

# PINNACLE WEST CAPITAL CORP

Reported by  
**DENMAN JOHN R.**

## FORM 3

(Initial Statement of Beneficial Ownership)

Filed 11/08/07 for the Period Ending 11/01/07

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

# FORM 3

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

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## INITIAL STATEMENT OF 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(h) of the  
Investment Company Act of 1940

1. Name and Address of Reporting Person *	2. Date of Event Requiring Statement (MM/DD/YYYY) <b>11/1/2007</b>	3. Issuer Name <b>and</b> Ticker or Trading Symbol  <b>PINNACLE WEST CAPITAL CORP [PNW]</b>
<b>Denman John R.</b>		
(Last) (First) (Middle)  <b>400 N. 5TH STREET</b>	4. Relationship of Reporting Person(s) to Issuer (Check all applicable)  <input type="checkbox"/> Director <input type="checkbox"/> 10% Owner <input checked="" type="checkbox"/> Officer (give title below) <input type="checkbox"/> Other (specify below) <b>Senior VP, Fossil Operations /</b>	
(Street)  <b>PHOENIX, AZ 85004</b>	5. If Amendment, Date Original Filed (MM/DD/YYYY)	6. Individual or Joint/Group Filing (Check Applicable Line)  <input checked="" type="checkbox"/> Form filed by One Reporting Person <input type="checkbox"/> Form filed by More than One Reporting Person
(City) (State) (Zip)		

**Table I - Non-Derivative Securities Beneficially Owned**

1. Title of Security (Instr. 4)	2. Amount of Securities Beneficially Owned (Instr. 4)	3. Ownership Form: Direct (D) or Indirect (I) (Instr. 5)	4. Nature of Indirect Beneficial Ownership (Instr. 5)
<b>Common Stock</b>	<b>25197</b>	<b>D</b>	
<b>Common Stock</b>	<b>3277</b>	<b>I</b>	<b>by 401(k)</b>

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

1. Title of Derivate Security (Instr. 4)	2. Date Exercisable and Expiration Date (MM/DD/YYYY)		3. Title and Amount of Securities Underlying Derivative Security (Instr. 4)		4. Conversion or Exercise Price of Derivative Security	5. Ownership Form of Derivative Security: Direct (D) or Indirect (I) (Instr. 5)	6. Nature of Indirect Beneficial Ownership (Instr. 5)
	Date Exercisable	Expiration Date	Title	Amount or Number of Shares			
<b>Retention Units</b>	(2)	(2)	<b>Common Stock</b>	<b>2254</b>	(1)	<b>D</b>	
<b>Restricted Stock Units</b>	(4)	(4)	<b>Common Stock</b>	<b>2138</b>	(3)	<b>D</b>	
<b>Employee Stock Options (Right to Buy)</b>	(5)	<b>11/17/2008</b>	<b>Common Stock</b>	<b>4500</b>	<b>\$46.78</b>	<b>D</b>	
<b>Employee Stock Options (Right to Buy)</b>	(6)	<b>11/14/2010</b>	<b>Common Stock</b>	<b>9000</b>	<b>\$44.03</b>	<b>D</b>	

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

1. Title of Derivate Security (Instr. 4)	2. Date Exercisable and Expiration Date (MM/DD/YYYY)		3. Title and Amount of Securities Underlying Derivative Security (Instr. 4)		4. Conversion or Exercise Price of Derivative Security	5. Ownership Form of Derivative Security: Direct (D) or Indirect (I) (Instr. 5)	6. Nature of Indirect Beneficial Ownership  (Instr. 5)
	Date Exercisable	Expiration Date	Title	Amount or Number of Shares			
<b>Employee Stock Options (Right to Buy)</b>	(7)	<b>11/13/2011</b>	<b>Common Stock</b>	<b>9000</b>	<b>\$42.55</b>	<b>D</b>	

**Explanation of Responses:**

- (1) Each retention unit represents a right to receive cash in an amount equal to the fair market value of one share of common stock on the date the retention unit vests.
- (2) The retention units vest and will be settled in three remaining annual installments on the first business day of 2008, 2009 and 2010, provided that the recipient continues to be employed by the Company or any of its subsidiaries on the date of the vesting or in the event of the recipient's death, disability or retirement.
- (3) Each restricted stock unit represents a contingent right to receive one share of the Company's common stock or the cash equivalent. The recipient elected whether to receive common stock or the cash equivalent at the time the restricted stock unit was granted.
- (4) The restricted stock units vest in four equal annual installments beginning on February 20, 2008.
- (5) The options became exercisable one-third of the grant per year commencing on November 18, 1999.
- (6) The options became exercisable one-third of the grant per year commencing on November 15, 2001.
- (7) The options became exercisable one-third of the grant per year commencing on November 14, 2002.

**Reporting Owners**

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
<b>Denman John R. 400 N. 5TH STREET PHOENIX, AZ 85004</b>			<b>Senior VP, Fossil Operations</b>	

**Signatures**

/s/ John R. Denman

11/8/2007

Date

\*\* Signature of Reporting Person

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 5(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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