

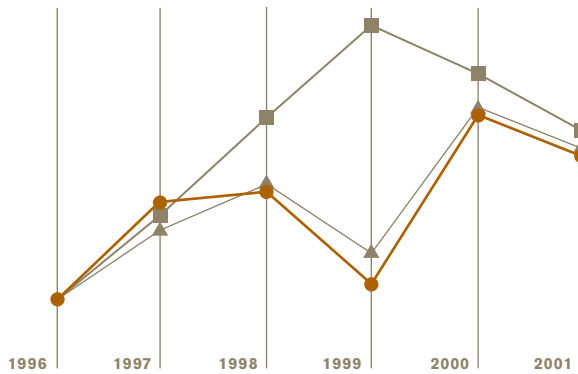
CONSOLIDATED HISTORICAL GROWTH RATES

year ended December 31,	2001	2000	1999
Income from continuing operations (a)	8.3%	12.1%	11.1%
Earnings per share from continuing operations – diluted (a)	8.1%	12.3%	11.2%
Indicated annual dividend rate (year-end) (b)	6.7%	7.1%	7.7%
Electric revenues			
Total	24.1%	54.0%	14.3%
Retail	2.8%	5.8%	3.7%
Electric sales			
Total	(2.0)%	21.1%	19.5%
Retail sales	3.8%	6.9%	3.0%
Customers (average)	3.7%	4.1%	4.2%
Employees (year-end) (c)	5.2%	(4.4)%	2.7%

(a) Ten-year compounded annual growth rate excludes \$407 million after-tax regulatory write-off in 1991.

(b) The Company reinstated dividend payments in 1993.

(c) Decrease for 1996 determined after deducting all employees who accepted a late 1996 voluntary severance program.

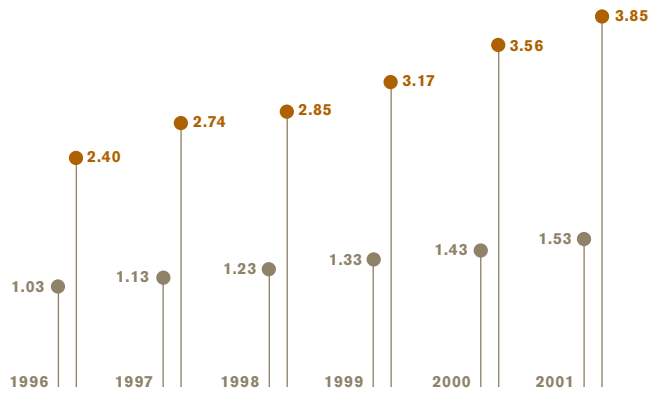


PNW STOCK PERFORMANCE COMPARISON
(Value of \$100 Invested at Year-End 1996,
with Dividends Reinvested)

● PINNACLE WEST
■ S&P 500 INDEX
▲ EEI ELECTRIC INDEX

ANNUAL COMPOUND GROWTH RATES

1998	1997	1996	5 YEARS 1996-2001	10 YEARS 1991-2001
3.0%	11.7%	5.7%	9.2%	17.2%
4.0%	14.2%	5.7%	9.9%	17.5%
8.3%	9.1%	10.0%	7.8%	—
6.8%	9.3%	6.4%	20.6%	12.2%
2.2%	2.2%	5.5%	3.3%	3.8%
6.0%	29.8%	9.4%	14.3%	8.1%
3.3%	4.2%	7.2%	4.2%	4.1%
4.0%	4.2%	4.1%	4.0%	3.7%
2.0%	(5.3)%	3.4%	(0.0)%	(0.3)%



**PNW EARNINGS PER SHARE (CONTINUING OPERATIONS)
VS. DIVIDENDS PER SHARE (in dollars per share)**

● DIVIDENDS PER SHARE
● EPS (CONTINUING OPERATIONS)

CONSOLIDATING INCOME STATEMENT (dollars in thousands)

year ended December 31, 2001	PINNACLE WEST PARENT	MARKETING AND TRADING*	APS	PINNACLE WEST ENERGY
OPERATING REVENUES				
Electric	\$ -	\$ 1,165,498	\$ 3,310,792	\$ 79,481
Real estate	-	-	-	-
Total	-	1,165,498	3,310,792	79,481
FUEL EXPENSES				
Fuel for electric generation	-	-	391,771	13,156
Purchased power	-	1,087,744	1,348,872	-
Total	-	1,087,744	1,740,643	13,156
OPERATING EXPENSES				
Operations and maintenance	(2,801)	18,970	465,561	33,972
Real estate operations	-	-	-	-
Depreciation and amortization	175	-	420,893	2,061
Taxes other than income taxes	-	-	101,077	-
Total	(2,626)	18,970	987,531	36,033
OPERATING INCOME				
	2,626	58,784	582,618	30,292
INTEREST AND OTHER EXPENSES				
Interest on long-term debt	28,768	-	126,118	-
Other interest	3,675	106	7,057	25,136
Capitalized interest	(146)	(106)	(14,964)	(25,136)
Other, net	(334,977)	-	583	619
Total	(302,680)	-	118,794	619
Income from continuing operations before income taxes	305,306	58,784	463,824	29,673
Income tax expense (benefit)	(6,860)	23,173	183,136	11,697
INCOME FROM CONTINUING OPERATIONS				
	312,166	35,611	280,688	17,976
Accounting change	-	-	(15,201)	-
NET INCOME (LOSS)				
	\$ 312,166	\$ 35,611	\$ 265,487	\$ 17,976

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

EXPLANATIONS OF ELIMINATIONS AND ADJUSTMENTS

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

SUNCOR	EL DORADO	APS ES	ELIMINATIONS AND ADJUSTMENTS	TOTAL
\$ -	\$ -	\$ 24,237	\$ (197,543)(a)	\$ 4,382,465
168,908	-	-	-	168,908
168,908	-	24,237	(197,543)	4,551,373
-	-	-	-	404,927
-	-	20,218	(197,543)(a)	2,259,291
-	-	20,218	(197,543)	2,664,218
-	-	14,384	9 (b)	530,095
153,365	-	-	97 (b)	153,462
3,775	-	999	-	427,903
-	-	-	(9)(b)	101,068
157,140	-	15,383	97	1,212,528
11,768	-	(11,364)	(97)	674,627
10,546	-	-	-	165,432
-	-	558	(26,142)(c)	10,390
(6,952)	-	(558)	-	(47,862)
2,582	(340)	(1,391)	338,689 (c,d)	5,765
6,176	(340)	(1,391)	312,547	133,725
5,592	340	(9,973)	(312,644)	540,902
2,255	134	-	-	213,535
3,337	206	(9,973)	(312,644)	327,367
-	-	-	-	(15,201)
\$ 3,337	\$ 206	\$ (9,973)	\$ (312,644)	\$ 312,166

CONSOLIDATING BALANCE SHEETS (dollars in thousands)

December 31, 2001	PINNACLE WEST PARENT	MARKETING AND TRADING*	APS	PINNACLE WEST ENERGY
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	\$ 472	\$ 145	\$ 16,821	\$ 534
Customer and other receivables – net	754,736	134,115	333,388	5,230
Accrued utility revenues	–	–	76,131	–
Materials and supplies (at average cost)	–	–	81,215	–
Fossil fuel (at average cost)	–	–	27,023	–
Assets from risk management and trading activities	–	56,876	10,097	–
Other current assets	3,344	–	42,009	3
Total current assets	758,552	191,136	586,684	5,767
INVESTMENTS AND OTHER ASSETS				
Real estate investments – net	–	–	–	–
Assets from risk management and trading activities – long-term	–	198,269	2,082	–
Other assets	2,732,859	–	278,358	–
Total investments and other	2,732,859	198,269	280,440	–
PROPERTY, PLANT AND EQUIPMENT				
Plant in service and held for future use	–	–	8,105,106	76,135
Less accumulated depreciation and amortization	–	–	3,374,098	2,061
Total	–	–	4,731,008	74,074
Nuclear fuel	–	–	49,282	–
Construction work in progress	–	4,459	321,305	700,335
Net property, plant and equipment	–	4,459	5,101,595	774,409
DEFERRED DEBITS				
Deferred income taxes	–	–	–	–
Regulatory assets	–	–	342,383	–
Other deferred debits	–	(98)	55,952	429
Total deferred debits	–	(98)	398,335	429
TOTAL ASSETS	\$ 3,491,411	\$ 393,766	\$ 6,367,054	\$ 780,605

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

EXPLANATIONS OF ELIMINATIONS AND ADJUSTMENTS

- (a) Elimination of inter-company receivables and payables.
- (b) Miscellaneous reclassifications.
- (c) Elimination of minority interests of SunCor joint venture partners.
- (d) Elimination of parent company investment in subsidiaries.

SUNCOR	EL DORADO	APS ES	ELIMINATIONS AND ADJUSTMENTS	TOTAL
\$ 9,176	\$ 44	\$ 1,427	\$ -	\$ 28,619
10,568	12,547	40,489	(923,832)(a)	367,241
-	-	-	-	76,131
-	-	-	-	81,215
-	-	-	-	27,023
-	-	-	-	66,973
33,729	-	1,118	-	80,203
53,473	12,591	43,034	(923,832)	727,405
430,107	-	-	(11,434)(b,c)	418,673
-	-	-	-	200,351
4,029	10,137	320	(2,704,679)(b,d)	321,024
434,136	10,137	320	(2,716,113)	940,048
-	-	22,647	-	8,203,888
-	-	1,930	-	3,378,089
-	-	20,717	-	4,825,799
-	-	-	-	49,282
-	-	6,135	-	1,032,234
-	-	26,852	-	5,907,315
25,091	-	-	(25,091)(b)	-
-	-	-	-	342,383
5,403	-	-	2,911 (b)	64,597
30,494	-	-	(22,180)	406,980
\$ 518,103	\$ 22,728	\$ 70,206	\$ (3,662,125)	\$ 7,981,748

CONSOLIDATING BALANCE SHEETS (dollars in thousands)

December 31, 2001	PINNACLE WEST PARENT	MARKETING AND TRADING*	APS	PINNACLE WEST ENERGY
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Accounts payable	\$ 21,357	\$ 74,683	\$ 98,959	\$ 35,060
Accrued taxes	6,355	(19,296)	107,595	(3,040)
Accrued interest	7,160	-	41,043	-
Short-term borrowings	246,000	-	-	-
Commercial paper, net	-	-	171,162	-
Current maturities of long-term debt	357	-	125,451	-
Customer deposits	-	-	28,664	-
Deferred income taxes	-	-	3,244	-
Liabilities from risk management and trading activities	-	14,154	21,840	-
Other current liabilities	32,445	146,207	117,770	662,510
Total current liabilities	313,674	215,748	715,728	694,530
NON-CURRENT LIABILITIES				
Long-term debt less current maturities	575,710	-	1,949,074	-
Total	575,710	-	1,949,074	-
DEFERRED CREDITS AND OTHER				
Liabilities from risk management and trading activities – long-term	-	112,417	95,159	-
Deferred income taxes	22,913	40,597	1,023,079	2,444
Unamortized gain-sale of utility plant	-	-	64,060	-
Other deferred credits	15,226	(7,740)	369,264	-
Total deferred credits	38,139	145,274	1,551,562	2,444
COMMITMENTS AND CONTINGENCIES				
MINORITY INTERESTS				
Joint ventures of SunCor	-	-	-	-
COMMON STOCK EQUITY				
Common stock	2,004,139	-	1,424,966	68,096
Accumulated other comprehensive loss	-	-	(64,565)	-
Retained earnings	559,749	32,744	790,289	15,535
Total	2,563,888	32,744	2,150,690	83,631
TOTAL LIABILITIES AND EQUITY	\$ 3,491,411	\$ 393,766	\$ 6,367,054	\$ 780,605

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

EXPLANATIONS OF ELIMINATIONS AND ADJUSTMENTS

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

SUNCOR	EL DORADO	APS ES	ELIMINATIONS AND ADJUSTMENTS	TOTAL
\$ 17,268	\$ 546	\$ 21,251	\$ -	\$ 269,124
1,150	3,820	145	-	96,729
603	-	-	-	48,806
-	-	-	(11,400)(a)	234,600
-	-	-	-	171,162
332	-	-	-	126,140
1,568	-	-	-	30,232
-	-	-	-	3,244
-	-	-	-	35,994
26,808	737	5,892	(917,471)(a,b)	74,898
47,729	5,103	27,288	(928,871)	1,090,930
148,294	-	-	-	2,673,078
148,294	-	-	-	2,673,078
-	-	-	-	207,576
-	1,051	-	(25,091)(b)	1,064,993
-	-	-	-	64,060
-	-	-	5,039 (b)	381,789
-	1,051	-	(20,052)	1,718,418
16,187	-	-	(16,187)(c)	-
356,391	14,046	75,246	(2,411,846)(d)	1,531,038
-	-	-	-	(64,565)
(50,498)	2,528	(32,328)	(285,169)(d)	1,032,850
305,893	16,574	42,918	(2,697,015)	2,499,323
\$ 518,103	\$ 22,728	\$ 70,206	\$ (3,662,125)	\$ 7,981,748

CONSOLIDATED STATEMENTS OF INCOME (in thousands, except per share amounts)

year ended December 31,	2001	2000	1999
OPERATING REVENUES			
Electric	\$ 4,382,465	\$ 3,531,810	\$ 2,293,184
Real estate	168,908	158,365	130,169
Total	4,551,373	3,690,175	2,423,353
OPERATING EXPENSES			
Purchased power and fuel	2,664,218	1,932,792	793,931
Operations and maintenance	530,095	450,205	446,173
Real estate operations	153,462	134,422	119,516
Depreciation and amortization	427,903	431,229	419,842
Taxes other than income taxes	101,068	99,780	96,606
Total	3,876,746	3,048,428	1,876,068
OPERATING INCOME			
	674,627	641,747	547,285
OTHER INCOME (EXPENSE)			
Allowance for equity funds used during construction	-	-	-
Preferred stock dividend requirements of APS	-	-	(1,016)
Net other income and expense	(5,765)	(406)	10,573
Total	(5,765)	(406)	9,557
INTEREST EXPENSE			
Interest charges	175,822	166,447	157,142
Capitalized interest	(47,862)	(21,638)	(11,664)
Total	127,960	144,809	145,478
INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES			
	540,902	496,532	411,364
INCOME TAXES			
	213,535	194,200	141,592
INCOME FROM CONTINUING OPERATIONS			
	327,367	302,332	269,772
Income tax benefit from discontinued operations	-	-	38,000
Loss from discontinued operations – net of income taxes	-	-	-
Extraordinary charge for regulatory disallowance – net of income taxes	-	-	(139,885)
Extraordinary charge for early retirement of debt – net of income taxes	-	-	-
Cumulative effect of change in accounting for derivatives – net of income taxes	(15,201)	-	-
NET INCOME			
	\$ 312,166	\$ 302,332	\$ 167,887
WEIGHTED-AVERAGE COMMON SHARES OUTSTANDING – BASIC			
	84,718	84,733	84,717
WEIGHTED-AVERAGE COMMON SHARES OUTSTANDING – DILUTED			
	84,930	84,935	85,009
EARNINGS PER WEIGHTED-AVERAGE COMMON SHARE OUTSTANDING			
Continuing operations – basic	\$ 3.86	\$ 3.57	\$ 3.18
Net income – basic	3.68	3.57	1.98
Continuing operations – diluted	3.85	3.56	3.17
Net income – diluted	3.68	3.56	1.97
DIVIDENDS DECLARED PER SHARE			
	\$ 1.525	\$ 1.425	\$ 1.325

	1998	1997	1996
	\$ 2,006,398	\$ 1,878,553	\$ 1,718,272
	124,188	116,473	99,488
	2,130,586	1,995,026	1,817,760
	543,153	441,533	327,490
	418,829	405,421	441,026
	115,331	111,628	96,080
	413,381	399,500	336,982
	103,718	108,011	107,199
	1,594,412	1,466,093	1,308,777
	536,174	528,933	508,983
	-	-	5,209
	(9,703)	(12,803)	(17,092)
	389	4,349	(6,968)
	(9,314)	(8,454)	(18,851)
	163,975	177,383	192,705
	(18,596)	(19,703)	(12,856)
	145,379	157,680	179,849
	381,481	362,799	310,283
	138,589	126,943	99,224
	242,892	235,856	211,059
	-	-	-
	-	-	(9,539)
	-	-	-
	-	-	(20,340)
	-	-	-
	\$ 242,892	\$ 235,856	\$ 181,180
	84,774	85,503	87,442
	85,346	86,023	88,022
	\$ 2.87	\$ 2.76	\$ 2.41
	2.87	2.76	2.07
	2.85	2.74	2.40
	2.85	2.74	2.06
	\$ 1.225	\$ 1.125	\$ 1.025

CONSOLIDATED BALANCE SHEETS (dollars in thousands)

December 31,	2001	2000	1999
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	\$ 28,619	\$ 10,363	\$ 20,705
Customer and other receivables – net	367,241	513,822	244,599
Accrued utility revenues	76,131	74,566	72,919
Materials and supplies (at average cost)	81,215	71,966	69,977
Fossil fuel (at average cost)	27,023	19,405	21,869
Deferred income taxes	–	5,793	8,163
Assets from risk management and trading activities	66,973	17,506	–
Other current assets	80,203	80,492	60,562
Total current assets	727,405	793,913	498,794
INVESTMENTS AND OTHER ASSETS			
Real estate investments – net	418,673	371,323	344,293
Assets from risk management and trading activities – long-term	200,351	32,955	–
Other assets	321,024	299,128	267,458
Total investments and other assets	940,048	703,406	611,751
PROPERTY, PLANT AND EQUIPMENT			
Plant in service and held for future use	8,203,888	7,809,566	7,546,314
Less accumulated depreciation and amortization	3,378,089	3,188,302	3,026,194
Total	4,825,799	4,621,264	4,520,120
Construction work in progress	1,032,234	464,540	209,281
Nuclear fuel, net of accumulated amortization	49,282	47,389	49,114
Net property, plant and equipment	5,907,315	5,133,193	4,778,515
DEFERRED DEBITS			
Regulatory assets	342,383	469,867	613,729
Other deferred debits	64,597	62,606	105,717
Total deferred debits	406,980	532,473	719,446
TOTAL ASSETS	\$ 7,981,748	\$ 7,162,985	\$ 6,608,506

	1998	1997	1996
\$	20,538	\$ 27,484	\$ 26,686
	233,876	183,507	169,237
	67,740	58,559	55,470
	69,074	70,634	74,120
	13,978	9,621	13,928
	3,999	57,887	69,688
	-	-	-
	47,594	41,408	41,140
	456,799	449,100	450,269
	331,021	365,921	398,527
	-	-	-
	236,562	215,027	173,109
	567,583	580,948	571,636
	7,265,604	7,009,059	6,803,211
	2,814,762	2,620,607	2,426,143
	4,450,842	4,388,452	4,377,068
	228,643	237,492	226,935
	51,078	51,624	51,137
	4,730,563	4,677,568	4,655,140
	980,084	1,080,799	1,221,878
	89,517	62,002	90,366
	1,069,601	1,142,801	1,312,244
\$	6,824,546	\$ 6,850,417	\$ 6,989,289

CONSOLIDATED BALANCE SHEETS (dollars in thousands)

December 31,	2001	2000	1999
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Accounts payable	\$ 269,124	\$ 375,805	\$ 186,524
Accrued taxes	96,729	89,246	70,510
Accrued interest	48,806	42,954	33,253
Short-term borrowings	405,762	82,775	38,300
Current maturities of long-term debt	126,140	463,469	114,798
Customer deposits	30,232	26,189	26,098
Deferred income taxes	3,244	-	-
Liabilities from risk management and trading activities	35,994	37,179	-
Other current liabilities	74,898	73,681	26,007
Total current liabilities	1,090,929	1,191,298	495,490
LONG-TERM DEBT LESS CURRENT MATURITIES	2,673,078	1,955,083	2,206,052
DEFERRED CREDITS AND OTHER			
Liabilities from risk management and trading activities – long-term	207,576	14,711	-
Deferred income taxes	1,064,993	1,143,040	1,183,855
Unamortized gain – sale of utility plant	64,060	68,636	73,212
Other	381,789	407,503	444,164
Total deferred credits and other	1,718,418	1,633,890	1,701,231
COMMITMENTS AND CONTINGENCIES			
MINORITY INTERESTS			
Non-redeemable preferred stock of APS	-	-	-
Redeemable preferred stock of APS	-	-	-
COMMON STOCK EQUITY			
Common stock, no par value	1,531,038	1,532,831	1,537,449
Retained earnings	1,032,850	849,883	668,284
Accumulated other comprehensive loss	(64,565)	-	-
Total common stock equity	2,499,323	2,382,714	2,205,733
TOTAL LIABILITIES AND EQUITY	\$ 7,981,748	\$ 7,162,985	\$ 6,608,506

	1998	1997	1996
\$	155,800	\$ 117,429	\$ 184,095
	62,520	84,610	82,413
	31,866	32,974	39,652
	178,830	130,750	16,900
	168,045	108,695	156,277
	28,510	30,672	34,222
	-	-	-
	-	-	-
	14,632	18,534	37,056
	640,203	523,664	550,615
	2,048,961	2,244,248	2,372,113
	-	-	-
	1,343,536	1,363,461	1,359,312
	77,787	82,363	86,939
	455,467	438,084	431,314
	1,876,790	1,883,908	1,877,565
	85,840	142,051	165,673
	9,401	29,110	53,000
	1,550,643	1,553,771	1,636,354
	612,708	473,665	333,969
	-	-	-
	2,163,351	2,027,436	1,970,323
\$	6,824,546	\$ 6,850,417	\$ 6,989,289

CONSOLIDATED STATEMENTS OF CASH FLOWS (dollars in thousands)

year ended December 31,	2001	2000	1999
CASH FLOWS FROM OPERATING ACTIVITIES			
Income from continuing operations	\$ 327,367	\$ 302,332	\$ 269,772
Items not requiring cash			
Depreciation and amortization	427,903	431,229	419,842
Nuclear fuel amortization	28,362	30,083	31,371
Deferred income taxes – net	(16,939)	(38,625)	(43,886)
Deferred investment tax credit	(264)	740	(23,514)
Mark-to-market gains – trading	(125,521)	(11,752)	(975)
Mark-to-market gains – system	(8,052)	–	–
Allowance for equity funds used during construction	–	–	–
Changes in current assets and liabilities			
Customers and other receivables – net	146,581	(269,223)	(10,723)
Accrued utility revenues	(1,565)	(1,647)	(5,179)
Materials, supplies and fossil fuel	(16,867)	475	(8,794)
Other current assets	289	(37,436)	(12,968)
Accounts payable	(127,782)	193,502	28,193
Accrued taxes	7,483	18,736	12,591
Accrued interest	5,852	9,701	1,387
Other current liabilities	5,260	98,493	14,047
Change in El Dorado partnership investment	1,671	(3,773)	(25,786)
Increase in real estate investments	(44,173)	(25,937)	(12,542)
Increase in regulatory assets	(17,516)	(14,138)	(12,262)
Other – net	(21,159)	30,634	15,026
Net Cash Flow Provided By Operating Activities	570,930	713,394	635,600
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditures	(1,040,585)	(658,608)	(343,448)
Capitalized interest	(47,862)	(21,638)	(11,664)
Other – net	(31,357)	(55,595)	(16,143)
Net Cash Flow Used For Investing Activities	(1,119,804)	(735,841)	(371,255)
CASH FLOWS FROM FINANCING ACTIVITIES			
Issuance of long-term debt	995,447	651,000	607,791
Short-term borrowings – net	322,987	44,475	(140,530)
Dividends paid on common stock	(129,199)	(120,733)	(112,311)
Repurchase and retirement of common stock	–	–	–
Repayment of long-term debt	(621,057)	(558,019)	(510,693)
Redemption of preferred stock	–	–	(96,499)
Extraordinary charge for early retirement of debt	–	–	–
Other – net	(1,048)	(4,618)	(11,936)
Net Cash Flow Provided By (Used For) Financing Activities	567,130	12,105	(264,178)
NET CASH FLOW	18,256	(10,342)	167
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	10,363	20,705	20,538
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 28,619	\$ 10,363	\$ 20,705

	1998	1997	1996
\$	242,892	\$ 235,856	\$ 211,059
	413,381	399,500	336,982
	32,856	32,702	33,566
	15,258	1,471	(15,840)
	(23,516)	(23,518)	(23,518)
	-	-	-
	-	-	-
	-	-	(5,209)
	(50,369)	(14,270)	(38,106)
	(9,181)	(3,089)	(1,951)
	(2,797)	7,793	11,945
	(6,186)	(109)	(8,949)
	34,386	(54,882)	65,586
	(22,090)	2,197	(7,088)
	(1,108)	(6,678)	(9,306)
	(5,235)	(23,087)	1,515
	-	-	-
	33,405	33,010	19,894
	(10,582)	-	-
	(35,276)	36,523	(4,297)
	605,838	623,419	566,283
	(319,142)	(307,876)	(258,598)
	(18,596)	(19,703)	(12,856)
	(2,144)	(3,124)	(6,345)
	(339,882)	(330,703)	(277,799)
	148,229	146,013	557,067
	48,080	113,850	(160,900)
	(103,849)	(96,160)	(89,614)
	-	(79,997)	-
	(286,314)	(325,526)	(575,332)
	(75,517)	(47,201)	(50,360)
	-	-	(20,340)
	(3,531)	(2,897)	(1,858)
	(272,902)	(291,918)	(341,337)
	(6,946)	798	(52,853)
	27,484	26,686	79,539
\$	20,538	\$ 27,484	\$ 26,686

SELECTED CONSOLIDATED FINANCIAL DATA (dollars per share)

	2001	2000	1999	1998	1997	1996
BOOK VALUE PER SHARE						
AT YEAR-END						
APS	\$ 25.35	\$ 24.99	\$ 23.38	\$ 23.29	\$ 21.80	\$ 19.76
SunCor	3.61	3.57	3.67	3.59	3.42	3.69
El Dorado	0.20	0.19	0.33	0.32	0.41	0.44
APS Energy Services	0.51	0.08	0.03	–	–	–
Pinnacle West Energy	0.99	0.16	–	–	–	–
Parent company	(1.20)	(0.90)	(1.41)	(1.70)	(1.73)	(1.38)
Total	\$ 29.46	\$ 28.09	\$ 26.00	\$ 25.50	\$ 23.90	\$ 22.51
Common Shares						
Outstanding at Year-End	84,824,947	84,824,947	84,824,947	84,824,947	84,824,947	87,515,847
EARNINGS PER SHARE						
FROM CONTINUING OPERATIONS - DILUTED						
APS	\$ 3.30	\$ 3.61	\$ 3.14	\$ 2.88	\$ 2.77	\$ 2.57
SunCor	0.04	0.14	0.07	0.52(a)	0.06	0.05
El Dorado	–	0.02	0.14	0.05	0.10	–
APS Energy Services	(0.12)	(0.16)	(0.11)	–	–	–
Pinnacle West Energy	0.21	(0.03)	–	–	–	–
Parent company	0.42	(0.02)	(0.07)	(0.60)(a)	(0.19)	(0.22)
Total	\$ 3.85	\$ 3.56	\$ 3.17	\$ 2.85	\$ 2.74	\$ 2.40
STOCK PRICE HISTORY						
High	\$ 50.70	\$ 52.22	\$ 43.38	\$ 49.25	\$ 42.75	\$ 32.25
Low	37.65	26.25	30.19	39.38	27.63	26.25
Close	41.85	47.63	30.56	42.38	42.38	31.75

(a) SunCor includes \$37.2 million from recognition of a deferred tax asset related to net operating losses and book/tax basis differences. SunCor is expected to realize these benefits in subsequent periods pursuant to an inter-company tax allocation agreement. On a consolidated basis, the parent company had already recognized the income tax benefits; therefore, there was no impact on consolidated net income in 1998.

NON-UTILITY LONG-TERM DEBT SCHEDULE (dollars in thousands)

year ended December 31,	2001	2000	1999	1998	1997	1996
PARENT COMPANY						
REVOLVING CREDIT						
Variable-rate loan due 2001	\$ -	\$ 188,000	\$ 56,000	\$ 42,000	\$ 155,000	\$ 200,000
Floating notes due 2003	250,000	-	-	-	-	-
	250,000	188,000	56,000	42,000	155,000	200,000
NOTES PAYABLE						
6.62% senior notes due 2001	-	25,000	25,000	25,000	25,000	25,000
6.87% senior notes due 2003	25,000	25,000	25,000	25,000	25,000	25,000
6.40% senior notes due 2006	300,000	-	-	-	-	-
	325,000	50,000	50,000	50,000	50,000	50,000
Total Parent Company	575,000	238,000	106,000	92,000	205,000	250,000
SUNCOR						
REVOLVING CREDIT						
Variable-rate facility due 2000	-	-	-	-	40,600	42,432
Variable-rate facility due 2001	-	-	-	38,139	-	-
Variable-rate facility due 2003	-	110,000	94,000	-	-	-
Variable-rate facility due 2003	128,000	-	-	-	-	-
	128,000	110,000	94,000	38,139	40,600	42,432
BANK LOAN						
Variable-rate loan due 2001	-	-	-	42,061	45,000	45,000
NOTES PAYABLE						
Variable-rate notes due 1994-1998	-	-	-	-	-	937
5.39% note due 1998-1999	-	-	-	399	1,563	3,044
9.25% note due 1999	-	-	-	-	-	234
Variable-rate notes due 2006-2008	7,912	8,163	3,404	3,489	3,550	3,481
	7,912	8,163	3,404	3,888	5,113	7,696
BONDS PAYABLE						
5.85% bonds due 2039	-	5,215	5,335	-	-	-
5.95% bonds due 2024	5,215	-	-	-	-	-
6.75% bonds due 2026	7,500	-	-	-	-	-
	12,715	5,215	5,335	-	-	-
Total SunCor	148,627	123,378	102,739	84,088	90,713	95,128
TOTAL NON-UTILITY LONG-TERM DEBT INCLUDING CURRENT MATURITIES						
	\$ 723,627	\$ 361,378	\$ 208,739	\$ 176,088	\$ 295,713	\$ 345,128

See Note 6 of Notes to Consolidated Financial Statements on pages 47-48.

CONSOLIDATED ELECTRIC REVENUE ANALYSIS

year ended December 31,	2001		2000	
ELECTRIC REVENUES (THOUSANDS OF DOLLARS)				
RETAIL SALES				
Residential	\$ 914,711	20.9%	\$ 880,468	24.9%
Commercial	805,326	18.4	771,909	21.9
Industrial	133,663	3.0	146,088	4.1
Irrigation	1,975	–	6,498	0.2
Other	11,663	0.3	10,719	0.3
Total retail	1,867,338	42.6	1,815,682	51.4
WHOLESALE REVENUE ON DELIVERED ELECTRICITY				
Traditional contracts	73,305	1.6	120,618	3.4
Retail load hedge management	577,784	13.2	560,493	15.9
Marketing and trading – delivered				
Generation sales other than native load (a)	148,316	3.4	115,476	3.3
Other delivered electricity (a)	1,560,185	35.6	874,619	24.7
Total delivered marketing and trading	1,708,501	39.0	990,095	28.0
Total delivered wholesale electricity	2,359,590	53.8	1,671,206	47.3
OTHER MARKETING AND TRADING				
Realized margins on delivered commodities other than electricity	(13,646)	(0.3)	(8,789)	(0.2)
Prior period mark-to-market (gains) losses on contracts delivered during current period	(1,059)	–	(2,079)	(0.1)
Change in mark-to-market for future-period deliveries	126,580	2.9	13,831	0.4
Total other marketing and trading	111,875	2.6	2,963	0.1
Transmission for others	25,971	0.6	14,765	0.4
Other miscellaneous services	17,691	0.4	27,194	0.8
Total electric operating revenues	\$ 4,382,465	100.0%	\$ 3,531,810	100.0%
INCREASE (DECREASE) VS. PRIOR YEAR				
Retail revenues	2.8%		5.8%	
Delivered wholesale electricity	41.2%		207.6%	
Total operating revenues	24.1%		54.0%	
AVERAGE REVENUE PER KWH				
RETAIL				
Residential	8.85¢		9.00¢	
Commercial	7.67¢		7.67¢	
Industrial	5.49¢		5.82¢	
Irrigation	7.35¢		7.46¢	
WHOLESALE REVENUE ON DELIVERED ELECTRICITY				
Delivered marketing and trading	10.68¢		7.22¢	
Delivered wholesale electricity	11.65¢		7.60¢	
Total operating revenues	10.04¢		7.93¢	

(a) The break-out of generation sales other than native load is not available for 1996-1998.

1999		1998		1997		1996					
\$	805,173	35.1%	\$	766,378	38.2%	\$	746,937	39.8%	\$	721,877	42.0%
	733,038	32.0		699,016	34.8		687,988	36.6		678,130	39.5
	159,329	7.0		172,296	8.6		164,696	8.8		162,324	9.5
	7,374	0.3		7,288	0.4		8,706	0.5		9,448	0.5
	11,708	0.5		10,644	0.5		11,842	0.6		13,078	0.8
	1,716,622	74.9		1,655,622	82.5		1,620,169	86.3		1,584,857	92.3
	60,486	2.6		58,184	2.9		63,027	3.4		64,110	3.7
	108,153	4.7		-	-		-	-		-	-
	29,551	1.3		-	-		-	-		-	-
	345,067	15.1		258,058	12.9		163,801	8.7		34,450	2.0
	374,618	16.4		258,058	12.9		163,801	8.7		34,450	2.0
	543,257	23.7		316,242	15.8		226,828	12.1		98,560	5.7
	2,483	0.1		7,192	0.4		3,618	0.2		-	-
	-	-		-	-		-	-		-	-
	975	-		-	-		-	-		-	-
	3,458	0.1		7,192	0.4		3,618	0.2		-	-
	11,348	0.5		11,058	0.5		10,295	0.5		10,240	0.6
	18,499	0.8		16,284	0.8		17,643	0.9		24,615	1.4
\$	2,293,184	100.0%	\$	2,006,398	100.0%	\$	1,878,553	100.0%	\$	1,718,272	100.0%
	3.7%			2.2%			2.2%			5.5%	
	71.8%			39.4%			130.1%			13.9%	
	14.3%			6.8%			9.3%			6.4%	
	9.18¢			9.22¢			9.37¢			9.57¢	
	7.68¢			8.04¢			8.07¢			8.24¢	
	6.22¢			5.25¢			5.27¢			5.34¢	
	7.40¢			8.61¢			7.75¢			7.76¢	
	2.75¢			2.90¢			2.11¢			1.84¢	
	3.46¢			3.07¢			2.46¢			2.93¢	
	6.24¢			6.52¢			6.47¢			7.67¢	

CONSOLIDATED ELECTRIC SALES ANALYSIS

year ended December 31,	2001		2000	
ELECTRIC SALES (MWh)				
RETAIL SALES				
Residential	10,334,860	23.7%	9,780,680	22.0%
Commercial	10,504,044	24.1	10,057,707	22.6
Industrial	2,433,438	5.6	2,511,292	5.6
Irrigation	26,860	–	87,073	0.2
Other	99,810	0.2	97,772	0.2
Total retail	23,399,012	53.6	22,534,524	50.6
WHOLESALE ELECTRICITY DELIVERED				
Traditional contracts	1,213,704	2.8	1,610,032	3.6
Retail load hedge management	3,039,905	7.0	6,673,658	15.0
Marketing and trading – delivered				
Generation sales other than native load (a)	1,387,860	3.2	1,494,299	3.4
Other delivered electricity (a)	14,612,997	33.4	12,219,368	27.4
Total delivered marketing and trading	16,000,857	36.6	13,713,667	30.8
Total delivered wholesale electricity	20,254,466	46.4	21,997,357	49.4
Total electric sales	43,653,478	100.0%	44,531,881	100.0%
INCREASE (DECREASE) VS. PRIOR YEAR				
Retail sales	3.8%		6.9%	
Delivered wholesale electricity	(7.9)%		40.2%	
Total sales	(2.0)%		21.1%	

(a) The break-out of generation sales other than native load is not available for 1996-1998.

1999		1998		1997		1996	
8,774,822	23.9%	8,310,689	27.0%	7,970,309	27.4%	7,541,440	33.7%
9,543,853	25.9	8,697,397	28.3	8,524,882	29.3	8,233,762	36.8
2,561,349	7.0	3,279,430	10.6	3,123,283	10.8	3,039,357	13.6
99,669	0.3	84,640	0.3	112,363	0.4	121,775	0.5
94,877	0.2	90,927	0.3	86,090	0.3	84,362	0.4
21,074,570	57.3	20,463,083	66.5	19,816,927	68.2	19,020,696	85.0
1,421,522	3.9	1,410,392	4.6	1,486,439	5.1	1,490,270	6.6
630,945	1.7	-	-	-	-	-	-
1,267,349	3.4	-	-	-	-	-	-
12,374,018	33.7	8,906,999	28.9	7,747,134	26.7	1,876,964	8.4
13,641,367	37.1	8,906,999	28.9	7,747,134	26.7	1,876,964	8.4
15,693,834	42.7	10,317,391	33.5	9,233,573	31.8	3,367,234	15.0
36,768,404	100.0%	30,780,474	100.0%	29,050,500	100.0%	22,387,930	100.0%
3.0%		3.3%		4.2%		7.2%	
52.1%		11.7%		174.2%		23.8%	
19.5%		6.0%		29.8%		9.4%	

CONSOLIDATED MARKETING AND TRADING GROSS MARGIN SUMMARY (dollars in thousands)

year ended December 31,	2001	2000	1999
REALIZED AND MARK-TO-MARKET COMPONENTS (a)			
Current period effects			
Realized margin on delivered commodities			
Electricity			
Generation sales other than native load (b)	\$ 79,328	\$ 54,396	\$ 7,043
Other electricity marketing and trading (b)	117,324	68,585	7,103
Total electricity	196,652	122,981	14,146
Other commodities	(13,646)	(8,789)	2,483
Total realized margin	183,006	114,192	16,629
Prior-period mark-to-market (gains) losses			
on contracts delivered during current period			
Electricity	(10,954)	(2,071)	–
Other commodities	25,197	(8)	–
Charge related to trading activities with			
Enron and its affiliates	(7,940)	–	–
Subtotal	6,303	(2,079)	–
Total current period effects	189,309	112,113	16,629
Change in mark-to-market gains (losses) for future			
period deliveries			
Electricity	145,749	7,205	1,548
Other commodities	(18,348)	6,545	(573)
Total future period effects	127,401	13,750	975
Total gross margin before income taxes	\$ 316,710	\$ 125,863	\$ 17,604
BY COMMODITY SOLD OR TRADED			
Electricity	\$ 327,274	\$ 128,115	\$ 15,695
Other commodities	(10,564)	(2,252)	1,909
Total gross margin before income taxes	\$ 316,710	\$ 125,863	\$ 17,604
ACCUMULATED MARK-TO-MARKET GAINS (LOSSES)			
AT END OF YEAR (c)	\$ 137,926	\$ 12,405	\$ 653
BY PINNACLE WEST ENTITY			
Parent company marketing and trading division			
Electricity marketing and trading	\$ 59,681	\$ (1,717)	\$ –
Other commodities marketing and trading	18,073	–	–
APS			
Generation sales other than native load	79,328	54,396	7,043
Electricity marketing and trading	180,787	76,216	8,651
Other commodities marketing and trading	(24,870)	(2,253)	1,910
Pinnacle West Energy			
Generation sales other than native load	–	–	–
Electricity marketing and trading	–	–	–
APS ES			
Electricity marketing and trading	3,711	(779)	–
Total gross margin before income taxes	\$ 316,710	\$ 125,863	\$ 17,604

(a) Refer to page 14 for further description of line items.

(b) The break-out of generation sales other than native load is not available for 1996-1998.

(c) As of December 31, 2001, Pinnacle West had accumulated mark-to-market net gains of \$138.0 million related to our power marketing and trading activities. We estimate that these gains will be reclassified to realized gains as the underlying commodities are delivered, as follows: 2002, \$43.0 million; 2003, \$22.6 million; 2004, \$23.6 million; 2005 and thereafter, \$48.8 million.

	1998	1997	1996
	\$ -	\$ -	\$ -
	20,643	7,041	7,543
	20,643	7,041	7,543
	8,337	2,998	4,917
	28,980	10,039	12,460
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	28,980	10,039	12,460
	-	-	-
	-	-	-
	-	-	-
	\$ 28,980	\$ 10,039	\$ 12,460
	\$ 20,643	\$ 7,041	\$ 7,543
	8,337	2,998	4,917
	\$ 28,980	\$ 10,039	\$ 12,460
	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -
	-	-	-
	20,643	7,041	7,543
	8,337	2,998	4,917
	-	-	-
	-	-	-
	-	-	-
	\$ 28,980	\$ 10,039	\$ 12,460