

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

3/13/2013

DATE



 SIGNATURE OF PRESIDENT AND CEO

3/13/2013

DATE

STATEMENT OF OPERATIONS - CONSOLIDATED

ITEM	YEAR-TO-DATE			
	Electric	Combined Gas	Consolidated	Budget
1. Operating Revenue - Electric.....	\$5,288,317	\$0	\$5,288,317	\$5,025,062
2. Operating Revenue - Gas.....	0	1,579,237	1,579,237	1,634,040
3. Total Operating Revenue and Patronage Capital.....	\$5,288,317	\$1,579,237	\$6,867,554	\$6,659,102
4. Power Production Expense.....	\$4,050	\$0	\$4,050	\$11,576
5. Cost of Purchased Power.....	3,481,950	0	3,481,950	3,363,599
6. Cost of Gas Sold.....	0	655,606	655,606	700,868
7. Transmission Operation & Maintenance - Electric.....	43,079	0	43,079	35,729
8. Distribution Operation & Maintenance - Electric.....	304,525	0	304,525	360,383
9. Transmission Operation & Maintenance - Gas.....	0	25,614	25,614	22,290
10. Gas Storage Facility Operation & Maintenance.....	0	13,820	13,820	13,640
11. Distribution Operation & Maintenance - Gas.....	0	18,038	18,038	29,130
12. Consumer Accounts Expense.....	53,455	7,109	60,565	75,589
13. Customer Service and Informational Expense.....	59,224	2,099	61,323	42,695
14. Sales Expense.....	0	0	0	0
15. Administrative and General Expense.....	128,025	25,729	153,755	289,261
16. Total Operation & Maintenance Expense (4 thru 15).....	\$4,074,308	\$748,016	\$4,822,324	\$4,944,760
17. Depreciation and Amortization Expense.....	368,199	82,163	450,362	460,555
18. Tax Expense-Property.....	36,595	15,180	51,775	53,000
19. Tax Expense-Other.....	20,990	2,075	23,065	24,610
20. Interest on Long-Term Debt.....	93,677	136,551	230,228	228,360
21. Interest Charged to Construction-Credit.....	0	0	0	0
22. Interest Expense-Other*.....	9,489	17,104	9,481	13,730
23. Other Deductions.....	(14,912)	0	(14,912)	(14,910)
24. Total Cost of Electric Service (16 thru 23).....	\$4,588,347	\$1,001,089	\$5,572,324	\$5,710,105
25. Patronage Capital & Operating Margins (3 minus 24).....	\$699,970	\$578,148	\$1,295,230	\$948,997
26. Non Operating Margins-Interest*.....	22,959	0	5,847	6,310
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).....	\$722,929	\$578,148	\$1,301,077	\$955,307

DATA ON TRANSMISSION AND DISTRIBUTION

ITEM	YEAR-TO-DATE			
	Electric	Combined Gas	Consolidated	Last Year
1. New Services Connected.....	6	8	14	19
2. Services Retired.....	1	0	1	46
3. Total Services in Place.....	26,513	3,986	30,499	30,153
4. Idle Services (Excluding Seasonal).....	232	32	264	105
5. Miles Transmission.....	235	50	285	285
6. Miles Distribution - Overhead.....	947	0	947	962
7. Miles Distribution - Underground.....	1,416	213	1,629	1,601
8. Total Miles In Service (5 + 6 + 7).....	2,598	263	2,862	2,847

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
January 31, 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	3/13/2013 DATE
SIGNATURE OF PRESIDENT AND CEO	3/13/2013 DATE

STATEMENT OF OPERATIONS - CONSOLIDATED

ITEM	YEAR-TO-DATE			THIS MONTH
	LAST YEAR (a)	THIS YEAR (b)	BUDGET (c)	
1. Operating Revenue - Electric.....	\$4,632,261	\$5,288,317	\$5,025,062	\$5,288,317
2. Operating Revenue - Gas.....	1,696,358	1,579,237	1,634,040	1,579,237
3. Total Operating Revenue and Patronage Capital.....	\$6,328,619	\$6,867,554	\$6,659,102	\$6,867,554
4. Power Production Expense.....	\$14,114	\$4,050	\$11,576	\$4,050
5. Cost of Purchased Power.....	2,946,857	3,481,950	3,363,599	3,481,950
6. Cost of Gas Sold.....	965,412	655,606	700,868	655,606
7. Transmission Operation & Maintenance - Electric.....	(16,669)	43,079	35,729	43,079
8. Distribution Operation & Maintenance - Electric.....	355,469	304,525	360,383	304,525
9. Transmission Operation & Maintenance - Gas.....	15,463	25,614	22,290	25,614
10. Gas Storage Facility Operation & Maintenance.....	10,070	13,820	13,640	13,820
11. Distribution Operation & Maintenance - Gas.....	25,888	18,038	29,130	18,038
12. Consumer Accounts Expense.....	65,386	60,565	75,589	60,565
13. Customer Service and Informational Expense.....	25,149	61,323	42,695	61,323
14. Sales Expense.....	0	0	0	0
15. Administrative and General Expense.....	146,054	153,755	289,261	153,755
16. Total Operation & Maintenance Expense (4 thru 15).....	\$4,553,193	\$4,822,324	\$4,944,760	\$4,822,324
17. Depreciation and Amortization Expense.....	439,421	450,362	460,555	450,362
18. Tax Expense-Property.....	55,695	51,775	53,000	51,775
19. Tax Expense-Other.....	21,968	23,065	24,610	23,065
20. Interest on Long-Term Debt.....	246,783	230,228	228,360	230,228
21. Interest Charged to Construction-Credit.....	0	0	0	0
22. Interest Expense-Other.....	4,849	9,481	13,730	9,481
23. Other Deductions.....	(14,912)	(14,912)	(14,910)	(14,912)
24. Total Cost of Electric Service (16 thru 23).....	\$5,306,998	\$5,572,324	\$5,710,105	\$5,572,324
25. Patronage Capital & Operating Margins (3 minus 24).....	\$1,021,621	\$1,295,230	\$948,997	\$1,295,229
26. Non Operating Margins-Interest.....	5,721	5,847	6,310	5,848
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).....	\$1,027,342	\$1,301,077	\$955,307	\$1,301,077

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	19	14	5. Miles Transmission	285	285
2. Services Retired	46	1	6. Miles Distribution-Overhead	962	947
3. Total Services in Place	30,153	30,499	7. Miles Distribution-Underground	1,601	1,679
4. Idle Services (Exclude Seasonal)	105	264	8. Total Miles In Service (5 + 6 + 7)	2,847	2,912

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
January 31, 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.....	\$192,573,542	\$189,260,790	30. Memberships.....	\$0	\$0
2. Construction Work in Progress.....	6,916,420	5,794,677	31. Patronage Capital.....	55,003,089	53,910,958
3. Total Utility Plant (1 + 2).....	\$199,489,962	\$195,055,467	32. Operating Margins-Prior Years.....	0	0
4. Accum. Provision for Depreciation and Amort.....	81,126,666	76,374,898	33. Operating Margins-Current Year.....	1,295,230	1,021,621
5. Net Utility Plant (3 - 4).....	\$118,363,296	\$118,680,569	34. Non Operating Margins.....	5,847	5,721
6. Nonutility Property - Net.....	\$0	\$0	35. Other Margins and Equities.....	14,201,434	13,120,193
7. Investments in Subsidiary Companies.....	0	0	36. Total Margins & Equities (30 thru 35).....	\$70,505,600	\$68,058,493
8. Invest. in Assoc. Org. - Patronage Capital.....	1,972,073	1,790,444	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.....	2,633,566	2,634,988	39. Long-Term Debt Other - Guaranteed.....	0	0
11. Investments in Economic Development Projects.....	2,093	2,093	40. Long-Term Debt-Other (Net).....	58,903,687	61,580,899
12. Other Investments.....	97,768	135,951	41. Total Long-Term Debt (37 thru 40).....	\$60,403,687	\$61,580,899
13. Special Funds.....	0	0	42. Obligations under Capital Leases.....	\$0	\$0
14. Total Other Property & Investments (6 thru 13).....	\$4,717,186	\$4,620,387	43. Accumulated Operating Provisions.....	0	0
15. Cash-General Funds.....	\$1,072,492	\$600,667	44. Total Other Noncurrent Liabilities (42 + 43).....	\$0	\$0
16. Cash-Construction Funds-Trustee.....	0	0	45. Notes Payable.....	0	0
17. Special Deposits.....	1,354,873	0	46. Accounts Payable.....	8,767,260	6,853,071
18. Temporary Investments.....	0	0	47. Consumers Deposits.....	539,970	430,500
19. Notes Receivable-Net.....	158,820	4,060	48. Other Current & Accrued Liabilities.....	3,015,934	3,422,706
20. Accounts Receivable-Net Sales of Energy.....	5,134,531	4,971,501	49. Total Current & Accrued Liabilities (45 thru 48).....	\$12,323,164	\$10,706,277
21. Accounts Receivable-Net Other.....	200,671	934,767	50. Deferred Credits.....	\$1,912,381	\$3,451,215
22. Materials & Supplies-Electric and Other.....	1,534,790	1,397,524	51. Miscellaneous Operating Reserves.....	0	0
23. Prepayments.....	353,900	368,221	52. Total Liabilities & Other Credits		
24. Other Current & Accrued Assets.....	2,836,968	2,892,262	(36 +41 + 44 + 49 thru 51).....	\$145,144,833	\$143,796,884
25. Total Current & Accrued Assets (15 thru 24).....	\$12,647,046	\$11,169,002			
26. Regulatory Assets.....	0	0	ESTIMATED CONTRIBUTIONS-IN-AID-OF-CONSTRUCTION		
27. Deferred Debits.....	9,417,305	9,326,926	53. Balance Beginning of Year (1978 Thru 2012).....	\$50,999,089	\$49,929,523
28. Accumulated Deferred Income Taxes.....	0	0	54. Amounts Received This Year (Net).....	2,117	4,348
29. Total Assets & Other Debits (5 + 14 + 25 thru 28).....	\$145,144,833	\$143,796,884	55. TOTAL Contributions-In-Aid-Of-Construction.....	\$51,001,206	\$49,933,871

NOTES TO FINANCIAL STATEMENTS

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

	2012	2013	2011	2012
	December	January	December	January
1. Current Assets/Liabilities	0.87	1.03	0.87	1.04
2. Equity	47.81%	48.58%	46.01%	47.33%
3. Long Term Debt as a % of Plant	30.17%	30.28%	31.44%	31.57%
4. Debt Service Coverage	2.27	4.43	2.40	6.94
5. Inventory Turnover - Electric (Dist & Trans)				
Dollar Value	1.02	1.02	0.85	0.96
Quantity	1.23	1.22	1.22	1.44
6. Intercompany Receivables/(Payables) :				
Electric Division	7,067,703	7,130,649	8,284,959	7,720,665
Combined Gas Division	(7,067,703)	(7,130,649)	(8,284,959)	(7,720,665)
7. Total Shared Overhead-Gas Division	288,646	19,657	367,439	21,146
8. Material Inventory:				
Material	1,564,016	1,534,790	1,400,502	1,397,524
Special Equip.	1,903,035	1,948,971	2,471,558	2,413,476
Total Material	3,467,051	3,483,761	3,872,060	3,811,000
9. Aged Accounts Receivable (Over 60 Days):	20,613	52,644	23,356	24,996
10. Lower Valley has a \$12 Million dollar line of credit with CFC to meet short term cash needs. As of January 31, 2013 the line of credit balance was		\$ 4,427,498		