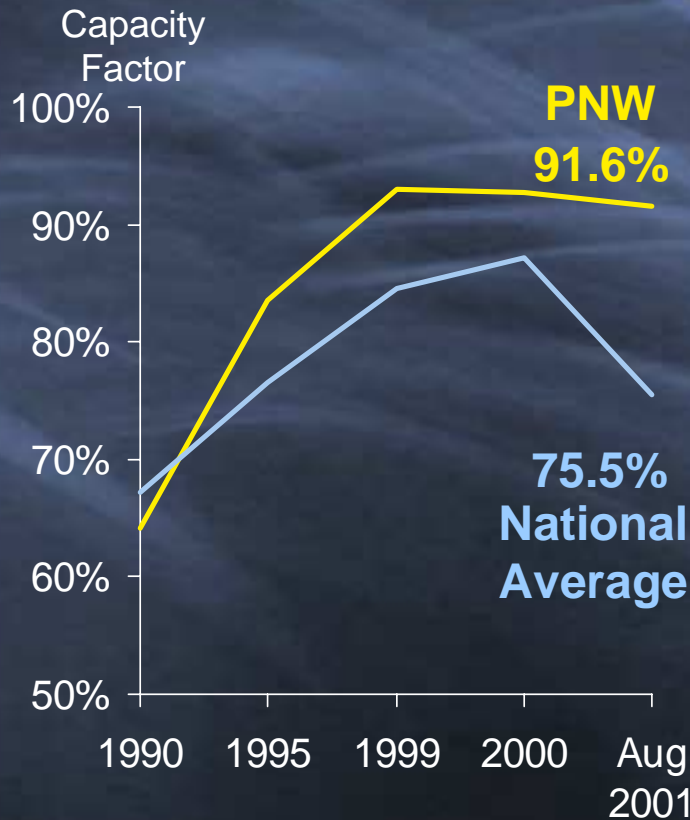




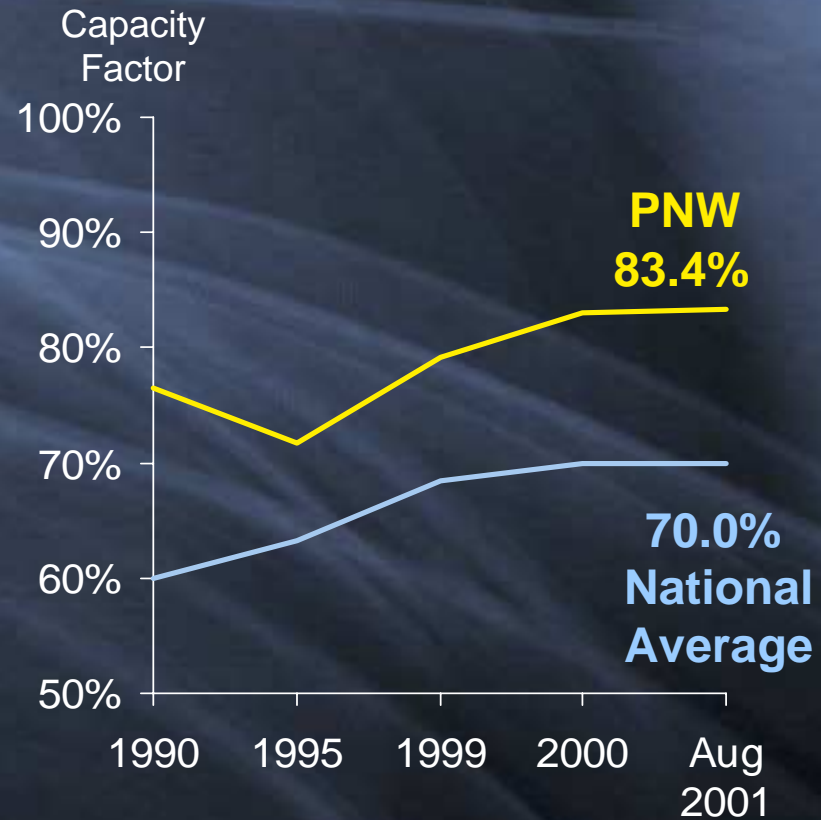
Generation Overview

Pinnacle West Top-Tier Power Plant Performance

Palo Verde



Coal Plants



Pinnacle West Growing Generation Capability

Commercial Operation Targets

	<i>New Facilities</i>	<i>MW</i>	<i>Reliability</i>	<i>Merchant</i>
2001	West Phoenix 4	120 *	✓	
2002	Redhawk 1 & 2	1,060	✓	
2002	Saguaro CT 4	80	✓	
2003	West Phoenix 5	530	✓	
2004	Silverhawk	427 **		✓
2005	Redhawk 3	530		✓
2006	Redhawk 4	530		✓

* In service June 1, 2001

** 75% interest

Pinnacle West Generation Operating Strengths

- **Among largest generators in the West**
- **Fuel diversity and dependency**
- **Production cost very competitive**
- **Nuclear production -
9 consecutive years top in the nation**
- **Long-term, low -cost coal contracts**
- **Plant reliability better than industry average**
- **Plants in compliance with Clean Air Act**