

PINNACLE WEST CAPITAL CORP

FORM 8-K (Current report filing)

Filed 07/17/00 for the Period Ending 07/12/00

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 8-K (Unscheduled Material Events)

Filed 7/17/2000 For Period Ending 7/12/2000

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

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): July 12, 2000

PINNACLE WEST CAPITAL CORPORATION

(Exact name of registrant as specified in its charter)

----- Arizona ----- (State or other jurisdiction of incorporation)	----- 1-8962 ----- (Commission File Number)	----- 86-0512431 ----- (IRS Employer Identification Number)
----- 400 East Van Buren St., P.O. Box 52132, Phoenix, Arizona ----- (Address of principal executive offices)		----- 85072-2132 ----- (Zip Code)

(602) 379-2500

(Registrant's telephone number, including area code)

NONE

(Former name or former address, if changed since last report)

ITEM 5. OTHER EVENTS

RETAIL ELECTRIC COMPETITION RULES

As previously reported, several lawsuits have been filed relating to the adoption or amendment of the retail electric competition rules (Rules). See "State - Retail Electric Competition Rules" in Note 6 of Notes to Condensed Consolidated Financial Statements in the Pinnacle West Capital Corporation (Company) Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2000.

On July 12, 2000, a Maricopa County Superior Court judge issued a preliminary ruling on cross-motions for summary judgment filed by certain electric cooperatives and the Arizona Corporation Commission (ACC). The motions were filed in several consolidated cases that included challenges to the various ACC rulemaking decisions and ACC decisions certificating new suppliers to provide competitive electric services. Arizona Public Service Company (APS) had also appealed the Rules in this consolidated case, but these appeals were stayed, at APS' request, after the settlement agreement was approved last year. APS was not involved in the cross-motions for summary judgment.

In his written opinion, the judge ruled in favor of the ACC and denied substantive challenges to the Rules that had been made by the electric cooperatives. However, he concluded that some of the Rules were invalid because of procedural deficiencies. Specifically, the judge concluded that several non-ratemaking Rules were required to be presented to the Arizona Attorney General for certification. Additionally, the judge determined that the Arizona Constitution requires the ACC to make findings regarding the fair value of property in Arizona of competitive electric service providers.

The Company does not believe that the ruling affects APS' regulatory settlement agreement with the ACC. The settlement agreement was not at issue in the consolidated cases before the judge. Further, the ACC made findings related to fair value of APS' property in the order approving the APS settlement agreement.

This ruling does not immediately affect the Rules. APS expects that, in the next few weeks, parties to the case will propose forms of judgment for the court's consideration which will establish the specific impact of the ruling. Although the ACC has not yet indicated what steps it intends to take after a judgment is issued, the ACC could appeal the ruling to the Court of Appeals or could elect to take corrective action to correct the procedural deficiencies identified in the judge's ruling. Additionally, the judge could reconsider this ruling or stay the effect of the ruling pending further appeal. The cooperatives may also appeal the ruling.

Certain other appeals of the Rules are still pending in the Maricopa County Superior Court. The Company believes that the court may rule on the remaining appeals later this year or next year.

The settlement agreement was separately appealed by different parties, and judicial review of the ACC decision approving the settlement agreement is pending. Legal briefs have been filed, but oral argument has not yet been scheduled. A decision on the appeals to the settlement agreement is not expected until later this year or next year.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Company has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

PINNACLE WEST CAPITAL CORPORATION
(Registrant)

Dated: July 17, 2000

By: Barbara M. Gomez

Barbara M. Gomez

Treasurer

End of Filing

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