PINNACLE WEST CAPITAL CORP
Form 4
July 31, 2006

FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

OMB APPROVAL

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STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF 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

(Print or Type Responses)

1. Name and Address of Reporting Person *
DAVIS JACK E

(Last) (First) (Middle)

400 N. 5TH STREET

(Street)

PHOENIX, AZ 85004

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading Symbol
PINNACLE WEST CAPITAL CORP [PNW]

3. Date of Earliest Transaction (Month/Day/Year)
07/27/2006

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

_____ Director _____ 10% Owner
__X__ Officer (give title below) _____ Other (specify below)
President and COO

6. Individual or Joint/Group Filing(Check Applicable Line)
_X_ Form filed by One Reporting Person
___ Form filed by More than One Reporting Person

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

1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction 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	07/27/2006		M		13,500	A	$ 39.75	58,034	D	
Common Stock	07/27/2006		S (1)		12,891	D	$ 43.59	45,143	D	
Common Stock	07/27/2006		M		51,500	A	$ 38.37	96,643	D	
Common Stock	07/27/2006		S (1)		47,830	D	$ 43.59	48,813	D	
Common Stock	07/27/2006		M		11,583	A	$ 32.29	60,396	D	

Common Stock	07/27/2006		S[(1)]	9,796	D	$ 43.59	50,600	D	
Common Stock							7,952	I	by 401(k)

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

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Table II - Derivative Securities Acquired, Disposed of, or 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. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction 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 (Month/Day/Year)		7. Title and Amount of Underlying Securities (Instr. 3 and 4)	
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Employee Stock Option (Right to Buy)	$ 39.75	07/27/2006		M			13,500	[(2)]	12/16/2007	Common Stock	13,500
Employee Stock Option (Right to Buy)	$ 38.37	07/27/2006		M			51,500	[(3)]	06/18/2012	Common Stock	51,500
Employee Stock Option (Right to Buy)	$ 32.29	07/27/2006		M			11,583	[(4)]	03/17/2013	Common Stock	11,583

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
DAVIS JACK E 400 N. 5TH STREET			President and COO	

PHOENIX, AZ 85004

Signatures

/s/ Jack E. Davis	07/31/2006
**Signature of Reporting Person	Date

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) An approximate minimum number of shares were sold solely for the purpose of meeting tax withholding and option exercise requirements and to satisfy broker commissions. Mr. Davis retained all other shares received upon the noted option exercises.

(2) The option became exercisable one third of the grant per year commencing 12/17/98.

(3) The option became exercisable one third of the grant per year commencing 06/19/03.

(4) The option became exercisable one third of the grant per year commencing 03/18/04.

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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