

CONSOLIDATED STATEMENTS OF INCOME (dollars 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)			
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			
Income tax benefit from discontinued operations	-	-	38,000
Extraordinary charge – net of income taxes of \$94,115	-	-	(139,885)
Cumulative effect of a change in accounting for derivatives – net of income taxes of \$9,892	(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

See Notes to Consolidated Financial Statements.