

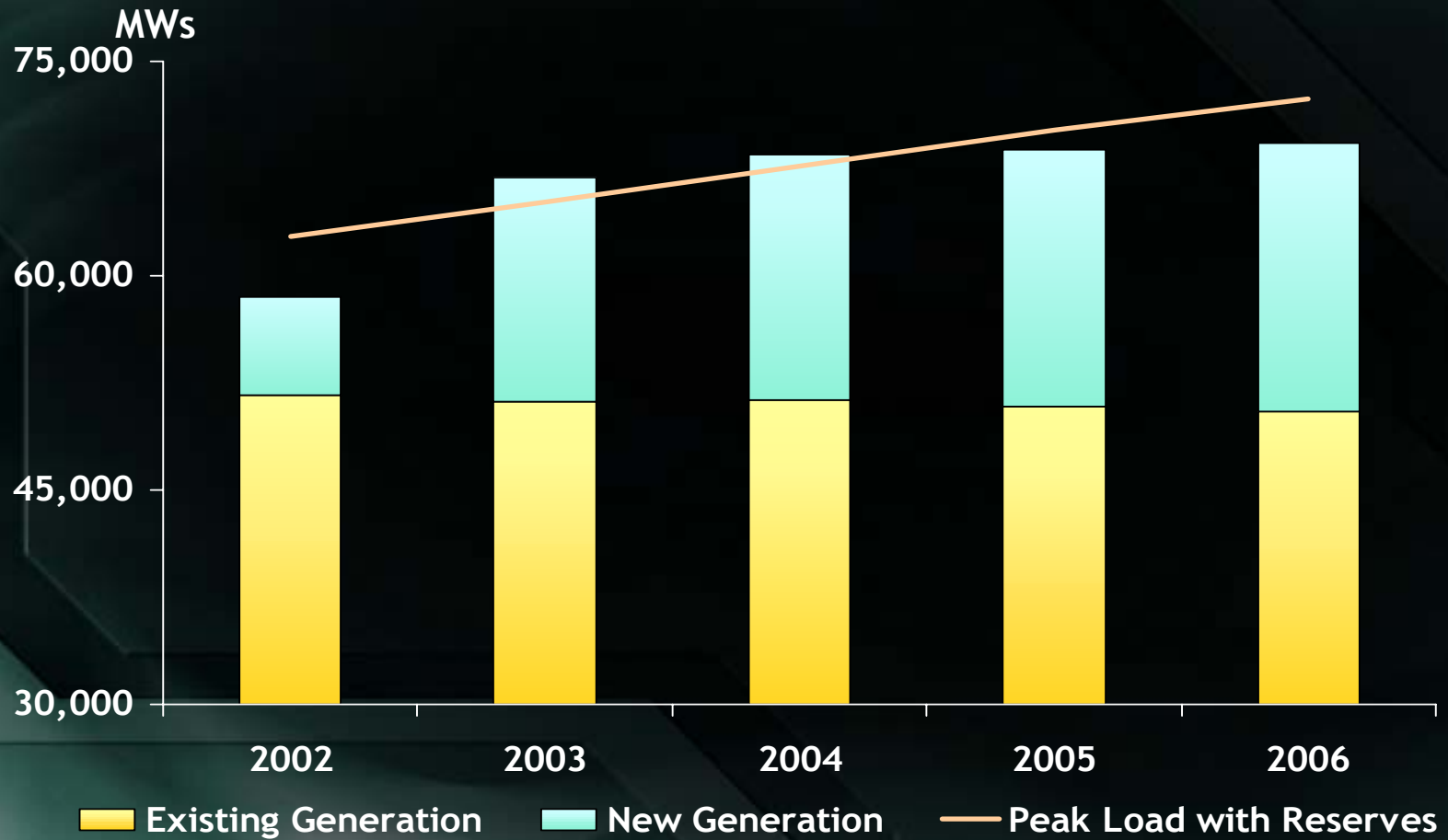
The background is a vibrant teal color with a complex, abstract design. It features several overlapping, angular, geometric shapes that resemble a stylized circuit board or a modern architectural structure. These shapes are rendered with a sense of depth and perspective, creating a three-dimensional effect. The lighting is dramatic, with bright highlights and deep shadows, giving the impression of a glowing, futuristic environment. The overall aesthetic is clean, modern, and high-tech.

Focus & Agility in Changing Energy Marketplace

Major Trading Hubs in the West



Southwest Electricity Supply and Demand



Pinnacle West Measured Generation Growth Plan

<u>Commercial Operation</u>	<u>New Facilities</u>	<u>MWs</u>
2001	West Phoenix 4	120
2002	Redhawk 1 and 2	1,060
2002	Saguaro CT 3	80
2003	West Phoenix 5	530
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2004	Silverhawk	570
2006/2007	Redhawk 3 and 4	1,060

Pinnacle West Power Marketing and Trading Objectives

- **Provide sufficient capacity, energy and ancillary services to meet native load obligations**
- **Procure fuel for generation plants to maximize value**
- **Manage commodity price risk to ensure financial performance of the enterprise**
- **Contribute profitability within disciplined risk parameters**

Continuing Challenges

- **Market Liquidity**
- **Regulatory Developments**
- **Development of RTOs**
- **Accounting Issues**