


LOWER VALLEY ENERGY
STATEMENT OF OPERATION
For The Month Ended July 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

8/15/2013

 DATE



 SIGNATURE OF PRESIDENT AND CEO

8/15/2013

 DATE

STATEMENT OF OPERATIONS - CONSOLIDATED

ITEM	YEAR-TO-DATE			
	Electric	Combined Gas	Consolidated	Budget
1. Operating Revenue - Electric.....	\$24,743,538	\$0	\$24,743,538	\$24,613,309
2. Operating Revenue - Gas.....	0	5,966,193	5,966,193	5,580,710
3. Total Operating Revenue and Patronage Capital.....	\$24,743,538	\$5,966,193	\$30,709,731	\$30,194,019
4. Power Production Expense.....	\$64,354	\$0	\$64,354	\$83,610
5. Cost of Purchased Power.....	14,325,650	0	14,325,650	12,669,699
6. Cost of Gas Sold.....	0	2,644,417	2,644,417	2,479,550
7. Transmission Operation & Maintenance - Electric.....	334,975	0	334,975	306,075
8. Distribution Operation & Maintenance - Electric.....	2,516,177	0	2,516,177	2,519,896
9. Transmission Operation & Maintenance - Gas.....	0	110,340	110,340	120,020
10. Gas Storage Facility Operation & Maintenance.....	0	62,775	62,775	61,670
11. Distribution Operation & Maintenance - Gas.....	0	168,509	168,509	201,550
12. Consumer Accounts Expense.....	474,717	61,343	536,060	522,795
13. Customer Service and Informational Expense.....	239,832	17,197	257,029	298,907
14. Sales Expense.....	0	0	0	0
15. Administrative and General Expense.....	1,331,173	221,079	1,552,253	1,694,955
16. Total Operation & Maintenance Expense (4 thru 15).....	\$19,286,879	\$3,285,660	\$22,572,539	\$20,958,727
17. Depreciation and Amortization Expense.....	2,594,777	569,456	3,164,233	3,233,445
18. Tax Expense-Property.....	256,165	106,260	362,425	371,040
19. Tax Expense-Other.....	101,442	7,862	109,303	115,860
20. Interest on Long-Term Debt.....	600,022	827,150	1,427,172	3,115,450
21. Interest Charged to Construction-Credit.....	0	0	0	0
22. Interest Expense-Other*.....	64,383	112,888	63,567	100,906
23. Other Deductions.....	(104,386)	0	(104,386)	(104,390)
24. Total Cost of Electric Service (16 thru 23).....	\$22,799,281	\$4,909,277	\$27,594,853	\$27,791,038
25. Patronage Capital & Operating Margins (3 minus 24).....	\$1,944,257	\$1,056,916	\$3,114,878	\$2,402,981
26. Non Operating Margins-Interest*.....	171,892	0	58,187	67,716
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).....	\$2,116,149	\$1,056,916	\$3,173,065	\$2,470,697

DATA ON TRANSMISSION AND DISTRIBUTION

ITEM	YEAR-TO-DATE			
	Electric	Combined Gas	Consolidated	Last Year
1. New Services Connected.....	125	24	149	179
2. Services Retired.....	249	9	258	176
3. Total Services in Place.....	26,422	4,015	30,437	30,363
4. Idle Services (Excluding Seasonal).....	216	31	247	233
5. Miles Transmission.....	235	50	285	285
6. Miles Distribution - Overhead.....	947	0	947	947
7. Miles Distribution - Underground.....	1,424	213	1,637	1,622
8. Total Miles In Service (5 + 6 + 7).....	2,606	263	2,869	2,855

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
July 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

8/15/2013

DATE

SIGNATURE OF PRESIDENT AND CEO

8/15/2013

DATE

STATEMENT OF OPERATIONS - CONSOLIDATED

ITEM	YEAR-TO-DATE			THIS MONTH (d)
	LAST YEAR (a)	THIS YEAR (b)	BUDGET (c)	
1. Operating Revenue - Electric.....	\$23,666,832	\$24,743,538	\$24,613,309	\$2,734,477
2. Operating Revenue - Gas.....	5,818,799	5,966,193	5,580,710	427,374
3. Total Operating Revenue and Patronage Capital.....	\$29,485,631	\$30,709,731	\$30,194,019	\$3,161,851
4. Power Production Expense.....	\$84,307	\$64,354	\$83,610	\$7,437
5. Cost of Purchased Power.....	13,593,313	14,325,650	12,669,699	943,769
6. Cost of Gas Sold.....	3,201,508	2,644,417	2,479,550	168,972
7. Transmission Operation & Maintenance - Electric.....	269,876	334,975	306,075	48,224
8. Distribution Operation & Maintenance - Electric.....	2,452,399	2,516,177	2,519,896	332,905
9. Transmission Operation & Maintenance - Gas.....	103,397	110,340	120,020	9,404
10. Gas Storage Facility Operation & Maintenance.....	62,204	62,775	61,670	5,997
11. Distribution Operation & Maintenance - Gas.....	191,903	168,509	201,550	30,658
12. Consumer Accounts Expense.....	491,490	536,060	522,795	90,523
13. Customer Service and Informational Expense.....	238,051	257,029	298,907	70,458
14. Sales Expense.....	0	0	0	0
15. Administrative and General Expense.....	1,524,471	1,552,253	1,694,955	205,883
16. Total Operation & Maintenance Expense (4 thru 15).....	\$22,212,919	\$22,572,539	\$20,958,727	\$1,914,232
17. Depreciation and Amortization Expense.....	3,100,353	3,164,233	3,233,445	460,955
18. Tax Expense-Property.....	389,865	362,425	371,040	51,775
19. Tax Expense-Other.....	104,235	109,303	115,860	10,705
20. Interest on Long-Term Debt.....	1,557,191	1,427,172	3,115,450	217,946
21. Interest Charged to Construction-Credit.....	0	0	0	0
22. Interest Expense-Other.....	148,266	63,567	100,906	7,376
23. Other Deductions.....	(104,386)	(104,386)	(104,390)	(14,912)
24. Total Cost of Electric Service (16 thru 23).....	\$27,408,443	\$27,594,853	\$27,791,038	\$2,648,078
25. Patronage Capital & Operating Margins (3 minus 24).....	\$2,077,188	\$3,114,878	\$2,402,981	\$513,774
26. Non Operating Margins-Interest.....	138,524	58,187	67,716	5,824
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.....	16,609	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).....	\$2,232,321	\$3,173,065	\$2,470,697	\$519,598

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	179	149	5. Miles Transmission	285	285
2. Services Retired	176	258	6. Miles Distribution-Overhead	947	947
3. Total Services in Place	30,363	30,437	7. Miles Distribution-Underground	1,622	1,687
4. Idle Services (Exclude Seasonal)	233	247	8. Total Miles In Service (5 + 6 + 7)	2,855	2,919

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
July 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.....	\$195,730,961	\$190,686,460	30. Memberships.....	\$0	\$0
2. Construction Work in Progress.....	6,313,990	6,071,058	31. Patronage Capital.....	54,253,241	53,304,143
3. Total Utility Plant (1 + 2).....	\$202,044,951	\$196,757,518	32. Operating Margins-Prior Years.....	0	0
4. Accum. Provision for Depreciation and Amort.....	82,786,435	78,664,645	33. Operating Margins-Current Year.....	3,114,878	2,077,188
5. Net Utility Plant (3 - 4).....	\$119,258,516	\$118,092,873	34. Non Operating Margins.....	58,187	155,133
6. Nonutility Property - Net.....	\$0	\$0	35. Other Margins and Equities.....	14,277,172	13,457,426
7. Investments in Subsidiary Companies.....	0	0	36. Total Margins & Equities (30 thru 35).....	\$71,703,478	\$68,993,890
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).....	57,697,523	60,353,848
12. Other Investments.....	97,768	123,674	40a. Long-Term Debt-Other (BPA Prepayment Funding).....	151,356,428	0
13. Special Funds.....	0	0	41. Total Long-Term Debt (37 thru 40).....	\$210,553,951	\$60,353,848
14. Total Other Property & Investments (6 thru 13).....	\$4,701,206	\$4,602,527	42. Obligations under Capital Leases.....	\$0	\$0
15. Cash-General Funds.....	\$874,778	\$1,216,324	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	0
18. Temporary Investments.....	0	0	46. Accounts Payable.....	5,793,210	2,875,090
19. Notes Receivable-Net.....	165,701	53,044	47. Consumers Deposits.....	576,335	468,485
20. Accounts Receivable-Net Sales of Energy.....	2,282,677	2,228,772	48. Other Current & Accrued Liabilities.....	3,303,772	3,176,850
21. Accounts Receivable-Net Other.....	489,595	215,518	49. Total Current & Accrued Liabilities (45 thru 48).....	\$9,673,318	\$6,520,425
22. Materials & Supplies-Electric and Other.....	1,855,815	1,842,400	50. Deferred Credits.....	\$1,043,795	\$2,810,546
23. Prepayments.....	465,042	199,157	51. Miscellaneous Operating Reserves.....	0	0
24. Other Current & Accrued Assets.....	1,170,142	1,148,054	52. Total Liabilities & Other Credits (36 +41 + 44 + 49 thru 51).....	\$292,974,541	\$138,678,708
25. Total Current & Accrued Assets (15 thru 24).....	\$8,658,623	\$6,903,267			
26. Regulatory Assets.....	0	0			
27. Deferred Debits.....	9,437,210	9,080,041			
27a. Other Non-current Assets-BPA Power Prepayment.....	150,918,985	0			
28. Accumulated Deferred Income Taxes.....	0	0			
29. Total Assets & Other Debits (5 + 14 + 25 thru 28).....	\$292,974,541	\$138,678,708			
			ESTIMATED CONTRIBUTIONS-IN-AID-OF-CONSTRUCTION		
			53. Balance Beginning of Year (1978 Thru 2012).....	\$50,999,089	\$49,929,523
			54. Amounts Received This Year (Net).....	766,527	732,357
			55. TOTAL Contributions-In-Aid-Of-Construction.....	\$51,765,616	\$50,661,880

NOTES TO FINANCIAL STATEMENTS

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

	2013		2012	
	June	July	June	July
1. Current Assets/Liabilities	0.94	0.90	0.99	1.06
2. Equity	24.31%	24.47% *	49.36%	49.75%
2a. Equity excluding BPA Power Prepayment	50.46%	50.63%	49.36%	49.75%
3. Long Term Debt as a % of Plant	105.15%	104.21% *	30.72%	30.67%
4. Debt Service Coverage	2.71	2.94	2.25	2.47
5. Inventory Turnover - Electric (Dist & Trans)				
Dollar Value	0.76	0.85	0.95	1.03
Quantity	1.20	1.35	1.09	1.12
6. Intercompany Receivables/(Payables) :				
Electric Division	6,851,452	7,194,658	5,706,927	5,511,831
Combined Gas Division	(6,851,452)	(7,194,658)	(5,706,927)	(5,511,831)
7. Total Shared Overhead-Gas Division	169,343	200,257	162,277	187,773
8. Material Inventory:				
Material	2,030,425	1,855,815	1,762,718	1,842,400
Special Equip.	2,005,472	2,139,974	2,317,344	2,335,535
Total Material	4,035,897	3,995,789	4,080,062	4,177,935
9. Aged Accounts Receivable (Over 60 Days):	51,569	62,715	85,597	85,110
10. Lower Valley has a \$12 Million dollar line of credit with CFC to meet short term cash needs. As of July 31, 2013 the line of credit balance was		\$ 4,745,487		

* 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.