

Financial Overview

Pinnacle West Financial Report Card

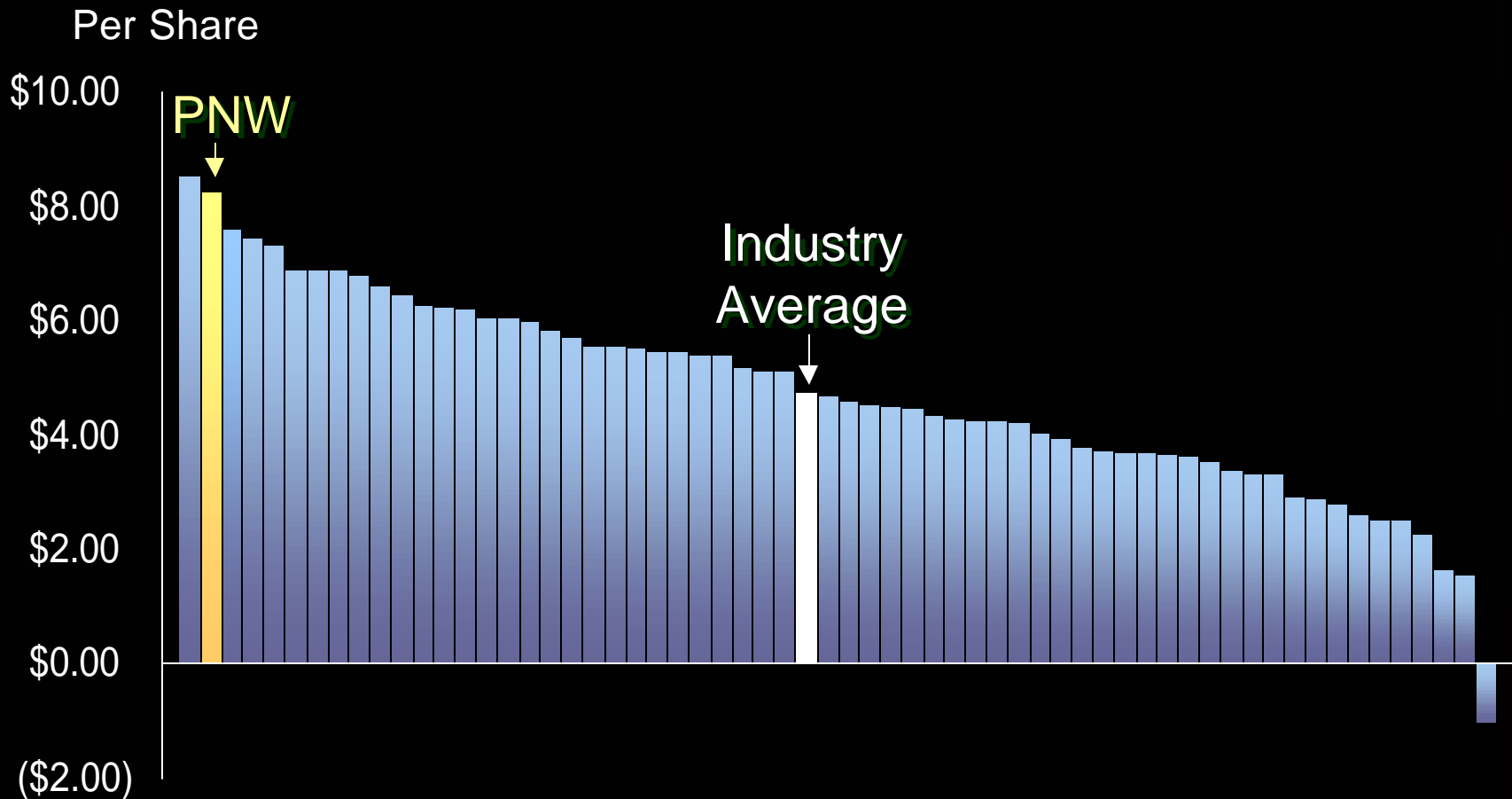
✓ Profitability and Common Stock Measures

(dollars in millions, except per share amounts)

	<u>2000</u>	<u>CAGR*</u>
Operating Revenues	\$3,690	17.2%
Income from Continuing Operations	\$ 302	8.6%
EPS (Continuing Operations)	\$3.56	9.4%
Indicated Annual Dividend per Share at Year-End	\$1.50	8.4%
Stock Price per Share	\$47.63	10.6%

* Calculated as compound annual growth rate - 1995 to 2000

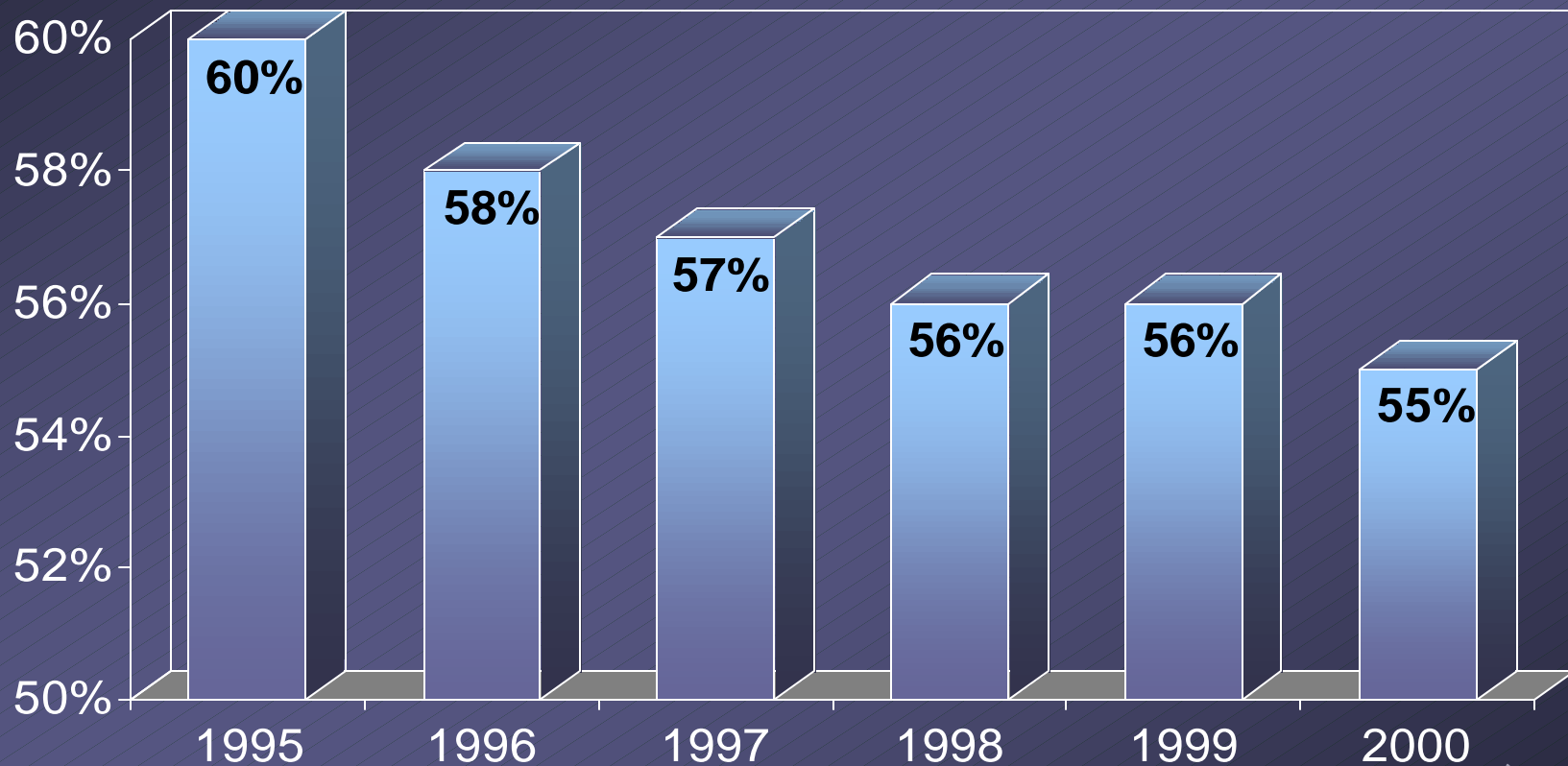
Electric Utilities 2000 Cash Flow Comparison



Source: Bloomberg (March 19, 2001)

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✓ Consolidated debt ratio*



* Adjusted for Palo Verde sale/leaseback

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✓ Key Credit Ratios

	<u>Actual 2000</u>	<u>Actual 1999</u>
Pretax Interest Coverage*	3.3x	3.1x
Funds From Operations Interest Coverage*	4.0x	4.1x
EBITDA Interest Coverage	7.2x	6.5x
Funds From Operations/ Adjusted Average Total Debt*	23%	22%
Net Cash Flow % Capital Expenditures	79%	145%

* Adjusted for Palo Verde sale/leaseback

Pinnacle West Financing Plans

- Internally generated cash
- Construction revolver
- Senior notes
- Tax exempt debt to be transferred from APS to Pinnacle West Energy

Pinnacle West Financial Objectives

- Continue top-tier earnings and dividend growth
- Manage strong cash flow to support growth
- Maintain financial strength and flexibility
- Investment-grade credit ratings