

Pinnacle West Capital Corporation
Arizona Public Service Company

NON-GAAP FINANCIAL MEASURE RECONCILIATION
NET INCOME ATTRIBUTABLE TO COMMON SHAREHOLDERS
(GAAP MEASURE) TO ON-GOING EARNINGS (NON-GAAP FINANCIAL MEASURE)

	Three Months Ended		Three Months Ended	
	September 30, 2009		September 30, 2008	
	\$ in	Diluted	\$ in	Diluted
	Millions	EPS	Millions	EPS
Pinnacle West Capital Corporation				
Net income attributable to common shareholders	\$ 186.7	\$ 1.84	\$ 151.6	\$ 1.50
Adjustments:				
Real estate segment	12.4	0.12	6.0	0.06
Severance costs	-	-	3.5	0.03
On-going earnings	<u>\$ 199.1</u>	<u>\$ 1.96</u>	<u>\$ 161.1</u>	<u>\$ 1.59</u>
Arizona Public Service Company				
Net income	\$ 197.1		\$ 159.8	
Adjustment:				
Severance costs	-		3.5	
On-going earnings	<u>\$ 197.1</u>		<u>\$ 163.3</u>	