

INTERMOUNTAIN POWER AGENCY

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE NINE MONTHS ENDED MARCH 31, 2009 AND 2008 (IN THOUSANDS - UNAUDITED)

	2009	2008
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from power billings to participants	\$ 497,467	\$ 510,120
Cash received from coal sales	39,328	27,289
Other cash receipts	114	354
Cash paid to suppliers	<u>(310,291)</u>	<u>(291,902)</u>
Net cash provided by operating activities	<u>226,618</u>	<u>245,861</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	79,500	
Defeasance of debt	(79,795)	
Debt issuance costs	(274)	(122)
Bond and subordinated note principal paid	(137,157)	(151,912)
Bond and subordinated note interest paid	(117,726)	(120,233)
Payments in aid of construction	(13,898)	(8,787)
Additions to electric plant in service	1,442	
Other	<u>(207)</u>	<u>(2,670)</u>
Net cash used in capital and related financing activities	<u>(268,115)</u>	<u>(283,724)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of investments	(1,085,222)	(717,445)
Proceeds from investments	1,188,706	801,863
Interest on investments	<u>10,686</u>	<u>15,376</u>
Net cash provided by investing activities	<u>114,170</u>	<u>99,794</u>
NET INCREASE (DECREASE) IN SECURITIES PURCHASED UNDER AGREEMENTS TO RESELL	72,673	61,931
SECURITIES PURCHASED UNDER AGREEMENTS TO RESELL:		
Beginning balance	<u>34,168</u>	<u>95,623</u>
Ending balance	<u>\$ 106,841</u>	<u>\$ 157,554</u>

(Continued)

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	2009	2008
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating income	\$ 159,854	\$ 187,822
Other nonoperating income	114	354
Depreciation	35,537	35,084
Amortization	4,689	3,975
Financing costs net of amortization of bond and subordinated note discount, debt expense, and refunding charge on defeasance of debt	(1,041)	(1,655)
Changes in operating assets and liabilities:		
Receivable from participants	(3,472)	(65)
Fuel inventories	3,958	7,044
Materials and supplies	(3,283)	(1,148)
Other current assets	80	(1,475)
Accounts payable and accrued liabilities	(12,185)	(5,823)
Accrued Credit to participants	<u>42,367</u>	<u>21,748</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 226,618</u>	<u>\$ 245,861</u>
		(Concluded)