

April 28, 2017

Kathryn L. Munro, Lead Director
Members of the Pinnacle West Capital Board
c/o Diane Wood, Corporate Secretary
Pinnacle West Capital Corporation
400 N. 5th Street
Mail Station 8602
Phoenix, AZ 85004

Dear Ms. Munro and Members of the Pinnacle West Capital Board:

I am writing on behalf of the Council of Institutional Investors (CII) to request that the board re-consider its decision to conduct the May 17 annual shareholder meeting entirely online. We respectfully urge the board to take a “hybrid” approach giving Pinnacle West Capital shareholders the option to either attend the meeting online or in-person.

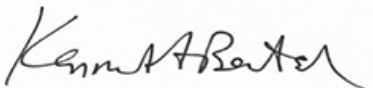
CII is a nonprofit, nonpartisan association of public, corporate and union employee benefit funds, and other employee benefit plans, foundations and endowments with combined assets under management exceeding \$3 trillion. Our member funds include major long-term shareowners with a duty to protect the retirement savings of millions of workers and their families. Our associate members include a range of asset managers with more than \$20 trillion in assets under management.

Like you, we see in virtual meeting technology a compelling opportunity to broaden and enhance shareholder participation. At the same time, we feel strongly that public companies serve their best long-term interest when directors and managers avail themselves at least annually to in-person, face-to-face interaction in an opportunity available to all shareholders, regardless of share position.

To be sure, there are costs associated with continuing to provide an in-person option, as there are for other forms of company/shareholder engagement. In our view, guaranteeing this opportunity for one day out of the year, even on a “no frills” basis, delivers benefits that clearly exceed costs of a prudently managed annual meeting, including reinforcing trust and good faith between the company’s leaders and its owners.

Thank you for considering our views. We want to be clear that the board’s virtual-only inclination and no other matter faced by Pinnacle West Capital prompted our outreach to you. CII has communicated with similarly-situated companies in favor of a hybrid approach since 2010. If we can answer any questions you have, please do not hesitate to contact me at 202.822.0800 or ken@cii.org.

Sincerely,



Kenneth A. Bertsch
Executive Director
Council of Institutional Investors