

LOWER VALLEY ENERGY
STATEMENT OF OPERATION
For The Month Ended June 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

7/18/2013

 DATE



 SIGNATURE OF PRESIDENT AND CEO

7/18/2013

 DATE

STATEMENT OF OPERATIONS - CONSOLIDATED

ITEM	YEAR-TO-DATE			
	Electric	Combined Gas	Consolidated	Budget
1. Operating Revenue - Electric.....	\$22,009,061	\$0	\$22,009,061	\$21,986,766
2. Operating Revenue - Gas.....	0	5,538,819	5,538,819	5,297,310
3. Total Operating Revenue and Patronage Capital.....	\$22,009,061	\$5,538,819	\$27,547,880	\$27,284,076
4. Power Production Expense.....	\$56,917	\$0	\$56,917	\$71,226
5. Cost of Purchased Power.....	13,381,881	0	13,381,881	12,284,166
6. Cost of Gas Sold.....	0	2,475,445	2,475,445	2,324,468
7. Transmission Operation & Maintenance - Electric.....	286,750	0	286,750	261,664
8. Distribution Operation & Maintenance - Electric.....	2,183,272	0	2,183,272	2,153,022
9. Transmission Operation & Maintenance - Gas.....	0	100,935	100,935	106,990
10. Gas Storage Facility Operation & Maintenance.....	0	56,778	56,778	55,640
11. Distribution Operation & Maintenance - Gas.....	0	137,851	137,851	166,840
12. Consumer Accounts Expense.....	394,084	51,453	445,537	448,704
13. Customer Service and Informational Expense.....	172,164	14,407	186,571	256,205
14. Sales Expense.....	0	0	0	0
15. Administrative and General Expense.....	1,152,840	193,530	1,346,370	1,468,724
16. Total Operation & Maintenance Expense (4 thru 15).....	\$17,627,908	\$3,030,399	\$20,658,307	\$19,597,649
17. Depreciation and Amortization Expense.....	2,215,183	488,094	2,703,278	2,769,220
18. Tax Expense-Property.....	219,570	91,080	310,650	318,030
19. Tax Expense-Other.....	91,032	7,566	98,598	104,650
20. Interest on Long-Term Debt.....	512,154	697,072	1,209,226	2,499,620
21. Interest Charged to Construction-Credit.....	0	0	0	0
22. Interest Expense-Other*.....	57,308	95,319	56,191	87,369
23. Other Deductions.....	(89,473)	0	(89,473)	(89,480)
24. Total Cost of Electric Service (16 thru 23).....	\$20,633,682	\$4,409,530	\$24,946,776	\$25,287,058
25. Patronage Capital & Operating Margins (3 minus 24).....	\$1,375,380	\$1,129,289	\$2,601,104	\$1,997,018
26. Non Operating Margins-Interest*.....	148,801	0	52,364	61,599
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).....	\$1,524,180	\$1,129,289	\$2,653,469	\$2,058,617

DATA ON TRANSMISSION AND DISTRIBUTION

ITEM	YEAR-TO-DATE			
	Electric	Combined Gas	Consolidated	Last Year
1. New Services Connected.....	89	15	104	144
2. Services Retired.....	244	6	250	168
3. Total Services in Place.....	26,389	4,001	30,390	30,337
4. Idle Services (Excluding Seasonal).....	215	29	244	233
5. Miles Transmission.....	235	50	285	285
6. Miles Distribution - Overhead.....	947	0	947	947
7. Miles Distribution - Underground.....	1,423	213	1,636	1,620
8. Total Miles In Service (5 + 6 + 7).....	2,605	263	2,868	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
June 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

7/18/2013

DATE

SIGNATURE OF PRESIDENT AND CEO

7/18/2013

DATE

STATEMENT OF OPERATIONS - CONSOLIDATED

ITEM	YEAR-TO-DATE			THIS MONTH (d)
	LAST YEAR (a)	THIS YEAR (b)	BUDGET (c)	
1. Operating Revenue - Electric.....	\$20,964,428	\$22,009,061	\$21,986,766	\$2,616,624
2. Operating Revenue - Gas.....	5,490,621	5,538,819	5,297,310	482,704
3. Total Operating Revenue and Patronage Capital.....	\$26,455,049	\$27,547,880	\$27,284,076	\$3,099,328
4. Power Production Expense.....	\$78,564	\$56,917	\$71,226	\$8,021
5. Cost of Purchased Power.....	12,680,527	13,381,881	12,284,166	1,079,061
6. Cost of Gas Sold.....	3,073,894	2,475,445	2,324,468	254,441
7. Transmission Operation & Maintenance - Electric.....	219,619	286,750	261,664	78,602
8. Distribution Operation & Maintenance - Electric.....	2,071,969	2,183,272	2,153,022	396,983
9. Transmission Operation & Maintenance - Gas.....	92,278	100,935	106,990	17,779
10. Gas Storage Facility Operation & Maintenance.....	53,296	56,778	55,640	8,988
11. Distribution Operation & Maintenance - Gas.....	154,881	137,851	166,840	27,096
12. Consumer Accounts Expense.....	437,103	445,537	448,704	72,771
13. Customer Service and Informational Expense.....	200,133	186,571	256,205	38,517
14. Sales Expense.....	0	0	0	0
15. Administrative and General Expense.....	1,345,823	1,346,370	1,468,724	245,874
16. Total Operation & Maintenance Expense (4 thru 15).....	\$20,408,086	\$20,658,307	\$19,597,649	\$2,228,132
17. Depreciation and Amortization Expense.....	2,655,769	2,703,278	2,769,220	453,243
18. Tax Expense-Property.....	334,170	310,650	318,030	51,775
19. Tax Expense-Other.....	94,006	98,598	104,650	10,832
20. Interest on Long-Term Debt.....	1,316,951	1,209,226	2,499,620	217,970
21. Interest Charged to Construction-Credit.....	0	0	0	0
22. Interest Expense-Other.....	128,649	56,191	87,369	13,479
23. Other Deductions.....	(89,473)	(89,473)	(89,480)	(14,912)
24. Total Cost of Electric Service (16 thru 23).....	\$24,848,159	\$24,946,776	\$25,287,058	\$2,960,519
25. Patronage Capital & Operating Margins (3 minus 24).....	\$1,606,890	\$2,601,104	\$1,997,018	\$138,809
26. Non Operating Margins-Interest.....	118,568	52,364	61,599	5,588
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.....	16,370	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).....	\$1,741,828	\$2,653,469	\$2,058,617	\$144,397

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	144	104	5. Miles Transmission	285	285
2. Services Retired	168	250	6. Miles Distribution-Overhead	947	947
3. Total Services in Place	30,337	30,390	7. Miles Distribution-Underground	1,620	1,686
4. Idle Services (Exclude Seasonal)	233	244	8. Total Miles In Service (5 + 6 + 7)	2,852	2,918

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
June 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.....	\$195,255,193	\$190,430,416	30. Memberships.....	\$0	\$0
2. Construction Work in Progress.....	5,570,637	6,038,278	31. Patronage Capital.....	54,291,799	53,344,903
3. Total Utility Plant (1 + 2).....	200,825,830	196,468,693	32. Operating Margins-Prior Years.....	0	0
4. Accum. Provision for Depreciation and Amort.....	82,312,465	78,231,114	33. Operating Margins-Current Year.....	2,601,104	1,606,890
5. Net Utility Plant (3 - 4).....	118,513,365	118,237,579	34. Non Operating Margins.....	52,364	134,938
6. Nonutility Property - Net.....	\$0	\$0	35. Other Margins and Equities.....	14,317,573	13,479,436
7. Investments in Subsidiary Companies.....	0	0	36. Total Margins & Equities (30 thru 35).....	71,262,841	68,566,167
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	60,356,211
12. Other Investments.....	97,768	125,798	40a. Long-Term Debt-Other (BPA Prepayment Funding).....	151,976,381	0
13. Special Funds.....	0	0	41. Total Long-Term Debt (37 thru 40).....	211,173,904	60,356,211
14. Total Other Property & Investments (6 thru 13).....	4,701,206	4,604,651	42. Obligations under Capital Leases.....	\$0	\$0
15. Cash-General Funds.....	1,064,872	990,423	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.....	6,171,426	3,663,948
19. Notes Receivable-Net.....	157,057	29,224	47. Consumers Deposits.....	559,613	458,843
20. Accounts Receivable-Net Sales of Energy.....	2,515,560	2,664,306	48. Other Current & Accrued Liabilities.....	2,898,104	2,968,527
21. Accounts Receivable-Net Other.....	281,877	281,038	49. Total Current & Accrued Liabilities (45 thru 48).....	9,629,143	7,091,318
22. Materials & Supplies-Electric and Other.....	2,030,425	1,762,718	50. Deferred Credits.....	1,132,411	2,897,873
23. Prepayments.....	512,638	251,076	51. Miscellaneous Operating Reserves.....	0	0
24. Other Current & Accrued Assets.....	1,100,274	1,118,596	52. Total Liabilities & Other Credits		
25. Total Current & Accrued Assets (15 thru 24).....	9,017,577	7,008,381	(36 + 41 + 44 + 49 thru 51).....	293,198,299	138,911,569
26. Regulatory Assets.....	0	0	ESTIMATED CONTRIBUTIONS-IN-AID-OF-CONSTRUCTION		
27. Deferred Debits.....	9,463,034	9,060,958	53. Balance Beginning of Year (1978 Thru 2012).....	\$50,999,089	\$49,929,523
27a. Other Non-current Assets-BPA Power Prepayment.....	151,503,117	0	54. Amounts Received This Year (Net).....	606,184	460,940
28. Accumulated Deferred Income Taxes.....	0	0	55. TOTAL Contributions-In-Aid-Of-Construction.....	51,605,273	50,390,463
29. Total Assets & Other Debits (5 + 14 + 25 thru 28).....	293,198,299	138,911,569			

NOTES TO FINANCIAL STATEMENTS

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

	2013		2012	
	May	June	May	June
1. Current Assets/Liabilities	0.95	0.94	0.96	0.99
2. Equity	24.20%	24.31% *	48.99%	49.36%
2a. Equity excluding BPA Power Prepayment	50.22%	50.46%	48.99%	49.36%
3. Long Term Debt as a % of Plant	105.59%	105.15% *	30.77%	30.72%
4. Debt Service Coverage	2.62	2.71	2.12	2.25
5. Inventory Turnover - Electric (Dist & Trans)				
Dollar Value	0.83	0.76	0.94	0.95
Quantity	1.26	1.20	1.13	1.09
6. Intercompany Receivables/(Payables) :				
Electric Division	6,567,791	6,851,452	5,844,068	5,706,927
Combined Gas Division	(6,567,791)	(6,851,452)	(5,844,068)	(5,706,927)
7. Total Shared Overhead-Gas Division	138,120	169,343	130,104	162,277
8. Material Inventory:				
Material	2,062,887	2,030,425	1,589,473	1,762,718
Special Equip.	2,023,484	2,005,472	2,340,618	2,317,344
Total Material	4,086,371	4,035,897	3,930,091	4,080,062
9. Aged Accounts Receivable (Over 60 Days):	36,614	51,569	66,707	85,597
10. Lower Valley has a \$12 Million dollar line of credit with CFC to meet short term cash needs. As of June 30, 2013 the line of credit balance was		\$ 4,794,213		

* 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.