

PINNACLE WEST CAPITAL CORP  
 Form 4  
 November 02, 2006

**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 \*  
 LOFTIN NANCY C

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)  
 10/31/2006

\_\_\_\_ Director \_\_\_\_\_ 10% Owner  
 Officer (give title below) \_\_\_\_\_ Other (specify below)  
 V.P., General Counsel & Secy

PHOENIX, AZ 85004  
 (City) (State) (Zip)

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

**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 Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price
Common Stock	10/31/2006		M		5,500	A	\$ 39.75
Common Stock	10/31/2006		S <sup>(1)</sup>		5,018	D	\$ 47.77
Common Stock	10/31/2006		M		10,750	A	\$ 38.37
Common Stock	10/31/2006		S <sup>(1)</sup>		9,591	D	\$ 47.77
Common Stock	10/31/2006		M		3,958	A	\$ 32.29

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Common Stock	10/31/2006		<u>S</u> <sup>(1)</sup>	3,256	D	\$ 47.77	20,050	D	
Common Stock							3,606	I	by 401(k)

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

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**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)	Amount or Number of Shares	
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	
Employee Stock Option (Right to Buy)	\$ 39.75	10/31/2006		M	5,500	<u>(2)</u> 12/16/2007	Common Stock	5,500	
Employee Stock Option (Right to Buy)	\$ 38.37	10/31/2006		M	10,750	<u>(3)</u> 06/18/2012	Common Stock	10,750	
Employee Stock Option (Right to Buy)	\$ 32.29	10/31/2006		M	3,958	<u>(4)</u> 03/17/2013	Common Stock	3,958	

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
LOFTIN NANCY C 400 N. 5TH STREET			V.P., General Counsel & Secy	

PHOENIX, AZ 85004

## Signatures

/s/ Nancy C.

11/02/2006

Loftin

\_\_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) An approximate minimum number of shares were sold solely for the purpose of meeting tax withholding and option exercise requirements and to satisfy broker commissions. Ms. Loftin retained all other shares received upon the noted option exercises.
- (2) The option became exercisable one third of the grant per year commencing on 12/17/1998.
- (3) The option became exercisable one third of the grant per year commencing on 06/19/2003.
- (4) The option became exercisable one third of the grant per year commencing on 03/18/2004.

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.