

## COMPANY PROFILE

*NAME OF REPORTING ORGANIZATION:* Arizona Public Service Company (APS)

*CONTACT:* Corporate Environmental, Health and Safety Department

*ADDRESS:* P.O. Box 53999, Mail Station 8508

*PHONE:* 602-250-3282

*FACSIMILE:* 602-250-2430

*E-MAIL:* Leslie.Herrmann@pinnaclewest.com

*DUN & BRADSTREET NUMBER:* 184147700

*CORPORATE TAX ID NUMBER:* 86-001170

*PINNACLE WEST CAPITAL CORPORATION*

*(PINNACLE WEST) PARENT, DUN & BRADSTREET NUMBER:* 131155400

This report is available on the corporate Web site: [www.aps.com](http://www.aps.com). The Pinnacle West annual report is available at: [www.pinnaclewest.com](http://www.pinnaclewest.com) and the APS community investment report is available to the public upon request.

**MAJOR PRODUCTS AND/OR SERVICES:** APS is Pinnacle West's principal subsidiary and Arizona's largest electric utility. With more than 857,000 customers, APS provides wholesale or retail electric service to the entire state except Tucson and about half of the Phoenix area. APS also generates, and directly or through Pinnacle West's power marketing division, sells and delivers electricity and energy-related products and services to wholesale and retail customers in the western United States.



**OWNED GENERATING CAPACITY**

<i>PLANT TYPE AND NAME</i>	<i>LOCATION</i>	<i>OWNERSHIP (a)</i>	<i>UNITS</i>	<i>APS SHARE (MW)</i>
<b>NUCLEAR-FUELED STEAM PLANTS</b>				<b>26% TOTAL CAPACITY</b>
• Palo Verde	Wintersburg, AZ	29.1%	3	1,086MW
<b>COAL-FUELED STEAM PLANTS</b>				<b>46% TOTAL CAPACITY</b>
• Four Corners	Fruitland, NM	100	3	782MW
• Four Corners	Fruitland, NM	15	2	222MW
• Cholla	Joseph City, AZ	100	3	615MW
• Navajo	Page, AZ	14	3	315MW
<b>GAS- OR OIL-FUELED STEAM PLANTS (b)</b>				<b>10% TOTAL CAPACITY</b>
• Ocotillo	Tempe, AZ	100	2	226MW
• Saguaro	Red Rock, AZ	100	2	209MW
<b>GAS- OR OIL-FUELED COMBUSTION TURBINES</b>				<b>12% TOTAL CAPACITY</b>
• Yucca	Yuma, AZ	100	4	147MW
• West Phoenix	Phoenix, AZ	100	2	110MW
• Ocotillo	Tempe, AZ	100	2	110MW
• Saguaro	Red Rock, AZ	100	2	110MW
• Douglas	Douglas, AZ	100	1	16MW
<b>GAS- OR OIL-FUELED COMBINED CYCLE PLANT</b>				<b>6% TOTAL CAPACITY</b>
• West Phoenix	Phoenix, AZ	100	3	255MW
<b>HYDRO AND SOLAR GENERATION</b>				<b>LESS THAN 1% TOTAL CAPACITY</b>
		100	9	6MW
<b>TOTAL GENERATION RESOURCES (ACCREDITED CAPABILITY)</b>				<b>4209MW 100% CAPACITY</b>

(a) Includes leased generating plants. (b) Excludes deactivated units (108 MW) at the West Phoenix steam plant (Phoenix, Ariz.) which are expected to be returned to service by summer 2001.

**APS BUSINESS SECTORS AND OPERATING REVENUES (DOLLARS IN THOUSANDS)**

Electricity generation, sales, transmission and distribution make up 100 percent of revenues.

	2000	1999	1998	1997	1996
<b><i>ELECTRIC OPERATING REVENUES</i></b>					
• Residential	\$ 880,468	\$ 805,173	\$ 766,378	\$ 746,937	\$ 721,877
• Commercial	771,909	733,038	699,016	687,988	678,130
• Industrial	146,088	159,329	172,296	164,696	162,324
• Irrigation	6,498	7,374	7,288	8,706	9,448
• Other	10,719	11,708	10,644	11,842	13,078
• Total Retail	1,815,682	1,716,622	1,655,622	1,620,169	1,584,857
• Sales for Resale	1,594,541	506,877	300,698	226,828	98,560
• Transmission of Others	14,766	11,348	11,058	10,261	10,240
• Miscellaneous Services	106,821	58,337	39,020	21,261	24,615
• Net Electric Revenues	<b>\$3,531,810</b>	<b>\$2,293,184</b>	<b>\$2,006,398</b>	<b>\$1,878,553</b>	<b>\$1,718,272</b>
<b><i>ELECTRIC SALES (MWH)</i></b>					
• Residential	9,178,680	8,774,822	8,310,689	7,970,309	7,541,440
• Commercial	10,057,707	9,543,853	8,697,397	8,524,882	8,233,762
• Industrial	2,511,292	2,561,349	3,279,430	3,123,283	3,039,357
• Irrigation	87,073	99,669	84,640	112,363	121,775
• Other	97,792	94,877	90,927	86,090	84,362
• Total Retail	22,534,524	21,074,570	20,463,083	19,816,927	19,020,696
• Sales for Resale	21,997,357	15,693,834	10,317,391	9,233,573	3,367,234
• Total Electric Sales (MWh)	<b>44,531,881</b>	<b>36,768,404</b>	<b>30,780,474</b>	<b>29,050,500</b>	<b>22,387,930</b>
<b><i>ELECTRIC CUSTOMERS – END OF YEAR</i></b>					
• Residential	762,574	735,359	708,215	680,478	654,602
• Commercial	90,273	86,707	83,506	81,246	78,178
• Industrial	3,286	3,183	3,084	3,192	3,055
• Irrigation	371	754	710	764	841
• Other	965	932	895	851	828
• Total Retail	857,469	826,935	796,410	766,531	737,504
• Sales for Resale	67	73	67	50	48
• Total Electric Customers	<b>857,536</b>	<b>827,008</b>	<b>796,477</b>	<b>766,581</b>	<b>737,552</b>
<b>CAPITAL EXPENDITURES 2000:</b>	<b>\$74,000,000</b>				

**EMPLOYEES BY BUSINESS SECTOR:**

- Generation: 3,186
- Energy Delivery and Sales: 2,104
- Shared Services: 1,004
- Power Marketing: 47
- Employees assigned to environmental, health and safety: 101.  
Of the 101 employees, 48 concentrate their efforts on environmental issues, 24 on health issues and 29 on safety.

	2000	1999	1998	1997	1996
• <b>TOTAL EMPLOYEES</b>	6,382	6,002	5,848	5,981	6,365
• <b>TOTAL CUSTOMERS</b>	857,536	827,008	769,477	766,581	737,552
• <b>CUSTOMER/EMPLOYEE RATIO</b>	134	138	132	128	116
• <b>PEAK DEMAND</b>	5,479	4,935	5,072	4,608	4,574

Customer growth in our service territory has averaged 3.9 percent per year from 1998 through 2000. In addition to the customer growth, our customers used nearly seven percent more electricity than they did in 1999, compared with three percent the previous two years.

**ORGANIZATIONAL CHANGES**

We have been preparing for competition for the past five years, both culturally and organizationally. Organizational changes began in 1996 when we formed individual business units to separate the generation, delivery and retail energy sectors. Minor organizational changes continued through 1997 and 1998.

In 1999, we reorganized to create a structure that is more responsive to the needs of the emerging competitive marketplace. The new structure facilitates improved decision making, and provides added customer value. The reorganization moved our support services to our parent company, Pinnacle West, allowing a more complete transition to competition for the generation, sales and distribution organizations.

In 2000, we continued preparing for competition without any significant organizational changes.

**CONVERSION FACTORS**

Throughout this report, information is presented in the English measurement system. Conversions to international figures are:

- 1 pound = 0.454 kilograms
- 1 ton = 907.185 kilograms
- 1 gallon = 3.785 liters
- 1 mile = 1.609 kilometers
- 1 kilowatt (kw) = 3,600,000 joules
- 1 megawatt (MW) = 3,600 joules



