

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 or
Section 30(h) of the Investment Company Act of 1940

| | | |
|--|---|--|
| 1. Name and Address of Reporting Person * Danner Denise R (Last) (First) (Middle) 400 N. FIFTH STREET, MS 8602 (Street) PHOENIX, AZ 85004 (City) (State) (Zip) | 2. Issuer Name and Ticker or Trading Symbol PINNACLE WEST CAPITAL CORP [PNW] | 5. Relationship of Reporting Person(s) to Issuer (Check all applicable) <input type="checkbox"/> Director <input type="checkbox"/> 10% Owner <input checked="" type="checkbox"/> X Officer (give title below) <input type="checkbox"/> Other (specify below) VP, Controller & CAO |
| 3. Date of Earliest Transaction (MM/DD/YYYY) <p align="center">2/19/2019</p> | | 6. Individual or Joint/Group Filing (Check Applicable Line) <input type="checkbox"/> Form filed by One Reporting Person <input type="checkbox"/> Form filed by More than One Reporting Person |
| 4. If Amendment, Date Original Filed (MM/DD/YYYY) | | |

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

| 1. Title of Security (Instr. 3) | 2. Trans. Date | 2A. Deemed Execution Date, if any | 3. Trans. 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 | 2/19/2019 | | A | | 1299 <u>(1)</u> | A | \$0.00 <u>(1)</u> | 10058 | D | |
| Common Stock | 2/19/2019 | | F <u>(2)</u> | | 607 | D | \$90.65 | 9451 | D | |
| Common Stock | 2/19/2019 | | A | | 125 <u>(3)</u> | A | \$0.00 <u>(3)</u> | 9576 | D | |
| Common Stock | 2/19/2019 | | F <u>(2)</u> | | 54 | D | \$90.65 | 9522 | D | |
| Common Stock | | | | | | | | 770 | I | by 401(k) |

Table II - Derivative Securities 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. Trans. Date | 3A. Deemed Execution Date, if any | 4. Trans. 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 | | 7. Title and Amount of Securities Underlying Derivative Security (Instr. 3 and 4) | | 8. Price of Derivative Security (Instr. 5) | 9. Number of derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4) | 10. Ownership Form of Derivative Security: Direct (D) or Indirect (I) (Instr. 4) | 11. Nature of Indirect Beneficial Ownership (Instr. 4) |
|--|--|----------------|-----------------------------------|---------------------------|---|--|---|-----------------|---|----------------------------|--|--|--|--|
| | | | | Code | V | | Date Exercisable | Expiration Date | Title | Amount or Number of Shares | | | | |
| Restricted Stock Units | <u>(4)</u> | 2/19/2019 | | A | | 996 | <u>(5)</u> | <u>(5)</u> | Common Stock | 996 | <u>(4)</u> | 996 | D | |

Explanation of Responses:

- (1) Shares acquired upon the vesting of a portion of the performance shares granted in 2016 that were tied to the total shareholder return performance metric.
- (2) Shares retained by the Company for the purpose of meeting tax withholding requirements. The recipient retained all other shares.
- (3) Represents shares of common stock received by the individual in settlement of dividend rights that vested in connection with the performance shares that vested on February 19, 2019.
- (4) Each Restricted Stock Unit represents a contingent right to receive the economic equivalent of one share of the Company's common stock. The Restricted Stock Units will be settled, at the reporting person's election, in 100% shares of common stock, 50% in common stock and 50% in cash, or 100% in cash.
- (5) The Restricted Stock Units award was granted and was effective on February 19, 2019, and vests in four equal, annual installments beginning on February 20, 2020, and will be settled in four equal, annual installments beginning February 20, 2020.

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|---------------------------------|-------|
| | Director | 10% Owner | Officer | Other |
| Danner Denise R 400 N. FIFTH STREET MS 8602 PHOENIX, AZ 85004 | | | VP, Controller & CAO | |

Signatures

/s/ Diane Wood, Attorney-in-Fact

2/21/2019

**Signature of Reporting Person

Date

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

* 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).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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