

# INTERMOUNTAIN POWER AGENCY

## CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE SIX MONTHS ENDED DECEMBER 31, 2008 AND 2007 (IN THOUSANDS - UNAUDITED)

	2008	2007
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from power billings to participants	\$ 319,306	\$ 338,789
Cash received from coal sales	27,280	18,697
Other cash receipts	6	69
Cash paid to suppliers	<u>(201,264)</u>	<u>(203,786)</u>
Net cash provided by operating activities	<u>145,328</u>	<u>153,769</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	<u>NONE</u>	<u>NONE</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Bond issuance costs	(108)	(121)
Bond and subordinated note principal paid	(121,552)	(114,470)
Bond and subordinated note interest paid	(67,519)	(71,263)
Additions to electric plant in service	(7,639)	(4,600)
Other	<u>(1,238)</u>	<u>166</u>
Net cash used in capital and related financing activities	<u>(198,056)</u>	<u>(190,288)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of investments	(746,541)	(197,900)
Proceeds from investments	846,895	216,056
Interest on investments	<u>7,201</u>	<u>10,804</u>
Net cash provided by investing activities	<u>107,555</u>	<u>28,960</u>
NET INCREASE (DECREASE) IN SECURITIES PURCHASED UNDER AGREEMENTS TO RESELL	54,827	(7,559)
SECURITIES PURCHASED UNDER AGREEMENTS TO RESELL:		
Beginning balance	<u>34,168</u>	<u>95,623</u>
Ending balance	<u>\$ 88,995</u>	<u>\$ 88,064</u>

(Continued)

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	2008	2007
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating income	\$ 104,374	\$ 122,319
Other nonoperating income	6	69
Depreciation	23,578	23,295
Amortization	3,204	3,147
Financing costs net of amortization of bond and subordinated note discount, debt expense, and refunding charge on defeasance of debt	(612)	(964)
Changes in operating assets and liabilities:		
Receivable from participants	(4,819)	1,967
Fuel inventories	8,191	5,605
Materials and supplies	(1,662)	(519)
Other current assets	801	(4,222)
Accounts payable and accrued liabilities	(4,952)	(7,815)
Accrued Credit to participants	<u>17,219</u>	<u>10,887</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 145,328</u>	<u>\$ 153,769</u>
		(Concluded)