
P R O S P E C T U S

PINNACLE WEST CAPITAL CORPORATION
INVESTORS ADVANTAGE PLAN
COMMON STOCK
(No Par Value)

The Pinnacle West Capital Corporation Investors Advantage Plan (the "Plan"), to be effective as of May 1, 1995 and which amends and restates in its entirety the Pinnacle West Capital Corporation Stock Purchase and Dividend Reinvestment Plan, is designed to provide investors with a convenient way to purchase shares of common stock, no par value ("Common Stock") of Pinnacle West Capital Corporation (the "Company"), and to reinvest all or a portion of the cash dividends paid on the Common Stock and the preferred stock of Arizona Public Service Company ("APS") in shares of Common Stock.

PARTICIPANTS IN THE PLAN MAY:

- o Reinvest all or a portion of cash dividends paid on Common Stock or APS preferred stock registered in their names or on Common Stock credited to their Plan accounts in shares of Common Stock.
- o Make an initial investment in Common Stock with a cash payment of at least \$50, and additional optional investments thereafter, up to a maximum of \$60,000 per calendar year, including the initial investment.
- o Receive, upon written request, certificates for whole shares of Common Stock credited to their Plan accounts.
- o Deposit certificates representing Common Stock into the Plan for safekeeping.
- o Sell shares of Common Stock credited to their Plan accounts through the Plan.

Shares of Common Stock will be purchased under the Plan, at the option of the Company, from newly issued shares, shares held in the treasury of the Company, or shares purchased on the open market. Purchases will be effected through an independent agent appointed by the Company. The Common Stock is listed on the New York and Pacific Stock Exchanges. The closing price of the Common Stock on March 29, 1995 on the New York Stock Exchange was \$21.00.

The purchase price of newly issued or treasury shares of Common Stock purchased under the Plan for an Investment Date (as defined in the Plan) will be the average of the high and low sales prices of the Common Stock reported on the New York Stock Exchange Composite Tape as published in The Wall Street Journal or, for any day on which there is no such publication, in another generally accepted publication for the first business day of the relevant Investment Period (as defined in the Plan), provided that the New York Stock Exchange is open on such day. The price of shares of Common Stock purchased or sold on the open market will be the weighted average price per share (adjusted for brokerage commissions, any related service charges, and applicable taxes) of the aggregate number of shares purchased or sold, respectively, on the open market during the relevant Investment Period. The Company will pay the costs of administration of the Plan, except that Plan participants will bear the cost of brokerage commissions, any related service charges, and applicable taxes relating to shares of Common Stock purchased or sold on the open market.

To the extent required by applicable law in certain jurisdictions, shares of Common Stock offered under the Plan to persons not presently record holders of Common Stock are offered only through a registered broker/dealer in such jurisdictions.

This Prospectus contains a summary of the material provisions of the Plan and, therefore, this Prospectus should be retained by participants in the Plan ("Participants") for future reference.

COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF
THIS PROSPECTUS. ANY REPRESENTATION TO
THE CONTRARY IS A CRIMINAL OFFENSE.

The date of this Prospectus is March 31, 1995.

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AVAILABLE INFORMATION

The Company is subject to the informational requirements of the Securities Exchange Act of 1934 as amended (the "Exchange Act"), and in accordance therewith files reports, proxy statements, and other information with the Securities and Exchange Commission (the "Commission"). Such reports, proxy statements, and other information can be obtained at prescribed rates from the Public Reference Section of the Commission or may be inspected and copied at the public reference facilities maintained by the Commission at 450 Fifth Street, N.W., Room 1024, Washington, D.C. 20549, and at certain of its regional offices located at 500 West Madison Street, Suite 1400, Chicago, Illinois 60661, and 75 Park Place, Room 1400, New York, New York 10007. The Common Stock is listed on the New York and Pacific Stock Exchanges. Reports, proxy material, and other information concerning the Company can be inspected at the respective offices of these Exchanges at Room 401, 20 Broad Street, New York, New York 10005, and 115 Sansome Street, San Francisco, California 94104.

INCORPORATION OF CERTAIN DOCUMENTS
BY REFERENCE

The following documents previously filed with the Commission by the Company (File No. 1-8962) are hereby incorporated by reference in this Prospectus:

1. The Company's Annual Report on Form 10-K for the year ended December 31, 1994 (the "1994 10-K").
2. The description of the Company's Common Stock included in the Company's Registration Statement on Form 8-B, File No. 1-8962, as filed on July 25, 1985, except for the reference to transfer agents and registrars for the Common Stock contained therein and of the Company's Preferred Share Purchase Rights included in its Registration Statement on Form 8-A, File No. 1-8962, as filed on March 31, 1989, and a Form 8 Amendment thereto as filed on August 29, 1991.

All documents filed by the Company pursuant to Sections 13(a), 13(c), 14 and 15(d) of the Exchange Act subsequent to the date of the 1994 10-K and prior to the filing of a post-effective amendment which indicates that all securities offered hereby have been sold or which deregisters all securities then remaining unsold will be deemed to be incorporated by reference in this Prospectus and to be a part hereof from the date of filing of such documents.

Any statement contained in a document incorporated by reference herein will

be deemed to be modified or superseded for purposes of this Prospectus to the extent that a statement contained herein or in any other subsequently filed document which is also incorporated by reference herein modifies or supersedes such statement. Any statement so modified or superseded will not be deemed, except as modified or superseded, to constitute a part of this Prospectus.

The Company will provide without charge to each person, including any beneficial owner, to whom a copy of this Prospectus has been delivered, on the oral or written request of any such person, a copy of any or all of the documents referred to above which have been or may be incorporated in this Prospectus by reference, other than exhibits to such documents. Requests for such copies should be directed to Pinnacle West Capital Corporation, P.O. Box 52132, Phoenix, Arizona 85072-2132, or by calling (602) 379-2500 or (800) 457-2983 toll-free nationwide.

THE COMPANY

The Company was incorporated in 1985 under the laws of the State of Arizona and is engaged in the acquisition and holding of securities of corporations for investment purposes. The principal executive offices of the Company are at 400 East Van Buren Street, P.O. Box 52132, Phoenix, Arizona 85072-2132, and its telephone number is (602) 379-2500.

The Company's principal subsidiary, APS, is Arizona's largest electric utility. The Company's other subsidiaries include SunCor Development Company, which is engaged primarily in owning, holding, and developing real property, and El Dorado Investment Company, which is engaged primarily in making equity investments in other companies.

The following questions and answers describe the provisions of the Pinnacle West Capital Corporation Investors Advantage Plan (the "Plan"). For convenience of reference, the definitions of certain key terms are included below:

DESCRIPTION OF THE PLAN

DEFINITIONS

| | |
|----------------------------|---|
| Administrator -- | Pinnacle West Capital Corporation (the "Company" or "Pinnacle West"). See also "Plan Administrator." |
| Cash Investment -- | A payment made subsequent to enrollment in the Plan. The maximum aggregate Cash Investment (including the Initial Cash Investment) is \$60,000 per account per calendar year. |
| Company -- | Pinnacle West Capital Corporation. |
| Dividend Payment Date -- | The date determined by the Company's Board of Directors on which Common Stock dividends are payable. These dates are normally the first day of March, June, September, and December. |
| Dividend Record Date -- | Generally the first business day of the month immediately preceding the Dividend Payment Date. |
| Eligible Investor -- | An investor who makes an Initial Cash Investment of at least \$50 or a Shareholder of Record. |
| Enrollment Forms -- | Forms available through the Company that the investor must complete to be able to participate in the Plan. |
| Ex-Dividend Date -- | A date prior to the Dividend Record Date, based on industry regulations, necessary to allow for the settlement of traded securities by the Dividend Record Date. Common Stock purchased between the Ex-Dividend Date and the Dividend Record Date is not entitled to the succeeding dividend. |
| Initial Cash Investment -- | A payment made to the Company to purchase shares of Common Stock to open a Plan account. The minimum Initial Cash Investment is \$50. |
| Investment Date -- | The date on which the purchase price for all shares of Common Stock to be purchased has been determined. The purchased shares are credited to a participant's account on the Investment Date. |
| Investment Period -- | The period during which Common Stock is purchased. The Investment Period begins on the first business |

day of any month in which there is not a Dividend Record Date and on the second business day of any month in which there is a Dividend Record Date.

Investment Statement -- A statement sent to a participant after an Investment Period in which the participant's account had investment activity. The Investment Statement includes the purchase price and number of shares of Common Stock purchased.

Plan -- Pinnacle West Capital Corporation Investors Advantage Plan.

Plan Administrator -- Pinnacle West Capital Corporation (the "Company").

Plan History Statement -- A statement sent to a participant upon withdrawal (including by way of the sale of shares or the issuance of a certificate for shares) of all or a portion of shares from the participant's account.

Shareholder of Record -- An investor whose shares are registered on the books of the Company.

PURPOSE OF THE PLAN

1. WHAT IS THE PURPOSE OF THE PLAN?

The purpose of the Plan is to provide shareholders and interested investors with a convenient and economical way to purchase shares of Common Stock with Cash Investments (including an Initial Cash Investment) or reinvested dividends.

ADVANTAGES AND DISADVANTAGES OF THE PLAN

2. WHAT ARE THE ADVANTAGES AND DISADVANTAGES OF THE PLAN?

THE PLAN OFFERS INVESTORS THE FOLLOWING ADVANTAGES:

A. DIRECT PURCHASE OF STOCK -- Persons not presently owning shares of Common Stock may become shareholders by making an Initial Cash Investment of at least \$50 (but not more than \$60,000 per account per calendar year). See Question 5.

Participants may invest additional funds to purchase shares of Common Stock at any time. The maximum annual Cash Investment (including the Initial Cash Investment) is \$60,000 per account.

B. SELL STOCK -- Participants may sell shares held in their Plan account through the Plan. See Questions 33 and 34.

C. CERTIFICATE SAFEKEEPING -- Participants may deposit their Common Stock certificates with the Company, whether or not the Common Stock represented by such certificates was purchased through the Plan, and have their ownership maintained on the Company's records in their Plan account. This convenience is provided at no cost to the participant and eliminates the possibility of loss, inadvertent destruction, or theft of certificates. Also, because shares deposited for safekeeping are treated in the same manner as shares purchased through the Plan, they may be transferred or sold through the Plan. See Question 32.

D. REINVESTMENT OF DIVIDENDS -- All or a portion of Common Stock dividends may be reinvested to purchase additional shares of Common Stock. Dividends on APS preferred stock may be reinvested to purchase Common Stock provided the investor maintains a Plan account. See Questions 7 through 11.

E. SIMPLIFIED RECORDKEEPING -- An Investment Statement will be mailed to participants after any investment activity. The statement is cumulative, providing year-to-date Plan account activity. A Plan History Statement will be sent when shares are sold, transferred or otherwise withdrawn from the Plan. See Questions 35 and 38.

F. REDUCED BROKER COMMISSIONS -- The broker commissions negotiated by the Company for buying or selling shares are typically substantially less than those paid by individual investors for this service. No commissions are paid for newly issued shares or for treasury shares. See Questions 28 and 34.

G. TRANSFER OF SHARES -- Participants may transfer shares held in their Plan account to another individual's account at no cost. The normal transfer requirements will apply. See Questions 31 and 44.

H. FULL INVESTMENT OF FUNDS -- The full amount of reinvested dividends and Cash Investments can be invested because the Plan permits fractional shares

to be credited to Plan accounts. Dividends are paid on fractional shares as well as on whole shares. See Question 29.

PLAN PARTICIPATION PRESENTS INVESTORS WITH THE FOLLOWING DISADVANTAGES:

A. NO INTEREST ON FUNDS PENDING INVESTMENT -- No interest is paid on dividends or Cash Investments held pending investment or reinvestment. See Question 18.

B. DELAY IN DETERMINING PURCHASE PRICE -- The number of shares purchased for an investor's Plan account will not be determined until all shares for the relevant Investment Period have been purchased. Therefore, investors will not know the number of shares purchased or the purchase price until the Investment Date. See Questions 26 through 30.

C. RETURN OF CASH INVESTMENTS -- Cash Investments (including Initial Cash Investments) sent to the Plan Administrator will not be returned to the investor unless a written request is received by the Plan Administrator by the last Company business day of the month prior to the relevant Investment Period. See Question 20.

D. PERIODIC DELAYS FOR ISSUING CERTIFICATES OR SELLING SHARES -- Requests for issuance of certificates or the sale of shares from a Plan account will be delayed during the dividend processing period. This is a 13-15 business day period which begins on the Ex-Dividend Date. See Questions 31, 34, and 35.

E. BROKER COMMISSIONS -- While the broker commissions negotiated by the Plan Administrator for buying or selling stock are typically less than those paid by individual investors for this service, certain investors may be able to negotiate lower commissions on an individual basis. Also, the commissions negotiated by the Plan Administrator may change from time to time. See Questions 28 and 34.

F. PRICE OF SHARES -- Plan participants can not designate a specific price at which to sell or purchase Common Stock. Requests for the sale of Plan shares are accumulated and the Plan Administrator places a market order with the appointed agent. Similarly, a market order is placed with the independent agent to purchase stock with all funds available for investment. See Questions 25, 28, and 33.

PLAN ADMINISTRATION

3. WHO ADMINISTERS THE PLAN?

The Company administers the Plan. Administration duties include recordkeeping, sending periodic statements of account, and holding shares purchased through the Plan or otherwise deposited for safekeeping. See Question 32. Such shares will be registered in the name of, and held by, the Company as Plan Administrator.

Communications about the Plan should be directed to:

Pinnacle West Capital Corporation
Shareholder Department
P.O. Box 52133
Phoenix, AZ 85072-2133

When writing, please include a day-time telephone number to expedite our reply.

The nationwide toll-free Shareholder Department telephone number is 800-457-2983. In the Phoenix area, call 379-2500.

PARTICIPATION IN THE PLAN

4. WHO IS ELIGIBLE TO PARTICIPATE IN THE PLAN?

Any interested investors making an Initial Cash Investment of at least \$50 and all Common Stock Shareholders of Record are eligible to participate. Citizens or residents of a country other than the United States or its territories and possessions should determine whether they are subject to any governmental regulations prohibiting or restricting participation in the Plan, and must provide evidence satisfactory to the Administrator that their participation will not violate any such regulations, before enrolling in the Plan.

Beneficial owners of Common Stock whose shares are held in a name other than their own (for example, a bank, broker, or trustee) may participate in the Plan with respect to such shares by transferring those shares into their own name. Once the shares are registered on the books of the Company, the investor is eligible to enroll in the Plan.

5. HOW DOES AN ELIGIBLE INVESTOR ENROLL IN THE PLAN?

After being furnished with a Plan Prospectus, Eligible Investors may join the Plan by completing and signing an Enrollment Form and returning it to the Company. Non-shareholder investors must also submit an Initial Cash Investment of at least \$50 (but not more than \$60,000).

Once enrolled in the Plan, Eligible Investors will remain enrolled until they discontinue their participation or the Plan is terminated. See Question 35, 36, and 42.

Shareholders who were enrolled in the Company's Stock Purchase and Dividend Reinvestment Plan are automatically enrolled in the Investors Advantage Plan and are eligible to participate in the features of the new Plan immediately on and after May 1, 1995. SUCH SHAREHOLDERS SHOULD CAREFULLY REVIEW THE PARTICIPATION OPTIONS, PARTICULARLY THE "CASH INVESTMENT ONLY" AND "PARTIAL DIVIDEND REINVESTMENT" OPTIONS. THESE OPTIONS HAVE BEEN MODIFIED IN THE NEW PLAN. See Questions 7 through 13. Unless such a shareholder submits a new Enrollment Form designating a different participation option, each such shareholder will be enrolled in the new Plan at a level of participation that corresponds to the level at which the shareholder previously participated in the Company's Stock Purchase and Dividend Reinvestment Plan.

6. WHEN MAY AN ELIGIBLE INVESTOR JOIN THE PLAN?

An Eligible Investor may join the Plan at any time by completing and returning an Enrollment Form.

PARTICIPATION OPTIONS

7. WHAT PARTICIPATION OPTIONS ARE AVAILABLE IN THE PLAN?

On the Enrollment Form, the investor is offered the following participation options:

- Full Dividend Reinvestment
- Partial Dividend Reinvestment or
- Cash Investment Only

Shareholders who were enrolled in the Company's Stock Purchase and Dividend Reinvestment Plan should see the discussion in Question 5.

8. HOW DOES THE "FULL DIVIDEND REINVESTMENT" OPTION OF THE PLAN WORK?

Participants enrolling in the Full Dividend Reinvestment option will have dividends earned on all Common Stock, both in their Plan account and of record, reinvested to purchase additional shares of Common Stock. APS preferred shareholders may also reinvest their preferred dividends (see Question 11). The reinvestment of dividends will commence with the first dividend to which the participant is entitled payable after the next Dividend Record Date following enrollment. A participant may also make Cash Investments of up to \$60,000 per account annually to purchase Common Stock.

9. HOW DOES THE "PARTIAL DIVIDEND REINVESTMENT" OPTION OF THE PLAN WORK?

Participants enrolling in the Partial Dividend Reinvestment option can designate a specific number of shares on which they wish to receive cash dividends, with dividends on the balance of shares being reinvested to purchase Common Stock. Participants may also elect to receive cash dividends on shares they hold in certificated form, with dividends on shares held in their Plan account being reinvested. The reinvestment of dividends will commence with the first dividend to which the participant is entitled payable after the next Dividend Record Date following enrollment. In addition, a participant may make Cash Investments of up to \$60,000 per account annually to purchase Common Stock.

If a participant has elected this option and subsequently directs that a portion of his shares are to be sold, transferred, or withdrawn, unless the participant otherwise directs, all shares on which a participant receives reinvested dividends will be sold, transferred, or withdrawn prior to the sale, transfer, or withdrawal of any shares on which a participant receives cash dividends.

10. HOW DOES THE "CASH INVESTMENT ONLY" OPTION OF THE PLAN WORK?

Participants enrolling in the Cash Investment Only option may make Cash Investments of up to \$60,000 per account annually. Dividends earned on all Common Stock, both in the Plan account and of record, will be paid directly to the investor in the manner in which dividends are normally paid. The Cash Investment will purchase additional shares of Common Stock.

NOTE: IF PARTICIPANTS DO NOT INDICATE A PARTICIPATION OPTION ON THE

ENROLLMENT FORM, THEIR ACCOUNT WILL AUTOMATICALLY BE ENROLLED INTO THE "FULL DIVIDEND REINVESTMENT" OPTION.

11. MAY ARIZONA PUBLIC SERVICE COMPANY PREFERRED STOCK DIVIDENDS BE REINVESTED IN THE PLAN?

Yes. APS preferred shareholders may reinvest their dividends to purchase Common Stock by enrolling in the Plan. Preferred shareholders who already own Common Stock of record or who already participate in the Plan must complete an Enrollment Form for each issue of preferred stock being reinvested. Preferred shareholders who do not own Common Stock of record and do not already participate in the Plan may enroll in the Plan by submitting an Initial Cash Investment of at least \$50 and completing an Enrollment Form for each issue of preferred stock being reinvested.

12. MAY PARTICIPANTS CHANGE THEIR PARTICIPATION OPTION?

Yes. The participation option may be changed by completing and signing a new Enrollment Form and returning it to the Company. The change will be effective as of the next Dividend Record Date following receipt of the new Enrollment Form.

13. MAY THE COMPANY RESTRICT PARTICIPATION IN THE PLAN?

Yes. The Company reserves the right to restrict participation in the Plan if it believes that such participation may be contrary to the general intent of the Plan or in violation of applicable law.

INITIAL CASH INVESTMENTS AND CASH INVESTMENTS

14. WHO IS ELIGIBLE TO MAKE CASH INVESTMENTS?

Any Shareholder of Record who has submitted a signed Enrollment Form is eligible to make Cash Investments regardless of the participation option chosen, subject to the maximum contribution. See Question 17.

15. WHO IS ELIGIBLE TO MAKE AN INITIAL CASH INVESTMENT?

Any interested investor may submit a signed Enrollment Form and make an Initial Cash Investment, subject to the minimum and maximum contributions. See Question 17.

16. HOW ARE INITIAL CASH INVESTMENTS AND CASH INVESTMENTS MADE?

Initial Cash Investments and Cash Investments must be made by check, money order, or wire transfer payable through a U.S. bank or other financial institution, in U.S. dollars, to Pinnacle West Capital Corporation. Do not send cash. Initial Cash Investments must be accompanied by a completed Enrollment Form; an Enrollment Form or a Cash Investment form should accompany Cash Investments to ensure credit to the proper account. The Company may in the future allow for Cash Investments to be made by electronic debit from a specified account or in any other manner.

17. IS THERE A MINIMUM AND MAXIMUM CASH INVESTMENT?

Yes. The minimum Initial Cash Investment is \$50. Subsequent Cash Investments may be any amount. The maximum aggregate Cash Investment (including the Initial Cash Investment) is \$60,000 per account per calendar year.

18. WHEN WILL A PARTICIPANT'S INITIAL CASH INVESTMENT OR CASH INVESTMENT BE INVESTED?

Initial Cash Investments and Cash Investments will be invested during the Investment Period of the calendar month immediately following the calendar month in which the funds are received. Because interest is not paid on funds pending investment, it is to your benefit to mail your Cash Investments so they are received shortly before the end of the calendar month. Funds are considered to be received when delivered, either by postal service or in person, during Company business hours to the Company's corporate headquarters (see "Shareholder Information" below for address).

In the event that a check submitted for investment is returned unpaid for any reason, the Plan Administrator will consider the request for investment of such funds null and void. Any shares purchased upon the prior credit of such funds will be immediately removed from the participant's account. The Plan Administrator will be entitled to sell those shares to satisfy any uncollected amounts. If the net proceeds of the sale of such shares are insufficient to satisfy the balance of such uncollected amounts, the Plan Administrator will be entitled to sell additional shares from the participant's account to satisfy the uncollected balance.

19. WHEN WILL SHARES PURCHASED WITH INITIAL CASH INVESTMENTS OR CASH

INVESTMENTS BE ENTITLED TO RECEIVE DIVIDENDS?

Shares purchased with an Initial Cash Investment or Cash Investment will be entitled to dividends if the shares were credited to the participant's account as of a date preceding the Dividend Record Date for payment of a dividend.

20. MAY A PARTICIPANT REQUEST THAT AN INITIAL CASH INVESTMENT OR CASH INVESTMENT BE RETURNED?

Yes. A participant may request, in writing, the return of an Initial Cash Investment or Cash Investment. The funds will be returned if the request is received by the last Company business day of the month prior to the relevant Investment Period.

NOTE: INTEREST IS NOT PAID ON FUNDS HELD PENDING INVESTMENT.

REINVESTMENT OF DIVIDENDS

21. IS THERE A MINIMUM OR MAXIMUM AMOUNT FOR REINVESTED DIVIDENDS?

No. Dividends designated for reinvestment through the Plan are not subject to a minimum or maximum.

22. WHEN WILL A PARTICIPANT'S DIVIDENDS BE REINVESTED?

A participant's dividends will be reinvested during the Investment Period of the month in which the dividend is payable.

23. WHEN WILL SHARES PURCHASED WITH REINVESTED DIVIDENDS BE ENTITLED TO RECEIVE DIVIDENDS?

Shares purchased with reinvested dividends will be entitled to dividends on the Dividend Payment Date following the purchase of such shares.

PURCHASES

24. WHAT IS THE SOURCE OF COMMON STOCK PURCHASED THROUGH THE PLAN?

Common Stock purchased through the Plan will be purchased, at the discretion of the Company and in accordance with applicable law, either on the open market or directly from the Company or through a combination of the foregoing. Shares purchased from the Company may be either authorized but unissued shares or shares held in the treasury of the Company.

25. HOW IS COMMON STOCK PURCHASED ON THE OPEN MARKET?

Common Stock will be purchased through an independent agent appointed by the Company. The independent agent will have full discretion in all matters related to such purchases, including the day and time of purchase, price paid, number of shares purchased, and the markets or persons through whom the purchases are made.

26. WHEN ARE SHARES PURCHASED FOR THE PLAN?

Purchases of shares on the open market may begin on the first day of the relevant Investment Period and will be completed no later than 30 days thereafter. Dividends not invested in Common Stock within 30 days of the Dividend Payment Date therefor and Cash Investments not invested in Common Stock within 35 days of receipt will be promptly returned to participants.

Shares purchased from the Company (newly issued Common Stock or treasury stock) will be acquired as of the first day of the relevant Investment Period, provided that the New York Stock Exchange is open on such day. See Question 27.

27. WHEN WILL SHARES BE CREDITED TO A PARTICIPANT'S ACCOUNT?

Participants' shares will be credited to their Plan accounts on the Investment Date and are considered to be owned by the participant on that day.

If the Investment Date falls on a date when the New York Stock Exchange is closed, the first day immediately succeeding such day on which the New York Stock Exchange is open will be the Investment Date.

28. HOW IS THE PURCHASE PRICE OF THE COMMON STOCK DETERMINED?

The purchase price of Common Stock purchased on the open market will be the weighted average price, including broker commissions, related service charges, and applicable taxes, of all shares purchased during the Investment Period.

The purchase price of Common Stock purchased from the Company (newly issued Common Stock or treasury stock) will be the average of the high and low prices

of the Common Stock reported on the New York Stock Exchange Composite Tape as published in The Wall Street Journal or, for any day on which there is no such publication, in another generally accepted publication for the first business day of the relevant Investment Period, provided that the New York Stock Exchange is open on such day.

If the stock is purchased both on the open market and through the Company, the purchase price will be the weighted average price of such shares in accordance with the foregoing two paragraphs.

29. HOW MANY SHARES OF COMMON STOCK WILL BE PURCHASED FOR A PARTICIPANT?

The number of shares purchased for a participant will be equal to the participant's Cash Investments for the month plus dividends available for reinvestment divided by the purchase price of the shares. The participant's account will be credited with the whole and fractional shares on the Investment Date.

30. CAN A PARTICIPANT REQUEST THE PURCHASE OF A SPECIFIC NUMBER OF SHARES?

No. Since the purchase price of the Common Stock cannot be calculated until the Common Stock is purchased, a participant may not purchase a specific number of shares.

CERTIFICATES

31. WILL CERTIFICATES BE ISSUED FOR SHARES PURCHASED THROUGH THE PLAN?

No. The certificates for shares purchased through the Plan are registered in the name of the Company as Plan Administrator. A certificate will be issued to participants only upon request.

Participants requesting the issuance of a certificate for their Plan shares should submit the request in writing to the Plan Administrator, specifying the number of shares to be issued. Certificates will generally be issued within five days following the receipt of the request. However, requests received during the dividend processing period will be delayed. See "Disadvantages of the Plan -- D." Certificates cannot be issued for fractional shares.

The certificate will be issued in the name(s) of the participant(s). Requests to issue a certificate into another registration must meet the requirements for transfer of stock. See Question 44.

See Question 9 for information relating to the certification of only a portion of a participant's Plan shares when the participant has elected the Partial Dividend Reinvestment option for his shares.

SAFEKEEPING OF CERTIFICATES

32. CAN CERTIFICATES BE RETURNED TO THE COMPANY TO BE HELD IN THE PARTICIPANT'S PLAN ACCOUNT?

Yes. Certificates for Common Stock may be returned to the Plan Administrator to take advantage of the safekeeping feature of the Plan. THE CERTIFICATES SHOULD NOT BE ENDORSED AND REGISTERED MAIL IS RECOMMENDED. The certificates should be submitted with a letter to the Plan Administrator directing the Plan Administrator to deposit the shares represented by such certificates into the Plan account of the participant. Alternatively, the certificates can be submitted with a new Enrollment Form with the share safekeeping option checked thereon. Investors may submit certificates for safekeeping upon initial enrollment in the Plan or at any time while participating in the Plan.

COMMON STOCK SURRENDERED FOR SAFEKEEPING WILL BE TREATED AS SHARES PURCHASED THROUGH THE PLAN.

SALE OF SHARES

33. HOW MAY PARTICIPANTS SELL THEIR PLAN SHARES?

Participants may sell their Plan shares by submitting a written request to the Company. The request should indicate the number of shares to be sold and must be signed by ALL account owners. Shares acquired through and held in the Plan, as well as shares surrendered for safekeeping, may be sold in this manner. A request to sell shares is irrevocable after it is received by the Company. The Company's appointed agent will have full discretion in all matters related to the sale, including the time of sale, sale price, and the markets or persons through whom the shares are sold. Participants cannot specify a price at which to sell their stock.

Shares held outside the Plan may not be sold through the Plan.

See Question 9 for information relating to the sale of only a portion of a participant's Plan shares when the participant has elected the Partial Dividend Reinvestment option for his shares.

34. WHEN WILL PLAN SHARES BE SOLD?

Plan shares will generally be sold within five business days following receipt of the sale request. However, sale requests received during the dividend processing period will be delayed until the dividend processing period is completed. See "Disadvantages of the Plan -- D."

A check will be issued for the proceeds of the sale minus the broker commissions, any related service charges, and applicable taxes, and will be made payable to the registered account owners only.

TERMINATION OF PLAN PARTICIPATION

35. HOW MAY A PARTICIPANT TERMINATE PARTICIPATION IN THE PLAN?

Participants may terminate participation in the Plan either by selling all the shares in their Plan account or by having a certificate issued for a specific number of whole shares in their Plan account and selling the balance of shares. See Questions 31, 33, and 34. Certificates cannot be issued for fractional shares; fractional shares must be sold when terminating participation.

Plan participants must notify the Company in writing of their intention to terminate participation in the Plan, have all account owners sign the request, and indicate whether they wish to receive a stock certificate or sell their shares.

Participants terminating their Plan participation will receive a Plan History Statement detailing the account history. THIS STATEMENT SHOULD BE RETAINED FOR TAX PURPOSES.

Cash Investments received prior to the request to terminate Plan participation will be invested during the next Investment Period unless the participant timely requests the return of that Cash Investment. See Question 20.

The termination of Plan participation will be delayed if the request is received during the dividend processing period. See "Disadvantages of the Plan -- D."

36. MAY THE COMPANY TERMINATE A PARTICIPANT'S PLAN PARTICIPATION?

Yes. If a participant does not maintain at least one whole share of Common Stock in the Plan account or does not own any Common Stock of record for which cash dividends are designated for reinvestment pursuant to the Plan, the participant's participation may be terminated by the Company upon written notice to the participant. A participant whose participation has been terminated will receive a check for the cash value of any fractional share in the Plan account.

In addition, the Company may terminate a participant's participation in the Plan if it believes that such participation may be contrary to the general intent of the Plan or in violation of applicable law. The participant will receive a certificate for whole shares and a check for the cash value of the fractional share in the Plan account.

COSTS

37. WHAT COSTS ARE ASSOCIATED WITH PARTICIPATION IN THE PLAN?

The only costs associated with Plan participation are the broker commissions, related service charges, and applicable taxes for the sale or purchase of shares for a participant's account. All other administrative costs are borne by the Company.

REPORTS TO PARTICIPANTS

38. WHAT REPORTS ARE SENT TO PARTICIPANTS?

Plan participants will receive an Investment Statement as soon as possible after each month in which an investment occurs in their Plan account, which will provide detailed account information for the current calendar year. THIS STATEMENT SHOULD BE RETAINED FOR TAX PURPOSES.

Participants who have sold, transferred, or withdrawn shares from their Plan accounts will receive a Plan History Statement detailing the account history. THIS STATEMENT SHOULD BE RETAINED FOR TAX PURPOSES.

Plan participants will also receive copies of all shareholder communications

such as quarterly reports, annual reports, and notices of shareholder meetings and proxy materials.

Plan participants will receive an IRS Form 1099-DIV showing total dividends reported to the Internal Revenue Service which were paid to the participant both on shares of record and Plan account shares. An IRS form 1099-B will be provided for reporting the proceeds from the sale of shares through the Plan. See Question 46 for further information regarding tax reporting.

OTHER INFORMATION

39. WHAT HAPPENS IF THE COMPANY DECLARES A DIVIDEND PAYABLE IN COMMON STOCK OR A STOCK SPLIT?

Any dividends in the form of shares of Common Stock and any shares resulting from a Common Stock split on shares held in a participant's Plan account will be credited to the participant's Plan account.

40. HOW WILL A PARTICIPANT'S SHARES BE VOTED AT MEETINGS OF SHAREHOLDERS?

Participants in the Plan will receive a proxy statement and a proxy card representing Plan account shares as well as any Common Stock held of record. The participant's shares will be voted in accordance with the instructions indicated on the proxy card. Shares for which a proxy is not received will not be voted.

41. WHAT IS THE RESPONSIBILITY OF THE COMPANY AND ITS AGENTS UNDER THE PLAN?

Neither the Company, in its individual capacity or as Administrator, nor any independent agent appointed by the Company pursuant to the Plan will be liable for any act done in good faith or for any good faith omission to act with respect to the Plan, including, without limitation, any claim of liability arising out of failure to terminate a participant's account upon such participant's death prior to receipt of notice in writing of such death or with respect to the prices or times at which, or sources from which, shares are purchased or sold for participants, or with respect to any fluctuation in market value before or after any purchase or sale of shares.

PARTICIPANTS MUST RECOGNIZE THAT THE COMPANY CANNOT ASSURE THEM A PROFIT, OR PROTECT THEM AGAINST LOSSES, ON SHARES PURCHASED PURSUANT TO THE PLAN. THE MARKET PRICE OF COMMON STOCK CAN FLUCTUATE SUBSTANTIALLY. PARTICIPANTS ACCEPT THE RISKS AS WELL AS THE BENEFITS OF THE PLAN.

42. MAY THE PLAN BE CHANGED OR DISCONTINUED?

Yes. The Company reserves the right to suspend, modify, or terminate the Plan at any time, although shareholder response is expected to justify continuing the Plan indefinitely. As a result, the Company may register additional shares from time to time. Any suspension, modification, or termination of the Plan will be communicated by the Company to all Plan participants.

43. MAY COMMON STOCK HELD IN A PLAN ACCOUNT BE PLEDGED AS COLLATERAL?

No. Common Stock held in a Plan account may not be pledged as collateral. Participants wishing to use their Common Stock as collateral must have certificates issued for the shares. The certificates can then be delivered for collateral.

44. MAY COMMON STOCK HELD IN A PLAN ACCOUNT BE TRANSFERRED OR ASSIGNED TO ANOTHER PERSON?

Yes. A participant may transfer or assign Plan shares to another person or entity by meeting the requirements for transfer of stock. Requests for stock transfer requirements should be sent to:

Pinnacle West Capital Corporation
Stock Transfer Department
P.O. Box 52134
Phoenix, AZ 85072-2134

or by calling the Company at 800-457-2983 or, in Phoenix, at 379-2500.

See Question 9 for information relating to the transfer of only a portion of a participant's Plan shares when the participant has elected the Partial Dividend Reinvestment option for his shares.

45. HOW MAY INSTRUCTIONS BE GIVEN TO THE ADMINISTRATOR?

Although currently all instructions from a participant to the Administrator are required to be in writing, the Administrator may in the future allow certain

instructions to be given by telephone or in any other manner as agreed to by the Administrator and the participant.

FEDERAL INCOME TAX INFORMATION

46. WHAT ARE THE FEDERAL INCOME TAX CONSEQUENCES OF PLAN PARTICIPATION?

The Company believes the following is an accurate summary of the federal tax consequences of participation in the Plan. YOU ARE ADVISED TO CONSULT YOUR TAX OR FINANCIAL ADVISOR WITH RESPECT TO FEDERAL, STATE, LOCAL, AND OTHER TAX LAWS WHICH APPLY TO YOUR SPECIFIC SITUATION.

In general, the dividends paid on Common Stock or APS preferred stock, whether the shares are held in certificate form by the shareholder or held by the Company in book-entry or through the Plan, are considered taxable income, whether received in cash or reinvested through the Plan. The information return sent to you and the IRS at year-end will provide the information required to complete your income tax returns.

The tax basis of shares acquired through the reinvestment of dividends will be equal to the value of dividends reinvested. The tax basis of shares purchased with Cash Investments will be equal to the amount of such investments.

Upon the sale of either a portion or all of shares from the Plan, a participant may recognize a capital gain or loss based on the difference between the sales proceeds and the tax basis in the shares sold, including any fractional shares. The capital gain or loss will be long-term if the shares were held for more than one year.

For participants who are subject to U.S. withholding tax, backup withholding, or foreign taxes, the Company will withhold the required taxes from the gross dividends or proceeds from the sale of shares. The dividends or proceeds received by the participant, or dividends reinvested on behalf of the participant, will be net of the required taxes.

APPLICATION OF PROCEEDS

The Company intends to use the proceeds from the issuance of any newly issued or treasury shares of Common Stock pursuant to the Plan to fund the activities of its subsidiaries (APS and its subsidiaries, SunCor Development Company and its subsidiaries, and El Dorado Investment Company) and for general corporate purposes. Pursuant to certain of the Company's credit agreements, any new investments by the Company in its subsidiaries (excluding APS) are generally restricted to \$15 million in the aggregate from December 6, 1989 until the lenders under those credit agreements are fully repaid. As of the date of this Prospectus, the Company had not made any such new investments in its subsidiaries.

EXPERTS

The financial statements and the related financial statement schedule incorporated in this Prospectus by reference to the Company's 1994 Annual Report on Form 10-K have been audited by Deloitte & Touche LLP, independent auditors, as stated in their report, which is incorporated herein by reference (which report expresses an unqualified opinion and includes an explanatory paragraph relating to the Company's change in method of accounting for income taxes discussed in Note 3 to these financial statements), and have been so incorporated in reliance upon the report of such firm given upon their authority as experts in accounting and auditing.

LEGAL OPINIONS

The validity of the Common Stock offered hereby has been passed upon for the Company by Snell & Wilmer L.L.P., One Arizona Center, Phoenix, Arizona 85004.

SHAREHOLDER INFORMATION PINNACLE WEST CAPITAL CORPORATION

Corporate Headquarters: 400 East Van Buren
Phoenix, AZ 85004

Mailing Address: P.O. Box 52132
Phoenix, AZ 85072-2132

Telephone Numbers: 602-379-2500 In Phoenix
800-457-2983 Nationwide Toll-free

Shareholder Account Information

- -- Stock Transfer Requirements: P.O. Box 52134
Phoenix, AZ 85072-2134
- -- Plan and Account Information: P.O. Box 52133
Phoenix, AZ 85072-2133

Stock Listing Information

- -- Ticker Symbol: PNW on the New York and Pacific Stock Exchanges
- -- Financial listings: PinWst

Utility Investors Association

The Arizona Utility Investors Association represents the interests of utility investors throughout the state of Arizona. If interested, send your name and address to:

Arizona Utility Investors Association
P.O. Box 34805
Phoenix, AZ 85067

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NO PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATION NOT CONTAINED IN THIS PROSPECTUS AND, IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATION MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE COMPANY. THIS PROSPECTUS DOES NOT CONSTITUTE AN OFFER TO SELL, OR A SOLICITATION OF ANY OFFER TO BUY, ANY OF THE SECURITIES OFFERED HEREBY IN ANY JURISDICTION TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER IN SUCH JURISDICTION.

[LOGO]

PINNACLE WEST
CAPITAL CORPORATION

INVESTORS ADVANTAGE PLAN

Common Stock

(No Par Value)

PROSPECTUS

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