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A subsidiary of Pinnacle West Capital Corporation

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AZ CORP COMMISSION  
DOCUMENT CONTROL

December 21, 2006

Docket Control  
Arizona Corporation Commission  
1200 West Washington  
Phoenix, Arizona 85007

RE: APS Cash Position and Financial Ratios Compliance Filing  
DOCKET NO. E-01345A-06-0009 DECISION NO. 68685

Dear Madam or Sir:

Attached is the monthly report on Arizona Public Service Company and Pinnacle West Capital Corporations cash position and financial ratios, as required by Decision No. 68685.

If you or your staff have any questions, please feel free to call me.

Sincerely,

Brian Brumfield  
Supervisor  
Regulatory Affairs

BB/vld

CC: Ernest Johnson  
Brian Bozzo (without attachments)

Arizona Corporation Commission  
**DOCKETED**

DEC 21 2006

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## Monthly Cash Position and Financial Ratio Report (1)

October 31,  
2006

### Ending cash and invested position (in millions):

APS	\$	397
PNW	\$	407

### APS Financial ratios (12 months ending):

Funds from operations to debt	17.8%
Debt to capital	53.8%
Funds from operations interest coverage	4.0x

### Projected APS funds from operations (in millions):

12 months ending 12/31/06	\$	647
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(1) Required by decision no. 68685 until resolution of general rate case