

Palo Verde Successfully Meets Summer Challenge

Nation's Largest Power Producer Helps Southwest Residents Keep Cool

Phoenix, AZ, October 7, 2010 - The Palo Verde Nuclear Generating Station did its part in keeping millions of homes and businesses in the Southwest cool this summer. All three units at the nation's largest power producer operated simultaneously since the start of summer, producing 4,000 megawatts of power at any given time.

The three-unit run ended Saturday when Unit 3 was taken off line for a planned maintenance and refueling outage, after operating for 297 consecutive days. Palo Verde Units 1 and 2 continue to operate at 100 percent power, achieving runs of 109 and 296 consecutive days, respectively.

"For three straight years, the three units operated continuously for at least 100 days during triple-digit temperatures throughout the summer," said **Randy Edington, APS Executive Vice President and Chief Nuclear Officer**, Palo Verde's operating utility. "Palo Verde always is important to the energy supply of the Southwest, but especially in the hot Sonoran Desert summers when reliability is essential, customer demand is high and replacement power can be difficult and expensive to obtain."

The Unit 3 outage will include replacement of the reactor vessel head and installation of additional equipment that will further improve safety and efficiency of future refueling outages. This equipment already has been installed in Units 1 and 2.

"Enhancing the efficiency and effectiveness of refueling outages is the next major area of focus for Palo Verde," said Edington. "This will help us achieve our mission to **safely** and efficiently **generate** electricity for the **long term**."

The power provided by the plant serves 4 million people in the Southwest with almost half serving Arizona customers. The remaining power is spread among California, New Mexico and Texas consumers.

Palo Verde is jointly owned by APS, Salt River Project, Southern California Edison Co., El Paso Electric, Public Service Co. of New Mexico, Southern California Public Power Authority and the Los Angeles Department of Water & Power.

APS, Arizona's largest and longest-serving electricity utility, serves more than 1.1 million customers in 11 of the state's 15 counties. With headquarters in Phoenix, APS is the principal subsidiary of **Pinnacle West Capital Corp.** (NYSE: PNW).

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