
Generation Operations

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**Analyst Conference
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**PINNACLE WEST
CAPITAL CORPORATION**

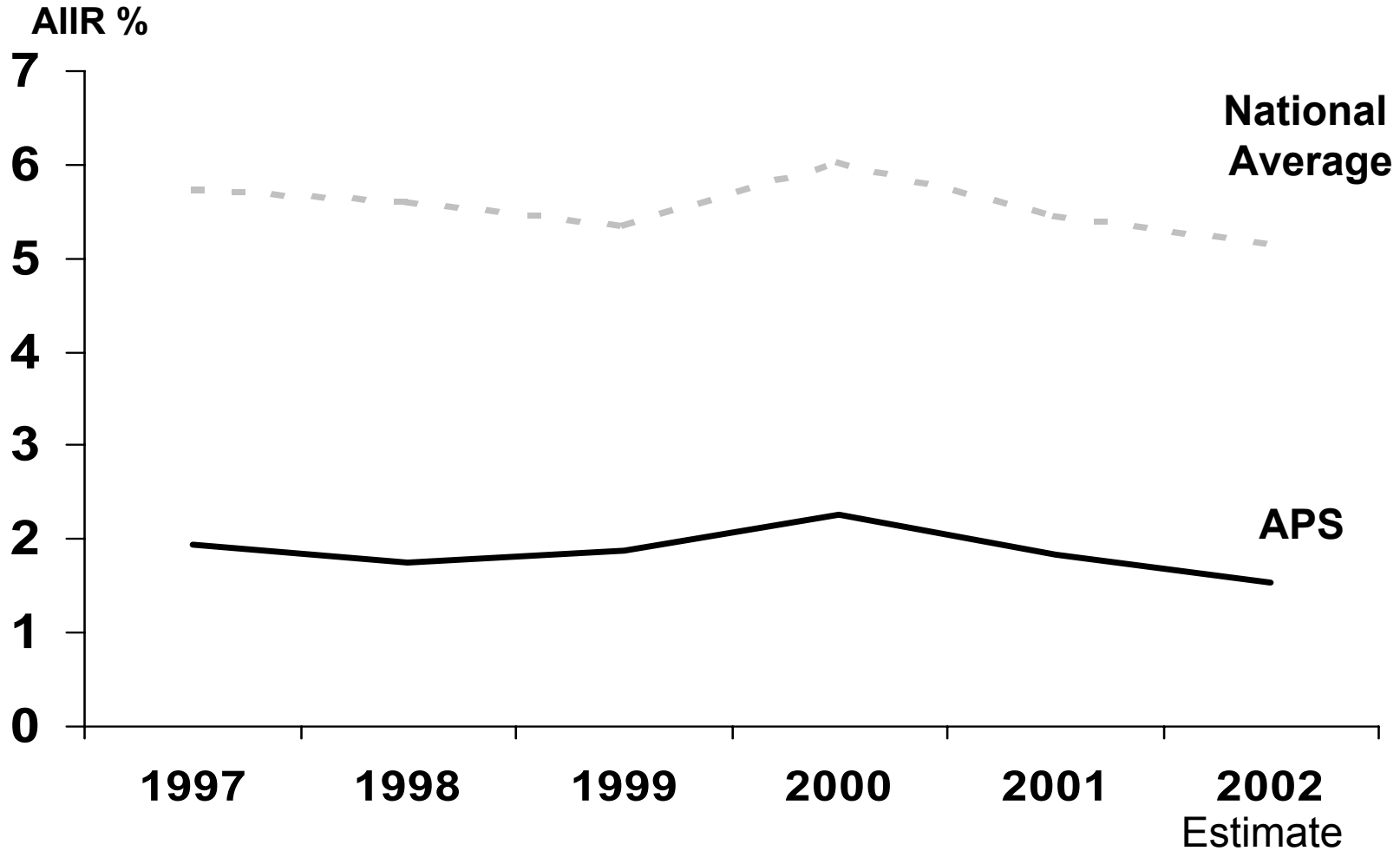
Agenda

- **Operational excellence**
- **Cost management**
- **Industry comparisons**
- **Summary**

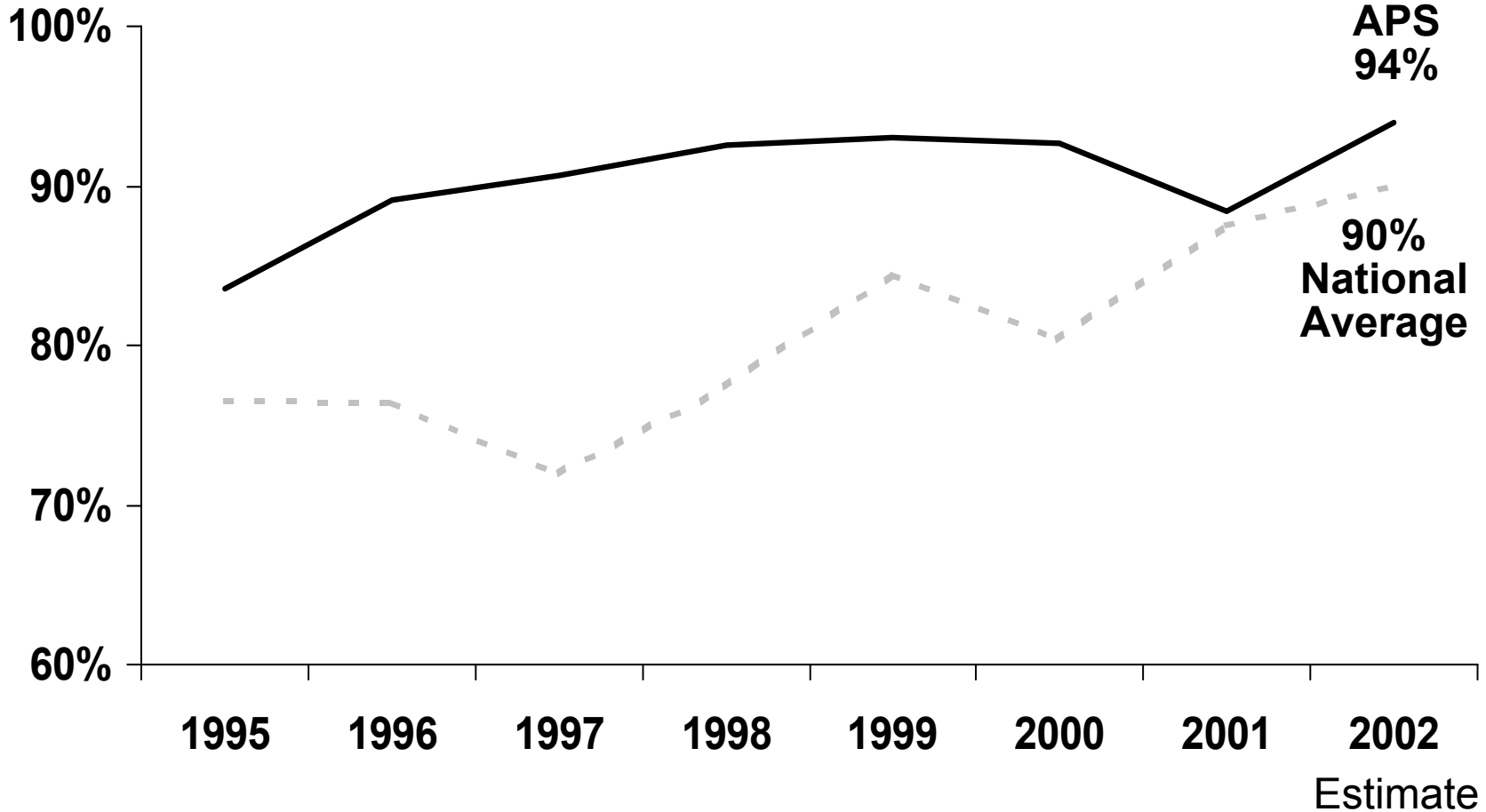
2002 Performance Highlights

- **PV Unit 1 breaker to breaker run: 502 days**
- **All nuclear units consecutive operation: record 163 days**
- **No forced or unplanned nuclear outages**
- **Coal availability at record levels**
- **Gas units availability at 85% for past three years**

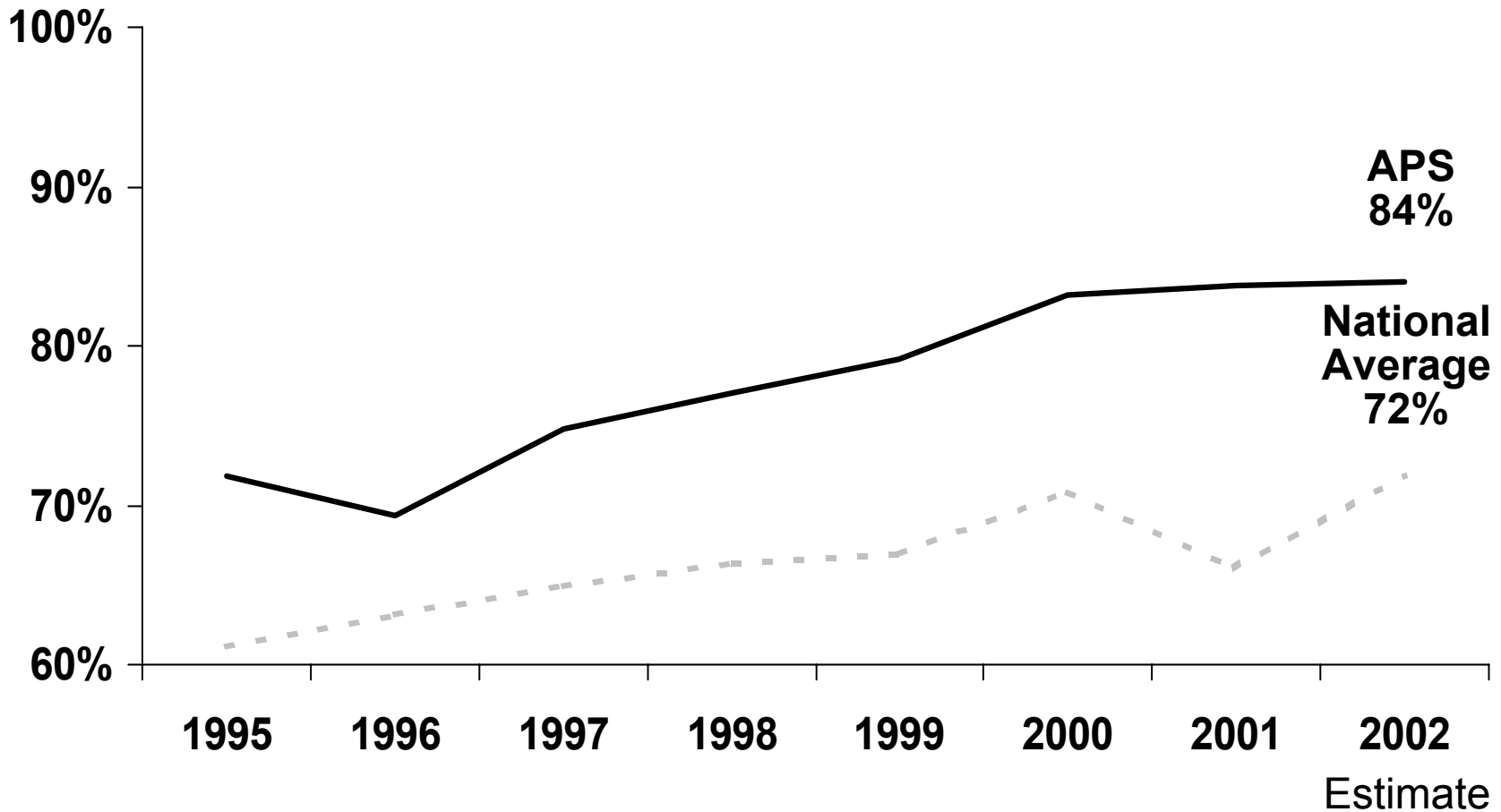
Safety Performance



Nuclear Capacity Factors



Coal Capacity Factors

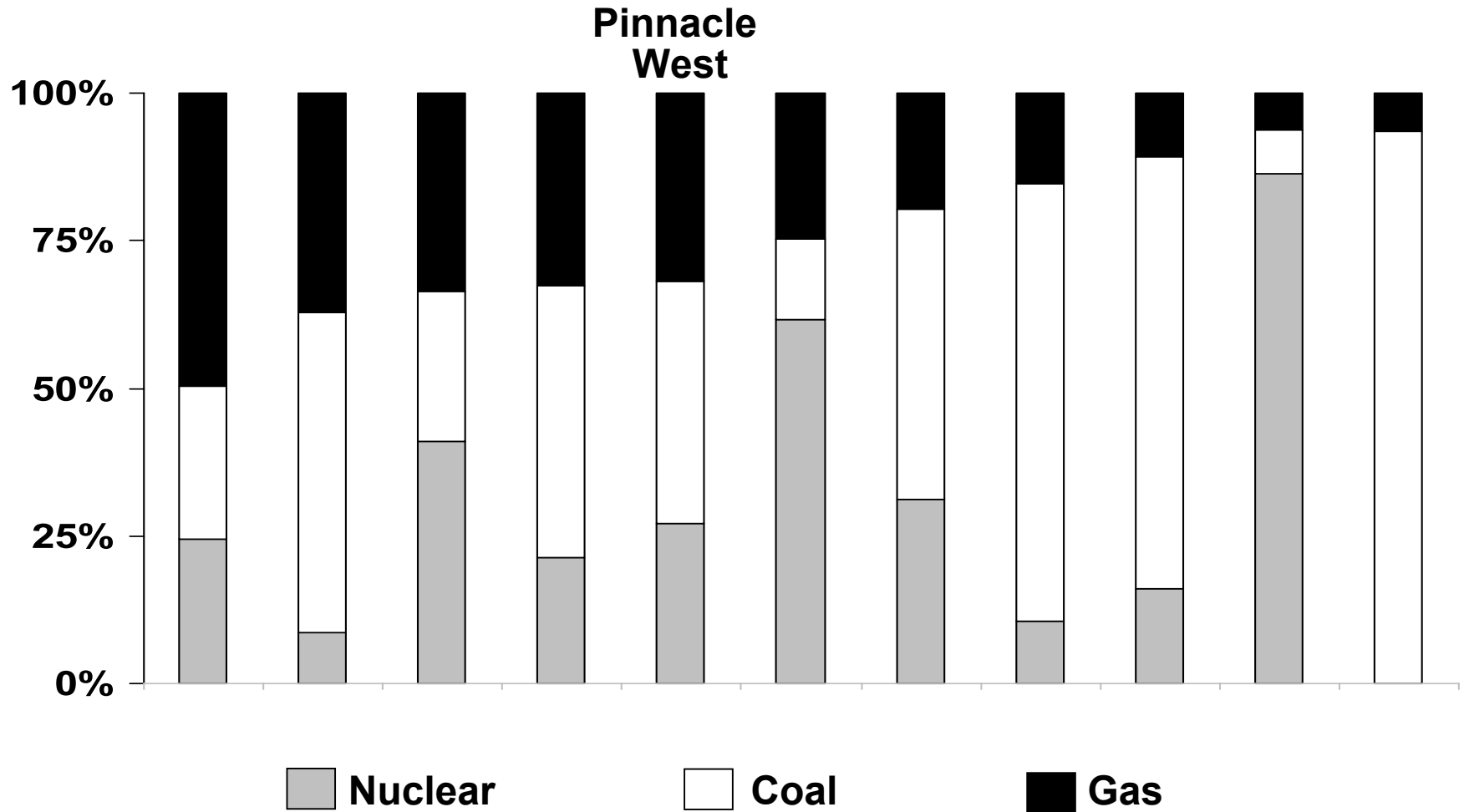


New Gas Unit Performance *

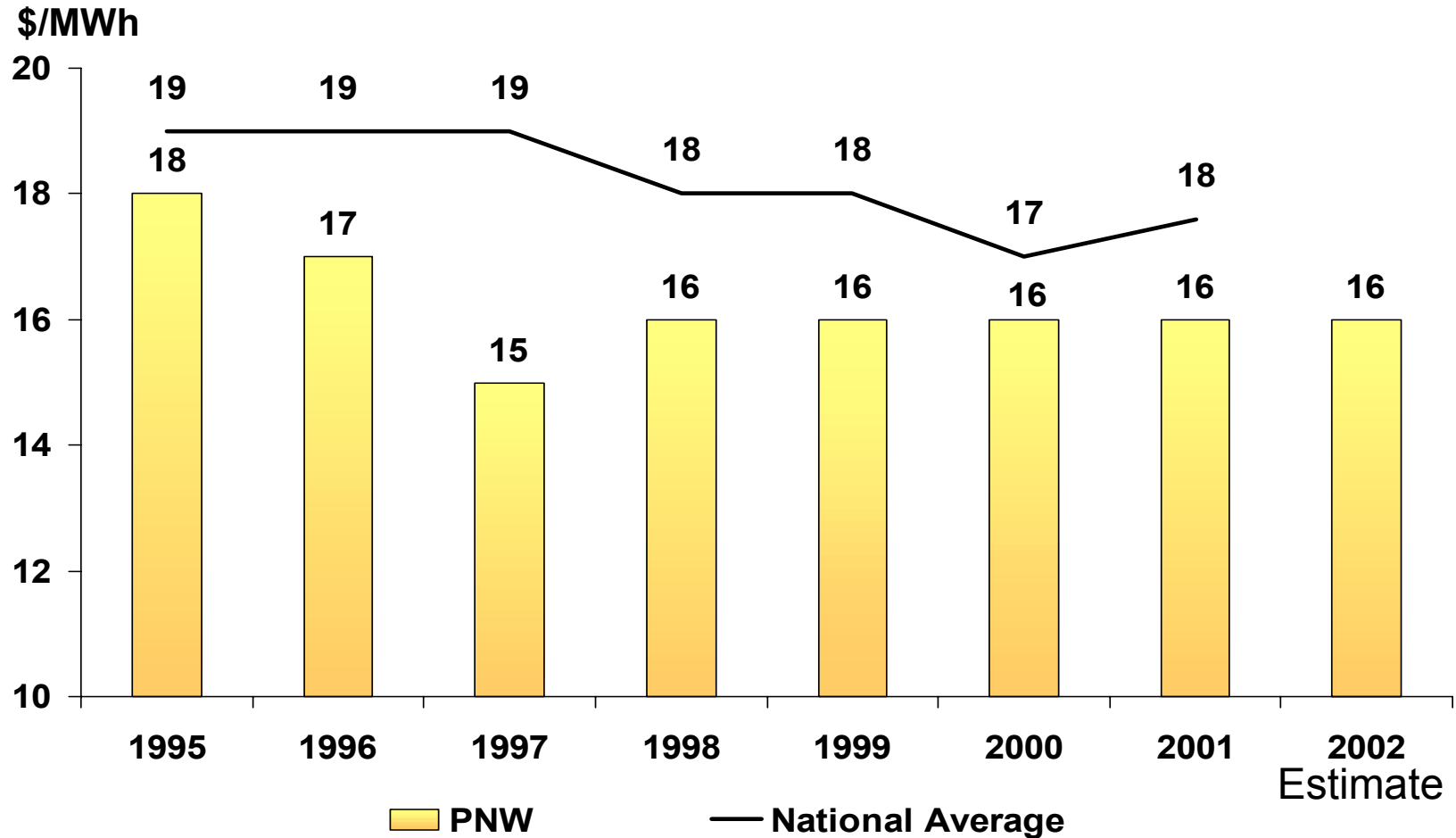
	<u>Capacity Factor</u>	<u>Availability Factor</u>
W. Phoenix CC 4	61	95
Saguaro CT 3	24	100
Redhawk CC 1	76	89
Redhawk CC 2	42	54

* actual results since commercial date

Pinnacle West Fuel Mix - 2004



Coal and Nuclear Production Cost

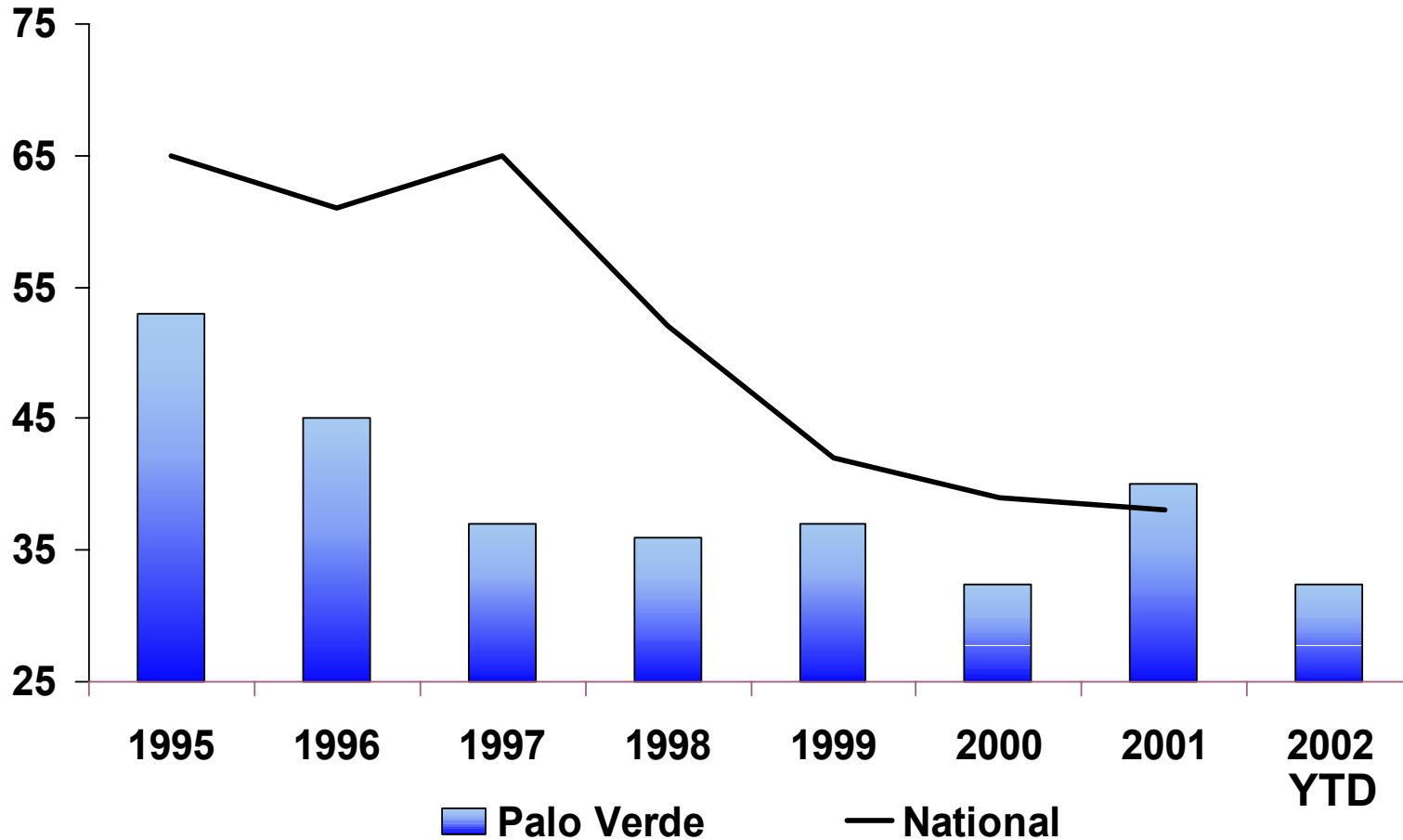


Disciplined Cost Management

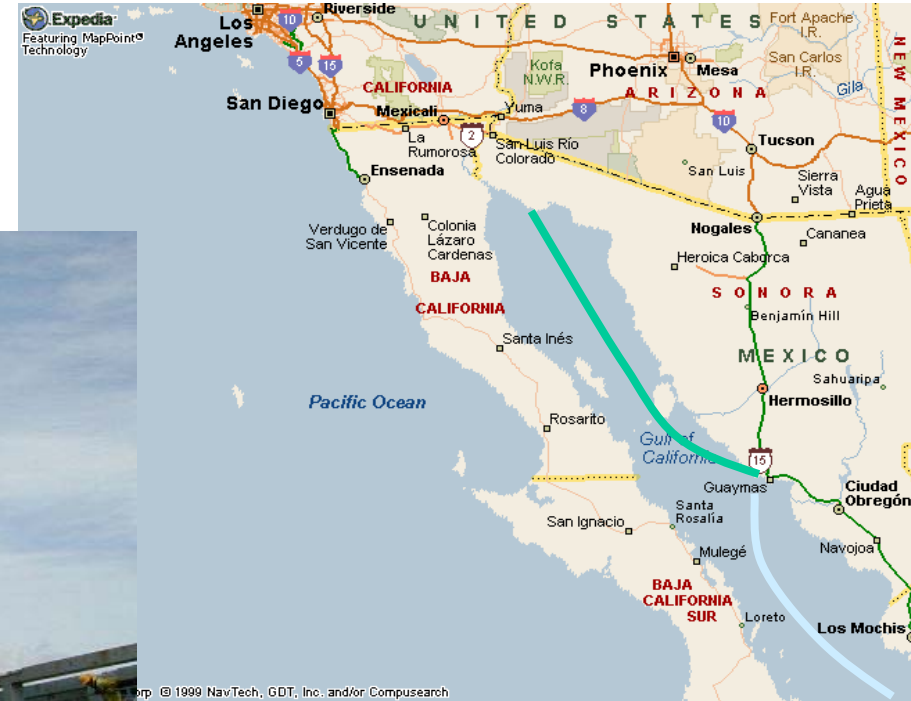
- **Planned outage cycles / duration**
- **Workforce cross training / flexibility**
- **Preventive / predictive maintenance**
- **Capital / economic justification**

Palo Verde Refueling Vs National

Avg. days
per outage



New Steam Generators



Guaymas, Mexico

Summary

- **Maintain operational excellence**
- **Continue cost management strategies**
- **Sustain industry benchmarking**
- **Support environmental initiatives**
 - **Fuel mix**