

EL PASO ELECTRIC COMPANY
STATEMENTS OF CASH FLOWS
(In thousands)

	Years Ended December 31,		
	2019	2018	2017
Cash Flows From Operating Activities:			
Net income	\$ 123,037	\$ 84,315	\$ 98,261
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization of electric plant in service	102,072	96,382	90,843
Amortization of nuclear fuel	41,033	38,176	42,476
Deferred income taxes, net	27,143	29,118	49,394
Allowance for equity funds used during construction	(2,545)	(3,453)	(3,025)
Other amortization and accretion	18,278	20,830	18,954
Net losses (gains) on decommissioning trust funds	(38,514)	12,967	(10,626)
Other operating activities	844	(38)	(692)
Change in:			
Accounts receivable	(101)	5,712	(138)
Inventories	(5,512)	(4,117)	(3,073)
Prepayments and other	(897)	(4,419)	(692)
Accounts payable	4,683	(2,233)	1,407
Taxes accrued	11,195	(5,487)	1,840
Interest accrued	(2,282)	4,008	(817)
Net over-collection of fuel revenues	7,368	4,822	17,093
Other current liabilities	(937)	9,289	(100)
Deferred charges and credits	(9,721)	(475)	(12,544)
Net cash provided by operating activities	275,144	285,397	288,561
Cash Flows From Investing Activities:			
Cash additions to utility property, plant and equipment	(222,203)	(240,021)	(199,896)
Cash additions to nuclear fuel	(36,800)	(38,354)	(38,481)
Insurance proceeds received for equipment	—	5,351	9,591
Capitalized interest and AFUDC:			
Utility property, plant and equipment	(6,560)	(7,065)	(6,000)
Nuclear fuel and other	(5,729)	(5,483)	(5,022)
Allowance for equity funds used during construction	2,545	3,453	3,025
Decommissioning trust funds:			
Purchases, including funding of \$2.1 million, \$2.1 million and \$3.8 million, respectively	(377,415)	(86,366)	(102,920)
Sales and maturities	370,677	80,732	97,037
Proceeds from sale of property, plant and equipment	368	287	281
Other investing activities	(2,409)	4,186	(1,559)
Net cash used for investing activities	(277,526)	(283,280)	(243,944)
Cash Flows From Financing Activities:			
Dividends paid	(61,718)	(57,539)	(53,337)
Borrowings under the revolving credit facility:			
Proceeds	566,321	567,894	638,458
Payments	(501,727)	(692,220)	(546,499)
Pollution control bonds:			
Proceeds	100,600	—	—
Payments	(100,600)	—	(33,300)
Proceeds from issuance of senior notes	—	125,000	—
Proceeds from issuance of RGRT senior notes	—	65,000	—
Payments on maturing RGRT senior notes	—	—	(50,000)
Other financing activities	(2,576)	(4,342)	(1,369)
Net cash provided by (used for) financing activities	300	3,793	(46,047)
Net increase (decrease) in cash and cash equivalents	(2,082)	5,910	(1,430)
Cash and cash equivalents at beginning of period	12,900	6,990	8,420
Cash and cash equivalents at end of period	\$ 10,818	\$ 12,900	\$ 6,990

See accompanying notes to financial statements.