

PINNACLE WEST CAPITAL CORP

FORM 8-K (Current report filing)

Filed 12/17/09 for the Period Ending 12/16/09

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| CIK | 0000764622 |
| Symbol | PNW |
| SIC Code | 4911 - Electric Services |
| Industry | Electric Utilities |
| Sector | Utilities |
| Fiscal Year | 12/31 |

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

FORM 8-K

**CURRENT REPORT
Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): December 16, 2009

| <u>Commission File Number</u> | <u>Exact Name of Registrant as Specified in Charter; State of Incorporation; Address and Telephone Number</u> | <u>IRS Employer Identification Number</u> |
|-------------------------------|---|---|
| 1-8962 | Pinnacle West Capital Corporation (an Arizona corporation) 400 North Fifth Street, P.O. Box 53999 Phoenix, AZ 85072-3999 (602) 250-1000 | 86-0512431 |
| 1-4473 | Arizona Public Service Company (an Arizona corporation) 400 North Fifth Street, P.O. Box 53999 Phoenix, AZ 85072-3999 (602) 250-1000 | 86-0011170 |

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

This combined Form 8-K is separately filed by Pinnacle West Capital Corporation and Arizona Public Service Company. Each registrant is filing on its own behalf all of the information contained in this Form 8-K that relates to such registrant and, where required, its subsidiaries. Except as stated in the preceding sentence, neither registrant is filing any information that does not relate to such registrant, and therefore makes no representation as to any such information.

Item 8.01 Other Events

ACC Decision in APS General Retail Rate Case

On December 16, 2009, Arizona Public Service Company (“APS”) issued a press release related to the Arizona Corporation Commission’s decision in APS’ retail rate case, which is attached to this report as Exhibit 99.1. For additional information about the rate case, see “2008 General Retail Rate Case” in Note 5 of Notes to Condensed Consolidated Financial Statements in the Pinnacle West Capital Corporation (“Pinnacle West”)/APS Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 2009 and Item 8.01 of the Pinnacle West/APS Current Report on Form 8-K dated November 17, 2009.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits

| <u>Exhibit No.</u> | <u>Registrant(s)</u> | <u>Description</u> |
|--------------------|----------------------|---|
| 99.1 | Pinnacle West APS | News Release issued on December 16, 2009. |

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, each registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

PINNACLE WEST CAPITAL CORPORATION
(Registrant)

Dated: December 17, 2009

By: /s/ James R. Hatfield
James R. Hatfield
Senior Vice President,
Chief Financial Officer and Treasurer

ARIZONA PUBLIC SERVICE COMPANY
(Registrant)

Dated: December 17, 2009

By: /s/ James R. Hatfield
James R. Hatfield
Senior Vice President,
Chief Financial Officer and Treasurer

**FOR IMMEDIATE RELEASE**

December 16, 2009

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APS REGULATORY SETTLEMENT APPROVED

*Provides financial stability for clean energy, reliability investments;
Net base-rate increase of one-half percent for average residential bill*

PHOENIX — Today, the Arizona Corporation Commission approved a comprehensive and broadly supported settlement agreement signed by Arizona Public Service Company and 21 other parties to the Company's retail rate case. Collectively, the parties represent a wide range of interests, including residential, commercial and industrial customers, low-income customers, public schools, federal agencies, union workers, merchant generators and advocates for renewable energy and energy efficiency investments.

The Commissioners approved the agreement with modifications and obligations for APS that will not materially affect the overall economic terms of the settlement. Additionally, in related activity today, the Commission approved new energy efficiency programs for APS that will allow customers more opportunities to manage their electric bills.

The agreement brings broad benefits to Arizona with only a modest price increase for the average residential customer. When combined with the annual change to the company's fuel adjustment rate — a reduction this year — the net impact on current residential bills beginning Jan. 1, 2010 will be approximately one-half of one percent.

Specifically, today's order:

- Provides rate stability through an agreement by APS not to increase base rates for the next two-and-a-half years.
- Reinforces the Company's commitment to renewable energy through initiatives by APS to build a photovoltaic solar plant, install solar rooftop panels on schools and seek an Arizona wind generation project.
- Sets aggressive energy efficiency measures and programs that will enable customers to save on their electric bills.
- Fosters conditions conducive to the creation of clean and green jobs for Arizona.

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“We are very pleased that the Corporation Commissioners, after careful consideration, approved this agreement, which is good for all of Arizona,” said APS Chairman and Chief Executive Officer Don Brandt. “APS and the other parties to the case worked with the Commissioners to address a wide range of customer needs and to secure a clean, sustainable energy future for Arizona. As a result of this agreement, 10 percent of APS’s resources will come from renewable energy by the year 2015.”

APS President and Chief Operating Officer Don Robinson echoed Mr. Brandt’s support: “This agreement should provide APS a level of financial stability that allows the Company to make smart investments in renewable resources and electric infrastructure, while also helping customers manage their bills with strong energy efficiency programs.”

Parties to the agreement were mindful of the difficult economy and structured provisions to provide these benefits in a manner that results in the nominal bill increase to customers. Average monthly residential bills for 1170 kilowatt-hours will increase by 64 cents, from \$132.87 to \$133.51, after the first of the year. The agreement insulates certain limited-income customers from the rate increase and augments the Company’s existing low-income bill assistance program by up to as much as \$8 million.

APS, Arizona’s largest and longest-serving electric utility, serves more than a million customers throughout the state. With headquarters in Phoenix, APS is the principal subsidiary of Pinnacle West Capital Corp. (NYSE: PNW).