

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

CONSOLIDATED

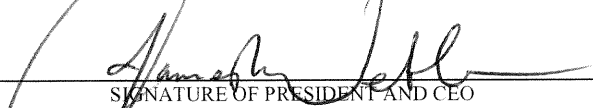
We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief.



 SIGNATURE OF CHIEF FINANCIAL OFFICER

11/18/2014

DATE



 SIGNATURE OF PRESIDENT AND CEO

11/18/2014

DATE

STATEMENT OF OPERATIONS - CONSOLIDATED

ITEM	YEAR-TO-DATE			THIS MONTH (d)
	LAST YEAR (a)	THIS YEAR (b)	BUDGET (c)	
1 Operating Revenue	\$ 41,071,279	\$ 43,217,594	\$ 40,905,115	\$ 3,758,456
2 Power Production Expense	87,939	70,396	114,603	4,146
3 Cost of Purchased Power & Gas	22,222,724	24,582,047	23,769,420	2,112,394
4 Transmission Operation & Maintenance	602,928	488,432	706,260	42,695
5 Regional Market Expense	-	-	-	-
6 Distribution Operation Expense	2,923,698	2,928,870	2,774,466	239,157
7 Distribution Maintenance Expense	994,266	1,233,662	1,228,832	167,969
8 Consumer Accounts Expense	722,497	735,485	744,959	64,131
9 Customer Service and Informational Expense	401,153	320,718	402,159	22,671
10 Sales Expense	-	-	-	-
11 Administrative and General Expense	2,163,984	2,165,538	2,334,447	232,790
12 Total Operation & Maintenance Expense (2 thru 11)	\$ 30,119,189	\$ 32,525,149	\$ 32,075,146	\$ 2,885,952
13 Depreciation and Amortization Expense	4,552,793	4,851,690	4,780,100	488,798
14 Tax Expense-Property	518,875	543,385	529,060	57,695
15 Tax Expense-Other	135,082	41,969	44,200	3,280
16 Interest on Long-Term Debt	2,057,535	2,012,907	2,330,984	172,093
17 Interest Charged to Construction-Credit	-	-	-	-
18 Interest Expense-Other*	225,561	29,642	160,000	30,458
19 Other Deductions	(149,122)	(86,183)	(149,100)	48,027
20 Total Cost of Electric Service (16 thru 23)	\$ 37,459,913	\$ 39,918,560	\$ 39,770,390	\$ 3,686,303
21 Patronage Capital & Operating Margins (3 minus 24)	\$3,611,367	\$3,299,035	\$1,134,725	\$72,153
22 Non Operating Margins-Interest*	236,393	84,416	92,500	35,515
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	189,379	390,000	(25,723)
28 Extraordinary Items	-	-	-	-
29 Patronage Capital or Margins (21 thru 28)	\$ 4,231,657	\$ 3,617,850	\$ 1,622,225	\$ 81,945

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	266	327	5. Miles Trans.	285	285
2. Services Retired	296	134	6. Miles Dist. - OH	947	938
3. Total Services in Place	30,869	31,133	7. Miles Dist. - UG	1,629	1,687
4. Idle Services (Exclude Seasonal)	256	268	8. Total Miles (5 + 6 + 7)	2,861	2,910

LOWER VALLEY ENERGY
STATEMENT OF OPERATIONS
For The Month Ended
October 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

11/18/2014

DATE

SIGNATURE OF PRESIDENT AND CEO

11/18/2014

DATE

STATEMENT OF OPERATIONS - CONSOLIDATED

ITEM	YEAR-TO-DATE			
	Electric	Combined Gas	Consolidated	Budget
1 Operating Revenue	\$ 34,080,878	\$ 9,136,716	\$ 43,217,594	\$ 40,905,115
2 Power Production Expense	70,396	-	70,396	114,603
3 Cost of Purchased Power/Gas Sold	19,782,888	4,799,159	24,582,047	23,769,420
4 Transmission Operation & Maintenance	355,622	132,810	488,432	706,260
5 Regional Market Expense	-	-	-	-
6 Distribution Operation Expense	2,722,429	206,441	2,928,870	2,774,466
7 Distribution Maintenance Expense	1,092,065	141,597	1,233,662	1,228,832
8 Consumer Accounts Expense	650,901	84,584	735,485	744,959
9 Customer Service and Informational Expense	292,038	28,680	320,718	402,159
10 Sales Expense	-	-	-	-
11 Administrative and General Expense	1,862,484	303,054	2,165,538	2,334,447
12 Total Operation & Maintenance Expense (2 thru 11)	\$ 26,828,823	\$ 5,696,326	\$ 32,525,149	\$ 32,075,146
13 Depreciation and Amortization Expense	3,876,088	975,602	4,851,690	4,780,100
14 Tax Expense-Property	377,335	166,050	543,385	529,060
15 Tax Expense-Other	31,834	10,136	41,969	44,200
16 Interest on Long-Term Debt	760,371	1,252,536	2,012,907	2,330,984
17 Interest Charged to Construction-Credit	-	-	-	-
18 Interest Expense-Other*	30,811	73,323	29,642	160,000
19 Other Deductions	(105,441)	19,258	(86,183)	(149,100)
20 Total Cost of Electric Service (16 thru 23)	\$ 31,799,822	\$ 8,193,230	\$ 39,918,560	\$ 39,770,390
21 Patronage Capital & Operating Margins (3 minus 24)	\$ 2,281,056	\$ 943,486	\$ 3,299,035	\$ 1,134,725
22 Non Operating Margins-Interest*	158,909	-	84,416	92,500
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	189,379	-	189,379	390,000
28 Extraordinary Items	-	-	-	-
29 Patronage Capital or Margins (21 thru 28)	\$ 2,665,344	\$ 952,506	\$ 3,617,850	\$ 1,622,225

DATA ON TRANSMISSION AND DISTRIBUTION

ITEM	YEAR-TO-DATE			
	Electric	Combined Gas	Consolidated	Last Year
1 New Services Connected	276	51	327	266
2 Services Retired	74	60	134	296
3 Total Services in Place	27,104	4,029	31,133	30,869
4 Idle Services (Excluding Seasonal)	231	37	268	256
5 Miles Transmission	235	50	285	285
6 Miles Distribution - Overhead	938	-	938	947
7 Miles Distribution - Underground	1,463	224	1,687	1,629
8 Total Miles In Service (5 + 6 + 7)	2,636	274	2,910	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, INC.
BALANCE SHEET

As of
October 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	\$ 202,522,331	\$ 196,222,131	30 Memberships	\$ -	\$ -
2 Construction Work in Progress	7,064,526	7,610,556	31 Patronage Capital	55,596,730	54,168,578
3 Total Utility Plant	209,586,857	203,832,687	32 Operating Margins-Prior Years	-	-
4 Accum. Provision for Depreciation and Amort	89,494,349	84,276,171	33 Operating Margins-Current Year	3,224,542	3,611,367
5 Net Utility Plant	120,092,508	119,556,515	34 Non Operating Margins	393,308	620,290
6 Nonutility Property - Net	-	-	35 Other Margins and Equities	15,569,392	14,353,349
7 Investments in Subsidiary Companies	-	-	36 Total Margins & Equities	74,783,973	72,753,583
8 Invest. in Assoc. Org. - Patronage Capital	1,384,019	2,342,539	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)	52,647,939	60,508,634
12 Other Investments	710,888	97,768	40a Long-Term Debt-Other (BPA Power Prepayment)	141,819,623	149,484,842
13 Special Funds	-	-	41 Long-Term Debt - WY SEO (Net)	1,500,000	1,500,000
14 Total Other Property & Investments	4,231,966	5,085,102	42 Payments - Unapplied	-	-
15 Cash-General Funds	418,264	796,459	43 Total Long-Term Debt	195,967,562	211,493,476
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	279,671	218,487	47 Notes Payable	-	-
20 Accounts Receivable-Net Sales of Energy	2,730,432	2,986,196	48 Accounts Payable	2,923,567	3,334,478
21 Accounts Receivable-Net Other	159,598	165,556	49 Consumers Deposits	541,482	578,879
22 Renewable Energy Credits	-	-	50 Current Maturities Long-Term Debt	10,281,177	-
23 Materials & Supplies-Electric and Other	2,041,096	1,811,071	51 Current Maturities Long-Term Debt - Econ. Devel.	-	-
24 Prepayments (inc. current portion of BPA prepay)	7,340,493	152,769	52 Current Maturities Capital Leases	-	-
25 Other Current & Accrued Assets	1,403,969	1,595,628	53 Other Current & Accrued Liabilities	2,755,546	3,212,433
26 Total Current & Accrued Assets	15,578,817	9,081,039	54 Total Current & Accrued Liabilities	16,501,772	7,125,791
27 Regulatory Assets	-	-	55 Regulatory Liabilities	-	-
28 Other Deferred Debits	14,235,982	9,454,838	56 Deferred Credits	1,768,795	958,112
28a Other Non-current Assets-BPA Power Prepayment	134,882,829	149,153,466	57 Total Liabilities & Other Credits	\$ 289,022,102	\$ 292,330,961
29 Total Assets & Other Debits	\$ 289,022,102	\$ 292,330,961			

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)	1,795,347	1,267,670
60 TOTAL Contributions-In-Aid-Of-Construction	\$54,215,775	\$52,266,759

NOTES TO FINANCIAL STATEMENTS

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

	2014		2013	
	September	October	September	October
1. Current Assets/Liabilities	0.97	0.94	0.94	1.27
2. Equity	25.89%	25.87% *	25.87%	24.89%
2a. Equity excluding BPA Power Prepayment	51.12%	50.80%	50.80%	50.93%
3. Long Term Debt as a % of Plant	96.99%	98.41% *	98.41%	103.76%
4. Debt Service Coverage	1.06	1.84	1.84	2.43
5. Inventory Turnover - Electric (Dist & Trans)				
Dollar Value	0.55	0.63	0.78	0.76
Quantity	0.95	1.09	1.20	1.13
6. Intercompany Receivables/(Payables) :				
Electric Division	3,225,563	3,315,181	3,806,373	3,959,474
Combined Gas Division	(3,225,563)	(3,315,181)	(3,806,373)	(3,959,474)
7. Total Shared Overhead-Gas Division	252,308	280,940	249,704	274,669
8. Material Inventory:				
Material	2,286,136	2,041,096	1,907,002	1,811,071
Special Equip.	2,522,129	2,483,556	1,958,909	2,107,786
Total Material	4,808,265	4,524,652	3,865,911	3,918,857
9. Inventory Carrying Cost (YTD)	41,430	46,658		
10. Aged Accounts Receivable (Over 60 Days):	65,304	30,773	54,325	44,435
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:	\$ 1,039,252			
1st Bank line of credit balance is:	0			
Total lines of credit	\$ 1,039,252			

* 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.