

# PINNACLE WEST CAPITAL CORP

## FORM 8-K (Current report filing)

Filed 07/27/05 for the Period Ending 06/30/05

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



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

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**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): June 30, 2005**

Commission File Number	Exact Name of Registrant as Specified in Charter; State of Incorporation; Address and Telephone Number	IRS Employer Identification Number
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 (17 CFR 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. Neither registrant is filing any information that does not relate to such registrant, and therefore makes no representation as to any such information.

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**TABLE OF CONTENTS**

Item 2.02 Results of Operations and Financial Condition  
Item 7.01 Regulation FD Disclosure  
Item 9.01 Financial Statements and Exhibits  
Signatures

Page  
2  
3  
4  
5

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## **Item 2.02. Results of Operations and Financial Condition**

Certain of the Information referenced in Item 7.01 below relates to Pinnacle West Capital Corporation's ("Pinnacle West" or the "Company") results of operations for its fiscal quarter ended June 30, 2005. This Information is attached hereto as Exhibits 99.2, 99.3, and 99.7.

On June 27, 2005, the Company issued a press release regarding its financial results for its fiscal quarter year ended June 30, 2005. A copy of the press release is attached hereto as Exhibit 99.9.

The information being furnished pursuant to this Item 2.02 and in Exhibits 99.2, 99.3, 99.7, 99.9 and 99.10 of this report relating to the Company's financial results for its fiscal quarter ended June 30, 2005 shall not be deemed to be "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act") or otherwise subject to the liabilities of that Section, and shall not be incorporated by reference into any registration statement or other document filed under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such filing.

Exhibit 99.9 to this report contains certain "non-GAAP financial measures," as defined in Item 10(e) of Regulation S-K of the Exchange Act. We describe these non-GAAP financial measures as "on-going earnings" and "on-going earnings per share." Exhibit 99.9 contains a table that reconciles each of these non-GAAP financial measures to net income, which is the most directly comparable financial measure calculated and presented in accordance with accounting principles generally accepted in the United States of America ("GAAP"). We believe on-going earnings provide investors with a useful indicator of our results that is comparable among periods because it excludes the effects of unusual items that may occur on an irregular basis. Investors should note that these non-GAAP financial measures involve judgments by management, including whether an item is classified as an unusual item. We use on-going earnings, or similar concepts, to measure our performance internally in reports for management.

**PINNACLE WEST CAPITAL CORPORATION**  
**NON-GAAP MEASURE RECONCILIATION — NET INCOME (GAAP MEASURE)**  
**TO ON-GOING EARNINGS (NON-GAAP MEASURE)**

**Item 7.01. Regulation FD Disclosure**

**Financial and Business Information**

The Company is providing quarterly consolidated statistical summaries, earnings variance explanations, and a glossary of relevant terms (collectively, “Information”) to help interested parties better understand its business (see Exhibits 99.1, 99.2, 99.3, 99.4, 99.5, 99.6, 99.7, 99.8 and 99.10). This Information is concurrently being posted to the Company’s website at [www.pinnaclewest.com](http://www.pinnaclewest.com). The Information may not represent all of the factors that could affect the Company’s operating or financial results for various periods. Some of the Information is preliminary in nature and could be subject to significant adjustment. Some of the Information is based on information received from third parties and may contain inaccuracies. The Company is not responsible for any such inaccuracies. Although the Company may update or correct the Information if it is aware that such Information has been revised or is inaccurate, the Company assumes no obligation to update or correct the Information and reserves the right to discontinue the provision of all or any portion of the Information at any time or to change the type of Information provided.

**Item 9.01. Financial Statements and Exhibits****(c) Exhibits.**

<u>Exhibit No.</u>	<u>Registrant(s)</u>	<u>Description</u>
99.1	Pinnacle West Arizona Public Service Company (“APS”)	Pinnacle West Capital Corporation quarterly consolidated statistical summary (cover page and list of contents).
99.2	Pinnacle West APS	Pinnacle West Capital Corporation quarterly consolidated statistical summary for the periods ended June 30, 2005 and 2004.
99.3	Pinnacle West APS	Pinnacle West Capital Corporation consolidated statistics by quarter for 2005.
99.4	Pinnacle West	Pinnacle West Capital Corporation consolidated statistics by quarter for 2004.
99.5	Pinnacle West	Pinnacle West Capital Corporation consolidated statistics by quarter for 2003.
99.6	Pinnacle West	Pinnacle West Capital Corporation consolidated statistics by quarter for 2002.
99.7	Pinnacle West APS	Pinnacle West Capital Corporation earnings variance explanations for periods ended June 30, 2005 and 2004 and condensed consolidated statements of income for the three and six months ended June 30, 2005 and 2004.
99.8	Pinnacle West APS	Glossary of Terms.
99.9	Pinnacle West APS	Earnings News Release issued on July 27, 2005.
99.10	Pinnacle West APS	Reconciliation of Operating Income to Gross Margin (Non-GAAP Measure).

**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: July 27, 2005

By: /s/ Barbara M. Gomez  
Barbara M. Gomez  
Vice President and Treasurer

ARIZONA PUBLIC SERVICE COMPANY  
(Registrant)

Dated: July 27, 2005

By: /s/ Barbara M. Gomez  
Barbara M. Gomez  
Vice President and Treasurer



## Exhibit Index

Exhibit No.	Description
99.1	Pinnacle West Capital Corporation quarterly consolidated statistical summary (cover page and list of contents).
99.2	Pinnacle West Capital Corporation quarterly consolidated statistical summary for the periods ended June 30, 2005 and 2004.
99.3	Pinnacle West Capital Corporation consolidated statistics by quarter for 2005.
99.4	Pinnacle West Capital Corporation consolidated statistics by quarter for 2004.
99.5	Pinnacle West Capital Corporation consolidated statistics by quarter for 2003.
99.6	Pinnacle West Capital Corporation consolidated statistics by quarter for 2002.
99.7	Pinnacle West Capital Corporation earnings variance explanations for periods ended June 30, 2005 and 2004 and condensed consolidated statements of income for the three and six months ended June 30, 2005 and 2004.
99.8	Glossary of Terms.
99.9	Earnings News Release issued on July 27, 2005.
99.10	Reconciliation of Operating Income to Gross Margin (Non-GAAP Measure).

**EXHIBIT 99.1**

**Last Updated 7/27/2005**

**PINNACLE WEST CAPITAL CORPORATION**

**QUARTERLY CONSOLIDATED STATISTICAL SUMMARY**

**PERIODS ENDED JUNE 30, 2005 AND 2004**

**LIST OF CONTENTS**

**2005 SECOND QUARTER SUMMARY**

**2005 YEAR-TO-DATE**

**2004 BY QUARTER**

**2003 BY QUARTER**

**2002 BY QUARTER**

Quarters may not sum to totals due to rounding.

Certain current and prior year amounts have been reclassified to conform to current period presentation.

The definitions of terms used in this statistical summary are contained in the "Glossary of Terms" on the Pinnacle West website at:  
<http://www.pinnaclewest.com/files/investors/2005Q2QuarStatsGloss.pdf>

This statistical data may be graphed in various quarterly or annual comparisons using the "Interactive Charts" tool on the Pinnacle West website at:  
<http://www.pinnaclewest.com/main/pnw/investors/financials/quarterly/landing.html>

**EXHIBIT 99.2**

**Last Updated 7/27/2005**

**PINNACLE WEST CAPITAL CORPORATION**

**QUARTERLY CONSOLIDATED STATISTICAL SUMMARY**

**PERIODS ENDED JUNE 30, 2005 AND 2004**

Line	3 MO. ENDED JUNE			6 MO. ENDED JUNE		
	2005	2004	INCR (DECR)	2005	2004	INCR (DECR)
EARNINGS CONTRIBUTION BY SUBSIDIARY (\$ MILLIONS)						
1	\$ 64	\$ 55	\$ 9	\$ 91	\$ 89	\$ 2
2	12	(14)	26	(8)	(36)	28
3	1	1	-	(2)	3	(5)
4	11	4	7	19	6	13
5	-	34	(34)	(1)	34	(35)
6	(3)	(6)	3	16	9	7
7	85	74	11	115	105	10
8	(58)	(1)	(57)	(64)	(1)	(63)
9	-	-	-	-	-	-
10	\$ 27	\$ 73	\$ (46)	\$ 51	\$ 104	\$ (53)
EARNINGS PER SHARE BY SUBSIDIARY - DILUTED						
11	\$ 0.66	\$ 0.60	\$ 0.06	\$ 0.97	\$ 0.98	\$ (0.01)
12	0.13	(0.15)	0.28	(0.09)	(0.40)	0.31
13	0.01	0.01	-	(0.03)	0.03	(0.06)
14	0.11	0.04	0.07	0.21	0.06	0.15
15	-	0.37	(0.37)	(0.01)	0.38	(0.39)
16	(0.03)	(0.06)	0.03	0.17	0.10	0.07
17	0.88	0.81	0.07	1.22	1.15	0.07
18	(0.60)	(0.02)	(0.58)	(0.68)	(0.01)	(0.67)
19	-	-	-	-	-	-
20	\$ 0.28	\$ 0.79	\$ (0.51)	\$ 0.54	\$ 1.14	\$ (0.60)
21	\$ 32.89	\$ 31.68	\$ 1.21	\$ 32.89	\$ 31.68	\$ 1.21
COMMON SHARES OUTSTANDING - DILUTED (THOUSANDS)						
22	96,299	91,400	4,899	94,189	91,391	2,798
23	98,442	91,309	7,133	98,442	91,309	7,133

See Glossary of Terms. Page 2 of 31

## PINNACLE WEST CAPITAL CORPORATION

## QUARTERLY CONSOLIDATED STATISTICAL SUMMARY

## PERIODS ENDED JUNE 30, 2005 AND 2004

Line	3 MO. ENDED JUNE			6 MO. ENDED JUNE		
	2005	2004	INCR (DECR)	2005	2004	INCR (DECR)
ELECTRIC OPERATING REVENUES (DOLLARS IN MILLIONS)						
REGULATED ELECTRICITY SEGMENT						
RETAIL						
24 Residential	\$ 268	\$ 245	\$ 23	\$ 458	\$ 434	\$ 24
25 Business	281	257	24	490	468	22
26 Total retail	549	502	47	948	902	46
WHOLESALE REVENUE ON DELIVERED ELECTRICITY						
27 Traditional contracts	5	4	1	8	7	1
28 Off-system sales	12	-	12	12	-	12
29 Transmission for others	7	8	(1)	14	16	(2)
30 Other miscellaneous services	7	6	1	14	10	4
31 Total regulated electricity	580	520	60	996	935	61
MARKETING AND TRADING SEGMENT						
32 Electricity and other commodity sales	71	110	(39)	160	199	(39)
33 Total operating electric revenues	\$ 651	\$ 630	\$ 21	\$ 1,156	\$ 1,134	\$ 22
ELECTRIC SALES (GWH)						
REGULATED ELECTRICITY SEGMENT						
RETAIL SALES						
34 Residential	2,889	2,722	167	5,256	5,132	124
35 Business	3,684	3,602	82	6,726	6,653	73
36 Total retail	6,573	6,324	249	11,982	11,785	197
WHOLESALE ELECTRICITY DELIVERED						
37 Traditional contracts	200	195	5	355	333	22
38 Off-system sales	598	-	598	598	-	598
39 Retail load hedge management	702	731	(29)	1,452	900	552
40 Total regulated electricity	8,073	7,250	823	14,387	13,018	1,369
MARKETING AND TRADING SEGMENT						
41 Wholesale sales of electricity	4,901	7,143	(2,242)	10,678	12,839	(2,161)
42 Total electric sales	12,974	14,393	(1,419)	25,065	25,857	(792)

See Glossary of Terms. Page 3 of 31

## PINNACLE WEST CAPITAL CORPORATION

## QUARTERLY CONSOLIDATED STATISTICAL SUMMARY

## PERIODS ENDED JUNE 30, 2005 AND 2004

Line	3 MO. ENDED JUNE			6 MO. ENDED JUNE		
	2005	2004	INCR (DECR)	2005	2004	INCR (DECR)
MARKETING AND TRADING SEGMENT PRETAX GROSS MARGIN ANALYSIS (DOLLARS IN MILLIONS)						
REALIZED AND MARK-TO-MARKET COMPONENTS						
43 Electricity and other commodity sales, realized (a)	\$ 18	\$ 22	\$ (4)	\$ 30	\$ 34	\$ (4)
44 Mark-to-market reversals on realized sales (b)	(8)	(4)	(4)	(8)	1	(9)
45 Change in mark-to-market value of forward sales	3	4	(1)	10	8	2
	----	----	----	----	----	----
46 Total gross margin	\$ 13	\$ 22	\$ (9)	\$ 32	\$ 43	\$ (11)
	====	====	====	====	====	====
BY PINNACLE WEST ENTITY						
47 Parent company marketing and trading division	\$ 6	\$ 11	\$ (5)	\$ 27	\$ 23	\$ 4
48 APS	3	-	3	(1)	(5)	4
49 Pinnacle West Energy	-	7	(7)	5	17	(12)
50 APS Energy Services	4	4	-	1	8	(7)
	----	----	----	----	----	----
51 Total gross margin	\$ 13	\$ 22	\$ (9)	\$ 32	\$ 43	\$ (11)
	====	====	====	====	====	====

## FUTURE MARKETING AND TRADING MARK-TO-MARKET REALIZATION

As of June 30, 2005, Pinnacle West had accumulated net mark-to-market gains of \$43 million related to our power marketing and trading activities. We estimate that these gains will be reclassified to realized gains as the underlying commodities are delivered, as follows: 2005, \$9 million; 2006, \$7 million; 2007, \$17 million; and thereafter, \$10 million.

(a) The net effect on pretax gross margin from realization of prior-period mark-to-market included in line 43 and in line 44 is zero. Realization of prior-period mark-to-market relates to cash flow recognition, not earnings recognition. The arithmetic opposites of amounts included in line 43 are included in line 44. For example, line 44 shows that a prior-period mark-to-market gain of \$8 million was transferred to "realized" for the second quarter of 2005. A \$8 million realized gain is included in the \$18 million on line 43 for the second quarter of 2005.

(b) Quarterly amounts do not total to the annual amounts because of intra-year mark-to-market eliminations.

See Glossary of Terms. Page 4 of 31

## PINNACLE WEST CAPITAL CORPORATION

## QUARTERLY CONSOLIDATED STATISTICAL SUMMARY

## PERIODS ENDED JUNE 30, 2005 AND 2004

Line	3 MO. ENDED JUNE			6 MO. ENDED JUNE		
	2005	2004	INCR (DECR)	2005	2004	INCR (DECR)
AVERAGE ELECTRIC CUSTOMERS						
RETAIL CUSTOMERS						
52 Residential	888,509	852,594	35,915	889,238	854,174	35,064
53 Business	110,658	106,517	4,141	110,227	106,009	4,218
54 Total	999,167	959,111	40,056	999,465	960,183	39,282
55 Wholesale customers	76	82	(6)	79	82	(3)
56 Total customers	999,243	959,193	40,050	999,544	960,265	39,279
57 Customer Growth (% over prior year)	4.2%	3.8%	0.4%	4.1%	3.6%	0.5%
RETAIL SALES (GWH) - WEATHER NORMALIZED						
58 Residential	2,903	2,762	141	5,333	5,133	200
59 Business	3,693	3,616	77	6,751	6,614	137
60 Total	6,596	6,378	218	12,084	11,747	337
RETAIL USAGE (KWH/AVERAGE CUSTOMER)						
61 Residential	3,252	3,193	59	5,911	6,008	(97)
62 Business	33,292	33,816	(524)	61,020	62,759	(1,739)
RETAIL USAGE - WEATHER NORMALIZED (KWH/AVERAGE CUSTOMER)						
63 Residential	3,268	3,240	28	5,997	6,009	(12)
64 Business	33,374	33,944	(570)	61,250	62,393	(1,143)
ELECTRICITY DEMAND (MW)						
65 System peak demand	6,458	5,632	826	6,458	5,632	826

See Glossary of Terms. Page 5 of 31

Last Updated 7/27/2005

PINNACLE WEST CAPITAL CORPORATION

QUARTERLY CONSOLIDATED STATISTICAL SUMMARY

PERIODS ENDED JUNE 30, 2005 AND 2004

Line	3 MO. ENDED JUNE			6 MO. ENDED JUNE		
	2005	2004	INCR (DECR)	2005	2004	INCR (DECR)
ENERGY SOURCES (GWH)						
GENERATION PRODUCTION						
66 Nuclear	1,619	1,860	(241)	3,866	4,008	(142)
67 Coal	3,088	3,035	53	6,028	5,922	106
68 Gas, oil and other	2,074	1,339	735	3,201	1,706	1,495
69 Total	6,781	6,234	547	13,095	11,636	1,459
PURCHASED POWER						
70 Firm load	880	1,532	(652)	1,466	2,233	(767)
71 Marketing and trading	5,984	7,167	(1,183)	11,816	12,673	(857)
72 Total	6,864	8,699	(1,835)	13,282	14,906	(1,624)
73 Total energy sources	13,645	14,933	(1,288)	26,377	26,542	(165)
POWER PLANT PERFORMANCE						
CAPACITY FACTORS						
74 Nuclear	67%	77%	(10)%	80%	83%	(3)%
75 Coal	83%	81%	2%	81%	79%	2%
76 Gas, oil and other	27%	20%	7%	22%	13%	9%
77 System average	49%	50%	(1)%	48%	47%	1%
GENERATION CAPACITY OUT OF SERVICE AND REPLACED FOR NATIVE LOAD (AVERAGE MW/DAY)						
78 Nuclear	329	233	96	381	368	13
79 Coal	244	153	91	440	301	139
80 Gas	164	47	117	376	96	280
81 Total	737	433	304	1,197	765	432
82 Generation Fuel Cost (\$/MWh)	\$22.86	\$18.59	\$ 4.27	\$19.31	\$15.16	\$ 4.15

See Glossary of Terms. Page 6 of 31

## PINNACLE WEST CAPITAL CORPORATION

## QUARTERLY CONSOLIDATED STATISTICAL SUMMARY

## PERIODS ENDED JUNE 30, 2005 AND 2004

Line	3 MO. ENDED JUNE			6 MO. ENDED JUNE		
	2005	2004	INCR (DECR)	2005	2004	INCR (DECR)
ENERGY MARKET INDICATORS (a)						
ELECTRICITY AVERAGE DAILY SPOT PRICES (\$/MWH)						
ON-PEAK						
83 Palo Verde	\$53.33	\$50.36	\$ 2.97	\$51.54	\$47.05	\$ 4.49
84 SP15	\$55.19	\$54.73	\$ 0.46	\$55.45	\$51.55	\$ 3.90
OFF-PEAK						
85 Palo Verde	\$33.03	\$33.74	\$(0.71)	\$35.04	\$33.70	\$ 1.34
86 SP15	\$34.73	\$37.32	\$(2.59)	\$37.85	\$37.11	\$ 0.74
WEATHER INDICATORS						
ACTUAL						
87 Cooling degree-days	1,538	1,598	(60)	1,572	1,871	(299)
88 Heating degree-days	1	11	(10)	458	563	(105)
89 Average humidity	20%	19%	1%	38%	29%	9%
10-YEAR AVERAGES						
90 Cooling degree-days	1,491	1,491	-	1,571	1,571	-
91 Heating degree-days	36	36	-	557	557	-
92 Average humidity	24%	24%	0%	33%	33%	0%
ECONOMIC INDICATORS						
BUILDING PERMITS - METRO PHOENIX						
(b) (d)						
93 Single-family	7,837	8,903	(1,066)	18,193	18,948	(755)
94 Multi-family	621	915	(294)	2,362	2,673	(311)
95 Total	8,458	9,818	(1,360)	20,555	21,621	(1,066)
ARIZONA JOB GROWTH (c) (d)						
96 Payroll job growth (% over prior year)	3.9%	3.2%	0.7%	4.0%	2.9%	1.1%
97 Unemployment rate (%, seasonally adjusted)	4.9%	5.2%	(0.3)%	4.7%	5.2%	(0.5)%

**Sources:**

(a) This price is an average of daily prices obtained and used with permission from Dow Jones & Company, Inc.

(b) Arizona Real Estate Center, Arizona State University W.P. Carey College of Business

(c) Arizona Department of Economic Security

(d) The economic indicators reflect latest available data through periods ending May 2005.

See Glossary of Terms. Page 7 of 31



**EXHIBIT 99.3**

**Last Updated 7/27/2005**

**PINNACLE WEST CAPITAL CORPORATION**

**CONSOLIDATED STATISTICS BY QUARTER**

2005

Line	1ST QTR	2ND QTR	3RD QTR	4TH QTR	YEAR-TO-DATE	INCREASE (DECREASE) VS PRIOR YTD
	-----	-----	-----	-----	-----	-----
EARNINGS CONTRIBUTION BY SUBSIDIARY (\$ MILLIONS)						
1	\$ 27	\$ 64			\$ 91	\$ 2
2	(21)	12			(8)	28
3	(3)	1			(2)	(5)
4	9	11			19	13
5	(1)	-			(1)	(35)
6	19	(3)			16	7
	-----	-----	-----	-----	-----	-----
7	30	85	-	-	115	10
8						
8	(6)	(58)			(64)	(63)
9						
9	-	-			-	-
	-----	-----	-----	-----	-----	-----
10	\$ 24	\$ 27	\$ -	\$ -	\$ 51	\$ (53)
	=====	=====	=====	=====	=====	=====
EARNINGS PER SHARE BY SUBSIDIARY - DILUTED						
11	\$ 0.30	\$ 0.66			\$ 0.97	\$ (0.01)
12	(0.23)	0.13			(0.09)	0.31
13	(0.04)	0.01			(0.03)	(0.06)
14	0.09	0.11			0.21	0.15
15	(0.01)	-			(0.01)	(0.39)
16	0.21	(0.03)			0.17	0.07
	-----	-----	-----	-----	-----	-----
17	0.32	0.88	-	-	1.22	0.07
18						
18	(0.05)	(0.60)			(0.68)	(0.67)
19						
19	-	-			-	-
	-----	-----	-----	-----	-----	-----
20	\$ 0.27	\$ 0.28	\$ -	\$ -	\$ 0.54	\$ (0.60)
	=====	=====	=====	=====	=====	=====
21	\$ 32.50	\$ 32.89			\$ 32.89	\$ 1.21
COMMON SHARES OUTSTANDING - DILUTED (THOUSANDS)						
22	92,045	96,299			94,189	2,798
23	92,103	98,442			98,442	7,133

See Glossary of Terms. Page 8 of 31

## PINNACLE WEST CAPITAL CORPORATION

## CONSOLIDATED STATISTICS BY QUARTER

2005

Line	1ST QTR	2ND QTR	3RD QTR	4TH QTR	YEAR-TO-DATE	INCREASE (DECREASE) VS PRIOR YTD
	-----	-----	-----	-----	-----	-----
ELECTRIC OPERATING REVENUES (DOLLARS IN MILLIONS)						
REGULATED ELECTRICITY SEGMENT						
RETAIL						
24 Residential	\$ 190	\$ 268			\$ 458	\$ 24
25 Business	209	281			490	22
26 Total retail	399	549	-	-	948	46
WHOLESALE REVENUE ON DELIVERED ELECTRICITY						
27 Traditional contracts	3	5			8	1
28 Off-system sales	-	12			12	12
29 Transmission for others	7	7			14	(2)
30 Other miscellaneous services	7	7			14	4
31 Total regulated electricity	416	580	-	-	996	61
MARKETING AND TRADING SEGMENT						
32 Electricity and other commodity sales	89	71			160	(39)
33 Total operating electric revenues	\$ 505	\$ 651	\$ -	\$ -	\$ 1,156	\$ 22
	=====	=====	=====	=====	=====	=====
ELECTRIC SALES (GWH)						
REGULATED ELECTRICITY SEGMENT						
RETAIL SALES						
34 Residential	2,367	2,889			5,256	124
35 Business	3,042	3,684			6,726	73
36 Total retail	5,409	6,573	-	-	11,982	197
WHOLESALE ELECTRICITY DELIVERED						
37 Traditional contracts	155	200			355	22
38 Off-system sales	-	598			598	598
39 Retail load hedge management	750	702			1,452	552
40 Total regulated electricity	6,314	8,073	-	-	14,387	1,369
MARKETING AND TRADING SEGMENT						
41 Wholesale sales of electricity	5,777	4,901			10,678	(2,161)
42 Total electric sales	12,091	12,974	-	-	25,065	(792)
	=====	=====	=====	=====	=====	=====

See Glossary of Terms. Page 9 of 31

## PINNACLE WEST CAPITAL CORPORATION

## CONSOLIDATED STATISTICS BY QUARTER

2005

Line	1ST QTR	2ND QTR	3RD QTR	4TH QTR	YEAR-TO-DATE	INCREASE (DECREASE) VS PRIOR YTD	
MARKETING AND TRADING SEGMENT PRETAX GROSS MARGIN ANALYSIS (DOLLARS IN MILLIONS)							
REALIZED AND MARK-TO-MARKET COMPONENTS							
43	Electricity and other commodity sales, realized (a)	\$ 12	\$ 18		\$ 30	\$ (4)	
44	Mark-to-market reversals on realized sales (b)	(3)	(8)		(8)	(9)	
45	Change in mark-to-market value of forward sales	10	3		10	2	
46	Total gross margin	\$ 19	\$ 13	\$ -	\$ -	\$ 32	\$ (11)
BY PINNACLE WEST ENTITY							
47	Parent company marketing and trading division	\$ 21	\$ 6		\$ 27	\$ 4	
48	APS	(4)	3		(1)	4	
49	Pinnacle West Energy	5	-		5	(12)	
50	APS Energy Services	(3)	4		1	(7)	
51	Total gross margin	\$ 19	\$ 13	\$ -	\$ -	\$ 32	\$ (11)

## FUTURE MARKETING AND TRADING MARK-TO-MARKET REALIZATION

As of June 30, 2005, Pinnacle West had accumulated net mark-to-market gains of \$43 million related to our power marketing and trading activities. We estimate that these gains will be reclassified to realized gains as the underlying commodities are delivered, as follows: 2005, \$9 million; 2006, \$7 million; 2007, \$17 million; and thereafter, \$10 million.

(a) The net effect on pretax gross margin from realization of prior-period mark-to-market included in line 43 and in line 44 is zero. Realization of prior-period mark-to-market relates to cash flow recognition, not earnings recognition. The arithmetic opposites of amounts included in line 43 are included in line 44. For example, line 44 shows that a prior-period mark-to-market gain of \$8 million was transferred to "realized" for the second quarter of 2005. A \$8 million realized gain is included in the \$18 million on line 43 for the second quarter of 2005.

(b) Quarterly amounts do not total to the annual amounts because of intra-year mark-to-market eliminations.

See Glossary of Terms. Page 10 of 31

## PINNACLE WEST CAPITAL CORPORATION

## CONSOLIDATED STATISTICS BY QUARTER

2005

Line	1ST QTR	2ND QTR	3RD QTR	4TH QTR	YEAR-TO-DATE	INCREASE (DECREASE) VS PRIOR YTD
	-----	-----	-----	-----	-----	-----
AVERAGE ELECTRIC CUSTOMERS						
RETAIL CUSTOMERS						
52 Residential	889,967	888,509			889,238	35,064
53 Business	109,772	110,658			110,227	4,218
54 Total	999,739	999,167	-	-	999,465	39,282
55 Wholesale customers	81	76			79	(3)
56 Total customers	999,820	999,243	-	-	999,544	39,279
	=====	=====	=====	=====	=====	=====
57 Customer Growth (% over prior year)	4.0%	4.2%			4.1%	0.5%
RETAIL SALES (GWH) - WEATHER NORMALIZED						
58 Residential	2,430	2,903			5,333	200
59 Business	3,058	3,693			6,751	137
60 Total	5,488	6,596	-	-	12,084	337
	=====	=====	=====	=====	=====	=====
RETAIL USAGE (KWH/AVERAGE CUSTOMER)						
61 Residential	2,660	3,252			5,911	(97)
62 Business	27,712	33,292			61,020	(1,739)
RETAIL USAGE - WEATHER NORMALIZED (KWH/AVERAGE CUSTOMER)						
63 Residential	2,730	3,268			5,997	(12)
64 Business	27,860	33,374			61,250	(1,143)
ELECTRICITY DEMAND (MW)						
65 System peak demand	3,997	6,458			6,458	826

See Glossary of Terms. Page 11 of 31

Last Updated 7/27/2005

PINNACLE WEST CAPITAL CORPORATION

CONSOLIDATED STATISTICS BY QUARTER

2005

Line	1ST QTR	2ND QTR	3RD QTR	4TH QTR	YEAR-TO-DATE	INCREASE (DECREASE) VS PRIOR YTD
ENERGY SOURCES (GWH)						
GENERATION PRODUCTION						
66 Nuclear	2,247	1,619			3,866	(142)
67 Coal	2,940	3,088			6,028	106
68 Gas, oil and other	1,127	2,074			3,201	1,495
69 Total	6,314	6,781	-	-	13,095	1,459
PURCHASED POWER						
70 Firm load	586	880			1,466	(767)
71 Marketing and trading	5,832	5,984			11,816	(857)
72 Total	6,418	6,864	-	-	13,282	(1,624)
73 Total energy sources	12,732	13,645	-	-	26,377	(165)
POWER PLANT PERFORMANCE						
CAPACITY FACTORS						
74 Nuclear	94%	67%			80%	(3)%
75 Coal	80%	83%			81%	2%
76 Gas, oil and other	17%	27%			22%	9%
77 System average	49%	49%			48%	1%
GENERATION CAPACITY OUT OF SERVICE AND REPLACED FOR NATIVE LOAD (AVERAGE MW/DAY)						
78 Nuclear	52	329			381	13
79 Coal	195	244			440	139
80 Gas	212	164			376	280
81 Total	459	737	-	-	1,197	432
82 Generation Fuel Cost (\$/MWh)	\$ 15.50	\$ 22.86			\$ 19.31	\$ 4.15

See Glossary of Terms. Page 12 of 31

## PINNACLE WEST CAPITAL CORPORATION

## CONSOLIDATED STATISTICS BY QUARTER

2005

Line	1ST QTR	2ND QTR	3RD QTR	4TH QTR	YEAR-TO-DATE	INCREASE (DECREASE) VS PRIOR YTD
	-----	-----	-----	-----	-----	-----
ENERGY MARKET INDICATORS (a)						
ELECTRICITY AVERAGE DAILY SPOT PRICES (\$/MWH)						
ON-PEAK						
83 Palo Verde	\$ 49.74	\$ 53.33			\$ 51.54	\$ 4.49
84 SP15	\$ 55.70	\$ 55.19			\$ 55.45	\$ 3.90
OFF-PEAK						
85 Palo Verde	\$ 37.04	\$ 33.03			\$ 35.04	\$ 1.34
86 SP15	\$ 40.96	\$ 34.73			\$ 37.85	\$ 0.74
WEATHER INDICATORS						
ACTUAL						
87 Cooling degree-days	34	1,538			1,572	(299)
88 Heating degree-days	457	1			458	(105)
89 Average humidity	56%	20%			38%	9%
10-YEAR AVERAGES						
90 Cooling degree-days	80	1,491			1,571	-
91 Heating degree-days	521	36			557	-
92 Average humidity	43%	24%			33%	0%
ECONOMIC INDICATORS						
BUILDING PERMITS -- METRO PHOENIX (b) (d)						
93 Single-family	10,356	7,837			18,193	(5,488)
94 Multi-family	1,741	621			2,362	(719)
95 Total	12,097	8,458	-	-	20,555	(6,207)
ARIZONA JOB GROWTH (c) (d)						
96 Payroll job growth (% over prior year)	4.1%	3.9%			4.0%	1.1%
97 Unemployment rate (%, seasonally adjusted)	4.4%	4.9%			4.7%	(0.5)%

**Sources:**

(a) This price is an average of daily prices obtained and used with permission from Dow Jones & Company, Inc.

(b) Arizona Real Estate Center, Arizona State University W.P. Carey College of Business

(c) Arizona Department of Economic Security

(d) The economic indicators reflect latest available data through periods ending May 2005.

See Glossary of Terms. Page 13 of 31

**EXHIBIT 99.4**

**Last Updated 7/27/2005**

**PINNACLE WEST CAPITAL CORPORATION**  
**CONSOLIDATED STATISTICS BY QUARTER**

2004

Line	1ST QTR	2ND QTR	3RD QTR	4TH QTR	YEAR-TO-DATE	INCREASE (DECREASE) VS PRIOR YTD
	-----	-----	-----	-----	-----	-----
<b>EARNINGS CONTRIBUTION BY SUBSIDIARY (\$ MILLIONS)</b>						
1 Arizona Public Service	\$ 34	\$ 55	\$ 95	\$ 15	\$ 200	\$ 19
2 Pinnacle West Energy	(22)	(14)	1	(23)	(58)	(50)
3 APS Energy Services	2	1	1	(1)	3	(13)
4 SunCor	2	4	4	31	41	(5)
5 El Dorado	-	34	-	-	33	34
6 Parent Company	15	(6)	3	16	28	36
	-----	-----	-----	-----	-----	-----
7 Income From Continuing Operations	31	74	104	38	247	21
8 Income (Loss) From Discontinued Operations - Net of Tax	-	(1)	1	(4)	(4)	(18)
9 Cumulative Effect of Change in Accounting - Net of Tax	-	-	-	-	-	-
	-----	-----	-----	-----	-----	-----
10 Net Income	\$ 31	\$ 73	\$ 105	\$ 34	\$ 243	\$ 3
	=====	=====	=====	=====	=====	=====
<b>EARNINGS PER SHARE BY SUBSIDIARY - DILUTED</b>						
11 Arizona Public Service	\$ 0.38	\$ 0.60	\$ 1.04	\$ 0.16	\$ 2.18	\$ 0.20
12 Pinnacle West Energy	(0.24)	(0.15)	0.01	(0.25)	(0.63)	(0.55)
13 APS Energy Services	0.02	0.01	0.01	(0.01)	0.03	(0.15)
14 SunCor	0.02	0.04	0.05	0.34	0.45	(0.05)
15 El Dorado	-	0.37	-	-	0.36	0.37
16 Parent Company	0.16	(0.06)	0.03	0.17	0.30	0.40
	-----	-----	-----	-----	-----	-----
17 Income From Continuing Operations	0.34	0.81	1.14	0.41	2.69	0.22
18 Income (Loss) From Discontinued Operations - Net of Tax	-	(0.02)	0.01	(0.04)	(0.03)	(0.19)
19 Cumulative Effect of Change in Accounting - Net of Tax	-	-	-	-	-	-
	-----	-----	-----	-----	-----	-----
20 Net Income	\$ 0.34	\$ 0.79	\$ 1.15	\$ 0.37	\$ 2.66	\$ 0.03
	=====	=====	=====	=====	=====	=====
21 BOOK VALUE PER SHARE	\$ 31.19	\$ 31.68	\$ 32.55	\$ 32.24	\$ 32.24	\$ 1.27
<b>COMMON SHARES OUTSTANDING - DILUTED (THOUSANDS)</b>						
22 Average	91,376	91,400	91,491	91,779	91,532	127
23 End of Period	91,310	91,309	91,443	91,793	91,793	505

See Glossary of Terms. Page 14 of 31

Last Updated 7/27/2005

PINNACLE WEST CAPITAL CORPORATION

CONSOLIDATED STATISTICS BY QUARTER

2004

Line	1ST QTR	2ND QTR	3RD QTR	4TH QTR	YEAR-TO-DATE	INCREASE (DECREASE) VS PRIOR YTD
ELECTRIC OPERATING REVENUES (DOLLARS IN MILLIONS)						
REGULATED ELECTRICITY SEGMENT						
RETAIL						
24 Residential	\$ 189	\$ 245	\$ 360	\$ 190	\$ 984	\$ 27
25 Business	211	257	289	222	979	26
26 Total retail	400	502	649	412	1,963	53
WHOLESALE REVENUE ON DELIVERED ELECTRICITY						
27 Traditional contracts	3	4	6	3	16	1
28 Off-system sales	-	-	-	-	-	-
29 Transmission for others	8	8	8	8	32	5
30 Other miscellaneous services	4	6	8	6	24	(2)
31 Total regulated electricity	415	520	671	429	2,035	57
MARKETING AND TRADING SEGMENT						
32 Electricity and other commodity sales	89	110	91	111	401	9
33 Total operating electric revenues	\$ 504	\$ 630	\$ 762	\$ 540	\$ 2,436	\$ 66
ELECTRIC SALES (GWH)						
REGULATED ELECTRICITY SEGMENT						
RETAIL SALES						
34 Residential	2,410	2,722	4,028	2,368	11,528	381
35 Business	3,051	3,602	3,937	3,236	13,826	410
36 Total retail	5,461	6,324	7,965	5,604	25,354	791
WHOLESALE ELECTRICITY DELIVERED						
37 Traditional contracts	138	195	210	167	710	210
38 Off-system sales	-	-	-	-	-	-
39 Retail load hedge management	169	731	943	889	2,732	1,639
40 Total regulated electricity	5,768	7,250	9,118	6,660	28,796	2,640
MARKETING AND TRADING SEGMENT						
41 Wholesale sales of electricity	5,696	7,143	8,995	8,348	30,182	1,380
42 Total electric sales	11,464	14,393	18,113	15,008	58,978	4,020

See Glossary of Terms. Page 15 of 31



## PINNACLE WEST CAPITAL CORPORATION

## CONSOLIDATED STATISTICS BY QUARTER

2004

Line	1ST QTR	2ND QTR	3RD QTR	4TH QTR	YEAR-TO-DATE	INCREASE (DECREASE) VS PRIOR YTD
	-----	-----	-----	-----	-----	-----
MARKETING AND TRADING SEGMENT PRETAX GROSS MARGIN ANALYSIS (DOLLARS IN MILLIONS)						
REALIZED AND MARK-TO-MARKET COMPONENTS						
43 Electricity and other commodity sales, realized (a)	\$ 12	\$ 22	\$ 13	\$ 16	\$ 63	\$ (2)
44 Mark-to-market reversals on realized sales (b)	1	(4)	(3)	-	(6)	-
45 Change in mark-to-market value of forward sales	8	4	5	6	23	35
	----	----	----	----	----	----
46 Total gross margin	\$ 21	\$ 22	\$ 15	\$ 22	\$ 80	\$ 33
	====	====	====	====	====	====
BY PINNACLE WEST ENTITY						
47 Parent company marketing and trading division	\$ 12	\$ 11	\$ 9	\$ 12	\$ 44	\$ 49
48 APS	(5)	-	2	(2)	(5)	(13)
49 Pinnacle West Energy	10	7	-	10	27	19
50 APS Energy Services	4	4	4	2	14	(22)
	----	----	----	----	----	----
51 Total gross margin	\$ 21	\$ 22	\$ 15	\$ 22	\$ 80	\$ 33
	====	====	====	====	====	====

(a) The net effect on pretax gross margin from realization of prior-period mark-to-market included in line 43 and in line 44 is zero. Realization of prior-period mark-to-market relates to cash flow recognition, not earnings recognition. The opposites of amounts included in line 43 are included in line 44. For example, line 44 shows that a prior-period mark-to-market gain of \$6 million was transferred to "realized" for the total year 2004. A \$6 million realized gain is included in the \$63 million on line 43 for the total year 2004.

(b) Quarterly amounts do not total to the annual amounts because of intra-year mark-to-market eliminations.

See Glossary of Terms. Page 16 of 31

## PINNACLE WEST CAPITAL CORPORATION

## CONSOLIDATED STATISTICS BY QUARTER

2004

Line	1ST QTR	2ND QTR	3RD QTR	4TH QTR	YEAR-TO-DATE	INCREASE (DECREASE) VS PRIOR YTD
AVERAGE ELECTRIC CUSTOMERS						
RETAIL CUSTOMERS						
52 Residential	855,754	852,594	856,353	871,575	859,069	30,703
53 Business	105,502	106,517	107,583	108,860	107,115	4,019
54 Total	961,256	959,111	963,936	980,435	966,184	34,722
55 Wholesale customers	81	82	85	77	81	15
56 Total customers	961,337	959,193	964,021	980,512	966,265	34,737
57 Customer Growth (% over prior year)	3.4%	3.8%	3.9%	3.9%	3.7%	0.4%
RETAIL SALES (GWH) - WEATHER NORMALIZED						
58 Residential	2,371	2,762	4,231	2,340	11,704	825
59 Business	2,998	3,616	4,005	3,252	13,870	467
60 Total	5,369	6,378	8,236	5,592	25,574	1,292
RETAIL USAGE (KWH/AVERAGE CUSTOMER)						
61 Residential	2,816	3,193	4,704	2,717	13,418	(39)
62 Business	28,919	33,816	36,595	29,726	129,392	(1,137)
RETAIL USAGE - WEATHER NORMALIZED (KWH/AVERAGE CUSTOMER)						
63 Residential	2,770	3,240	4,941	2,686	13,624	491
64 Business	28,422	33,944	37,227	29,871	129,495	(511)
ELECTRICITY DEMAND (MW)						
65 System peak demand	3,979	5,632	6,402	4,432	6,402	70

See Glossary of Terms. Page 17 of 31

Last Updated 7/27/2005

PINNACLE WEST CAPITAL CORPORATION

CONSOLIDATED STATISTICS BY QUARTER

2004

Line	1ST QTR	2ND QTR	3RD QTR	4TH QTR	YEAR-TO-DATE	INCREASE (DECREASE) VS PRIOR YTD
	-----	-----	-----	-----	-----	-----
ENERGY SOURCES (GWH)						
GENERATION PRODUCTION						
66 Nuclear	2,148	1,860	2,364	1,812	8,184	(131)
67 Coal	2,887	3,035	3,417	3,327	12,666	1,300
68 Gas, oil and other	367	1,339	2,547	1,074	5,327	(764)
	-----	-----	-----	-----	-----	-----
69 Total	5,402	6,234	8,328	6,213	26,177	405
	-----	-----	-----	-----	-----	-----
PURCHASED POWER						
70 Firm load	701	1,532	1,068	1,024	4,325	1,214
71 Marketing and trading	5,506	7,167	9,301	8,218	30,192	2,443
	-----	-----	-----	-----	-----	-----
72 Total	6,207	8,699	10,369	9,242	34,517	3,657
	-----	-----	-----	-----	-----	-----
73 Total energy sources	11,609	14,933	18,697	15,455	60,694	4,062
	=====	=====	=====	=====	=====	=====
POWER PLANT PERFORMANCE						
CAPACITY FACTORS						
74 Nuclear	88%	77%	96%	74%	84%	(3)%
75 Coal	77%	81%	90%	88%	84%	8%
76 Gas, oil and other	5%	20%	38%	12%	18%	(10)%
77 System average	44%	50%	64%	48%	51%	(4)%
GENERATION CAPACITY OUT OF SERVICE AND REPLACED FOR NATIVE LOAD (AVERAGE MW/DAY)						
78 Nuclear	135	233	13	261	161	29
79 Coal	149	153	63	61	107	(163)
80 Gas	49	47	39	34	42	(163)
	-----	-----	-----	-----	-----	-----
81 Total	333	433	115	356	310	(296)
	-----	-----	-----	-----	-----	-----
82 Generation Fuel Cost (\$/MWh)	\$11.17	\$18.59	\$20.73	\$20.90	\$18.31	\$ 0.95

See Glossary of Terms. Page 18 of 31

## PINNACLE WEST CAPITAL CORPORATION

## CONSOLIDATED STATISTICS BY QUARTER

2004

Line	1ST QTR	2ND QTR	3RD QTR	4TH QTR	YEAR-TO-DATE	INCREASE (DECREASE) VS PRIOR YTD
	-----	-----	-----	-----	-----	-----
ENERGY MARKET INDICATORS (a)						
ELECTRICITY AVERAGE DAILY SPOT PRICES (\$/MWH)						
ON-PEAK						
83 Palo Verde	\$43.73	\$50.36	\$51.86	\$51.23	\$49.30	\$ 0.70
84 SP15	\$48.37	\$54.73	\$57.09	\$60.62	\$55.20	\$ 3.82
OFF-PEAK						
85 Palo Verde	\$33.66	\$33.74	\$33.37	\$38.21	\$34.75	\$ 2.72
86 SP15	\$36.90	\$37.32	\$37.18	\$43.07	\$38.62	\$ 3.96
WEATHER INDICATORS						
ACTUAL						
87 Cooling degree-days	273	1,598	2,471	352	4,694	(205)
88 Heating degree-days	552	11	-	422	985	249
89 Average humidity	39%	19%	26%	45%	32%	1%
10-YEAR AVERAGES						
90 Cooling degree-days	80	1,491	2,540	420	4,531	420
91 Heating degree-days	521	36	-	415	972	415
92 Average humidity	43%	24%	33%	40%	35%	0%
ECONOMIC INDICATORS						
BUILDING PERMITS -- METRO PHOENIX (b)						
93 Single-family	10,045	13,636	14,111	10,325	48,117	8,466
94 Multi-family	1,757	1,324	2,149	2,356	7,586	859
95 Total	11,802	14,960	16,260	12,681	55,703	9,325
	=====	=====	=====	=====	=====	=====
ARIZONA JOB GROWTH (c)						
96 Payroll job growth (% over prior year)	2.7%	3.3%	3.6%	3.9%	3.4%	2.0%
97 Unemployment rate (%, seasonally adjusted)	5.2%	5.1%	4.9%	4.6%	5.0%	(0.7)%

**Sources:**

(a) This price is an average of daily prices obtained and used with permission from Dow Jones & Company, Inc.

(b) Arizona Real Estate Center, Arizona State University W.P. Carey College of Business

(c) Arizona Department of Economic Security

See Glossary of Terms. Page 19 of 31

**EXHIBIT 99.5**

**Last Updated 7/27/2005**

**PINNACLE WEST CAPITAL CORPORATION**

**CONSOLIDATED STATISTICS BY QUARTER**

2003

Line	1ST QTR	2ND QTR	3RD QTR	4TH QTR	YEAR-TO-DATE	INCREASE (DECREASE) VS PRIOR YTD
	-----	-----	-----	-----	-----	-----
EARNINGS CONTRIBUTION BY SUBSIDIARY (\$ MILLIONS)						
1 Arizona Public Service	\$ 16	\$ 43	\$ 100	\$ 21	\$ 181	\$ (18)
2 Pinnacle West Energy	4	1	2	(15)	(8)	11
3 APS Energy Services	8	5	1	3	16	(12)
4 SunCor	1	2	6	36	46	36
5 El Dorado	-	-	-	-	-	(4)
6 Parent Company	(11)	3	-	-	(10)	(30)
	-----	-----	-----	-----	-----	-----
7 Income From Continuing Operations	18	54	109	45	225	(17)
8 Income From Discontinued Operations - Net of Tax	7	2	1	4	16	43
9 Cumulative Effect of Change in Accounting - Net of Tax	-	-	-	-	-	66
	-----	-----	-----	-----	-----	-----
10 Net Income	\$ 25	\$ 56	\$ 110	\$ 49	\$ 241	\$ 92
	=====	=====	=====	=====	=====	=====
EARNINGS PER SHARE BY SUBSIDIARY - DILUTED						
11 Arizona Public Service	\$ 0.17	\$ 0.47	\$ 1.10	\$ 0.24	\$ 1.98	\$ (0.37)
12 Pinnacle West Energy	0.05	0.01	0.02	(0.16)	(0.08)	0.15
13 APS Energy Services	0.08	0.06	0.01	0.03	0.18	(0.15)
14 SunCor	0.01	0.03	0.07	0.39	0.50	0.37
15 El Dorado	-	-	-	-	(0.01)	(0.05)
16 Parent Company	(0.11)	0.02	(0.01)	(0.01)	(0.10)	(0.33)
	-----	-----	-----	-----	-----	-----
17 Income From Continuing Operations	0.20	0.59	1.19	0.49	2.47	(0.38)
18 Income From Discontinued Operations - Net of Tax	0.08	0.02	0.01	0.05	0.16	0.48
19 Cumulative Effect of Change in Accounting - Net of Tax	-	-	-	-	-	0.77
	-----	-----	-----	-----	-----	-----
20 Net Income	\$ 0.28	\$ 0.61	\$ 1.20	\$ 0.54	\$ 2.63	\$ 0.87
	=====	=====	=====	=====	=====	=====
21 BOOK VALUE PER SHARE	\$ 29.39	\$ 29.95	\$ 30.68	\$ 30.97	\$ 30.97	\$ 1.57
COMMON SHARES OUTSTANDING - DILUTED (THOUSANDS)						
22 Average	91,359	91,450	91,467	91,403	91,405	6,441
23 End of Period	91,257	91,262	91,271	91,288	91,288	33

See Glossary of Terms. Page 20 of 31

## PINNACLE WEST CAPITAL CORPORATION

## CONSOLIDATED STATISTICS BY QUARTER

2003

Line	1ST QTR	2ND QTR	3RD QTR	4TH QTR	YEAR-TO-DATE	INCREASE (DECREASE) VS PRIOR YTD	
	-----	-----	-----	-----	-----	-----	
ELECTRIC OPERATING REVENUES (DOLLARS IN MILLIONS)							
REGULATED ELECTRICITY SEGMENT							
RETAIL							
24	Residential	\$ 168	\$ 233	\$ 363	\$ 193	\$ 957	\$ 51
25	Business	196	251	284	222	953	25
		-----	-----	-----	-----	-----	-----
26	Total retail	364	484	647	415	1,910	76
WHOLESALE REVENUE ON DELIVERED ELECTRICITY							
27	Traditional contracts	3	4	5	3	15	6
28	Off-system sales	-	-	-	-	-	-
29	Transmission for others	6	5	9	7	27	(3)
30	Other miscellaneous services	7	6	6	7	26	9
		-----	-----	-----	-----	-----	-----
31	Total regulated electricity	380	499	667	432	1,978	88
MARKETING AND TRADING SEGMENT							
32	Electricity and other commodity sales	117	101	83	91	392	105
		-----	-----	-----	-----	-----	-----
33	Total operating electric revenues	\$ 497	\$ 600	\$ 750	\$ 523	\$ 2,370	\$ 193
		=====	=====	=====	=====	=====	=====
ELECTRIC SALES (GWH)							
REGULATED ELECTRICITY SEGMENT							
RETAIL SALES							
34	Residential	2,104	2,543	4,126	2,374	11,147	703
35	Business	2,849	3,450	3,891	3,226	13,416	499
		-----	-----	-----	-----	-----	-----
36	Total retail	4,953	5,993	8,017	5,600	24,563	1,202
WHOLESALE ELECTRICITY DELIVERED							
37	Traditional contracts	130	131	127	112	500	26
38	Off-system sales	-	-	-	-	-	-
39	Retail load hedge management	109	205	446	333	1,093	(1,549)
		-----	-----	-----	-----	-----	-----
40	Total regulated electricity	5,192	6,329	8,590	6,045	26,156	(321)
MARKETING AND TRADING SEGMENT							
41	Wholesale sales of electricity	7,372	6,798	7,255	7,377	28,802	5,947
		-----	-----	-----	-----	-----	-----
42	Total electric sales	12,564	13,127	15,845	13,422	54,958	5,626
		=====	=====	=====	=====	=====	=====

See Glossary of Terms. Page 21 of 31

## PINNACLE WEST CAPITAL CORPORATION

## CONSOLIDATED STATISTICS BY QUARTER

2003

Line	1ST QTR	2ND QTR	3RD QTR	4TH QTR	YEAR-TO-DATE	INCREASE (DECREASE) VS PRIOR YTD	
	-----	-----	-----	-----	-----	-----	
MARKETING AND TRADING SEGMENT PRETAX GROSS MARGIN ANALYSIS (DOLLARS IN MILLIONS)							
REALIZED AND MARK-TO-MARKET COMPONENTS							
43	Electricity and other commodity sales, realized (a)	\$ 25	\$ 20	\$ 4	\$ 16	\$ 65	\$(56)
44	Mark-to-market reversals on realized sales (b)	(3)	1	(3)	(1)	(6)	35
45	Change in mark-to-market value of forward sales	(3)	(1)	(3)	(5)	(12)	(64)
46	Total gross margin	\$ 19	\$ 20	\$ (2)	\$ 10	\$ 47	\$(85)
BY PINNACLE WEST ENTITY							
47	Parent company marketing and trading division	\$ 2	\$ 4	\$ (2)	\$ (9)	\$ (5)	\$(95)
48	APS	6	4	(6)	4	8	\$ 6
49	Pinnacle West Energy	(1)	-	-	9	8	\$ 4
50	APS Energy Services	12	12	6	6	36	\$ -
51	Total gross margin	\$ 19	\$ 20	\$ (2)	\$ 10	\$ 47	\$(85)

(a) The net effect on pretax gross margin from realization of prior-period mark-to-market included in line 43 and in line 44 is zero. Realization of prior-period mark-to-market relates to cash flow recognition, not earnings recognition. The opposites of amounts included in line 43 are included in line 44. For example, line 44 shows that a prior-period mark-to-market gain of \$6 million was transferred to "realized" for the total year 2003. A \$6 million realized gain is included in the \$65 million on line 43 for the total year 2003.

(b) Quarterly amounts do not total to the annual amounts because of intra-year mark-to-market eliminations.

See Glossary of Terms. Page 22 of 31

## PINNACLE WEST CAPITAL CORPORATION

## CONSOLIDATED STATISTICS BY QUARTER

2003

Line	1ST QTR	2ND QTR	3RD QTR	4TH QTR	YEAR-TO-DATE	INCREASE (DECREASE) VS PRIOR YTD
	-----	-----	-----	-----	-----	-----
AVERAGE ELECTRIC CUSTOMERS						
RETAIL CUSTOMERS						
52 Residential	827,937	821,331	824,655	839,539	828,366	26,565
53 Business	101,999	102,601	103,262	104,521	103,096	2,868
54 Total	929,936	923,932	927,917	944,060	931,462	29,432
55 Wholesale customers	65	66	66	66	66	(1)
56 Total customers	930,001	923,998	927,983	944,126	931,528	29,431
	=====	=====	=====	=====	=====	=====
57 Customer Growth (% over prior year)	3.3%	3.1%	3.2%	3.4%	3.3%	0.2%
RETAIL SALES (GWH) - WEATHER NORMALIZED						
58 Residential	2,223	2,520	3,872	2,264	10,879	389
59 Business	2,886	3,485	3,858	3,174	13,403	498
60 Total	5,109	6,005	7,730	5,438	24,282	887
	=====	=====	=====	=====	=====	=====
RETAIL USAGE (KWH/AVERAGE CUSTOMER)						
61 Residential	2,541	3,096	5,004	2,828	13,457	432
62 Business	27,927	33,625	37,677	30,865	130,529	1,288
RETAIL USAGE - WEATHER NORMALIZED (KWH/AVERAGE CUSTOMER)						
63 Residential	2,685	3,067	4,695	2,697	13,133	50
64 Business	28,290	33,969	37,360	30,371	130,006	1,251
ELECTRICITY DEMAND (MW)						
65 System peak demand	3,569	5,571	6,332	5,124	6,332	529

See Glossary of Terms. Page 23 of 31



Last Updated 7/27/2005

PINNACLE WEST CAPITAL CORPORATION

CONSOLIDATED STATISTICS BY QUARTER

2003

Line	1ST QTR	2ND QTR	3RD QTR	4TH QTR	YEAR-TO-DATE	INCREASE (DECREASE) VS PRIOR YTD
	-----	-----	-----	-----	-----	-----
ENERGY SOURCES (GWH)						
GENERATION PRODUCTION						
66 Nuclear	2,306	2,047	2,230	1,732	8,315	(666)
67 Coal	2,770	2,824	2,972	2,800	11,366	(690)
68 Gas, oil and other	1,288	1,572	2,696	535	6,091	1,722
69 Total	6,364	6,443	7,898	5,067	25,772	366
PURCHASED POWER						
70 Firm load	(12)	606	1,099	1,418	3,111	1,492
71 Marketing and trading	6,489	6,527	7,498	7,235	27,749	4,045
72 Total	6,477	7,133	8,597	8,653	30,860	5,537
73 Total energy sources	12,841	13,576	16,495	13,720	56,632	5,903
	=====	=====	=====	=====	=====	=====
POWER PLANT PERFORMANCE						
CAPACITY FACTORS						
74 Nuclear	98%	86%	93%	72%	87%	(7)%
75 Coal	75%	75%	79%	74%	76%	(4)%
76 Gas, oil and other	26%	31%	44%	9%	28%	1%
77 System average	58%	59%	64%	41%	55%	(8)%
GENERATION CAPACITY OUT OF SERVICE AND REPLACED FOR NATIVE LOAD (AVERAGE MW/DAY)						
78 Nuclear	31	136	61	297	131	64
79 Coal	292	254	277	253	269	102
80 Gas	189	148	154	338	205	157
81 Total	512	538	492	888	605	323
82 Generation Fuel Cost (\$/MWh)	\$ 15.89	\$ 16.80	\$ 19.52	\$ 15.40	\$ 17.36	\$ 4.35

See Glossary of Terms. Page 24 of 31

## PINNACLE WEST CAPITAL CORPORATION

## CONSOLIDATED STATISTICS BY QUARTER

2003

Line	1ST QTR	2ND QTR	3RD QTR	4TH QTR	YEAR-TO-DATE	INCREASE (DECREASE) VS PRIOR YTD	
	-----	-----	-----	-----	-----	-----	
ENERGY MARKET INDICATORS (a)							
ELECTRICITY AVERAGE DAILY SPOT PRICES (\$/MWH)							
ON-PEAK							
83	Palo Verde	\$49.66	\$48.88	\$52.88	\$42.98	\$48.60	\$16.32
84	SP15	\$54.35	\$50.73	\$53.54	\$46.88	\$51.38	\$17.16
OFF-PEAK							
85	Palo Verde	\$36.09	\$25.48	\$36.08	\$30.48	\$32.03	\$12.14
86	SP15	\$39.70	\$28.27	\$37.81	\$32.85	\$34.66	\$12.97
WEATHER INDICATORS							
ACTUAL							
87	Cooling degree-days	76	1,550	2,701	572	4,899	24
88	Heating degree-days	349	17	-	370	736	(64)
89	Average humidity	44%	18%	30%	34%	31%	4%
10-YEAR AVERAGES							
90	Cooling degree-days	80	1,491	2,540	420	4,531	-
91	Heating degree-days	521	36	-	415	972	-
92	Average humidity	43%	24%	33%	40%	35%	0%
ECONOMIC INDICATORS							
BUILDING PERMITS -- METRO PHOENIX (b)							
93	Single-family	8,030	10,613	11,191	9,817	39,651	5,339
94	Multi-family	863	2,053	1,231	2,580	6,727	(347)
95	Total	8,893	12,666	12,422	12,397	46,378	4,992
		=====	=====	=====	=====	=====	=====
ARIZONA JOB GROWTH (c)							
96	Payroll job growth (% over prior year)	1.1%	0.9%	1.5%	2.0%	1.4%	1.4%
97	Unemployment rate (%, seasonally adjusted)	5.8%	5.9%	5.7%	5.3%	5.7%	(0.5)%

**Sources:**

(a) This price is an average of daily prices obtained and used with permission from Dow Jones &amp; Company, Inc.

(b) Arizona Real Estate Center, Arizona State University W.P. Carey College of Business

(c) Arizona Department of Economic Security

See Glossary of Terms. Page 25 of 31

**EXHIBIT 99.6**

**Last Updated 7/27/2005**

**PINNACLE WEST CAPITAL CORPORATION**

**CONSOLIDATED STATISTICS BY QUARTER**

2002

Line		1ST QTR	2ND QTR	3RD QTR	4TH QTR	YEAR-TO-DATE	INCREASE (DECREASE) VS PRIOR YTD
		-----	-----	-----	-----	-----	-----
	EARNINGS CONTRIBUTION BY SUBSIDIARY (\$ MILLIONS)						
1	Arizona Public Service	\$ 32	\$ 64	\$ 87	\$ 16	\$ 199	\$ (82)
2	Pinnacle West Energy	1	1	10	(31)	(19)	(37)
3	APS Energy Services	2	11	7	8	28	38
4	SunCor	1	2	(1)	8	10	7
5	El Dorado	-	(3)	(2)	9	4	4
6	Parent Company	17	(6)	8	1	20	(15)
		-----	-----	-----	-----	-----	-----
7	Income From Continuing Operations	53	69	109	11	242	(85)
8	Income (Loss) From Discontinued Operations - Net of Tax	1	6	(8)	(26)	(27)	(27)
9	Cumulative Effect of Change in Accounting - Net of Tax	-	-	-	(66)	(66)	(51)
		-----	-----	-----	-----	-----	-----
10	Net Income	\$ 54	\$ 75	\$ 101	\$ (81)	\$ 149	\$ (163)
		=====	=====	=====	=====	=====	=====
	EARNINGS PER SHARE BY SUBSIDIARY - DILUTED						
11	Arizona Public Service	\$ 0.37	\$ 0.76	\$ 1.02	\$ 0.19	\$ 2.35	\$ (0.95)
12	Pinnacle West Energy	0.01	0.01	0.12	(0.37)	(0.23)	(0.44)
13	APS Energy Services	0.03	0.13	0.08	0.09	0.33	0.45
14	SunCor	0.02	0.02	(0.01)	0.09	0.13	0.09
15	El Dorado	-	(0.04)	(0.02)	0.10	0.05	0.05
16	Parent Company	0.20	(0.07)	0.10	0.02	0.23	(0.19)
		-----	-----	-----	-----	-----	-----
17	Income From Continuing Operations	0.63	0.81	1.29	0.12	2.86	(0.99)
18	Income (Loss) From Discontinued Operations - Net of Tax	-	0.08	(0.10)	(0.30)	(0.32)	(0.32)
19	Cumulative Effect of Change in Accounting - Net of Tax	-	-	-	(0.77)	(0.77)	(0.60)
		-----	-----	-----	-----	-----	-----
20	Net Income	\$ 0.63	\$ 0.89	\$ 1.19	\$ (0.95)	\$ 1.77	\$ (1.91)
		=====	=====	=====	=====	=====	=====
21	BOOK VALUE PER SHARE	\$ 30.06	\$ 30.54	\$ 31.39	\$ 29.40	\$ 29.40	\$ (0.06)
	COMMON SHARES OUTSTANDING - DILUTED (THOUSANDS)						
22	Average	84,884	84,926	84,797	85,302	84,964	34
23	End of Period	84,789	84,768	84,756	91,255	91,255	6,531

See Glossary of Terms. Page 26 of 31

Last Updated 7/27/2005

PINNACLE WEST CAPITAL CORPORATION

CONSOLIDATED STATISTICS BY QUARTER

2002

Line	1ST QTR	2ND QTR	3RD QTR	4TH QTR	YEAR-TO-DATE	INCREASE (DECREASE) VS PRIOR YTD
	-----	-----	-----	-----	-----	-----
ELECTRIC OPERATING REVENUES (DOLLARS IN MILLIONS)						
REGULATED ELECTRICITY SEGMENT						
RETAIL						
24 Residential	\$ 171	\$ 226	\$ 337	\$ 172	\$ 906	\$ (9)
25 Business	195	251	270	212	928	(24)
26 Total retail	366	477	607	384	1,834	(33)
WHOLESALE REVENUE ON DELIVERED ELECTRICITY						
27 Traditional contracts	2	1	3	3	9	(64)
28 Off-system sales	-	-	-	-	-	-
29 Transmission for others	6	6	6	12	30	4
30 Other miscellaneous services	4	2	4	7	17	(1)
31 Total regulated electricity	378	486	620	406	1,890	(94)
MARKETING AND TRADING SEGMENT						
32 Electricity and other commodity sales	62	41	83	101	287	(183)
33 Total operating electric revenues	\$ 440	\$ 527	\$ 703	\$ 507	\$ 2,177	\$ (277)
	=====	=====	=====	=====	=====	=====
ELECTRIC SALES (GWH)						
REGULATED ELECTRICITY SEGMENT						
RETAIL SALES						
34 Residential	2,141	2,441	3,806	2,056	10,444	109
35 Business	2,771	3,429	3,681	3,036	12,917	(147)
36 Total retail	4,912	5,870	7,487	5,092	23,361	(38)
WHOLESALE ELECTRICITY DELIVERED						
37 Traditional contracts	71	121	142	140	474	(739)
38 Off-system sales	-	-	-	-	-	-
39 Retail load hedge management	158	230	1,958	296	2,642	(398)
40 Total regulated electricity	5,141	6,221	9,587	5,528	26,477	(1,175)
MARKETING AND TRADING SEGMENT						
41 Wholesale sales of electricity	4,212	4,443	7,104	7,096	22,855	6,854
42 Total electric sales	9,353	10,664	16,691	12,624	49,332	5,679
	=====	=====	=====	=====	=====	=====

See Glossary of Terms. Page 27 of 31

## PINNACLE WEST CAPITAL CORPORATION

## CONSOLIDATED STATISTICS BY QUARTER

2002

Line	1ST QTR	2ND QTR	3RD QTR	4TH QTR	YEAR-TO-DATE	INCREASE (DECREASE) VS PRIOR YTD	
	-----	-----	-----	-----	-----	-----	
MARKETING AND TRADING SEGMENT PRETAX GROSS MARGIN ANALYSIS (DOLLARS IN MILLIONS)							
REALIZED AND MARK-TO-MARKET COMPONENTS							
43	Electricity and other commodity sales, realized (a)	\$ 39	\$ 25	\$ 19	\$ 38	\$ 121	\$ (62)
44	Mark-to-market reversals on realized sales (b)	(22)	(9)	2	(8)	(41)	(47)
45	Change in mark-to-market value of forward sales	23	3	23	(1)	52	(76)
46	Total gross margin	----- \$ 40 =====	----- \$ 19 =====	----- \$ 44 =====	----- \$ 29 =====	----- \$ 132 =====	----- \$(185) =====
BY PINNACLE WEST ENTITY							
47	Parent company marketing and trading division	\$ 35	\$ 9	\$ 32	\$ 14	\$ 90	\$ 12
48	APS	1	-	1	-	2	(233)
49	Pinnacle West Energy	-	-	-	4	4	4
50	APS Energy Services	4	10	11	11	36	32
51	Total gross margin	----- \$ 40 =====	----- \$ 19 =====	----- \$ 44 =====	----- \$ 29 =====	----- \$ 132 =====	----- \$(185) =====

(a) The net effect on pretax gross margin from realization of prior-period mark-to-market included in line 43 and in line 44 is zero. Realization of prior-period mark-to-market relates to cash flow recognition, not earnings recognition. The opposites of amounts included in line 43 are included in line 44. For example, line 44 shows that a prior-period mark-to-market gain of \$41 million was transferred to "realized" for the total year 2002. A \$41 million realized gain is included in the \$121 million on line 43 for total year 2002.

(b) Quarterly amounts do not total to the annual amounts because of intra-year mark-to-market eliminations.

See Glossary of Terms. Page 28 of 31

## PINNACLE WEST CAPITAL CORPORATION

## CONSOLIDATED STATISTICS BY QUARTER

2002

Line	1ST QTR	2ND QTR	3RD QTR	4TH QTR	YEAR-TO-DATE	INCREASE (DECREASE) VS PRIOR YTD
	-----	-----	-----	-----	-----	-----
AVERAGE ELECTRIC CUSTOMERS						
RETAIL CUSTOMERS						
52 Residential	801,000	795,681	798,590	811,930	801,801	25,462
53 Business	99,335	100,096	100,318	101,177	100,228	2,030
54 Total	900,335	895,777	898,908	913,107	902,029	27,492
55 Wholesale customers	67	67	67	67	67	1
56 Total customers	900,402	895,844	898,975	913,174	902,096	27,493
	=====	=====	=====	=====	=====	=====
57 Customer Growth (% over prior year)	3.2%	3.2%	3.1%	3.2%	3.1%	(0.5)%
RETAIL SALES (GWH) - WEATHER NORMALIZED						
58 Residential	2,148	2,461	3,746	2,135	10,490	641
59 Business	2,776	3,410	3,696	3,024	12,905	86
60 Total	4,924	5,871	7,441	5,159	23,395	727
	=====	=====	=====	=====	=====	=====
RETAIL USAGE (KWH/AVERAGE CUSTOMER)						
61 Residential	2,673	3,068	4,766	2,532	13,025	(287)
62 Business	27,896	34,258	36,691	30,011	129,241	(4,384)
RETAIL USAGE - WEATHER NORMALIZED (KWH/AVERAGE CUSTOMER)						
63 Residential	2,681	3,093	4,690	2,630	13,083	396
64 Business	27,943	34,065	36,839	29,885	128,754	(1,788)
ELECTRICITY DEMAND (MW)						
65 System peak demand	3,921	5,425	5,803	3,828	5,803	116

See Glossary of Terms. Page 29 of 31

## PINNACLE WEST CAPITAL CORPORATION

## CONSOLIDATED STATISTICS BY QUARTER

2002

Line	1ST QTR	2ND QTR	3RD QTR	4TH QTR	YEAR-TO-DATE	INCREASE (DECREASE) VS PRIOR YTD
	-----	-----	-----	-----	-----	-----
ENERGY SOURCES (GWH)						
GENERATION PRODUCTION						
66 Nuclear	2,257	2,242	2,387	2,095	8,981	596
67 Coal	2,890	2,703	3,280	3,183	12,056	(516)
68 Gas, oil and other	337	659	1,918	1,455	4,369	375
69 Total	5,484	5,604	7,585	6,733	25,406	455
PURCHASED POWER						
70 Firm load	70	846	859	(157)	1,619	(1,342)
71 Marketing and trading	3,993	4,599	8,771	6,340	23,704	6,051
72 Total	4,063	5,445	9,630	6,183	25,323	4,709
73 Total energy sources	9,547	11,049	17,215	12,916	50,729	5,164
	=====	=====	=====	=====	=====	=====
POWER PLANT PERFORMANCE						
CAPACITY FACTORS						
74 Nuclear	96%	95%	100%	87%	94%	6%
75 Coal	78%	72%	87%	84%	80%	(4)%
76 Gas, oil and other	12%	20%	38%	29%	27%	(10)%
77 System average	62%	62%	69%	60%	63%	(7)%
GENERATION CAPACITY OUT OF SERVICE AND REPLACED FOR NATIVE LOAD (AVERAGE MW/DAY)						
78 Nuclear	62	66	12	129	67	(60)
79 Coal	184	279	88	116	167	-
80 Gas	12	18	106	54	48	16
81 Total	258	363	206	299	282	(44)
82 Generation Fuel Cost (\$/MWh)	\$ 11.57	\$ 11.89	\$ 14.84	\$ 13.05	\$ 13.01	\$ (3.21)

See Glossary of Terms. Page 30 of 31

## PINNACLE WEST CAPITAL CORPORATION

## CONSOLIDATED STATISTICS BY QUARTER

2002

Line	1ST QTR	2ND QTR	3RD QTR	4TH QTR	YEAR-TO-DATE	INCREASE (DECREASE) VS PRIOR YTD
	-----	-----	-----	-----	-----	-----
ENERGY MARKET INDICATORS (a)						
ELECTRICITY AVERAGE DAILY SPOT PRICES (\$/MWH)						
ON-PEAK						
83 Palo Verde	\$ 26.86	\$ 30.65	\$ 35.45	\$ 36.18	\$ 32.28	\$(86.13)
84 SP15	\$ 28.46	\$ 31.51	\$ 35.55	\$ 41.35	\$ 34.22	\$(85.77)
OFF-PEAK						
85 Palo Verde	\$ 22.17	\$ 14.10	\$ 18.21	\$ 25.09	\$ 19.89	\$(41.68)
86 SP15	\$ 22.76	\$ 15.95	\$ 19.54	\$ 28.52	\$ 21.69	\$(51.79)
WEATHER INDICATORS						
ACTUAL						
87 Cooling degree-days	89	1,741	2,647	398	4,875	(247)
88 Heating degree-days	472	-	-	328	800	(360)
89 Average humidity	28%	16%	27%	38%	27%	(9)%
10-YEAR AVERAGES						
90 Cooling degree-days	80	1,491	2,540	420	4,531	-
91 Heating degree-days	521	36	-	415	972	-
92 Average humidity	43%	24%	33%	40%	35%	0%
ECONOMIC INDICATORS						
BUILDING PERMITS -- METRO PHOENIX (b)						
93 Single-family	7,682	9,666	8,689	8,275	34,312	1,447
94 Multi-family	1,249	2,005	2,662	1,158	7,074	(1,930)
95 Total	8,931	11,671	11,351	9,433	41,386	(483)
	=====	=====	=====	=====	=====	=====
ARIZONA JOB GROWTH (c)						
96 Payroll job growth (% over prior year)	(0.8)%	(0.2)%	(0.1)%	1.1%	0.0%	(1.0)%
97 Unemployment rate (%, seasonally adjusted)	6.3%	6.2%	6.1%	6.0%	6.2%	1.5%

**Sources:**

(a) This price is an average of daily prices obtained and used with permission from Dow Jones &amp; Company, Inc.

(b) Arizona Real Estate Center, Arizona State University W.P. Carey College of Business

(c) Arizona Department of Economic Security

See Glossary of Terms. Page 31 of 31



**PINNACLE WEST CAPITAL CORPORATION  
EARNINGS VARIANCE EXPLANATIONS  
FOR THE PERIODS ENDED JUNE 30, 2005 AND 2004**

This discussion explains the changes in our consolidated earnings for the three-month and six-month periods ended June 30, 2005 and 2004. Condensed Consolidated Statements of Income for the three months and six months ended June 30, 2005 and 2004 follow this discussion. We will file our Quarterly Report on Form 10-Q for the fiscal quarter ended June 30, 2005 on or before August 9, 2005. We suggest that this discussion be read in connection with the Pinnacle West Capital Corporation Annual Report on Form 10-K for the fiscal year ended December 31, 2004 and the Quarterly Report on Form 10-Q for the quarter ended March 31, 2005. Additional operating and financial statistics and a glossary of terms are available on our website ([www.pinnaclewest.com](http://www.pinnaclewest.com)).

**EARNINGS CONTRIBUTION BY BUSINESS SEGMENT**

We have three principal business segments (determined by products, services and the regulatory environment):

- our regulated electricity segment, which consists of traditional regulated retail and wholesale electricity businesses (primarily electric service to Native Load customers) and related activities and includes electricity generation, transmission and distribution.
- our marketing and trading segment, which consists of our competitive energy business activities, including wholesale marketing and trading and APS Energy Services' commodity-related energy services; and
- our real estate segment, which consists of SunCor's real estate development and investment activities.

The following table summarizes net income for the three months and six months ended June 30, 2005 and 2004 (dollars in millions):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2005	2004	2005	2004
Regulated electricity	\$ 69	\$ 40	\$ 83	\$ 55
Marketing and trading	4	8	11	22
Real estate	11	4	19	5
Other (a)	1	22	2	23
	-----	-----	-----	-----
Income from continuing operations	85	74	115	105
Silverhawk discontinued operations - net of income taxes (see "Pending Sale of Silverhawk" below)	(59)	(2)	(65)	(3)
Real estate discontinued operations - net of income taxes	1	-	1	1
Other segment discontinued operations- net of income taxes	-	1	-	1
	-----	-----	-----	-----
Net income	\$ 27	\$ 73	\$ 51	\$ 104
	=====	=====	=====	=====

(a) The 2004 periods include \$21 million (after-tax) related to the sale of El Dorado's limited partnership interest in the Phoenix Suns.

## GENERAL

Throughout the following explanations of our results of operations, we refer to "gross margin." With respect to our regulated electricity segment and our marketing and trading segment, gross margin refers to electric operating revenues less purchased power and fuel costs. "Gross margin" is a "non-GAAP financial measure," as defined in accordance with SEC rules. Exhibit 99.10 reconciles this non-GAAP financial measure to operating income, which is the most directly comparable financial measure calculated and presented in accordance with GAAP. We view gross margin as an important performance measure of the core profitability of our operations. This measure is a key component of our internal financial reporting and is used by our management in analyzing our business segments. We believe that investors benefit from having access to the same financial measures that our management uses. In addition, we have reclassified certain prior-period amounts to conform to our current-period presentation.

## PENDING SALE OF SILVERHAWK POWER STATION

In June 2005, we entered into an agreement to sell our 75% interest in the Silverhawk Power Station to Nevada Power Company. Closing of the sale is subject to regulatory approvals, including approval by the Nevada Public Utilities Commission and the Federal Energy Regulatory Commission, which are expected to occur by this fall. As a result of this pending sale, we recorded an after-tax loss from discontinued operations of approximately \$55 million. We have also reclassified Silverhawk operations in the current and prior periods to discontinued operations.

## DEFERRED PURCHASED POWER AND FUEL COSTS

APS' retail rate case settlement became effective April 1, 2005. As part of the settlement, the ACC approved a 4.2% annual retail rate increase and a power supply adjustor ("PSA") that provides mechanisms for adjusting rates to reflect variations in fuel

and purchased power costs. In accordance with the PSA, APS defers for future rate recovery 90% of the difference between actual purchased power and fuel costs and the amount for such costs currently included in base rates. As of June 30, 2005, APS had deferred \$34 million of pretax purchased power and fuel costs.

#### **OPERATING RESULTS - THREE-MONTH PERIOD ENDED JUNE 30, 2005 COMPARED WITH THREE-MONTH PERIOD ENDED JUNE 30, 2004**

Our consolidated net income for the three months ended June 30, 2005 was \$27 million compared with \$73 million for the prior-year period. The current-quarter net income included a loss from discontinued operations of \$58 million which is primarily related to the pending sale and operations of Silverhawk (see discussion above). Income from continuing operations increased \$11 million in the period-to-period comparison reflecting the following changes in earnings by segment:

- Regulated Electricity Segment - Income from continuing operations increased approximately \$29 million primarily due to a retail price increase effective April 1, 2005, higher retail sales volumes due to customer growth, the absence of regulatory asset amortization, deferred purchased power and fuel costs, net of higher costs, in accordance with the retail rate settlement, and lower depreciation due to lower depreciation rates. These positive factors were partially offset by higher operations and maintenance costs primarily related to generation, customer service, and benefit costs.

- Marketing and Trading Segment - Income from continuing operations decreased approximately \$4 million primarily due to lower realized margins on wholesale sales.

- Real Estate Segment - Income from continuing operations increased approximately \$7 million primarily due to increased parcel sales.

- Other Segment - Income from continuing operations decreased approximately \$21 million primarily due to an after-tax gain related to the sale of El Dorado's limited partnership interest in the Phoenix Suns recorded in the prior-year period.

Additional details on the major factors that increased (decreased) net income are contained in the following table (dollars in millions).

	Increase (Decrease)	
	Pretax	After Tax
Regulated electricity segment gross margin:		
Retail price increase effective April 1, 2005	\$ 28	\$ 17
Higher retail sales volumes due to customer growth, excluding weather effects	13	8
Deferred purchased power and fuel costs, net of higher costs, in accordance with the retail rate settlement	8	5
Miscellaneous items, net	2	1
	-----	-----
Net increase in regulated electricity segment gross margin	51	31
	-----	-----
Marketing and trading segment gross margin:		
Lower realized margins on wholesale sales primarily due to lower unit margins and lower sales volumes	(6)	(4)
Miscellaneous items, net	(3)	(1)
	-----	-----
Net decrease in marketing and trading segment gross margin	(9)	(5)
	-----	-----
Net increase in gross margin for regulated electricity and marketing and trading segments	42	26
Higher real estate segment contribution primarily related to increased parcel sales	12	7
Lower other income due to sale of limited partnership interest in Phoenix Suns recorded in prior-year period	(35)	(21)
Higher operation and maintenance expense due to generation, customer service and benefit costs	(15)	(9)
Depreciation and amortization decreases primarily due to:		
Absence of regulatory asset amortization	10	6
Lower depreciation rates partially offset by higher depreciable assets	7	4
Higher interest expense, net of capitalized financing costs, primarily due to higher debt balances and interest rates	(6)	(4)
Miscellaneous items, net	6	2
	-----	-----
Net increase in income from continuing operations	\$ 21	11
	=====	
Discontinued operations primarily related to the pending sale of Silverhawk (see discussion above)		(57)
		-----
Net decrease in net income		\$ (46)
		=====

### REGULATED ELECTRICITY SEGMENT REVENUES

Regulated electricity segment revenues were \$60 million higher for the three months ended June 30, 2005 compared with the prior-year period primarily as a result of:

- a \$28 million increase in retail revenues due to a price increase effective April 1, 2005;

- an \$18 million increase in retail revenues related to customer growth, excluding weather effects;
- a \$12 million increase in Off-System Sales primarily due to sales previously reported in the marketing and trading segment now classified as sales in the regulated electricity segment in accordance with the retail rate settlement; and
- a \$2 million increase due to miscellaneous factors.

### **MARKETING AND TRADING SEGMENT REVENUES**

Marketing and trading segment revenues were \$39 million lower for the three months ended June 30, 2005 compared with the prior-year period primarily as a result of:

- a \$25 million decrease in revenues from Off-System Sales primarily due to lower sales volumes and sales previously reported in the marketing and trading segment now classified as sales in the regulated electricity segment in accordance with the retail rate settlement;
- a \$7 million decrease in energy trading revenues on realized sales of electricity primarily due to lower delivered electricity prices and lower sales volumes;
- a \$5 million decrease from lower volumes and prices for competitive retail sales in California; and
- a \$2 million decrease on future mark-to-market gains due to higher price volatility.

### **REAL ESTATE REVENUES**

Real estate revenues were \$19 million higher for the three months ended June 30, 2005 compared with the prior-year period primarily due to increased parcel sales.

### **OPERATING RESULTS - SIX-MONTH PERIOD ENDED JUNE 30, 2005 COMPARED WITH SIX-MONTH PERIOD ENDED JUNE 30, 2004**

Our consolidated net income for the six months ended June 30, 2005 was \$51 million compared with \$104 million for the prior-year period. The current year period net income included a loss from discontinued operations of \$64 million which is primarily related to the pending sale and operations of Silverhawk (see discussion above). Income from continuing operations increased \$10 million in the period-to-period comparison reflecting the following changes in earnings by segment:

- Regulated Electricity Segment - Income from continuing operations increased approximately \$28 million primarily due to a retail price increase effective April 1, 2005, higher retail sales volumes due to customer growth, the absence of regulatory asset amortization, deferred purchased power and fuel costs, net of higher costs, in accordance with the retail rate settlement, and lower

depreciation due to lower depreciation rates. These positive factors were partially offset by higher operations and maintenance costs primarily related to generation, customer service, and benefit costs, and higher property taxes due to increased plant in service.

- Marketing and Trading Segment - Income from continuing operations decreased approximately \$11 million primarily due to lower realized margins on wholesale sales and competitive retail sales in California.

- Real Estate Segment - Income from continuing operations increased approximately \$14 million primarily due to increased parcel sales.

- Other Segment - Income from continuing operations decreased approximately \$21 million primarily due to an after-tax gain related to the sale of El Dorado's limited partnership interest in the Phoenix Suns recorded in the prior-year period.

Additional details on the major factors that increased (decreased) net income are contained in the following table (dollars in millions).

	Increase (Decrease)	
	Pretax	After Tax
Regulated electricity segment gross margin:		
Retail price increase effective April 1, 2005	\$ 28	\$ 17
Higher retail sales volumes due to customer growth, excluding weather effects	20	12
Deferred purchased power and fuel costs, net of higher costs, in accordance with the retail rate settlement	15	9
Miscellaneous items, net	(1)	(1)
	-----	-----
Net increase in regulated electricity segment gross margin	62	37
	-----	-----
Marketing and trading segment gross margin:		
Lower unit margins on competitive retail sales in California	(7)	(4)
Lower realized margins on wholesale sales primarily due to lower unit margins and lower sales volumes	(5)	(3)
Miscellaneous items, net	1	-
	-----	-----
Net decrease in marketing and trading segment gross margin	(11)	(7)
	-----	-----
Net increase in gross margin for regulated electricity and marketing and trading segments	51	30
Higher real estate segment contribution primarily related to increased parcel sales	24	14
Lower other income due to sale of limited partnership interest in Phoenix Suns recorded in the prior-year period	(35)	(21)
Operations and maintenance increases primarily due to:		
Generation costs, including planned maintenance	(11)	(7)
Customer service costs, including planned maintenance	(10)	(6)
Benefit costs	(8)	(5)
Miscellaneous items, net	(3)	(2)
Depreciation and amortization decreases primarily due to:		
Absence of regulatory asset amortization	19	11
Lower depreciation rates partially offset by higher depreciable assets	8	5
Higher property taxes due to increased plant in service	(7)	(4)
Miscellaneous items, net	(5)	(5)
	-----	-----
Net increase in income from continuing operations	\$ 23	10
	=====	
Discontinued operations primarily related to the pending sale of Silverhawk (see discussion above)		(63)
		-----
Net decrease in net income		\$ (53)
		=====

### REGULATED ELECTRICITY SEGMENT REVENUES

Regulated electricity segment revenues were \$60 million higher for the six months ended June 30, 2005 compared with the prior-year period primarily as a result of:

- a \$28 million increase in retail revenues related to customer growth, excluding weather effects;
- a \$28 million increase in retail revenues due to a price increase effective April 1, 2005;

- a \$12 million increase in Off-System Sales primarily due to sales previously reported in the marketing and trading segment now classified as sales in the regulated electricity segment in accordance with the retail rate settlement;
- a \$9 million decrease in retail revenues related to milder weather; and
- a \$1 million increase due to miscellaneous factors.

### **MARKETING AND TRADING SEGMENT REVENUES**

Marketing and trading segment revenues were \$38 million lower for the six months ended June 30, 2005 compared with the prior-year period primarily as a result of:

- a \$19 million decrease in revenues from Off-System Sales primarily due to lower sales volumes, prices and sales previously reported in the marketing and trading segment now classified as sales in the regulated electricity segment in accordance with the retail rate settlement;
- a \$14 million decrease from lower volumes and prices on competitive retail sales in California; and
- a \$5 million decrease in energy trading revenues on realized sales of electricity primarily due to lower delivered electricity prices and lower volumes.

### **REAL ESTATE REVENUES**

Real estate revenues were \$40 million higher for the six months ended June 30, 2005 compared with the prior-year period primarily due to increased parcel sales.



**PINNACLE WEST CAPITAL CORPORATION**  
**CONDENSED CONSOLIDATED STATEMENTS OF INCOME**  
(unaudited)

(in thousands, except per share amounts)

	THREE MONTHS ENDED		Increase (Decrease) Amount Percent	
	JUNE 30,			
	2005	2004		
<b>OPERATING REVENUES</b>				
Regulated electricity segment	\$ 579,652	\$ 519,929	\$ 59,723	11.5% B
Marketing and trading segment	71,172	110,156	(38,984)	35.4% W
Real estate segment	84,753	66,084	18,669	28.3% B
Other revenues	20,259	9,414	10,845	115.2% B
Total	755,836	705,583	50,253	7.1% B
<b>OPERATING EXPENSES</b>				
Regulated electricity segment purchased power and fuel	160,590	151,642	8,948	5.9% W
Marketing and trading segment purchased power and fuel	57,593	88,067	(30,474)	34.6% B
Operations and maintenance	153,097	138,595	14,502	10.5% W
Real estate segment operations	68,593	62,217	6,376	10.2% W
Depreciation and amortization	85,142	102,012	(16,870)	16.5% B
Taxes other than income taxes	34,638	32,308	2,330	7.2% W
Other expenses	17,556	7,575	9,981	131.8% W
Total	577,209	582,416	(5,207)	0.9% B
<b>OPERATING INCOME</b>	178,627	123,167	55,460	45.0% B
<b>OTHER</b>				
Allowance for equity funds used during construction	2,952	2,184	768	35.2% B
Other income	8,684	36,496	(27,812)	76.2% W
Other expense	(3,846)	(3,371)	(475)	14.1% W
Total	7,790	35,309	(27,519)	77.9% W
<b>INTEREST EXPENSE</b>				
Interest charges	49,781	42,061	7,720	18.4% W
Capitalized interest	(3,544)	(2,681)	(863)	32.2% B
Total	46,237	39,380	6,857	17.4% W
<b>INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES</b>	140,180	119,096	21,084	17.7% B
<b>INCOME TAXES</b>	55,024	45,028	9,996	22.2% W
<b>INCOME FROM CONTINUING OPERATIONS</b>	85,156	74,068	11,088	15.0% B
<b>LOSS FROM DISCONTINUED OPERATIONS NET OF INCOME TAX BENEFIT</b>	(58,421)	(1,428)	(56,993)	3991.1% W
<b>NET INCOME</b>	\$ 26,735	\$ 72,640	\$ (45,905)	63.2% W
<b>WEIGHTED-AVERAGE COMMON SHARES OUTSTANDING - BASIC</b>	96,192	91,315	4,877	5.3%
<b>WEIGHTED-AVERAGE COMMON SHARES OUTSTANDING - DILUTED</b>	96,299	91,400	4,899	5.4%
<b>EARNINGS PER WEIGHTED-AVERAGE COMMON SHARE OUTSTANDING</b>				
Income From Continuing Operations - Basic	\$ 0.89	\$ 0.81	\$ 0.08	9.9% B
Net Income - Basic	\$ 0.28	\$ 0.80	\$ (0.52)	65.0% W
Income From Continuing Operations - Diluted	\$ 0.88	\$ 0.81	\$ 0.07	8.6% B
Net Income - Diluted	\$ 0.28	\$ 0.79	\$ (0.51)	64.6% W

Certain prior-year amounts have been reclassified to conform to the 2005 presentation.

B -- Better  
W -- Worse

**PINNACLE WEST CAPITAL CORPORATION**  
**CONDENSED CONSOLIDATED STATEMENTS OF INCOME**  
(unaudited)

(in thousands, except per share amounts)

	SIX MONTHS ENDED			
	JUNE 30,			
	2005	2004	Increase (Decrease)	Amount
			Amount	Percent
	-----	-----	-----	-----
<b>OPERATING REVENUES</b>				
Regulated electricity segment	\$ 995,682	\$ 935,393	\$ 60,289	6.4% B
Marketing and trading segment	160,429	198,840	(38,411)	19.3% W
Real estate segment	156,809	116,547	40,262	34.5% B
Other revenues	30,394	20,319	10,075	49.6% B
	-----	-----	-----	-----
Total	1,343,314	1,271,099	72,215	5.7% B
	-----	-----	-----	-----
<b>OPERATING EXPENSES</b>				
Regulated electricity segment purchased power and fuel	239,013	240,253	(1,240)	0.5% B
Marketing and trading segment purchased power and fuel	128,402	155,832	(27,430)	17.6% B
Operations and maintenance	308,181	275,981	32,200	11.7% W
Real estate segment operations	125,069	109,510	15,559	14.2% W
Depreciation and amortization	176,535	203,115	(26,580)	13.1% B
Taxes other than income taxes	69,203	62,638	6,565	10.5% W
Other expenses	25,930	16,325	9,605	58.8% W
	-----	-----	-----	-----
Total	1,072,333	1,063,654	8,679	0.8% W
	-----	-----	-----	-----
<b>OPERATING INCOME</b>	270,981	207,445	63,536	30.6% B
	-----	-----	-----	-----
<b>OTHER</b>				
Allowance for equity funds used during construction	5,555	4,186	1,369	32.7% B
Other income	9,487	47,330	(37,843)	80.0% W
Other expense	(8,232)	(9,316)	1,084	11.6% B
	-----	-----	-----	-----
Total	6,810	42,200	(35,390)	83.9% W
	-----	-----	-----	-----
<b>INTEREST EXPENSE</b>				
Interest charges	96,042	88,617	7,425	8.4% W
Capitalized interest	(6,833)	(4,180)	(2,653)	63.5% B
	-----	-----	-----	-----
Total	89,209	84,437	4,772	5.7% W
	-----	-----	-----	-----
<b>INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES</b>	188,582	165,208	23,374	14.1% B
<b>INCOME TAXES</b>	73,685	60,439	13,246	21.9% W
	-----	-----	-----	-----
<b>INCOME FROM CONTINUING OPERATIONS</b>	114,897	104,769	10,128	9.7% B
<b>LOSS FROM DISCONTINUED OPERATIONS</b>				
NET OF INCOME TAX BENEFIT	(63,714)	(703)	(63,011)	8963.2% W
	-----	-----	-----	-----
<b>NET INCOME</b>	\$ 51,183	\$ 104,066	\$ (52,883)	50.8% W
	=====	=====	=====	-----
<b>WEIGHTED-AVERAGE COMMON SHARES OUTSTANDING - BASIC</b>	94,089	91,304	2,785	3.1%
<b>WEIGHTED-AVERAGE COMMON SHARES OUTSTANDING - DILUTED</b>	94,189	91,391	2,798	3.1%
<b>EARNINGS PER WEIGHTED-AVERAGE COMMON SHARE OUTSTANDING</b>				
Income From Continuing Operations - Basic	\$ 1.22	\$ 1.15	\$ 0.07	6.1% B
Net Income - Basic	\$ 0.54	\$ 1.14	\$ (0.60)	52.6% W
Income From Continuing Operations - Diluted	\$ 1.22	\$ 1.15	\$ 0.07	6.1% B
Net Income - Diluted	\$ 0.54	\$ 1.14	\$ (0.60)	52.6% W

Certain prior-year amounts have been reclassified to conform to the 2005 presentation.

B -- Better

W -- Worse

## Exhibit 99.8

### PINNACLE WEST CAPITAL CORPORATION QUARTERLY CONSOLIDATED STATISTICAL SUMMARY GLOSSARY OF TERMS

Arizona Job Growth	Percentage growth over the prior year in total non-farm payroll employment for the state of Arizona, non-seasonally adjusted.
Building Permits - Metro Phoenix	The number of residential dwellings permitted to be built by authorized agencies in Maricopa County, Arizona. Single-family refers to detached buildings intended to be occupied by one family each. Multi-family permits represent the number of units authorized to be built in condominium, townhouse and apartment complexes.
Capacity Factor	The ratio of the average operating load of an electric power generating unit for a period of time to the capacity rating of the unit during that period.
Change in Mark-To-Market Value of Forward Sales	The gross margin related to the change in mark-to-market value in the current period of transactions which have been entered into during the current period or prior periods for which the commodities are scheduled for delivery in a future period.
Degree-Days -- Cooling	A measure of temperatures designed to indicate the amount of electricity demand for cooling purposes. Cooling degree-days are calculated by summing the difference between each day's actual average temperature and a base temperature of 65(degrees)F for the month. Average temperatures less than the base temperature are ignored.
Degree-Days -- Heating	A measure of temperatures designed to indicate the amount of electricity demand for heating purposes. Heating degree-days are calculated by summing the difference between each day's actual average temperature and a base temperature of 65(degrees)F for the month. Average temperatures greater than the base temperature are ignored.
Electricity and Other Commodity Sales, Realized	Marketing and trading gross margin related to electricity and other commodities that were delivered in the then-current period.
Electricity Spot Prices --Palo Verde - Off-Peak	Electricity average daily spot prices at Palo Verde substation during off-peak hours. It measures electric prices at the producer level and is the result of real time prices used for benchmarking, price comparisons, and establishing price contracts. Measured in dollars per megawatt-hour.

Electricity Spot Prices -- Palo Verde - On-Peak	Electricity average daily spot prices at Palo Verde substation during on-peak hours. It measures electric prices at the producer level and is the result of real time prices used for benchmarking, price comparisons, and establishing price contracts. Measured in dollars per megawatt-hour.
Electricity Spot Prices -- SP15 - Off-Peak	Electricity average daily spot prices at SP15, a region of California substations, during off-peak hours. It measures electric prices at the producer level and is the result of real time prices used for benchmarking, price comparisons, and establishing price contracts. Measured in dollars per megawatt-hour.
Electricity Spot Prices -- SP15 - On-Peak	Electricity average daily spot prices at SP15, a region of California substations, during on-peak hours. It measures electric prices at the producer level and is the result of real time prices used for benchmarking, price comparisons, and establishing price contracts. Measured in dollars per megawatt-hour.
Generation Capacity Out of Service and Replaced for Native Load	Total capacity required and economic, yet unavailable for retail customers and traditional wholesale contracts due to scheduled or unscheduled outages. Measured in megawatts per day.
Generation Production -- Coal	Amount of net energy produced by coal-fueled generators. Measured in gigawatt-hours.
Generation Production -- Gas/Oil/Other	Amount of net energy predominately produced by natural gas and oil-fueled generators. A small amount of energy from hydroelectric and solar power plants is also included. Measured in gigawatt-hours.
Generation Production -- Nuclear	Amount of net energy produced by nuclear-fueled generators. Measured in gigawatt-hours.
Gigawatt-hour (GWH)	A unit of energy equivalent to 1,000 megawatt-hours or 1,000,000 kilowatt-hours.
Marketing and Trading Gross Margin - Pretax	Revenues from marketing and trading activities (other than retail sales, traditional wholesale sales and retail load hedge management) less the costs of the related commodities, with mark-to-market gains or losses, before income taxes.
Mark-To-Market	Adjustments to revenues or costs to recognize value of sales and purchase contracts, for which the commodities are scheduled for delivery in a future period, at current forward wholesale prices.

Mark-To-Market Reversals on Realized Sales	The reversal of the gross margin related to mark-to-market transactions entered into in prior periods for which the commodities were delivered in the current period. Realization of prior-period mark-to-market relates to cash flow recognition, not revenue recognition or earnings recognition, because in accordance with mark-to-market accounting, the margin was already recorded in the prior period. A negative amount shown in this category represents the arithmetic opposite of a gain recognized in the period in which the commodities were delivered; an equal positive amount is reflected in the realized revenue or margin for delivered commodities. A positive amount shown in this category represents the arithmetic opposite of a loss recognized in the period in which the commodities were delivered; an equal negative amount is reflected in the realized revenue or margin for delivered commodities.
Megawatt (MW)	One million watts.
Megawatt-hour (MWh)	A unit of energy equivalent to 1,000 kilowatt-hours.
Native Load	Retail and wholesale sales supplied under traditional cost-based rate regulation.
Off-System Sales	Sales of electricity from generation owned or contracted by the company that is over and above the amount required to serve retail customers and traditional wholesale contracts.
Purchased Power - Firm Load	Power purchased from wholesale market sources used to serve regulated retail demand and traditional wholesale contracts. Measured in gigawatt-hours.
Purchased Power - Marketing and Trading	Power purchased from wholesale market sources used to serve marketing and trading sales not served by company-owned generation. Measured in gigawatt-hours.
Realized and Mark-to-Market Components	Marketing and trading gross margin, before income taxes, for off-system sales and for sales and purchases of electricity and other commodities by the company in the wholesale market, summarized by the period of delivery and whether the margin is realized or mark-to-market. Realized margins relate to commodities that have been delivered. Mark-to-market margins relate to commodities that have delivery dates in future periods.
Retail Customer Growth	Percentage growth over the prior year in the number of retail customers.

Retail Electricity Usage	Total retail sales for a period divided by the average retail customers for the same period. Measured in kilowatt-hours per average customer.
Retail Load Hedge Management	Wholesale sales to liquidate electricity purchases originally intended to meet firm load during peak times, which purchases were not needed ultimately for firm load. These sales are made to other electric companies, power marketers, or public entities for the purpose of resale. Measured in gigawatt-hours.
Retail Sales	Sales of electricity made directly to retail customers or ultimate customers. Residential retail sales are sales to households. Business retail sales include commercial, industrial, irrigation, and streetlighting sales. Measured in gigawatt-hours.
System Peak Demand	The demand for electricity during the one hour of highest use each month. Measured in megawatts.
Traditional Contracts	Wholesale sales resulting from unique cost-based, long-term contracts held by the company with various entities for the supply of electricity at agreed-upon prices.
Weather Normalized	Adjusted to exclude the effects of abnormal weather patterns.
Wholesale Sales of Electricity	All wholesale sales of electricity not accounted for in sales under traditional contracts or retail load hedge management. These sales are made to other electric companies, power marketers, or public entities for the purpose of resale. Measured in gigawatt-hours.

NEWS [PINNACLE WEST CAPITAL CORPORATION LOGO]

FOR IMMEDIATE RELEASE JULY 27, 2005

Media Contact: Alan Bunnell, (602) 250-3376 PAGE 1 OF 2 Analyst Contacts: Rebecca Hickman, (602) 250-5668 Lisa Malagon, (602) 250-5671 Web site: [www.pinnaclewest.com](http://www.pinnaclewest.com)

**PINNACLE WEST REPORTS 2005 SECOND QUARTER RESULTS**  
**On-Going Earnings Reflect Strong Growth**

PHOENIX - Pinnacle West Capital Corporation (NYSE: PNW) today reported consolidated net income for the quarter ended June 30, 2005, of \$27 million, or \$0.28 per diluted share of common stock. This result compares with net income of \$73 million, or \$0.79 per diluted share, for the same quarter a year ago.

On-going consolidated earnings in the second quarter of 2005 were \$86 million, or \$0.89 per share, compared with \$54 million, or \$0.59 per share in the comparable 2004 quarter.

On-going earnings for the second quarter of 2005 exclude an after-tax loss of \$59 million, or \$0.61 per share, related to the pending sale of the Silverhawk Power Station. On-going earnings for the 2004 second quarter exclude income after income taxes of \$19 million, or \$0.20 per share, related to the sale of the Company's interests in the Phoenix Suns, NAC International and Silverhawk.

"Customer growth continues to be one of the underlying fundamentals of our company's success," said Pinnacle West Chairman Bill Post, citing a service territory that is growing about 4 percent a year and three times the national average. "That growth, however, will require significant planning and investment on our part and continuing cooperation from our regulators." Post added that, looking forward, "the Company's earnings outlook for the year remains unchanged and on target" excluding the effects of the Silverhawk sale.

The quarter-to-quarter results were favorably affected by higher retail electricity revenues resulting from the company's first price increase in 14 years and higher retail sales volumes due to customer growth; lower depreciation expense; the absence of regulatory asset amortization; deferred fuel and purchased power costs; and improved results from the Company's real estate operations. These favorable factors were partially offset by an increase in operating costs primarily related to generation, customer service and benefits costs.

For more information on Pinnacle West's operating statistics and earnings, please visit [www.pinnaclewest.com/financials](http://www.pinnaclewest.com/financials).

**CONFERENCE CALL**

Pinnacle West invites interested parties to listen to the live webcast of management's conference call to discuss the Company's 2005 second quarter earnings and recent developments at 12 noon (ET) today, July 27, 2005. The webcast can be accessed at [www.pinnaclewest.com/presentations](http://www.pinnaclewest.com/presentations) and will be available for replay on the web site for 30 days. To access the live conference call by telephone, dial (877) 356-3961 and enter reservation number 7452307. A replay of the call also will be available until 12 midnight (ET), Wednesday, August 3, 2005, by calling (800) 642-1687 in the U.S. and Canada or (706) 645-9291 internationally and the same reservation number.

Pinnacle West is a Phoenix-based company with consolidated assets of about \$10.7 billion. Through its subsidiaries, the Company generates, sells and delivers electricity and sells energy-related products and services to retail and wholesale customers in the western United States. It also develops residential, commercial, and industrial real estate projects.

-30-

This press release contains a forward-looking statement about Pinnacle West's 2005 earnings outlook. Neither Pinnacle West nor APS assumes any obligation to update this statement or to make any further statements on this issue, except as required by applicable law. Because actual results may differ materially from expectations, we caution readers not to place undue reliance on this statement. A number of factors could cause future results to differ materially from historical results, or from results or outcomes currently expected or sought by Pinnacle West or APS. In addition to the "Risk Factors" described in Exhibits 99.1 and 99.2 to Pinnacle West's and APS' Report on Form 10-Q for the fiscal quarter ended March 31, 2005, these factors include, but are not limited to: state and federal regulatory and legislative decisions and actions, including by the Arizona Corporation Commission and the Federal Electric Regulatory Commission; the ongoing restructuring of the electric industry, including the introduction of retail electric competition in Arizona and decisions impacting wholesale competition; the outcome of regulatory, legislative and judicial proceedings relating to the restructuring; market prices for electricity and natural gas; power plant performance and outages; transmission outages and constraints; weather variations affecting local and regional customer energy usage; customer growth and energy usage; regional economic and market conditions, including the results of litigation and other proceedings resulting from the California energy situation, volatile purchased power and fuel costs and the completion of generation and transmission construction in the region, which could affect customer growth and the cost of power supplies; the cost of debt and equity capital and access to capital markets; the uncertainty that current credit ratings will remain in effect for any given period of time; our ability to compete successfully outside traditional regulated markets (including the wholesale market); the performance of our marketing and trading activities due to volatile market liquidity and any deteriorating counterparty credit and the use of derivative contracts in our business (including the interpretation of the subjective and complex accounting rules related to these contracts); changes in accounting principles generally accepted in the United States of America and the interpretation of those principles; the performance of the stock market and the changing interest rate environment, which affect the amount of required contributions to Pinnacle West's pension plan and APS' nuclear decommissioning trust funds, as well as the reported costs of providing pension and other postretirement benefits; technological developments in the electric industry; the strength of the real estate market in SunCor's market areas, which include Arizona, Idaho, New Mexico and Utah; and other uncertainties, all of which are difficult to predict and many of which are beyond the control of Pinnacle West and APS.



**PINNACLE WEST CAPITAL CORPORATION**  
**CONDENSED CONSOLIDATED STATEMENTS OF INCOME**  
(unaudited)

(in thousands, except per share amounts)

	THREE MONTHS ENDED		SIX MONTHS ENDED	
	JUNE 30,		JUNE 30,	
	2005	2004	2005	2004
	-----	-----	-----	-----
<b>OPERATING REVENUES</b>				
Regulated electricity segment	\$ 579,652	\$ 519,929	\$ 995,682	\$ 935,393
Marketing and trading segment	71,172	110,156	160,429	198,840
Real estate segment	84,753	66,084	156,809	116,547
Other revenues	20,259	9,414	30,394	20,319
	-----	-----	-----	-----
Total	755,836	705,583	1,343,314	1,271,099
	-----	-----	-----	-----
<b>OPERATING EXPENSES</b>				
Regulated electricity segment purchased power and fuel	160,590	151,642	239,013	240,253
Marketing and trading segment purchased power and fuel	57,593	88,067	128,402	155,832
Operations and maintenance	153,097	138,595	308,181	275,981
Real estate segment operations	68,593	62,217	125,069	109,510
Depreciation and amortization	85,142	102,012	176,535	203,115
Taxes other than income taxes	34,638	32,308	69,203	62,638
Other expenses	17,556	7,575	25,930	16,325
	-----	-----	-----	-----
Total	577,209	582,416	1,072,333	1,063,654
	-----	-----	-----	-----
<b>OPERATING INCOME</b>	178,627	123,167	270,981	207,445
	-----	-----	-----	-----
<b>OTHER</b>				
Allowance for equity funds used during construction	2,952	2,184	5,555	4,186
Other income	8,684	36,496	9,487	47,330
Other expense	(3,846)	(3,371)	(8,232)	(9,316)
	-----	-----	-----	-----
Total	7,790	35,309	6,810	42,200
	-----	-----	-----	-----
<b>INTEREST EXPENSE</b>				
Interest charges	49,781	42,061	96,042	88,617
Capitalized interest	(3,544)	(2,681)	(6,833)	(4,180)
	-----	-----	-----	-----
Total	46,237	39,380	89,209	84,437
	-----	-----	-----	-----
<b>INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES</b>	140,180	119,096	188,582	165,208
<b>INCOME TAXES</b>	55,024	45,028	73,685	60,439
	-----	-----	-----	-----
<b>INCOME FROM CONTINUING OPERATIONS</b>	85,156	74,068	114,897	104,769
<b>LOSS FROM DISCONTINUED OPERATIONS</b>				
NET OF INCOME TAX BENEFIT	(58,421)	(1,428)	(63,714)	(703)
	-----	-----	-----	-----
<b>NET INCOME</b>	\$ 26,735	\$ 72,640	\$ 51,183	\$ 104,066
	=====	=====	=====	=====
<b>WEIGHTED-AVERAGE COMMON SHARES OUTSTANDING - BASIC</b>	96,192	91,315	94,089	91,304
<b>WEIGHTED-AVERAGE COMMON SHARES OUTSTANDING - DILUTED</b>	96,299	91,400	94,189	91,391
<b>EARNINGS PER WEIGHTED-AVERAGE COMMON SHARE OUTSTANDING</b>				
Income From Continuing Operations - Basic	\$ 0.89	\$ 0.81	\$ 1.22	\$ 1.15
Net Income - Basic	\$ 0.28	\$ 0.80	\$ 0.54	\$ 1.14
Income From Continuing Operations - Diluted	\$ 0.88	\$ 0.81	\$ 1.22	\$ 1.15
Net Income - Diluted	\$ 0.28	\$ 0.79	\$ 0.54	\$ 1.14

Certain prior-year amounts have been reclassified to conform to the 2005 presentation.

**PINNACLE WEST CAPITAL CORPORATION**  
**NON-GAAP MEASURE RECONCILIATION - NET INCOME (GAAP MEASURE)**  
**TO ON-GOING EARNINGS (NON-GAAP MEASURE)**

	THREE MONTHS ENDED June 30, 2005		THREE MONTHS ENDED June 30, 2004	
	Dollars in Millions	Diluted EPS	Dollars in Millions	Diluted EPS
Net Income	\$ 27	\$ 0.28	\$ 73	\$ 0.79
Adjustments:				
Gain on sale of limited partnership interest in Phoenix Suns	--	--	(21)	(0.23)
Income from discontinued operations - NAC International	--	--	(1)	(0.01)
Loss from discontinued operations - Silverhawk Power Station write-down	55	0.57	--	--
Loss from discontinued operations - Silverhawk Power Station operations	4	0.04	3	0.04
On-going Earnings	\$ 86	\$ 0.89	\$ 54	\$ 0.59

**EXHIBIT 99.10**

**PINNACLE WEST CAPITAL CORPORATION**  
**NON-GAAP MEASURE RECONCILIATION - OPERATING INCOME (GAAP MEASURE) TO GROSS**  
**MARGIN (NON-GAAP MEASURE)**  
(in thousands)

	THREE MONTHS ENDED		Pretax	After Tax
	JUNE 30,		Increase	Increase
	2005	2004	(Decrease)	(Decrease)
	-----	-----	-----	-----
RECONCILIATION OF REGULATED ELECTRICITY SEGMENT GROSS MARGIN				
Operating Income (closest GAAP measure)	\$ 178,627	\$ 123,167	\$ 55,460	\$ 33,703
Plus:				
Operations and maintenance	153,097	138,595	14,502	8,813
Real estate segment operations	68,593	62,217	6,376	3,875
Depreciation and amortization	85,142	102,012	(16,870)	(10,252)
Taxes other than income taxes	34,638	32,308	2,330	1,416
Other expenses	17,556	7,575	9,981	6,065
Marketing and trading segment purchased power and fuel	57,593	88,067	(30,474)	(18,519)
Less:				
Real estate segment revenues	84,753	66,084	18,669	11,345
Other revenues	20,259	9,414	10,845	6,591
Marketing and trading segment revenues	71,172	110,156	(38,984)	(23,691)
	-----	-----	-----	-----
REGULATED ELECTRICITY SEGMENT GROSS MARGIN	\$ 419,062	\$ 368,287	\$ 50,775	\$ 30,856
	=====	=====	=====	=====
RECONCILIATION OF MARKETING AND TRADING SEGMENT GROSS MARGIN				
Operating Income (closest GAAP measure)	\$ 178,627	\$ 123,167	\$ 55,460	\$ 33,703
Plus:				
Operations and maintenance	153,097	138,595	14,502	8,813
Real estate segment operations	68,593	62,217	6,376	3,875
Depreciation and amortization	85,142	102,012	(16,870)	(10,252)
Taxes other than income taxes	34,638	32,308	2,330	1,416
Other expenses	17,556	7,575	9,981	6,065
Regulated electricity segment purchased power and fuel	160,590	151,642	8,948	5,438
Less:				
Real estate segment revenues	84,753	66,084	18,669	11,345
Other revenues	20,259	9,414	10,845	6,591
Regulated electricity segment revenues	579,652	519,929	59,723	36,294
	-----	-----	-----	-----
MARKETING AND TRADING SEGMENT GROSS MARGIN	\$ 13,579	\$ 22,089	\$ (8,510)	\$ (5,172)
	=====	=====	=====	=====

**PINNACLE WEST CAPITAL CORPORATION**  
**NON-GAAP MEASURE RECONCILIATION - OPERATING INCOME (GAAP MEASURE) TO GROSS**  
**MARGIN (NON-GAAP MEASURE)**

(in thousands)

	SIX MONTHS ENDED JUNE 30,		Pretax Increase	After Tax Increase
	2005	2004	(Decrease)	(Decrease)
	-----	-----	-----	-----
RECONCILIATION OF REGULATED ELECTRICITY SEGMENT GROSS MARGIN				
Operating Income (closest GAAP measure)	\$ 270,981	\$ 207,445	\$ 63,536	\$ 38,611
Plus:				
Operations and maintenance	308,181	275,981	32,200	19,568
Real estate segment operations	125,069	109,510	15,559	9,455
Depreciation and amortization	176,535	203,115	(26,580)	(16,153)
Taxes other than income taxes	69,203	62,638	6,565	3,990
Other expenses	25,930	16,325	9,605	5,837
Marketing and trading segment purchased power and fuel	128,402	155,832	(27,430)	(16,669)
Less:				
Real estate segment revenues	156,809	116,547	40,262	24,467
Other revenues	30,394	20,319	10,075	6,123
Marketing and trading segment revenues	160,429	198,840	(38,411)	(23,342)
	-----	-----	-----	-----
REGULATED ELECTRICITY SEGMENT GROSS MARGIN	\$ 756,669	\$ 695,140	\$ 61,529	\$ 37,391
	=====	=====	=====	=====
RECONCILIATION OF MARKETING AND TRADING SEGMENT GROSS MARGIN				
Operating Income (closest GAAP measure)	\$ 270,981	\$ 207,445	\$ 63,536	\$ 38,611
Plus:				
Operations and maintenance	308,181	275,981	32,200	19,568
Real estate segment operations	125,069	109,510	15,559	9,455
Depreciation and amortization	176,535	203,115	(26,580)	(16,153)
Taxes other than income taxes	69,203	62,638	6,565	3,990
Other expenses	25,930	16,325	9,605	5,837
Regulated electricity segment purchased power and fuel	239,013	240,253	(1,240)	(754)
Less:				
Real estate segment revenues	156,809	116,547	40,262	24,467
Other revenues	30,394	20,319	10,075	6,123
Regulated electricity segment revenues	995,682	935,393	60,289	36,638
	-----	-----	-----	-----
MARKETING AND TRADING SEGMENT GROSS MARGIN	\$ 32,027	\$ 43,008	\$(10,981)	\$ (6,674)
	=====	=====	=====	=====