

FOR IMMEDIATE RELEASE

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Issued jointly with the Yavapai-Apache Nation, American Rivers, Arizona Riparian Council, Center for Biological Diversity, The Nature Conservancy and Northern Arizona Audubon Society

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UNPRECEDENTED MOVE BY APS IMPROVES NATURAL ENVIRONMENT*Power Plant Closure Gives Rebirth to Important Arizona Waterway*

PHOENIX – Arizona’s first commercial hydroelectric power plants ceased operation today as part of a unique cooperative effort between APS, government agencies, Native American tribes, conservation groups and academia. By closing the Childs and Irving Hydroelectric Power Plants in central Arizona, full flow was restored to Fossil Creek after nearly a century of restricted flows.

The Childs and Irving Power Plants, located in a remote area between Strawberry and Camp Verde, were considered an engineering and logistical marvel when constructed almost 100 years ago. The small hydroelectric power plants provided energy essential to Arizona’s growth, powering the booming mining operations in Jerome and the Bradshaw Mountains and later energized the growing communities of Prescott and Phoenix.

In 1999, in concert with the Yavapai-Apache Nation, American Rivers, Arizona Riparian Council, Center for Biological Diversity, The Nature Conservancy and Northern Arizona Audubon Society, APS decided to decommission the Childs and Irving plants and restore full flow to Fossil Creek at a cost to APS of approximately \$13 million. Despite the cost of decommissioning and lost revenue from plant operations, APS determined that restoring Fossil Creek to its natural flow outweighed the business benefits the facility provided.

“Our decision was based on what was best for Arizona” said Jack Davis, APS president and CEO. “As a responsible corporate citizen, we carefully reviewed our business goals and determined that closing the power plants, returning the stream to its full flow and recreating the natural condition of this beautiful area was simply the right decision.

“This is an unparalleled and exciting opportunity to return a work site to its pristine natural condition, creating an ecosystem where nature can continue to thrive,” Davis added. “This cooperative effort will ultimately enhance the native riparian area and enrich an already popular recreation area that can be enjoyed for generations.”

(more)



Returning Fossil Creek to its full flow yields an additional 14 miles of wetland ecosystem valuable for wildlife habitat and creek-side recreation.

Fossil Springs, which feeds Fossil Creek, is a unique Arizona water source. It provides a year-round flow of 43 cubic feet per second, and its high mineral content has helped form large travertine formations that native fish use for shelter and spawning. The restored flow should encourage the return of a greater number and variety of native fish and fauna.

As part of the preparations for the return of full flow to Fossil Creek, the U.S. Bureau of Reclamation, U.S. Fish and Wildlife Service, U.S. Forest Service and the Arizona Game & Fish Department conducted a native fish restoration project. The project, which was recently completed, included the removal of non-native species and construction of a fish barrier that keeps non-native fish from entering the restored area.

An integral part of the region's heritage, the historic value of the Childs-Irving Plant will not be ignored. APS worked with local historical groups and the surrounding communities to preserve as much of the facilities as possible. As a result, two of the plant's original structures – the powerhouse and icehouse at the Childs site – will remain as historic elements.

Now that the Childs and Irving plants have been shut down, APS employees will begin deconstruction and removal of power plant structures. The site should be returned to the Forest Service by the end of 2009.

APS, Arizona's largest and longest-serving electric utility, serves more than 989,500 customers in 11 of the state's 15 counties. With headquarters in Phoenix, APS is the largest subsidiary of Pinnacle West Capital Corporation (NYSE:PNW).

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***NOTE:** Quotes from some of the stakeholder organizations are attached, along with background and contact information for each.*