

Falck David P  
 Form 4  
 February 23, 2011

**FORM 4**

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

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
 Falck David P

2. Issuer Name and Ticker or Trading Symbol  
 PINNACLE WEST CAPITAL CORP [PNW]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)  
 400 N. 5TH STREET  
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)  
 02/18/2011

\_\_\_\_ Director \_\_\_\_\_ 10% Owner  
 Officer (give title below) \_\_\_\_\_ Other (specify below)  
 EVP, GC & Secy

PHOENIX, AZ 85004

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)  
 Form filed by One Reporting Person  
 Form filed by More than One Reporting Person

(City) (State) (Zip)

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

| 1. Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. Transaction Code (Instr. 8) | 4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) | 5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
|                                 |                                      |  | Code                           | V Amount (A) or (D) Price   |   |  |                                   |
| Common Stock                    | 02/18/2011                           |  | M                              | 3,250 A 6.773   |   | D  |                                   |
| Common Stock                    | 02/18/2011                           |  | F(2)                           | 1,302 D \$ 41.88  | 5,471   | D  |                                   |
| Common Stock                    | 02/18/2011                           |  | M                              | 3,250 A 8.721   |   | D  |                                   |
| Common Stock                    | 02/18/2011                           |  | F(2)                           | 1,302 D \$ 41.88  | 7,419   | D  |                                   |
| Common Stock                    | 02/18/2011                           |  | M                              | 2,331 A 9.750   |   | D  |                                   |

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|              |            |                  |     |   |          |       |   |           |
|--------------|------------|------------------|-----|---|----------|-------|---|-----------|
| Common Stock | 02/18/2011 | F <sup>(2)</sup> | 934 | D | \$ 41.88 | 8,816 | D |           |
| Common Stock | 02/18/2011 | A                | 151 | A | 4        | 8,967 | D |           |
| Common Stock | 02/18/2011 | F <sup>(2)</sup> | 61  | D | \$ 41.88 | 8,906 | D |           |
| Common Stock |            |                  |     |   |          | 1,165 | I | by 401(k) |

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

**Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.**

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(9-02)

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned**  
(e.g., puts, calls, warrants, options, convertible securities)

| 1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transaction Code (Instr. 8) | 5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | 6. Date Exercisable and Expiration Date (Month/Day/Year) | 7. Title and Amount of Underlying Securities (Instr. 3 and 4) | 8. Pr Deriv Secur (Instr. 3 and 4) |                            |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|------------------------------------|----------------------------|
|  |  |                                      |  | Code                           | V (A) (D)   | Date Exercisable   | Expiration Date   | Title                              | Amount or Number of Shares |
| Restricted Stock Units                     | (1)  | 02/18/2011                           |  | M                              | 3,250   | (5)  | (5)   | Common Stock                       | 3,250                      |
| Restricted Stock Units                     | (1)  | 02/18/2011                           |  | M                              | 3,250   | (6)  | (6)   | Common Stock                       | 3,250                      |
| Restricted Stock Units                     | (3)  | 02/18/2011                           |  | M                              | 2,331   | (7)  | (7)   | Common Stock                       | 2,331                      |

## Reporting Owners

Reporting Owner Name / Address

Relationships

Director 10% Owner Officer Other

EVP, GC & Secy

Falck David P  
400 N. 5TH STREET  
PHOENIX, AZ 85004

## Signatures

/s/ Diane Wood,  
Attorney-in-Fact

02/22/2011

\_\_Signature of Reporting Person

Date

## Explanation of Responses:

- \* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).
- \*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) Each Restricted Stock Unit represents a contingent right to receive one share of the Company's common stock or the cash equivalent.
- (2) The minimum number of shares was retained by the Company solely for the purpose of meeting tax withholding requirements. The recipient retained all other shares.
- (3) Each Restricted Stock Unit represents a contingent right to receive common stock or 50% cash and 50% common stock.
- (4) Represents shares of common stock received by the recipient in settlement of dividend rights payable in common stock and granted in connection with the Restricted Stock Units granted in 2010.
- (5) The Restricted Stock Units award was granted and effective in July 2009, and vests in three equal, annual installments beginning on February 20, 2010. Since February 20, 2011 was a Sunday, the Restricted Stock Units were released on February 18, 2011
- (6) The Restricted Stock Units award was granted and effective in July 2009, and vests in four equal, annual installments beginning on February 20, 2010. Since February 20, 2011 was a Sunday, the Restricted Stock Units were released on February 18, 2011.
- (7) The Restricted Stock Units award was granted and effective in January 2010, and vests in four equal, annual installments beginning on February 20, 2011. Since February 20, 2011 was a Sunday, the Restricted Stock Units were released on February 18, 2011.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.