

PINNACLE WEST CAPITAL CORP

Form 8-K

April 29, 2008

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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

**FORM 8-K  
CURRENT REPORT**

**Pursuant to Section 13 or 15(d) of the  
Securities Exchange Act of 1934**

**Date of Report (Date of earliest event reported): March 31, 2008**

Commission File Number	Exact Name of Registrant as Specified in Charter; State of Incorporation; Address and Telephone Number	IRS Employer Identification Number
1-8962	Pinnacle West Capital Corporation (an Arizona corporation) 400 North Fifth Street, P.O. Box 53999 Phoenix, AZ 85072-3999 (602) 250-1000	86-0512431
1-4473	Arizona Public Service Company (an Arizona corporation) 400 North Fifth Street, P.O. Box 53999 Phoenix, AZ 85072-3999 (602) 250-1000	86-0011170

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

This combined Form 8-K is separately filed by Pinnacle West Capital Corporation and Arizona Public Service Company. Each registrant is filing on its own behalf all of the information contained in this Form 8-K that relates to such registrant and, where required, its subsidiaries. Except as stated in the preceding sentence, neither registrant is filing any information that does not relate to such registrant, and therefore makes no representation as to any such information.

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**Item 2.02. Results of Operations and Financial Condition**

On April 29, 2008, Pinnacle West Capital Corporation (the Company or Pinnacle West ) issued a press release regarding its financial results for its fiscal quarter ended March 31, 2008. A copy of the press release is attached hereto as Exhibit 99.9.

Certain of the Information referenced in Item 7.01 below relates to the Company s results of operations for its fiscal quarter ended March 31, 2008. This Information is attached hereto as Exhibits 99.2, 99.3, 99.7 and 99.9.

**Item 7.01. Regulation FD Disclosure  
Financial and Business Information**

The Company is providing quarterly consolidated statistical summaries, earnings variance explanations, and a glossary of relevant terms (collectively, Information ) to help interested parties better understand its business (see Exhibits 99.1, 99.2, 99.3, 99.4, 99.5, 99.6, 99.7 and 99.8). This Information is concurrently being posted to the Company s website at [www.pinnaclewest.com](http://www.pinnaclewest.com). The Information may not represent all of the factors that could affect the Company s operating or financial results for various periods. Some of the Information is preliminary in nature and could be subject to significant adjustment. Some of the Information is based on information received from third parties and may contain inaccuracies. The Company is not responsible for any such inaccuracies. Although the Company may update or correct the Information if it is aware that such Information has been revised or is inaccurate, the Company assumes no obligation to update or correct the Information and reserves the right to discontinue the provision of all or any portion of the Information at any time or to change the type of Information provided.

**2008 Earnings Outlook**

In this discussion, earnings per share amounts are after income taxes and are based on diluted common shares outstanding. The earnings guidance in this Form 8-K supersedes all previous earnings guidance provided by Pinnacle West. Our earnings forecasts are subject to numerous risks, including those described under Forward-Looking Statements below.

We currently estimate that our consolidated earnings for 2008 will be within a reasonable range of \$2.50 per share. Although our current estimate is consistent with our previous guidance, it reflects changes in certain components. We currently estimate that Arizona Public Service Company ( APS ) will contribute substantially all of the 2008 earnings. We estimate that APS 2008 earnings will be higher than previously expected for a number of reasons, including but not limited to: increased wholesale revenues, favorable first-quarter 2008 weather, favorable mark-to-market valuations related to fuel hedges, favorable resolutions of various tax matters, and an assumed mid-2008 transmission revenue increase. We expect these favorable effects will be partially offset by lower customer growth reflecting economic conditions. As a result of the weak real estate market, we currently estimate that the 2008 earnings contribution by SunCor Development Company ( SunCor ) will be minimal.

For information on our prior 2008 guidance, see the Pinnacle West/APS Current Report on Form 8-K filed with the Securities and Exchange Commission on January 30, 2008. For information on transmission revenue increases, see Rate Requests for Transmission and Ancillary Services in Note 3 of Notes to Consolidated Financial Statements in the Pinnacle West/APS Annual Report on Form 10-K for the fiscal year ended December 31, 2007.

**Forward-Looking Statements**

Our earnings forecasts are subject to numerous risks, including those described below. This Form 8-K contains forward-looking statements regarding our 2008 earnings outlook. Neither the Company nor APS assumes any obligation to update these statements or make any further statements on any of these issues, except as required by applicable law. Because actual results may differ materially from expectations, we caution 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 Pinnacle West or APS. In addition to the Risk Factors described in Item 1A of the Pinnacle West/APS Annual Report on Form 10-K for the fiscal year ended December 31, 2007, these factors include, but are not limited to, state and federal regulatory and legislative decisions and actions, including the outcome or timing of the rate case filed with the ACC on March 24, 2008; the outcome of regulatory, legislative and judicial proceedings, both current and future, relating to the restructuring of the electric industry and environmental matters (including those related to climate change); the ongoing restructuring of the electric industry, including decisions impacting wholesale competition and the introduction of retail electric competition in Arizona;

fluctuations in market prices for electricity, natural gas, coal, uranium and other fuels used in our generating facilities, and supplies of such commodities; volatile market liquidity, any deteriorating counterparty credit and the use of derivative contracts in our business (including the interpretation of the subjective and complex accounting rules related to these

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contracts); power plant performance and outages; transmission outages and constraints; weather variations affecting local and regional customer energy usage; customer growth and energy usage; regional economic and market conditions, including the results of litigation and other proceedings resulting from the California and Pacific Northwest energy situations, volatile fuel and purchased power costs, and the completion of generation and transmission construction in the region, which could affect customer growth and the cost of power supplies; ability of power plant participants to meet contractual or other obligations; the cost of debt and equity capital and access to capital markets; current credit ratings remaining in effect for any given period of time; our ability to compete successfully outside traditional regulated markets (including the wholesale market); changes in accounting principles generally accepted in the United States of America and the interpretation of those principles; the performance of the stock market and the changing interest rate environment, which affect the value of our nuclear decommissioning trusts, pension and other postretirement benefit plan assets, the amount of required contributions to Pinnacle West's pension plan and contributions to APS' nuclear decommissioning trust funds, as well as the reported costs of providing pension and other postretirement benefits; technological developments in the electric industry; the strength of the real estate market in SunCor's market areas, which include Arizona, Idaho, New Mexico and Utah; and other uncertainties, all of which are difficult to predict and many of which are beyond the control of Pinnacle West and APS.

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**(d) Exhibits.****Exhibit**

<b>No.</b>	<b>Registrant(s)</b>	<b>Description</b>
99.1	Pinnacle West APS	Pinnacle West Capital Corporation quarterly consolidated statistical summary (cover page and list of contents).
99.2	Pinnacle West APS	Pinnacle West Capital Corporation quarterly consolidated statistical summary for the three-month periods ended March 31, 2008 and 2007.
99.3	Pinnacle West APS	Pinnacle West Capital Corporation consolidated statistics by quarter for 2008.
99.4	Pinnacle West APS	Pinnacle West Capital Corporation consolidated statistics by quarter for 2007.
99.5	Pinnacle West APS	Pinnacle West Capital Corporation consolidated statistics by quarter for 2006.
99.6	Pinnacle West APS	Pinnacle West Capital Corporation consolidated statistics by quarter for 2005.
99.7	Pinnacle West APS	Pinnacle West Capital Corporation earnings variance explanations for the three months ended March 31, 2008 and 2007 and unaudited condensed consolidated statements of income for the three months ended March 31, 2008 and 2007.
99.8	Pinnacle West APS	Glossary of Terms.
99.9	Pinnacle West APS	Earnings News Release issued on April 29, 2008.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, each registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

PINNACLE WEST CAPITAL  
CORPORATION  
(Registrant)

Dated: April 29, 2008

By: /s/ Donald E. Brandt  
Donald E. Brandt  
President and Chief Operating Officer

ARIZONA PUBLIC SERVICE COMPANY  
(Registrant)

Dated: April 29, 2008

By: /s/ Donald E. Brandt  
Donald E. Brandt  
President and Chief Executive Officer

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