

Pinnacle West Capital Corporation
Consolidated Statements of Cash Flow

(Dollars in Thousands)

(Unaudited)

	Year Ended December 31,	
	1999	1998
Cash Flows From Operating Activities		
Income from continuing operations	\$ 269,772	\$ 242,892
Items not requiring cash		
Depreciation and amortization	385,568	379,679
Nuclear fuel amortization	31,371	32,856
Deferred income taxes - net	(85,530)	41,262
Deferred investment tax credit	(23,515)	(23,516)
Other - net	(12,476)	1,190
Changes in current assets and liabilities		
Customer and other receivables - net	(10,723)	(50,369)
Accrued utility revenues	(5,179)	(9,181)
Materials, supplies and fossil fuel	(8,794)	(2,797)
Other current assets	(12,968)	(6,186)
Accounts payable	28,193	34,386
Accrued taxes	12,591	(22,090)
Accrued interest	1,387	(1,108)
Other current liabilities	15,047	(5,235)
(Increase)Decrease in land held	(12,542)	33,405
Other - net	63,398	(39,350)
Net Cash Flow Provided By Operating Activities	635,600	605,838
Cash Flows From Investing Activities		
Capital expenditures	(343,448)	(319,142)
Capitalized interest	(11,664)	(18,596)
Other - net	(16,143)	(2,144)
Net Cash Flow Used For Investing Activities	(371,255)	(339,882)

Cash Flows From Financing Activities

Issuance of long-term debt	607,791	148,229
Short-term borrowings - net	(140,530)	48,080
Dividends paid on common stock	(112,311)	(103,849)
Repayment of long-term debt	(510,693)	(286,314)
Redemption of preferred stock	(96,499)	(75,517)
Other - net	(11,936)	(3,531)
Net Cash Flow Used For Financing Activities	(264,178)	(272,902)
Net Cash Flow	167	(6,946)
Cash and Cash Equivalents at Beginning of Year	20,538	27,484
Cash and Cash Equivalents at End of Year	\$ 20,705	\$ 20,538

Certain prior year amounts have been restated to conform to the 1999 presentation.