

LOWER VALLEY ENERGY
STATEMENT OF OPERATIONS
For The Month Ended
March 31, 2014

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

4/17/2014

 DATE



 SIGNATURE OF PRESIDENT AND CEO

4/17/2014

 DATE

STATEMENT OF OPERATIONS - CONSOLIDATED

ITEM	YEAR-TO-DATE			
	Electric	Combined Gas	Consolidated	Budget
1 Operating Revenue	\$ 13,784,152	\$ 4,493,544	\$ 18,277,696	\$ 17,372,286
2 Power Production Expense	29,676	-	29,676	35,251
3 Cost of Purchased Power/Gas Sold	8,347,685	2,458,788	10,806,473	10,510,488
4 Transmission Operation & Maintenance	94,203	46,641	140,844	181,065
5 Regional Market Expense	-	-	-	-
6 Distribution Operation Expense	909,286	70,977	980,263	814,051
7 Distribution Maintenance Expense	310,556	36,348	346,904	344,421
8 Consumer Accounts Expense	194,244	27,903	222,147	219,894
9 Customer Service and Informational Expense	348,763	6,621	355,384	115,335
10 Sales Expense	-	-	-	-
11 Administrative and General Expense	580,081	109,064	689,145	822,519
12 Total Operation & Maintenance Expense (2 thru 11)	\$ 10,814,494	\$ 2,756,342	\$ 13,570,836	\$ 13,043,024
13 Depreciation and Amortization Expense	1,168,606	290,357	1,458,963	1,418,290
14 Tax Expense-Property	113,020	47,520	160,540	158,680
15 Tax Expense-Other	12,575	5,420	17,995	19,900
16 Interest on Long-Term Debt	288,512	404,297	692,809	695,914
17 Interest Charged to Construction-Credit	-	-	-	-
18 Interest Expense-Other*	11,749	29,392	12,009	48,000
19 Other Deductions	(44,737)	-	(44,737)	(44,730)
20 Total Cost of Electric Service (16 thru 23)	\$ 12,364,219	\$ 3,533,328	\$ 15,868,416	\$ 15,339,078
21 Patronage Capital & Operating Margins (3 minus 24)	\$ 1,419,933	\$ 960,216	\$ 2,409,280	\$ 2,033,208
22 Non Operating Margins-Interest*	45,898	-	16,767	16,500
23 Allowance for Funds Used During Construction	-	-	-	-
24 Income (Loss) from Equity Investments	-	-	-	-
25 Non Operating Margins-Other	309	-	309	-
26 Generation and Transmission Capital Credits	-	-	-	-
27 Other Capital Credits and Patronage Dividends	22,812	-	22,812	-
28 Extraordinary Items	-	-	-	-
29 Patronage Capital or Margins (21 thru 28)	\$ 1,488,952	\$ 960,216	\$ 2,449,167	\$ 2,049,708

DATA ON TRANSMISSION AND DISTRIBUTION

ITEM	YEAR-TO-DATE			
	Electric	Combined Gas	Consolidated	Last Year
1 New Services Connected	37	6	43	34
2 Services Retired	7	1	8	218
3 Total Services in Place	26,834	4,034	30,868	30,296
4 Idle Services (Excluding Seasonal)	235	35	270	252
5 Miles Transmission	235	50	285	285
6 Miles Distribution - Overhead	938	-	938	947
7 Miles Distribution - Underground	1,456	224	1,680	1,626
8 Total Miles In Service (5 + 6 + 7)	2,629	274	2,903	2,858

Note: Lines 18 and 22 in the Consolidated column do not include intercompany interest earned or accrued between the Electric and Gas divisions.

LOWER VALLEY ENERGY
STATEMENT OF OPERATIONS
For The Month Ended
March 31, 2014

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	4/17/2014 DATE
SIGNATURE OF PRESIDENT AND CEO	4/17/2014 DATE

STATEMENT OF OPERATIONS - CONSOLIDATED

ITEM	YEAR-TO-DATE			THIS MONTH
	LAST YEAR (a)	THIS YEAR (b)	BUDGET (c)	
1 Operating Revenue	\$ 17,216,306	\$ 18,277,696	\$ 17,372,286	\$ 5,502,852
2 Power Production Expense	15,888	29,676	35,251	11,180
3 Cost of Purchased Power & Gas	10,629,331	10,806,473	10,510,488	3,095,407
4 Transmission Operation & Maintenance	163,420	140,844	181,065	52,092
5 Regional Market Expense	-	-	-	-
6 Distribution Operation Expense	906,735	980,263	814,051	318,036
7 Distribution Maintenance Expense	173,339	346,904	344,421	178,114
8 Consumer Accounts Expense	214,494	222,147	219,894	82,366
9 Customer Service and Informational Expense	185,414	355,384	115,335	148,450
10 Sales Expense	-	-	-	-
11 Administrative and General Expense	635,011	689,145	822,519	253,940
12 Total Operation & Maintenance Expense (2 thru 11)	\$ 12,923,633	\$ 13,570,836	\$ 13,043,024	\$ 4,139,584
13 Depreciation and Amortization Expense	1,347,820	1,458,963	1,418,290	490,810
14 Tax Expense-Property	155,325	160,540	158,680	53,820
15 Tax Expense-Other	59,383	17,995	19,900	4,996
16 Interest on Long-Term Debt	627,284	692,809	695,914	211,239
17 Interest Charged to Construction-Credit	-	-	-	-
18 Interest Expense-Other*	76,500	12,009	48,000	2,387
19 Other Deductions	(44,737)	(44,737)	(44,730)	(14,912)
20 Total Cost of Electric Service (16 thru 23)	\$ 15,145,208	\$ 15,868,416	\$ 15,339,078	\$ 4,887,923
21 Patronage Capital & Operating Margins (3 minus 24)	\$2,071,098	\$2,409,280	\$2,033,208	\$614,929
22 Non Operating Margins-Interest*	66,217	16,767	16,500	4,208
23 Allowance for Funds Used During Construction	-	-	-	-
24 Income (Loss) from Equity Investments	-	-	-	-
25 Non Operating Margins-Other	-	309	-	-
26 Generation and Transmission Capital Credits	-	-	-	-
27 Other Capital Credits and Patronage Dividends	-	22,812	-	(3,154)
28 Extraordinary Items	-	-	-	-
29 Patronage Capital or Margins (21 thru 28)	\$ 2,137,314	\$ 2,449,167	\$ 2,049,708	\$ 615,983

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	34	43	5. Miles Trans.	285	285
2. Services Retired	218	8	6. Miles Dist. - OH	947	938
3. Total Services in Place	30,296	30,868	7. Miles Dist. - UG	1,626	1,680
4. Idle Services (Exclude Seasonal)	252	270	8. Total Miles (5 + 6 + 7)	2,858	2,903

LOWER VALLEY ENERGY, INC.
BALANCE SHEET
As of
March 31, 2014

CONSOLIDATED

ASSETS AND OTHER DEBITS			LIABILITIES AND OTHER CREDITS		
	Current Year	Prior Year		Current Year	Prior Year
1 Total Utility Plant in Service	\$ 199,638,625	\$ 192,576,523	30 Memberships	\$ -	\$ -
2 Construction Work in Progress	5,666,281	7,489,875	31 Patronage Capital	50,922,438	54,550,541
3 Total Utility Plant	205,304,906	200,066,398	32 Operating Margins-Prior Years	5,006,169	-
4 Accum. Provision for Depreciation and Amort	86,408,993	82,054,090	33 Operating Margins-Current Year	2,380,149	2,071,098
5 Net Utility Plant	118,895,913	118,012,308	34 Non Operating Margins	69,019	66,217
6 Nonutility Property - Net	-	-	35 Other Margins and Equities	15,338,228	14,372,750
7 Investments in Subsidiary Companies	-	-	36 Total Margins & Equities	73,716,003	71,060,605
8 Invest. in Assoc. Org. - Patronage Capital	1,740,683	1,958,643	37 Long-Term Debt - RUS (Net)	-	-
9 Invest. in Assoc. Org.-Other-General Funds	6,685	11,685	38 Long-Term Debt - FFB - RUS Guaranteed	-	-
10 Invest. in Assoc. Org.-Other-Nongeneral Funds	2,628,281	2,631,017	39 Long-Term Debt - Other - RUS Guaranteed	-	-
11 Investments in Economic Development Projects	2,093	2,093	40a Long-Term Debt-Other (Net)	49,892,547	57,993,184
12 Other Investments	466,058	97,768	40b Long-Term Debt-Other (BPA Power Prepayment)	145,690,345	153,210,462
13 Special Funds	-	-	41 Long-Term Debt - RUS Econ. Devel. (Net)	1,500,000	1,500,000
14 Total Other Property & Investments	4,843,799	4,701,206	42 Payments - Unapplied	-	-
15 Cash-General Funds	829,039	1,242,384	43 Total Long-Term Debt	197,082,892	212,703,645
16 Cash-Construction Funds-Trustee	-	-	44 Obligations under Capital Leases	-	-
17 Special Deposits	1,205,295	1,354,873	45 Accumulated Operating Provisions	-	-
18 Temporary Investments	-	-	46 Total Other Noncurrent Liabilities	-	-
19 Notes Receivable-Net	237,234	163,043	47 Notes Payable	-	-
20 Accounts Receivable-Net Sales of Energy	4,415,732	3,833,662	48 Accounts Payable	5,937,309	7,727,837
21 Accounts Receivable-Net Other	103,680	200,554	49 Consumers Deposits	527,881	548,761
22 Renewable Energy Credits	-	-	50 Current Maturities Long-Term Debt	9,892,252	-
23 Materials & Supplies-Electric and Other	1,647,336	1,730,486	51 Current Maturities Long-Term Debt - Econ. Devel.	-	-
24 Prepayments	7,553,454	393,470	52 Current Maturities Capital Leases	-	-
25 Other Current & Accrued Assets	2,317,233	2,208,868	53 Other Current & Accrued Liabilities	2,596,130	2,959,226
26 Total Current & Accrued Assets	18,309,003	11,127,340	54 Total Current & Accrued Liabilities	18,953,571	11,235,825
27 Regulatory Assets	-	-	55 Regulatory Liabilities	-	-
28 Other Deferred Debits	10,478,496	9,497,595	56 Deferred Credits	1,815,441	1,548,836
28a Other Non-current Assets-BPA Power Prepayment	139,040,696	153,210,462	57 Total Liabilities & Other Credits	\$ 291,567,907	\$ 296,548,911
29 Total Assets & Other Debits	\$ 291,567,907	\$ 296,548,911			

ESTIMATED CONTRIBUTIONS-IN-AID-OF-CONSTRUCTION

58 Balance Beginning of Year (1978 Thru 2012)	\$52,420,428	\$50,999,089
59 Amounts Received This Year (Net)	75,417	15,742
60 TOTAL Contributions-In-Aid-Of-Construction	\$52,495,845	\$51,014,831

NOTES TO FINANCIAL STATEMENTS

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

	2014		2013	
	February	March	February	March
1. Current Assets/Liabilities	0.99	0.97	0.97	0.99
2. Equity	23.38%	25.28% *	46.97%	23.96%
2a. Equity excluding BPA Power Prepayment	46.98%	50.53%	46.97%	49.58%
3. Long Term Debt as a % of Plant	101.63%	100.81% *	29.74%	106.32%
4. Debt Service Coverage	1.52	1.26	2.08	2.64
5. Inventory Turnover - Electric (Dist & Trans)				
Dollar Value	0.82	0.84	1.03	0.91
Quantity	1.02	1.10	1.27	1.31
6. Intercompany Receivables/(Payables) :				
Electric Division	4,170,563	3,659,935	6,909,706	6,348,998
Combined Gas Division	(4,170,563)	(3,659,935)	(6,909,706)	(6,348,998)
7. Total Shared Overhead-Gas Division	50,972	81,749	45,596	76,657
8. Material Inventory:				
Material	1,724,406	1,647,336	1,531,263	1,730,486
Special Equip.	2,209,531	2,227,482	1,956,222	1,834,955
Total Material	<u>3,933,937</u>	<u>3,874,818</u>	<u>3,487,485</u>	<u>3,565,441</u>
9. Inventory Carrying Cost (YTD)	<u>8,186</u>	<u>12,260</u>		
10. Aged Accounts Receivable (Over 60 Days):	18,913	22,285	26,635	13,160
11. Lower Valley has a \$12 Million dollar line of credit with CFC to meet short term cash needs. As of October 31, 2013 the line of credit balance was		\$ 1,865,430		

* 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.