

PINNACLE WEST CAPITAL CORP

FORM U-3A-2

(Statement of exemption by Public Utility Company)

Filed 02/28/97 for the Period Ending 12/31/96

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 U-3A-2

(Statement of exemption by Public Utility Company)

Filed 2/28/1997 For Period Ending 12/31/1996

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

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C.

FORM U-3A-2

Statement by Holding Company
Claiming Exemption under Rule U-2
from the Provisions of the
Public Utility Holding Company Act of 1935

To Be Filed Annually Prior to March 1

Pinnacle West Capital Corporation

(Name of Company)

hereby files with the Securities and Exchange Commission, pursuant to Rule 2, its statement claiming exemption as a holding company from the provisions of the Public Utility Holding Company Act of 1935, and submits the following information:

1. Name, state of organization, location and nature of business of Claimant and every subsidiary thereof, other than any exempt wholesale generator (EWG) or foreign utility company in which Claimant directly or indirectly holds an interest.

Pinnacle West Capital Corporation ("Claimant"), having been incorporated on February 20, 1985 under the laws of the State of Arizona, and having its principal executive offices at 400 East Van Buren, Suite 700, Phoenix, Arizona 85004, was organized principally to acquire and hold securities of other corporations for investment purposes. Claimant currently holds stock in the following subsidiaries:

a. Arizona Public Service Company ("APS" or the "Company"), is engaged principally in serving electricity in the State of Arizona. Incorporated in 1920 under the laws of the State of Arizona and having its principal executive offices at 400 North Fifth Street, Phoenix, Arizona 85004, APS became a subsidiary of the Claimant pursuant to a corporate restructuring plan approved by the Company's shareholders on April 18, 1985.

(1) AXIOM Power Solutions, Inc. ("AXIOM") -- an Arizona corporation having been incorporated on October 29, 1996 and having its principal executive offices at 400 E. Van Buren, Phoenix, Arizona 85004, was organized primarily to sell security and energy management products and services. AXIOM is a wholly-owned subsidiary of APS.

(2) Bixco, Inc. ("Bixco") -- an Arizona corporation having been incorporated on June 4, 1971 and having its principal executive offices at 400 North Fifth Street, Phoenix, Arizona 85004, was organized primarily to conduct exploration activities for energy resources and other valuable minerals. Subsequent to the sale of its oil and natural gas properties in 1981, Bixco has been inactive. Bixco is a wholly-owned subsidiary of APS.

b. SunCor Development Company ("SunCor") -- an Arizona corporation having been incorporated on June 30, 1965 and having its principal executive offices at 3838 North Central Avenue, Suite 1500, Phoenix, Arizona 85012, is a wholly-owned subsidiary of Claimant engaged primarily in the owning, holding and development of real property.

(1) SunCor Resort & Golf Management, Inc. ("Resort & Golf Management") (previously named "SunCor Resort Management, Inc." and "SunCor Farms, Inc.") -- an Arizona corporation having been incorporated on December 31, 1986 and having its principal executive offices at 3838 North Central Avenue, Suite 1500, Phoenix, Arizona 85012 operates and manages hotel, golf, food and beverage for the Wigwam Resort and Country Club, Sedona Golf Resort, SunRidge Canyon Golf Club, Real del Mar Golf Club, and Palm Valley Golf Club. Resort & Golf Management is a wholly-owned subsidiary of SunCor.

(2) Litchfield Park Service Company ("LPSCO") -- an Arizona corporation having been incorporated on September 21, 1954 and having its principal executive offices at 501 East Plaza Circle, Suite B, Litchfield Park, Arizona 85340, is a regulated public utility engaged in providing water and sewer services to commercial and residential customers. LPSCO became a wholly-owned subsidiary of SunCor on December 31, 1986.

(3) SunCor Homes, Inc. ("SunCor Homes") -- (previously named "LGR, Inc." and "WGP Realty, Inc.") an Arizona corporation having been incorporated on May 14, 1986 and having its principal executive offices at 3838 North Central Avenue, Suite 1500, Phoenix, Arizona 85012, was organized to provide brokerage and realty services in the sale of commercial and residential real property. SunCor Homes is a wholly-owned subsidiary of SunCor.

(i) Golden Heritage Construction, Inc. ("Golden Heritage") -- an Arizona corporation having been incorporated on December 30, 1993 and having its principal executive offices at 7975 North Hayden Rd. Suite D-280, Scottsdale, Arizona 85258, was organized to serve as a general residential contractor. Golden Heritage became a wholly-owned subsidiary of SunCor Homes, Inc. on January 1, 1996.

(4) SCM, Inc. ("SCM") -- an Arizona corporation having been incorporated on May 14, 1991 and having its principal executive offices at 3838 North Central Avenue,

Suite 1500, Phoenix, Arizona 85012, was organized to participate in real estate joint ventures and other real estate related activities. SCM is a wholly-owned subsidiary of SunCor.

(5) Golf de Mexico, S.A. DE C.V. ("Golf de Mexico") -- a Mexican variable capital corporation having been incorporated on February 8, 1992 in Tijuana, Baja California, Mexico, and having its principal executive offices at 3838 North Central Avenue, Suite 1500, Phoenix, Arizona 85012, was organized to operate and manage the Real del Mar Golf Course in Mexico.

(6) SunCor Realty & Management Company ("SunCor Realty") -- (previously named Russell Ranch Development Company) an Arizona corporation having been incorporated on April 1, 1994 and having its principal executive offices at 3838 North Central Avenue, Suite 1500, Phoenix, Arizona 85012 was organized to participate in real estate joint ventures and other real estate related activities. SunCor Realty is a wholly-owned subsidiary of SunCor.

(7) Palm Valley Golf Club, Inc. ("Palm Valley Golf") -- an Arizona corporation having been incorporated on January 23, 1996 and having its principal executive offices at 3838 North Central Avenue, Suite 1500, Phoenix, Arizona 85012 was organized to hold title to the Palm Valley Golf Course. Palm Valley Golf is a wholly-owned subsidiary of SunCor.

(8) Rancho Viejo de Santa Fe, Inc. ("Rancho Viejo") -- a New Mexico corporation having been incorporated on March 18, 1996 and having its principal executive offices at 3838 North Central Avenue, Suite 1500, Phoenix, Arizona 85012 was organized to engage in real estate development in New Mexico. Rancho Viejo is a wholly-owned subsidiary of SunCor.

c. El Dorado Investment Company -- an Arizona corporation having been incorporated on July 27, 1983 and having its principal executive offices at 400 East Van Buren, Suite 750, Phoenix, Arizona 85004, is a wholly-owned subsidiary of Claimant engaged primarily in the acquisition and holding of stocks and securities of other companies for investment purposes.

2. A brief description of the properties of Claimant and each of its subsidiary public utility companies used for the generation, transmission and distribution of electric energy for sale, or for the production, transmission and distribution of natural or manufactured gas, indicating the location of principal generating plants, transmission lines, producing fields, gas manufacturing plants and electric and gas distribution facilities, including all such properties which are outside the state in which Claimant and its subsidiaries are organized and all transmission or pipelines which deliver or receive electric energy or gas at the borders of such state.

Neither the Claimant nor any of its subsidiaries own property used for the production, transmission and distribution of natural or manufactured gas. APS, a "public utility company" as that term is defined in the Public Utility Holding Company Act of 1935, is the only one of Claimant's subsidiaries that owns property used for the generation, transmission and distribution of electric energy for sale.

Exhibit D attached hereto shows the location of APS' major generating plants (including those owned jointly with others), principal transmission lines (including those operated for others) and interconnections of transmission lines with out-of-state utilities at state lines. All of such facilities, except the Four Corners Generating Station ("Four Corners"), and all of APS' distribution facilities, are located within the State of Arizona. Four Corners is a mine-mouth power plant, located in the northwest corner of New Mexico, near the city of Farmington, approximately 40 miles east of the Arizona-New Mexico border.

APS' present generating facilities have an accredited capacity aggregating 4,039,220 kilowatts, comprised as follows:

Coal:	Capacity
Units 1, 2 and 3 at Four Corners, aggregating.....	560,000 kw
15% owned Units 4 and 5 at Four Corners, representing.....	222,000
Units 1, 2, and 3 at the Cholla Plant, aggregating.....	615,000
14% owned Units 1, 2 and 3 at the Navajo Plant, representing.....	315,000
	1,712,000 kw
 Gas or Oil:	
Two steam units at Ocotillo, two steam units at Saguaro and one steam unit at Yucca, aggregating.....	463,400 kw(1)
Eleven combustion turbine units, aggregating.....	500,600
Three combined cycle units, aggregating.....	253,500
	1,217,500 kw
 Nuclear:	
29.1% owned or leased Units 1, 2 and 3 at Palo Verde, representing	1,105,520 kw
 Other	4,200 kw
6	

(1) West Phoenix steam units (96,300) are currently mothballed.

APS' transmission facilities consist of approximately 4,862 pole miles of overhead lines and approximately 18 miles of underground lines, all of which are located within the State of Arizona. APS' distribution facilities consist of approximately 11,335 pole miles of overhead lines and approximately 8,993 miles of underground lines, all of which are located within the State of Arizona.

3. The following information for the last calendar year with respect to Claimant and each of its subsidiary public utility companies:

a. Number of kwh of electric energy sold at retail or wholesale.

Claimant -----	APS ---
None	22,387,930,000 kwh of electric energy sold at wholesale or retail

b. Number of kwh of electric energy distributed at retail outside the state in which each such company is organized.

Claimant -----	APS ---
None	62,766,000 kwh of electric energy distributed at retail outside Arizona

c. Number of kwh of electric energy sold at wholesale outside the state in which each such company is organized, or at the state line.

Claimant -----	APS ---
None	973,300 kwh of electric energy sold at wholesale outside Arizona or at state line

d. Number of kwh of electric energy purchased outside the state in which each such company is organized or at the state line.

Claimant -----	APS ---
None	4,605,356 kwh of electric energy

purchased outside Arizona or at state line

4. The following information for the reporting period with respect to Claimant and each interest it holds directly or indirectly in an EWG or a foreign utility company, stating monetary amounts in United States dollars:

The Claimant holds no interest, direct or indirect, in an EWG or a foreign utility company.

a. Name, location, business address and description of the facilities used by the EWG or foreign utility company for the generation, transmission and distribution of electric energy for sale or for the distribution at retail of natural or manufactured gas.

Not applicable.

b. Name of each system company that holds an interest in such EWG or foreign utility company; and description of the interest held.

Not applicable.

c. Type and amount of capital invested, directly or indirectly, by the holding company claiming exemption; any direct or indirect guarantee of the security of the EWG or foreign utility company by the holding company claiming exemption; and any debt or other financial obligation for which there is recourse, directly or indirectly, to the holding company claiming exemption or another system company, other than the EWG or foreign utility company.

Not applicable.

d. Capitalization and earnings of the EWG or foreign utility company during the reporting period.

Not applicable.

e. Identify any service, sales or construction contract(s) between the EWG or foreign utility company and a system company, and describe the services to be rendered or goods sold and fees or revenues under such agreement(s).

Not applicable.

EXHIBIT A

A consolidating statement of income and surplus of the Claimant and its subsidiary companies for the last calendar year, together with a consolidating balance sheet of Claimant and its subsidiary companies as of the close of such calendar year.

Exhibit A hereto includes consolidating statements of income and consolidating balance sheets for the Claimant and the following of its subsidiaries: Arizona Public Service Company, SunCor Development Company and El Dorado Investment Company. Subsidiaries have been consolidated for financial reporting purposes in accordance with Statement of Financial Accounting Standards No. 94, Consolidation of All Majority-Owned Subsidiaries. Also included are consolidating statements of income and consolidating balance sheets for SunCor Development Company and its subsidiaries.

EXHIBIT B FINANCIAL DATA STATEMENT

If, at the time a report on this form is filed, the registrant is required to submit this report and any amendments thereto electronically via EDGAR, the registrant shall furnish a Financial Data Schedule. The Schedule shall set forth the financial and other data specified below that are applicable to the registrant on a consolidated basis.

1. Total Assets.

2. Total Operating Revenues.

3. Net Income.

See Exhibit B hereto.

EXHIBIT C

An organizational chart showing the relationship of each EWG or foreign utility company to associate companies in the holding-company system.

Not applicable.

EXHIBIT D

Exhibit D is a map of the state of Arizona showing the following:

APS Service Area;

Major APS Power Plants, including joint ownership; Principal APS Transmission Lines; and Transmission Lines Operated for Others.

The above-named Claimant has caused this statement to be duly executed on its behalf by its authorized officer on this 28th day of February, 1997.

Pinnacle West Capital Corporation
(Name of Claimant)

By /s/ Michael S. Ash

Michael S. Ash
Corporate Counsel

[CORPORATE SEAL]

Attest:

/s/Suzanne Debes

Suzanne Debes
Associate Secretary

Name, title and address of officer to whom notices and correspondence concerning this statement should be addressed:

Michael S. Ash Corporate Counsel (Name) (Title)

400 East Van Buren, Suite 700, Phoenix, Arizona 85004 (Address)

PINNACLE WEST CAPITAL CORPORATION
CONSOLIDATING INCOME STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 1996
(THOUSANDS OF DOLLARS)

	PWCC	APS	SUNCOR	ELDO
OPERATING REVENUES:				
Electric		\$1,718,272		
Real Estate			99,488	
Total	--	1,718,272	99,488	--
<hr style="border-top: 1px dashed black;"/>				
FUEL EXPENSES:				
Fuel for electric generation		230,393		
Purchased power		95,130		
Total	--	325,523	--	--
<hr style="border-top: 1px dashed black;"/>				
OPERATING EXPENSES:				
Utility operations and maintenance		430,714		
Real estate operations			94,874	
Depreciation and amortization	216	297,210	2,081	--
Taxes other than income taxes	33	121,104	940	
Total	249	849,028	97,895	--
<hr style="border-top: 1px dashed black;"/>				
OPERATING INCOME	(249)	543,721	1,593	--
<hr style="border-top: 1px dashed black;"/>				
OTHER INCOME (DEDUCTIONS):				
Allowance for equity funds used during construction		5,209		
Interest on long-term debt	(22,208)	(147,666)	(2,790)	--
Other interest	(4,967)	(18,797)	--	--
Allowance for borrowed funds used during construction		9,509		
Preferred stock dividend requirements		(17,092)		
Other, net	233,977	(15,544)	5,351	372
Total	206,802	(184,381)	2,561	372
<hr style="border-top: 1px dashed black;"/>				
INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	206,553	359,340	4,154	372
Income Tax Benefits (Expense)	4,506	(132,961)		(1)
<hr style="border-top: 1px dashed black;"/>				
INCOME FROM CONTINUING OPERATIONS	211,059	226,379	4,154	371
DISCONTINUED OPERATIONS, NET OF TAX	(9,539)			
EXTRAORDINARY ITEM FOR EARLY RETIREMENT OF DEBT, NET OF TAX	(20,340)			
<hr style="border-top: 1px dashed black;"/>				
NET INCOME (LOSS)	\$ 181,180	\$ 226,379	\$ 4,154	\$ 371
<hr style="border-top: 1px dashed black;"/>				

	* E L I M I N A T I O N S *			
	DEBIT	CREDIT	TOTAL	
OPERATING REVENUES:				
Electric			\$ 1,718,272	
Real Estate			99,488	
	-----	-----	-----	
Total	--	--	1,817,760	
	-----	-----	-----	
FUEL EXPENSES:				
Fuel for electric generation			230,393	
Purchased power			95,130	
	-----	-----	-----	
Total	--	--	325,523	
	-----	-----	-----	
OPERATING EXPENSES:				
Utility operations and maintenance			430,714	
Real estate operations	1,206	(c)	96,080	
Depreciation and amortization			299,507	
Taxes other than income taxes			122,077	
	-----	-----	-----	
Total	1,206	--	948,378	
	-----	-----	-----	
OPERATING INCOME	(1,206)	--	543,859	
	-----	-----	-----	
OTHER INCOME (DEDUCTIONS):				
Allowance for equity funds used during construction			5,209	
Interest on long-term debt		1,206	(c)	(171,458)
Other interest		--	(b)	(23,764)
Allowance for borrowed funds used during construction			9,509	
Preferred stock dividend requirements			(17,092)	
Other, net	230,904	(a,b)	(6,748)	
	-----	-----	-----	
Total	230,904	1,206	(204,344)	
	-----	-----	-----	
INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	229,698	1,206	339,515	
Income Tax Benefits (Expense)			(128,456)	
	-----	-----	-----	
INCOME FROM CONTINUING OPERATIONS	229,698	1,206	211,059	
DISCONTINUED OPERATIONS, NET OF TAX			(9,539)	
EXTRAORDINARY ITEM FOR EARLY RETIREMENT OF DEBT, NET OF TAX			(20,340)	
	=====	=====	=====	
NET INCOME (LOSS)	\$ 229,698	\$ 1,206	\$ 181,180	
	=====	=====	=====	

**PINNACLE WEST CAPITAL CORPORATION
CONSOLIDATING INCOME STATEMENT
ELIMINATING ENTRIES**

(a)	Income from Subsidiaries	\$	230,904	
	Retained Earnings			\$ 230,904

To eliminate PWCC Equity in earnings from subsidiaries

	PWCC
APS	226,379
SUNCOR	4,154
EL DORADO	371

	230,904

(b)	Interest Income (SunCor)	\$	--	
	Interest Expense (El Dorado)			\$ --

To eliminate SunCor interest charges to El Dorado.

(c)	Real Estate Operations	\$	1,206	
	Interest Expense (PWCC)			\$ 1,206

To reclass Capitalized Interest for SunCor Land Sales.

PINNACLE WEST CAPITAL CORPORATION
CONSOLIDATING BALANCE SHEET

December 31, 1996
(THOUSANDS OF DOLLARS)

	PWCC	APS	SUNCOR	ELDO
	-----	-----	-----	-----
A S S E T S				
CURRENT ASSETS				
Cash and cash equivalents	\$ 4,485	\$ 12,521	\$ 6,225	\$ 3,455
Customer and other receivables - net	572	159,928	7,416	1,893
Accrued utility revenue		55,470		
Materials and supplies		74,120		
Fossil fuel		13,928		
Deferred income taxes	61,264	8,424		
Other current assets	314	22,767	18,150	--
	-----	-----	-----	-----
Total current assets	66,635	347,158	31,791	5,348
	-----	-----	-----	-----
INVESTMENTS AND OTHER ASSETS				
Real estate investments, net (cap interest)	8,668		398,809	
Other assets	2,111,100	113,666	5,861	33,459
	-----	-----	-----	-----
Total investments and other	2,119,768	113,666	404,670	33,459
	-----	-----	-----	-----
UTILITY PLANT				
Electric plant in service and held for future use		6,803,211		
Less accumulated depreciation and amortization		2,426,143		
	-----	-----	-----	-----
Total	--	4,377,068	--	--
Construction work in progress		226,935		
Nuclear Fuel		51,137		
	-----	-----	-----	-----
Net Utility Plant	--	4,655,140	--	--
	-----	-----	-----	-----
DEFERRED DEBITS				
Regulatory asset for income taxes	--	516,722		
Rate synchronization deferral		414,082		
Other deferred debits	69	376,454	4,917	
	-----	-----	-----	-----
Total deferred debits	69	1,307,258	4,917	--
	-----	-----	-----	-----
TOTAL ASSETS	\$ 2,186,472	\$ 6,423,222	\$ 441,378	\$ 38,807
	=====	=====	=====	=====

A S S E T S	*ELIMINATIONS AND ADJUSTING ENTRIES*		TOTAL
	DEBIT	CREDIT	
CURRENT ASSETS			
Cash and cash equivalents			\$ 26,686
Customer and other receivables - net		572 (b)	169,237
Accrued utility revenue			55,470
Materials and supplies			74,120
Fossil fuel			13,928
Deferred income taxes			69,688
Other current assets		91 (c)	41,140
Total current assets	--	663	450,269
INVESTMENTS AND OTHER ASSETS			
Real estate investments, net (cap interest)		8,950 (f)	398,527
Other assets		2,090,977 (a)	173,109
Total investments and other	--	2,099,927	571,636
UTILITY PLANT			
Electric plant in service and held for future us			6,803,211
Less accumulated depreciation and amortization			2,426,143
Total	--	--	4,377,068
Construction work in progress			226,935
Nuclear Fuel			51,137
Net Utility Plant	--	--	4,655,140
DEFERRED DEBITS			
Regulatory asset for income taxes			516,722
Rate synchronization deferral			414,082
Other deferred debits			381,440
Total deferred debits	--	--	1,312,244
TOTAL ASSETS	\$ --	\$ 2,100,590	\$ 6,989,289

PINNACLE WEST CAPITAL CORPORATION
CONSOLIDATING BALANCE SHEET

December 31, 1996
(THOUSANDS OF DOLLARS)

	PWCC	APS	SUNCOR	ELDO
	-----	-----	-----	-----
L I A B I L I T I E S A N D E Q U I T Y				
CURRENT LIABILITIES				
Accounts payable	\$ 2,958	\$ 174,394	\$ 6,625	\$ 118
Accrued taxes	(3,914)	86,327	--	
Accrued interest	208	39,115	326	
Dividend payable	--	--		
Short-term borrowings	--	--		
Commerical paper, net	--	16,900		
Current maturities of long-term debt	--	153,780	2,497	
Customer Deposits		32,137	2,085	
Other current liabilities	18,199	21,150	907	
	-----	-----	-----	-----
Total current liabilities	17,451	523,803	12,440	118
	-----	-----	-----	-----
LONG-TERM DEBT LESS CURRENT MATURITIES	250,000	2,029,482	92,631	
DEFERRED CREDITS AND OTHER				
Deferred income taxes	(54,930)	1,414,242		
Deferred investment tax credit	(13,344)	87,723		
Unamortized gain-sale of utility plant		86,939		
Other deferred credits	16,972	332,970	4,459	
	-----	-----	-----	-----
Total deferred credits	(51,302)	1,921,874	4,459	--
	-----	-----	-----	-----
COMMITMENTS AND CONTINGENCIES (NOTE)				
MINORITY INTERESTS:				
Non-Redeemable preferred stock of APS		165,673		
Redeemable preferred stock of APS		53,000		
Joint Ventures of SunCor			8,950	
COMMON STOCK EQUITY:				
Common stock	2,109,455	1,269,284	444,391	62,546
Accumulated deficit	(139,132)	460,106	(121,493)	(23,857)
	-----	-----	-----	-----
Total	1,970,323	1,729,390	322,898	38,689
	-----	-----	-----	-----
TOTAL LIABILITIES AND EQUITY	\$ 2,186,472	\$ 6,423,222	\$ 441,378	\$ 38,807
	=====	=====	=====	=====

	ELIMINATIONS AND ADJUSTING ENTRIES		
	DEBIT	CREDIT	TOTAL
	-----	-----	-----
L I A B I L I T I E S A N D E Q U I T Y			
CURRENT LIABILITIES			
Accounts payable			\$ 184,095
Accrued taxes			82,413
Accrued interest			39,652
Dividend payable	-- (d)		--
Short-term borrowings			--
Commerical paper, net			16,900
Current maturities of long-term debt			156,277
Customer Deposits			34,222
Other current liabilities	3,197 (b),(c), (e)		37,056
	-----	-----	-----
Total current liabilities	3,197	--	550,615
	-----	-----	-----
LONG-TERM DEBT LESS CURRENT MATURITIES			2,372,113
DEFERRED CREDITS AND OTHER			
Deferred income taxes			1,359,312
Deferred investment tax credit			74,379
Unamortized gain-sale of utility plant			86,939
Other deferred credits		2,534 (e)	356,935
	-----	-----	-----
Total deferred credits	--	2,534	1,877,565
	-----	-----	-----
COMMITMENTS AND CONTINGENCIES (NOTE)			
MINORITY INTERESTS:			
Non-Redeemable preferred stock of APS			165,673
Redeemable preferred stock of APS			53,000
Joint Ventures of SunCor	8,950 (e)		--
COMMON STOCK EQUITY:			
Common stock	2,249,322 (a)		1,636,354
Accumulated deficit		158,345 (a)	333,969
	-----	-----	-----
Total	2,249,322	158,345	1,970,323
	-----	-----	-----
TOTAL LIABILITIES AND EQUITY	\$ 2,261,469	\$ 160,879	\$ 6,989,289
	=====	=====	=====

**PINNACLE WEST CAPITAL CORPORATION
CONSOLIDATING BALANCE SHEET
ELIMINATING AND ADJUSTING ENTRIES**

(a)	Common stock	2,249,322	
	Notes payable - SunCor, El Dorado	--	
	Accumulated deficit	--	158,345
	Other investments		2,090,977
		2,249,322	2,249,322
	Total	2,249,322	2,249,322

To eliminate PWCC investment in subsidiaries

	Common Stock	Earnings/ Dividends	Notes	Total
APS	1,742,385	(12,995)	--	1,729,390
SunCor	444,391	(121,493)	--	322,898
El Dorado	62,546	(23,857)	--	38,689
Total	2,249,322	(158,345)	--	2,090,977

(b)	Other current liabilities	572	
	Customer and other receivables - net		572

To eliminate intercompany receivable/payable

	A/R PWCC's Books	A/P SUB's Books	
APS	130	130	
SunCor	443	443	
El Dorado	(1)	(1)	
Total	572	572	

(c)	Other current liabilities (PWCC)	91	
	Other current assets (APS)		91

To eliminate PWCC payable to APS

(d)	Dividends Payable (APS)	--	
	Customer and other receiv. (PNW)		--

To eliminate APS Dividend to PNW

(e)	Current Liabilities (PNW)	2,534	
	Deferred Credits (PNW)		2,534

Reclass deferred compensation

(f)	Scottsdale Mountain - Minority Interest	8,950	
	Real estate investments - net		8,950

To eliminate Minority Interest - SunCor Scottsdale Mountain

**SUNCOR DEVELOPMENT COMPANY
CONSOLIDATING BALANCE SHEET
FOR THE MONTH ENDED DECEMBER 31, 1996**

ACCOUNT DESCRIPTION -----	SUNCOR -----	LPSCO -----	SASI -----	SCTS MTN -----	PVGC -----	SHI ---	SCM ---
ASSETS:							
CURRENT ASSETS							
CASH AND SHORT TERM INVESTMENTS	\$ 4,666,819	\$ 345,533	\$ 417,524	\$ 1,509,499	\$ 47,652	\$ (14,235)	\$ (352,503)
ACCOUNTS RECEIVABLE	356,927	84,647	141,936	327,513	28,180	83,181	49,263
INTERCOMPANY ACCOUNTS:							
SASI			368				
LPSCO	85,521						
SMLP	18,333						
KABUTO JV	--						
PVGC	--						
SCM/SHI I/C - 12901 & 12201	--					1,685,351	(1,685,351)
SCM/SHI I/C - 12902	--					(2,379,358)	2,379,358
SCM - SDC -12903	--						(4,663,344)
SHI - SDC - 12903 & 265	125,501					333,738	
WWOS	18,733						
GOLDEN HERITAGE	42,465						
HomeBUILDING I/C INTEREST	135,646						
GOLDEN HERITAGE CASH ADVANCE	11,692,358						(11,692,358)
SUNRIDGE - DEVELOPMENT	60,698						
SUNRIDGE - GOLF	114,958						
SEDONA - DEVELOPMENT	44,281						
SEDONA - GOLF	(205,396)						
WIGWAM RESORT	377,474						
OUTER LIMITS (2000)	(58,140)						
COMMERCIAL PROJECT - GENERAL	5,051,459						
FIDDLESTICKS	3,685,231						
FUNTASTICKS	4,590,012						
HIDDEN HILLS	174,208						
RANCHO VIEJO	756,736						
INTEREST RECEIVABLE	132,659			117,857			
NOTES RECEIVABLE	3,145,422	4,746		2,603,250			
INVENTORIES	--				72,984		
PREPAID EXPENSES	--	14,564			57,875		
HOME INVENTORY	52,919					2,442,969	16,518,852
TOTAL CURRENT ASSETS	35,064,824	449,490	559,828	4,558,119	206,691	2,151,646	553,917

ACCOUNT DESCRIPTION	WWOS	GH HOMES	KABUTO JV	COMMERCIAL	HIDDEN HILLS	RANCHO VIEJO	ELIMINATIONS			
							REF	DEBIT	REF	CREDIT
ASSETS:										
CURRENT ASSETS										
CASH AND SHORT TERM INVESTMENTS	\$ 93,801		\$ 250	\$ (494,705)		\$ 5,000				
ACCOUNTS RECEIVABLE	(25,497)			38,451						
INTERCOMPANY ACCOUNTS:										
SASI							P	172		
LPSCO									M	85,521
SMLP									O	18,333
KABUTO JV										
PVGC										
SCM/SHI I/C - 12901 & 12201							AB	6,603,859	AB	6,603,859
SCM/SHI I/C - 12902							C	2,379,358	C	2,379,358
SCM - SDC -12903							D	4,663,344		
SHI - SDC - 12903 & 265							D	1,432,265	D	1,891,504
WWOS									U	18,733
GOLDEN HERITAGE									G	42,465
Homebuilding I/C Interest									F	135,646
GOLDEN HERITAGE CASH ADVANCE							E	11,692,358	E	11,692,358
SUNRIDGE - DEVELOPMENT										
SUNRIDGE - GOLF										
SEDONA - DEVELOPMENT										
SEDONA - GOLF										
WIGWAM RESORT										
OUTER LIMITS (2000)							X	58,140		
COMMERCIAL PROJECT - GENERAL									X	5,051,459
FIDDLESTICKS									X	3,685,231
FUNASTICKS									X	4,590,012
HIDDEN HILLS									Z	174,208
RANCHO VIEJO									AA	756,736
INTEREST RECEIVABLE									T	72,611
NOTES RECEIVABLE	8,041									
INVENTORIES				21,609						
PREPAID EXPENSES				44,358						
HOME INVENTORY									J	1,075,417
TOTAL CURRENT ASSETS	76,345	--	250	(390,287)	--	5,000		26,829,496		38,273,451

ACCOUNT DESCRIPTION -----	CONSOLIDATED -----
ASSETS:	
CURRENT ASSETS	
CASH AND SHORT TERM INVESTMENTS	\$ 6,224,635
ACCOUNTS RECEIVABLE	1,084,601
INTERCOMPANY ACCOUNTS:	
SASI	540
LPSCO	--
SMLP	--
KABUTO JV	--
PVGC	--
SCM/SHI I/C - 12901 & 12201	--
SCM/SHI I/C - 12902	--
SCM - SDC -12903	--
SHI - SDC - 12903 & 265	--
WWOS	--
GOLDEN HERITAGE	--
HomeBUILDING I/C INTEREST	--
GOLDEN HERITAGE CASH ADVANCE	60,698
SUNRIDGE - DEVELOPMENT	114,958
SUNRIDGE - GOLF	44,281
SEDONA - DEVELOPMENT	(205,396)
SEDONA - GOLF	377,474
WIGWAM RESORT	--
OUTER LIMITS (2000)	--
COMMERCIAL PROJECT - GENERAL	--
FIDDLESTICKS	--
FUNTASTICKS	--
HIDDEN HILLS	--
RANCHO VIEJO	--
INTEREST RECEIVABLE	177,905
NOTES RECEIVABLE	5,761,459
INVENTORIES	94,593
PREPAID EXPENSES	116,797
HOME INVENTORY	17,939,323

TOTAL CURRENT ASSETS	31,791,868

ACCOUNT DESCRIPTION	SUNCOR	LPSCO	SASI	SCTS MTN	PVGC	SHI	SCM
LONG-TERM ASSETS							
DEVELOPMENT PROJECTS							
HIDDEN HILLS							
RANCHO VIEJO							
PALM VALLEY	202,486,457						
LITCHFIELD GREENS	2,987,026						
KABUTO JV	--						
SCOTTSDALE MTN	--			10,637,107			
MARKETPLACE - CENTERPOINT	21,464,829						
TATUM RANCH	40,840,941						
TALAVI	8,494,198						
RESTORATION PLACE - TOWNE CNTR	(11,827)						
WIGWAM OUTLET STORES	--						
GOLDEN HERITAGE LAND	--						955,487
EQUITY INVESTMENTS:							
EQUITY IN TEMPE MKTPL JV	4,657,017						
EQUITY IN CTRPT ASSOC-JV	23,216,298						
INVESTMENT IN BILTMORE ESTATES	464,583						
INVEST IN PV APARTMENTS	817,002						
INVESTMENT IN SUNRIDGE CANYON	11,201,128						
INVESTMENT IN SEDONA GOLF	6,116,340						
INVESTMENT IN PLUMCOR OFFICE JV	2,569,397						
CONSOLIDATED ELIMINATING ENTITIES:							
INVEST IN KABUTO JV	5,769,120						
INVESTMENT IN WIGWAM OUTLET	5,501,073						
INVEST IN SCOTTS MTN LTD PART	11,106,848						
INVEST IN SUNCOR HOMES:							
SUNCOR HOMES EARNINGS	223,493						
GOLDEN HERITAGE EARNINGS	(1,794,677)						
INVEST IN GOLDEN HERITAGE HOMES	26,501						
INVESTMENT IN LPSCO	8,277,474						
INVESTMENT IN SASI	400,109						
INVESTMENT IN PALM VALLEY GOLF	6,553,930						
INVESTMENT IN OUTER LIMITS	1,668,979						
INVESTMENT IN FIDDLESTICKS	(31,249)						
INVESTMENT IN FUNTASTICKS	(43,535)						
INVESTMENT IN COMM OPS	5,351						
INVESTMENT IN PV PAVILIONS	(100)						
INVESTMENT IN PV CROSSING	(31,673)						
INVESTMENT IN AUTOPLEX	(286)						
INVESTMENT IN TALAVI	(2,841)						
INVESTMENT IN RANCHO VIEJO	(13,893)						
COMMERCIAL PROPERTIES	2,480,405				5,598,637		
LONG-TERM NOTES RECEIVABLE	1,229,007			2,901,096			
SDC PHASE I LAND NOTE TO WWOS	1,611,156						
SDC PAYOFF OF WWOS RLC	10,000,000						
SDC LOAN TO LPSCO	300,000						
PALM VALLEY GOLF INTERCOMPANY	(4,021,827)				4,021,827		
BUILDING, EQUIPMENT AND OTHER (NET)	701,119		36,696	1,127	45,773	841,862	104,245
DEFERRED ASSETS	3,314,819	576,836		--	257,173		
WATER, SEWER UTILITY PROP (NET)	--	8,609,113					
CONTRIBUTED PROPERTY	--	1,059,926				8,630	153,175
DEPOSITS							
TOTAL LONG-TERM ASSETS	378,532,692	10,245,875	36,696	13,539,330	9,923,410	850,492	1,212,907
TOTAL ASSETS	\$413,597,516	\$10,695,365	\$ 596,524	\$18,097,449	\$10,130,101	\$3,002,138	\$1,766,824

ACCOUNT DESCRIPTION	WWOS	GH HOMES KABUTO JV	COMMERCIAL	HIDDEN HILLS	RANCHO VIEJO	ELIMINATIONS			
						REF	DEBIT	REF	CREDIT
LONG-TERM ASSETS									
DEVELOPMENT PROJECTS									
HIDDEN HILLS				174,208					
RANCHO VIEJO					737,843				
PALM VALLEY			5,286,144						
LITCHFIELD GREENS		12,574,976							
KABUTO JV								V	2,956,571
SCOTTSDALE MTN								N	83,503
MARKETPLACE - CENTERPOINT			504,883						
TATUM RANCH				32,623					
TALAVI									
RESTORATION PLACE - TOWNE CNTR									
WIGWAM OUTLET STORES	18,241,943					S	451,398	S	1,559,870
GOLDEN HERITAGE LAND									
EQUITY INVESTMENTS:									
EQUITY IN TEMPE MKTPL JV									
EQUITY IN CTRPT ASSOC-JV									
INVESTMENT IN BILTMORE ESTATES									
INVEST IN PV APARTMENTS									
INVESTMENT IN SUNRIDGE CANYON									
INVESTMENT IN SEDONA GOLF									
INVESTMENT IN PLUMCOR OFFICE JV									
CONSOLIDATED ELIMINATING ENTITIES:									
INVEST IN KABUTO JV									V 5,769,120
INVESTMENT IN WIGWAM OUTLET									S 5,501,073
INVEST IN SCOTTS MTN LTD PART									N 11,106,848
INVEST IN SUNCOR HOMES:									
SUNCOR HOMES EARNINGS								H	223,493
GOLDEN HERITAGE EARNINGS						H	1,794,677		
INVEST IN GOLDEN HERITAGE HOMES									
INVESTMENT IN LPSCO								K	8,277,474
INVESTMENT IN SASI								P	400,109
INVESTMENT IN PALM VALLEY GOLF								Q	6,553,930
INVESTMENT IN OUTER LIMITS								Y	1,668,979
INVESTMENT IN FIDDLESTICKS									
INVESTMENT IN FUNTASTICKS									
INVESTMENT IN COMM OPS								Y	5,351
INVESTMENT IN PV PAVILIONS						Y	100		
INVESTMENT IN PV CROSSING						Y	31,673		
INVESTMENT IN AUTOPLEX						Y	286		
INVESTMENT IN TALAVI						Y	2,841		
INVESTMENT IN RANCHO VIEJO						BB	13,893		
COMMERCIAL PROPERTIES			10,733,633						
LONG-TERM NOTES RECEIVABLE									T 1,611,156
SDC PHASE I LAND NOTE TO WWOS									T 10,000,000
SDC PAYOFF OF WWOS RLC									L 300,000
SDC LOAN TO LPSCO						R	4,021,827	R	4,021,827
PALM VALLEY GOLF INTERCOMPANY									
BUILDING, EQUIPMENT AND OTHER (NET)									
DEFERRED ASSETS	523,145		72,193						
WATER, SEWER UTILITY PROP (NET)									
CONTRIBUTED PROPERTY									
DEPOSITS									
TOTAL LONG-TERM ASSETS	18,765,088	--	12,574,976	16,629,476	174,208	737,843	6,391,479		60,039,304
TOTAL ASSETS	\$18,841,433	\$ --	\$12,575,226	\$16,239,189	\$174,208	\$742,843	\$33,220,975		\$98,312,755

ACCOUNT DESCRIPTION -----	CONSOLIDATED -----
LONG-TERM ASSETS	
DEVELOPMENT PROJECTS	
HIDDEN HILLS	174,208
RANCHO VIEJO	737,843
PALM VALLEY	207,772,601
LITCHFIELD GREENS	2,987,601
KABUTO JV	9,618,405
SCOTTSDALE MTN	10,553,604
MARKETPLACE - CENTERPOINT	21,969,712
TATUM RANCH	40,840,941
TALAVI	8,526,941
RESTORATION PLACE - TOWNE CNTR	(11,827)
WIGWAM OUTLET STORES	17,133,471
GOLDEN HERITAGE LAND	955,487
EQUITY INVESTMENTS:	
EQUITY IN TEMPE MKTPL JV	4,657,017
EQUITY IN CTRPT ASSOC-JV	23,216,298
INVESTMENT IN BILTMORE ESTATES	464,583
INVEST IN PV APARTMENTS	817,002
INVESTMENT IN SUNRIDGE CANYON	11,201,128
INVESTMENT IN SEDONA GOLF	6,116,340
INVESTMENT IN PLUMCOR OFFICE JV	2,569,397
CONSOLIDATED ELIMINATING ENTITIES:	
INVEST IN KABUTO JV	--
INVESTMENT IN WIGWAM OUTLET	--
INVEST IN SCOTTS MTN LTD PART	--
INVEST IN SUNCOR HOMES:	
SUNCOR HOMES EARNINGS	--
GOLDEN HERITAGE EARNINGS	--
INVEST IN GOLDEN HERITAGE HOMES	26,501
INVESTMENT IN LPSCO	--
INVESTMENT IN SASI	--
INVESTMENT IN PALM VALLEY GOLF	--
INVESTMENT IN OUTER LIMITS	--
INVESTMENT IN FIDDLESTICKS	--
INVESTMENT IN FUNTASTICKS	--
INVESTMENT IN COMM OPS	--
INVESTMENT IN PV PAVILIONS	--
INVESTMENT IN PV CROSSING	--
INVESTMENT IN AUTOPLEX	--
INVESTMENT IN TALAVI	--
INVESTMENT IN RANCHO VIEJO	--
COMMERCIAL PROPERTIES	18,812,675
LONG-TERM NOTES RECEIVABLE	4,130,103
SDC PHASE I LAND NOTE TO WWOS	--
SDC PAYOFF OF WWOS RLC	--
SDC LOAN TO LPSCO	--
PALM VALLEY GOLF INTERCOMPANY	--
BUILDING, EQUIPMENT AND OTHER (NET)	1,730,822
DEFERRED ASSETS	4,744,166
WATER, SEWER UTILITY PROP (NET)	8,609,113
CONTRIBUTED PROPERTY	1,059,926
DEPOSITS	161,805

TOTAL LONG-TERM ASSETS	409,575,168

TOTAL ASSETS	\$ 441,367,036
	=====

ACCOUNT DESCRIPTION	SUNCOR	LPSCO	SASI	SCTS MTN	PVGC	SHI	SCM
LIABILITIES:							
CURRENT LIABILITIES							
A/P & RETENTION	\$ 1,054,550	\$ 389,898	\$ 40,744	\$ 111,922	\$ 40,654	\$ 138,251	\$ 582,108
ACCRUED LIABILITIES	1,806,502	34,416	155,843	336,426	54,334	33,559	
INTERCOMPANY ACCOUNTS:							
LPSCO - SDC		117,889					
SMLP - SDC				18,333			
PVGC							
SCM-SDC INTERCOMPANY	(4,204,105)						
SHI-SDC INTERCOMPANY	129,234,240					25,158	
SCM EARNINGS	(395,624)						
WWOS							
KABUTO JV							
OUTER LIMITS - SDC							
COMMERCIAL OPERATIONS - GENERAL							
FIDDLESTICKS							
FUNTASTICKS							
HIDDEN HILLS							
RANCHO VIEJO							
INTEREST PAYABLE	325,581					17,307	135,646
S/T NOTES PAYABLE OTHER							
TATUM RANCH MONK NOTE	78,027						
SMLP	--			936,893			
GOLDEN HERITAGE (PEW)							
TEXTRON LOAN							
DEFERRED PROFIT	1,237,716			387,692			
PWCC INTERCO PAYABLE	337,995						
CUSTOMER DEPOSITS	117,067					1,314,797	653,446
ACCRUED TAXES		18,714					
TOTAL CURRENT LIABILITIES	357,709	560,917	196,587	1,791,266	94,988	1,529,072	1,371,200
LONG-TERM LIABILITIES							
LONG-TERM NOTES PAYABLE							
TATUM RANCH MONK NOTE	156,053						
WWOS OWES SCD PH I LAND NOTE							
WWOS RLC PAYOFF BY SDC							
CORPORATE TERM NOTE	45,000,000						
CORPORATE RLC	42,431,700						
LPSCO OWES SDC		300,000					
GOLDEN HERITAGE (PEW)						3,044,250	
TEXTRON LOAN					3,481,183		
OTHER ACCRUED LIABILITIES	2,754,358						
DEFERRED TAXES		238,404					
LONG-TERM ADVANCE-IN-AID		--					
LONG-TERM METER DEPOSITS		405,425					
CONTRIB PROPERTY AIA		1,059,925					
TOTAL L/T LIABILITIES	90,342,111	2,003,754	--	--	3,481,183	3,044,250	--
TOTAL LIABILITIES	90,699,820	2,564,671	196,587	1,791,266	3,576,171	4,573,322	1,371,200
MINORITY INTEREST							
EQUITY:							

ACCOUNT DESCRIPTION	SUNCOR	LPSCO	SASI	SCTS MTN	PVGC	SHI	SCM
SDC COMMON STOCK	1,022,000						
SDC ADDITIONAL PAID IN CAPITAL	443,368,522						
SDC EARNED SURPLUS-BEGINNING	(125,646,609)						
SDC EARNED SURPLUS-CURRENT	4,153,783						
SUBSIDIARY EARNINGS-CURRENT		19,237	4,468	7,168,410	100,993	(1,359,913)	16,338
SUBSIDIARY EQUITY:							
LPSCO		8,111,457					
SASI			395,469				
SMLP				9,137,773			
PVGC					6,452,937		
SCM							379,286
SHOMES						(211,271)	
WVOS							
GOLDEN HERITAGE							
KABUTO JV							
OUTER LIMITS							
TOTAL EQUITY	322,897,696	8,130,694	399,937	16,306,183	6,553,930	(1,571,184)	395,624
TOTAL LIABILITIES AND EQUITY	\$413,597,516	\$10,695,365	\$ 596,524	\$ 18,097,449	\$ 10,130,101	\$3,002,138	\$ 1,766,824

ACCOUNT DESCRIPTION	WWOS	GH HOMES	KABUTO JV	COMMERCIAL	HIDDEN HILLS	RANCHO VIEJO	ELIMINATIONS		
							REF	DEBIT	REF
LIABILITIES:									
CURRENT LIABILITIES									
A/P & RETENTION	\$ --			\$ 1,204,911					
ACCRUED LIABILITIES	529,388		15,000	63,963					
INTERCOMPANY ACCOUNTS:									
LPSCO - SDC							M	85,521	
SMLP - SDC							O	18,333	
PVGC									
SCM-SDC INTERCOMPANY									D 4,204,105
SHI-SDC INTERCOMPANY 129,234,240							G	25,158	
SCM EARNINGS									I 395,624
WWOS	18,733						U	18,733	
KABUTO JV									--
OUTER LIMITS - SDC				(58,140)					X 58,140
COMMERCIAL OPERATIONS - GENERAL				5,051,459			X	5,051,459	
FIDDLESTICKS				3,685,231			X	3,685,231	
FUNTASTICKS				4,590,012			X	4,590,012	
HIDDEN HILLS					174,208		Z	174,208	
RANCHO VIEJO						756,736	AA	756,736	
INTEREST PAYABLE	72,611						FGT	225,564	
S/T NOTES PAYABLE OTHER									
TATUM RANCH MONK NOTE									
SMLP									
GOLDEN HERITAGE (PEW)									** 1,420,000
TEXTRON LOAN									* 61,892
DEFERRED PROFIT							J	1,075,417	
PWCC INTERCO PAYABLE									
CUSTOMER DEPOSITS									
ACCRUED TAXES									
TOTAL CURRENT LIABILITIES	620,732	--	15,000	14,537,436	174,208	756,736		15,706,372	6,139,761
LONG-TERM LIABILITIES									
LONG-TERM NOTES PAYABLE									
TATUM RANCH MONK NOTE									
WWOS OWES SCD PH I LAND NOTE	1,611,156						T	1,611,156	
WWOS RLC PAYOFF BY SDC	10,000,000						T	10,000,000	
CORPORATE TERM NOTE									
CORPORATE RLC									
LPSCO OWES SDC							L	300,000	
GOLDEN HERITAGE (PEW)							**	1,420,000	
TEXTRON LOAN							*	61,892	
OTHER ACCRUED LIABILITIES									
DEFERRED TAXES				137,107				146,780	
LONG-TERM ADVANCE-IN-AID									
LONG-TERM METER DEPOSITS									
CONTRIB PROPERTY AIA									
TOTAL L/T LIABILITIES	11,611,156	--	--	137,107	--	--		13,539,828	--
TOTAL LIABILITIES	12,231,888	--	15,000	14,674,543	174,208	756,736		29,246,200	6,139,761
MINORITY INTEREST									
									NV 8,950,367
EQUITY:									

ACCOUNT DESCRIPTION	WWOS	GH HOMES	KABUTO JV	COMMERCIAL	HIDDEN HILLS	RANCHO VIEJO	ELIMINATIONS			
							REF	DEBIT	REF	CREDIT
SDC COMMON STOCK										
SDC ADDITIONAL PAID IN CAPITAL										
SDC EARNED SURPLUS-BEGINNING										
SDC EARNED SURPLUS-CURRENT										
SUBSIDIARY EARNINGS-CURRENT	(1,101,590)		--	(257,869)		(13,893)	IKNPQ	7,309,446	HSY(BB)2,733,265	
SUBSIDIARY EQUITY:										
LPSCO								K	8,111,457	
SASI								P	395,469	
SMLP								N	9,137,773	
PVGC								Q	6,452,937	
SCM								I	379,286	
SHOMES										
WWOS	7,711,135							S	7,711,135	
GOLDEN HERITAGE										
KABUTO JV			12,560,226					V	12,560,226	
OUTER LIMITS				1,822,515				Y	1,822,515	
									H	211,271
TOTAL EQUITY	6,609,545	--	12,560,226	1,564,646	--	(13,893)		53,880,244	2,944,536	
TOTAL LIABILITIES AND EQUITY	\$18,841,433	\$	-- \$12,575,226	\$16,239,189	\$174,208	\$742,843		\$83,126,444	\$18,034,664	

ACCOUNT DESCRIPTION -----	CONSOLIDATED -----
LIABILITIES:	
CURRENT LIABILITIES	
A/P & RETENTION	\$ 3,563,038
ACCRUED LIABILITIES	3,029,431
INTERCOMPANY ACCOUNTS:	
LPSCO - SDC	32,368
SMLP - SDC	--
PVGC	--
SCM-SDC INTERCOMPANY	--
SHI-SDC INTERCOMPANY 129,234,240	--
SCM EARNINGS	--
WWOS	--
KABUTO JV	--
OUTER LIMITS - SDC	--
COMMERCIAL OPERATIONS - GENERAL	--
FIDDLESTICKS	--
FUNTASTICKS	--
HIDDEN HILLS	--
RANCHO VIEJO	--
INTEREST PAYABLE	325,581
S/T NOTES PAYABLE OTHER	
TATUM RANCH MONK NOTE	78,027
SMLP	936,893
GOLDEN HERITAGE (PEW)	1,420,000
TEXTRON LOAN	61,892
DEFERRED PROFIT	549,991
PWCC INTERCO PAYABLE	337,995
CUSTOMER DEPOSITS	2,085,310
ACCRUED TAXES	18,714

TOTAL CURRENT LIABILITIES	12,439,240

LONG-TERM LIABILITIES	
LONG-TERM NOTES PAYABLE	--
TATUM RANCH MONK NOTE	156,053
WWOS OWES SCD PH I LAND NOTE	--
WWOS RLC PAYOFF BY SDC	--
CORPORATE TERM NOTE	45,000,000
CORPORATE RLC	42,431,700
LPSCO OWES SDC	--
GOLDEN HERITAGE (PEW)	1,624,250
TEXTRON LOAN	3,419,291
OTHER ACCRUED LIABILITIES	2,891,465
DEFERRED TAXES	91,624
LONG-TERM ADVANCE-IN-AID	--
LONG-TERM METER DEPOSITS	405,425
CONTRIB PROPERTY AIA	1,059,925

TOTAL L/T LIABILITIES	97,079,733

TOTAL LIABILITIES	109,518,973

MINORITY INTEREST	8,950,367
EQUITY:	

SDC COMMON STOCK	1,022,000
SDC ADDITIONAL PAID IN CAPITAL	443,368,522
SDC EARNED SURPLUS-BEGINNING	(125,646,609)
SDC EARNED SURPLUS-CURRENT	4,153,783
SUBSIDIARY EARNINGS-CURRENT	--
SUBSIDIARY EQUITY:	
LPSCO	--
SASI	--
SMLP	--
PVGC	--
SCM	--
SHOMES	--
WWOS	--
GOLDEN HERITAGE	--
KABUTO JV	--
OUTER LIMITS	--

TOTAL EQUITY	322,897,696

TOTAL LIABILITIES AND EQUITY	\$ 441,367,036
	=====

**SUNCOR DEVELOPMENT COMPANY
CONSOLIDATING INCOME STATEMENT
FOR THE YEAR ENDING DECEMBER 31, 1996**

ACCOUNT DESCRIPTION	SUNCOR	LPSCO	SCTS MTN
REVENUES:			
SALE OF ASSETS	\$ 30,633	\$ --	\$ --
DEFERRED PROFIT	(163,914)	--	91,639
LAND SALES	30,253,994	--	13,194,485
HOME SALES	--	--	--
COMMERCIAL PROPERTIES	4,660,516	--	--
UTILITY SALES	--	1,448,257	--
MANAGEMENT FEES	1,329,474	--	--
TOTAL OPERATING REVENUES	36,110,703	1,448,257	13,286,124
OPERATING EXPENSES			
COST OF ASSETS SOLD	49,726	--	--
COST OF LAND SOLD	23,696,669	--	5,590,797
COST OF HOMES SOLD	(1,685,689)	--	--
LAND PROJECT COSTS	2,148,254	--	346,884
COMMERCIAL PROPERTIES	3,588,341	--	--
GENERAL & ADMINISTRATIVE	8,273,501	--	377,161
UTILITY EXPENSE	--	1,288,886	--
RESORT OPERATIONS	69,436	--	--
DEPRECIATION & AMORTIZATION	668,010	233,190	563
TOTAL OPERATING EXPENSES	36,808,248	1,522,076	6,315,405
NET OPERATING INCOME	(697,545)	(73,819)	6,970,719
OTHER INCOME AND GAINS:			
EQUITY IN JOINT VENTURES	3,399,538	--	--
INTEREST INCOME	399,334	6,716	212,962
TOTAL OTHER INCOME AND GAINS	3,798,872	6,716	212,962
INTEREST EXPENSE			
INTEREST EXPENSE	4,332,252	26,872	330,309
LESS: CAPITALIZED INTEREST	(2,865,470)	--	(315,036)
TOTAL INTEREST EXPENSE	1,466,782	26,872	15,273
NET INCOME BEFORE MINORITY INTEREST	1,634,545	(93,975)	7,168,408
MINORITY INTEREST	2,216,127	--	--
NET INCOME/(LOSS)	\$ (581,582)	\$ (93,975)	\$ 7,168,408

ACCOUNT DESCRIPTION	PVGC	SCM	S HOMES
REVENUES:			
SALE OF ASSETS	\$ --	\$ --	\$ --
DEFERRED PROFIT	--	--	--
LAND SALES	--	--	--
HOME SALES	--	18,566,949	45,860,575
COMMERCIAL PROPERTIES	2,137,042	--	--
UTILITY SALES	--	--	--
MANAGEMENT FEES	--	--	--
TOTAL OPERATING REVENUES	2,137,042	18,566,949	45,860,575
OPERATING EXPENSES			
COST OF ASSETS SOLD	--	--	--
COST OF LAND SOLD	--	--	--
COST OF HOMES SOLD	--	18,136,772	42,738,830
LAND PROJECT COSTS	--	--	--
COMMERCIAL PROPERTIES	1,753,380	--	--
GENERAL & ADMINISTRATIVE	--	409,754	4,336,226
UTILITY EXPENSE	--	--	--
RESORT OPERATIONS	--	--	--
DEPRECIATION & AMORTIZATION	162,495	4,084	162,030
TOTAL OPERATING EXPENSES	1,915,875	18,550,610	47,237,086
NET OPERATING INCOME	221,167	16,339	(1,376,511)
OTHER INCOME AND GAINS:			
EQUITY IN JOINT VENTURES	--	--	--
INTEREST INCOME	--	--	16,599
TOTAL OTHER INCOME AND GAINS	--	--	16,599
INTEREST EXPENSE			
INTEREST EXPENSE	120,175	--	--
LESS: CAPITALIZED INTEREST	--	--	--
TOTAL INTEREST EXPENSE	120,175	--	--
NET INCOME BEFORE MINORITY INTEREST	100,992	16,339	(1,359,912)
MINORITY INTEREST	--	--	--
NET INCOME/(LOSS)	\$ 100,992	\$ 16,339	\$ (1,359,912)

ACCOUNT DESCRIPTION	WWOS	RANCHO VIEJO	ELIMINATING ENTRIES
REVENUES:			
SALE OF ASSETS	\$ --	\$ --	\$ --
DEFERRED PROFIT	--	--	--
LAND SALES	--	--	--
HOME SALES	--	--	(18,566,949) A
COMMERCIAL PROPERTIES	2,005,457	--	--
UTILITY SALES	--	--	--
MANAGEMENT FEES	--	--	--
TOTAL OPERATING REVENUES	2,005,457	--	(18,566,949)
OPERATING EXPENSES			
COST OF ASSETS SOLD	--	--	--
COST OF LAND SOLD	--	--	--
COST OF HOMES SOLD	--	--	(18,566,949) A
LAND PROJECT COSTS	--	--	--
COMMERCIAL PROPERTIES	1,082,120	--	--
GENERAL & ADMINISTRATIVE	--	13,894	--
UTILITY EXPENSE	--	--	--
RESORT OPERATIONS	--	--	--
DEPRECIATION & AMORTIZATION	850,975	--	--
TOTAL OPERATING EXPENSES	1,933,095	13,894	(18,566,949)
NET OPERATING INCOME	72,362	(13,894)	--
OTHER INCOME AND GAINS:			
EQUITY IN JOINT VENTURES	--	--	--
INTEREST INCOME	5,622	--	--
TOTAL OTHER INCOME AND GAINS	5,622	--	--
INTEREST EXPENSE			
INTEREST EXPENSE	1,327,300	--	--
LESS: CAPITALIZED INTEREST	(166,760)	--	--
TOTAL INTEREST EXPENSE	1,160,540	--	--
NET INCOME BEFORE MINORITY INTEREST	(1,082,556)	(13,894)	--
MINORITY INTEREST	--	--	--
NET INCOME/(LOSS)	\$ (1,082,556)	\$ (13,894)	\$ --

ACCOUNT DESCRIPTION	CONSOLIDATED INCOME
REVENUES:	
SALE OF ASSETS	\$ 30,633
DEFERRED PROFIT	(72,275)
LAND SALES	43,448,479
HOME SALES	45,860,575
COMMERCIAL PROPERTIES	8,803,015
UTILITY SALES	1,448,257
MANAGEMENT FEES	1,329,474
TOTAL OPERATING REVENUES	100,848,158
OPERATING EXPENSES	
COST OF ASSETS SOLD	49,726
COST OF LAND SOLD	29,287,466
COST OF HOMES SOLD	40,622,964
LAND PROJECT COSTS	2,495,138
COMMERCIAL PROPERTIES	6,423,841
GENERAL & ADMINISTRATIVE	13,563,521
UTILITY EXPENSE	1,135,901
RESORT OPERATIONS	69,436
DEPRECIATION & AMORTIZATION	2,081,347
TOTAL OPERATING EXPENSES	95,729,340
NET OPERATING INCOME	5,118,818
OTHER INCOME AND GAINS:	
EQUITY IN JOINT VENTURES	3,399,538
INTEREST INCOME	641,233
TOTAL OTHER INCOME AND GAINS	4,040,771
INTEREST EXPENSE	
INTEREST EXPENSE	6,136,908
LESS: CAPITALIZED INTEREST	(3,347,266)
TOTAL INTEREST EXPENSE	2,789,642
NET INCOME BEFORE MINORITY INTEREST	6,369,947
MINORITY INTEREST	2,216,127
NET INCOME/(LOSS)	\$ 4,153,820

A. HOME SALES

COST OF HOME SALES

18,566,949

COST OF HOME SALES (SCM MARGIN)

18,136,772
430,177

ELIMINATE INTERCOMPANY SALES AND PROFITS BETWEEN SCM AND SUNCOR HOMES

**SUNCOR DEVELOPMENT COMPANY
CONSOLIDATING BALANCE SHEET
DECEMBER 1996 ELIMINATING ENTRIES**

		DEBIT	CREDIT
K.	LPSCO EQUITY	8,111,457	
	EARNED SURPLUS - CURRENT	19,237	
	INVESTMENT IN LPSCO		8,277,474
	DEFERRED TAXES	146,780	
	ELIMINATE SDC INVESTMENT IN LPSCO		
L	LONG-TERM NOTES PAYABLE	300,000	
	LONG-TERM NOTES RECEIVABLE		300,000
	ELIMINATE LPSCO INTERCOMPANY NOTE WITH SDC		
M	ACCOUNTS PAYABLE	85,521	
	ACCOUNTS RECEIVABLE		85,521
	ELIMINATE LPSCO INTERCOMPANY A/R WITH SDC		
N	SMLP EQUITY	9,137,773	
	EARNED SURPLUS - CURRENT	7,168,410	
	MINORITY INTEREST - PRIOR YEAR		2,606,888
	MINORITY INTEREST - CURRENT YEAR		2,508,944
	SMLP LAND		83,503
	INVESTMENT IN SMLP		11,106,848
	ELIMINATE SDC INVESTMENT IN SMLP		
O	ACCOUNTS PAYABLE	18,333	
	ACCOUNTS RECEIVABLE		18,333
	ELIMINATE SMLP INTERCOMPANY A/R WITH SDC		
P	SASI EQUITY	395,469	
	EARNED SURPLUS - CURRENT	4,468	
	ACCOUNTS PAYABLE	172	
	INVESTMENT IN SASI		400,109
	ELIMINATE SDC INVESTMENT IN SASI		
Q	EARNED SURPLUS - CURRENT	100,993	
	PALM VALLEY EQUITY	6,452,937	
	INVESTMENT IN PV GOLF CLUB		6,553,930
	ELIMINATE SDC INVESTMENT IN PALM VALLEY GOLF		
R	ACCOUNTS PAYABLE	4,021,827	
	ACCOUNTS RECEIVABLE		4,021,827
	ELIMINATE PVGC INTERCOMPANY A/R WITH SDC		
S	WWOS EQUITY	7,711,135	
	1994 CAPITALIZED INTEREST	344,558	
	DEVELOPMENT FEES	106,840	
	EARNED SURPLUS - CURRENT		1,101,590
	INVESTMENT IN WWOS		5,501,073
	BASIS DIFFERENTIAL IN LAND PH1		854,972
	BASIS DIFFERENTIAL IN BLDG		156,750
	BASIS DIFFERENTIAL IN LAND PH2		548,148

ELIMINATE SDC INVESTMENT IN WIGWAM OUTLET STORES

T INTEREST PAYABLE 72,611

	INTEREST RECEIVABLE		72,611
	NOTES PAYABLE	1,611,156	
	NOTES RECEIVABLE		1,611,156
	NOTES PAYABLE	10,000,000	
	NOTES RECEIVABLE		10,000,000

ELIMINATE WWOS INTERCOMPANY NOTES AND INTEREST WITH SDC

U	ACCOUNTS PAYABLE	18,733	
	ACCOUNTS RECEIVABLE		18,733

ELIMINATE WWOS INTERCOMPANY A/R WITH SDC

V	KABUTO JV EQUITY	12,560,226	
	MINORITY INTEREST		3,834,535
	INVESTMENT IN KABUTO JV		5,769,120
	KABUTO JV LAND		2,956,571

ELIMINATE SDC INVESTMENT IN KABUTO JV

W	ACCOUNTS PAYABLE	--	
	ACCOUNTS RECEIVABLE		--

ELIMINATE KABUTO JV INTERCOMPANY A/R WITH SDC

X	COMMERCIAL OPERATIONS - GENERAL A/P	5,051,459	
	COMMERCIAL OPERATIONS - OUTER LIMITS A/P		58,140
	COMMERCIAL OPERATIONS - FIDDLESTICKS A/P	3,685,231	
	COMMERCIAL OPERATIONS - FUNTASTICKS A/P	4,590,012	
	SUNCOR COMMERCIAL OPS - GENERAL A/R		5,051,459
	SUNCOR COMMERCIAL OPS - OUTER LIMITS A/R	58,140	
	SUNCOR COMMERCIAL OPS - FIDDLESTICKS A/R		3,685,231
	SUNCOR COMMERCIAL OPS - FUNTASTICKS A/R		4,590,012

ELIMINATE COMMERCIAL OPERATIONS INTERCOMPANY A/R WITH SDC

Y	COMMERCIAL OPERATIONS EQUITY	1,822,515	
	EARNED SURPLUS - CURRENT		257,869
	INVESTMENT IN OUTER LIMITS		1,668,979
	INVESTMENT IN FIDDLESTICKS	31,249	
	INVESTMENT IN FUNTASTICKS	43,535	
	INVESTMENT IN PV PAVILLIONS	100	
	INVESTMENT IN PV CROSSING	31,673	
	INVESTMENT IN COMM OPS		5,351
	INVESTMENT IN AUTOPLEX	286	
	INVESTMENT IN TALAVI	2,841	

ELIMINATE SDC INVESTMENT IN COMMERCIAL OPERATIONS

Z	ACCOUNTS PAYABLE	174,208	
	ACCOUNTS RECEIVABLE		174,208

ELIMINATE HIDDEN HILLS INTERCOMPANY A/R WITH SDC

AA	ACCOUNTS PAYABLE	756,736	
	ACCOUNTS RECEIVABLE		756,736

ELIMINATE RANCO VIEJO INTERCOMPANY A/R WITH SDC

BB	INVESTMENT IN RANCHO VIEJO	13,893	
	EARNED SURPLUS - CURRENT		13,893

ELIMINATE SDC INVESTMENT IN RANCHO VIEJO JV

**SUNCOR DEVELOPMENT COMPANY
CONSOLIDATING BALANCE SHEET
DECEMBER 1996 ELIMINATING ENTRIES**

G/L	Debit	Credit
		(A)
SHI - 12201 a SHI A/P TO SCM	2,459,254	
SCM-12201 b SCM A/R FROM SHI		2,459,254
		(B)
SCM-12901 c SCM INTERCO A/P TO SHI - GHH	4,144,605	
SHI - 12901 d SHI INTERCO A/R FROM SCM - GHH		4,144,605
		(C)
SHI - 12902 e SHI INTERCO A/P TO SCM - GENTRY	2,379,358	
SCM-12902 f SCM INTERCO A/R FROM SHI - GENTRY		2,379,358
TO ELIMINATE INTERCO RECEIVABLES/PAYABLES BETWEEN HOMEBUILDING COMPANIES		
		(D)
SCM-12903 g SCM INTERCO A/P TO SDC - GENTRY	4,663,344	
SHI - 265 h SHI INTERCO NOTE TO SDC - ACQUISITION	1,432,265	
SHI - 12903 i SHI INTERCO A/R FROM SDC - GENTRY		1,766,003
1000-206575 j SDC A/R FROM SCM		4,204,106
1000-107230 k SDC A/R FROM S HOMES		125,501
		(E)
		(E)
SCM-267 l GOLDEN HERITAGE CASH ADVANCES FROM SDC	11,692,358	
1000-107260 m SDC CASH ADVANCES TO GOLDEN HERITAGE		11,692,358
		(F)
SCM-267 n SCM INTERCO NOTE TO SDC - GH INTEREST	71,856	
SCM-268 o SCM INTERCO NOTE TO SDC - SH INTEREST	63,790	
1000-107255 p SDC INTERCO INTEREST A/R FROM HOMEBUILDING		135,646
		(G)
SHI - 129 q SHI INTERCO PAYABLE TO SDC	2,825	
SHI - 234 r SHI INTERCO PAYROLL PAYABLE TO SDC	8,733	
SHI - 240 s SHI INTERCO PAYROLL PAYABLE TO SDC	13,600	
SHI - 275 t SHI INTERCO INTEREST PAYABLE TO SDC	17,307	
1000-107250 u SDC A/R FROM GOLDEN HERITAGE		42,465
TO ELIMINATE INTERCO RECEIVABLES/PAYABLES BETWEEN HOMEBUILDING COMPANIES AND SDC		
		(H)
1000-176135 v SDC INVESTMENT IN SHI - GOLDEN HERITAGE	1,794,677	
1000-176132 w SDC INVESTMENT IN SHI - SUNCOR HOMES		223,493
SHI - P&L x SHI CURRENT YEAR LOSS		1,359,913
SHI - B/S y SHI ACCUMULATED LOSSES		211,271
TO ELIMINATE INVESTMENT IN SHI ON SDC BOOKS		
		(I)
SCM-P&L z SCM CURRENT YEAR INCOME	16,339	
SCM aa SCM ACCUMULATED INCOME	379,286	
1000-206576 bb SDC INVESTMENT IN SCM		395,624
TO ELIMINATE INVESTMENT IN SCM ON SDC BOOKS		
		(J)
1000-235990 cc DEFERRED INTERCO PROFIT	1,075,417	
HOME INVENTORY		1,075,417
TO ELIMINATE BALANCE SHEET GROSS UP ON INTERCO LOT SALES BETWEEN SDC AND HOMEBUILDING		
TOTALS	30,215,014	30,215,014

EXHIBIT B Financial Data Schedule

The Claimant submits the following consolidated financial information:

1. Total Assets: \$6,989,289,000
2. Total Operating Revenues: \$1,817,760,000
3. Net Income: \$181,180,000

EXHIBIT D

Map of the state of Arizona showing the following:

APS Service Area;

Major APS Power Plants, including joint ownership;

Principal APS Transmission Lines; and

Transmission Lines Operated for Others.

End of Filing

Powered By **EDGAR**
Online

© 2005 | EDGAR Online, Inc.