

**WPPI Energy**  
**Statements of Cash Flows**  
**For the Years Ended December 31, 2009 and 2008**

	2009	2008
<b>Cash flows provided by operating activities</b>		
Cash receipts from members and others	\$ 362,126,522	\$ 412,524,057
Cash payments for purchased power	(313,240,546)	(325,455,024)
Cash payments for fuel	(12,876,625)	(15,007,730)
Cash payments for operations and maintenance	(4,679,202)	(3,133,185)
Cash payments for payroll and ad valorem taxes	(4,936,405)	(4,285,497)
Cash payments to employees	(6,890,955)	(6,564,615)
Cash payments for administrative and general	(10,188,719)	(10,556,524)
Net cash provided by operating activities	9,314,070	47,521,482
<b>Cash flows provided by non-capital financing activities</b>		
Cash receipts from outside parties	716,064	19,674,403
<b>Cash flows provided by investing activities</b>		
Investments purchased	(212,865,976)	(252,242,917)
Investment in ATC	(6,624,490)	(1,995,570)
Investments sold	222,482,170	284,964,154
Investment income	7,066,342	9,477,285
Cash distributions received from ATC	5,521,976	5,391,016
Net cash provided by investing activities	15,580,022	45,593,968
<b>Cash flows used in capital and related financing activities</b>		
Acquisition and construction of capital assets	(37,256,059)	(58,387,780)
Bond issuance costs paid	-	(4,887,979)
Bond premium proceeds	-	12,141,949
Loss on reacquired debt	-	(8,123,865)
Proceeds from issuance of debt	-	227,490,000
Principal paid	(6,580,000)	(198,950,000)
Interest paid	(21,527,716)	(15,786,565)
Net cash used in capital and related financing activities	(65,363,775)	(46,504,240)
<b>Increase (decrease) in cash and cash equivalents</b>	(39,753,619)	66,285,613
Cash and cash equivalents, beginning of year	155,218,949	88,933,336
Cash and cash equivalents, end of year	\$ 115,465,330	\$ 155,218,949

**WPPI Energy**  
**Statements of Cash Flows (cont'd)**  
**For the Years Ended December 31, 2009 and 2008**

	2009	2008
<b>Reconciliation of operating income to net cash flows provided by operating activities</b>		
Operating income	\$ 7,707,210	\$ 32,616,475
Noncash item included in operating income		
Depreciation and amortization	6,497,163	7,059,090
Capitalized taxes	(2,591,705)	(1,877,741)
Changes in assets and liabilities		
Receivables	(5,297,490)	(601,432)
Inventories	(277,467)	308,366
Prepayments	(51,334)	105,045
Other deferred charges	(58,075)	684,595
Accounts payable	3,061,098	2,938,621
Other current liabilities	12,003	(1,444,996)
Operating reserves and other liabilities	233,125	1,345,898
Rate stabilization	79,542	6,387,561
Net cash provided by operating activities	\$ 9,314,070	\$ 47,521,482

**Reconciliation of cash and cash equivalents to the Statements of Net Assets**

Current assets		
Unrestricted cash and investments	\$ 56,414,546	\$ 65,600,245
Restricted cash and investments	50,813,841	61,378,741
Non-current assets		
Unrestricted cash and investments	1,335,517	386,876
Restricted cash and investments	101,908,659	133,339,824
Total cash and investments	210,472,563	260,705,686
Less: long-term investments	95,007,233	105,486,737
Total cash and cash equivalents	\$ 115,465,330	\$ 155,218,949

**Non-cash activity**

During 2009 and 2008, WPPI Energy recognized \$2,743,025 and \$2,412,127 of equity earnings in ATC.  
During 2009 and 2008, WPPI Energy recognized \$113,736 and \$105,388 of accretion of long-term investments.  
During 2008, WPPI Energy recognized a \$7,401,333 gain on the ATC investment because of a change in the operating agreement.