FLORES ARMANDO B

Form 4

December 15, 2006

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Check this box if no longer subject to Section 16.

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF Form 4 or

Form 5 obligations may continue. See Instruction

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

1(b).

(Print or Type Responses)

1. Name and Address of Reporting Person *

FLORES ARMANDO B

2. Issuer Name and Ticker or Trading Symbol

PINNACLE WEST CAPITAL CORP [PNW]

(Last) (First) (Middle)

400 N. 5TH STREET

(Street)

3. Date of Earliest Transaction

(Month/Day/Year) 12/13/2006

4. If Amendment, Date Original

Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to

Issuer

(Check all applicable)

OMB

Number:

Expires:

response...

Estimated average

burden hours per

OMB APPROVAL

3235-0287

January 31,

2005

0.5

Director 10% Owner Officer (give title __X_ Other (specify

below) below)

Executive V.P., APS

6. Individual or Joint/Group Filing(Check

Applicable Line)

X Form filed by One Reporting Person Form filed by More than One Reporting

Person

PHOENIX, AZ 85004

(City) (State) (Zip)

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

1.Title of Security (Instr. 3)

2. Transaction Date 2A. Deemed (Month/Day/Year)

Execution Date, if (Month/Day/Year)

Code

3. 4. Securities TransactionAcquired (A) or Disposed of (D) (Instr. 3, 4 and 5) (Instr. 8)

5. Amount of Securities Beneficially Owned Following

6. Ownership Form: Direct (D) or Indirect Beneficial (I) (Instr. 4)

7. Nature of Indirect Ownership (Instr. 4)

Reported Transaction(s) (Instr. 3 and 4)

Code V Amount (D) Price

(A)

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

Persons who respond to the collection of SEC 1474 information contained in this form are not (9-02)required to respond unless the form displays a currently valid OMB control number.

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

1. Title of Derivative Security

Conversion or Exercise

3. Transaction Date 3A. Deemed (Month/Day/Year) Execution Date, if

any

4. 5. Number Transaction of Derivative Expiration Date Code Securities

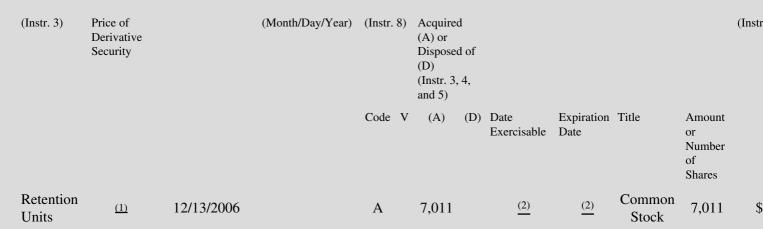
6. Date Exercisable and (Month/Day/Year)

7. Title and Amount of 8. Pri **Underlying Securities** (Instr. 3 and 4)

Deriv

Secur

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Reporting Owners

Reporting Owner Name / Address Relationships

Director 10% Owner Officer Other

FLORES ARMANDO B 400 N. 5TH STREET PHOENIX, AZ 85004

Executive V.P., APS

Signatures

/s/ Armando B. 12/15/2006 Flores

**Signature of Date
Reporting Person

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 retention unit represents a right to receive cash in an amount equal to the fair market value of one share of common stock on the date the retention unit vests.
- The retention units vest and will be settled in four equal annual installments beginning January 2, 2007, and thereafter on the first (2) business day of 2008, 2009 and 2010, provided that the recipient continues to be employed by the Company or any of its subsidiaries on the date of vesting or in the event of the recipient's death, disability or retirement.

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.

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