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## Pinnacle West Capital Corp. Q4 2007 Earnings Call Transcript

### Question-and-Answer Session

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[Operator Instructions]. Please hold for your first question. Your first question comes from the line of Paul Ridzon from KeyBanc.

**William J. Post - Chairman of the Board and Chief Executive Officer**

Hello Paul.

**Paul Ridzon - KeyBanc**

Just a quick question with regards to 07 actual versus kind of the guidance you gave most recently; could you kind of walk through some of the big deltas and drivers there?

**Donald E. Brandt - President and Chief Financial Officer, Arizona Public Service Company;  
Executive Vice President and Chief Financial Officer, Pinnacle West Capital Corporation**

Sure, Paul, this is Don Brandt. So, we continue to see revenue...additional revenue from growth, but it's more than offset. Just the single largest item or combination items is as I would call it capital related expenses, depreciation, financing, and property costs, taxes just related to the assets we have put in service. As Bill mentioned to you in his comments, we have invested...put in service \$1.7 billion of capital expenditures since the amount of capital expenditures reflected in the last test year. So those are I mean there is a number of smaller ones, but that far outweighs any other cost positive or negative.

**Paul Ridzon - KeyBanc**

I am sorry, I should have been more clear on my question.

**Donald E. Brandt - President and Chief Financial Officer, Arizona Public Service Company;  
Executive Vice President and Chief Financial Officer, Pinnacle West Capital Corporation**

Okay

**Paul Ridzon - KeyBanc**

Could you contrast 07 actual with your last 07 guidance?

**Donald E. Brandt - President and Chief Financial Officer, Arizona Public Service Company;  
Executive Vice President and Chief Financial Officer, Pinnacle West Capital Corporation**

Okay. 295 versus our actual. We had some...about eight times worth of positive on the mark-to-market on the trading side. SunCor was actually \$0.03, came in \$0.03 better some capital related savings from our forecast of about \$0.03, and then we get into a variety of smaller item that impacted actual 07.

**Paul Ridzon - KeyBanc**

When you give guidance you assume mark-to-market is zero, or how do you do that?

**Donald E. Brandt - President and Chief Financial Officer, Arizona Public Service Company;  
Executive Vice President and Chief Financial Officer, Pinnacle West Capital Corporation**

Yes.

**Paul Ridzon - KeyBanc**

Okay.

**Donald E. Brandt - President and Chief Financial Officer, Arizona Public Service Company;  
Executive Vice President and Chief Financial Officer, Pinnacle West Capital Corporation**

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