UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of report (Date of earliest event reported): January 12, 2022

Commission File Number	Exact Name of Each Registrant as specified in its charter; State of Incorporation; Address; and Telephone Number	IRS Employer Identification No.
1-8962	**PINNACLE WEST CAPITAL CORPORATION** (an Arizona corporation) 400 North Fifth Street, P.O. Box 53999 Phoenix Arizona 85072-3999 (602) 250-1000	86-0512431
1-4473	**ARIZONA PUBLIC SERVICE COMPANY** (an Arizona corporation) 400 North Fifth Street, P.O. Box 53999 Phoenix Arizona 85072-3999 (602) 250-1000	86-0011170

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock	PNW	The New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

This combined Form 8-K is separately filed or furnished by Pinnacle West Capital Corporation and Arizona Public Service Company. Each registrant is filing or furnishing on its own behalf all of the information contained in this Form 8-K that relates to such registrant and, where required, its subsidiaries. Except as stated in the preceding sentence, neither registrant is filing or furnishing any information that does not relate to such registrant, and therefore makes no representation as to any such information.

Item 7.01 Regulation FD Disclosure.

Pinnacle West Capital Corporation ("Pinnacle West") will be participating in various meetings with securities analysts and investors in January 2022 and will be utilizing handouts during those meetings. Copies of the handouts are attached hereto as Exhibit 99.1.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

Exhibit No.	Registrant(s)	Description
99.1	Pinnacle West Arizona Public Service Company	Pinnacle West handouts for use at meetings in January 2022
104	Pinnacle West Arizona Public Service Company	104 Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, each registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

PINNACLE WEST CAPITAL CORPORATION
(Registrant)

Dated:January 12, 2022

By: /s/ Theodore N. Geisler
Theodore N. Geisler
Senior Vice President and
Chief Financial Officer

ARIZONA PUBLIC SERVICE COMPANY
(Registrant)

Dated: January 12, 2022

By: /s/ Theodore N. Geisler
Theodore N. Geisler
Senior Vice President and
Chief Financial Officer

PINNACLE WEST
CAPITAL CORPORATION

Investor Presentation

January 2022

Forward Looking Statements

This presentation contains forward-looking statements based on current expectations, including statements regarding our earnings guidance and financial outlook and goals. These forward-looking statements are often identified by words such as "estimate," "predict," "may," "believe," "plan," "expect," "require," "intend," "assume," "project," "anticipate," "goal," "seek," "strategy," "likely," "should," "will," "could," and similar words. Because actual results may differ materially from expectations, we caution you not to place undue reliance on these statements. A number of factors could cause future results to differ materially from historical results, or from outcomes currently expected or sought by Pinnacle West or APS. These factors include, but are not limited to: the potential effects of the continued COVID-19 pandemic, including, but not limited to, demand for energy, economic growth, our employees and contractors, supply chain, expenses, capital markets, capital projects, operations and maintenance activities, uncollectable accounts, liquidity, cash flows, or other unpredictable events; our ability to manage capital expenditures and operations and maintenance costs while maintaining reliability and customer service levels; variations in demand for electricity, including those due to weather, seasonality (including large increases in ambient temperatures), the general economy or social conditions, customer and sales growth (or decline), the effects of energy conservation measures and distributed generation, and technological advancements; the potential effects of climate change on our electric system, including as a result of weather extremes such as prolonged drought and high temperature variations in the area where APS conducts its business; power plant and transmission system performance and outages; competition in retail and wholesale power markets; regulatory and judicial decisions, developments and proceedings; new legislation, ballot initiatives and regulation, including those relating to environmental requirements, regulatory and energy policy, nuclear plant operations and potential deregulation of retail electric markets; fuel and water supply availability; our ability to achieve timely and adequate rate recovery of our costs through our rates and adjustor recovery mechanisms, including returns on and of debt and equity capital investments; our ability to meet renewable energy and energy efficiency mandates and recover related costs; the ability of APS to achieve its clean energy goals (including a goal by 2050 of 100% clean, carbon-free electricity) and, if these goals are achieved, the impact of such achievement on APS, its customers, and its business, financial condition and results of operations; risks inherent in the operation of nuclear facilities, including spent fuel disposal uncertainty; current and future economic conditions in Arizona, including in real estate markets; the direct or indirect effect on our facilities or business from cybersecurity threats or intrusions, data security breaches, terrorist attack, physical attack, severe storms, or other catastrophic events, such as fires, explosions, pandemic health events, or similar occurrences; the development of new technologies which may affect electric sales or delivery; the cost of debt and equity capital and the ability to access capital markets when required; environmental, economic and other concerns surrounding coal-fired generation, including regulation of greenhouse gas emissions; volatile fuel and purchased power costs; the investment performance of the assets of our nuclear decommissioning trust, pension, and other postretirement benefit plans and the resulting impact on future funding requirements; the liquidity of wholesale power markets and the use of derivative contracts in our business; potential shortfalls in insurance coverage; new accounting requirements or new interpretations of existing requirements; generation, transmission and distribution facility and system conditions and operating costs; the ability to meet the anticipated future need for additional generation and associated transmission facilities in our region; the willingness or ability of our counterparties, power plant participants and power plant land-owners to meet contractual or other obligations or extend the rights for continued power plant operations; and restrictions on dividends or other provisions in our credit agreements and ACC orders. These and other factors are discussed in Risk Factors described in Part I, Item 1A of the Pinnacle West/APS Annual Report on Form 10-K for the fiscal year ended December 31, 2020 and in Part II, Item 1A in of the Pinnacle West/APS Quarterly Report on Form 10-Q for the quarter ended September 30, 2021, which you should review carefully before placing any reliance on our financial statements, disclosures or earnings outlook. Neither Pinnacle West nor APS assumes any obligation to update these statements, even if our internal estimates change, except as required by law.

In this presentation, references to net income and earnings per share (EPS) refer to amounts attributable to common shareholders.

THE PINNACLE WEST STORY

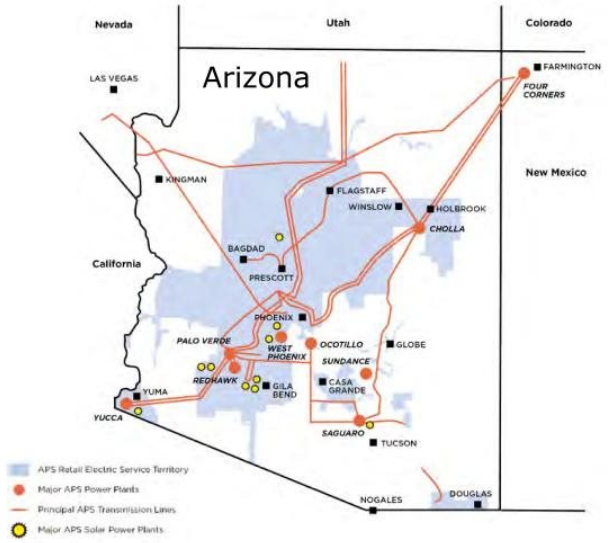
Navigating Short-Term Challenges. Longer-Term, A Powerful Growth Story

1	2	3	4	5
Company Profile - Solid Foundation	**Rate Case Results - A Reset**	**Growth Outlook Remains Strong**	**Customer Initiatives and ESG Leadership**	**Financial Outlook - Sets Clear Expectations**

AT A GLANCE

Arizona's Largest Electric Company

Service Territory[1]



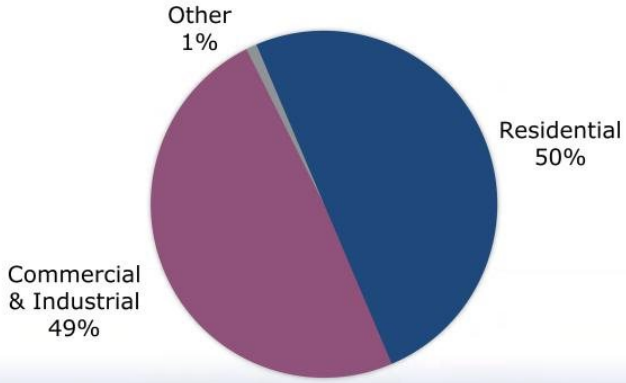
Key Facts as of Dec. 31, 2020

Consolidated assets	$20B
Revenues	$3.6B
Market cap	~$9B
Generating capacity owned or leased – year end	~6.3 GW
Customers	1.3M
Current % from clean energy	~50%
Nuclear plant in U.S.	Largest

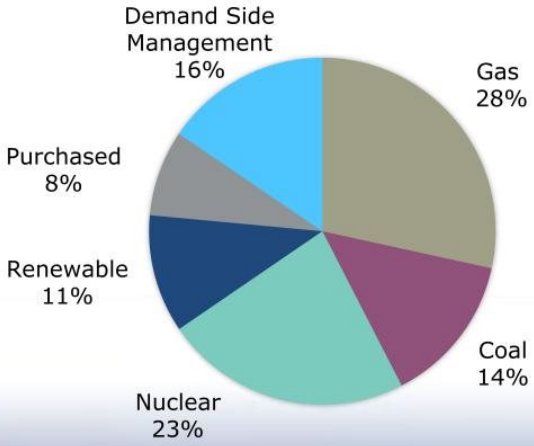
[1] As of December 31,2020

Attractive Customer Mix and Shifting Generation Profile

Retail Sales Mix[1]



Energy Mix – Will Shift Going Forward[1]



[1] As of December 31, 2020.

THE PINNACLE WEST STORY

Navigating Short-Term Challenges. Longer-Term, A Powerful Growth Story

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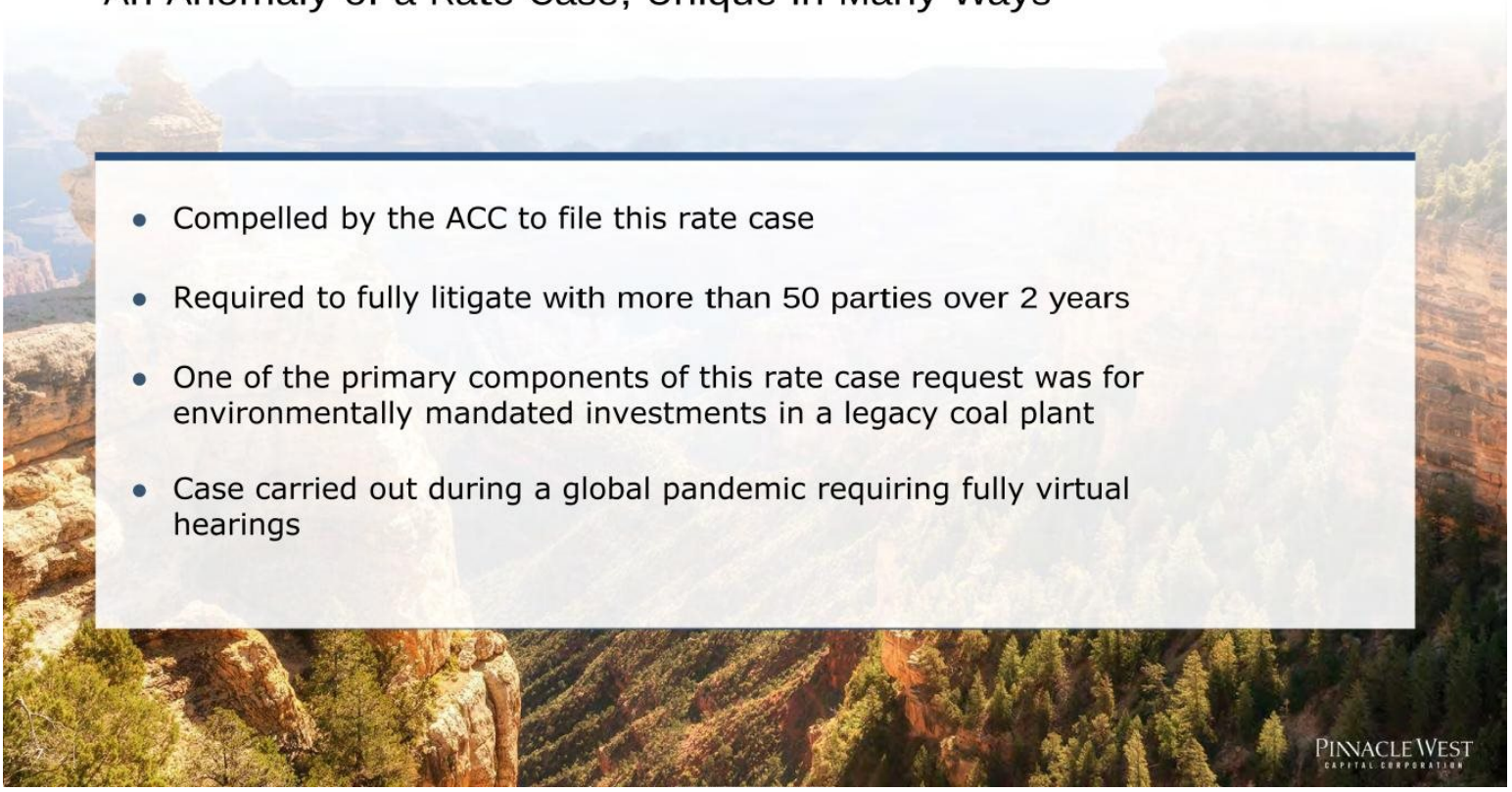
An Anomaly of a Rate Case, Unique in Many Ways



- Compelled by the ACC to file this rate case
- Required to fully litigate with more than 50 parties over 2 years
- One of the primary components of this rate case request was for environmentally mandated investments in a legacy coal plant
- Case carried out during a global pandemic requiring fully virtual hearings

Rate Case Outcome Disappointing, but Clarifies the Path Forward

	APS (Rebuttal)	ALJ (ROO)	ACC Resolution
Total Revenue Change (Base Rate and Adjustors) ($MM)	$169 5.1%	$3.6 0.1%	$(4.8) (0.1)%
Base Rate Increase/Decrease ($MM)	$41	$(111.4)	$(119.8)
ROE	10.00%	9.16%	8.70%
Return on Fair Value Increment	0.80%	Implied 0.05%	0.15%
Weighted Average Cost of Capital / Rate of Return on FVRB	7.33% / 5.51%	6.87% / 4.95%	6.62% / 4.77%
Base Fuel Rate (¢/kWh)	3.1451	3.1451	3.1451
Post-Test Year Plant	12 Months	12 Months	12 Months
SCRs and Deferral	Include both	Disallow both	Partial Disallowance of $216M
OMP and Deferral	Include both	Include asset; debt return on deferral	Include asset; debt return on deferral
Capital Structure	54.7% / 45.3%	54.7% / 45.3%	54.7% / 45.3%
Residential On-Peak Time of Use	3 p.m. to 8 p.m.	3 p.m. to 8 pm.	4 p.m. to 7 p.m.

THE PINNACLE WEST STORY

Navigating Short-Term Challenges. Longer-Term, A Powerful Growth Story

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Company Profile - Solid Foundation	**Rate Case Results - A Reset**	**Growth Outlook Remains Strong**	**Customer Initiatives and ESG Leadership**	**Financial Outlook - Sets Clear Expectations**

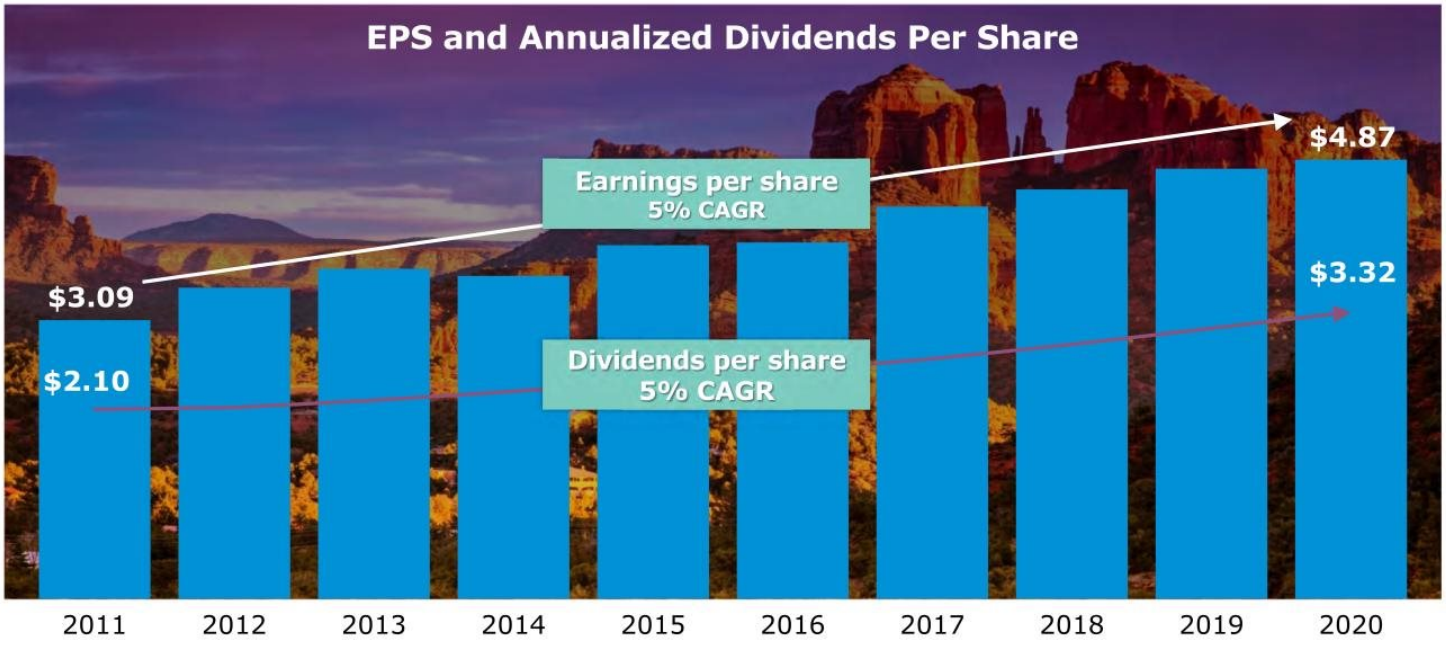
Why We Are Optimistic About the Future

Key Reasons

1. Solid long-term performance record
2. Robust economic growth in Arizona and our service territory
3. A clear plan for a clean energy transition
4. Ability to navigate the regulatory environment over time
5. Strong commitment to execute strategy

REASON #1

Last 10 Years: Strong Performance Track Record



PINNACLE WEST
CAPITAL CORPORATION

REASON #1

Record of Delivering On Our Promise to Provide Affordable Energy

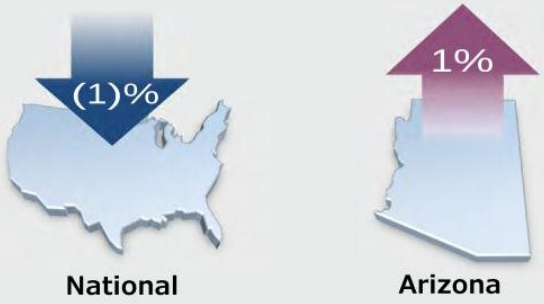
Increase in Residential Electricity Demand (MWH)

Decrease in Average Residential Customer Bill

REASON #2

Arizona Remains Among the Fastest Growing States in the U.S.

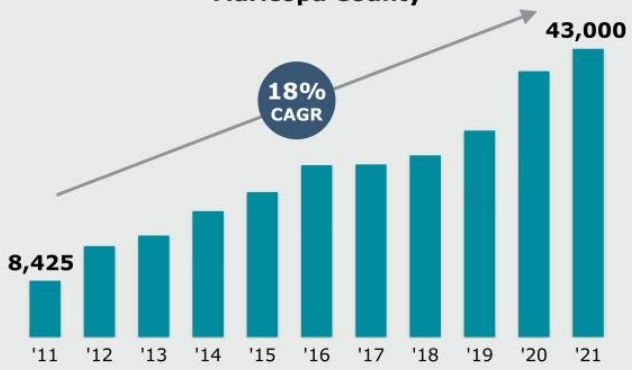
Annual Employment Growth Last Three Years[1]



[1] 2018-2020

Steady Housing Growth[2,3]

Single Family & Multifamily Housing Permits
Maricopa County



[2] Maricopa County population 4.5M, 62% of state population
[3] 2021 projection

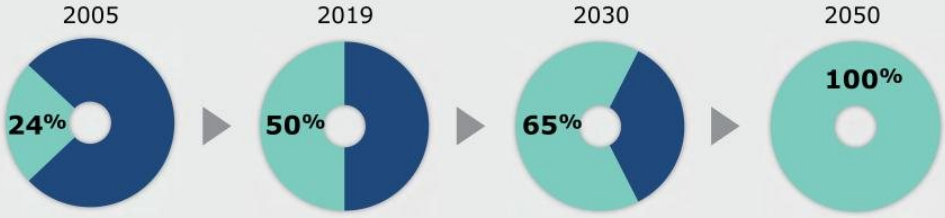
REASON #3

A Clear Plan for Clean Energy Transition

Progress Towards Meeting Clean Energy Commitment[1]

- Announced seasonal operations of Four Corners beginning 2023
- Procured nearly 1400 MWs of clean energy and storage to be in service for APS customers by 2024
- Charted course for healthy mix of APS-owned and third party-owned assets, to be continued through future planned RFPs

Pathway



[1] Since January 2020

PINNACLE WEST CAPITAL CORPORATION

REASON #2

Best-in-Class Service Territory Supports High Tech Growth and Economic Development

Our Approach: Focus on Four Main Areas

- Business attraction and expansion
- Community development
- Entrepreneurial support
- Infrastructure support

Supports Influx of Tech and Data Centers – Examples

- **Microsoft**
  Constructing 3 new mega data centers
- **Taiwan Semiconductor**
  Began building $12B factory
- **KORE Power**
  Building 1M sq ft lithium-ion manufacturing facility
- **Kohler Co.**
  Building 1M sq ft manufacturing facility in Casa Grande

Data centers are projected to create up to 640 MW of capacity needs by 2035

PINNACLE WEST CAPITAL CORPORATION

REASON #4

We Will Pursue Improvements in the Regulatory Environment

- ✓ Appealing last rate case to clarify the prudency standard in Arizona
- ✓ Filing a new rate case to reduce regulatory lag and improve the ROE
- ✓ Work with stakeholders on common issues including reducing regulatory lag and improving customer experience
- ✓ Continue to find alignment with the regulators
- ✓ Focus on customer affordability

REASON #5

We Have Embraced a Customer-Centric Strategy

Deliver exceptional customer service

Ensure superior reliability and operating performance, anchored in safety

Make intelligent and clean investments to support a growing Arizona

Preserve strong financial health while sustaining customer affordability

PINNACLE WEST CAPITAL CORPORATION

THE PINNACLE WEST STORY

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EXAMPLE OF INNOVATION INNITIATIVE

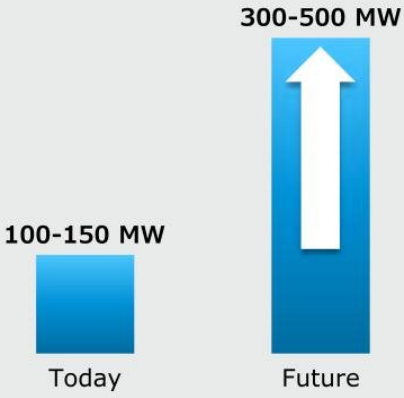
Bringing the Residential Customer into the Advanced Economy

Initiatives

- Award-winning program to promote installation of advanced smart thermostats
  - reduces demand during peak load window
- Super off-peak electric vehicle charging rate equivalent to ~30¢ per gallon gasoline

Potential Impact

Demand Savings During Peak Afternoon Window



PINNACLE WEST CAPITAL CORPORATION

Customer Driven Initiatives Underway – A Few Examples

Take Charge AZ

- Pilot program to encourage electric vehicle adoption by installing charging stations
- Expect to install more than 300 chargers through 2021

Customer Advisory Board

- Gathers direct insight from residential customers
- Identify customer concerns to shape solutions

Energy Efficiency

- Demand response programs to reward shift of energy usage to lower-cost times
  - smart thermostats
  - residential battery systems
  - grid-interactive water heaters

EXAMPLE OF INNOVATION INNITIATIVE

Pilot Project Exploring Hydrogen as Potential Solution for Long Duration Storage

Profile of Project

Collaborators

- Palo Verde nuclear plant and Idaho National Laboratory

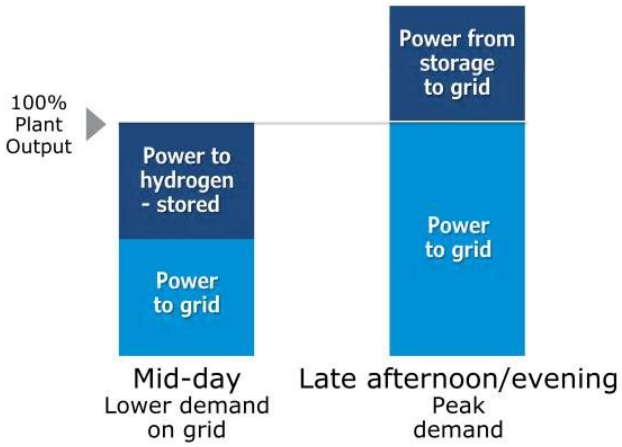
Pilot Program

- Examine long-term cost effectiveness of hydrogen production at utility scale

Goal

- Use of hydrogen for long term storage of energy

Possible Scenario for Palo Verde Nuclear Plant



PINNACLE WEST CAPITAL CORPORATION

Leading ESG Practices Guide Our Approach – Snapshot

Environmental

- One of two North American electric utility to achieve CDP Leadership scores for Water and Climate[1]
- MSCI ESG "AA" rating[2]
- Reduced carbon by 26% since 2005 and retired over 1,000 MW of coal

Social

- Top quartile employee safety
- 36% of new hires ethnically or racially diverse
- Commitment to Support Coal Community Transition Plan

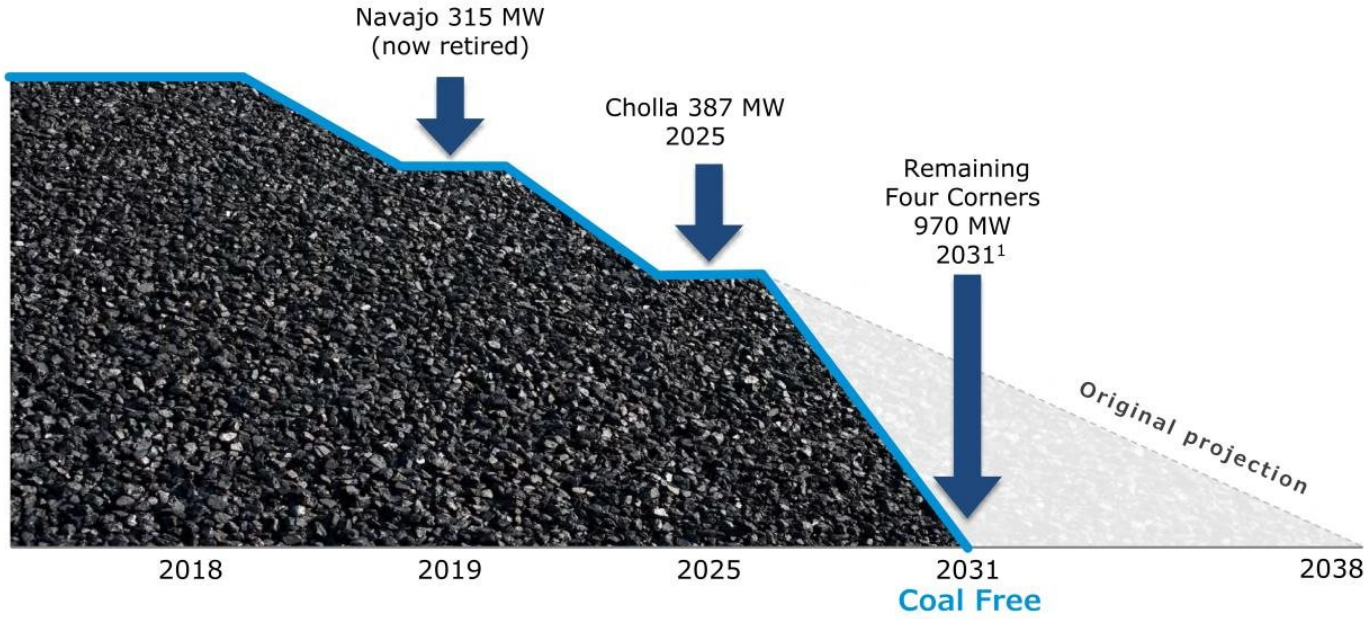
Governance

- 30% of independent directors gender or ethnically diverse
- ESG executive council
- Board oversight of strategy and risk

[1] Pinnacle West is only one of two North American electric utility companies to achieve Leadership scores in both climate change and water security out of the 140-plus electric utilities that were scored through CDP's questionnaires in 2021, with nearly 12,000 companies being scored in total.
[2] Report dated April 27, 2021.

PINNACLE WEST CAPITAL CORPORATION

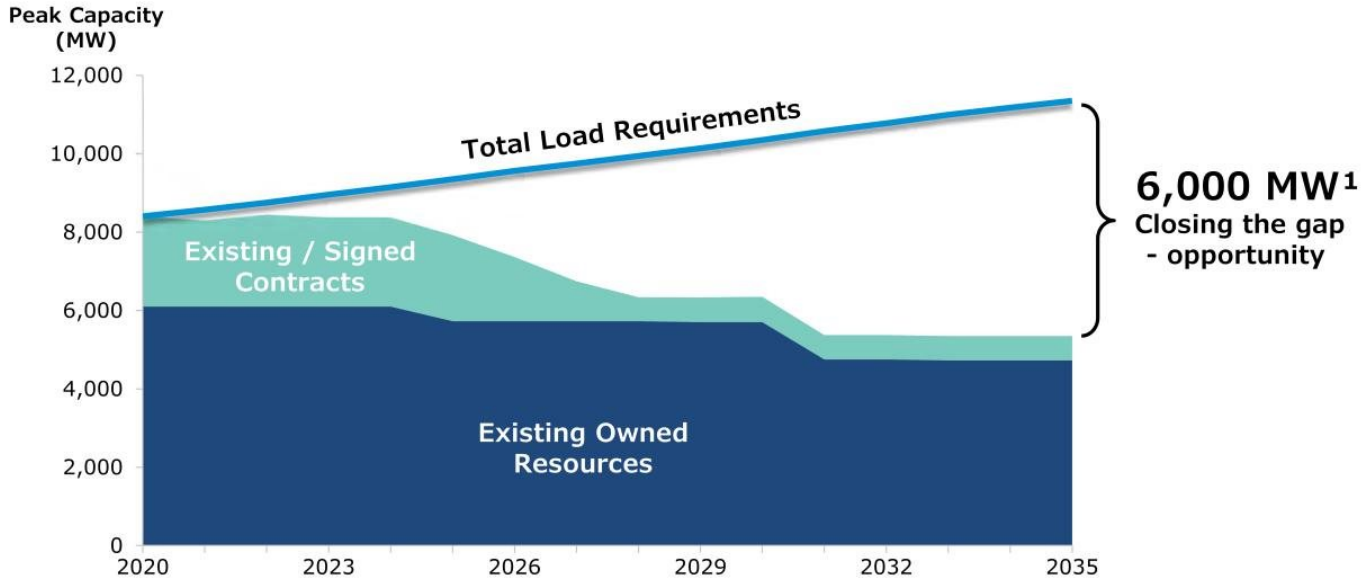
Coal Exit Strategy – 7 Years Earlier than Originally Projected



[1]Starting in 2023 and subject to the necessary approvals, Four Corners will move to a seasonal operating schedule that will further reduce annual carbon emissions at Four Corners by an estimated 20-25%.

PINNACLE WEST CAPITAL CORPORATION

Coal Exit and Expiring Purchase Contracts Will Create a 6,000 MW Supply-Demand Gap by 2035



[1] Will need more additions than 6,000 MW due to new resources being paired to meet reliability requirements (i.e., solar with storage requires 100 MW solar plus 100 MW of storage).

Key New Energy Sources to Achieve Goals

Initiatives

- Solar generation
- Wind generation
- Gas as a bridge fuel
- Demand-side management
- Energy storage solutions
- Innovation

Resource Mix Change

	Today		2035
Coal	**14%**	→	**0%**
Gas	**28%**	→	**6%-17%**
Nuclear	**23%**	→	**16%**
Purchased	**8%**	→	**11%**
Renewable/ DSM	**27%**	→	**56%-67%**

THE PINNACLE WEST STORY

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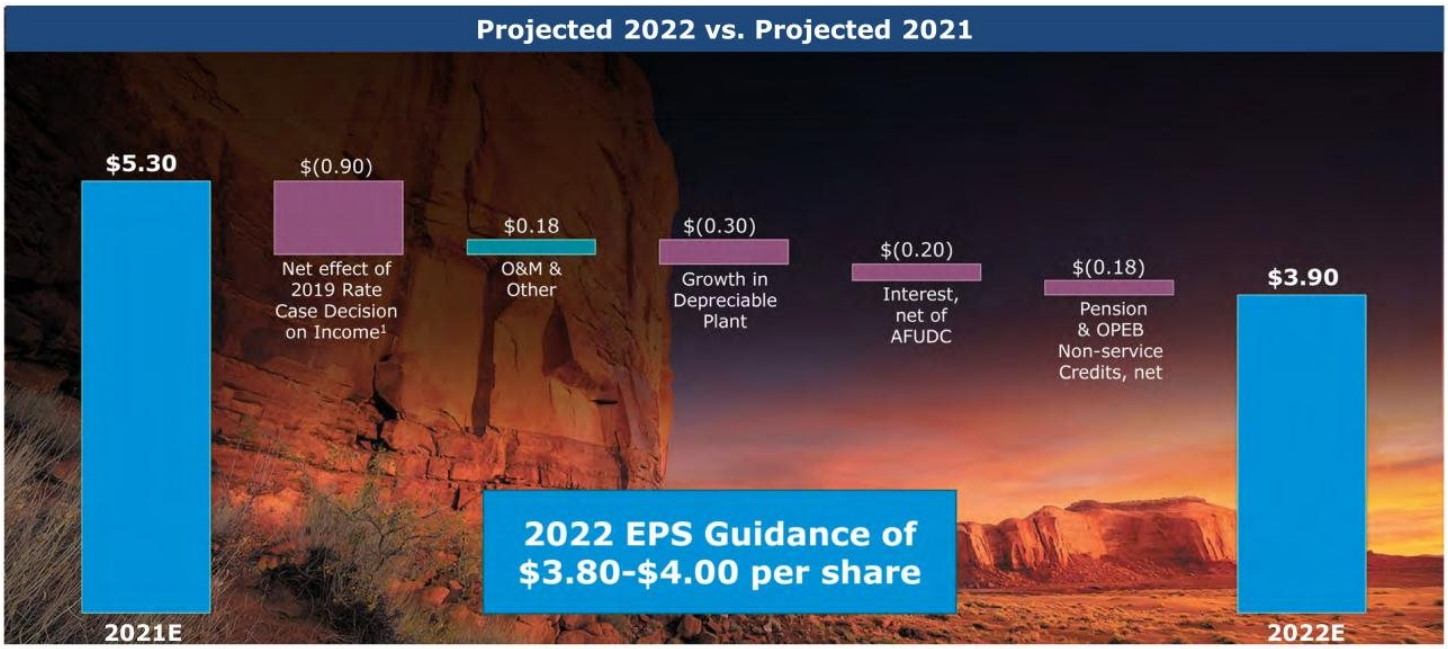
2022 EPS Driven by Disappointing Rate Case Outcome & Other Factors[1]



[1] Amounts provided are the Company's current projections.

PINNACLE WEST CAPITAL CORPORATION

What Investors Can Expect From Us Moving Forward

1. **Strong EPS growth off 2022**
2. **Managing capital plan to support customer growth, reliability and clean transition**
3. **Steady rate base growth**
4. **Limiting equity dilution**
5. **Declining O&M per kWh**
6. **Dividend growth commitment**
7. **Optimize our balance sheet in support of investment**

EXPECTATION #1

Projected 5-7% EPS Growth Off 2022[1]

Long-Term Outlook

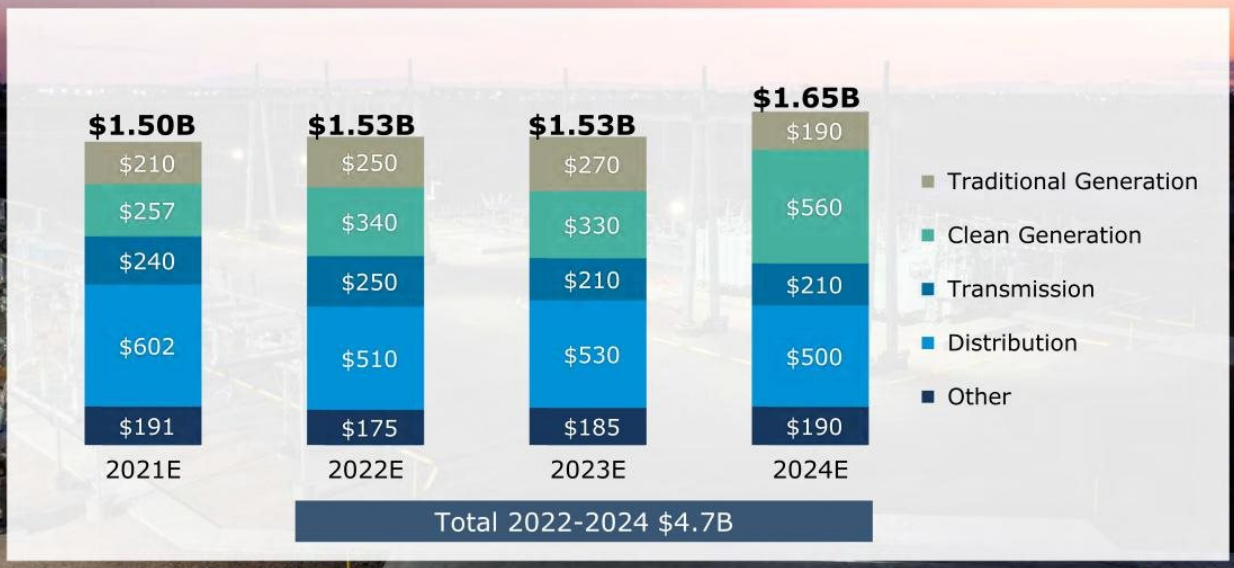
Long-Term Upside Potential

- Remainder of SCRs in rates
- Acceleration of clean energy transition
- Economic Development driving sales and customer growth
- Continued cost management
- Reduction of regulatory lag

[1] Amounts provided are the Company's current 5-year compound annual growth rate projections

EXPECTATION #2

Managing Capital Plan to Support Customer Growth, Reliability and Clean Transition



2021–2024 as disclosed in the Third Quarter 2021 Form 10-Q.

PINNACLE WEST CAPITAL CORPORATION

EXPECTATION #3

Steady Rate Base Growth

APS Rate Base Growth Guidance

Year-End

Rate base $ in billions, rounded

Total Approved Rate Base

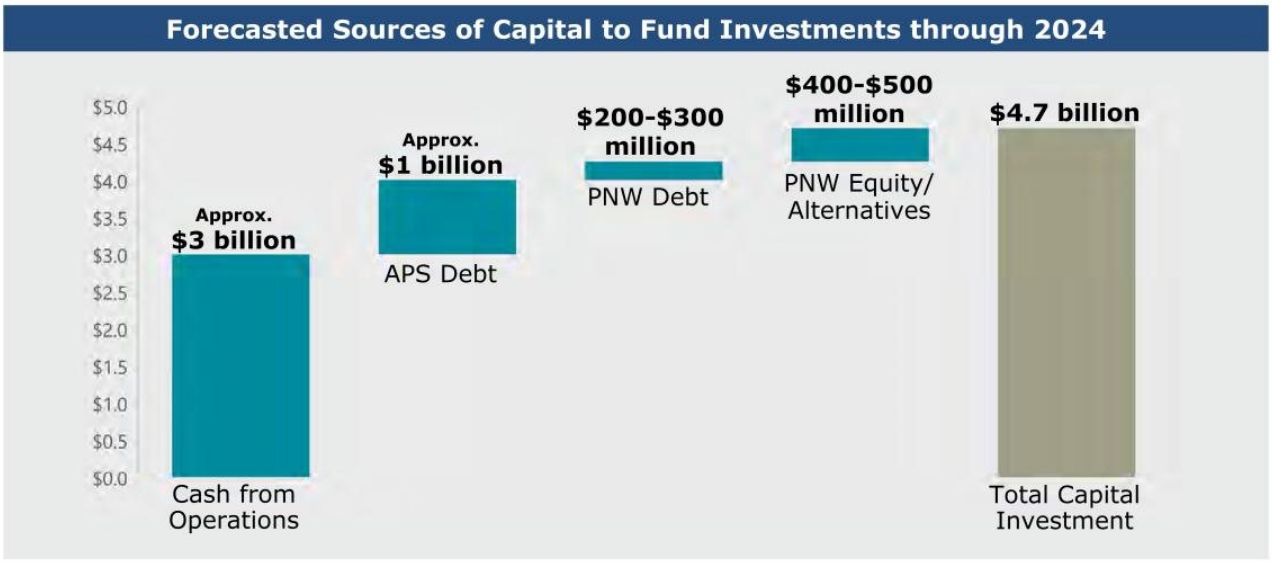
	ACC	FERC
Rate Effective Date	12/01/2021	6/1/2021
Test Year Ended	06/30/2019[1]	12/31/2020
Rate Base	$8.6B	$1.8B
Equity Layer	54.7%	51.6%
Allowed ROE	8.7%	10.75%

[1] Adjusted to include post test-year plant in service through 06/30/2020

PINNACLE WEST CAPITAL CORPORATION

EXPECTATION #4

No Plans to Issue Equity Before End of Next Rate Case



Note: cash from operations is net of shareholder dividends. APS and PNW debt issuance is net of maturities.

PINNACLE WEST CAPITAL CORPORATION

EXPECTATION #5

Our Goal is Flat Total O&M and Declining O&M per MWh

O&M per MWh

$29/MWh

Total O&M[1]
2021: $845M-$865M
2022: $820M-$840M

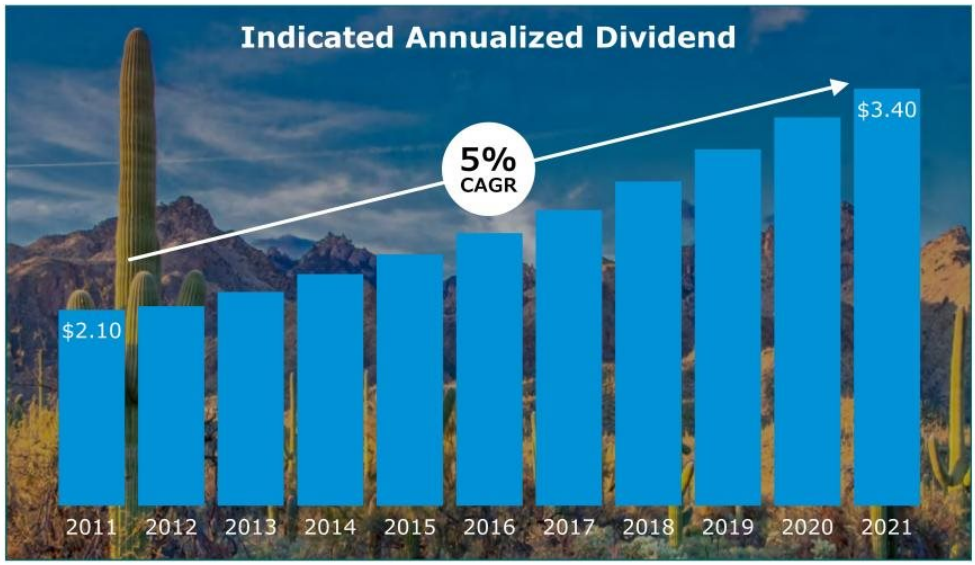
2021 2022 2023 2024

[1] Total O&M amounts exclude RES/DSM, and include planned outage amounts of $45M-55M in 2021 and $40M-$50M in 2022.

PINNACLE WEST CAPITAL CORPORATION

EXPECTATION #6

Continue Our Track Record of Consistent Dividend Growth[1]



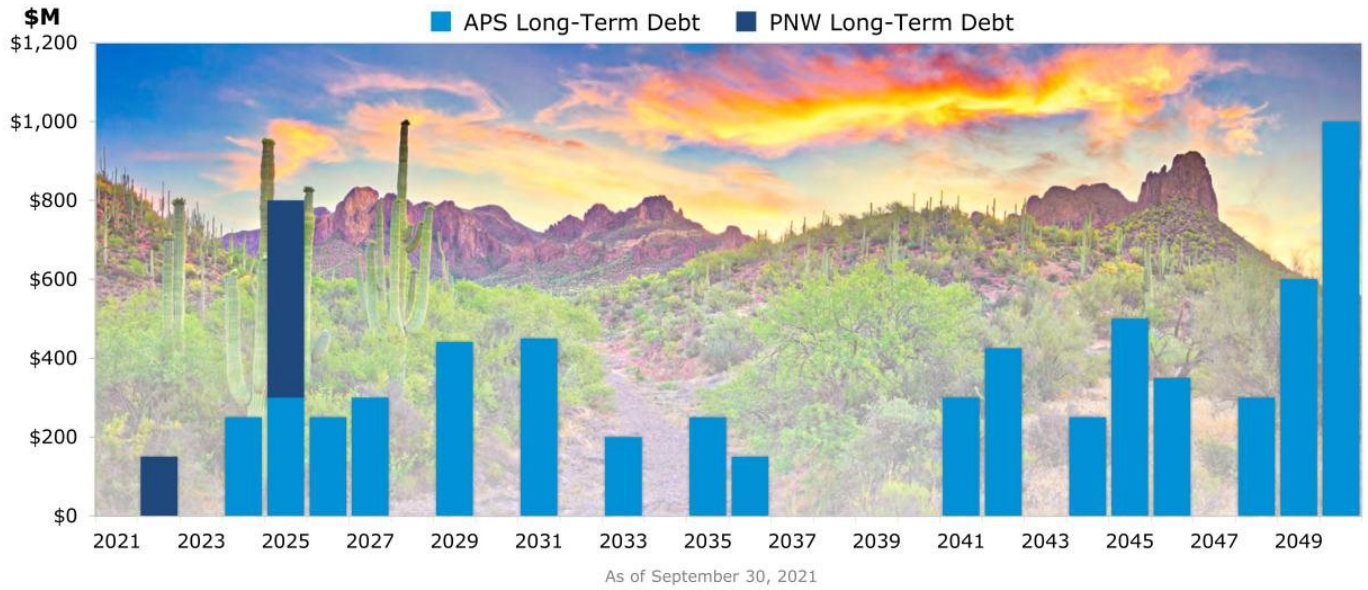
Dividend Targets

- Committed to long-term dividend growth
- Attractive dividend yield
- Managing long term dividend payout ratio to 65-75%

[1] Future dividends are subject to declaration at Board of Directors' discretion.

EXPECTATION #7

Strong Balance Sheet with Attractive Long-Term Debt Maturity Profile



As of September 30, 2021

PINNACLE WEST CAPITAL CORPORATION

EXPECTATION #7

Our Credit Ratings Support Growth Opportunities

	Corporate Ratings	Senior Unsecured Ratings	Short-Term Ratings	Outlook
APS[1]				
Moody's	A3	A3	P-2	Negative
S&P	BBB+	BBB+	A-2	Negative
Fitch	BBB+	A-	F2	Negative
Pinnacle West[1]				
Moody's	Baa1	Baa1	P-2	Negative
S&P	BBB+	BBB	A-2	Negative
Fitch	BBB+	BBB+	F2	Negative

Balance Sheet Targets

- Strong investment grade credit ratings
- APS equity layer >50%
- FFO/Debt range of 16%-18%

[1] We are disclosing credit ratings to enhance understanding of our sources of liquidity and the effects of our ratings on our costs of funds. Ratings are as of November 17, 2021.

Attractive Financial Profile Beyond 2022[1]

[1] Amounts provided are the Company's current projections

PINNACLE WEST CAPITAL CORPORATION

IN SUMMARY

We are Optimistic for the Future: The Growth Story Remains Intact

- Building on proven long-term, 10-year track record
- Working to improve regulatory environment over time
- Service territory is among the fastest growing in the U.S.
- Executing on clear growth strategy including transition to clean energy
- Attractive financial profile building from 2022

PINNACLE WEST
CAPITAL CORPORATION

APPENDIX

ESG Leadership – 2021 Recognitions

CDP
DISCLOSURE INSIGHT ACTION

A- Score for Climate Change and Water Security

MSCI ESG RATINGS
AA
CCC | B | BB | BBB | A | AA | AAA

MSCI Upgrades Pinnacle West's ESG Rating to AA[1]

training

Training Magazine

2021 Top 100 Learning and Development Organization

DIVERSITY
LEADERSHIP • ALLIANCE

2021 Inclusive Workplace Award

Named to the annual ranking of the world's **Top 100 Green Utilities** by

Energy Intelligence

U.S. Women in Nuclear

US Women in Nuclear Leadership Award

[1] As of April 27, 2021