

**Analyst Presentations  
Boston and New York  
April 23-24, 2002**



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PINNACLE WEST CAPITAL CORPORATION

# Forward-Looking Statements

This presentation contains forward-looking statements based on current expectations and the company assumes no obligation to update these statements. Because actual results may differ materially from expectations, the company readers not to place undue reliance on these statements. A number of factors could cause future results to differ materially from historical results, or from results or outcomes currently expected or sought by the company. These factors include the ongoing restructuring of the electric industry, including the introduction of retail electric competition in Arizona and APS' October 2001 ACC filing; the outcome of regulatory and legislative proceedings relating to the restructuring; state and federal regulatory and legislative decisions and actions, including the price mitigation plan adopted by the FERC in June 2001; regional economic and market conditions, including the California energy situation and completion of generation construction in the region, which could affect customer growth and the cost of power supplies; the cost of debt and equity capital; weather variations affecting local and regional customer energy usage; conservation programs; power plant performance; the successful completion of the company's generation expansion program; regulatory issues associated with generation expansion, such as permitting and licensing; the company's ability to compete successfully outside traditional regulated markets (including the wholesale market); technological developments in the electric industry; and the strength of the real estate market in SunCor's market areas, which include Arizona, New Mexico and Utah.

# **Pinnacle West**

## **Presentation Agenda**

- **Strategic overview**
- **Western power market overview**
- **Power marketing and hedging**
- **Regulated delivery issues**
- **Generation operations and expansion**
- **Financial objectives and results**

# **Chairman's Strategic Overview**