

LOWER VALLEY ENERGY
STATEMENT OF OPERATIONS
For The Month Ended
November 30, 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

12/17/2014

 DATE



 SIGNATURE OF PRESIDENT AND CEO

12/17/2014

 DATE

STATEMENT OF OPERATIONS - CONSOLIDATED

ITEM	YEAR-TO-DATE			
	Electric	Combined Gas	Consolidated	Budget
1 Operating Revenue	\$ 38,298,354	\$ 10,222,795	\$ 48,521,149	\$ 46,194,935
2 Power Production Expense	78,347	-	78,347	125,277
3 Cost of Purchased Power/Gas Sold	22,233,377	5,255,057	27,488,435	26,298,934
4 Transmission Operation & Maintenance	402,911	161,454	564,365	767,650
5 Regional Market Expense	-	-	-	-
6 Distribution Operation Expense	2,956,215	237,083	3,193,298	3,039,526
7 Distribution Maintenance Expense	1,137,993	151,179	1,289,172	1,344,418
8 Consumer Accounts Expense	696,689	89,689	786,377	817,680
9 Customer Service and Informational Expense	322,198	29,906	352,104	442,507
10 Sales Expense	-	-	-	-
11 Administrative and General Expense	2,025,045	335,197	2,360,242	2,534,974
12 Total Operation & Maintenance Expense (2 thru 11)	\$ 29,852,776	\$ 6,259,564	\$ 36,112,340	\$ 35,370,966
13 Depreciation and Amortization Expense	4,267,720	1,075,138	5,342,858	5,272,220
14 Tax Expense-Property	416,640	184,440	601,080	581,990
15 Tax Expense-Other	35,112	11,279	46,391	49,100
16 Interest on Long-Term Debt	826,705	1,363,754	2,190,459	2,557,391
17 Interest Charged to Construction-Credit	-	-	-	-
18 Interest Expense-Other*	32,722	83,061	31,613	176,000
19 Other Deductions	(109,432)	24,072	(85,360)	(164,010)
20 Total Cost of Electric Service (16 thru 23)	\$ 35,322,242	\$ 9,001,309	\$ 44,239,382	\$ 43,843,657
21 Patronage Capital & Operating Margins (3 minus 24)	\$ 2,976,111	\$ 1,221,486	\$ 4,281,767	\$ 2,351,278
22 Non Operating Margins-Interest*	174,349	-	90,180	98,000
23 Allowance for Funds Used During Construction	-	-	-	-
24 Income (Loss) from Equity Investments	-	-	-	-
25 Non Operating Margins-Other	36,001	9,020	45,021	5,000
26 Generation and Transmission Capital Credits	-	-	-	-
27 Other Capital Credits and Patronage Dividends	476,011	70,031	546,042	390,000
28 Extraordinary Items	-	-	-	-
29 Patronage Capital or Margins (21 thru 28)	\$ 3,662,473	\$ 1,300,537	\$ 4,963,010	\$ 2,844,278

DATA ON TRANSMISSION AND DISTRIBUTION

ITEM	YEAR-TO-DATE			
	Electric	Combined Gas	Consolidated	Last Year
1 New Services Connected	299	110	409	322
2 Services Retired	80	61	141	324
3 Total Services in Place	27,040	4,092	31,132	30,834
4 Idle Services (Excluding Seasonal)	237	36	273	265
5 Miles Transmission	235	50	285	285
6 Miles Distribution - Overhead	938	-	938	947
7 Miles Distribution - Underground	1,466	224	1,690	1,629
8 Total Miles In Service (5 + 6 + 7)	2,639	274	2,913	2,861

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
November 30, 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	12/17/2014 DATE
SIGNATURE OF PRESIDENT AND CEO	12/17/2014 DATE

STATEMENT OF OPERATIONS - CONSOLIDATED

ITEM	YEAR-TO-DATE			THIS MONTH
	LAST YEAR	THIS YEAR	BUDGET	
	(a)	(b)	(c)	
1 Operating Revenue	\$ 45,948,364	\$ 48,521,149	\$ 46,194,935	\$ 5,303,554
2 Power Production Expense	96,225	78,347	125,277	7,950
3 Cost of Purchased Power & Gas	24,866,272	27,488,435	26,298,934	2,906,388
4 Transmission Operation & Maintenance	652,563	564,365	767,650	75,933
5 Regional Market Expense	-	-	-	-
6 Distribution Operation Expense	3,176,877	3,193,298	3,039,526	264,427
7 Distribution Maintenance Expense	1,093,708	1,289,172	1,344,418	55,510
8 Consumer Accounts Expense	792,530	786,377	817,680	50,892
9 Customer Service and Informational Expense	470,790	352,104	442,507	31,386
10 Sales Expense	-	-	-	-
11 Administrative and General Expense	2,386,797	2,360,242	2,534,974	194,048
12 Total Operation & Maintenance Expense (2 thru 11)	\$ 33,535,762	\$ 36,112,340	\$ 35,370,966	\$ 3,586,535
13 Depreciation and Amortization Expense	5,016,321	5,342,858	5,272,220	491,168
14 Tax Expense-Property	571,775	601,080	581,990	57,695
15 Tax Expense-Other	139,830	46,391	49,100	4,422
16 Interest on Long-Term Debt	2,288,927	2,190,459	2,557,391	177,552
17 Interest Charged to Construction-Credit	-	-	-	-
18 Interest Expense-Other*	238,670	31,613	176,000	1,240
19 Other Deductions	(164,035)	(85,360)	(164,010)	823
20 Total Cost of Electric Service (16 thru 23)	\$ 41,627,250	\$ 44,239,382	\$ 43,843,657	\$ 4,319,435
21 Patronage Capital & Operating Margins (3 minus 24)	\$4,321,114	\$4,281,767	\$2,351,278	\$984,120
22 Non Operating Margins-Interest*	253,023	90,180	98,000	5,032
23 Allowance for Funds Used During Construction	-	-	-	-
24 Income (Loss) from Equity Investments	-	-	-	-
25 Non Operating Margins-Other	-	45,021	5,000	-
26 Generation and Transmission Capital Credits	-	-	-	-
27 Other Capital Credits and Patronage Dividends	383,896	546,042	390,000	356,663
28 Extraordinary Items	-	-	-	-
29 Patronage Capital or Margins (21 thru 28)	\$ 4,958,033	\$ 4,963,010	\$ 2,844,278	\$ 1,345,815

DATA ON TRANSMISSION AND DISTRIBUTION

ITEM	YEAR-TO-DATE		ITEM	YEAR-TO-DATE	
	LAST YEAR	THIS YEAR		LAST YEAR	THIS YEAR
	(a)	(b)		(a)	(b)
1. New Services Connected	322	409	5. Miles Trans.	285	285
2. Services Retired	324	141	6. Miles Dist. - OH	947	938
3. Total Services in Place	30,834	31,132	7. Miles Dist. - UG	1,629	1,690
4. Idle Services (Exclude Seasonal)	265	273	8. Total Miles (5 + 6 + 7)	2,861	2,913

LOWER VALLEY ENERGY, INC.
BALANCE SHEET

As of
November 30, 2014

CONSOLIDATED

ASSETS AND OTHER DEBITS			LIABILITIES AND OTHER CREDITS		
	Current Year	Prior Year		Current Year	Prior Year
1 Total Utility Plant in Service	\$ 202,521,977	\$ 196,320,809	30 Memberships	\$ -	\$ -
2 Construction Work in Progress	6,017,945	8,240,914	31 Patronage Capital	53,039,111	52,260,300
3 Total Utility Plant	208,539,921	204,561,723	32 Operating Margins-Prior Years	-	-
4 Accum. Provision for Depreciation and Amort	89,988,815	84,776,600	33 Operating Margins-Current Year	4,197,597	4,321,114
5 Net Utility Plant	118,551,106	119,785,123	34 Non Operating Margins	765,412	636,919
6 Nonutility Property - Net	-	-	35 Other Margins and Equities	15,992,472	14,407,649
7 Investments in Subsidiary Companies	-	-	36 Total Margins & Equities	73,994,593	71,625,981
8 Invest. in Assoc. Org. - Patronage Capital	1,740,683	2,150,591	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	2,128,281	2,631,017	39 Long-Term Debt - Other - RUS Guaranteed	-	-
11 Investments in Economic Development Projects	2,093	2,093	40 Long-Term Debt-Other (Net)	52,187,450	60,205,662
12 Other Investments	706,844	97,768	40a Long-Term Debt-Other (BPA Power Prepayment)	141,167,719	148,857,050
13 Special Funds	-	-	41 Long-Term Debt - WY SEO (Net)	1,500,000	1,500,000
14 Total Other Property & Investments	4,584,586	4,893,154	42 Payments - Unapplied	-	-
15 Cash-General Funds	332,113	996,430	43 Total Long-Term Debt	194,855,169	210,562,712
16 Cash-Construction Funds-Trustee	-	-	44 Obligations under Capital Leases	-	-
17 Special Deposits	1,092,709	1,354,873	45 Accumulated Operating Provisions	-	-
18 Temporary Investments	-	-	46 Total Other Noncurrent Liabilities	-	-
19 Notes Receivable-Net	272,904	226,056	47 Notes Payable	-	-
20 Accounts Receivable-Net Sales of Energy	3,291,354	3,264,320	48 Accounts Payable	3,799,444	3,924,296
21 Accounts Receivable-Net Other	127,617	291,641	49 Consumers Deposits	535,143	576,886
22 Renewable Energy Credits	-	-	50 Current Maturities Long-Term Debt	10,323,419	-
23 Materials & Supplies-Electric and Other	1,895,911	1,726,445	51 Current Maturities Long-Term Debt - Econ. Devel.	-	-
24 Prepayments (inc. current portion of BPA prepay)	7,332,522	83,243	52 Current Maturities Capital Leases	-	-
25 Other Current & Accrued Assets	2,304,400	1,846,017	53 Other Current & Accrued Liabilities	4,563,231	4,775,040
26 Total Current & Accrued Assets	16,649,530	9,789,026	54 Total Current & Accrued Liabilities	19,221,236	9,276,222
27 Regulatory Assets	-	-	55 Regulatory Liabilities	-	-
28 Other Deferred Debits	15,781,969	9,397,569	56 Deferred Credits	1,768,273	960,515
28a Other Non-current Assets-BPA Power Prepayment	134,272,080	148,560,557	57 Total Liabilities & Other Credits	\$ 289,839,271	\$ 292,425,430
29 Total Assets & Other Debits	\$ 289,839,271	\$ 292,425,430			

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)	1,961,174	1,383,098
60 TOTAL Contributions-In-Aid-Of-Construction	\$54,381,602	\$52,382,187

NOTES TO FINANCIAL STATEMENTS

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

	2014		2013	
	October	November	October	November
1. Current Assets/Liabilities	0.95	0.87	0.87	1.06
2. Equity	25.58%	25.53% *	25.53%	24.49%
2a. Equity excluding BPA Power Prepayment	49.68%	49.77%	49.77%	49.89%
3. Long Term Debt as a % of Plant	98.41%	98.39% *	98.39%	102.93%
4. Debt Service Coverage	1.84	1.80	2.43	2.62
5. Inventory Turnover - Electric (Dist & Trans)				
Dollar Value	0.63	0.65	0.76	0.75
Quantity	1.09	1.14	1.13	1.05
6. Intercompany Receivables/(Payables) :				
Electric Division	3,315,181	4,034,625	3,959,474	4,552,086
Combined Gas Division	(3,315,181)	(4,034,625)	(3,959,474)	(4,552,086)
7. Total Shared Overhead-Gas Division	280,940	301,738	274,669	300,609
8. Material Inventory:				
Material	2,041,096	1,895,911	1,811,071	1,726,445
Special Equip.	2,483,556	2,479,825	2,107,786	2,251,304
Total Material	<u>4,524,652</u>	<u>4,375,736</u>	<u>3,918,857</u>	<u>3,977,749</u>
9. Inventory Carrying Cost (YTD)	<u>46,658</u>	<u>51,416</u>		
10. Aged Accounts Receivable (Over 60 Days):	30,773	22,574	44,435	21,972
11. Lower Valley has a \$12 Million dollar line of credit with CFC, and a \$5 Million line of credit with 1st Bank to meet short term cash needs.				
CFC line of credit balance is:	\$ 1,427,017			
1st Bank line of credit balance is:	<u>0</u>			
Total lines of credit	<u>\$ 1,427,017</u>			

* 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.