
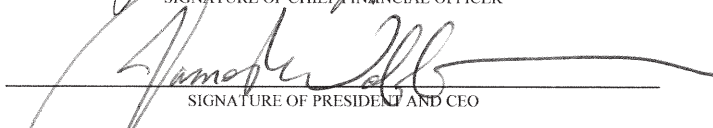


**LOWER VALLEY ENERGY**  
**STATEMENT OF OPERATION**  
*For The Month Ended April 30, 2013*

**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	5/20/2013 _____ DATE
 _____ SIGNATURE OF PRESIDENT AND CEO	5/20/2013 _____ DATE

**STATEMENT OF OPERATIONS - CONSOLIDATED**

ITEM	YEAR-TO-DATE			
	Electric	Combined Gas	Consolidated	Budget
1. Operating Revenue - Electric.....	\$16,758,516	\$0	\$16,758,516	\$16,108,744
2. Operating Revenue - Gas.....	0	4,587,827	4,587,827	4,376,640
3. Total Operating Revenue and Patronage Capital.....	\$16,758,516	\$4,587,827	\$21,346,344	\$20,485,384
4. Power Production Expense.....	\$30,458	\$0	\$30,458	\$50,298
5. Cost of Purchased Power.....	11,426,310	0	11,426,310	11,067,893
6. Cost of Gas Sold.....	0	2,028,587	2,028,587	1,880,874
7. Transmission Operation & Maintenance - Electric.....	139,569	0	139,569	172,002
8. Distribution Operation & Maintenance - Electric.....	1,337,306	0	1,337,306	1,439,264
9. Transmission Operation & Maintenance - Gas.....	0	66,672	66,672	79,220
10. Gas Storage Facility Operation & Maintenance.....	0	38,714	38,714	41,410
11. Distribution Operation & Maintenance - Gas.....	0	78,498	78,498	110,140
12. Consumer Accounts Expense.....	257,567	34,677	292,244	300,522
13. Customer Service and Informational Expense.....	101,233	8,755	109,988	170,801
14. Sales Expense.....	0	0	0	0
15. Administrative and General Expense.....	748,051	135,282	883,333	1,008,823
16. Total Operation & Maintenance Expense (4 thru 15).....	\$14,040,494	\$2,391,185	\$16,431,680	\$16,321,247
17. Depreciation and Amortization Expense.....	1,477,700	325,385	1,803,085	1,843,800
18. Tax Expense-Property.....	144,218	60,720	204,938	212,010
19. Tax Expense-Other.....	68,218	6,239	74,457	79,610
20. Interest on Long-Term Debt.....	343,834	504,649	848,483	1,269,937
21. Interest Charged to Construction-Credit.....	0	0	0	0
22. Interest Expense-Other*.....	11,566	61,939	9,417	59,501
23. Other Deductions.....	(59,649)	0	(59,649)	(59,650)
24. Total Cost of Electric Service (16 thru 23).....	\$16,026,380	\$3,350,118	\$19,312,410	\$19,726,455
25. Patronage Capital & Operating Margins (3 minus 24).....	\$732,136	\$1,237,709	\$2,033,934	\$758,929
26. Non Operating Margins-Interest*.....	105,754	0	41,666	48,571
27. Allowance for Funds Used During Construction.....	0	0	0	0
28. Income (Loss) from Equity Investments.....	0	0	0	0
29. Non Operating Margins-Other.....	0	0	0	0
30. Generation and Transmission Capital Credits.....	0	0	0	0
31. Other Capital Credits and Patronage Dividends.....	0	0	0	0
32. Extraordinary Items.....	0	0	0	0
33. Patronage Capital or Margins (25 thru 32).....	\$837,890	\$1,237,709	\$2,075,599	\$807,500

**DATA ON TRANSMISSION AND DISTRIBUTION**

ITEM	YEAR-TO-DATE			
	Electric	Combined Gas	Consolidated	Last Year
1. New Services Connected.....	33	15	48	49
2. Services Retired.....	230	2	232	143
3. Total Services in Place.....	26,298	3,999	30,297	30,310
4. Idle Services (Excluding Seasonal).....	216	31	247	237
5. Miles Transmission.....	235	50	285	285
6. Miles Distribution - Overhead.....	947	0	947	948
7. Miles Distribution - Underground.....	1,421	213	1,635	1,619
8. Total Miles In Service ( 5 + 6 + 7 ).....	2,603	263	2,867	2,852

Note: Lines 22 and 26 in the Consolidated column do not include intercompany interest earned or accrued between the Electric and Gas divisions.

**LOWER VALLEY ENERGY**  
**STATEMENT OF OPERATION**  
*For The Month Ended*  
**April 30, 2013**

**CONSOLIDATED**

*We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief.*

\_\_\_\_\_  
SIGNATURE OF CHIEF FINANCIAL OFFICER

5/20/2013

\_\_\_\_\_  
DATE

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

5/20/2013

\_\_\_\_\_  
DATE

**STATEMENT OF OPERATIONS - CONSOLIDATED**

ITEM	YEAR-TO-DATE			THIS MONTH
	LAST YEAR (a)	THIS YEAR (b)	BUDGET (c)	
1. Operating Revenue - Electric.....	\$15,788,746	\$16,758,516	\$16,108,744	\$3,439,460
2. Operating Revenue - Gas.....	4,517,587	4,587,827	4,376,640	690,578
3. Total Operating Revenue and Patronage Capital.....	\$20,306,333	\$21,346,344	\$20,485,384	\$4,130,038
4. Power Production Expense.....	\$44,903	\$30,458	\$50,298	\$14,570
5. Cost of Purchased Power.....	10,531,214	11,426,310	11,067,893	2,479,245
6. Cost of Gas Sold.....	2,608,094	2,028,587	1,880,874	346,321
7. Transmission Operation & Maintenance - Electric.....	102,671	139,569	172,002	35,004
8. Distribution Operation & Maintenance - Electric.....	1,329,437	1,337,306	1,439,264	346,307
9. Transmission Operation & Maintenance - Gas.....	65,008	66,672	79,220	7,816
10. Gas Storage Facility Operation & Maintenance.....	41,206	38,714	41,410	6,558
11. Distribution Operation & Maintenance - Gas.....	116,854	78,498	110,140	21,579
12. Consumer Accounts Expense.....	301,580	292,244	300,522	77,750
13. Customer Service and Informational Expense.....	114,755	109,988	170,801	(75,426)
14. Sales Expense.....	0	0	0	0
15. Administrative and General Expense.....	862,730	883,333	1,008,823	248,322
16. Total Operation & Maintenance Expense (4 thru 15).....	\$16,118,451	\$16,431,680	\$16,321,247	\$3,508,046
17. Depreciation and Amortization Expense.....	1,767,791	1,803,085	1,843,800	455,266
18. Tax Expense-Property.....	222,780	204,938	212,010	49,613
19. Tax Expense-Other.....	71,334	74,457	79,610	15,074
20. Interest on Long-Term Debt.....	900,270	848,483	1,269,937	221,199
21. Interest Charged to Construction-Credit.....	0	0	0	0
22. Interest Expense-Other.....	74,246	9,417	59,501	(18,141)
23. Other Deductions.....	(59,649)	(59,649)	(59,650)	(14,912)
24. Total Cost of Electric Service (16 thru 23).....	\$19,095,223	\$19,312,410	\$19,726,455	\$4,216,145
25. Patronage Capital & Operating Margins (3 minus 24).....	\$1,211,110	\$2,033,934	\$758,929	(\$86,107)
26. Non Operating Margins-Interest.....	74,889	41,666	48,571	24,392
27. Allowance for Funds Used During Construction.....	0	0	0	0
28. Income (Loss) from Equity Investments.....	0	0	0	0
29. Non Operating Margins-Other.....	0	0	0	0
30. Generation and Transmission Capital Credits.....	0	0	0	0
31. Other Capital Credits and Patronage Dividends.....	0	0	0	0
32. Extraordinary Items.....	0	0	0	0
33. Patronage Capital or Margins (25 thru 32).....	\$1,285,999	\$2,075,599	\$807,500	(\$61,715)

**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	49	48	5. Miles Transmission	285	285
2. Services Retired	143	232	6. Miles Distribution-Overhead	948	947
3. Total Services in Place	30,310	30,297	7. Miles Distribution-Underground	1,619	1,685
4. Idle Services (Exclude Seasonal)	237	247	8. Total Miles In Service (5 + 6 + 7)	2,852	2,917

Note: Lines 22 and 26 do not include intercompany interest earned or accrued between the Electric and Gas divisions.

**LOWER VALLEY ENERGY, INC.**  
**Consolidated**  
**FINANCIAL AND STATISTICAL REPORT**  
**April 30, 2013**

**BALANCE SHEET - CONSOLIDATED**

ASSETS AND OTHER DEBITS			LIABILITIES AND OTHER CREDITS		
	CURRENT YEAR	PRIOR YEAR		CURRENT YEAR	PRIOR YEAR
1. Total Utility Plant in Service.....	\$193,331,829	\$190,100,349	30. Memberships.....	\$0	\$0
2. Construction Work in Progress.....	7,682,748	5,880,014	31. Patronage Capital.....	54,429,795	53,560,369
3. Total Utility Plant (1 + 2).....	\$201,014,577	\$195,980,363	32. Operating Margins-Prior Years.....	0	0
4. Accum. Provision for Depreciation and Amort.....	82,507,244	77,511,137	33. Operating Margins-Current Year.....	2,033,934	1,211,110
5. Net Utility Plant (3 - 4).....	\$118,507,333	\$118,469,226	34. Non Operating Margins.....	41,666	74,889
6. Nonutility Property - Net.....	\$0	\$0	35. Other Margins and Equities.....	14,380,412	13,329,941
7. Investments in Subsidiary Companies.....	0	0	36. Total Margins & Equities (30 thru 35).....	\$70,885,806	\$68,176,309
8. Invest. in Assoc. Org. - Patronage Capital.....	1,958,643	1,787,237	37. Long-Term Debt - Bonds.....	\$0	\$0
9. Invest. in Assoc. Org.-Other-General Funds.....	11,685	56,911	38. Long-Term Debt Other - Econ. Devel. (Net).....	1,500,000	0
10. Invest. in Assoc. Org.-Other-Nongeneral Funds.....	2,631,017	2,632,611	39. Long-Term Debt Other - Guaranteed.....	0	0
11. Investments in Economic Development Projects.....	2,093	2,093	40. Long-Term Debt-Other (Net).....	57,990,821	60,644,526
12. Other Investments.....	97,768	131,960	40a. Long-Term Debt-Other (BPA Prepayment Funding).....	153,210,462	60,644,526
13. Special Funds.....	0	0	41. Total Long-Term Debt (37 thru 40).....	\$212,701,283	\$0
14. Total Other Property & Investments (6 thru 13).....	\$4,701,206	\$4,610,813	42. Obligations under Capital Leases.....	\$0	\$0
15. Cash-General Funds.....	\$1,242,067	\$848,440	43. Accumulated Operating Provisions.....	0	0
16. Cash-Construction Funds-Trustee.....	0	0	44. Total Other Noncurrent Liabilities (42 + 43).....	\$0	\$0
17. Special Deposits.....	1,354,873	0	45. Notes Payable.....	0	5,344,097
18. Temporary Investments.....	0	0	46. Accounts Payable.....	6,809,835	439,414
19. Notes Receivable-Net.....	161,560	3,832	47. Consumers Deposits.....	528,033	3,127,815
20. Accounts Receivable-Net Sales of Energy.....	3,498,700	3,018,860	48. Other Current & Accrued Liabilities.....	3,524,064	8,911,326
21. Accounts Receivable-Net Other.....	120,695	886,172	49. Total Current & Accrued Liabilities (45 thru 48).....	\$10,861,932	\$2,956,209
22. Materials & Supplies-Electric and Other.....	1,886,204	1,709,215	50. Deferred Credits.....	\$1,391,994	\$0
23. Prepayments.....	348,640	338,797	51. Miscellaneous Operating Reserves.....	0	0
24. Other Current & Accrued Assets.....	1,841,649	1,630,519	52. Total Liabilities & Other Credits		140,688,370
25. Total Current & Accrued Assets (15 thru 24).....	\$10,454,388	\$8,435,836	(36 + 41 + 44 + 49 thru 51).....	\$295,841,015	\$142,169,729
26. Regulatory Assets.....	0	0	<b>ESTIMATED CONTRIBUTIONS-IN-AID-OF-CONSTRUCTION</b>		
27. Deferred Debits.....	9,513,220	9,172,494	53. Balance Beginning of Year (1978 Thru 2012).....	\$50,999,089	\$49,929,523
27a. Other Non-current Assets-BPA Power Prepayment.....	152,664,868	0	54. Amounts Received This Year (Net).....	208,310	174,160
28. Accumulated Deferred Income Taxes.....	0	140,688,370	55. TOTAL Contributions-In-Aid-Of-Construction.....	\$51,207,399	\$50,103,683
29. Total Assets & Other Debits (5 + 14 + 25 thru 28).....	\$295,841,015	\$142,169,729			

**NOTES TO FINANCIAL STATEMENTS**

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

	2013		2012	
	March	April	March	April
1. Current Assets/Liabilities	0.99	0.96	1.03	0.95
2. Equity	23.99%	23.96% *	48.27%	48.46%
3. Long Term Debt as a % of Plant	106.32%	105.81% *	31.00%	30.94%
4. Debt Service Coverage	2.64	2.68	2.32	2.16
5. Inventory Turnover - Electric (Dist & Trans)				
Dollar Value	0.91	0.83	0.78	0.68
Quantity	1.31	1.26	0.93	0.93
6. Intercompany Receivables/(Payables) :				
Electric Division	6,348,998	6,312,523	6,534,363	7,311,427
Combined Gas Division	(6,348,998)	(6,312,523)	(6,534,363)	(7,311,427)
7. Total Shared Overhead-Gas Division	76,657	107,040	75,350	102,716
8. Material Inventory:				
Material	1,730,486	1,886,204	1,688,686	1,709,215
Special Equip.	1,834,955	1,883,858	2,431,404	2,431,404
Total Material	3,565,441	3,770,062	4,120,090	4,140,619
9. Aged Accounts Receivable (Over 60 Days):	13,160	20,876	37,848	55,514
10. Lower Valley has a \$12 Million dollar line of credit with CFC to meet short term cash needs. As of April 30, 2013 the line of credit balance was		\$ 4,154,371		

\* Note: The decrease in Equity and increase in Long Term Debt % of Plant ratios are attributable to the acquisition of new debt related to the BPA power prepayment program.