

PINNACLE WEST CAPITAL CORP

Reported by
LEVINE JAMES M

FORM 4

(Statement of Changes in Beneficial Ownership)

Filed 08/24/06 for the Period Ending 08/22/06

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

PINNACLE WEST CAPITAL CORP

FORM 4

(Statement of Changes in Beneficial Ownership)

Filed 8/24/2006 For Period Ending 8/22/2006

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

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FORM 4

[] Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

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

OMB APPROVAL
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**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP
OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934,
Section 17(a) of the Public
Utility Holding Company Act of 1935 or Section 30(f) of the
Investment Company Act of 1940

1. Name and Address of Reporting Person *			2. Issuer Name and Ticker or Trading Symbol			5. Relationship of Reporting Person(s) to Issuer (Check all applicable)		
LEVINE JAMES M			PINNACLE WEST CAPITAL CORP [PNW]			<input type="checkbox"/> Director <input type="checkbox"/> 10% Owner <input type="checkbox"/> Officer (give title below) <input checked="" type="checkbox"/> Other (specify below) Executive V.P., APS		
(Last)	(First)	(Middle)	3. Date of Earliest Transaction (MM/DD/YYYY)					
			8/22/2006					
400 N. 5TH STREET			4. If Amendment, Date Original Filed (MM/DD/YYYY)			6. Individual or Joint/Group Filing (Check Applicable Line)		
(Street)						<input checked="" type="checkbox"/> Form filed by One Reporting Person <input type="checkbox"/> Form filed by More than One Reporting Person		
PHOENIX, AZ 85004								
(City)	(State)	(Zip)						

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Trans. Date	2A. Deemed Execution Date, if any	3. Trans. Code (Instr. 8)		4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Common Stock	8/22/2006		M		5750	A	\$32.29	39355	D	
Common Stock	8/22/2006		S (1)		4857	D	\$45.51	34498	D	
Common Stock	8/22/2006		M		11130	A	\$37.85	45628	D	
Common Stock	8/22/2006		S (1)		10103	D	\$45.51	35525	D	
Common Stock								4657	I	by 401(k)

Table II - Derivative Securities Beneficially Owned (e.g. , puts, calls, warrants, options, convertible securities)

1. Title of Derivate Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Trans. Date	3A. Deemed Execution Date, if any	4. Trans. Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)		6. Date Exercisable and Expiration Date		7. Title and Amount of Securities Underlying Derivative Security (Instr. 3 and 4)	8. Price of Derivative Security (Instr. 5)	9. Number of derivative Securities Beneficially Owned Following Reported Transaction (s) (Instr. 4)	10. Ownership Form of Derivative Security: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)	
					(A)	(D)	Date Exercisable	Expiration Date						
Employee Stock Option (Right to Buy)	\$32.29	8/22/2006		M		5750	(2)	3/17/2013	Common Stock	5750	\$0	0	D	
Employee Stock Option (Right to Buy)	\$37.85	8/22/2006		M		11130	(3)	2/16/2014	Common Stock	11130	\$0	0	D	

Explanation of Responses:

- (1) An approximate minimum number of shares were sold solely for the purpose of meeting tax withholding and option exercise requirements and to satisfy broker commissions. Mr. Levine retained all other shares received upon the noted option exercises.
- (2) The option became exercisable one third of the grant per year commencing on 3/18/04.

(3) The option became exercisable one third of the grant per year commencing on 2/17/05.

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
LEVINE JAMES M 400 N. 5TH STREET PHOENIX, AZ 85004				Executive V.P., APS

Signatures

/s/ James M. Levine

8/24/2006

** Signature of Reporting Person

Date

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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