Expense	-	-	-	-
6 Distribution Operation Expense	626,739	682,494	673,527	331,133
7 Distribution Maintenance Expense	238,099	198,936	339,452	112,433
8 Consumer Accounts Expense	128,003	122,410	143,744	60,150
9 Customer Service and Informational Expense	42,830	51,947	48,719	36,349
10 Sales Expense	-	-	-	-
11 Administrative and General Expense	330,782	483,929	442,479	283,864
12 Total Operation & Maintenance Expense (2 thru 11)	\$ 9,065,335	\$ 9,261,272	\$ 10,558,933	\$ 4,455,472
13 Depreciation and Amortization Expense	993,583	1,013,300	1,059,936	507,049
14 Tax Expense-Property	129,101	116,014	120,740	58,007
15 Tax Expense-Other	13,686	12,888	14,700	6,049
16 Interest on Long-Term Debt	936,895	881,461	891,330	440,096
17 Interest Charged to Construction-Credit	-	-	-	-
18 Interest Expense-Other <sup>1</sup>	1,762	10,478	45,385	5,011
19 Other Deductions	(25,136)	-	-	-
20 Total Cost of Service (16 thru 23)	\$ 11,115,226	\$ 11,295,413	\$ 12,691,024	\$ 5,471,684
21 Patronage Capital & Operating Margins (3 minus 24)	\$2,930,395	\$2,129,472	\$1,797,187	\$1,285,509
22 Non Operating Margins-Interest <sup>1</sup>	46,900	43,076	73,097	22,494
23 Allowance for Funds Used During Construction	-	-	-	-
24 Income (Loss) from Equity Investments	-	-	-	-
25 Non Operating Margins-Other	-	-	-	-
26 Generation and Transmission Capital Credits	-	-	-	-
27 Other Capital Credits and Patronage Dividends	3,914	-	4,680	-
28 Extraordinary Items	-	-	-	-
29 Patronage Capital or Margins (21 thru 28)	\$ 2,981,209	\$ 2,172,548	\$ 1,874,964	\$ 1,308,004

**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	51	63	5. Miles Trans.	317	317
2. Services Retired	15	26	6. Miles Dist. - OH	935	931
3. Total Services in Place	31,643	32,061	7. Miles Dist. - UG	1,712	1,760
4. Idle Services (Exclude Seasonal)	264	251	8. Total Miles (5 + 6 + 7)	2,965	3,009

<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*  
**February 28, 2018**

**CONSOLIDATED**

ASSETS AND OTHER DEBITS			LIABILITIES AND OTHER CREDITS		
	Current Year	Prior Year		Current Year	Prior Year
1 Total Utility Plant in Service	\$ 223,173,564	\$ 220,714,812	30 Memberships	\$ -	\$ -
2 Construction Work in Progress	6,023,992	607,545	31 Patronage Capital	65,383,128	64,461,106
<b>3 Total Utility Plant</b>	<b>229,197,556</b>	<b>221,322,357</b>	32 Operating Margins-Prior Years	-	-
4 Accum. Provision for Depreciation and Amort	104,659,380	98,994,936	33 Operating Margins-Current Year	2,119,654	2,930,395
<b>5 Net Utility Plant</b>	<b>124,538,175</b>	<b>122,327,421</b>	34 Non Operating Margins	52,894	50,814
6 Nonutility Property - Net	-	-	35 Other Margins and Equities	18,962,408	17,851,790
7 Investments in Subsidiary Companies	-	-	<b>36 Total Margins &amp; Equities</b>	<b>86,518,085</b>	<b>85,294,106</b>
8 Invest. in Assoc. Org. - Patronage Capital	2,885,958	2,611,865	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	(4,573)	40 Long-Term Debt-Other (Net)	53,020,139	54,938,433
12 Other Investments	550,000	590,000	40a Long-Term Debt-BPA Power Prepayment	105,052,989	114,078,179
13 Special Funds	-	-	41 Long-Term Debt - WY SEO (Net)	660,755	951,482
<b>14 Total Other Property &amp; Investments</b>	<b>5,461,530</b>	<b>5,221,669</b>	41a Long-Term Debt - REDL&G	1,000,000	1,000,000
15 Cash-General Funds	1,275,687	970,052	42 Payments - Unapplied	-	-
16 Cash-Construction Funds-Trustee	-	-	<b>43 Total Long-Term Debt</b>	<b>159,733,884</b>	<b>170,968,095</b>
17 Special Deposits	1,172,114	1,335,521	44 Obligations under Capital Leases	-	-
18 Temporary Investments	3,616,407	8,568,111	45 Accumulated Operating Provisions	-	-
19 Notes Receivable-Net	1,384,936	1,339,796	<b>46 Total Other Noncurrent Liabilities</b>	<b>-</b>	<b>-</b>
20 Accounts Receivable-Net Sales of Energy	5,138,388	5,855,855	47 Notes Payable	-	-
21 Accounts Receivable-Net Other	2,987,231	871,031	48 Accounts Payable	3,823,417	3,282,484
22 Renewable Energy Credits	-	-	49 Consumers Deposits	598,539	550,664
23 Materials & Supplies-Electric and Other	1,630,462	1,681,887	50 Current Maturities Long-Term Debt	2,118,294	2,292,268
24 Prepayments (excl. BPA Power Prepayment)	476,782	388,382	50a Current Maturities LTD (BPA Prepay)	9,025,190	8,691,355
24a BPA Power Prepayment - Current	8,643,106	8,258,881	51 Current Maturities LTD - Econ. Devel.	290,691	184,673
25 Other Current & Accrued Assets	5,105,977	3,906,931	52 Current Maturities Capital Leases	-	-
<b>26 Total Current &amp; Accrued Assets</b>	<b>31,431,089</b>	<b>33,176,447</b>	53 Other Current & Accrued Liabilities	5,444,064	4,529,435
27 Regulatory Assets	-	-	<b>54 Total Current &amp; Accrued Liabilities</b>	<b>21,300,195</b>	<b>19,530,878</b>
28 Other Deferred Debits	3,016,057	3,351,539	55 Regulatory Liabilities	-	-
28a BPA Power Prepayment - Non-current	107,063,519	115,769,455	56 Deferred Credits	3,958,207	4,053,452
<b>29 Total Assets &amp; Other Debits</b>	<b>\$ 271,510,370</b>	<b>\$ 279,846,531</b>	<b>57 Total Liabilities &amp; Other Credits</b>	<b>\$ 271,510,370</b>	<b>\$ 279,846,531</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)	181,976	29,766
			60 Total Contributions-In-Aid-Of-Construction	<u>\$60,823,985</u>	<u>\$57,462,881</u>

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

*As of*  
**February 28, 2018**

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

	2018		2017	
	January	February	January	February
1 Cost of Power & Gas				
Cost from Income Statement	\$ 3,875,027	\$ 7,569,922	\$ 4,500,074	\$ 7,602,064
Plus: Interest on BPA Prepayment Loan	315,874	629,740	339,485	677,035
Total Cost of Power with BPA Interest	<u>\$ 4,190,901</u>	<u>\$ 8,199,662</u>	<u>\$ 4,839,559</u>	<u>\$ 8,279,099</u>
2 Current Assets/Liabilities	1.43	1.48	1.70	1.78
3 Equity	31.21%	31.87%	28.43%	30.64%
Equity excluding BPA Power Prepayment	53.75%	54.96%	52.00%	54.80%
4 Long Term Debt as a % of Plant	75.60%	74.68%	76.02%	82.27%
Long Term Debt as a % of Plant excl. BPA Power Prepayment	25.18%	24.78%	25.32%	27.30%
5 Debt Service Coverage	1.68	1.41	2.31	1.72
Debt Service Coverage excl. BPA Power Prepayment	4.47	2.89	4.73	3.52
6 Intercompany Receivables/(Payables) :				
Natural Gas Division Receivable/(Payable)	\$ 2,103,913	\$ 2,179,096	\$ 344,900	\$ 706,246
less: Teton Village CIAC Receivable	1,124,574	1,097,373	1,343,122	1,315,593
Net Balance	<u>\$ 3,228,486</u>	<u>\$ 3,276,469</u>	<u>\$ 1,688,022</u>	<u>\$ 2,021,839</u>
7 Total Shared Overhead - Gas Division	<u>36,334</u>	<u>72,718</u>	<u>19,341</u>	<u>43,269</u>
8 Material Inventory:				
Material	1,480,386	1,630,462	1,671,134	1,681,887
Special Equip.	2,377,521	2,352,896	2,322,352	2,376,115
Total Material	<u>3,857,907</u>	<u>3,983,358</u>	<u>3,993,486</u>	<u>4,058,002</u>
9 Inventory Carrying Cost (YTD)	<u>50,226</u>	<u>53,852</u>	<u>4,010</u>	<u>8,062</u>
10 Inventory Turnover - Electric (Dist & Trans)				
Dollar Value	1.04	1.06	0.51	0.52
Quantity	1.22	1.22	0.97	0.96
11 Aged Accounts Receivable (Over 60 Days):	<u>18,549</u>	<u>8,109</u>	<u>13,248</u>	<u>15,340</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*  
*February 28, 2018*

**CONSOLIDATED**

	YEAR TO DATE	BUDGET	THIS MONTH
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Net Margins	\$ 2,172,548	\$ 1,874,539	\$ 1,308,004
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:			
Depreciation Expense	1,013,300	1,059,936	507,049
Decrease/(Increase) in:			
Special Deposits	17 196,994	-	-
Accounts Receivable	20 558,295	-	450,892
Other Accounts Receivable	21 44,188	-	17,603
Materials & Supplies	23 (197,876)	-	(110,980)
Prepayments	24 (741,825)	-	(78,118)
BPA Prepayment - Non-current	28a 1,797,588	886,640	708,020
Other Current Assets	25 (803,440)	-	(78,990)
Other Deferred Debits	28 65,471	15,840	29,226
Increase/(Decrease) in:			
Accounts Payable (excluding line of credit)	48 (125,180)	-	107,920
Consumer Deposits	49 4,850	-	(1,562)
Other Current Liabilities	53 402,218	-	(6,709)
Deferred Credits	56 (1,095,851)	(40,168)	(11,229)
Net cash provided by operating activities	3,291,278	3,796,787	2,841,125
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Capital Outlay	3 (661,861)	-	(714,915)
Non-Expensed Depreciation	4 57,889	-	24,048
Purchase of Fixed Assets Net of Retirements	(603,971)	(504,806)	(690,867)
Change in Notes Receivable	19 (4,371)	-	11,660
Change in Investments in Associated Organizations	8-10 7,965	-	-
Change in Investments in Economic Development Projects	11 -	-	-
Change in Temporary Investments	18 211,939	-	268,193
Change in Other Investments	12 -	-	(3,333)
Net cash provided/(used) by investing activities	(388,438)	(504,806)	(414,347)
<b>CASH FLOWS FROM FINANCING AND CAPITAL CREDIT ACTIVITIES:</b>			
Change in Capital Credits	31 156,320	(340,804)	(60,496)
Change in Line of Credit	-	-	-
Change in Long-term Debt	40-40a, 41-41a, 50, (1,995,412)	(2,195,412)	(1,302,534)
Net cash provided/(used) by financing and capital credit activities	(1,839,092)	(2,536,216)	(1,363,030)
Total change in cash	1,063,748	755,765	1,063,748
Beginning cash and cash equivalents	3,828,346	6,500,000	3,828,346
Ending cash and cash equivalents	\$ 4,892,094	\$ 7,255,765	\$ 4,892,094

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

*As of*  
**February 28, 2018**

**CONSOLIDATED**

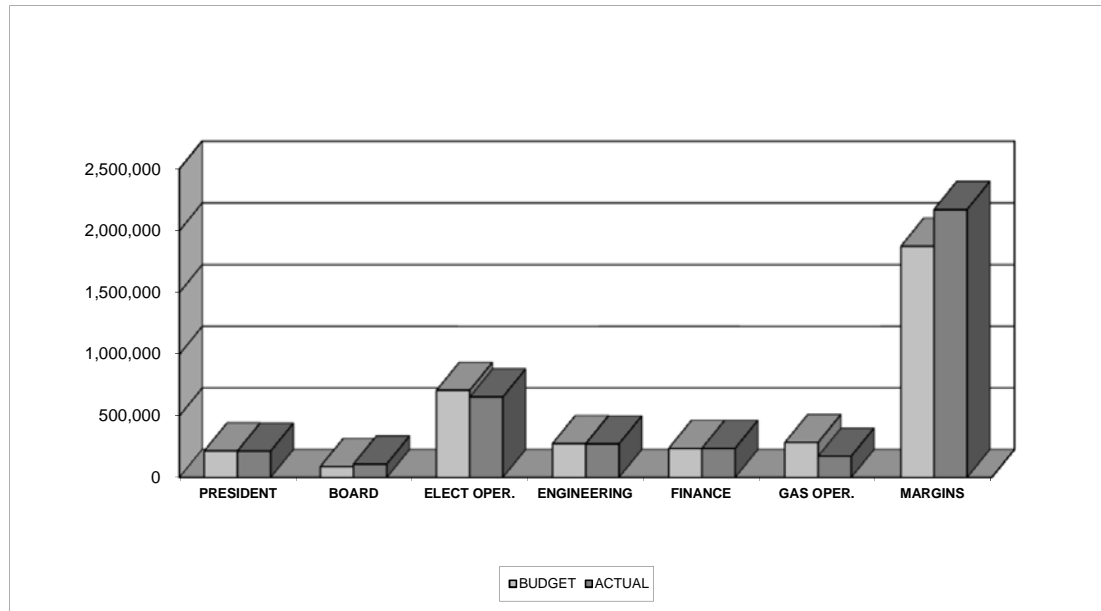
	YEAR TO DATE	PRIOR MONTH	PRIOR YEAR
<b>Deferred Debits - Electric Division</b>			
CFC Repricing Fees	405,794	407,133	421,865
Town of Afton Swift Creek Receivable	69,103	62,949	41,258
	474,897	470,344	463,123
<b>Deferred Debits - Gas Division</b>			
CFC Repricing Fees	1,443,788	1,450,366	1,522,721
Teton Village Contribution in Aid Rec.	1,097,373	1,124,574	1,315,593
Natural Gas Fuel Balancing Account	-	-	50,103
	2,541,161	2,574,939	2,888,416
<b>Total Deferred Debits</b>	<b>\$ 3,016,057</b>	<b>\$ 3,045,283</b>	<b>\$ 3,351,539</b>
<b>Deferred Credits - Electric Division</b>			
Horse Butte Wind Payment from Eagle Mountain	\$ 2,949,364	\$ 2,966,512	\$ 3,155,134
Conservation Expenditures	4,805	26,015	(54,589)
Conservation - Loan Loss Reserve	200,000	200,000	200,000
Conservation Funds	394,507	394,507	289,555
Prepaid Revenue-Gift Certificates	3,625	3,675	2,945
Boardman liability	340,301	350,310	460,407
	3,892,602	3,941,018	4,053,452
<b>Deferred Credits - Gas Division</b>			
Natural Gas Fuel Balancing Account	65,605	28,417	-
	65,605	28,417	-
<b>Total Deferred Credits</b>	<b>\$ 3,958,207</b>	<b>\$ 3,969,435</b>	<b>\$ 4,053,452</b>

**Lower Valley Energy**  
 Consolidated Budget vs. Actual Comparison  
**For The Month Ended**  
**February 28, 2018**

ITEM	YTD Actual	YTD Budget	YTD Variance	%
<b>1 Operating Revenue</b>	<b>\$ 13,424,886</b>	<b>\$ 14,488,211</b>	<b>\$ (1,063,325)</b>	<b>-7.34%</b>
2 Power Production Expense	11,631	20,249	(8,618)	-42.56%
3 Cost of Purchased Power	7,569,922	8,704,422	(1,134,500)	-13.03%
4 Transmission Operation & Maintenance	140,004	186,341	(46,337)	-24.87%
5 Regional Market Expense	-	-	-	0.00%
6 Distribution Operation Expense	682,494	673,527	8,967	1.33%
7 Distribution Maintenance Expense	198,936	339,452	(140,516)	-41.40%
8 Consumer Accounts Expense	122,410	143,744	(21,334)	-14.84%
9 Customer Service and Informational Expense	51,947	48,719	3,228	6.63%
10 Sales Expense	-	-	-	0.00%
11 Administrative and General Expense	483,929	442,479	41,450	9.37%
<b>12 Total Operation &amp; Maintenance Expense (2 thru 11)</b>	<b>9,261,272</b>	<b>10,558,933</b>	<b>(1,297,661)</b>	<b>-12.29%</b>
13 Depreciation and Amortization Expense	1,013,300	1,059,936	(46,636)	-4.40%
14 Tax Expense-Property	116,014	120,740	(4,726)	-3.91%
15 Tax Expense-Other	12,888	14,700	(1,812)	-12.32%
16 Interest on Long-Term Debt	881,461	891,330	(9,869)	-1.11%
17 Interest Charged to Construction-Credit	-	-	-	0.00%
18 Interest Expense-Other	10,478	45,385	(34,907)	-76.91%
19 Other Deductions	-	-	-	0.00%
<b>20 Total Cost of Service (12 thru 19)</b>	<b>11,295,413</b>	<b>12,691,024</b>	<b>(1,395,611)</b>	<b>-11.00%</b>
<b>21 Patronage Capital &amp; Operating Margins (1 minus 20)</b>	<b>2,129,472</b>	<b>1,797,187</b>	<b>332,285</b>	<b>18.49%</b>
22 Non Operating Margins-Interest	43,076	73,097	(30,021)	-41.07%
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	-	4,680	(4,680)	-100.00%
28 Extraordinary Items	-	-	-	0.00%
<b>29 Patronage Capital or Margins (21 thru 28)</b>	<b>\$ 2,172,548</b>	<b>\$ 1,874,964</b>	<b>\$ 297,584</b>	<b>15.87%</b>

Tier - Oper.	3.42	3.02
Tier - Total	3.46	3.10

**BUDGET BY DEPARTMENT**



**LOWER VALLEY ENERGY**  
**STATEMENT OF OPERATIONS**  
*For The Month Ended*  
**February 28, 2018**

**ELECTRIC DIVISION**

ITEM	YEAR-TO-DATE			THIS MONTH
	LAST YEAR	THIS YEAR	BUDGET	
	(a)	(b)	(c)	
<b>1 Operating Revenue and Patronage Capital</b>	<b>\$ 11,231,594</b>	<b>\$ 10,924,340</b>	<b>\$ 11,758,523</b>	<b>\$ 5,638,697</b>
2 Power Production Expense	7,872	11,631	20,249	6,332
3 Cost of Purchased Power	6,481,543	6,704,916	7,539,625	3,100,554
4 Transmission Operation & Maintenance	55,866	100,027	110,767	53,639
5 Regional Market Expense	-	-	-	-
6 Distribution Operation Expense	554,163	612,020	611,635	295,714
7 Distribution Maintenance Expense	204,123	163,062	217,502	94,177
8 Consumer Accounts Expense	114,135	104,274	123,689	52,175
9 Customer Service and Informational Expense	39,040	43,000	43,389	32,086
10 Sales Expense	-	-	-	-
11 Administrative and General Expense	272,335	385,524	358,215	230,027
<b>12 Total Operation &amp; Maintenance Expense (2 thru 11)</b>	<b>\$ 7,729,076</b>	<b>\$ 8,124,455</b>	<b>\$ 9,025,071</b>	<b>\$ 3,864,704</b>
13 Depreciation and Amortization Expense	782,739	800,330	844,782	400,465
14 Tax Expense-Property	91,202	78,875	83,600	39,437
15 Tax Expense-Other	9,860	9,551	10,600	4,562
16 Interest on Long-Term Debt	715,002	666,118	675,970	332,424
17 Interest Charged to Construction-Credit	-	-	-	-
18 Interest Expense-Other	1,640	19,832	43,265	9,819
19 Other Deductions	(25,136)	-	-	-
<b>20 Total Cost of Electric Service (12 thru 19)</b>	<b>\$ 9,304,384</b>	<b>\$ 9,699,161</b>	<b>\$ 10,683,288</b>	<b>\$ 4,651,412</b>
21 Patronage Capital & Operating Margins (1 minus 20)	\$ 1,927,210	\$ 1,225,180	\$ 1,075,235	\$ 987,285
22 Non Operating Margins-Interest	46,900	43,076	73,097	22,494
23 Allowance for Funds Used During Construction	-	-	-	-
24 Income (Loss) from Equity Investments	-	-	-	-
25 Non Operating Margins-Other	-	-	-	-
26 Generation and Transmission Capital Credits	-	-	-	-
27 Other Capital Credits and Patronage Dividends	3,914	-	4,680	-
28 Extraordinary Items	-	-	-	-
<b>29 Patronage Capital or Margins (21 thru 28)</b>	<b>\$ 1,978,024</b>	<b>\$ 1,268,256</b>	<b>\$ 1,153,012</b>	<b>\$ 1,009,779</b>

**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	38	52	5. Miles Trans.	264	264
2. Services Retired	15	25	6. Miles Dist. - Overhead	935	931
3. Total Services in Place	27,488	27,872	7. Miles Dist. - Underground	1,485	1,533
4. Idle Services (Exclude Seasonal)	228	212	8. Total Miles (5 + 6 + 7)	2,684	2,728



**LOWER VALLEY ENERGY**  
BALANCE SHEET  
As of  
**February 28, 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	\$ 177,369,026	\$ 175,166,724	30 Memberships	\$ -	\$ -
2 Construction Work in Progress	5,489,615	342,449	31 Patronage Capital	54,725,803	55,116,177
<b>3 Total Utility Plant</b>	<b>182,858,640</b>	<b>175,509,173</b>	32 Operating Margins-Prior Years	-	-
4 Accum. Provision for Depreciation and Amort	90,703,032	86,329,369	33 Operating Margins-Current Year	1,225,180	1,927,210
<b>5 Net Utility Plant</b>	<b>92,155,608</b>	<b>89,179,803</b>	34 Non Operating Margins	43,076	50,814
6 Nonutility Property - Net	-	-	35 Other Margins and Equities	18,915,624	17,824,495
7 Investments in Subsidiary Companies	-	-	<b>36 Total Margins &amp; Equities</b>	<b>74,909,683</b>	<b>74,918,695</b>
8 Invest. in Assoc. Org. - Patronage Capital	2,288,203	1,965,420	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	(4,573)	40 Long-Term Debt-Other (Net)	25,662,594	26,531,851
12 Other Investments	550,000	590,000	40a Long-Term Debt-BPA Power Prepayment	105,052,989	114,078,179
13 Special Funds	-	-	41 Long-Term Debt - WY SEO (Net)	660,755	951,482
<b>14 Total Other Property &amp; Investments</b>	<b>4,284,875</b>	<b>3,996,324</b>	41a Long-Term Debt - REDL&G	1,000,000	1,000,000
15 Cash-General Funds	1,275,687	970,052	42 Payments - Unapplied	-	-
16 Cash-Construction Funds-Trustee	-	-	<b>43 Total Long-Term Debt</b>	<b>132,376,338</b>	<b>142,561,512</b>
17 Special Deposits	1,172,114	1,335,521	44 Obligations under Capital Leases	-	-
18 Temporary Investments	3,616,407	8,568,111	45 Accumulated Operating Provisions	-	-
19 Notes Receivable-Net	1,384,936	1,339,796	<b>46 Total Other Noncurrent Liabilities</b>	<b>-</b>	<b>-</b>
20 Accounts Receivable-Net Sales of Energy	4,036,633	4,522,405	47 Notes Payable	-	-
21 Accounts Receivable-Net Other	2,965,783	816,232	48 Accounts Payable	3,756,925	3,233,817
22 Renewable Energy Credits	-	-	49 Consumers Deposits	540,272	502,032
23 Materials & Supplies-Electric and Other	1,429,277	1,571,599	50 Current Maturities Long-Term Debt	1,069,257	1,288,696
24 Prepayments	366,456	388,382	50a Current Maturities LTD (BPA Prepay)	9,025,190	8,691,355
24a BPA Power Prepayment - Current	8,643,106	8,258,881	51 Current Maturities LTD - Econ. Devel.	290,691	184,673
25 Other Current & Accrued Assets	2,324,088	1,929,650	52 Current Maturities Capital Leases	-	-
<b>26 Total Current &amp; Accrued Assets</b>	<b>27,214,487</b>	<b>29,700,629</b>	53 Other Current & Accrued Liabilities	5,332,427	3,675,100
27 Regulatory Assets	-	-	<b>54 Total Current &amp; Accrued Liabilities</b>	<b>20,014,762</b>	<b>17,575,674</b>
28 Other Deferred Debits	474,897	463,123	55 Regulatory Liabilities	-	-
28a BPA Power Prepayment - Non-current	107,063,519	115,769,455	56 Deferred Credits	3,892,602	4,053,452
<b>29 Total Assets &amp; Other Debits</b>	<b>\$ 231,193,385</b>	<b>\$ 239,109,334</b>	<b>57 Total Liabilities &amp; Other Credits</b>	<b>\$ 231,193,385</b>	<b>\$ 239,109,334</b>

**NOTES TO FINANCIAL STATEMENTS**

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

	2018		2017	
	January	February	January	February
1 Cost of Power				
Cost of Power from Income Statement	\$ 3,456,153	\$ 6,704,916	\$ 3,865,155	\$ 6,468,444
plus: Interest on BPA Prepayment Loan	315,874	629,740	339,485	677,035
Total Power Cost	<u>\$ 3,772,027</u>	<u>\$ 7,334,656</u>	<u>\$ 4,204,640</u>	<u>\$ 7,145,480</u>
2 Current Assets/Liabilities	1.36	1.36	1.67	1.74
3 Equity	30.76%	32.40%	29.42%	29.89%
Equity excluding BPA Power Prepayment	63.64%	63.96%	62.28%	63.14%
4 Long Term Debt as a % of Plant	73.45%	72.39%	81.99%	81.32%
Long Term Debt as a % of Plant excl. BPA				
Power Prepayment	15.82%	15.53%	17.66%	17.44%
5 Material Inventory:				
Material	1,374,282	1,429,277	1,553,356	1,571,599
Special Equip.	2,377,521	2,352,896	2,322,352	2,376,115
<b>Total Material</b>	<u><b>3,751,803</b></u>	<u><b>3,782,173</b></u>	<u><b>3,875,708</b></u>	<u><b>3,947,714</b></u>

**LOWER VALLEY ENERGY, INC**  
**STATEMENT OF CASH FLOWS**  
*For The Month Ended*  
*February 28, 2018*

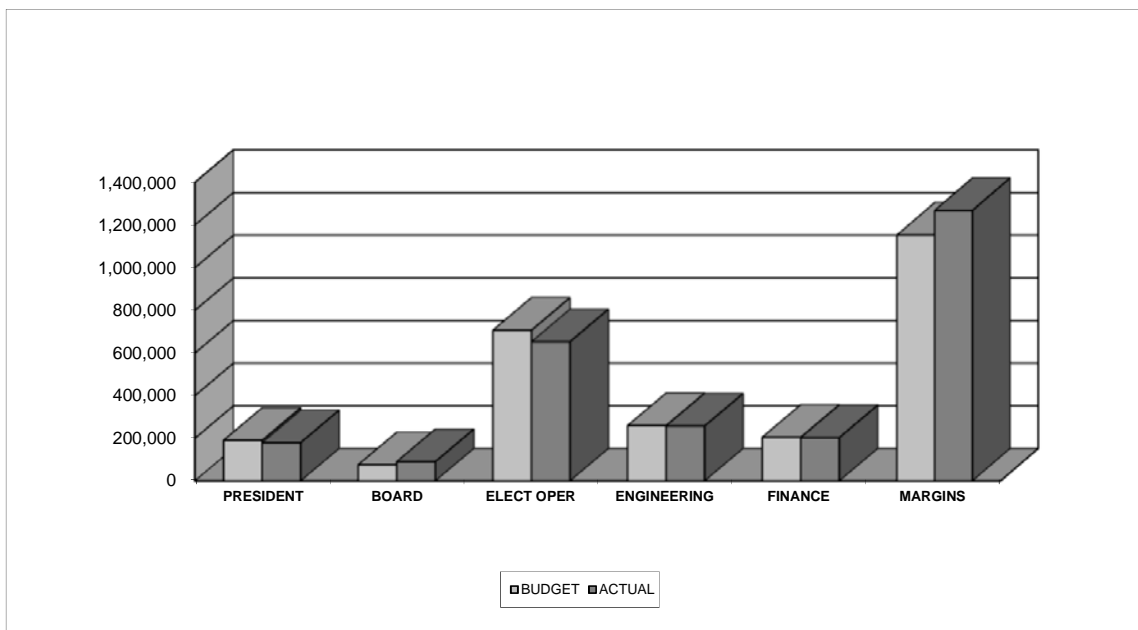
**ELECTRIC DIVISION**

	YEAR TO DATE	THIS MONTH
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net Margins	\$ 1,268,256	\$ 1,009,779
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Depreciation Expense	800,330	400,465
Decrease/(Increase) in:		
Special Deposits	196,993	-
Accounts Receivable	621,103	320,160
Other Accounts Receivable	326,025	(2,300)
Materials & Supplies	(89,929)	(54,995)
Prepayments	(673,637)	(78,118)
BPA Prepayment	1,797,587	708,020
Other Current Assets	(10,642)	(591,972)
Other Deferred Debits	(9,629)	(4,553)
Increase/(Decrease) in:		
Accounts Payable	(191,672)	41,428
Consumer Deposits	(790)	2,284
Other Current Liabilities	649,323	193,703
Deferred Credits	(1,065,327)	(48,416)
Net cash provided by operating activities	3,617,993	1,895,484
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Capital Outlay	(1,799,108)	(612,587)
Non-Expensed Depreciation	849,334	19,644
Purchase of Fixed Assets Net of Retirements	(949,773)	(592,943)
Change in Notes Receivable	(4,371)	11,660
Change in Investments in Associated Organizations	7,965	7,066
Change in Investments in Economic Development Projects	-	-
Change in Temporary Investments	211,939	268,193
Change in Other Investments	(0)	(3,333)
Net cash provided/(used) by investing activities	(734,240)	(309,356)
<b>CASH FLOWS FROM FINANCING AND CAPITAL CREDIT</b>		
Change in Capital Credits	132,271	(60,496)
Change in Line of Credit	-	-
Change in Long-term Debt	(1,740,336)	(1,005,790)
Net cash provided/(used) by financing and capital credit activities	(1,608,065)	(1,066,287)
Total change in cash	1,275,687	519,841
Beginning cash	-	755,846
Ending cash	\$ 1,275,687	\$ 1,275,687
Add: Cash Equivalents	3,616,407	
Ending cash and cash equivalents	\$ 4,892,094	

**Lower Valley Energy**  
Electric Budget vs. Actual Comparison  
*For The Month Ended*  
*February 28, 2018*

ITEM	YTD Actual	YTD Budget	YTD Variance	% Variance
<b>1 Operating Revenue</b>	<b>\$ 10,924,340</b>	<b>\$ 11,758,523</b>	<b>\$ (834,183)</b>	<b>-7.09%</b>
2 Power Production Expense	11,631	20,249	(8,618)	-42.56%
3 Cost of Purchased Power	6,704,916	7,539,625	(834,709)	-11.07%
4 Transmission Operation & Maintenance	100,027	110,767	(10,740)	-9.70%
5 Regional Market Expense	-	-	-	0.00%
6 Distribution Operation Expense	612,020	611,635	385	0.06%
7 Distribution Maintenance Expense	163,062	217,502	(54,440)	-25.03%
8 Consumer Accounts Expense	104,274	123,689	(19,415)	-15.70%
9 Customer Service and Informational Expense	43,000	43,389	(389)	-0.90%
10 Sales Expense	-	-	-	0.00%
11 Administrative and General Expense	385,524	358,215	27,309	7.62%
<b>12 Total Operation &amp; Maintenance Expense (2 thru 11)</b>	<b>8,124,455</b>	<b>9,025,071</b>	<b>(900,616)</b>	<b>-9.98%</b>
13 Depreciation and Amortization Expense	800,330	844,782	(44,452)	-5.26%
14 Tax Expense-Property	78,875	83,600	(4,725)	-5.65%
15 Tax Expense-Other	9,551	10,600	(1,049)	-9.89%
16 Interest on Long-Term Debt	666,118	675,970	(9,853)	-1.46%
17 Interest Charged to Construction-Credit	-	-	-	0.00%
18 Interest Expense-Other	19,832	43,265	(23,433)	-54.16%
19 Other Deductions	-	-	-	0.00%
<b>20 Total Cost of Electric Service (12 thru 19)</b>	<b>9,699,161</b>	<b>10,683,288</b>	<b>(984,127)</b>	<b>-9.21%</b>
<b>21 Patronage Capital &amp; Operating Margins (1 minus 20)</b>	<b>1,225,180</b>	<b>1,075,235</b>	<b>149,945</b>	<b>13.95%</b>
22 Non Operating Margins-Interest	43,076	73,097	(30,021)	-41.07%
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	-	4,680	(4,680)	-100.00%
28 Extraordinary Items	-	-	-	0.00%
<b>29 Patronage Capital or Margins (21 thru 28)</b>	<b>\$ 1,268,256</b>	<b>\$ 1,153,012</b>	<b>\$ 115,244</b>	<b>9.99%</b>
Tier - Oper.	2.84	2.59		
Tier - Total	2.90	2.71		

**BUDGET BY DEPARTMENT**



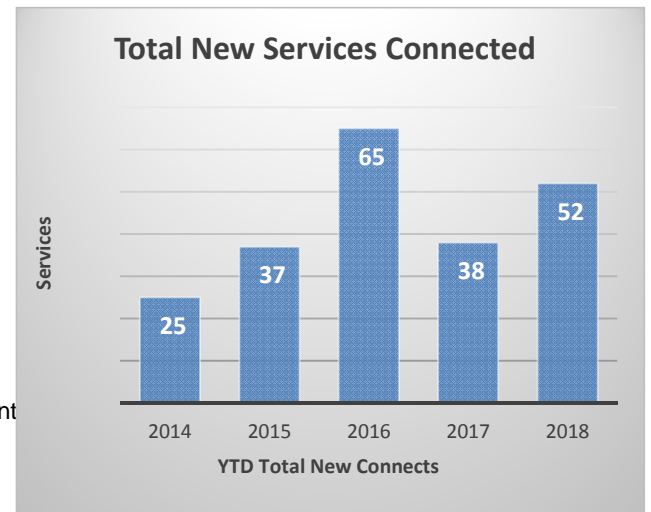
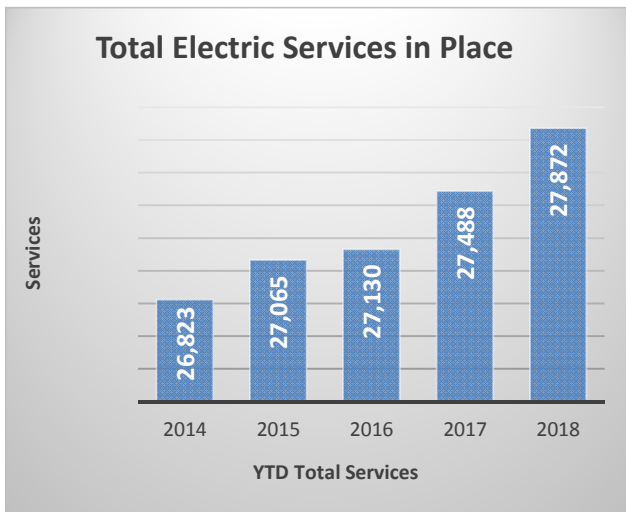
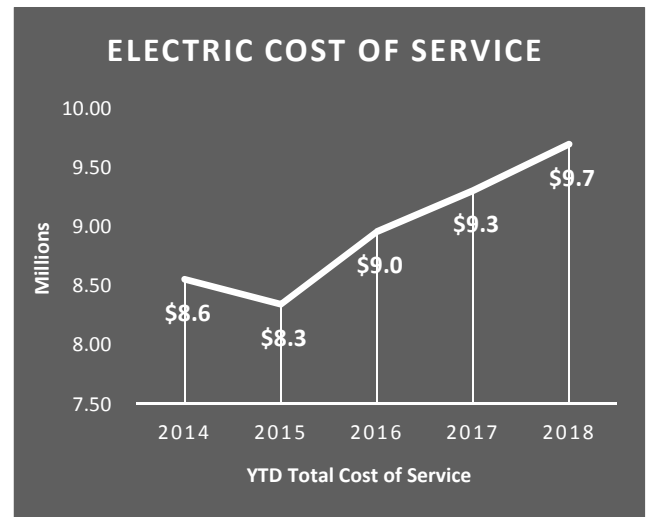
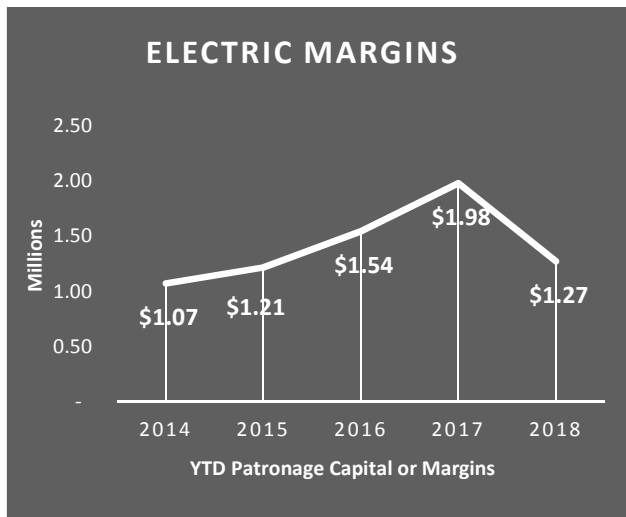
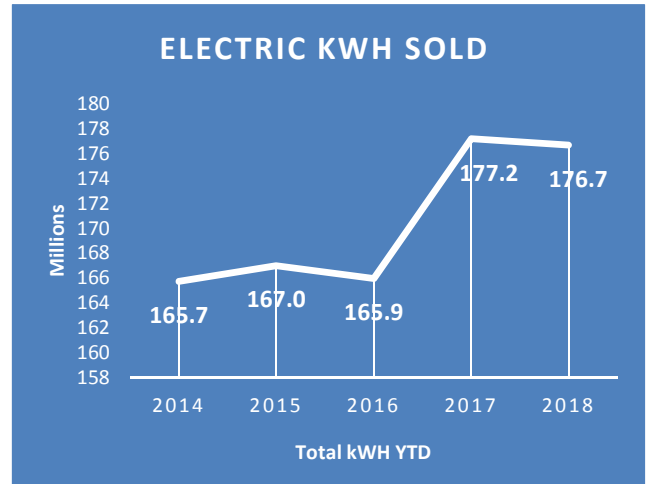
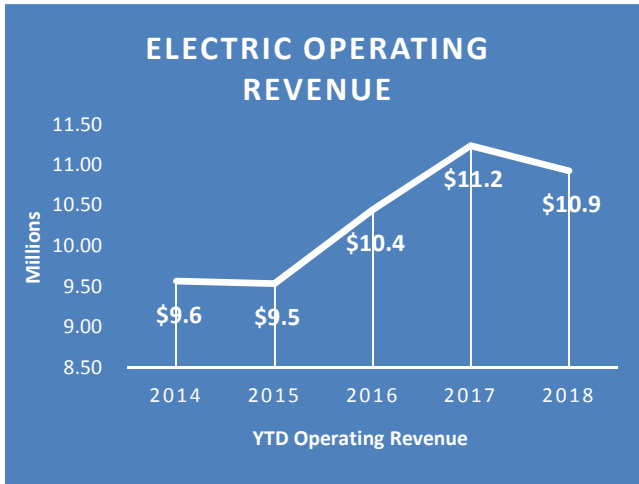
**Lower Valley Energy**  
**Electric Five Year Comparison**

For the Month Ended

February 28, 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>\$10,924,340</b>		<b>\$11,231,594</b>		<b>\$10,442,229</b>		<b>\$9,530,671</b>		<b>\$9,564,183</b>	
2 Power Production Expense	\$11,631	0.11%	\$7,872	0.07%	\$33,551	0.32%	\$22,282	0.23%	\$18,496	0.19%
3 Cost of Purchased Power	6,704,916	61.38%	6,481,543	57.71%	6,081,431	58.24%	5,264,059	55.23%	5,288,311	55.29%
4 Transmission Operation & Maintenance	100,027	0.92%	55,866	0.50%	53,263	0.51%	48,841	0.51%	62,122	0.65%
5 Regional Market Expense		0.00%		0.00%	0	0.00%	0	0.00%	0	0.00%
6 Distribution Operation	612,020	5.60%	554,163	4.93%	544,407	5.21%	524,599	5.50%	613,369	6.41%
7 Distribution Maintenance	163,062	1.49%	204,123	1.82%	149,137	1.43%	197,124	2.07%	146,298	1.53%
8 Consumer Accounts Expense	104,274	0.95%	114,135	1.02%	129,322	1.24%	110,340	1.16%	121,753	1.27%
9 Customer Service & Information Expense	43,000	0.39%	39,040	0.35%	44,603	0.43%	116,398	1.22%	202,772	2.12%
10 Sales Expense	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
11 Administrative & General Expense	385,524	3.53%	272,335	2.42%	327,755	3.14%	319,499	3.35%	363,434	3.80%
<b>12 Total Operation &amp; Maintenance Expense</b>	<b>\$8,124,455</b>	<b>74.37%</b>	<b>\$7,729,076</b>	<b>68.82%</b>	<b>\$7,363,470</b>	<b>70.52%</b>	<b>\$6,603,142</b>	<b>69.28%</b>	<b>\$6,816,555</b>	<b>71.27%</b>
13 Depreciation & Amortization Expense	800,330	7.33%	782,739	6.97%	774,535	7.42%	786,181	8.25%	774,586	8.10%
14 Tax Expense - Property	78,875	0.72%	91,202	0.81%	74,380	0.71%	78,610	0.82%	75,040	0.78%
15 Tax Expense - Other	9,551	0.09%	9,860	0.09%	9,639	0.09%	8,550	0.09%	8,985	0.09%
16 Interest on Long-Term Debt	666,118	6.10%	715,002	6.37%	765,641	7.33%	890,505	9.34%	1,020,282	10.67%
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	19,832	0.18%	1,640	0.01%	1,506	0.01%	6,929	0.07%	7,804	0.08%
19 Other Deductions	0	0.00%	(25,136)	-0.22%	(29,824)	-0.29%	(29,824)	-0.31%	(149,122)	-1.56%
<b>20 Total Cost of Service</b>	<b>\$9,699,161</b>	<b>88.78%</b>	<b>\$9,304,384</b>	<b>82.84%</b>	<b>\$8,959,346</b>	<b>85.80%</b>	<b>\$8,344,091</b>	<b>87.55%</b>	<b>\$8,554,130</b>	<b>89.44%</b>
<b>21 Patronage Capital &amp; Operating Margins</b>	<b>\$1,225,180</b>	<b>11.22%</b>	<b>\$1,927,210</b>	<b>17.16%</b>	<b>\$1,482,883</b>	<b>14.20%</b>	<b>\$1,186,580</b>	<b>12.45%</b>	<b>\$1,010,052</b>	<b>10.56%</b>
22 Non Operating Margins - Interest	\$43,076	0.39%	\$46,900	0.42%	\$38,851	0.37%	\$26,110	0.27%	\$31,590	0.33%
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%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
26 Generation & Transmission Capital Credits	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
27 Other Capital Credits & Patronage Dividends	0	0.00%	3,914	0.03%	19,219	0.18%	70	0.00%	25,966	0.27%
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>\$1,268,256</b>	<b>11.61%</b>	<b>\$1,978,024</b>	<b>17.61%</b>	<b>\$1,540,953</b>	<b>14.76%</b>	<b>\$1,212,760</b>	<b>12.72%</b>	<b>\$1,067,609</b>	<b>11.16%</b>
<b>30 Total Cost of Service Less Cost of Power</b>	<b>\$2,882,586</b>	<b>26.39%</b>	<b>\$2,759,103</b>	<b>24.57%</b>	<b>\$2,791,101</b>	<b>26.73%</b>	<b>\$3,008,909</b>	<b>31.57%</b>	<b>\$3,185,202</b>	<b>33.30%</b>
31 Tier - Oper.	2.84		3.70		2.94		2.33		1.99	
32 Tier - Total	2.90		3.77		3.01		2.36		2.05	
33 New Services Connected	52		38		65		37		25	
34 Total Services in Place	27,872		27,488		27,130		27,065		26,823	
35 Miles of Line	2,728		2,684		2,665		2,639		2,629	

**Lower Valley Energy**  
 Electric Five Year Comparison  
*For The Month Ended*  
**February 28, 2018**



equivalent

<b>LOWER VALLEY ENERGY, INC.</b> <b>ELECTRIC DIVISION</b> FINANCIAL AND STATISTICAL REPORT	<b>BORROWER DESIGNATION</b> Wyoming 11, Lincoln
	<b>PERIOD ENDED</b> February 28, 2018

**PART R. POWER REQUIREMENTS DATA BASE**

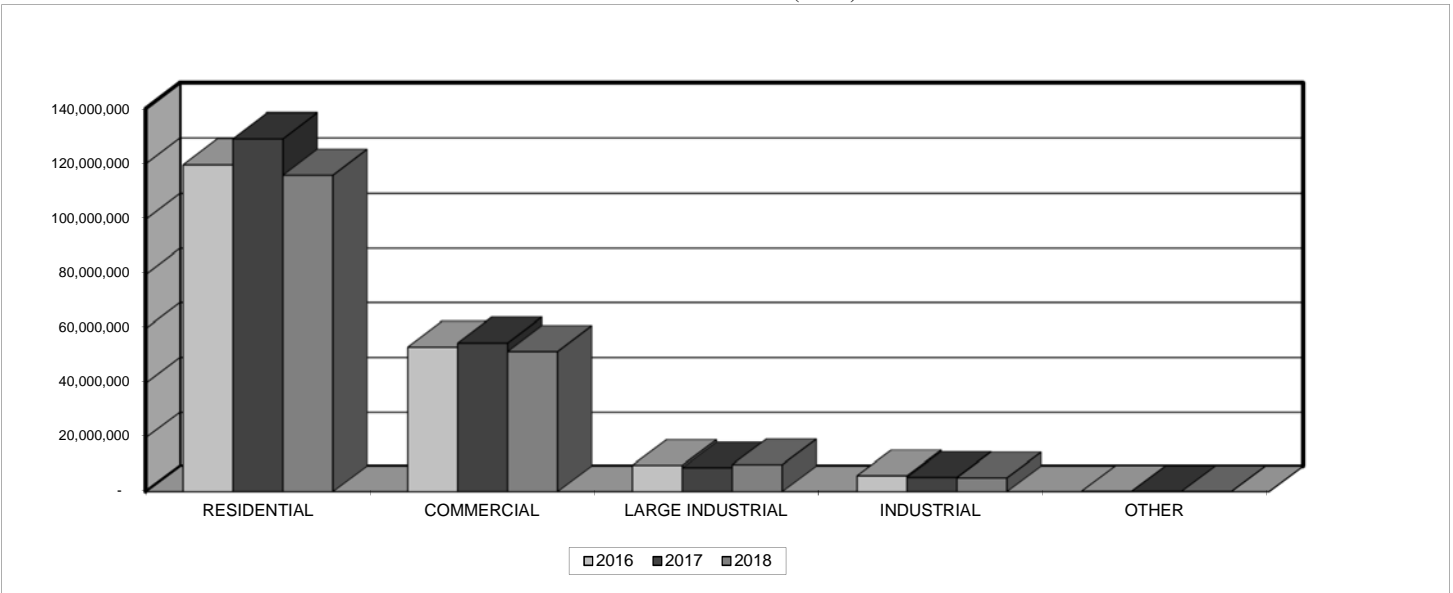
CLASSIFICATION	CONSUMER SALES AND REVENUE DATA	JANUARY (a)	FEBRUARY (b)	MARCH (c)	APRIL (d)	MAY (e)	JUNE (f)
1. Residential Sales <i>(excluding seasonal)</i>	a. No. Consumers Served	21,104	21,119				
	b. kWh Sold	62,349,390	53,488,244				
	c. Revenue	3,818,675	3,321,768				
2. Residential Sales- Seasonal	a. No. Consumers Served						
	b. kWh Sold						
	c. Revenue						
3. Irrigation Sales	a. No. Consumers Served	197	196				
	b. kWh Sold	11,133	8,965				
	c. Revenue	1,821	1,657				
4. Comm. and Ind. 1000 kVA or Less	a. No. Consumers Served	4,586	4,585				
	b. kWh Sold	27,727,522	23,892,035				
	c. Revenue	1,689,358	1,483,429				
5. Comm. and Ind. Over 1000 kVA	a. No. Consumers Served	445	446				
	b. kWh Sold	7,724,080	7,406,620				
	c. Revenue	377,080	358,607				
6. Public Street and Highway Lighting	a. No. Consumers Served	1,314	1,314				
	b. kWh Sold	49,240	48,693				
	c. Revenue	10,258	10,241				
7. Other Sales to Public Auth.	a. No. Consumers Served						
	b. kWh Sold						
	c. Revenue						
8. Sales for Resales- REA Borrowers	a. No. Consumers Served						
	b. kWh Sold						
	c. Revenue						
9. Unbilled Revenue	a. No. Consumers Served						
	b. kWh Sold	(3,539,230)	(2,503,800)				
	c. Revenue	(748,312)	426,317				
10. TOTAL No. Consumers (lines 1a - 9a)		27,646	27,660				
11. TOTAL kWh Sold (lines 1b - 9b)		94,322,135	82,340,757				
12. TOTAL Revenue Received From Sales of Electric Energy (lines 1c - 9c)		5,148,880	5,602,020				
13. Other Electric Revenue		147,391	46,528				
14. kWh - Own Use		260,799	242,510				
15. TOTAL kWh Purchased		98,680,223	86,774,311				
16. TOTAL kWh Generated		Ending cash an	884,500				
17. Cost of Purchases and Generation		3,630,917	3,126,588				
18. Interchange - kWh - Net							
19. Peak - Sum All kW Input (Metered) <input checked="" type="checkbox"/> Coincident <input type="checkbox"/> Non-Coincident		193,557	183,401				

**ANALYSIS OF BILLING**  
**February 28, 2018**  
**ELECTRIC**  
**Accrual Basis**

YEAR	NUMBER			NUMBER			NUMBER		
	OF METERS	KWH	AMOUNT	OF METERS	KWH	AMOUNT	OF METERS	KWH	AMOUNT
	<b>Residential</b>			<b>Commercial</b>			<b>Industrial</b>		
2016	20,486	119,649,559	\$7,075,718	4,903	53,228,454	\$3,140,404	16	5,905,280	\$323,058
2017	20,769	129,115,586	\$7,598,928	4,971	54,721,127	\$3,221,962	16	5,314,700	\$302,070
2018	21,119	115,837,634	\$7,140,443	5,014	51,619,557	\$3,172,788	16	5,123,420	\$297,549
	<b>Irrigation</b>			<b>Lighting</b>			<b>Large Industrial</b>		
2016	189	97,088	\$6,490	1,313	101,662	\$20,692	1	9,778,500	\$408,547
2017	191	19,766	\$3,099	1,312	101,156	\$20,602	1	8,907,660	\$377,130
2018	196	20,098	\$3,478	1,314	97,933	\$20,499	1	10,007,280	\$438,138
	<b>Change in Unbilled Revenue</b>			<b>February Totals</b>			<b>Year to Date Totals</b>		
2016		(4,420,044)	(\$354,204)	26,908	85,713,120	\$5,029,578	26,908	184,340,499	\$10,620,705
2017		(9,265,918)	(\$500,984)	27,260	91,084,313	\$5,338,492	27,260	188,914,077	\$11,022,807
2018		(6,043,030)	(\$321,995)	27,660	84,844,557	\$5,175,703	27,660	176,662,892	\$10,750,900

YTD KW	Degree Days		Revenue Summary Form 7 Part A Line 1		Lower Valley Energy KWH Usage		
	Normal	Actual					
2016	184,876	2,845	2,806	Year to Date Billing	\$10,750,900	2016	478,550
2017	218,819	2,830	2,901	Other Revenue	193,919	2017	387,931
2018	193,557	2,821	2,589	Form 7a Line 1 YTD Revenue	<u>\$10,944,819</u>	2018	503,309

**BILLING BY CLASS (KWH)**

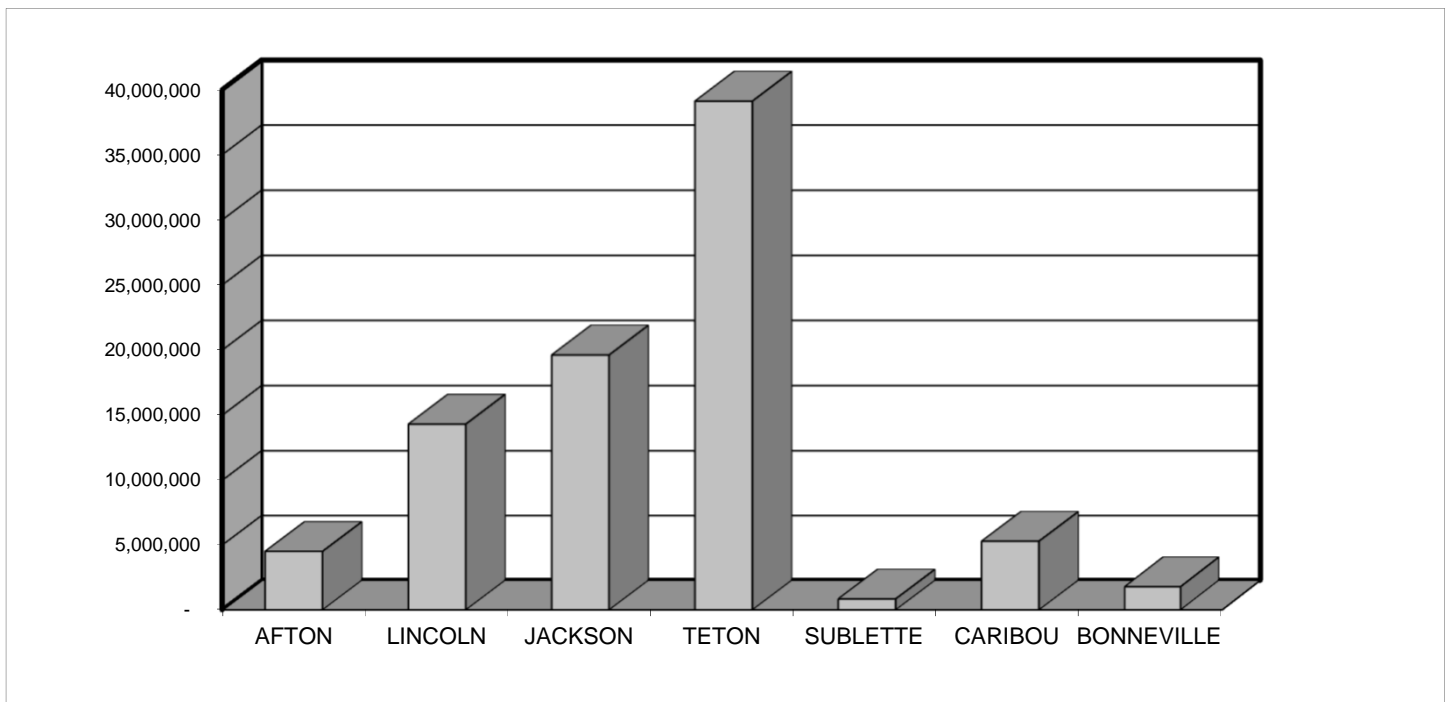


**LOWER VALLEY ENERGY  
BILLING BY GEOGRAPHIC AREAS  
ELECTRIC DIVISION  
February 28, 2018  
BILLING BASIS**

	<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>	1,946	4,513,978	\$288,271	2,320	\$148.14	6.39
<b>LINCOLN COUNTY (less Afton)</b>	7,372	14,319,669	\$910,130	1,942	\$123.46	6.36
<b>TOWN OF JACKSON</b>	7,367	19,628,805	\$1,212,891	2,664	\$164.64	6.18
<b>TETON COUNTY (less Jackson)</b>	8,653	39,118,488	\$2,341,691	4,521	\$270.62	5.99
<b>SUBLETTE COUNTY</b>	545	843,924	\$55,196	1,548	\$101.28	6.54
<b>CARIBOU COUNTY</b>	291	5,299,409	\$240,442	18,211	\$826.26	4.54
<b>BONNEVILLE COUNTY</b>	1,486	1,783,222	\$119,684	1,200	\$80.54	6.71
<b>TOTAL</b>	<u>27,660</u>	<u>85,507,495</u>	<u>\$5,168,305</u>	<u>3,091</u>	<u>\$186.85</u>	<u>6.04</u>
			<u>480,243</u>			
			<u><b>\$5,648,548</b></u>			

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

**KWH**





**LOWER VALLEY ENERGY**  
**STATEMENT OF OPERATIONS**  
*For The Month Ended*  
*February 28, 2018*

**NATURAL GAS DIVISION**

ITEM	YEAR-TO-DATE			THIS MONTH (d)
	LAST YEAR	THIS YEAR	BUDGET	
	(a)	(b)	(c)	
<b>1 Operating Revenue and Patronage Capital</b>	\$ 2,814,027	\$ 2,500,545	\$ 2,729,688	\$ 1,118,497
2 Power Production Expense	-	-	-	-
3 Cost of Gas	1,133,620	865,006	1,164,797	446,132
4 Transmission Operation & Maintenance	19,983	39,976	75,574	24,887
5 Regional Market Expense	-	-	-	-
6 Distribution Operation Expense	72,576	70,474	61,892	35,419
7 Distribution Maintenance Expense	33,975	35,874	121,950	18,256
8 Consumer Accounts Expense	13,868	18,135	20,055	7,975
9 Customer Service and Informational Expense	3,790	8,947	5,330	4,263
10 Sales Expense	-	-	-	-
11 Administrative and General Expense	58,447	98,405	84,264	53,837
<b>12 Total Operation &amp; Maintenance Expense (2 thru 11)</b>	\$ 1,336,259	\$ 1,136,817	\$ 1,533,862	\$ 590,768
13 Depreciation and Amortization Expense	210,844	212,970	215,154	106,584
14 Tax Expense-Property	37,898	37,140	37,140	18,570
15 Tax Expense-Other	3,826	3,337	4,100	1,487
16 Interest on Long-Term Debt	221,893	215,344	215,360	107,672
17 Interest Charged to Construction-Credit	-	-	-	-
18 Interest Expense-Other	122	464	2,120	187
19 Other Deductions	-	-	-	-
<b>20 Total Cost of Service (12 thru 19)</b>	\$ 1,810,842	\$ 1,606,071	\$ 2,007,736	\$ 825,268
21 Patronage Capital & Operating Margins (1 minus 20)	\$ 1,003,185	\$ 894,474	\$ 721,952	\$ 293,229
22 Non Operating Margins-Interest	-	9,818	-	4,995
23 Allowance for Funds Used During Construction	-	-	-	-
24 Income (Loss) from Equity Investments	-	-	-	-
25 Non Operating Margins-Other	-	-	-	-
26 Generation and Transmission Capital Credits	-	-	-	-
27 Other Capital Credits and Patronage Dividends	-	-	-	-
28 Extraordinary Items	-	-	-	-
<b>29 Patronage Capital or Margins (21 thru 28)</b>	\$ 1,003,185	\$ 904,292	\$ 721,952	\$ 298,224

**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	13	11	5. Miles Trans.	53	53
2. Services Retired	0	1	6. Miles Distr. - 2" or less	165	169
3. Total Services in Place	4,155	4,189	7. Miles Dist. - Over 2"	57	58
4. Idle Services (Exclude Seasonal)	36	39	8. Total Miles (5 + 6 + 7)	275	280

**LOWER VALLEY ENERGY**  
BALANCE SHEET  
As of  
**February 28, 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	\$ 45,804,538	\$ 45,548,089	30 Memberships	\$ -	\$ -
2 Construction Work in Progress	534,378	265,096	31 Patronage Capital	10,657,326	9,344,929
<b>3 Total Utility Plant</b>	<b>46,338,916</b>	<b>45,813,184</b>	32 Operating Margins-Prior Years	-	-
4 Accum. Provision for Depreciation and Amort	13,956,348	12,665,567	33 Operating Margins-Current Year	894,474	1,003,185
<b>5 Net Utility Plant</b>	<b>32,382,568</b>	<b>33,147,618</b>	34 Non Operating Margins	9,818	-
6 Nonutility Property - Net	-	-	35 Other Margins and Equities	46,784	27,296
7 Investments in Subsidiary Companies	-	-	<b>36 Total Margins &amp; Equities</b>	<b>11,608,402</b>	<b>10,375,410</b>
8 Invest. in Assoc. Org. - Patronage Capital	597,755	646,445	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)	27,357,545	28,406,582
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>1,176,655</b>	<b>1,225,345</b>	42 Payments - Unapplied	-	-
15 Cash-General Funds	-	-	<b>43 Total Long-Term Debt</b>	<b>27,357,545</b>	<b>28,406,582</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	1,101,755	1,333,449	48 Accounts Payable	66,491	48,666
21 Accounts Receivable-Net Other	21,448	54,800	49 Consumers Deposits	58,267	48,632
22 Renewable Energy Credits	-	-	50 Current Maturities Long-Term Debt	1,049,037	1,003,571
23 Materials & Supplies-Electric and Other	201,185	110,288	51 Current Maturities Long-Term Debt - Econ. Devel.	-	-
24 Prepayments	110,326	-	52 Current Maturities Capital Leases	-	-
25 Other Current & Accrued Assets	2,781,889	1,271,035	53 Other Current & Accrued Liabilities	111,637	148,088
<b>26 Total Current &amp; Accrued Assets</b>	<b>4,216,602</b>	<b>2,769,572</b>	<b>54 Total Current &amp; Accrued Liabilities</b>	<b>1,285,433</b>	<b>1,248,958</b>
27 Regulatory Assets	-	-	55 Regulatory Liabilities	-	-
28 Other Deferred Debits	2,541,161	2,888,416	56 Deferred Credits	65,605	-
28a Other Non-current Assets-BPA Power Prepayment	-	-	<b>57 Total Liabilities &amp; Other Credits</b>	<b>\$ 40,316,985</b>	<b>\$ 40,030,951</b>
<b>29 Total Assets &amp; Other Debits</b>	<b>\$ 40,316,985</b>	<b>\$ 40,030,951</b>			

**NOTES TO FINANCIAL STATEMENTS**

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

	2018		2017	
	January	February	January	February
1. Current Assets/Liabilities	1.81	1.85	2.10	3.89
2. Equity	25.55%	28.81%	22.37%	23.60%
3. Long Term Debt as a % of Plant	59.75%	59.04%	62.58%	62.04%
4. Material Inventory:	106,104	201,185	117,778	110,288
5. Intercompany Receivable/(Payable) Ending cash and cash equivalents	2,103,913	2,179,096	344,900	706,246

**LOWER VALLEY ENERGY, INC**  
**STATEMENT OF CASH FLOWS**  
*For The Month Ended*  
**February 28, 2018**

**NATURAL GAS DIVISION**

	YEAR TO DATE	THIS MONTH
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net Margins	\$ 904,292	\$ 298,224
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Depreciation Expense	212,970	106,584
Decrease/(Increase) in:		
Special Deposits	-	-
Accounts Receivable	(73,280)	130,732
Other Accounts Receivable	58,389	19,903
Materials & Supplies	(107,947)	(55,985)
Prepayments	(68,188)	-
Other Current Assets	(362,561)	(79,659)
Other Deferred Debits	75,100	33,778
Increase/(Decrease) in:		
Accounts Payable (excluding line of credit)	66,491	66,491
Consumer Deposits	5,639	(3,846)
Other Current Liabilities	(96,196)	(84,896)
Deferred Credits	(30,523)	37,188
Net cash provided by operating activities	584,187	468,516
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Capital Outlay	(122,879)	(102,328)
Non-Expensed Depreciation	115,469	4,404
Purchase of Fixed Assets Net of Retirements	(7,409)	(97,924)
Change in Notes Receivable	-	-
Change in Investments in Associated Organizations	0	-
Change in Investments in Economic Development Projects	-	-
Change in Temporary Investments	-	-
Change in Other Investments	-	-
Net cash provided/(used) by investing activities	(7,409)	(97,924)
<b>CASH FLOWS FROM FINANCING AND CAPITAL CREDIT</b>		
Change in Capital Credits	(1,741)	(1,089)
Change in Long-term Debt	-	(255,076)
Net cash provided/(used) by financing and capital credit activities	(1,741)	(256,165)
Total change in intercompany balance	575,037	114,427
Beginning intercompany balance	1,604,059	2,064,669
Ending intercompany balance	\$ 2,179,096	\$ 2,179,096

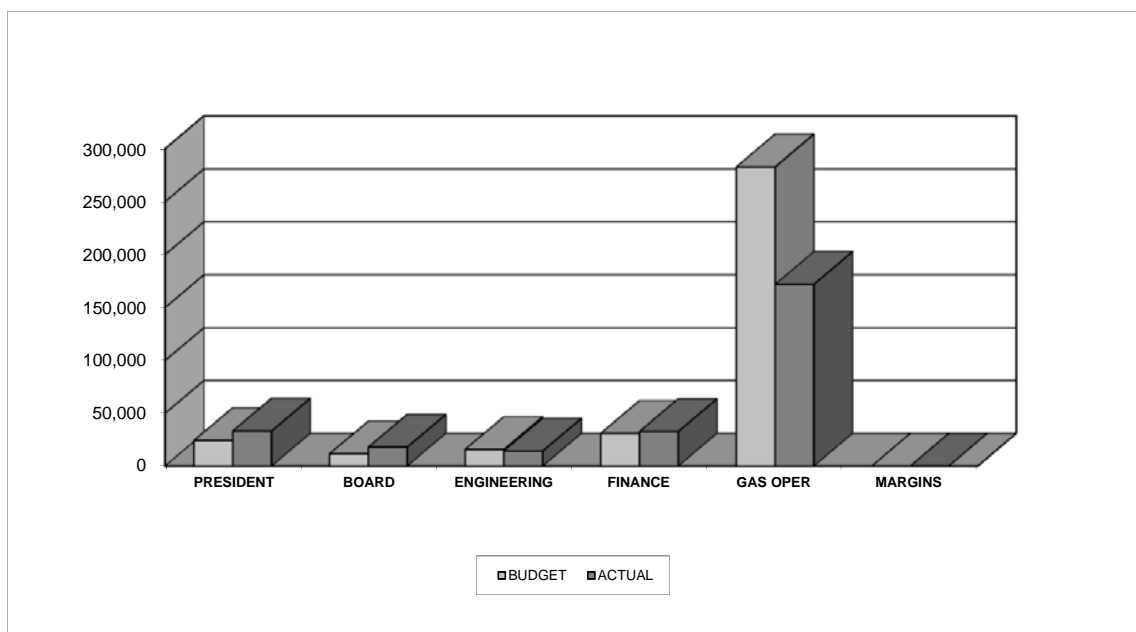
**Lower Valley Energy**  
 Natural Gas Budget vs. Actual Comparison  
 For The Month Ended  
 February 28, 2018

ITEM	YTD Actual	YTD Budget	YTD Variance	%
	\$ 2,500,545	\$ 2,729,688	\$ (229,143)	-8.39%
<b>1 Operating Revenue</b>				
2 Power Production Expense	-	-	-	0.00%
3 Cost of Purchased Gas	865,006	1,164,797	(299,791)	-25.74%
4 Transmission Operation & Maintenance	39,976	75,574	(35,598)	-47.10%
5 Regional Market Expense	-	-	-	0.00%
6 Distribution Operation Expense	70,474	61,892	8,582	13.87%
7 Distribution Maintenance Expense	35,874	121,950	(86,076)	-70.58%
8 Consumer Accounts Expense	18,135	20,055	(1,920)	-9.57%
9 Customer Service and Informational Expense	8,947	5,330	3,617	67.86%
10 Sales Expense	-	-	-	0.00%
11 Administrative and General Expense	98,405	84,264	14,141	16.78%
<b>12 Total Operation &amp; Maintenance Expense (2 thru 11)</b>	<b>1,136,817</b>	<b>1,533,862</b>	<b>(397,045)</b>	<b>-25.89%</b>
13 Depreciation and Amortization Expense	212,970	215,154	(2,184)	-1.02%
14 Tax Expense-Property	37,140	37,140	(0)	0.00%
15 Tax Expense-Other	3,337	4,100	(763)	-18.61%
16 Interest on Long-Term Debt	215,344	215,360	(16)	-0.01%
17 Interest Charged to Construction-Credit	-	-	-	0.00%
18 Interest Expense-Other	464	2,120	(1,656)	-78.11%
19 Other Deductions	-	-	-	0.00%
<b>20 Total Cost of Service (12 thru 19)</b>	<b>1,606,071</b>	<b>2,007,736</b>	<b>(401,665)</b>	<b>-20.01%</b>
<b>21 Patronage Capital &amp; Operating Margins (1 minus 20)</b>	<b>894,474</b>	<b>721,952</b>	<b>172,522</b>	<b>23.90%</b>
22 Non Operating Margins-Interest	9,818	-	9,818	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	-	-	-	0.00%
28 Extraordinary Items	-	-	-	0.00%
<b>29 Patronage Capital or Margins (21 thru 28)</b>	<b>\$ 904,292</b>	<b>\$ 721,952</b>	<b>\$ 182,340</b>	<b>25.26%</b>

Tier - Oper.  
 Tier - Total

5.15      4.35  
 5.20      4.35

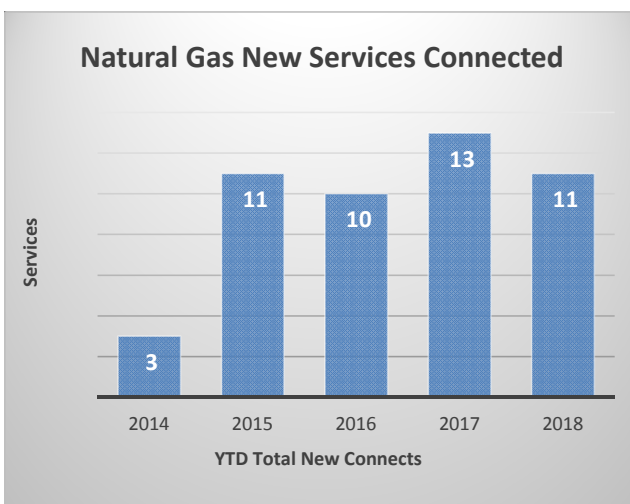
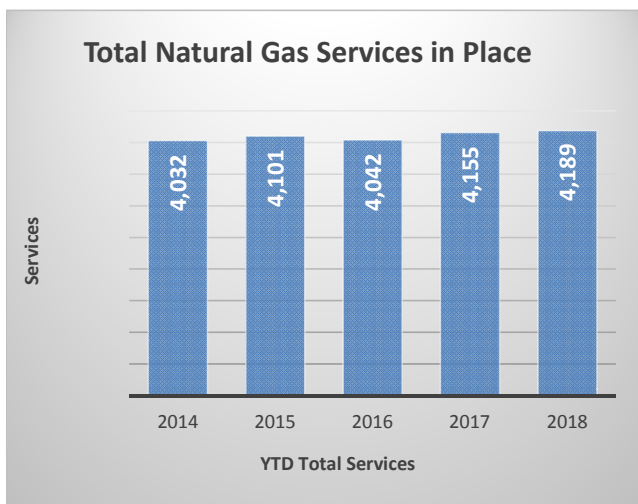
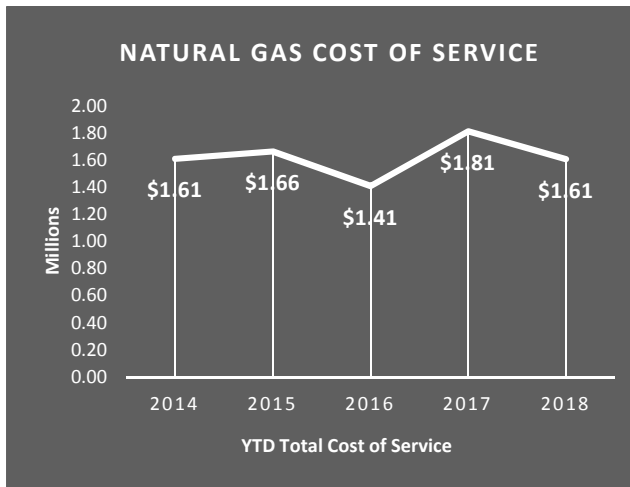
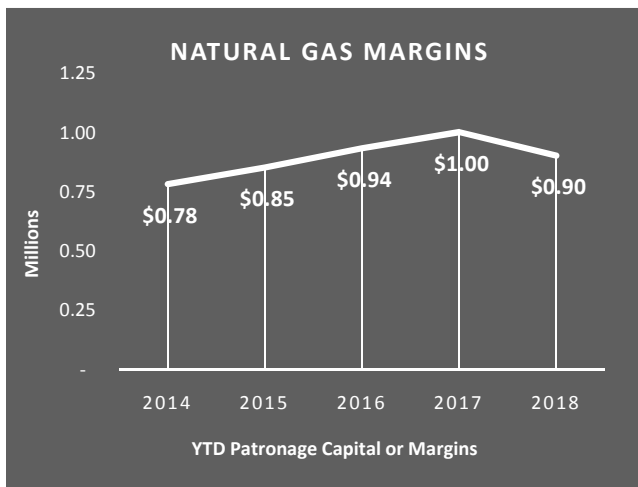
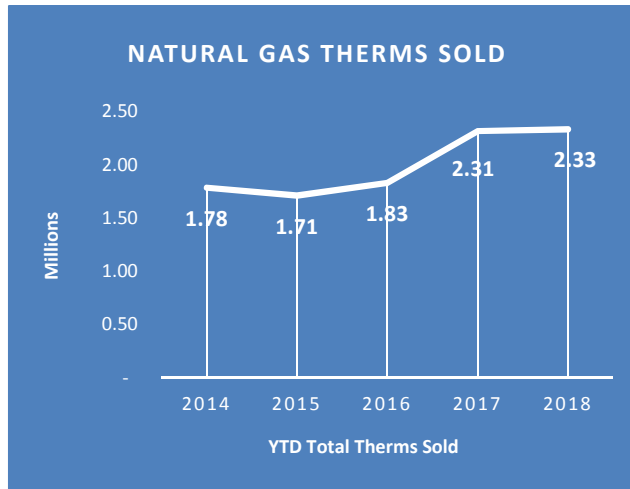
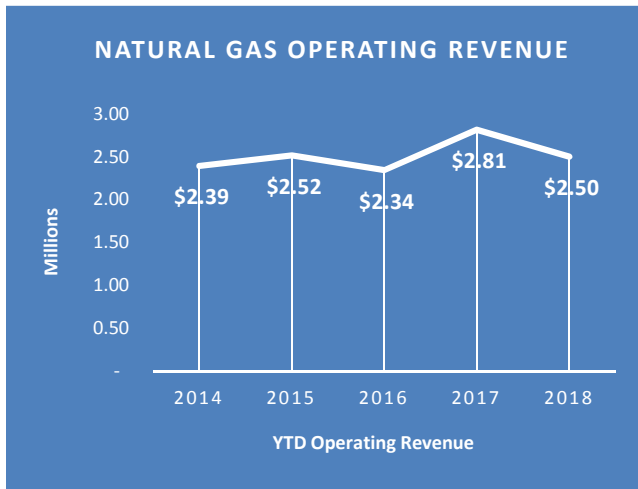
**BUDGET BY DEPARTMENT**



**Lower Valley Energy**  
**Natural Gas Five Year Comparison**  
For the Month Ended  
February 28, 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>\$ 2,500,545</b>		<b>\$ 2,814,027</b>		<b>\$ 2,343,669</b>		<b>\$ 2,516,025</b>		<b>\$ 2,392,868</b>	
2 Power Production Expense	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
3 Cost of Gas Sold	865,006	34.59%	1,133,620	40.28%	699,017	29.83%	953,260	37.89%	921,700	38.52%
4 Transmission Operation & Maintenance	39,976	1.60%	19,983	0.71%	29,394	1.25%	29,172	1.16%	26,631	1.11%
5 Regional Market Expense	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
6 Distribution Operation	70,474	2.82%	72,576	2.58%	71,904	3.07%	63,870	2.54%	44,421	1.86%
7 Distribution Maintenance	35,874	1.43%	33,975	1.21%	35,688	1.52%	27,993	1.11%	18,186	0.76%
8 Consumer Accounts Expense	18,135	0.73%	13,868	0.49%	14,181	0.61%	17,234	0.68%	17,043	0.71%
9 Customer Service & Information Expense	8,947	0.36%	3,790	0.13%	3,554	0.15%	3,432	0.14%	3,855	0.16%
10 Sales Expense	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
11 Administrative & General Expense	98,405	3.94%	58,447	2.08%	75,364	3.22%	58,745	2.33%	61,041	2.55%
<b>12 Total Operation &amp; Maintenance Expense</b>	<b>\$ 1,136,817</b>	<b>45.46%</b>	<b>\$ 1,336,259</b>	<b>47.49%</b>	<b>\$ 929,102</b>	<b>39.64%</b>	<b>\$ 1,153,705</b>	<b>45.85%</b>	<b>\$ 1,092,877</b>	<b>45.67%</b>
13 Depreciation & Amortization Expense	212,970	8.52%	210,844	7.49%	209,293	8.93%	209,318	8.32%	191,289	7.99%
14 Tax Expense - Property	37,140	1.49%	37,898	1.35%	35,140	1.50%	35,300	1.40%	30,420	1.27%
15 Tax Expense - Other	3,337	0.13%	3,826	0.14%	3,309	0.14%	3,699	0.15%	4,014	0.17%
16 Interest on Long-Term Debt	215,344	8.61%	221,893	7.89%	228,153	9.73%	244,717	9.73%	269,969	11.28%
17 Interest Charged to Construction - Credit	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
18 Interest Expense - Other	464	0.02%	122	0.00%	3,233	0.14%	14,976	0.60%	20,455	0.85%
19 Other Deductions	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
<b>20 Total Cost of Service</b>	<b>\$ 1,606,071</b>	<b>64.23%</b>	<b>\$ 1,810,842</b>	<b>64.35%</b>	<b>\$ 1,408,231</b>	<b>60.09%</b>	<b>\$ 1,661,715</b>	<b>66.05%</b>	<b>\$ 1,609,025</b>	<b>67.24%</b>
<b>21 Patronage Capital &amp; Operating Margins</b>	<b>\$ 894,474</b>	<b>35.77%</b>	<b>\$ 1,003,185</b>	<b>35.65%</b>	<b>\$ 935,438</b>	<b>39.91%</b>	<b>\$ 854,310</b>	<b>33.95%</b>	<b>\$ 783,844</b>	<b>32.76%</b>
22 Non Operating Margins - Interest	9,818	0.39%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
23 Allowance for Funds used During Constructio	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
24 Income (Loss) from Equity Investments	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
25 Non Operating Margins - Other	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
26 Generation & Transmission Capital Credits	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
27 Other Capital Credits & Patronage Dividends	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
28 Extraordinary Items	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
<b>29 Patronage Capital or Margins</b>	<b>\$ 904,292</b>	<b>36.16%</b>	<b>\$ 1,003,185</b>	<b>35.65%</b>	<b>\$ 935,438</b>	<b>39.91%</b>	<b>\$ 854,310</b>	<b>33.95%</b>	<b>\$ 783,844</b>	<b>32.76%</b>
<b>30 Total Cost of Service Less Cost of Gas</b>	<b>\$ 701,089</b>	<b>28.04%</b>	<b>\$ 657,240</b>	<b>23.36%</b>	<b>\$ 679,820</b>	<b>29.01%</b>	<b>\$ 679,283</b>	<b>27.00%</b>	<b>\$ 660,694</b>	<b>27.61%</b>
31 Tier - Oper.	5.15		5.52		5.10		4.49		3.90	
32 Tier - Total	5.20		5.52		5.10		4.49		3.90	
33 New Services Connected	11		13		10		11		3	
34 Total Services in Place	4,189		4,155		4,042		4,101		4,032	
35 Miles of Line	280		275		249		281		274	

**Lower Valley Energy**  
 Natural Gas Five Year Comparison  
*For The Month Ended*  
*February 28, 2018*



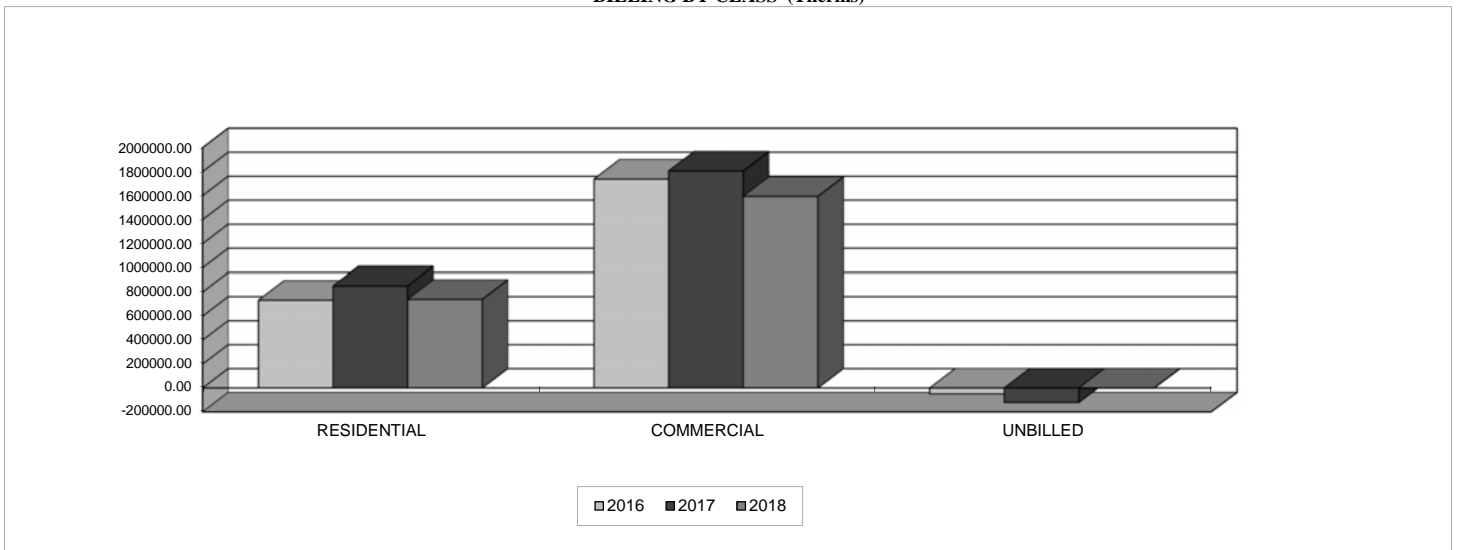
<b>LOWER VALLEY ENERGY, INC.</b> <b>NATURAL GAS</b> FINANCIAL AND STATISTICAL REPORT				<b>BORROWER DESIGNATION</b> Wyoming 11, Lincoln <b>PERIOD ENDED</b> February 28, 2018			
<b>PART R. GAS REQUIREMENTS DATA BASE</b>							
CLASSIFICATION	CONSUMER SALES AND REVENUE DATA	JANUARY (a)	FEBRUARY (b)	MARCH (c)	APRIL (d)	MAY (e)	JUNE (f)
1. Residential Sales	a. No. Consumers Served	3,216	3,221				
	b. Therms Sold	397,989	342,133				
	c. Revenue	447,314	397,539				
2. Comm. and Ind.	a. No. Consumers Served	1,003	1,007				
	b. Therms Sold	867,804	726,239				
	c. Revenue	897,756	753,661				
3. Unbilled Revenue	a. No. Consumers Served						
	b. Therms Sold	31,438	(32,758)				
	c. Revenue	35,170	(35,053)				
10. TOTAL No. Consumers (lines 1a - 3a)		4,219	4,228				
11. TOTAL Therms Sold (lines 1b - 3b)		1,297,231	1,035,614				
12. TOTAL Revenue Received From Sales of Gas Energy (lines 1c - 3c)		1,380,241	1,116,147				
13. Other Gas Revenue		1,807	2,350				
14. Therms - Own Use		16,972	20,057				
15. Cost of Purchases		418,874	446,132				

**ANALYSIS OF BILLING**  
**February 28, 2018**  
**Natural Gas Division**  
**Accrual Basis**

YEAR	RESIDENTIAL			COMMERCIAL			UNBILLED		
	NUMBER OF METERS	THERMS	AMOUNT	NUMBER OF METERS	THERMS	AMOUNT	NUMBER OF METERS	THERMS	AMOUNT
2016	3,020	732,935	\$814,348	989	1,738,413	\$1,716,280			
2017	3,113	851,373	\$994,718	1,006	1,805,916	\$1,922,714			
2018	3,221	740,122	\$850,125	1,007	1,594,043	\$1,646,146			
<b>Change in Unbilled Revenue</b>				<b>February Totals</b>			<b>Year to Date Totals</b>		
2016		(49,223)	(\$48,959)	4,009	1,114,305	\$1,129,076	4009	2,422,125	2,481,669
2017		(120,534)	(\$106,592)	4,119	1,208,636	\$1,357,389	4119	2,536,755	2,810,840
2018		(1,320)	\$117	4,228	1,068,375	\$1,151,200	4228	2,332,845	2,496,388

YEAR	Degree Days		Revenue Summary Form 7 Part A Line 1		Lower Valley Energy Therm Usage	
	Normal	Actual				
2016	2,845	2,806	Year to Date Billing	\$2,496,388	2106	37,144
2017	2,830	2,901	Other Revenue	4,157	2017	41,536
2018	2,821	2,589	Form 7a Line 1 YTD Revenue	<u>\$2,500,545</u>	2018	37,029

**BILLING BY CLASS (Therms)**





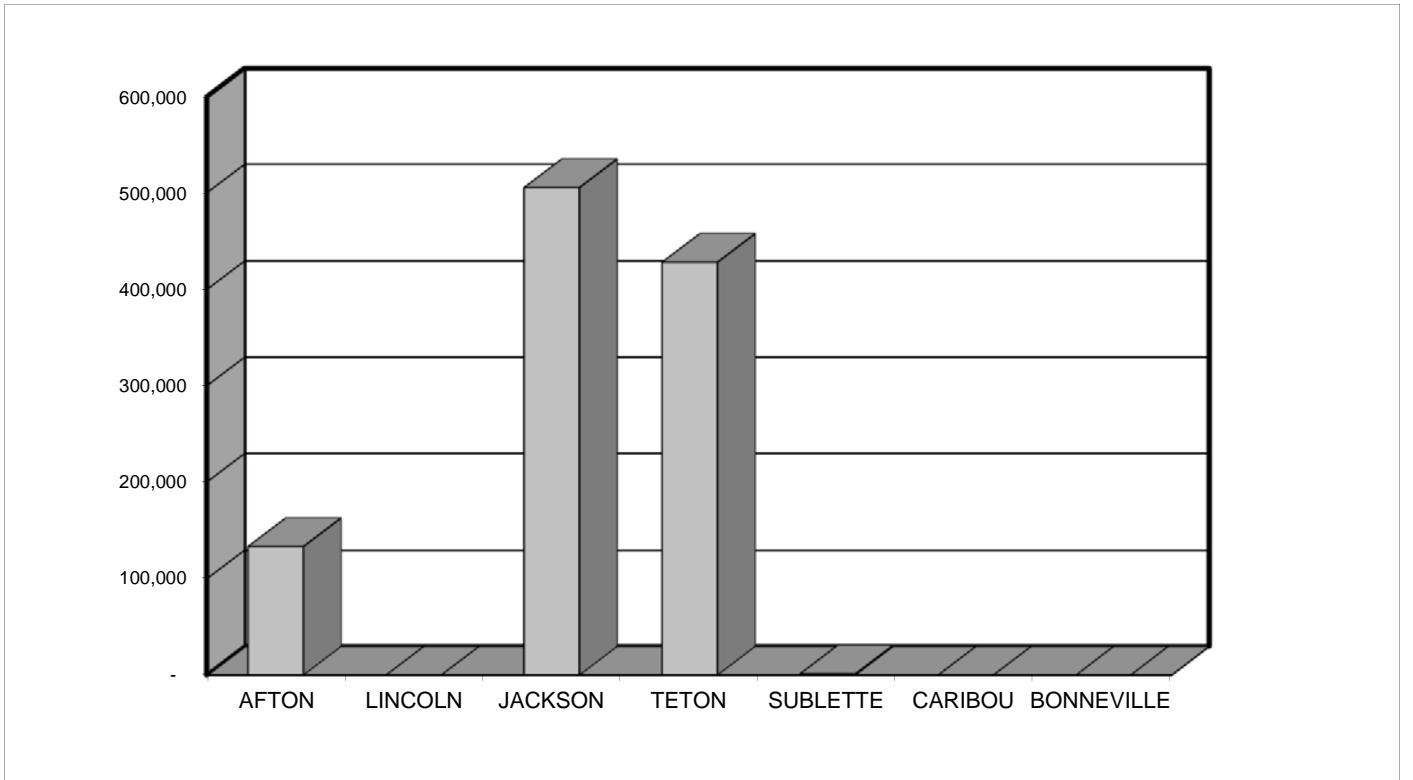
**LOWER VALLEY ENERGY  
BILLING BY GEOGRAPHIC  
NATURAL GAS  
February 28, 2018  
BILLING BASIS**

	<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>	803	133,312	\$148,356	166	\$184.75	\$1.11
<b>TOWN OF JACKSON</b>	2,398	505,512	\$546,815	211	\$228.03	\$1.08
<b>TETON COUNTY</b>	1,012	428,296	\$457,348	423	\$451.92	\$1.07
<b>SUBLETTE COUNTY</b>	15	1,366	\$1,572	91	\$104.77	\$1.15
<b>TOTAL</b>	<u>4,213</u>	<u>1,068,486</u>	<u>\$1,154,090</u>	<u>254</u>	<u>\$273.94</u>	<u>\$1.08</u>

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

(35,593)  
**\$1,118,497**

**THERMS BILLED**



**SWIFT CREEK HYDRO**  
**STATEMENT OF OPERATIONS**  
*For The Month Ended*  
*February 28, 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.....	\$ 26,197	\$ 38,711	\$ 52,835	\$ 20,093
2. Power Production Expense.....	6,202	7,590	9,913	4,066
3. Scheduling and Delivery.....	6,114	532	200	288
4. Transmission Operation & Maintenance.....	-	-	2,956	-
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.....	3,870	2,996	2,760	1,498
11. Total Operation & Maintenance Expense (2 thru 10).....	16,186	11,118	15,829	5,851
12. Depreciation and Amortization Expense.....	24,615	24,615	24,620	12,308
13. Tax Expense-Property.....	3,723	3,219	3,120	1,610
14. Tax Expense-Other.....	-	-	-	-
15. Interest on Long-Term Debt.....	17,585	24,374	20,300	12,632
16. Interest Charged to Construction-Credit.....	-	-	-	-
17. Interest Expense-Other.....	-	-	-	-
18. Other Deductions.....	-	-	-	-
19. Total Cost of Service (11 thru 18).....	62,109	63,326	63,869	32,401
20. Patronage Capital & Operating Margins (1 minus 19).....	(35,911)	(24,615)	(11,034)	(12,308)
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).....	\$ (35,911)	\$ (24,615)	\$ (11,034)	\$ (12,308)

Notes:

1. Sales for 2018 consisted of the following:

PacifiCorp PURPA sales	\$ -
LVE sales	\$ 36,602
Green sales to Teton County	<u>4,492</u>
	<u>\$ 41,094</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*  
*February 28, 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..... 1,249,399	33. Operating Margins-Current Year..... (24,615)
5. Net Utility Plant (3 - 4)..... 5,822,797	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)..... 378,180
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)..... 4,926,433
12. Other Investments..... -	41. Total Long-Term Debt (37 thru 40)..... 4,926,433
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..... 228,453
20. Accounts Receivable-Net Sales of Energy..... -	49. Other Current & Accrued Liabilities..... 191,254
21. Accounts Receivable-Net Other..... -	50. Total Current & Accrued Liabilities (45 thru 48)..... 419,707
22. Materials & Supplies-Electric and Other..... -	51. Deferred Credits..... 167,580
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)..... \$ 5,891,900
26. Regulatory Assets..... -	
27. Deferred Debits..... 69,103	
28. Accumulated Deferred Income Taxes..... -	
29. Total Assets & Other Debits (5 + 14 + 25 thru 28)..... \$ 5,891,900	

Notes:

- This balance sheet reflects total assets, liabilities, and equities of Swift Creek Hydro. Lower Valley Energy's net investment booked to-date totals \$5,340,664.02 and is reflected in the Electric Division's financial statements.

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

*For The Month Ended*  
**February 28, 2018**

**SWIFT CREEK HYDRO**

	YEAR TO DATE	THIS MONTH
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net Margins	\$ (24,615)	\$ (12,308)
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Depreciation Expense	24,615	12,308
Decrease/(Increase) in:		
Special Deposits	-	-
Accounts Receivable	-	-
Other Accounts Receivable	-	-
Materials & Supplies	-	-
Prepayments	-	-
Other Current Assets	-	-
Other Deferred Debits	(12,308)	(6,154)
Increase/(Decrease) in:		
Accounts Payable (excluding line of credit)	-	-
Consumer Deposits	-	-
Other Current and Accrued Liabilities	(38,941)	(56,950)
Deferred Credits	(1,594)	(1,594)
Net cash provided by operating activities	(52,842)	(64,698)
<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	(113,083)	(113,084)
Net cash provided/(used) by financing and capital credit activities	(99,182)	(99,182)
Total change in intercompany balance	(152,024)	(163,880)
Beginning intercompany balance	(19,131)	(7,276)
Ending intercompany balance (positive = cash, negative = liability)	\$ (171,155)	\$ (171,155)