

The logo for Pinnacle West Capital Corporation features the company name in a white serif font. 'PINNACLE WEST' is in a larger font size than 'CAPITAL CORPORATION'. The text is centered within a dark green, stylized geometric shape that resembles a jagged letter 'W' or a series of connected lines. The background of the slide is a dark green with a subtle, glowing, wavy pattern.


PINNACLE WEST
CAPITAL CORPORATION

Deutsche Bank Securities, Inc.
2002 Electric Power Conference

Michael V. Palmeri
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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.



Managing and Succeeding ... in Today's Changing Industry

Discussion Topics

- **Business overview**
- **Major forces impacting our industry**
 - **Regulatory**
 - **Marketplace and illiquidity**
 - **Headline risks - credibility**
- **Financial performance**

Pinnacle West

Generates, sells and delivers electricity and energy related products and services to retail and wholesale customers in the western United States

<i>Twelve Months Ended March 31, 2002</i>	
Assets	\$8.2 billion
Revenues	\$4.2 billion
Retail customers	900,402
Peak load	5,687 MW
Generation capacity*	5,235 MW

* Reflects 2002 generation additions

Pinnacle West's Sustainable Business Model

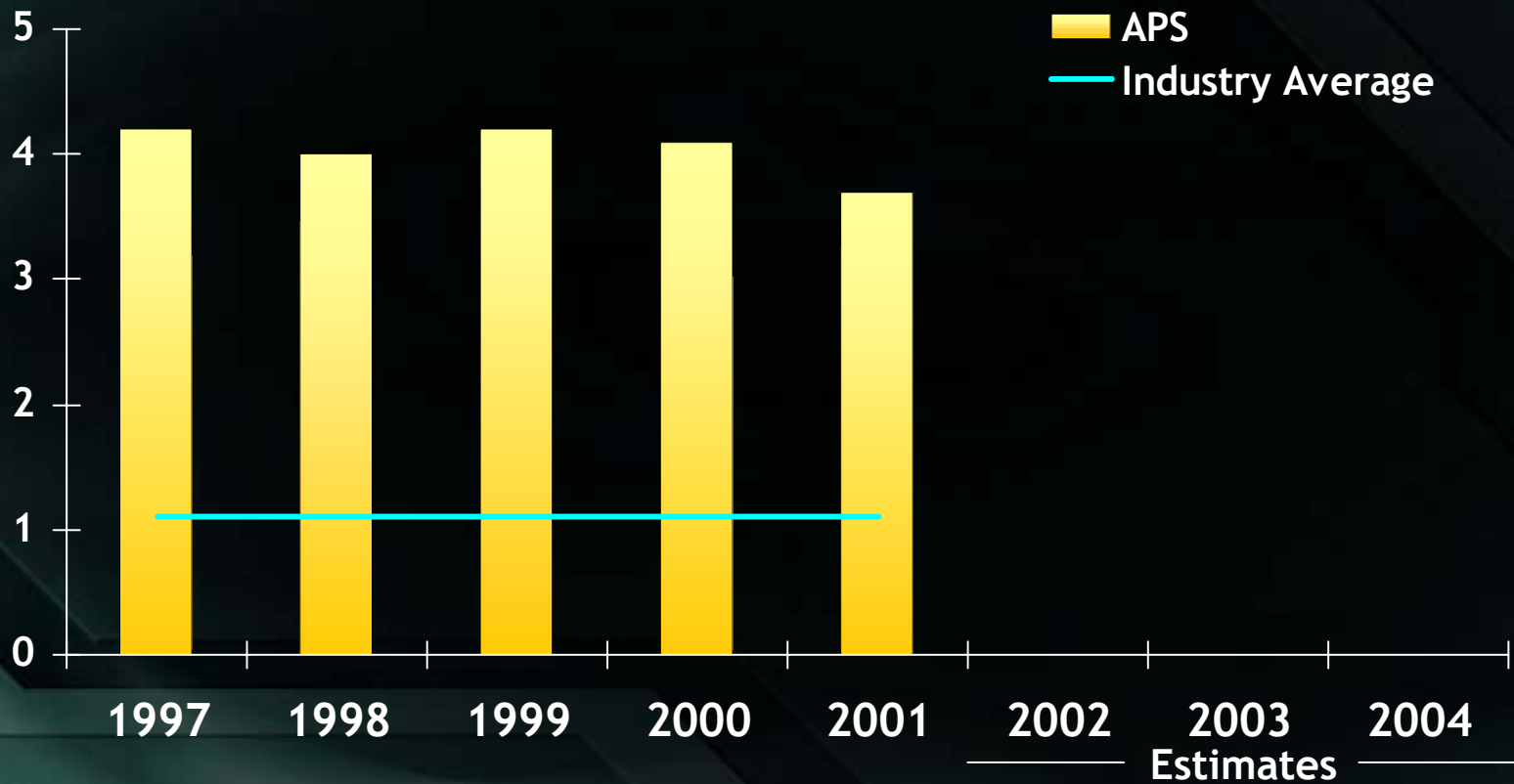
- Deliver superior combined earnings and dividend growth
- Provide retail electricity customers reliable energy at stable prices
- Capture retail electric growth opportunities and capitalize on opportunities in Western markets
- Build our generation portfolio consistent with our native load, cash flow and market conditions
- Maintain discipline to focus on our long-term goals while remaining agile

Pinnacle West Competitive Strengths

- **Consistent strategic direction**
- **Integrated platform**
- **Disciplined generation growth plan**
- **High growth western markets**
- **Solid core customer growth**
- **Strong financial performance**

Superior Retail Customer Growth

Percent



Superior Retail Customer Growth

Percent

