
Financing Plans

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PINNACLE WEST
CAPITAL CORPORATION

PNW Consolidated Long-Term Debt at 9/30/02

<u>Type</u>	<u>Amount</u>	<u>% of Total</u>
FMB's	\$ 251M	7%
Unsecured	2,232M	66%
Tax-exempt*	656M	19%
Total B/S Debt	3,139M	92%
SLOB Debt	285M	8%
Total LT Debt	<u>\$3,424M</u>	<u>100%</u>

Weighted Average Interest Rate 5.6%

Weighted Average Years to Maturity 9.6

* \$179M of tax-exempt debt backed by FMB's

PNW Long-Term Debt by Subsidiary at 9/30/02

Type	APS	PNW	SunCor	Total
FMB's	\$ 251M	\$ -	\$ -	\$ 251M
Unsecured	1,301M	791M	140M	2,232M
Tax-exempt*	656M	-	-	656M
Total B/S Debt	2,208M	791M	140M	3,139M
SLOB Debt	285M	-	-	285M
Total LT Debt	<u>\$2,493M</u>	<u>\$ 791M</u>	<u>\$ 140M</u>	<u>\$3,424M</u>
Weighted Average Interest Rate	6.0%	4.8%	4.4%	5.6%
Weighted Average Years to Maturity	12.3	2.0	3.6	9.6

* \$179M of tax-exempt debt backed by FMB's

Short-term Debt

	<u>Balance at 9/30/02</u>	<u>Capacity</u>
PNW		
Commercial Paper	\$206M	\$250M
Uncommitted Bank Lines	\$ 35M	
\$300M Bank Loan	\$ 45M	\$300M
APS		
Commercial Paper	\$ 25M	\$250M

Pinnacle West - Bridge Debt

<u>Issued</u>	<u>Size at Issuance</u>	<u>Rate</u>	<u>Maturity</u>
8/8/01	\$ 250M	Libor +98	8/1/03
2/8/02	\$ 215M	4.5%	2/9/04
7/31/02	<u>\$ 300M*</u>	Libor +85	7/30/03
Total	<u><u>\$ 765M</u></u>		

* Expect to draw entire \$300M by July 2003 unless refinanced early

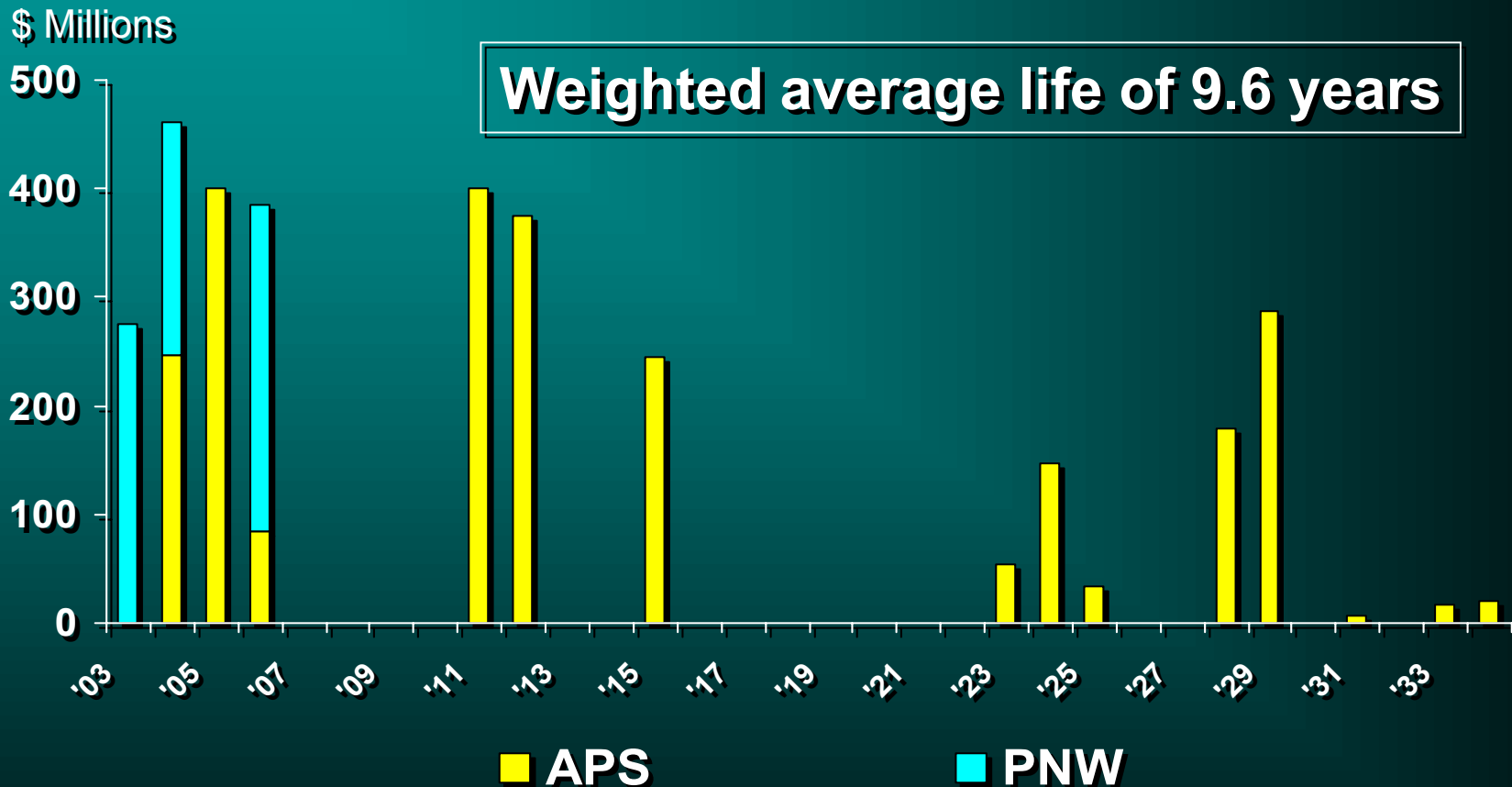
Pinnacle West Capital Corporation Activity Since June 30, 2002

Description	\$300 million bank facility
Term	364 day due 7/30/03
Rate	Libor +85
Purpose	Fund 2002 & 2003 generation expansion and general corporate purposes

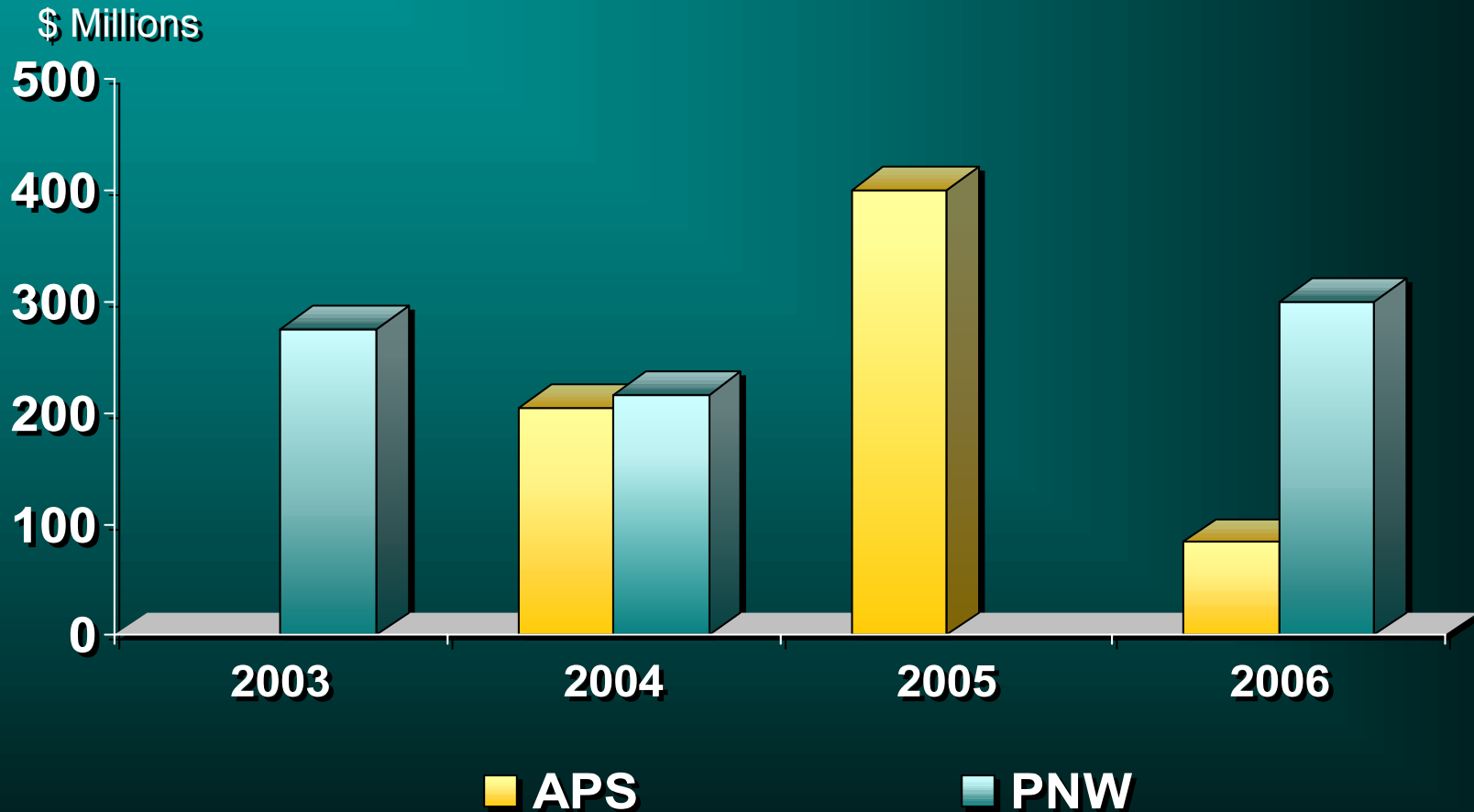
Pinnacle West Bridge Debt Repayment

- **ACC financing application**
 - **APS \$500M inter-company loan and/or guarantee**
- **SunCor dividends**

Maturity Profile of Long-Term Debt



Long-Term Debt Mandatory Redemptions



APS Mortgage

<u>Security</u>	<u>Amount</u>	<u>Callable</u>
8.0% FMB due 2025	\$ 33M	2/03
7.25% FMB due 2023	54M	8/03
5.5% Tax-exempt FMB	25M	8/03
5.875% Tax-exempt FMB	154M	8/03
6.625% FMB due 2004	80M	Matures 3/04
6.75% Fall-away bonds due 2006	84M	-
Total	<u><u>\$430M</u></u>	

2003 & 2004 Financing Needs - Capital Markets

■ PNW

- Bridge debt refinancing
 - \$550M around August 1, 2003
 - \$215M in February 2004
- \$25M private placement note in December 2003
- Current debt shelf capacity - \$200M

■ APS

- \$125M unsecured note mandatory redemption in February 2004
- \$80M FMB mandatory redemption in March 2004
- Current debt shelf capacity - \$500M

2003 & 2004 Financing Needs - Bank Markets

■ PNW commercial paper backup

- \$125M 364-day revolver renewal each November**
- \$125M 3-year revolver renewal in November 2004**

■ APS

- \$250M revolver renewal in June 2003
(commercial paper backup)**
- Tax-exempt PC Bonds**
 - \$208M LOC renewals in 2003**
 - \$127M annual put bond maturities in 2003**

PNW Bank Group

- **Financially sound**
- **A diverse group of lenders**
 - **Size**
 - **Type**
 - **Services provided**
 - **Countries of origin**
- **Strong bank relationships**

Bank Agreements - Other Terms & Conditions

- **Covenants**
 - **Debt to capital test**
 - **Cash interest coverage test**
- **Material adverse change (MAC) clauses**
- **No ratings triggers**
- **Off-balance sheet financing limited to 1986 Palo Verde 2 sale/leaseback**

Financing Focus

- **Investment grade ratings**
- **Continued access to capital and bank markets**
- **Strong cash flow and coverages**