

Pinnacle West Capital Corporation
Consolidated Statement of Income
(Dollars in Thousands, Except Per Share Amounts)
(Unaudited)

	Year Ended December 31,	
	1999	1998
Operating Revenues		
Electric	\$2,293,184	\$2,006,398
Real estate	130,169	124,188
Total	2,423,353	2,130,586
Operating Expenses		
Fuel and purchased power	796,109	545,297
Utility operations and maintenance	446,777	419,433
Real estate operations	119,516	115,331
Depreciation and amortization	385,568	379,679
Taxes other than income taxes	96,606	103,718
Total	1,844,576	1,563,458
Operating Income	578,777	567,128
Other Income (Expense)		
Preferred stock dividend requirements of APS	(1,016)	(9,703)
Net other income and expense	10,793	609
Total	9,777	(9,094)
Income Before Interest and Income Taxes	588,554	558,034
Interest Expense		
Interest charges	162,381	169,145
Capitalized interest	(11,664)	(18,596)
Total	150,717	150,549
Income From Continuing Operations Before Income Taxes	437,837	407,485

Income Taxes	168,065	164,593
Income From Continuing Operations	269,772	242,892
Income tax benefit from discontinued operations	38,000	--
Extraordinary charge - net of income taxes of \$94,115	(139,885)	--
Net Income	\$ 167,887	\$ 242,892
Average Common Shares Outstanding - Basic	84,717,135	84,774,218
Average Common Shares Outstanding - Diluted	85,008,527	85,345,946
Earnings Per Average Common Share Outstanding		
Continuing operations - basic	\$ 3.18	\$ 2.87
Net income - basic	1.98	2.87
Continuing operations - diluted	3.17	2.85
Net income - diluted	1.97	2.85
Dividends Declared Per Share	\$ 1.325	\$ 1.225

Certain prior year amounts have been restated to conform to the 1999 presentation.