

INTERMOUNTAIN POWER AGENCY

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE SIX MONTHS ENDED DECEMBER 31, 2010 AND 2009 (IN THOUSANDS - UNAUDITED)

	2010	2009
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from power billings to participants	\$ 349,359	\$ 299,101
Cash received from coal sales		16,819
Other cash receipts	4,922	208
Cash paid to suppliers	<u>(205,161)</u>	<u>(266,890)</u>
Net cash provided by operating activities	<u>149,120</u>	<u>49,238</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	<u>NONE</u>	<u>NONE</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Proceeds from issuance of debt		76,029
Defeasance of debt		(86,139)
Debt issuance costs		(661)
Bond and subordinated note principal paid	(170,725)	(123,575)
Bond and subordinated note interest paid	(58,858)	(65,411)
Payments in aid of construction	(47,913)	(38,418)
Additions to electric plant in service	29,674	20,458
Other	<u>16,887</u>	<u>(404)</u>
Net cash used in capital and related financing activities	<u>(230,935)</u>	<u>(218,121)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of investments	(286,814)	(108,928)
Proceeds from investments	329,884	284,900
Interest on investments	<u>3,223</u>	<u>5,745</u>
Net cash provided by investing activities	<u>46,293</u>	<u>181,717</u>
NET INCREASE (DECREASE) IN SECURITIES PURCHASED UNDER AGREEMENTS TO RESELL	(35,522)	12,834
SECURITIES PURCHASED UNDER AGREEMENTS TO RESELL:		
Beginning balance	<u>115,684</u>	<u>60,947</u>
Ending balance	<u>\$ 80,162</u>	<u>\$ 73,781</u>

(Continued)

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	2010	2009
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating income	\$ 97,892	\$ 140,472
Other nonoperating income	4,922	208
Depreciation	24,624	23,916
Amortization	1,477	3,574
Financing costs net of amortization of bond and subordinated note discount, debt expense, and refunding charge on defeasance of debt	(1,067)	(1,469)
Changes in operating assets and liabilities:		
Receivable from participants	3,008	(4,794)
Fuel inventories	1,781	(8,398)
Materials and supplies	(548)	(60)
Other current assets	27,732	(18,845)
Accounts payable and accrued liabilities	(50,375)	(27,464)
Accrued Credit to participants	39,674	(57,902)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 149,120</u>	<u>\$ 49,238</u> (Concluded)