

PINNACLE WEST CAPITAL CORP

FORM POS AM

(Post-Effective Amendment to Registration Statement)

Filed 03/31/95

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

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(Post-Effective Amendment to Registration Statement)

Filed 3/31/1995

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

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549 POST-EFFECTIVE AMENDMENT NO. 2

TO

FORM S-3

REGISTRATION STATEMENT

Under

THE SECURITIES ACT OF 1933 **Pinnacle West Capital Corporation**

(Exact name of registrant as specified in its charter)

Arizona
(State or other jurisdiction
of incorporation or organization)

86-0512431
(I.R.S. Employer
Identification No.)

400 East Van Buren Street, Suite 700
Phoenix, Arizona 85004
(602) 379-2500

(Address, including zip code, and telephone number
and area code, of registrant's principal executive offices) Pinnacle West Capital Corporation

Investors Advantage Plan
(Full title of the plan)

MICHAEL S. ASH
400 East Van Buren Street, Suite 700
Phoenix, Arizona 85004
(Name and address of agent for service)
(602) 379-2500
(Telephone number, including area code,
of agent for service)

With a Copy to:
MATTHEW P. FEENEY
Snell & Wilmer L.L.P.
One Arizona Center
Phoenix, Arizona 85004-0001
(602) 382-6239

PROSPECTUS

PINNACLE WEST CAPITAL CORPORATION
INVESTORS ADVANTAGE PLAN
COMMON STOCK
(No Par Value)

The Pinnacle West Capital Corporation Investors Advantage Plan (the "Plan"), to be effective as of May 1, 1995 and which amends and restates in its entirety the Pinnacle West Capital Corporation Stock Purchase and Dividend Reinvestment Plan, is designed to provide investors with a convenient way to purchase shares of common stock, no par value ("Common Stock") of Pinnacle West Capital Corporation (the "Company"), and to reinvest all or a portion of the cash dividends paid on the Common Stock and the preferred stock of Arizona Public Service Company ("APS") in shares of Common Stock.

PARTICIPANTS IN THE PLAN MAY:

- o Reinvest all or a portion of cash dividends paid on Common Stock or APS preferred stock registered in their names or on Common Stock credited to their Plan accounts in shares of Common Stock.
- o Make an initial investment in Common Stock with a cash payment of at least \$50, and additional optional investments thereafter, up to a maximum of \$60,000 per calendar year, including the initial investment.
- o Receive, upon written request, certificates for whole shares of Common Stock credited to their Plan accounts.
- o Deposit certificates representing Common Stock into the Plan for safekeeping.
- o Sell shares of Common Stock credited to their Plan accounts through the Plan.

Shares of Common Stock will be purchased under the Plan, at the option of the Company, from newly issued shares, shares held in the treasury of the Company, or shares purchased on the open market. Purchases will be effected through an independent agent appointed by the Company. The Common Stock is listed on the New York and Pacific Stock Exchanges. The closing price of the Common Stock on March 29, 1995 on the New York Stock Exchange was \$21.00.

The purchase price of newly issued or treasury shares of Common Stock purchased under the Plan for an Investment Date (as defined in the Plan) will be the average of the high and low sales prices of the Common Stock reported on the New York Stock Exchange Composite Tape as published in The Wall Street Journal or, for any day on which there is no such publication, in another generally accepted publication for the first business day of the relevant Investment Period (as defined in the Plan), provided that the New York Stock Exchange is open on such day. The price of shares of Common Stock purchased or sold on the open market will be the weighted average price per share (adjusted for brokerage commissions, any related service charges, and applicable taxes) of the aggregate number of shares purchased or sold, respectively, on the open market during the relevant Investment Period. The Company will pay the costs of administration of the Plan, except that Plan participants will bear the cost of brokerage commissions, any related service charges, and applicable taxes relating to shares of Common Stock purchased or sold on the open market.

To the extent required by applicable law in certain jurisdictions, shares of Common Stock offered under the Plan to persons not presently record holders of Common Stock are offered only through a registered broker/dealer in such jurisdictions.

This Prospectus contains a summary of the material provisions of the Plan and, therefore, this Prospectus should be retained by participants in the Plan ("Participants") for future reference.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

The date of this Prospectus is March 31, 1995.

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AVAILABLE INFORMATION

The Company is subject to the informational requirements of the Securities Exchange Act of 1934 as amended (the "Exchange Act"), and in accordance therewith files reports, proxy statements, and other information with the Securities and Exchange Commission (the "Commission"). Such reports, proxy statements, and other information can be obtained at prescribed rates from the Public Reference Section of the Commission or may be inspected and copied at the public reference facilities maintained by the Commission at 450 Fifth Street, N.W., Room 1024, Washington, D.C. 20549, and at certain of its regional offices located at 500 West Madison Street, Suite 1400, Chicago, Illinois 60661, and 75 Park Place, Room 1400, New York, New York 10007. The Common Stock is listed on the New York and Pacific Stock Exchanges. Reports, proxy material, and other information concerning the Company can be inspected at the respective offices of these Exchanges at Room 401, 20 Broad Street, New York, New York 10005, and 115 Sansome Street, San Francisco, California 94104.

INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

The following documents previously filed with the Commission by the Company (File No. 1-8962) are hereby incorporated by reference in this Prospectus:

1. The Company's Annual Report on Form 10-K for the year ended December 31, 1994 (the "1994 10-K").
2. The description of the Company's Common Stock included in the Company's Registration Statement on Form 8-B, File No. 1-8962, as filed on July 25, 1985, except for the reference to transfer agents and registrars for the Common Stock contained therein and of the Company's Preferred Share Purchase Rights included in its Registration Statement on Form 8-A, File No. 1-8962, as filed on March 31, 1989, and a Form 8 Amendment thereto as filed on August 29, 1991.

All documents filed by the Company pursuant to Sections 13(a), 13(c), 14 and 15(d) of the Exchange Act subsequent to the date of the 1994 10-K and prior to the filing of a post-effective amendment which indicates that all securities offered hereby have been sold or which deregisters all securities then remaining unsold will be deemed to be incorporated by reference in this Prospectus and to be a part hereof from the date of filing of such documents.

Any statement contained in a document incorporated by reference herein will be deemed to be modified or superseded for purposes of this Prospectus to the extent that a statement contained herein or in any other subsequently filed document which is also incorporated by reference herein modifies or supersedes such statement. Any statement so modified or superseded will not be deemed, except as modified or superseded, to constitute a part of this Prospectus.

The Company will provide without charge to each person, including any beneficial owner, to whom a copy of this Prospectus has been delivered, on the oral or written request of any such person, a copy of any or all of the documents referred to above which have been or may be incorporated in this Prospectus by reference, other than exhibits to such documents. Requests for such copies should be directed to Pinnacle West Capital Corporation, P.O. Box 52132, Phoenix, Arizona 85072-2132, or by calling (602) 379-2500 or (800) 457-2983 toll-free nationwide.

THE COMPANY

The Company was incorporated in 1985 under the laws of the State of Arizona and is engaged in the acquisition and holding of securities of corporations for investment purposes. The principal executive offices of the Company are at 400 East Van Buren Street, P.O. Box 52132, Phoenix, Arizona 85072-2132, and its telephone number is (602) 379-2500.

The Company's principal subsidiary, APS, is Arizona's largest electric utility. The Company's other subsidiaries include SunCor Development Company, which is engaged primarily in owning, holding, and developing real property, and El Dorado Investment Company, which is engaged primarily in making equity investments in other companies.

The following questions and answers describe the provisions of the Pinnacle West Capital Corporation Investors Advantage Plan (the "Plan"). For convenience of reference, the definitions of certain key terms are included below:

DESCRIPTION OF THE PLAN

DEFINITIONS

Administrator --	Pinnacle West Capital Corporation (the "Company" or "Pinnacle West"). See also "Plan Administrator."
Cash Investment --	A payment made subsequent to enrollment in the Plan. The maximum aggregate Cash Investment (including the Initial Cash Investment) is \$60,000 per account per calendar year.
Company --	Pinnacle West Capital Corporation.
Dividend Payment Date --	The date determined by the Company's Board of Directors on which Common Stock dividends are payable. These dates are normally the first day of March, June, September, and December.
Dividend Record Date --	Generally the first business day of the month immediately preceding the Dividend Payment Date.
Eligible Investor --	An investor who makes an Initial Cash Investment of at least \$50 or a Shareholder of Record.

Enrollment Forms --	Forms available through the Company that the investor must complete to be able to participate in the Plan.
Ex-Dividend Date --	A date prior to the Dividend Record Date, based on industry regulations, necessary to allow for the settlement of traded securities by the Dividend Record Date. Common Stock purchased between the Ex-Dividend Date and the Dividend Record Date is not entitled to the succeeding dividend.
Initial Cash Investment --	A payment made to the Company to purchase shares of Common Stock to open a Plan account. The minimum Initial Cash Investment is \$50.
Investment Date --	The date on which the purchase price for all shares of Common Stock to be purchased has been determined. The purchased shares are credited to a participant's account on the Investment Date.
Investment Period --	The period during which Common Stock is purchased. The Investment Period begins on the first business day of any month in which there is not a Dividend Record Date and on the second business day of any month in which there is a Dividend Record Date.
Investment Statement --	A statement sent to a participant after an Investment Period in which the participant's account had investment activity. The Investment Statement includes the purchase price and number of shares of Common Stock purchased.
Plan --	Pinnacle West Capital Corporation Investors Advantage Plan.
Plan Administrator --	Pinnacle West Capital Corporation (the "Company").
Plan History Statement --	A statement sent to a participant upon withdrawal (including by way of the sale of shares or the issuance of a certificate for shares) of all or a portion of shares from the participant's account.
Shareholder of Record --	An investor whose shares are registered on the books of the Company.

PURPOSE OF THE PLAN

1. WHAT IS THE PURPOSE OF THE PLAN?

The purpose of the Plan is to provide shareholders and interested investors with a convenient and economical way to purchase shares of Common Stock with Cash Investments (including an Initial Cash Investment) or reinvested dividends.

ADVANTAGES AND DISADVANTAGES OF THE PLAN

2. WHAT ARE THE ADVANTAGES AND DISADVANTAGES OF THE PLAN?

THE PLAN OFFERS INVESTORS THE FOLLOWING ADVANTAGES:

A. DIRECT PURCHASE OF STOCK -- Persons not presently owning shares of Common Stock may become shareholders by making an Initial Cash Investment of at least \$50 (but not more than \$60,000 per account per calendar year). See Question 5.

Participants may invest additional funds to purchase shares of Common Stock at any time. The maximum annual Cash Investment (including the Initial Cash Investment) is \$60,000 per account.

B. SELL STOCK -- Participants may sell shares held in their Plan account through the Plan. See Questions 33 and 34.

C. CERTIFICATE SAFEKEEPING -- Participants may deposit their Common Stock certificates with the Company, whether or not the Common Stock represented by such certificates was purchased through the Plan, and have their ownership maintained on the Company's records in their Plan account. This convenience is provided at no cost to the participant and eliminates the possibility of loss, inadvertent destruction, or theft of certificates. Also, because shares deposited for safekeeping are treated in the same manner as shares purchased through the Plan, they may be transferred or sold through the Plan. See Question 32.

D. REINVESTMENT OF DIVIDENDS -- All or a portion of Common Stock dividends may be reinvested to purchase additional shares of Common Stock. Dividends on APS preferred stock may be reinvested to purchase Common Stock provided the investor maintains a Plan account. See Questions 7 through 11.

E. SIMPLIFIED RECORDKEEPING -- An Investment Statement will be mailed to participants after any investment activity. The statement is cumulative, providing year-to-date Plan account activity. A Plan History Statement will be sent when shares are sold, transferred or otherwise withdrawn from the Plan. See Questions 35 and 38.

F. REDUCED BROKER COMMISSIONS -- The broker commissions negotiated by the Company for buying or selling shares are typically substantially less than those paid by individual investors for this service. No commissions are paid for newly issued shares or for treasury shares. See Questions 28 and 34.

G. TRANSFER OF SHARES -- Participants may transfer shares held in their Plan account to another individual's account at no cost. The normal transfer requirements will apply. See Questions 31 and 44.

H. FULL INVESTMENT OF FUNDS -- The full amount of reinvested dividends and Cash Investments can be invested because the Plan permits fractional shares to be credited to Plan accounts. Dividends are paid on fractional shares as well as on whole shares. See Question 29.

PLAN PARTICIPATION PRESENTS INVESTORS WITH THE FOLLOWING DISADVANTAGES:

A. NO INTEREST ON FUNDS PENDING INVESTMENT -- No interest is paid on dividends or Cash Investments held pending investment or reinvestment. See Question 18.

B. DELAY IN DETERMINING PURCHASE PRICE -- The number of shares purchased for an investor's Plan account will not be determined until all shares for the relevant Investment Period have been purchased. Therefore, investors will not know the number of shares purchased or the purchase price until the Investment Date. See Questions 26 through 30.

C. RETURN OF CASH INVESTMENTS -- Cash Investments (including Initial Cash Investments) sent to the Plan Administrator will not be returned to the investor unless a written request is received by the Plan Administrator by the last Company business day of the month prior to the relevant Investment Period. See Question 20.

D. PERIODIC DELAYS FOR ISSUING CERTIFICATES OR SELLING SHARES -- Requests for issuance of certificates or the sale of shares from a Plan account will be delayed during the dividend processing period. This is a 13-15 business day period which begins on the Ex-Dividend Date. See Questions 31, 34, and 35.

E. BROKER COMMISSIONS -- While the broker commissions negotiated by the Plan Administrator for buying or selling stock are typically less than those paid by individual investors for this service, certain investors may be able to negotiate lower commissions on an individual basis. Also, the commissions negotiated by the Plan Administrator may change from time to time. See Questions 28 and 34.

F. PRICE OF SHARES -- Plan participants can not designate a specific price at which to sell or purchase Common Stock. Requests for the sale of Plan shares are accumulated and the Plan Administrator places a market order with the appointed agent. Similarly, a market order is placed with the independent agent to purchase stock with all funds available for investment. See Questions 25, 28, and 33.

PLAN ADMINISTRATION

3. WHO ADMINISTERS THE PLAN?

The Company administers the Plan. Administration duties include recordkeeping, sending periodic statements of account, and holding shares purchased through the Plan or otherwise deposited for safekeeping. See Question 32. Such shares will be registered in the name of, and held by, the Company as Plan Administrator.

Communications about the Plan should be directed to:

Pinnacle West Capital Corporation
Shareholder Department
P.O. Box 52133
Phoenix, AZ 85072-2133

When writing, please include a day-time telephone number to expedite our reply.

The nationwide toll-free Shareholder Department telephone number is 800-457-2983. In the Phoenix area, call 379-2500.

PARTICIPATION IN THE PLAN

4. WHO IS ELIGIBLE TO PARTICIPATE IN THE PLAN?

Any interested investors making an Initial Cash Investment of at least \$50 and all Common Stock Shareholders of Record are eligible to participate. Citizens or residents of a country other than the United States or its territories and possessions should determine whether they are subject to any governmental regulations prohibiting or restricting participation in the Plan, and must provide evidence satisfactory to the Administrator that their participation will not violate any such regulations, before enrolling in the Plan.

Beneficial owners of Common Stock whose shares are held in a name other than their own (for example, a bank, broker, or trustee) may participate in the Plan with respect to such shares by transferring those shares into their own name. Once the shares are registered on the books of the Company, the investor is eligible to enroll in the Plan.

5. HOW DOES AN ELIGIBLE INVESTOR ENROLL IN THE PLAN?

After being furnished with a Plan Prospectus, Eligible Investors may join the Plan by completing and signing an Enrollment Form and returning it to the Company. Non-shareholder investors must also submit an Initial Cash Investment of at least \$50 (but not more than \$60,000).

Once enrolled in the Plan, Eligible Investors will remain enrolled until they discontinue their participation or the Plan is terminated. See Question 35, 36, and 42.

Shareholders who were enrolled in the Company's Stock Purchase and Dividend Reinvestment Plan are automatically enrolled in the Investors Advantage Plan and are eligible to participate in the features of the new Plan immediately on and after May 1, 1995. SUCH SHAREHOLDERS SHOULD CAREFULLY REVIEW THE PARTICIPATION OPTIONS, PARTICULARLY THE "CASH INVESTMENT ONLY" AND "PARTIAL DIVIDEND REINVESTMENT" OPTIONS. THESE OPTIONS HAVE BEEN MODIFIED IN THE NEW PLAN. See Questions 7 through 13. Unless such a shareholder submits a new Enrollment Form designating a different participation option, each such shareholder will be enrolled in the new Plan at a level of participation that corresponds to the level at which the shareholder previously participated in the Company's Stock Purchase and Dividend Reinvestment Plan.

6. WHEN MAY AN ELIGIBLE INVESTOR JOIN THE PLAN?

An Eligible Investor may join the Plan at any time by completing and returning an Enrollment Form.

PARTICIPATION OPTIONS

7. WHAT PARTICIPATION OPTIONS ARE AVAILABLE IN THE PLAN?

On the Enrollment Form, the investor is offered the following participation options:

- Full Dividend Reinvestment
- Partial Dividend Reinvestment or
- Cash Investment Only

Shareholders who were enrolled in the Company's Stock Purchase and Dividend Reinvestment Plan should see the discussion in Question 5.

8. HOW DOES THE "FULL DIVIDEND REINVESTMENT" OPTION OF THE PLAN WORK?

Participants enrolling in the Full Dividend Reinvestment option will have dividends earned on all Common Stock, both in their Plan account and of record, reinvested to purchase additional shares of Common Stock. APS preferred shareholders may also reinvest their preferred dividends (see Question 11). The reinvestment of dividends will commence with the first dividend to which the participant is entitled payable after the next Dividend Record Date following enrollment. A participant may also make Cash Investments of up to \$60,000 per account annually to purchase Common Stock.

9. HOW DOES THE "PARTIAL DIVIDEND REINVESTMENT" OPTION OF THE PLAN WORK?

Participants enrolling in the Partial Dividend Reinvestment option can designate a specific number of shares on which they wish to receive cash dividends, with dividends on the balance of shares being reinvested to purchase Common Stock. Participants may also elect to receive cash dividends on shares they hold in certificated form, with dividends on shares held in their Plan account being reinvested. The reinvestment of dividends will commence with the first dividend to which the participant is entitled payable after the next Dividend Record Date following enrollment. In addition, a participant may make Cash Investments of up to \$60,000 per account annually to purchase Common Stock.

If a participant has elected this option and subsequently directs that a portion of his shares are to be sold, transferred, or withdrawn, unless the participant otherwise directs, all shares on which a participant receives reinvested dividends will be sold, transferred, or withdrawn prior to the sale, transfer, or withdrawal of any shares on which a participant receives cash dividends.

10. HOW DOES THE "CASH INVESTMENT ONLY" OPTION OF THE PLAN WORK?

Participants enrolling in the Cash Investment Only option may make Cash Investments of up to \$60,000 per account annually. Dividends earned on all Common Stock, both in the Plan account and of record, will be paid directly to the investor in the manner in which dividends are normally paid. The Cash Investment will purchase additional shares of Common Stock.

NOTE: IF PARTICIPANTS DO NOT INDICATE A PARTICIPATION OPTION ON THE ENROLLMENT FORM, THEIR ACCOUNT WILL AUTOMATICALLY BE ENROLLED INTO

THE "FULL DIVIDEND REINVESTMENT" OPTION.

11. MAY ARIZONA PUBLIC SERVICE COMPANY PREFERRED STOCK DIVIDENDS BE REINVESTED IN THE PLAN?

Yes. APS preferred shareholders may reinvest their dividends to purchase Common Stock by enrolling in the Plan. Preferred shareholders who already own Common Stock of record or who already participate in the Plan must complete an Enrollment Form for each issue of preferred stock being reinvested. Preferred shareholders who do not own Common Stock of record and do not already participate in the Plan may enroll in the Plan by submitting an Initial Cash Investment of at least \$50 and completing an Enrollment Form for each issue of preferred stock being reinvested.

12. MAY PARTICIPANTS CHANGE THEIR PARTICIPATION OPTION?

Yes. The participation option may be changed by completing and signing a new Enrollment Form and returning it to the Company. The change will be effective as of the next Dividend Record Date following receipt of the new Enrollment Form.

13. MAY THE COMPANY RESTRICT PARTICIPATION IN THE PLAN?

Yes. The Company reserves the right to restrict participation in the Plan if it believes that such participation may be contrary to the general intent of the Plan or in violation of applicable law.

INITIAL CASH INVESTMENTS AND CASH INVESTMENTS

14. WHO IS ELIGIBLE TO MAKE CASH INVESTMENTS?

Any Shareholder of Record who has submitted a signed Enrollment Form is eligible to make Cash Investments regardless of the participation option chosen, subject to the maximum contribution. See Question 17.

15. WHO IS ELIGIBLE TO MAKE AN INITIAL CASH INVESTMENT?

Any interested investor may submit a signed Enrollment Form and make an Initial Cash Investment, subject to the minimum and maximum contributions. See Question 17.

16. HOW ARE INITIAL CASH INVESTMENTS AND CASH INVESTMENTS MADE?

Initial Cash Investments and Cash Investments must be made by check, money order, or wire transfer payable through a U.S. bank or other financial institution, in U.S. dollars, to Pinnacle West Capital Corporation. Do not send cash. Initial Cash Investments must be accompanied by a completed Enrollment Form; an Enrollment Form or a Cash Investment form should accompany Cash Investments to ensure credit to the proper account.

17. IS THERE A MINIMUM AND MAXIMUM CASH INVESTMENT?

Yes. The minimum Initial Cash Investment is \$50. Subsequent Cash Investments may be any amount. The maximum aggregate Cash Investment (including the Initial Cash Investment) is \$60,000 per account per calendar year.

18. WHEN WILL A PARTICIPANT'S INITIAL CASH INVESTMENT OR CASH INVESTMENT BE INVESTED?

Initial Cash Investments and Cash Investments will be invested during the Investment Period of the calendar month immediately following the calendar month in which the funds are received. Because interest is not paid on funds pending investment, it is to your benefit to mail your Cash Investments so they are received shortly before the end of the calendar month. Funds are considered to be received when delivered, either

by postal service or in person, during Company business hours to the Company's corporate headquarters (see "Shareholder Information" below for address).

In the event that a check submitted for investment is returned unpaid for any reason, the Plan Administrator will consider the request for investment of such funds null and void. Any shares purchased upon the prior credit of such funds will be immediately removed from the participant's account. The Plan Administrator will be entitled to sell those shares to satisfy any uncollected amounts. If the net proceeds of the sale of such shares are insufficient to satisfy the balance of such uncollected amounts, the Plan Administrator will be entitled to sell additional shares from the participant's account to satisfy the uncollected balance.

19. WHEN WILL SHARES PURCHASED WITH INITIAL CASH INVESTMENTS OR CASH INVESTMENTS BE ENTITLED TO RECEIVE DIVIDENDS?

Shares purchased with an Initial Cash Investment or Cash Investment will be entitled to dividends if the shares were credited to the participant's account as of a date preceding the Dividend Record Date for payment of a dividend.

20. MAY A PARTICIPANT REQUEST THAT AN INITIAL CASH INVESTMENT OR CASH INVESTMENT BE RETURNED?

Yes. A participant may request, in writing, the return of an Initial Cash Investment or Cash Investment. The funds will be returned if the request is received by the last Company business day of the month prior to the relevant Investment Period.

NOTE: INTEREST IS NOT PAID ON FUNDS HELD PENDING INVESTMENT.

REINVESTMENT OF DIVIDENDS

21. IS THERE A MINIMUM OR MAXIMUM AMOUNT FOR REINVESTED DIVIDENDS?

No. Dividends designated for reinvestment through the Plan are not subject to a minimum or maximum.

22. WHEN WILL A PARTICIPANT'S DIVIDENDS BE REINVESTED?

A participant's dividends will be reinvested during the Investment Period of the month in which the dividend is payable.

23. WHEN WILL SHARES PURCHASED WITH REINVESTED DIVIDENDS BE ENTITLED TO RECEIVE DIVIDENDS?

Shares purchased with reinvested dividends will be entitled to dividends on the Dividend Payment Date following the purchase of such shares.

PURCHASES

24. WHAT IS THE SOURCE OF COMMON STOCK PURCHASED THROUGH THE PLAN?

Common Stock purchased through the Plan will be purchased, at the discretion of the Company and in accordance with applicable law, either on the open market or directly from the Company or through a combination of the foregoing. Shares purchased from the Company may be either authorized but unissued shares or shares held in the treasury of the Company.

25. HOW IS COMMON STOCK PURCHASED ON THE OPEN MARKET?

Common Stock will be purchased through an independent agent appointed by the Company. The independent agent will have full discretion in all matters related to such purchases, including the day and time of purchase, price paid, number of shares purchased, and the markets or persons through whom the purchases are made.

26. WHEN ARE SHARES PURCHASED FOR THE PLAN?

Purchases of shares on the open market may begin on the first day of the relevant Investment Period and will be completed no later than 30 days thereafter. Dividends not invested in Common Stock within 30 days of the Dividend Payment Date therefor and Cash Investments not invested in Common Stock within 35 days of receipt will be promptly returned to participants.

Shares purchased from the Company (newly issued Common Stock or treasury stock) will be acquired as of the first day of the relevant Investment Period, provided that the New York Stock Exchange is open on such day. See Question 27.

27. WHEN WILL SHARES BE CREDITED TO A PARTICIPANT'S ACCOUNT?

Participants' shares will be credited to their Plan accounts on the Investment Date and are considered to be owned by the participant on that day.

If the Investment Date falls on a date when the New York Stock Exchange is closed, the first day immediately succeeding such day on which the New York Stock Exchange is open will be the Investment Date.

28. HOW IS THE PURCHASE PRICE OF THE COMMON STOCK DETERMINED?

The purchase price of Common Stock purchased on the open market will be the weighted average price, including broker commissions, related service charges, and applicable taxes, of all shares purchased during the Investment Period.

The purchase price of Common Stock purchased from the Company (newly issued Common Stock or treasury stock) will be the average of the high and low prices of the Common Stock reported on the New York Stock Exchange Composite Tape as published in The Wall Street Journal or, for any day on which there is no such publication, in another generally accepted publication for the first business day of the relevant Investment Period, provided that the New York Stock Exchange is open on such day.

If the stock is purchased both on the open market and through the Company, the purchase price will be the weighted average price of such shares in accordance with the foregoing two paragraphs.

29. HOW MANY SHARES OF COMMON STOCK WILL BE PURCHASED FOR A PARTICIPANT?

The number of shares purchased for a participant will be equal to the participant's Cash Investments for the month plus dividends available for reinvestment divided by the purchase price of the shares. The participant's account will be credited with the whole and fractional shares on the Investment Date.

30. CAN A PARTICIPANT REQUEST THE PURCHASE OF A SPECIFIC NUMBER OF SHARES?

No. Since the purchase price of the Common Stock cannot be calculated until the Common Stock is purchased, a participant may not purchase a specific number of shares.

CERTIFICATES

31. WILL CERTIFICATES BE ISSUED FOR SHARES PURCHASED THROUGH THE PLAN?

No. The certificates for shares purchased through the Plan are registered in the name of the Company as Plan Administrator. A certificate will be issued to participants only upon request.

Participants requesting the issuance of a certificate for their Plan shares should submit the request in writing to the Plan Administrator, specifying the number of shares to be issued. Certificates will generally be issued within five days following the receipt of the request. However, requests received during the dividend processing period will be delayed. See "Disadvantages of the Plan -- D." Certificates cannot be issued for fractional shares.

The certificate will be issued in the name(s) of the participant(s). Requests to issue a certificate into another registration must meet the requirements for transfer of stock. See Question 44.

See Question 9 for information relating to the certification of only a portion of a participant's Plan shares when the participant has elected the Partial Dividend Reinvestment option for his shares.

SAFEKEEPING OF CERTIFICATES

32. CAN CERTIFICATES BE RETURNED TO THE COMPANY TO BE HELD IN THE PARTICIPANT'S PLAN ACCOUNT?

Yes. Certificates for Common Stock may be returned to the Plan Administrator to take advantage of the safekeeping feature of the Plan. **THE CERTIFICATES SHOULD NOT BE ENDORSED AND REGISTERED MAIL IS RECOMMENDED.** The certificates should be submitted with a letter to the Plan Administrator directing the Plan Administrator to deposit the shares represented by such certificates into the Plan account of the participant. Alternatively, the certificates can be submitted with a new Enrollment Form with the share safekeeping option checked thereon. Investors may submit certificates for safekeeping upon initial enrollment in the Plan or at any time while participating in the Plan.

COMMON STOCK SURRENDERED FOR SAFEKEEPING WILL BE TREATED AS SHARES PURCHASED THROUGH THE PLAN.

SALE OF SHARES

33. HOW MAY PARTICIPANTS SELL THEIR PLAN SHARES?

Participants may sell their Plan shares by submitting a written request to the Company. The request should indicate the number of shares to be sold and must be signed by ALL account owners. Shares acquired through and held in the Plan, as well as shares surrendered for safekeeping, may be sold in this manner. A request to sell shares is irrevocable after it is received by the Company. The Company's appointed agent will have full discretion in all matters related to the sale, including the time of sale, sale price, and the markets or persons through whom the shares are sold. Participants cannot specify a price at which to sell their stock.

Shares held outside the Plan may not be sold through the Plan.

See Question 9 for information relating to the sale of only a portion of a participant's Plan shares when the participant has elected the Partial Dividend Reinvestment option for his shares.

34. WHEN WILL PLAN SHARES BE SOLD?

Plan shares will generally be sold within five business days following receipt of the sale request. However, sale requests received during the dividend processing period will be delayed until the dividend processing period is completed. See "Disadvantages of the Plan -- D."

A check will be issued for the proceeds of the sale minus the broker commissions, any related service charges, and applicable taxes, and will be made payable to the registered account owners only.

TERMINATION OF PLAN PARTICIPATION

35. HOW MAY A PARTICIPANT TERMINATE PARTICIPATION IN THE PLAN?

Participants may terminate participation in the Plan either by selling all the shares in their Plan account or by having a certificate issued for a specific number of whole shares in their Plan account and selling the balance of shares. See Questions 31, 33, and 34. Certificates cannot be issued for fractional shares; fractional shares must be sold when terminating participation.

Plan participants must notify the Company in writing of their intention to terminate participation in the Plan, have all account owners sign the request, and indicate whether they wish to receive a stock certificate or sell their shares.

Participants terminating their Plan participation will receive a Plan History Statement detailing the account history. **THIS STATEMENT SHOULD BE RETAINED FOR TAX PURPOSES.**

Cash Investments received prior to the request to terminate Plan participation will be invested during the next Investment Period unless the participant timely requests the return of that Cash Investment. See Question 20.

The termination of Plan participation will be delayed if the request is received during the dividend processing period. See "Disadvantages of the Plan -- D."

36. MAY THE COMPANY TERMINATE A PARTICIPANT'S PLAN PARTICIPATION?

Yes. If a participant does not maintain at least one whole share of Common Stock in the Plan account or does not own any Common Stock of record for which cash dividends are designated for reinvestment pursuant to the Plan, the participant's participation may be terminated by the Company upon written notice to the participant. A participant whose participation has been terminated will receive a check for the cash value of any fractional share in the Plan account.

In addition, the Company may terminate a participant's participation in the Plan if it believes that such participation may be contrary to the general intent of the Plan or in violation of applicable law. The participant will receive a certificate for whole shares and a check for the cash value of the fractional share in the Plan account.

COSTS

37. WHAT COSTS ARE ASSOCIATED WITH PARTICIPATION IN THE PLAN?

The only costs associated with Plan participation are the broker commissions, related service charges, and applicable taxes for the sale or purchase of shares for a participant's account. All other administrative costs are borne by the Company.

REPORTS TO PARTICIPANTS

38. WHAT REPORTS ARE SENT TO PARTICIPANTS?

Plan participants will receive an Investment Statement as soon as possible after each month in which an investment occurs in their Plan account, which will provide detailed account information for the current calendar year. **THIS STATEMENT SHOULD BE RETAINED FOR TAX PURPOSES.**

Participants who have sold, transferred, or withdrawn shares from their Plan accounts will receive a Plan History Statement detailing the account history.

THIS STATEMENT SHOULD BE RETAINED FOR TAX PURPOSES.

Plan participants will also receive copies of all shareholder communications such as quarterly reports, annual reports, and notices of shareholder meetings and proxy materials.

Plan participants will receive an IRS Form 1099-DIV showing total dividends reported to the Internal Revenue Service which were paid to the participant both on shares of record and Plan account shares. An IRS form 1099-B will be provided for reporting the proceeds from the sale of shares through the Plan. See Question 46 for further information regarding tax reporting.

OTHER INFORMATION

39. WHAT HAPPENS IF THE COMPANY DECLARES A DIVIDEND PAYABLE IN COMMON STOCK OR A STOCK SPLIT?

Any dividends in the form of shares of Common Stock and any shares resulting from a Common Stock split on shares held in a participant's Plan account will be credited to the participant's Plan account.

40. HOW WILL A PARTICIPANT'S SHARES BE VOTED AT MEETINGS OF SHAREHOLDERS?

Participants in the Plan will receive a proxy statement and a proxy card representing Plan account shares as well as any Common Stock held of record. The participant's shares will be voted in accordance with the instructions indicated on the proxy card. Shares for which a proxy is not received will not be voted.

41. WHAT IS THE RESPONSIBILITY OF THE COMPANY AND ITS AGENTS UNDER THE PLAN?

Neither the Company, in its individual capacity or as Administrator, nor any independent agent appointed by the Company pursuant to the Plan will be liable for any act done in good faith or for any good faith omission to act with respect to the Plan, including, without limitation, any claim of liability arising out of failure to terminate a participant's account upon such participant's death prior to receipt of notice in writing of such death or with respect to the prices or times at which, or sources from which, shares are purchased or sold for participants, or with respect to any fluctuation in market value before or after any purchase or sale of shares.

PARTICIPANTS MUST RECOGNIZE THAT THE COMPANY CANNOT ASSURE THEM A PROFIT, OR PROTECT THEM AGAINST LOSSES, ON SHARES PURCHASED PURSUANT TO THE PLAN. THE MARKET PRICE OF COMMON STOCK CAN FLUCTUATE SUBSTANTIALLY. PARTICIPANTS ACCEPT THE RISKS AS WELL AS THE BENEFITS OF THE PLAN.

42. MAY THE PLAN BE CHANGED OR DISCONTINUED?

Yes. The Company reserves the right to suspend, modify, or terminate the Plan at any time, although shareholder response is expected to justify continuing the Plan indefinitely. As a result, the Company may register additional shares from time to time. Any suspension, modification, or termination of the Plan will be communicated by the Company to all Plan participants.

43. MAY COMMON STOCK HELD IN A PLAN ACCOUNT BE PLEDGED AS COLLATERAL?

No. Common Stock held in a Plan account may not be pledged as collateral. Participants wishing to use their Common Stock as collateral must have certificates issued for the shares. The certificates can then be delivered for collateral.

44. MAY COMMON STOCK HELD IN A PLAN ACCOUNT BE TRANSFERRED OR ASSIGNED TO ANOTHER PERSON?

Yes. A participant may transfer or assign Plan shares to another person or entity by meeting the requirements for transfer of stock. Requests for stock transfer requirements should be sent to:

Pinnacle West Capital Corporation
Stock Transfer Department
P.O. Box 52134
Phoenix, AZ 85072-2134

or by calling the Company at 800-457-2983 or, in Phoenix, at 379-2500.

See Question 9 for information relating to the transfer of only a portion of a participant's Plan shares when the participant has elected the Partial Dividend Reinvestment option for his shares.

45. HOW MAY INSTRUCTIONS BE GIVEN TO THE ADMINISTRATOR?

Although currently all instructions from a participant to the Administrator are required to be in writing, the Administrator may in the future allow certain instructions to be given by telephone or in any other manner as agreed to by the Administrator and the participant.

FEDERAL INCOME TAX INFORMATION

46. WHAT ARE THE FEDERAL INCOME TAX CONSEQUENCES OF PLAN PARTICIPATION?

The Company believes the following is an accurate summary of the federal tax consequences of participation in the Plan. **YOU ARE ADVISED TO CONSULT YOUR TAX OR FINANCIAL ADVISOR WITH RESPECT TO FEDERAL, STATE, LOCAL, AND OTHER TAX LAWS WHICH APPLY TO YOUR SPECIFIC SITUATION.**

In general, the dividends paid on Common Stock or APS preferred stock, whether the shares are held in certificate form by the shareholder or held by the Company in book-entry or through the Plan, are considered taxable income, whether received in cash or reinvested through the Plan. The information return sent to you and the IRS at year-end will provide the information required to complete your income tax returns.

The tax basis of shares acquired through the reinvestment of dividends will be equal to the value of dividends reinvested. The tax basis of shares purchased with Cash Investments will be equal to the amount of such investments.

Upon the sale of either a portion or all of shares from the Plan, a participant may recognize a capital gain or loss based on the difference between the sales proceeds and the tax basis in the shares sold, including any fractional shares. The capital gain or loss will be long-term if the shares were held for more than one year.

For participants who are subject to U.S. withholding tax, backup withholding, or foreign taxes, the Company will withhold the required taxes from the gross dividends or proceeds from the sale of shares. The dividends or proceeds received by the participant, or dividends reinvested on behalf of the participant, will be net of the required taxes.

APPLICATION OF PROCEEDS

The Company intends to use the proceeds from the issuance of any newly issued or treasury shares of Common Stock pursuant to the Plan to fund the activities of its subsidiaries (APS and its subsidiaries, SunCor Development Company and its subsidiaries, and El Dorado Investment Company) and for general corporate purposes. Pursuant to certain of the Company's credit agreements, any new investments by the Company in its subsidiaries (excluding APS) are generally restricted to \$15 million in the aggregate from December 6, 1989 until the lenders under those credit agreements are fully repaid. As of the date of this Prospectus, the Company had not made any such new investments in its subsidiaries.

EXPERTS

The financial statements and the related financial statement schedule incorporated in this Prospectus by reference to the Company's 1994 Annual Report on Form 10-K have been audited by Deloitte & Touche LLP, independent auditors, as stated in their report, which is incorporated herein by reference (which report expresses an unqualified opinion and includes an explanatory paragraph relating to the Company's change in method of accounting for income taxes discussed in Note 3 to these financial statements), and have been so incorporated in reliance upon the report of such firm given upon their authority as experts in accounting and auditing.

LEGAL OPINIONS

The validity of the Common Stock offered hereby has been passed upon for the Company by Snell & Wilmer L.L.P., One Arizona Center, Phoenix, Arizona 85004.

SHAREHOLDER INFORMATION PINNACLE WEST CAPITAL CORPORATION

Corporate Headquarters:

400 East Van Buren
Phoenix, AZ 85004

Mailing Address:

P.O. Box 52132
Phoenix, AZ 85072-2132

Telephone Numbers: 602-379-2500 In Phoenix
800-457-2983 Nationwide Toll-free

Shareholder Account Information

-- Stock Transfer Requirements: P.O. Box 52134
Phoenix, AZ 85072-2134
-- Plan and Account Information: P.O. Box 52133
Phoenix, AZ 85072-2133

Stock Listing Information

-- Ticker Symbol: PNW on the New York and Pacific Stock
Exchanges
-- Financial listings: PinWst

Utility Investors Association The Arizona Utility Investors Association represents the interests of utility investors throughout the state of Arizona. If interested, send your name and address to:

Arizona Utility Investors Association P.O. Box 34805 Phoenix, AZ 85067

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NO PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATION NOT CONTAINED IN THIS PROSPECTUS AND, IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATION MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE COMPANY. THIS PROSPECTUS DOES NOT CONSTITUTE AN OFFER TO SELL, OR A SOLICITATION OF ANY OFFER TO BUY, ANY OF THE SECURITIES OFFERED HEREBY IN ANY JURISDICTION TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER IN SUCH JURISDICTION.	[LOGO] PINNACLE WEST CAPITAL CORPORATION ----- INVESTORS ADVANTAGE PLAN ----- Common Stock (No Par Value) ----- PROSPECTUS -----
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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this Post-Effective Amendment to the Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Phoenix, State of Arizona, on March 30, 1995.

PINNACLE WEST CAPITAL CORPORATION

By: RICHARD SNELL

(Richard Snell, Chairman of the Board of Directors,
President, and Chief Executive Officer)

Pursuant to the requirements of the Securities Act of 1933, this Post-Effective Amendment to the Registration Statement has been signed below by the following persons in the capacities and on the date indicated. Each person whose signature appears below hereby authorizes Richard Snell and Henry B. Sargent, and each of them, as attorneys-in-fact to sign in his or her name and behalf, individually and in each capacity designated below, and to file any amendments, including additional post-effective amendments, to the Registration Statement.

Signature Title Date

RICHARD SNELL Principal Executive March 30, 1995

----- Officer and Director (Richard Snell, Chairman of the Board of Directors, President, and Chief Executive Officer)

HENRY B. SARGENT Principal Financial March 30, 1995

----- Officer, Principal

(Henry B. Sargent, Executive Vice President, and Director and Chief Financial Officer)	Accounting Officer,	
PAMELA GRANT	Director	March 30, 1995
----- (Pamela Grant)		
MARTHA O. HESSE	Director	March 30, 1995
----- (Martha O. Hesse)		
ROY A. HERBERGER, JR.	Director	March 30, 1995
----- (Roy A. Herberger, Jr.)		
WILLIAM S. JAMIESON, JR.	Director	March 30, 1995
----- (William S. Jamieson, Jr.)		
JOHN R. NORTON, III	Director	March 30, 1995
----- (John R. Norton, III)		
O. MARK DE MICHELE	Director	March 30, 1995
----- (O. Mark De Michele)		
DONALD N. SOLDWEDEL	Director	March 30, 1995
----- (Donald N. Soldwedel)		
DOUGLAS J. WALL	Director	March 30, 1995
----- (Douglas J. Wall)		

Registration No. 33-15190

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

**Exhibits to
POST-EFFECTIVE AMENDMENT NO. 2
ON
FORM S-3
REGISTRATION STATEMENT
Under
THE SECURITIES ACT OF 1933**

Pinnacle West Capital Corporation
(Exact name of registrant as specified in its charter)

INDEX TO EXHIBITS

Exhibit No.	Description
-----	-----
4.1	Bylaws, amended as of October 23, 1991 (Incorporated by reference to Exhibit 3.1 to the Company's January 27, 1992 Form 8-K Report, File No. 1-8962)
4.2	Articles of Incorporation restated as of July 29, 1988 (Incorporated by reference to Exhibit 19.1 to the Company's

- 4.3 Form of Pinnacle West Capital Corporation Investors Advantage Plan
- 5 Opinion of Snell & Wilmer L.L.P.
- 23.1 Consent of Deloitte & Touche LLP
- 23.2 Consent of Snell & Wilmer L.L.P.
(included in Exhibit 5)
- 24 Power of Attorney (see page II-1)

EXHIBIT 4.3

PINNACLE WEST CAPITAL CORPORATION

INVESTORS ADVANTAGE PLAN

Pinnacle West Capital Corporation, an Arizona corporation (the "Company"), hereby amends and restates, as of May 1, 1995, its Stock Purchase and Dividend Reinvestment Plan, as previously amended (the "DRIP"), in its entirety to establish the following Pinnacle West Capital Corporation Investors Advantage Plan (the "Plan"):

RECITALS:

WHEREAS, the DRIP has been in existence since 1977; and

WHEREAS, the Company desires to amend and restate the DRIP to include other stock purchase opportunities and services in an effort to enhance its attractiveness to investors in the Company's common stock, without par value (the "Common Stock"); and

WHEREAS, the purpose of the Plan is to provide interested investors and holders of certain securities of the Company and its subsidiaries with a convenient and economical means of increasing their investment in the Company through (i) regular investment of cash dividends paid on such securities, (ii) optional cash investments, and/or (iii) initial cash investments;

NOW, THEREFORE:

ARTICLE I

Definitions

The terms defined in this Article I shall, for all purposes of this Plan, have the following respective meanings:

Account

The term "Account" shall mean, as to any Participant, the account maintained by the Administrator evidencing (i) the shares (and/or fraction of a share) of Common Stock (a) purchased through the Plan and/or (b) deposited by such Participant into the Plan pursuant to Section 4.1 hereof and credited to such Participant; (ii) any dividends in the form of shares of Common Stock and any shares resulting from a Common Stock split on such shares, and (iii) cash held in the Plan pending investment in Common Stock for such Participant.

Account Shares

The term "Account Shares" shall mean all shares (and/or fraction of a share) of Common Stock credited to the Account of a Participant by the Administrator, which shall include shares deposited into the Plan pursuant to Section 4.1 hereof.

Administrator

The term "Administrator" shall mean the individual (who may be an employee of the Company), bank, trust company, or other entity (including the Company) appointed from time to time by the Company to act as Administrator hereunder.

Cash Investment Form

The term "Cash Investment Form" shall mean documentation prepared by the Administrator that may be utilized by a Participant when making an optional cash investment pursuant to Section 2.4 hereof.

Common Stock

As defined in the Recitals.

Company

As defined in the introduction to the Recitals.

Company Share Purchase Price

The term "Company Share Purchase Price," when used with respect to newly issued shares of Common Stock, or shares of Common Stock held in the Company's treasury, shall mean the average of the high and low sales prices of Common Stock on a given trading day as reported on the New York Stock Exchange Composite Tape and published in The Wall Street Journal, or, for any day on which there is no such publication, as published in any other generally accepted publication designated by the Independent Agent. In the absence of knowledge of inaccuracy, the Independent Agent may rely upon such prices as published in The Wall Street Journal or such other publication. In the event no trading is so reported for a trading day, the Company Share Purchase Price for such shares may be determined by the Independent Agent on the basis of such market quotations as it deems appropriate.

Dividend

The term "Dividend" shall mean cash dividends paid on Reinvestment Eligible Securities.

Dividend Payment Date

The term "Dividend Payment Date" shall mean a date on which a cash dividend on shares of Common Stock is paid.

Dividend Processing Period

The term "Dividend Processing Period" shall mean a 13-15 business day period which begins on the Ex-Dividend Date.

Dividend Record Date

The term "Dividend Record Date" shall mean the date fixed for the determination of shareholders of record who will be entitled to receive a Dividend payable on a Dividend Payment Date.

DRIP

As defined in the introduction to the Recitals.

Eligible Securities

The term "Eligible Securities" shall mean those securities of the Company and its subsidiaries, whether issued prior to, on, or after the date hereof, set forth in Section 6.1 hereof, and such other securities of the Company and its subsidiaries as the Company may designate, in its sole discretion, pursuant to Section 6.2 hereof.

Enrollment Form

The term "Enrollment Form" shall mean the documentation that the Administrator shall require to be completed and received (subject to Section 2.1 hereof with respect to automatic enrollment of DRIP Participants) prior to an investor's enrollment in the Plan pursuant to Section 2.1 hereof, a Participant's changing his options under the Plan pursuant to Section 7.1 hereof, or, at the option of a Participant as described in Section 4.1 hereof, a Participant's depositing shares of Common Stock into the Plan pursuant to Section 4.1 hereof. An Enrollment Form may also be used by the Administrator for other purposes as described herein or as determined by the Administrator from time to time.

Exchange Act

The term "Exchange Act" shall mean the Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder.

Ex-Dividend Date

The term "Ex-Dividend Date" shall mean a date prior to the Dividend Record Date, based on industry regulations, necessary to allow for the settlement of traded securities by the Dividend Record Date.

Foreign Person

The term "Foreign Person" shall mean a Person that is a citizen or resident of, or is organized or incorporated under, or has its principal place of business in, a country other than the United States, its territories, and possessions.

Independent Agent

The term "Independent Agent" shall mean an agent independent of the Company who satisfies applicable legal requirements (including without limitation the requirements of Rule 10b-6 and Rule 10b-18 promulgated under the Exchange Act) and who has been selected by the Company, pursuant to Section 10.6 hereof, to serve as an Independent Agent for purposes of making purchases and sales of Common Stock under the Plan.

Investment Date

The term "Investment Date" shall mean the date on which the purchase price for all shares of Common Stock to be purchased during an Investment Period has been determined. If shares are purchased from the Company pursuant to Section 3.3 hereof, the Investment Date will be the first day of the relevant Investment Period. If the Investment Date would otherwise fall on a day on which the New York Stock Exchange is not open, the first day immediately succeeding such day on which the New York Stock Exchange is open will be the Investment Date.

Investment Period

The term "Investment Period" shall mean the period of each calendar month during which Common Stock is purchased, beginning on the first business day of any month in which there is not a Dividend Record Date and on the second business day of any month in which there is a Dividend Record Date.

Investment Statement

The term "Investment Statement" shall mean a written statement prepared by the Administrator and sent to a Participant after an Investment Period in which the Participant's account had investment activity, or otherwise as the Administrator shall determine to be appropriate or as provided in this Plan, which statement reflects (i) the purchase price and number of Account Shares purchased for or credited to the Participant's Account for such Investment Period, (ii) the total number of Account Shares credited to the Participant's Account at the date of such statement, and (iii) such additional information regarding the Participant's Account as the Administrator may determine to be pertinent to the Participant.

Market Share Purchase Price

The term "Market Share Purchase Price," when used with respect to shares of Common Stock purchased in the open market, shall mean the weighted average purchase price per share (including brokerage commissions, any related service charges, and applicable taxes) of the aggregate number of shares purchased in the open market for an Investment Date.

Market Share Sales Price

The term "Market Share Sales Price," when used with respect to shares of Common Stock sold under the Plan, shall mean the weighted average sales price per share (less brokerage commissions, any related service charges, and applicable taxes) of the aggregate number of shares sold in the open market for the relevant period.

Maximum Amount

As defined in Section 2.4 hereof.

Participant

As defined in Section 2.1 hereof.

Person

The term "Person" shall mean any individual, corporation, partnership, limited liability company, joint venture, association, joint-stock company, trust, estate, or unincorporated organization.

Plan

As defined in the introduction to the Recitals.

Plan History Statement

The term "Plan History Statement" shall mean a written statement prepared by the Administrator and sent to each Participant upon withdrawal of any or all Account Shares upon the issuance of a certificate therefor or upon the sale of any or all Account Shares from the Participant's Account, or otherwise as the Administrator shall determine to be appropriate or as provided in this Plan, which statement reflects (i) the number of Account Shares so withdrawn and certificated, (ii) the number of Account Shares so sold, (iii) the number of Account Shares, if any,

remaining in the Participant's Account at the date of such statement, and (iv) such additional information regarding the Participant's Account as the Administrator may determine to be pertinent to the Participant.

Reinvestment Eligible Securities

The term "Reinvestment Eligible Securities" shall mean (i) those Eligible Securities of which a Participant is the record or registered holder and on which such Participant has elected to have all or a portion of the Dividends paid reinvested in Common Stock and (ii) a Participant's Account Shares except for Account Shares as to which the Participant has elected not to have Dividends reinvested in Common Stock and has notified the Administrator by delivery of a completed Enrollment Form of such election.

Sales/Transfer Request Form

The term "Sales/Transfer Request Form" shall mean the documentation that the Administrator may require to be completed and received prior to a Participant's

(i) sale of Account Shares pursuant to Section 5.1 hereof, (ii) gift or transfer of Account Shares pursuant to Section 5.2 hereof, (iii) withdrawal of Account Shares pursuant to Section 8.1 hereof (unless such Participant will be the record holder of such Account Shares after withdrawal), and (iv) termination of participation in the Plan pursuant to Section 7.3 hereof.

A pronoun or adjective in the masculine gender includes the feminine gender, and the singular includes the plural, unless the context clearly indicates otherwise.

ARTICLE II

Participation

Section 2.1 Participation. Any Person, whether or not a record holder of Common Stock, may elect to participate in the Plan; provided, however, that if such Person is a Foreign Person, he must provide evidence satisfactory to the Administrator that his participation in the Plan would not violate local laws applicable to the Company, the Plan, or such Foreign Person.

An election by a Person to participate in the Plan shall be made by completing and returning to the Administrator an Enrollment Form and, subject to the last two paragraphs of this Section 2.1 below, (i) electing to have Dividends on Eligible Securities of which such Person is the record holder invested in Common Stock pursuant to Section 2.2 hereof, (ii) depositing certificates representing Common Stock of which such person is the record holder into the Plan pursuant to Section 4.1 hereof, or (iii) making an initial cash investment pursuant to Section 2.3 hereof.

Any Person who has met such requirements and has made and not revoked such election is herein referred to as a "Participant." Notwithstanding the foregoing, each participant in the DRIP on the date of effectiveness hereof is automatically a Participant without submitting a new Enrollment Form; provided, however, that any such Participant who wishes to change his current participation in any way must submit a new Enrollment Form to the Administrator. A Participant may elect to participate in any or all of the forms of investment provided in Sections 2.2 through 2.4 hereof and to utilize the Plan's safekeeping services provided in Section 4.1 hereof by submitting an Enrollment Form designating such election to the Administrator; provided, however, that, alternatively, a Participant may elect to make optional cash investments pursuant to Section 2.4 hereof by submitting to the Administrator a completed optional Cash Investment Form in lieu of an Enrollment Form.

A holder of Reinvestment Eligible Securities who is not also a holder of Common Stock of record or in a Plan Account, must either become a Common Stock holder of record or make an initial cash investment pursuant to Section 2.3 hereof in order to enroll in this Plan.

The Company reserves the right to restrict participation in this Plan if it believes that such participation may be contrary to the general intent of this Plan or in violation of applicable law.

Section 2.2 Dividend Reinvestment. A Participant may elect any of the Full Dividend Reinvestment, Partial Dividend Reinvestment, and Cash Only Investment options described in Subsections 2.2.1, 2.2.2, and 2.2.3 hereof. A Participant may also elect to have Dividends on Reinvestment Eligible Securities other than Common Stock reinvested in Common Stock pursuant to Subsection 2.2.5 hereof.

Subsection 2.2.1 Full Dividend Reinvestment. Participants enrolling in the "Full Dividend Reinvestment" option will have Dividends earned on all Common Stock, both in their Plan Accounts and held of record by such Participants, reinvested in shares (and/or a fraction of a share) of Common Stock to be credited to their Accounts in lieu of receiving such Dividends directly.

Subsection 2.2.2 Partial Dividend Reinvestment. Participants enrolling in the "Partial Dividend Reinvestment" option will have Dividends on a designated number of shares of Reinvestment Eligible Securities held of record or in their Plan Accounts paid directly to the Participant in the manner otherwise associated with payment of Dividends, with the balance being reinvested in shares (and/or a fraction of a share) of Common Stock to be credited to their Accounts in lieu of receiving such Dividends directly.

Subsection 2.2.3 Cash Investment Only. Participants enrolling in the "Cash Investment Only" option may make cash investments pursuant to

Sections 2.3 and 2.4 hereof. Dividends on Eligible Securities held by such Participants of record or in their Plan Accounts will not be reinvested. Such Dividends will be paid by check or in the manner otherwise associated with payment of such Dividends.

Subsection 2.2.4 No Option Chosen. If Participants do not indicate a participation option as described in Subsections 2.2.1, 2.2.2, and 2.2.3 hereof on their Enrollment Forms, except as otherwise provided for DRIP participants in Section 2.1 hereof, such Participants will be deemed to have elected the Full Dividend Reinvestment option described in Subsection 2.2.1 hereof.

Subsection 2.2.5 Dividends on Reinvestment Eligible Securities Other Than Common Stock. A Participant may elect to have Dividends on all or a portion of his Reinvestment Eligible Securities other than Common Stock reinvested in shares (and/or a fraction of a share) of Common Stock to be credited to his Account in lieu of receiving such Dividends directly. If a Participant elects to reinvest only a portion of the Dividends received in such Reinvestment Eligible Securities, that portion of such Dividends not reinvested in Common Stock will be sent to the Participant by check or in the manner otherwise associated with payment of such Dividends. In order to have Dividends reinvested on Reinvestment Eligible Securities other than Common Stock, a Participant must complete and submit to the Administrator a separate Enrollment Form for each series of such Reinvestment Eligible Securities.

Section 2.3 Initial Cash Investment. A Person who is not already a Common Stock shareholder of record may become a Participant by returning to the Administrator a completed Enrollment Form, accompanied by an initial cash payment of at least \$50, by check, money order, or wire transfer payable through a U.S. bank or other U.S. financial institution, in U.S. dollars, to Pinnacle West Capital Corporation, to be invested in Common Stock pursuant to Subsections 3.3.2 or 3.4.2 hereof.

Section 2.4 Optional Cash Investments. A Participant may elect to make cash payments at any time or from time to time to the Plan, in any amount, by check, money order, or wire transfer payable through a U.S. bank or other U.S. financial institution, in U.S. dollars, to Pinnacle West Capital Corporation, for investment in Common Stock pursuant to Subsections 3.3.2 or 3.4.2 hereof; provided, however, that a Participant may not invest more than \$60,000 in aggregate amount in any calendar year (the "Maximum Amount") and provided further that any such payment must be accompanied by a new Enrollment Form or a Cash Investment Form. For purposes of determining whether the Maximum Amount has been reached, initial cash investments made pursuant to Section 2.3 hereof shall be counted as optional cash investments.

ARTICLE III

Dividend Reinvestment and Stock Purchase

Section 3.1 Dividend Reinvestment. Dividends as to which reinvestment has been elected by a Participant shall be paid to the Administrator or its nominee on behalf of such Participant. Dividends shall be reinvested, at the Company's election, subject to Section 10.7 hereof, in either (i) newly issued shares of Common Stock or shares of Common Stock held in the Company's treasury purchased from the Company or (ii) shares of Common Stock purchased in the open market.

Section 3.2 Investment of Optional Cash Payments and Initial Cash Payments. Any optional cash investments and initial cash investments received by the Administrator from a Participant by the last Company business day of a calendar month, and as to which no request for return has been received by the last Company business day of the month preceding the next following Investment Period, shall be invested, during the next following Investment Period, in either (i) newly issued shares of Common Stock or shares of Common Stock held in the Company's treasury purchased from the Company or (ii) shares of Common Stock purchased in the open market.

Section 3.3 Investment and Reinvestment in Newly Issued or Treasury Shares. Dividend reinvestment in newly issued shares of Common Stock or shares of Common Stock held in the Company's treasury shall be governed by Subsection 3.3.1 hereof. Any optional cash investments and/or initial cash investments to be invested in either newly issued shares of Common Stock or shares of Common Stock held in the Company's treasury will be governed by Subsection 3.3.2 hereof.

Subsection 3.3.1 Dividend Reinvestment. As soon as practicable following an Investment Date with respect to which the Company elects to issue new shares of Common Stock or sell shares of Common Stock held in the Company's treasury to the Plan in order to effect the reinvestment of Dividends, the Company shall issue to the Administrator upon the Company's receipt of the funds described in Subsection 3.3.3(a) below, for crediting by the Administrator to the Account of a Participant as of such Investment Date, shares (and/or fraction of a share rounded to three decimal places or other fraction determined from time to time by the Administrator) of Common Stock as provided in Subsection 3.3.3 below. Such shares shall be issued or sold to, and registered in the name of, the Administrator or its nominee as custodian for such Participant. No interest shall be paid on Dividends held pending reinvestment pursuant to this Subsection 3.3.1.

Subsection 3.3.2 Cash Investments. As soon as practicable following an Investment Date with respect to which the Company elects to issue new shares of Common Stock or sell shares of Common Stock held in the Company's treasury to the Plan in order to effect the investment of optional cash investments and/or initial cash investments, the Company shall issue to the Administrator upon the Company's receipt of the funds described in Subsection 3.3.3(b) below, for crediting by the Administrator to the Account of a Participant as of such Investment Date, shares (and/or fraction of a share rounded to three decimal places or other fraction determined from time to time by the Administrator) of Common Stock as provided in Subsection 3.3.3 below. Such shares shall be issued or sold to, and registered in the name of, the Administrator or its nominee as custodian for such Participant. No interest shall be paid on cash investments held pending investment pursuant to this Subsection 3.3.2.

Subsection 3.3.3 Number of Shares to be Issued. If shares are to be issued or sold pursuant to Subsections 3.3.1 or 3.3.2 above, the number of shares (and/or fraction of a share rounded to three decimal places or other fraction determined from time to time by the Administrator) of Common Stock that will be credited to the account of a Participant as of an Investment Date will be equal to (a) the amount of any Dividends paid to the Administrator on behalf of such Participant since the preceding Investment Date plus (b) the amount of any optional cash investments and/or initial cash investment received by the Administrator from such Participant by the last Company business day of the calendar month preceding the then applicable Investment Period and not previously invested, subject to the provisions of Section 3.6 hereof, divided by (c) the Company Share Purchase Price on such Investment Date.

Section 3.4 Investment and Reinvestment in Shares Purchased in the Open Market. Dividend reinvestment in shares of Common Stock purchased in the open market shall be governed by Subsection 3.4.1 hereof. Any optional cash investments and/or initial cash investments to be invested in shares of Common Stock purchased in the open market shall be governed by Subsection 3.4.2 hereof.

Subsection 3.4.1 Dividend Reinvestment. During an Investment Period with respect to which the Company elects to effect reinvestment of Dividends in shares of Common Stock purchased in the open market, the Administrator shall (if it is an Independent Agent), or shall cause an Independent Agent to, apply the amount of any Dividends paid to the Administrator on behalf of a Participant since the preceding Investment Date to the purchase of shares (and/or fraction of a share rounded to three decimal places or other fraction determined from time to time by the Administrator) of Common Stock in the open market as provided in Subsection 3.4.3 below. Such shares shall be registered in the name of the Administrator or its nominee as custodian for such Participant. No interest shall be paid on Dividends held pending reinvestment pursuant to this Subsection 3.4.1.

Subsection 3.4.2 Cash Investments. During an Investment Period with respect to which the Company elects to effect the investment of optional cash investments and/or initial cash investments in shares of Common Stock purchased in the open market, the Administrator shall (if it is an Independent Agent), or shall cause an Independent Agent to, purchase for crediting by the Administrator to the Account of a Participant a number of shares (and/or fraction of a share rounded to three decimal places or other fraction determined from time to time by the Administrator) of Common Stock in the open market as provided in Section 3.4.3 below. Such shares shall be registered in the name of the Administrator or its nominee as custodian for such Participant. No interest shall be paid on cash investments held pending investment pursuant to this Subsection 3.4.2.

Subsection 3.4.3 Number of Shares to be Purchased and Other Matters. Purchases in the open market pursuant to Subsection 3.4.1 and Subsection 3.4.2 hereof may begin on the first day of the applicable Investment Period and shall be completed no later than 30 days from such date, unless completion at a later date is necessary or advisable under applicable law, including without limitation any federal securities laws. Open market purchases pursuant to this Subsection 3.4.1 and Subsection 3.4.2 hereof may be made on any securities exchange on which the Common Stock is traded, in the over-the-counter market or by negotiated transactions, and may be upon such terms and subject to such conditions with respect to price and delivery to which the Independent Agent (including the Administrator if it is also an Independent Agent) may agree. With regard to open market purchases of shares of Common Stock pursuant to Subsection 3.4.1 and Subsection 3.4.2 hereof, none of the Company, the Administrator (if it is not also serving as the Independent Agent), or any Participant shall have any authority or power to direct the time or price at which shares of Common Stock may be purchased, the markets on which such shares are to be purchased (including on any securities exchange, in the over the counter market, or in negotiated transactions), or the selection of the broker or dealer (other than the Independent Agent) through or from whom purchases may be made, except that the timing of such purchases must be made in accordance with the terms and conditions of the Plan. For the purpose of making, or causing to be made, purchases of shares of Common Stock pursuant to Subsection 3.4.1 and Subsection 3.4.2 hereof, and sales of Account Shares pursuant to Section 5.1 hereof, the Administrator may authorize the Independent Agent to commingle each Participant's funds with those of all other Participants and to offset purchases of shares of Common Stock against sales of shares of Common Stock to be made for Participants, resulting in a net purchase or a net sale of shares. The number of shares (and/or fraction of a share rounded to three decimal places or other fraction determined from time to time by the Administrator) of Common Stock that shall be credited to a Participant's Account with respect to and as of an Investment Date pursuant to Subsection 3.4.1 and Subsection 3.4.2 shall be equal to (a) the amount of any Dividends paid to the Administrator on behalf of such Participant since the preceding Investment Date plus (b) the amount of any optional cash investments and/or initial cash investment received by the Administrator from such Participant by the last Company business day of the calendar month preceding the then applicable Investment Period and not previously invested, subject to the provisions of Section 3.6 hereof, divided by (c) the Market Share Purchase Price with respect to such Investment Date.

Section 3.5 Request to Stop Investment. If a written request to stop investment of optional cash investments and/or an initial cash investment is received by the Administrator from a Participant no later than the last Company business day of the calendar month preceding the Investment Period during which investment of such cash investments would be effected pursuant to the provisions of this Plan, such optional cash investments and/or initial cash investment shall not be invested in Common Stock and shall be returned to such Participant. If such a request is not received by the Administrator by such time, such optional cash investments or initial cash investment shall be invested in shares of Common Stock for such Participant's Account.

Section 3.6 Return of Uninvested Monies. Any Dividends to be reinvested in shares of Common Stock pursuant to Subsection 3.3.1 or Subsection 3.4.1 hereof and not reinvested in shares of Common Stock within 30 days of the applicable Dividend Payment Date shall be promptly returned to the Participant at his address of record by First Class Mail. Any optional cash investments and initial cash investments to be invested in shares of Common Stock pursuant to Subsection 3.3.2 or Subsection 3.4.2 hereof and not invested in shares of Common Stock within 35 days of receipt by the Administrator or the Company shall be promptly returned to the Participant at his address of record by First Class Mail.

Section 3.7 Uncollectible Funds. In the event that a check submitted for investment is returned unpaid for any reason, the Administrator will consider the request for investment of such funds null and void. Any shares purchased upon the prior credit of such funds will be immediately removed from the Participant's Account. The Administrator will be entitled to sell those shares to satisfy any uncollected amounts. If the net proceeds of the sale of such shares are not sufficient to satisfy the balance of such uncollected amounts, the Administrator may sell additional shares from the Participant's Account to satisfy the uncollected balance.

ARTICLE IV

Safekeeping Services for Deposited Common Stock

Section 4.1 Deposited Common Stock. A Participant may elect to have certificates representing shares of Common Stock of which the Participant is the record holder deposited into the Plan by delivering such certificates to the Administrator, along with either (i) an Enrollment Form with the certificate safekeeping option checked thereon or (ii) a letter with respect to such certificates directing the Administrator to deposit the shares represented by such certificates into the Plan Account of the Participant. Shares of Common Stock so deposited shall be transferred into the name of the Administrator or its nominee and credited to the depositing Participant's Account. Shares of Common Stock deposited into the Plan pursuant to this Section 4.1 shall be treated as shares purchased pursuant to the Plan.

Section 4.2 Withdrawal of Common Stock Deposited Pursuant to Section 4.1. Shares of Common Stock deposited pursuant to Section 4.1 hereof may be withdrawn from the Plan pursuant to Section 8.1 hereof.

ARTICLE V

Sale of Account Shares; Gift or Transfer of Account Shares

Section 5.1 Sale of Account Shares. A Participant may request, at any time, that all or a portion of his Account Shares be sold by delivering to the Administrator a completed Sale/Transfer Request Form or other written instructions to that effect. The Administrator (if it is not also an Independent Agent) shall forward such sale instructions to the Independent Agent as soon as practicable after receipt thereof. The Independent Agent shall make such sales as soon as practicable (in accordance with any applicable stock transfer requirements and federal and state securities laws) after processing such sale instructions. As soon as practicable following the receipt of proceeds from such sale, the Administrator shall mail by First Class Mail to such Participant at his address of record a check in an amount equal to (a) the Market Share Sales Price multiplied by (b) the number of his Account Shares sold.

With regard to open market sales of Account Shares pursuant to this Section 5.1, none of the Company, the Administrator (if it is not also serving as the Independent Agent) or any Participant shall have any authority or power to direct the time or price at which shares of Common Stock may be sold, the markets on which such shares are to be sold (including on any securities exchange, in the over-the-counter market, or in negotiated transactions), or the selection of the broker or dealer (other than the Independent Agent) through or from whom sales may be made, except that the timing of such sales must be made in accordance with the terms and conditions of the Plan.

Section 5.2 Gift or Transfer of Account Shares. A Participant may elect to transfer (whether by gift, private sale, or otherwise) ownership of all or a portion of his Account Shares to the Account of another Participant or establish an Account for a Person not already a Participant by delivering to the Administrator a completed Sale/Transfer Request Form to that effect and a stock assignment (stock power) acceptable to the Administrator along with such other documentation as may be required by the Administrator. If the transferee is not already a Participant, the Administrator will require the completion and delivery of an Enrollment Form for the transferee prior to the transfer. No fraction of a share of Common Stock credited to the transferor's Account shall be transferred unless the transferor's entire Account is transferred.

Account Shares transferred in accordance with the preceding paragraph shall continue to be registered in the name of the Administrator as custodian and shall be credited to the transferee's Account. Unless otherwise requested by a transferee who is already a Participant on a completed Enrollment Form, the reinvestment of Dividends on such transferred Account Shares in shares of Common Stock under the Plan shall be made in proportion to the reinvestment level (i.e., full, partial or none) of the transferee's other Account Shares. Unless otherwise requested by the transferor, the Administrator shall deliver an Investment Statement to such transferee showing the transfer of such Account Shares into his Account. The transferor may request that the Administrator deliver such Investment Statement to the transferor for personal delivery to the transferee and/or the transferor may request that the Administrator deliver to such transferee a gift certificate. The transferor may request that the Administrator send the gift certificate directly to such transferee with the first Investment Statement following such transfer, or request that the Administrator deliver such gift certificate to the transferor for personal delivery to the transferee. The Administrator shall comply with any such request of a transferor relating to Investment Statements and/or gift certificates as soon as practicable following receipt of such request.

Section 5.3 Reinvestment of Dividends on Remaining Account Shares. If only a portion of a Participant's Account Shares are Reinvestment Eligible Securities and the Participant elects to (i) sell a portion of his Account Shares pursuant to Section 5.1 hereof, (ii) transfer a portion of his Account Shares pursuant to

Section 5.2 hereof, or (iii) withdraw a portion of his Account Shares pursuant to Section 8.1 hereof, all of the Account Shares which are Reinvestment Eligible Securities shall be sold, transferred, or withdrawn, as the case may be, before any Account Shares which are not Reinvestment Eligible Securities are sold, transferred, or withdrawn unless the Participant gives specific instructions to the contrary in connection with such sale, transfer, or withdrawal of Account Shares.

ARTICLE VI

Eligible Securities

Section 6.1 Eligible Securities. The following securities of the Company and its subsidiaries shall be Eligible Securities:

- (i) Common Stock;
- (ii) All series of preferred stock of Arizona Public Service Company.

Section 6.2 Additional Eligible Securities. The Company may from time to time or at any time designate other securities of the Company and its subsidiaries as Eligible Securities by notifying the Administrator in writing of the designation of such securities as Eligible Securities.

ARTICLE VII

Treatment of Accounts

Section 7.1 Changing Plan Options. A Participant may elect to change his Plan options, including (i) changing the reinvestment levels (i.e., Full Dividend Reinvestment, Partial Dividend Reinvestment, or Cash Investment Only) of Dividends on Reinvestment Eligible Securities and (ii) changing the designation of Reinvestment Eligible Securities, by delivering to the Administrator a new Enrollment Form to that effect. To be effective with respect to any Dividend Payment Date, the Enrollment Form with respect to such Reinvestment Eligible Securities must be received by the Administrator prior to the Dividend Record Date relating to such Dividend Payment Date. If the Enrollment Form is not received by the Administrator by such time, such instructions shall not become effective until after such Dividend Payment Date. The shares of Common Stock purchased from the reinvestment of such Dividend shall be credited to the Participant's Account. After the Administrator's receipt of effective option changing instructions, Dividends on Reinvestment Eligible Securities as to which the reinvestment election has been revoked will be paid directly to the Participant in the manner otherwise associated with the payment of Dividends.

Section 7.2 [Intentionally Left Blank]

Section 7.3 Right of Termination of Participation. If a Participant's Sale/Transfer Request Form or other written instructions acceptable to the Administrator indicates the Participant's desire to terminate his participation in the Plan, within 30 days of the receipt of such request, the Administrator shall either mail certificates representing all whole Account Shares, if any, by First Class Mail to the Participant at his address of record, pursuant to

Section 8.1 hereof, along with a check for the cash value of any fraction of a share of Common Stock credited to his Account, or shall cause the Account Shares to be sold, or gifted or transferred pursuant to Sections 5.1 or 5.2, respectively, in any such case, as shall have been directed by the Participant.

Section 7.4 Stock Splits, Stock Dividends and Rights Offerings. Any shares or other securities representing stock splits or other noncash distributions on Account Shares shall be credited to such Participant's Account. Stock splits, combinations, recapitalizations and similar events affecting the Common Stock shall, as to shares credited to Accounts of Participants, be credited to such Accounts on a pro rata basis.

In the event of a rights offering, a Participant shall receive rights based upon the total number of whole shares of Common Stock credited to his Account.

Section 7.5 Shareholder Materials; Voting Rights. The Administrator shall send or forward to each Participant all applicable proxy solicitation materials and other shareholder materials or consent solicitation materials. Participants shall have the exclusive right to exercise all voting rights respecting Account Shares credited to their respective Accounts. A Participant may vote all of his Account Shares in person or by proxy. A Participant's proxy card shall include all his Account Shares and shares of Common Stock of which he is the record holder. Account Shares shall not be voted unless a Participant or his proxy votes them. Fractions of shares of Common Stock shall be voted.

Solicitation of the exercise of Participants' voting rights by the management of the Company and others under a proxy or consent provision applicable to all holders of Common Stock shall be permitted. Solicitation of the exercise of Participants' tender or exchange offer rights by management of the Company and others shall also be permitted. The Administrator shall notify the Participants of each occasion for the exercise of their voting rights or rights with respect to a tender offer or exchange offer within a reasonable time before such rights are to be exercised. Such notification shall include all information distributed to the shareholders of the Company by the Company regarding the exercise of such rights.

Section 7.6 Investment and Plan History. As soon as practicable after each Investment Period, the Administrator shall send an Investment Statement to each Participant for whom Dividends were reinvested or shares of Common Stock were purchased or who deposited Common stock into the Plan pursuant to Section 4.1 hereof during such Investment Period. Additionally, the Administrator shall send a Plan History Statement to each Participant following a sale, transfer, or withdrawal of Account Shares by a Participant.

ARTICLE VIII

Certificates and Fractions of Shares

Section 8.1 Certificates. A Participant, at any time or from time to time, may request in writing to receive a certificate for all or a portion of his whole Account Shares and the Administrator shall, as soon as practicable after receipt of such written request, mail such certificate by First Class Mail to such Participant at his address of record; provided, however, that upon the mailing of such certificate the shares of Common Stock represented by such certificate shall no longer be Account Shares but shall remain Reinvestment Eligible Securities (except to the extent such Participant has elected not to have Dividends on such Account Shares reinvested in Common Stock).

Section 8.2 Fractional Share. Fractions of shares of Common Stock shall be credited to Accounts as provided in Article III hereof; provided, however, that no certificate for a fraction of a share shall be distributed to any Participant at any time; and provided, further, that the Company shall issue and sell only whole shares of Common Stock to the Administrator in respect of Dividends reinvested in, and purchases made by the Administrator hereunder of, newly issued shares or shares of Common Stock held in the Company's treasury.

ARTICLE IX

Concerning the Plan

Section 9.1 Suspension, Modification, and Termination. The Company may at any time and from time to time, at its sole option, suspend, modify, amend, or terminate the Plan, in whole, in part or in respect of Participants in one or more jurisdictions; provided, however, no such amendment shall decrease the Account of any Participant or result in a distribution to the Company of any amount credited to the Account of any Participant. Upon complete termination of the Plan, the Accounts of all Participants (or in the case of partial termination of the Plan, the Accounts of all affected Participants) shall be treated as if each such Participant had elected to terminate his participation in the Plan pursuant to Section 7.3 hereof. The Administrator shall promptly send each affected Participant notice of such suspension, modification or termination.

Section 9.2 Rules and Regulations. The Company may from time to time adopt such administrative rules and regulations concerning the Plan as it deems necessary or desirable for the administration of the Plan. The Company shall have the power and authority to interpret the terms and the provisions of the Plan and shall interpret and construe the Plan and reconcile any inconsistency or supply any omitted detail in a manner consistent with the general terms of the Plan and applicable law.

Section 9.3 Costs. All costs of administration of the Plan shall be paid by the Company; provided, however, that any brokerage commissions, service charges, or applicable taxes incurred in connection with open market purchases and sales of shares of Common Stock made under the Plan shall be borne by the Participants.

Section 9.4 Termination of a Participant. If a Participant does not have at least one whole Account Share or own or hold any other Common Stock of record for which Dividends are designated for reinvestment pursuant to this Plan, the Participant's participation in the Plan may be terminated by the Company, in its sole discretion, after written notice is mailed to such Participant at his address of record. Additionally, the Company, in its sole discretion, may terminate any Participant's participation in the Plan after written notice mailed in advance to such Participant at his address of record, if the Company believes that such Participant's participation may be contrary to the general intent of the Plan or in violation of applicable law. Upon such termination, the Account of such Participant shall be treated as if he had elected to terminate his participation in the Plan pursuant to Section 7.3 hereof.

ARTICLE X

Administration of the Plan

Section 10.1 Selection of an Administrator. The Administrator shall be appointed by the Company. The Administrator's appointment to serve as such may be revoked by the Company at any time. The Administrator may resign at any time upon reasonable notice to the Company. In the event that no Administrator is appointed, the Company shall be deemed to be the Administrator for purposes of the Plan. The Company shall be the initial Administrator.

Section 10.2 Compensation. The officers of the Company shall make such arrangements regarding compensation, reimbursement of expenses and indemnification of the Administrator and any Independent Agent as they from time to time deem reasonable and appropriate.

Section 10.3 Authority and Duties of Administrator. The Administrator shall have the authority to undertake any act necessary to fulfill its duties as set forth in the various provisions of the Plan. Upon receipt, the Administrator shall deposit all Dividends, optional cash investments and initial cash investments in the Trust Account. The Administrator shall maintain appropriate records of the Accounts of Participants.

Section 10.4 Liability of the Company, the Administrator and Any Independent Agent. The Company, the Administrator, and any Independent Agent shall not be liable for any act done in good faith, or for the good faith omission to act in administering or performing their duties with respect to the Plan, including, without limitation, any claim of liability arising out of failure to terminate a Participant's Account upon such Participant's death prior to receipt of notice in writing of such death, or with respect to the prices at which shares are purchased or sold for a Participant's Account and the times when such purchases and sales are made, or with respect to any loss or fluctuation in the market value after the purchase or sale of such shares.

Section 10.5 Records and Reports. The Administrator shall keep appropriate records concerning the Plan, Accounts of Participants, purchases and sales of Common Stock made under the Plan, and Participants' addresses of record and shall send shareholder materials and statements to each Participant in accordance with the provisions of Sections 7.5 and 7.6 hereof.

Section 10.6 Selection of Independent Agent. Any Independent Agent serving in such capacity pursuant to the Plan shall be selected by the Company, and the Administrator and the Company, or either of them, shall, subject to the provisions hereof, make such arrangements and enter into such agreements with the Independent Agent in connection with the activities contemplated by the Plan as the Administrator and the Company, or either of them, deem reasonable and appropriate.

Section 10.7 Source of Shares of Common Stock. The Company shall not change the source of shares of Common Stock purchased by Participants in the Plan (i.e., either (i) newly issued shares of Common Stock or shares of Common Stock held in the Company's treasury purchased from the Company or (h) shares of Common Stock purchased in the open market) more than once in any 12-month period. At any time that the source of shares of Common Stock purchased in the Plan are shares purchased in the open market, the Company shall not exercise its right to change the source of shares absent a determination by the Company's Board of Directors or Finance Committee of the Board of Directors that the Company has a need to raise additional capital or there is another compelling reason for a change; provided, however, that, if necessary and requested by the Independent Agent at any time, the Company may settle fractional shares with treasury stock even if otherwise shares are being purchased on the open market.

ARTICLE XI

Miscellaneous Provisions

Section 11.1 Controlling Law. This Plan shall be construed, regulated and administered under the laws of the State of Arizona.

Section 11.2 Acceptance of Terms and Conditions of Plan by Participants. Each Participant, by completing an Enrollment Form and as a condition of participation herein, for himself, his heirs, executors, administrators, legal representatives and assigns, approves and agrees to be bound by the provisions of this Plan and any subsequent amendments hereto, and all actions of the Company and the Administrator hereunder.

Section 11.3 Receipt by Administrator. Monies, Enrollment Forms, and other communications will be considered to be received when delivered, either by postal service or in person, during business hours of the Company or the Administrator, as the case may be, to the Company's or Administrator's corporate headquarters.

Exhibit 5

March 31, 1995

Pinnacle West Capital Corporation
400 East Van Buren Street, Suit 700
Phoenix, Arizona 85004

Ladies and Gentlemen:

Reference is made to the Post-Effective Amendment No. 2 (the "Post-Effective Amendment") to the Registration Statement on Form S-3 No. 33-15190 (as so amended, the "Registration Statement") relating to the Pinnacle West Capital Corporation Investors Advantage Plan (the "Plan") to be filed by you on March 31, 1995, with the Securities and Exchange Commission (the "SEC") under the Securities Act of 1933, as amended.

We have examined originals or copies, certified or otherwise identified to our satisfaction, of such corporate records, agreements, and other instruments, certificates, orders, opinions, correspondence with public officials, certificates provided by your officers and representatives, and other documents, as we have deemed necessary or advisable for the purposes of rendering the opinions set forth herein.

Based upon the foregoing, it is our opinion that:

1. All requisite action, other than any action on the part of the proposed offerees, to make valid each of the proposed transactions will have been taken when (i) the Post-Effective Amendment shall have become effective, and (ii) you shall have complied with state securities or "blue sky" laws with respect to the offer and sale of the shares of common stock, no par value (the "Common Stock") registered pursuant to the Registration Statement.
2. Upon completion of the foregoing steps, the Common Stock, when (i) the same shall have been issued, sold, and delivered, and (ii) the purchase price therefor has been paid to you, each as contemplated in the Post-Effective Amendment and in any additional post-effective amendment to the Registration Statement, will be validly issued, fully paid and non-assessable.

Consent is hereby given to the use of this opinion as part of the Post-Effective Amendment and to the use of our name whenever it appears in the Post-Effective Amendment and the related prospectus.

Very truly yours,

Snell & Wilmer L.L.P.

INDEPENDENT AUDITORS' CONSENT

We consent to the incorporation by reference in this Post-Effective Amendment No. 2 to Registration Statement No. 33-15190 of Pinnacle West Capital Corporation on Form S-3 of our report dated March 3, 1995 (which expresses an unqualified opinion and includes an explanatory paragraph relating to the Company's change in method of accounting for income taxes discussed in Note 3 to those financial statements), appearing in the Annual Report on Form 10-K of Pinnacle West Capital Corporation for the year ended December 31, 1994, and to the reference to us under the heading "Experts" in the Prospectus, which is part of such Registration Statement.

Deloitte & Touche LLP

DELOITTE & TOUCHE LLP

Phoenix, Arizona

March 28, 1995

End of Filing

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