

PINNACLE WEST CAPITAL CORP

FORM U-3A-2

(Statement of exemption by Public Utility Company)

Filed 02/28/03 for the Period Ending 12/31/02

Address	400 NORTH FIFTH STREET MS8695 PHOENIX, AZ 85004
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SECURITIES AND EXCHANGE COMMISSION

Washington, D.C.

FORM U-3A-2

STATEMENT BY HOLDING COMPANY
CLAIMING EXEMPTION UNDER RULE U-3A-2
FROM THE PROVISIONS OF THE
PUBLIC UTILITY HOLDING COMPANY ACT OF 1935

To Be Filed Annually Prior to March 1

Pinnacle West Capital Corporation

(Name of Company)

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

1. NAME, STATE OF ORGANIZATION, LOCATION AND NATURE OF BUSINESS OF CLAIMANT AND EVERY SUBSIDIARY THEREOF, OTHER THAN ANY EXEMPT WHOLESale GENERATOR (EWG) OR FOREIGN UTILITY COMPANY IN WHICH CLAIMANT DIRECTLY OR INDIRECTLY HOLDS AN INTEREST.

Pinnacle West Capital Corporation ("Claimant"), having been incorporated on February 20, 1985 under the laws of the State of Arizona, and having its principal executive offices at 400 North Fifth Street, Phoenix, Arizona 85004, was organized principally to acquire and hold securities of other corporations for investment purposes. The following are the subsidiaries of the Claimant:

- a. Arizona Public Service Company ("APS" or the "Company"), is engaged principally in serving electricity in the State of Arizona. Incorporated in 1920 under the laws of the State of Arizona and having its principal executive offices at 400 North Fifth Street, Phoenix, Arizona 85004, APS became a subsidiary of the Claimant pursuant to a corporate restructuring plan approved by the Company's shareholders on April 18, 1985.
- b. APS Energy Services Company, Inc. ("APSES") -- an Arizona corporation having been incorporated on November 6, 1998 and having its principal executive offices at 400 East Van Buren, Phoenix, Arizona 85004, was organized primarily to sell energy, products and services. APSES is a wholly-owned subsidiary of the Claimant.
- c. SunCor Development Company ("SunCor") - an Arizona corporation having been incorporated on June 30, 1965 and having its principal executive offices at 80 East Rio Salado Parkway, Tempe, Phoenix, Arizona 85281, is a wholly-owned subsidiary of Claimant engaged primarily in the owning, holding and development of real property.
- d. El Dorado Investment Company -- an Arizona corporation having been incorporated on July 27, 1983 and having its principal executive offices at 400 North Fifth Street, Phoenix, Arizona 85004, is a wholly-owned subsidiary of Claimant engaged primarily in the acquisition and holding of stocks and securities of other companies for investment purposes.
- e. Pinnacle West Energy Corporation ("PWEC" or "Pinnacle West Energy") - an Arizona corporation having been incorporated on September 27, 1999, and having its principal executive offices at 400 North Fifth Street, Phoenix, Arizona 85004, was organized primarily for the development, production and sale of wholesale energy. PWEC is a wholly-owned subsidiary of the Claimant.

2. A BRIEF DESCRIPTION OF THE PROPERTIES OF CLAIMANT AND EACH OF ITS SUBSIDIARY PUBLIC UTILITY COMPANIES USED FOR THE GENERATION, TRANSMISSION AND DISTRIBUTION OF ELECTRIC ENERGY FOR SALE, OR FOR THE PRODUCTION, TRANSMISSION AND DISTRIBUTION OF NATURAL OR MANUFACTURED GAS, INDICATING THE LOCATION OF PRINCIPAL GENERATING PLANTS, TRANSMISSION LINES, PRODUCING FIELDS, GAS MANUFACTURING PLANTS AND ELECTRIC AND GAS DISTRIBUTION FACILITIES, INCLUDING ALL SUCH PROPERTIES WHICH ARE OUTSIDE THE STATE IN WHICH CLAIMANT AND ITS SUBSIDIARIES ARE ORGANIZED AND ALL TRANSMISSION OR PIPELINES WHICH DELIVER OR RECEIVE ELECTRIC ENERGY OR GAS AT THE BORDERS OF SUCH STATE.

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

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

Claimant's present generating facilities have capacity as follows:

APS - NET ACCREDITED CAPACITY

APS' present generating facilities have an accredited capacity as follows:

	Capacity(kW)
Coal:	
Units 1, 2, and 3 at Four Corners.....	560,000
15% owned Units 4 and 5 at Four Corners.....	222,000
Units 1, 2, and 3 at Cholla Plant.....	615,000
14% owned Units 1, 2, and 3 at the Navajo Plant.....	315,000

	1,712,000

Gas or Oil:	
Two steam units at Ocotillo and two steam units at Saguaro.....	430,000(1)
Eleven combustion turbine units.....	493,000
Three combined cycle units.....	255,000

	1,178,000

Nuclear:	
29.1% owned or leased Units 1, 2, and 3 at Palo Verde.....	1,086,300

Hydro and Solar.....	7,600

Total APS facilities.....	3,983,900
	=====

PINNACLE WEST ENERGY - PERMITTED CAPACITY

PWEC's present generating facilities have a permitted capacity as follows:

Gas or Oil:	
Three combined cycle units.....	1,180,000
One combustion turbine unit.....	80,000

Total Pinnacle West Energy facilities	1,260,000
	=====

(1) Does not include West Phoenix steam units (108,300 kW), which were retired in December 2002.

APS' transmission facilities consist of approximately 4,982 pole miles of overhead lines and approximately 28 miles of underground lines, all of which are located within the State of Arizona. APS' distribution facilities consist of approximately 12,019 pole miles of overhead lines and approximately 12,352 miles of underground lines, all of which are located within the State of Arizona.

3. THE FOLLOWING INFORMATION FOR THE LAST CALENDAR YEAR WITH RESPECT TO CLAIMANT AND EACH OF ITS SUBSIDIARY PUBLIC UTILITY COMPANIES (EXCLUDING MARKETING AND TRADING ACTIVITIES FOR NON-PUBLIC UTILITY COMPANIES, INTERAFFILIATE TRANSFERS, AND FINANCIAL INSTRUMENTS):

(Data is not maintained in a format identifying the state in which the sales and purchases are made or the amount of their associated revenues or expenses.)

a. NUMBER OF KWH OF ELECTRIC ENERGY SOLD (AT RETAIL OR WHOLESALE), AND MCF. OF NATURAL OR MANUFACTURED GAS DISTRIBUTED AT RETAIL.

28,694,757,000 kwh of electric energy sold at wholesale or retail

0 Mcf. of natural or manufactured gas distributed at retail

b. NUMBER OF KWH OF ELECTRIC ENERGY AND MCF. OF NATURAL OR MANUFACTURED GAS DISTRIBUTED AT RETAIL OUTSIDE THE STATE IN WHICH EACH SUCH COMPANY IS ORGANIZED.

61,154,000 kwh of electric energy was distributed at retail outside Arizona

0 Mcf. of natural or manufactured gas distributed at retail outside Arizona

c. NUMBER OF KWH OF ELECTRIC ENERGY AND MCF. OF NATURAL OR MANUFACTURED GAS SOLD AT WHOLESALE OUTSIDE THE STATE IN WHICH EACH SUCH COMPANY IS ORGANIZED, OR AT THE STATE LINE.

1,665,095,000 kwh of electric energy was sold at wholesale outside Arizona or at state line

18,444,816 Mcf. of natural or manufactured gas sold at wholesale outside Arizona or at state line

d. NUMBER OF KWH OF ELECTRIC ENERGY AND MCF. OF NATURAL OR MANUFACTURED GAS PURCHASED OUTSIDE THE STATE IN WHICH EACH SUCH COMPANY IS ORGANIZED OR AT THE STATE LINE.

1,302,659,000 kwh of electric energy was purchased outside Arizona or at state line

42,506,404 Mcf. of natural or manufactured gas purchased outside Arizona or at state line

4. THE FOLLOWING INFORMATION FOR THE REPORTING PERIOD WITH RESPECT TO CLAIMANT AND EACH INTEREST IT HOLDS DIRECTLY OR INDIRECTLY IN AN EWG OR A FOREIGN UTILITY COMPANY, STATING MONETARY AMOUNTS IN UNITED STATES DOLLARS:

a. NAME, LOCATION, BUSINESS ADDRESS AND DESCRIPTION OF THE FACILITIES USED BY THE EWG OR FOREIGN UTILITY COMPANY FOR THE GENERATION, TRANSMISSION AND DISTRIBUTION OF ELECTRIC ENERGY FOR SALE OR FOR THE DISTRIBUTION AT RETAIL OF NATURAL OR MANUFACTURED GAS.

GenWest, LLC is in the process of developing the Silverhawk Power Plant Project, which is a 570 MW combined-cycle plant located 20 miles north of Las Vegas, Nevada. The plant is currently under construction. The business address for the Silverhawk Power Plant is as follows:

GenWest, LLC
400 North Fifth Street, Mail Station 8983 Phoenix, Arizona 85004
Attention: Warren Kotzmann

b. NAME OF EACH SYSTEM COMPANY THAT HOLDS AN INTEREST IN SUCH EWG OR FOREIGN UTILITY COMPANY; AND DESCRIPTION OF THE INTEREST HELD.

GenWest, LLC is an EWG. It is wholly owned by Pinnacle West Energy Corporation, which in turn is a wholly owned subsidiary of the Claimant.

c. TYPE AND AMOUNT OF CAPITAL INVESTED, DIRECTLY OR INDIRECTLY, BY THE HOLDING COMPANY CLAIMING EXEMPTION; ANY DIRECT OR INDIRECT GUARANTEE OF THE SECURITY OF THE EWG OR FOREIGN UTILITY COMPANY BY THE HOLDING COMPANY CLAIMING EXEMPTION; AND ANY DEBT OR OTHER FINANCIAL OBLIGATION FOR WHICH THERE IS RECOURSE, DIRECTLY OR INDIRECTLY, TO THE HOLDING COMPANY CLAIMING EXEMPTION OR ANOTHER SYSTEM COMPANY, OTHER THAN THE EWG OR FOREIGN UTILITY COMPANY.

(1) type and amount of capital invested, directly or indirectly, by the holding company claiming exemption:

\$154,521,000 short-term debt (financed at Pinnacle West Capital Corporation)
4,830,000 intercompany payables

(1,443,000) paid in capital (equity)

\$157,908,000

(2) any direct or indirect guarantee of the security of the EWG or foreign utility company by the holding company claiming exemption:

none

(3) any debt or other financial obligation for which there is recourse, directly or indirectly, to the holding company claiming exemption or another system company, other than the EWG or foreign utility company:

(a) Pinnacle West Energy guarantee up to \$50,000,000 of GenWest performance under The Engineering Procurement and Construction Agreement for building the Silverhawk Power Plant.

(b) Pinnacle West Capital Corporation guarantee of Pinnacle West Energy payment of \$18,568,620 for the purchase of Construction Turbines.

(c) Pinnacle West Capital Corporation guarantee of GenWest's obligations under a contract for the purchase of a steam turbine, in the amount of \$6,046,358.

(d) Pinnacle West Energy guarantee of GenWest's obligations under a contract for the purchase of the heat recovery steam generator and associated equipment, in the amount of \$14,345,450.

(e) Pinnacle West Energy, as assignor, remains liable for GenWest's obligations under a Program Parts, Shop Repairs and Scheduled Outage Services Agreement for Combustion Turbines in the amount of \$65,880,902.

d. CAPITALIZATION AND EARNINGS OF THE EWG OR FOREIGN UTILITY COMPANY DURING THE REPORTING PERIOD.

(1) capitalization:

\$154,521,000 short-term debt (financed at Pinnacle West Capital Corporation)
(1,443,000) intercompany payables \$153,078,000

(2) earnings:

\$3,000 interest earnings

e. IDENTIFY ANY SERVICE, SALES OR CONSTRUCTION CONTRACT(S) BETWEEN THE EWG OR FOREIGN UTILITY COMPANY AND A SYSTEM COMPANY, AND DESCRIBE THE SERVICES TO BE RENDERED OR GOODS SOLD AND FEES OR REVENUES UNDER SUCH AGREEMENT(S).

(1) Engineering, Procurement and Construction Agreement between GenWest, LLC and Arizona Public Service Company ("APS") for construction of the Silverhawk Switchyard, pursuant to which, APS will construct the switchyard for the Silverhawk Power Plant. The contract price is \$5,800,000.

(2) Limited Liability Company Agreement of GenWest, LLC by and among Pinnacle West Energy Corporation as sole Member and Pinnacle West Energy Corporation in its capacity as the initial Manager of GenWest, LLC, dated February 27, 2001. PWEC made an initial capital contribution of \$1,000. No other fees have been paid to date.

EXHIBIT A

A CONSOLIDATING STATEMENT OF INCOME AND SURPLUS OF THE CLAIMANT AND ITS SUBSIDIARY COMPANIES FOR THE LAST CALENDAR YEAR, TOGETHER WITH A CONSOLIDATING BALANCE SHEET OF CLAIMANT AND ITS SUBSIDIARY COMPANIES AS OF THE CLOSE OF SUCH CALENDAR YEAR.

Exhibit A hereto includes consolidating statements of income and consolidating balance sheets for the Claimant and the following of its subsidiaries: Arizona Public Service Company, SunCor Development Company, El Dorado Investment Company, APS Energy Services Company, Inc. and Pinnacle West Energy Corporation. Subsidiaries have been consolidated for financial reporting purposes in accordance with Statement of Financial Accounting Standards No. 94, CONSOLIDATION OF ALL MAJORITY-OWNED SUBSIDIARIES.

EXHIBIT B

**AN ORGANIZATIONAL CHART SHOWING THE RELATIONSHIP OF EACH EWG OR FOREIGN
UTILITY COMPANY TO ASSOCIATE COMPANIES IN THE HOLDING-COMPANY SYSTEM.**

Exhibit B hereto includes an organizational chart of the holding-company system, including each EWG.

The above-named Claimant has caused this statement to be duly executed on its behalf by its authorized officer on this 28th day of February, 2003.

Pinnacle West Capital Corporation
(Name of Claimant)

By Barbara M. Gomez

Barbara M. Gomez Treasurer

[CORPORATE SEAL]

Attest:

Betsy A. Pregulman

Betsy A. Pregulman
Associate Secretary

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

Barbara M. Gomez

(Name)

Treasurer

(Title)

400 North Fifth Street, Station 9996, Phoenix, Arizona 85004
(Address)

Exhibit A

PINNACLE WEST CAPITAL CORPORATION
CONSOLIDATING INCOME STATEMENT (dollars in thousands)
(Unaudited)

year ended December 31, 2002	PINNACLE WEST PARENT	MARKETING AND TRADING *	APS	PINNACLE WEST ENERGY	SUNCOR
OPERATING REVENUES					
Regulated electricity segment	\$ --	\$ 99,953	\$ 2,059,339	\$ 89,043	\$ --
Marketing and trading segment		208,669	34,054	21,448	
Real estate segment					236,388
Other revenues					
Total	--	308,622	2,093,393	110,491	236,388
OPERATING EXPENSES					
Regulated electricity segment purchased power and fuel		89,430	595,368	49,245	
Marketing and trading segment purchased power and fuel		118,218	32,662	17,259	
Operations and maintenance	(3,480)	22,304	495,845	59,405	
Real estate operations segment					205,066
Depreciation and amortization	2,840	655	399,640	13,874	4,784
Taxes other than Income taxes			107,925		
Other expenses					
Total	(640)	230,607	1,631,440	139,783	209,850
OPERATING INCOME	640	78,015	461,953	(29,292)	26,538
OTHER					
Other income	180,744		5,149	204	7,606
Other expenses	(5,307)		(19,338)	(77)	
Total	175,437	--	(14,189)	127	7,606
INTEREST EXPENSE					
Interest charges	43,538	251	136,766	26,083	7,686
Capitalized interest	(104)	(207)	(15,150)	(23,152)	(5,081)
Total	43,434	44	121,616	2,931	2,605
INCOME BEFORE INCOME TAXES	132,643	77,971	326,148	(32,096)	31,539
INCOME TAXES	(16,765)	30,884	126,805	(12,785)	12,685
INCOME BEFORE ACCOUNTING CHANGE	149,408	47,087	199,343	(19,311)	18,854
Cumulative effect of a change in accounting for trading activities - net of income taxes of \$43,123		(65,745)			
NET INCOME (LOSS)	\$ 149,408	\$ (18,658)	\$ 199,343	\$ (19,311)	\$ 18,854

year ended December 31, 2002	EL DORADO	APS ES	ELIMINATIONS & ADJUSTMENTS	TOTAL
OPERATING REVENUES				
Regulated electricity segment	\$ --	\$ --	\$ (235,312) (a)	\$ 2,013,023
Marketing and trading segment		128,621	(66,861) (a)	325,931
Real estate segment				236,388
Other revenues	35,038	26,899		61,937
Total	35,038	155,520	(302,173)	2,637,279
OPERATING EXPENSES				
Regulated electricity segment purchased power and fuel			(234,500) (a)	499,543
Marketing and trading segment purchased power and fuel		92,761	(66,861) (a)	194,039
Operations and maintenance		11,276	(812) (b)	584,538
Real estate operations segment			249 (b)	205,315
Depreciation and amortization	1,783	1,310		424,886
Taxes other than Income taxes			27 (b)	107,952
Other expenses	83,064	21,895		104,959
Total	84,847	127,242	(301,897)	2,121,232

OPERATING INCOME	(49,809)	28,278	(276)	516,047
OTHER				
Other income	1,479		(180,078) (c,d)	15,104
Other expenses	(8,960)		27 (c)	(33,655)
Total	(7,481)	--	(180,051)	(18,551)
INTEREST EXPENSE				
Interest charges	607	177	(26,755) (c)	188,353
Capitalized interest		(167)	(249) (c)	(44,110)
Total	607	10	(27,004)	144,243
INCOME BEFORE INCOME TAXES	(57,897)	28,268	(153,323)	353,253
INCOME TAXES	(2,724)			138,100
INCOME BEFORE ACCOUNTING CHANGE	(55,173)	28,268	(153,323)	215,153
Cumulative effect of a change in accounting for trading activities - net of income taxes of \$43,123				(65,745)
NET INCOME (LOSS)	\$ (55,173)	\$ 28,268	\$ (153,323)	\$ 149,408

* Marketing and Trading is a division of the parent company.

EXPLANATIONS OF ELIMINATIONS AND ADJUSTMENTS

- (a) Elimination of inter-company sales of electricity.
- (b) Reclassification of certain expenses.
- (c) Elimination of inter-company interest expense and income.
- (d) Elimination of parent company equity in earnings of subsidiaries.

PINNACLE WEST CAPITAL CORPORATION
CONSOLIDATING BALANCE SHEETS (dollars in thousands)
(Unaudited)

December 31, 2002	PINNACLE WEST PARENT	MARKETING AND TRADING *	APS	PINNACLE WEST ENERGY	SUNCOR
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	\$ 946	\$ (1,395)	\$ 42,549	\$ 5,326	\$ 25,235
Customer and other receivables - net	542,809	330,650	338,201	27,743	14,481
Accrued utility revenues			72,915		
Materials and supplies (at average cost)			79,985	11,667	
Fossil fuel (at average cost)			28,185		
Deferred income taxes			4,094		14,946
Assets from risk management and trading activities		19,546	39,616		
Other current assets	4,684		45,361	461	38,247
Total current assets	548,439	348,801	650,906	45,197	92,909
INVESTMENTS AND OTHER ASSETS					
Real estate investments - net					435,752
Assets from risk management and trading activities - long term		90,714	31,622		
Other assets	3,215,297		214,404		
Total investments and other	3,215,297	90,714	246,026	--	435,752
PROPERTY, PLANT AND EQUIPMENT					
Plant in service and held for future use	7,770		8,299,131	703,071	
Less accumulated depreciation and amortization			3,442,571	15,935	
Total	7,770	--	4,856,560	687,136	--
Construction work in progress	18,867	9,584	329,089	414,384	
Intangible Asset, net of accumulated amortization	8,503	6,005	93,259		
Nuclear fuel, net of accumulated amortization			7,466		
Net property, plant and equipment	35,140	15,589	5,286,374	1,101,520	--
DEFERRED DEBITS					
Regulatory assets			241,045		
Other deferred debits		2,747	97,456	7,190	5,046
Total deferred debits	--	2,747	338,501	7,190	5,046
TOTAL ASSETS	\$ 3,798,876	\$ 457,851	\$ 6,521,807	\$ 1,153,907	\$ 533,707

December 31, 2002	EL DORADO	APS ES	ELIMINATIONS & ADJUSTMENTS	TOTAL
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	\$ 2,480	\$ 2,566	\$ --	\$ 77,707
Customer and other receivables - net	19,993	51,879	(950,761) (a)	374,995
Accrued utility revenues				72,915
Materials and supplies (at average cost)				91,652
Fossil fuel (at average cost)				28,185
Deferred income taxes			(14,946) (b)	4,094
Assets from risk management and trading activities				59,162
Other current assets	689	4,117	10,419 (e)	103,978
Total current assets	23,162	58,562	(955,288)	812,688
INVESTMENTS AND OTHER ASSETS				
Real estate investments - net			(10,421) (b,c)	425,331
Assets from risk management and trading activities - long term				122,336
Other assets	2,804	373	(3,202,987) (b,d)	229,891
Total investments and other	2,804	373	(3,213,408)	777,558
PROPERTY, PLANT AND EQUIPMENT				
Plant in service and held for future use	24,718	24,210		9,058,900
Less accumulated depreciation and amortization	14,592	1,227		3,474,325
Total	10,126	22,983	--	5,584,575
Construction work in progress		5,618		777,542
Intangible Asset, net of accumulated amortization		2,048		109,815
Nuclear fuel, net of accumulated amortization				7,466

Net property, plant and equipment	10,126	30,649	--	6,479,398

DEFERRED DEBITS				
Regulatory assets				241,045
Other deferred debits			2,678 (b)	115,117

Total deferred debits	--	--	2,678	356,162

TOTAL ASSETS	\$ 36,092	\$ 89,584	\$(4,166,018)	\$ 8,425,806
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* Marketing and Trading is a division of the parent company.

EXPLANATIONS OF ELIMINATIONS AND ADJUSTMENTS

- (a) Elimination of inter-company receivables and payables.
- (b) Miscellaneous reclassifications.
- (c) Elimination of minority interests of SunCor joint venture partners.
- (d) Elimination of parent company investments in subsidiaries.
- (e) Reclassification of accrued taxes receivable

PINNACLE WEST CAPITAL CORPORATION
CONSOLIDATING BALANCE SHEETS (dollars in thousands)
(Unaudited)

December 31, 2002	PINNACLE WEST PARENT	MARKETING AND TRADING *	APS	PINNACLE WEST ENERGY	SUNCOR
LIABILITIES AND EQUITY					
CURRENT LIABILITIES					
Accounts payable	\$ 32,908	\$ 77,691	\$ 118,133	\$ 56,654	\$ 21,019
Accrued taxes	(10,913)	615	82,557	(15,941)	2,798
Accrued interest	10,036		42,608		374
Short-term borrowings	96,200				5,983
Current maturities of long-term debt	275,822		3,503		435
Customer deposits			39,865		15,973
Liabilities from risk management and trading activities		10,894	59,773		
Other current liabilities	104,376	300,972	51,820	505,103	8,154
Total current liabilities	508,429	390,172	398,259	545,816	54,736
NON-CURRENT LIABILITIES					
Long-term debt less current maturities	515,647		2,217,340		146,600
Total	515,647	--	2,217,340	--	146,600
DEFERRED CREDITS AND OTHER					
Liabilities from risk management and trading activities - long-term		38,964	36,678		
Deferred income taxes	(17,270)	12,004	1,225,552	3,734	
Unamortized gain-sale of utility plant			59,484		
Pension liability	23,592	(1,089)	156,442	(533)	6,037
Other	818	(63)	268,740	(43)	
Total deferred credits	7,140	49,816	1,746,896	3,158	6,037
MINORITY INTERESTS					
Joint ventures of SunCor					14,925
COMMON STOCK EQUITY					
Common stock	2,206,001		1,424,966	608,709	343,053
Accumulated other comprehensive income					
Minimum pension liability adjustment	(9,777)		(61,487)		
Derivative instruments		3,779	(23,799)		
Total accumulated other comprehensive loss	(9,777)	3,779	(85,286)	--	--
Retained earnings	571,436	14,084	819,632	(3,776)	(31,644)
Total common stock equity	2,767,660	17,863	2,159,312	604,933	311,409
TOTAL LIABILITIES AND EQUITY	\$ 3,798,876	\$ 457,851	\$ 6,521,807	\$ 1,153,907	\$ 533,707

December 31, 2002	EL DORADO	APS ES	ELIMINATIONS & ADJUSTMENTS	TOTAL
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Accounts payable	\$ 37,842	\$ 12,058	\$ --	\$ 356,305
Accrued taxes	1,316	258	10,419 (e)	71,109
Accrued interest				53,018
Short-term borrowings	23,456	3,882	(27,338) (a)	102,183
Current maturities of long-term debt	1,263			281,023
Customer deposits				55,838
Liabilities from risk management and trading activities				70,667
Other current liabilities	8,706	14,605	(928,764) (a,b)	64,972
Total current liabilities	72,583	30,803	(945,683)	1,055,115
NON-CURRENT LIABILITIES				
Long-term debt less current maturities	2,108			2,881,695
Total	2,108	--	--	2,881,695

DEFERRED CREDITS AND OTHER				
Liabilities from risk management and trading activities - long-term				75,642
Deferred income taxes	--		(14,946) (b)	1,209,074
Unamortized gain-sale of utility plant				59,484
Pension liability		(569)		183,880
Other		(30)	5,341 (b)	274,763
Total deferred credits	--	(599)	(9,605)	1,802,843
MINORITY INTERESTS				
Joint ventures of SunCor			(14,925) (c)	--
COMMON STOCK EQUITY				
Common stock	14,046	63,440	(2,927,315) (d)	1,732,900
Accumulated other comprehensive income				
Minimum pension liability adjustment				(71,264)
Derivative instruments				(20,020)
Total accumulated other comprehensive loss	--	--	--	(91,284)
Retained earnings	(52,645)	(4,060)	(268,490) (d)	1,044,537
Total common stock equity	(38,599)	59,380	(3,195,805)	2,686,153
TOTAL LIABILITIES AND EQUITY	\$ 36,092	\$ 89,584	\$(4,166,018)	\$ 8,425,806

* Marketing and Trading is a division of the parent company.

EXPLANATIONS OF ELIMINATIONS AND ADJUSTMENTS

- (a) Elimination of inter-company receivables and payables.
- (b) Miscellaneous reclassifications.
- (c) Elimination of minority interests of SunCor joint venture partners.
- (d) Elimination of parent company equity interest in subsidiaries.
- (e) Reclassification of accrued taxes receivable

Exhibit B

Pinnacle West
Capital
Corporation

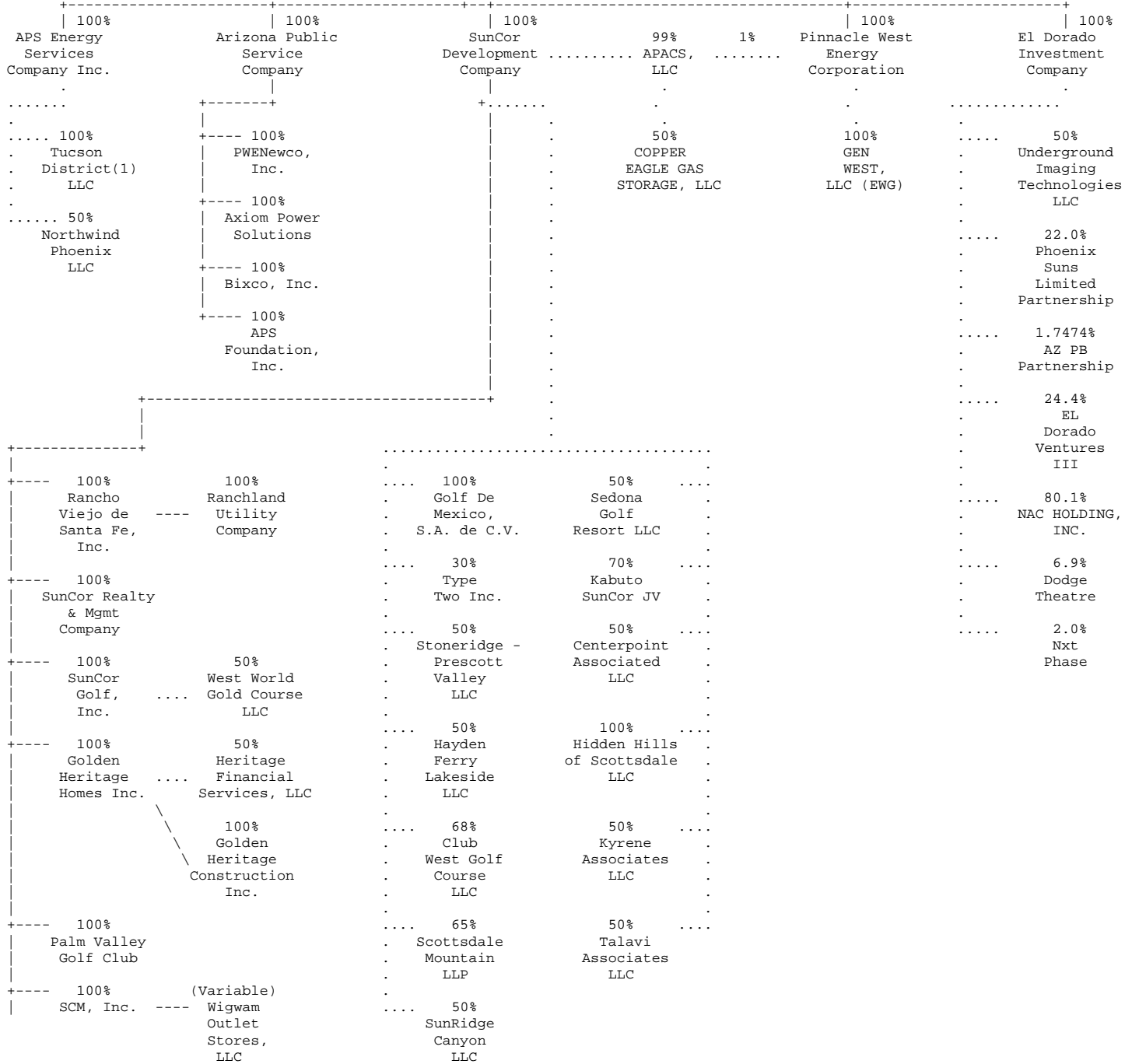


EXHIBIT C

In accordance with Item 304 of Regulation S-T of the Securities Exchange Act of 1934, APS' Service Territory map contained as Exhibit C to this Form U-3A-2 is a map of the State of Arizona showing APS' service area, the location of its major power plants and principal transmission lines, the location of Pinnacle West Energy's power plants and the location of transmission lines operated by APS for others. APS' major power plants shown on such map are the Navajo Generating Station located in Coconino County, Arizona; the Four Corners Power Plant located near Farmington, New Mexico; the Cholla Power Plant, located in Navajo County, Arizona; the Yucca Power Plant, located near Yuma, Arizona; the Palo Verde Nuclear Generating Station, located about 55 miles west of Phoenix, Arizona; the West Phoenix Power Plant, located near Phoenix, Arizona; and the Saguaro Power Plant, located near Tucson, Arizona (each of which plants is reflected on such map as being jointly owned with other utilities), as well as the Ocotillo Power Plant located near Phoenix, Arizona. PWEC's power plants shown on such map are the West Phoenix Power Plant located near Phoenix, Arizona, and the Saguaro Power Plant, located near Tucson, Arizona (both of which plants are reflected on such map as being jointly owned with APS), as well as the Redhawk Power Plant, located near Phoenix, Arizona. APS' major transmission lines shown on such map are reflected as running between the power plants named above and certain major cities in the State of Arizona. The transmission lines operated for others shown on such map are reflected as running from the Four Corners Plant through a portion of northern Arizona to the California border and from the Phoenix area.