

COMMUNITY PARTICIPATION AND ACCOUNTABILITY

The communities we serve are also the communities where we live, work, play and raise our families. We believe the health of the community is a reflection of our business, and our goal is to continually improve both.

We engage community stakeholders through community advisory panels (CAPs), participating in the public and policy-making process and providing financial and in-kind donations to non-profit organizations. Our employees also generously donate time and money to the community.

As an electric utility in a rapidly growing area, we are engaging community stakeholders in two primary areas, – line siting and construction of new power plants. We use a variety of forums to hear the community's concerns including public meetings, advisory boards, outreach events, monthly billing inserts, notices and newsletters. We open CAP membership to interested area residents who are willing to devote the necessary time for participation. In 2000, with the help of CAPs, we broke ground on two new, gas-fired power plants and opened discussions regarding new high-voltage transmission lines to bring the additional energy into the Phoenix area.

We actively engage the public in the siting of new electric lines and substations, seeking their opinions on the projects, including concerns about electromagnetic fields (EMFs). We update local news media and residents about the most recent scientific information about EMF issues. Additionally, we measure ambient EMF levels for customers and provide third-party educational materials upon request.

In addition to engaging stakeholders, we actively participate in the formation of public policy. We offer advice and testimony on a variety of issues including growth management, air quality, taxation, education and employment. Our employees also participate in and lead a number of task forces and boards of directors. In 2000, Pinnacle West's vice president of Government Affairs led Arizona Governor Jane Dee Hull's Transportation Vision 2100 task force. The task force was charged with finding ways to manage the State's growing transportation issues. The committee completed and submitted its work to Governor Hull in early 2001.

Governor Hull also convened a *Brown Cloud* summit to find strategies for improving visibility in the metropolitan area. Pinnacle West's vice president of communications, environment and safety chaired one of the summit's sub-committees.

We are aware of our industry's impact on lower income and minority communities, and we work with a number of agencies, businesses and municipalities to encourage sensitivity throughout our diverse service territory. Whether we are expanding a power plant, upgrading local distribution or remediating a historic manufactured gas plant, we engage the affected community and address any concerns before beginning any project.

Whenever possible, we also strive to improve the quality of life for residents living near our operations. In 2000, we concluded remediation of a historic manufactured gas plant in Prescott, Ariz., (see page 51) and we are working with the City of Prescott to return the site to the City as a park and riparian area.

As a result of growth patterns in Arizona and New Mexico, some APS generation facilities that were originally in unpopulated areas are now in increasingly urbanized settings. To enhance the understanding between APS and the surrounding communities – and to provide added value to the community – APS continued its ABCs of Baseball and Life™ program.

ABCs of Baseball and Life™ clinics are conducted by former major league baseball players and focus on the basic baseball skills of throwing, hitting, fielding and running – intertwined with discussions about various life choices children face today. In 2000, we conducted nine clinics with schools in low-income and minority communities and worked with approximately 350 children.

Our commitment to children reaches far beyond sponsoring sports activities. In 1998, we partnered with 21 Arizona school districts and 10 hospitals to bring medical care and disease prevention to school-based clinics through our Healthy Students/Healthy Schools program. Healthy Students/Healthy Schools places a medical professional at schools to keep kids in good health and in the classroom. In 2000, the Healthy Students/Healthy Schools programs expanded to serve a total of 15,000 children in 81 schools.



While we hold our business to the highest standards, our employees continually demonstrate an even greater commitment to the community. Our volunteers generously give of their spare time. In 2000, more than 600 APS employees contributed over 65,000 hours to more than 400 charitable causes. Among the volunteer hours, employees logged over 1,500 hours on more than 25 environmental projects.

Protecting and enhancing Arizona's greatest natural resource is one of our volunteers' favorite annual projects. In 2000, nearly 100 volunteers braved wind, lightning, rain and hail to plant trees, spread mulch and soil and pick up litter at the Grand Canyon National Park. Their efforts make the

Canyon a better place for the five million annual visitors and countless animals, birds and insects that call it home.

In addition to volunteer hours, our employees contribute generously to local charities. In 2000, our employees gave more than \$2 million through our annual United Way campaign – an increase of more than 10 percent from the previous year. APS also matches every employee dollar by 50 cents, increasing our 2000 donation to United Way charities to more than \$3 million. In 2000, we also contributed an additional \$3 million to a variety of organizations geared toward improving community quality of life.



APS conducts the ABCs of Baseball and Life program with former Major League players. The program combines baseball skills development with life-management lessons.



Employees in our customer call center provide top-notch customer service.

EMERGENCY RESPONSE

APS has formal, qualified fire and emergency response teams at the Palo Verde nuclear plant and the Four Corners and Cholla coal plants. Emergency response plans at each facility detail the role of APS employees in responding to emergencies. We actively participate in local emergency planning committees and provide emergency planning and on-site chemical storage and hazard information to state and local agencies through SARA (Superfund Reauthorization Act of 1986) Tier I and Tier II reports.

The Palo Verde plant annually provides neighbors with information regarding plant operations, emergency planning zone maps, emergency classifications, important telephone numbers, procedures, locations of care centers and suggested protective actions. Palo Verde also conducts joint emergency response planning drills with local, state and federal emergency response agencies at least twice per year.

The APS Energy Delivery and Sales division also maintains an emergency response plan that helps the organization safely respond to disasters, both natural and man-made. Periodic reviews and trial implementations help the division improve its emergency response procedures for use during potentially dangerous emergency outages.

Although electricity is safe when used properly, it can be extremely dangerous and sometimes deadly if misused. Our Public Safety department is responsible for keeping our customers and the public safe and informed about the possible dangers of electricity. Our Customer Service department works closely with the Public Safety department to ensure our customers have access to accurate, relevant information on the proper use and handling of electricity. In 2000, our Public Safety employees conducted 79 school presentations for more than 2,500 students and 96 adult presentations for nearly 3,400 people.

Our Construction department maintains three electrical safety demonstration trailers that dramatically show the impact of electrical current on living tissue. To ensure the highest level of safety, only trained, experienced personnel operate the trailer. In 2000, we conducted 50 classes for more than 5,000 people.

Our Vegetation Management department also works with landscaping and agricultural organizations to educate workers on the importance of planting appropriate vegetation under power lines and avoiding electrical contact during normal operations. Each year we co-host an annual workshop *The Inside, Outside and Hot Side of Trees*, for municipal and private tree care employees, to share our knowledge of the laws and hazards of working on trees in the vicinity of overhead power lines.

We also co-sponsor The Garfield Project, a national public service announcement featuring the animated cartoon character, Garfield, discussing important utility arboricultural issues.

CUSTOMER SATISFACTION

From our largest commercial accounts to our smallest residential homes, exceeding customer expectations is one of our critical goals and every employee's focus. To measure our customer satisfaction success, we participate in several third-party surveys as well as conducting our own research. We saw marked improvement in customer satisfaction in all areas of our operations last year, but our customer call center's performance was exceptional.

Our 225 customer call center employees field an average of 235,000 telephone calls per month and treat every call with the same urgency and importance. Our call center measures its performance based on the following criteria: cost per call, customer satisfaction, first contact resolution rate, call handle time and average speed of answer. In a 2000 benchmarking study of other electric utilities, the APS call center ranked in the top three. While we were very pleased with this rating, we are still striving to improve our customer satisfaction and will not rest on any past achievements.