

PINNACLE WEST CAPITAL CORP

Reported by
BRANDT DONALD E

FORM 4

(Statement of Changes in Beneficial Ownership)

Filed 08/03/06 for the Period Ending 08/01/06

| | |
|-------------|---|
| Address | 400 NORTH FIFTH STREET MS8695 PHOENIX, AZ 85004 |
| Telephone | 602 250 1000 |
| CIK | 0000764622 |
| Symbol | PNW |
| SIC Code | 4911 - Electric Services |
| Industry | Electric Utilities |
| Sector | Utilities |
| Fiscal Year | 12/31 |

PINNACLE WEST CAPITAL CORP

FORM 4

(Statement of Changes in Beneficial Ownership)

Filed 8/3/2006 For Period Ending 8/1/2006

| | |
|-------------|--|
| Address | 400 NORTH FIFTH STREET . PHOENIX, Arizona 85004 |
| Telephone | 602-379-2500 |
| CIK | 0000764622 |
| Industry | Electric Utilities |
| Sector | Utilities |
| Fiscal Year | 12/31 |

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FORM 4

[] Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

**UNITED STATES SECURITIES AND EXCHANGE
COMMISSION
Washington, D.C. 20549**

OMB APPROVAL
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**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP
OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934,
Section 17(a) of the Public
Utility Holding Company Act of 1935 or Section 30(f) of the
Investment Company Act of 1940

| | | | | | | | | |
|---|---------|----------|---|--|--|--|--|--|
| 1. Name and Address of Reporting Person * | | | 2. Issuer Name and Ticker or Trading Symbol | | | 5. Relationship of Reporting Person(s) to Issuer (Check all applicable) | | |
| BRANDT DONALD E | | | PINNACLE WEST CAPITAL CORP [PNW] | | | <input type="checkbox"/> Director <input type="checkbox"/> 10% Owner <input checked="" type="checkbox"/> X Officer (give title below) <input type="checkbox"/> Other (specify below) | | |
| (Last) | (First) | (Middle) | 3. Date of Earliest Transaction (MM/DD/YYYY) | | | Executive V.P. & CFO | | |
| 400 N. 5TH STREET | | | 8/1/2006 | | | | | |
| (Street) | | | 4. If Amendment, Date Original Filed (MM/DD/YYYY) | | | 6. Individual or Joint/Group Filing (Check Applicable Line) | | |
| PHOENIX, AZ 85004 | | | | | | <input checked="" type="checkbox"/> Form filed by One Reporting Person <input type="checkbox"/> Form filed by More than One Reporting Person | | |
| (City) | (State) | (Zip) | | | | | | |

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

| 1. Title of Security (Instr. 3) | 2. Trans. Date | 2A. Deemed Execution Date, if any | 3. Trans. Code (Instr. 8) | | 4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) | | | 5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Indirect Beneficial Ownership (Instr. 4) |
|---------------------------------|----------------|-----------------------------------|---------------------------|---|---|------------|---------|---|--|---|
| | | | Code | V | Amount | (A) or (D) | Price | | | |
| Common Stock | 8/1/2006 | | M | | 5042 | A | \$32.29 | 7618 | D | |
| Common Stock | 8/1/2006 | | S (1) | | 4309 | D | \$43.52 | 3309 | D | |
| Common Stock | | | | | | | | 937 | I | by 401(k) |

Table II - Derivative Securities Beneficially Owned (e.g. , puts, calls, warrants, options, convertible securities)

| 1. Title of Derivate Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Trans. Date | 3A. Deemed Execution Date, if any | 4. Trans. Code (Instr. 8) | | 5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) | | 6. Date Exercisable and Expiration Date | | 7. Title and Amount of Securities Underlying Derivative Security (Instr. 3 and 4) | | 8. Price of Derivative Security (Instr. 5) | 9. Number of derivative Securities Beneficially Owned Following Reported Transaction (s) (Instr. 4) | 10. Ownership Form of Derivative Security: Direct (D) or Indirect (I) (Instr. 4) | 11. Nature of Indirect Beneficial Ownership (Instr. 4) |
|--|--|----------------|-----------------------------------|---------------------------|---|--|-----|---|-----------------|---|----------------------------|--|---|--|--|
| | | | | Code | V | (A) | (D) | Date Exercisable | Expiration Date | Title | Amount or Number of Shares | | | | |
| Employee Stock Option (Right to Buy) | \$32.29 | 8/1/2006 | | M | | 5042 | | (2) | 3/17/2013 | Common Stock | 5042 | \$0 | 0 | D | |

Explanation of Responses:

- (1) An approximate minimum number of shares were sold solely for the purpose of meeting tax withholding and option exercise requirements and to satisfy broker commissions. Mr. Brandt retained all other shares received upon the noted option exercise.
- (2) The option became exercisable one third of the grant per year commencing on 3/18/04.

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|---------------------------------|-------|
| | Director | 10% Owner | Officer | Other |
| BRANDT DONALD E 400 N. 5TH STREET PHOENIX, AZ 85004 | | | Executive V.P. & CFO | |

Signatures

/s/ Donald E. Brandt

8/3/2006

Date

** Signature of Reporting Person

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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