

LOWER VALLEY ENERGY
STATEMENT OF OPERATION
For The Month Ended March 31, 2013

CONSOLIDATED

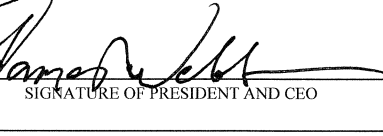
We hereby certify that the entries in this report are in accordance with the accounts and other records of Lower Valley Energy, Inc. and reflect the status of the Cooperative to the best of our knowledge and belief.



 SIGNATURE OF CHIEF FINANCIAL OFFICER

4/18/2013

DATE



 SIGNATURE OF PRESIDENT AND CEO

4/18/2013

DATE

STATEMENT OF OPERATIONS - CONSOLIDATED

ITEM	YEAR-TO-DATE			
	Electric	Combined Gas	Consolidated	Budget
1. Operating Revenue - Electric.....	\$13,319,056	\$0	\$13,319,056	\$12,864,714
2. Operating Revenue - Gas.....	0	3,897,250	3,897,250	3,903,600
3. Total Operating Revenue and Patronage Capital.....	\$13,319,056	\$3,897,250	\$17,216,306	\$16,768,314
4. Power Production Expense.....	\$15,888	\$0	\$15,888	\$38,894
5. Cost of Purchased Power.....	8,919,189	0	8,919,189	8,752,729
6. Cost of Gas Sold.....	0	1,682,266	1,682,266	1,668,802
7. Transmission Operation & Maintenance - Electric.....	104,565	0	104,565	118,231
8. Distribution Operation & Maintenance - Electric.....	991,000	0	991,000	1,078,670
9. Transmission Operation & Maintenance - Gas.....	0	58,856	58,856	60,150
10. Gas Storage Facility Operation & Maintenance.....	0	32,156	32,156	33,410
11. Distribution Operation & Maintenance - Gas.....	0	56,919	56,919	83,100
12. Consumer Accounts Expense.....	188,092	26,402	214,494	225,671
13. Customer Service and Informational Expense.....	178,751	6,663	185,414	128,099
14. Sales Expense.....	0	0	0	0
15. Administrative and General Expense.....	532,360	102,652	635,012	816,098
16. Total Operation & Maintenance Expense (4 thru 15).....	\$10,929,846	\$1,965,913	\$12,895,758	\$13,003,854
17. Depreciation and Amortization Expense.....	1,103,824	243,995	1,347,819	1,382,285
18. Tax Expense-Property.....	109,785	45,540	155,325	159,000
19. Tax Expense-Other.....	54,363	5,020	59,383	65,350
20. Interest on Long-Term Debt.....	281,211	373,948	655,159	657,140
21. Interest Charged to Construction-Credit.....	0	0	0	0
22. Interest Expense-Other*.....	27,138	49,363	27,558	45,329
23. Other Deductions.....	(44,737)	0	(44,737)	(44,740)
24. Total Cost of Electric Service (16 thru 23).....	\$12,461,430	\$2,683,779	\$15,096,266	\$15,268,218
25. Patronage Capital & Operating Margins (3 minus 24).....	\$857,626	\$1,213,471	\$2,120,040	\$1,500,096
26. Non Operating Margins-Interest*.....	66,217	0	17,274	23,069
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).....	\$923,843	\$1,213,471	\$2,137,314	\$1,523,165

DATA ON TRANSMISSION AND DISTRIBUTION

ITEM	YEAR-TO-DATE			
	Electric	Combined Gas	Consolidated	Last Year
1. New Services Connected.....	24	10	34	36
2. Services Retired.....	218	0	218	141
3. Total Services in Place.....	26,302	3,994	30,296	30,250
4. Idle Services (Excluding Seasonal).....	221	31	252	241
5. Miles Transmission.....	235	50	285	285
6. Miles Distribution - Overhead.....	947	0	947	948
7. Miles Distribution - Underground.....	1,418	213	1,631	1,619
8. Total Miles In Service (5 + 6 + 7).....	2,600	263	2,864	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
March 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

4/18/2013

DATE

SIGNATURE OF PRESIDENT AND CEO

4/18/2013

DATE

STATEMENT OF OPERATIONS - CONSOLIDATED

ITEM	YEAR-TO-DATE			THIS MONTH (d)
	LAST YEAR (a)	THIS YEAR (b)	BUDGET (c)	
1. Operating Revenue - Electric.....	\$12,947,755	\$13,319,056	\$12,864,714	\$4,058,930
2. Operating Revenue - Gas.....	3,909,874	3,897,250	3,903,600	1,144,898
3. Total Operating Revenue and Patronage Capital.....	\$16,857,629	\$17,216,306	\$16,768,314	\$5,203,828
4. Power Production Expense.....	\$35,307	\$15,888	\$38,894	\$5,237
5. Cost of Purchased Power.....	8,421,681	8,919,189	8,752,729	2,596,760
6. Cost of Gas Sold.....	2,295,224	1,682,266	1,668,802	524,873
7. Transmission Operation & Maintenance - Electric.....	58,874	104,565	118,231	28,009
8. Distribution Operation & Maintenance - Electric.....	1,057,951	991,000	1,078,670	354,903
9. Transmission Operation & Maintenance - Gas.....	51,190	58,856	60,150	18,569
10. Gas Storage Facility Operation & Maintenance.....	31,018	32,156	33,410	8,669
11. Distribution Operation & Maintenance - Gas.....	92,384	56,919	83,100	18,017
12. Consumer Accounts Expense.....	236,026	214,494	225,671	80,166
13. Customer Service and Informational Expense.....	83,133	185,414	128,099	38,754
14. Sales Expense.....	0	0	0	0
15. Administrative and General Expense.....	615,356	635,012	816,098	263,724
16. Total Operation & Maintenance Expense (4 thru 15).....	\$12,978,145	\$12,895,758	\$13,003,854	\$3,937,681
17. Depreciation and Amortization Expense.....	1,324,625	1,347,819	1,382,285	447,069
18. Tax Expense-Property.....	167,085	155,325	159,000	51,775
19. Tax Expense-Other.....	58,491	59,383	65,350	16,710
20. Interest on Long-Term Debt.....	664,571	655,159	657,140	252,256
21. Interest Charged to Construction-Credit.....	0	0	0	0
22. Interest Expense-Other.....	44,224	27,558	45,329	11,882
23. Other Deductions.....	(44,737)	(44,737)	(44,740)	(14,912)
24. Total Cost of Electric Service (16 thru 23).....	\$15,192,404	\$15,096,266	\$15,268,218	\$4,702,461
25. Patronage Capital & Operating Margins (3 minus 24).....	\$1,665,224	\$2,120,040	\$1,500,096	\$501,367
26. Non Operating Margins-Interest.....	50,059	17,274	23,069	5,817
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).....	\$1,715,283	\$2,137,314	\$1,523,165	\$507,184

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	36	34	5. Miles Transmission	285	285
2. Services Retired	141	218	6. Miles Distribution-Overhead	948	947
3. Total Services in Place	30,250	30,296	7. Miles Distribution-Underground	1,619	1,681
4. Idle Services (Exclude Seasonal)	241	252	8. Total Miles In Service (5 + 6 + 7)	2,852	2,914

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
March 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.....	\$192,576,523	\$189,798,180	30. Memberships.....	\$0	\$0
2. Construction Work in Progress.....	7,489,875	5,866,384	31. Patronage Capital.....	54,550,541	53,707,082
3. Total Utility Plant (1 + 2).....	\$200,066,398	\$195,664,564	32. Operating Margins-Prior Years.....	0	0
4. Accum. Provision for Depreciation and Amort.....	82,054,090	77,237,276	33. Operating Margins-Current Year.....	2,120,040	1,665,224
5. Net Utility Plant (3 - 4).....	\$118,012,308	\$118,427,288	34. Non Operating Margins.....	17,274	50,059
6. Nonutility Property - Net.....	\$0	\$0	35. Other Margins and Equities.....	14,372,750	13,207,129
7. Investments in Subsidiary Companies.....	0	0	36. Total Margins & Equities (30 thru 35).....	\$71,060,605	\$68,629,494
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).....	57,993,184	60,646,888
12. Other Investments.....	97,768	133,627	40a. Long-Term Debt-Other (BPA Prepayment Funding).....	153,210,462	0
13. Special Funds.....	0	0	41. Total Long-Term Debt (37 thru 40).....	\$212,703,645	\$60,646,888
14. Total Other Property & Investments (6 thru 13).....	\$4,701,206	\$4,612,479	42. Obligations under Capital Leases.....	\$0	\$0
15. Cash-General Funds.....	\$954,212	\$848,889	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.....	7,439,665	6,044,588
19. Notes Receivable-Net.....	163,043	3,909	47. Consumers Deposits.....	548,761	434,580
20. Accounts Receivable-Net Sales of Energy.....	3,833,662	4,103,315	48. Other Current & Accrued Liabilities.....	2,959,226	3,201,695
21. Accounts Receivable-Net Other.....	200,554	866,496	49. Total Current & Accrued Liabilities (45 thru 48).....	\$10,947,653	\$9,680,864
22. Materials & Supplies-Electric and Other.....	1,730,486	1,688,686	50. Deferred Credits.....	\$1,548,836	\$3,212,483
23. Prepayments.....	393,470	392,228	51. Miscellaneous Operating Reserves.....	0	0
24. Other Current & Accrued Assets.....	2,208,868	2,034,641	52. Total Liabilities & Other Credits		
25. Total Current & Accrued Assets (15 thru 24).....	\$10,839,168	\$9,938,164	(36 +41 + 44 + 49 thru 51).....	\$296,260,739	\$142,169,729
26. Regulatory Assets.....	0	0	ESTIMATED CONTRIBUTIONS-IN-AID-OF-CONSTRUCTION		
27. Deferred Debits.....	9,497,595	9,191,798	53. Balance Beginning of Year (1978 Thru 2012).....	\$50,999,089	\$49,929,523
27a. Other Non-current Assets-BPA Power Prepayment.....	153,210,462	0	54. Amounts Received This Year (Net).....	15,742	148,849
28. Accumulated Deferred Income Taxes.....	0	0	55. TOTAL Contributions-In-Aid-Of-Construction.....	\$51,014,831	\$50,078,372
29. Total Assets & Other Debits (5 + 14 + 25 thru 28).....	\$296,260,739	\$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	
	February	March	February	March
1. Current Assets/Liabilities	0.95	0.99	1.01	1.03
2. Equity	49.23%	23.99% *	47.80%	48.27%
3. Long Term Debt as a % of Plant	29.74%	106.32% *	31.09%	31.00%
4. Debt Service Coverage	2.08	2.64	1.92	2.32
5. Inventory Turnover - Electric (Dist & Trans)				
Dollar Value	1.03	0.91	0.81	0.78
Quantity	1.27	1.31	0.97	0.93
6. Intercompany Receivables/(Payables) :				
Electric Division	6,909,706	6,348,998	7,306,541	6,534,363
Combined Gas Division	(6,909,706)	(6,348,998)	(7,306,541)	(6,534,363)
7. Total Shared Overhead-Gas Division	45,596	76,657	45,969	75,350
8. Material Inventory:				
Material	1,531,263	1,730,486	1,470,019	1,688,686
Special Equip.	1,956,222	1,834,955	2,286,859	2,431,404
Total Material	3,487,485	3,565,441	3,756,878	4,120,090
9. Aged Accounts Receivable (Over 60 Days):	26,635	13,160	30,528	37,848
10. Lower Valley has a \$12 Million dollar line of credit with CFC to meet short term cash needs. As of March 31, 2013 the line of credit balance was		\$ 3,537,496		

* 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.