

INTERMOUNTAIN POWER AGENCY

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE NINE MONTHS ENDED MARCH 31, 2011 AND 2010 (IN THOUSANDS - UNAUDITED)

	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from power billings to participants	\$ 529,629	\$ 481,365
Cash received from coal sales		22,101
Other cash receipts	5,125	369
Cash paid to suppliers	<u>(301,261)</u>	<u>(337,988)</u>
Net cash provided by operating activities	<u>233,493</u>	<u>165,847</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		(667)
Bond and subordinated note principal paid	(204,980)	(132,807)
Bond and subordinated note interest paid	(97,982)	(110,714)
Additions to electric plant in service	(61,361)	(55,895)
Payments in aid of construction	32,557	32,679
Other	<u>16,887</u>	<u>(619)</u>
Net cash used in capital and related financing activities	<u>(314,879)</u>	<u>(278,133)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of investments	(363,279)	(219,906)
Proceeds from investments	456,966	404,685
Interest on investments	<u>5,464</u>	<u>7,686</u>
Net cash provided by investing activities	<u>99,151</u>	<u>192,465</u>
NET INCREASE (DECREASE) IN SECURITIES PURCHASED UNDER AGREEMENTS TO RESELL	17,765	80,179
SECURITIES PURCHASED UNDER AGREEMENTS TO RESELL:		
Beginning balance	<u>115,684</u>	<u>60,947</u>
Ending balance	<u>\$ 133,449</u>	<u>\$ 141,126</u>

(Continued)

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RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating income	\$ 167,374	\$ 210,155
Other nonoperating income	5,125	369
Depreciation	37,236	36,221
Amortization	2,215	5,310
Financing costs net of amortization of bond and subordinated note discount, debt expense, and refunding charge on defeasance of debt	(2,041)	(2,744)
Changes in operating assets and liabilities:		
Receivable from participants	2,717	(4,096)
Fuel inventories	2,231	5,421
Materials and supplies	(697)	(520)
Other current assets	29,529	(23,617)
Accounts payable and accrued liabilities	(47,834)	(10,154)
Accrued Credit to participants	37,638	(50,498)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 233,493</u>	<u>\$ 165,847</u> (Concluded)