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FOR IMMEDIATE RELEASE

Pinnacle West Capital Corporation Selects VaRManager™ from Analytic Risk Solutions

Houston, Texas, September 19, 2000 – Analytic Risk Solutions announced the decision of Pinnacle West Capital Corporation, the Phoenix-based utility holding Company, to implement Analytic Risk Solutions' VaRManager for value-at-risk analysis. VaRManager is a state-of-the-art value-at-risk application that can be run on a stand-alone basis or as an addition to an existing deal-capture system.

The analytic "engine" inside VaRManager is provided by Financial Engineering Associates [FEA], the recognized leader in value-at-risk and financial derivative valuation technology.

Pinnacle West is the holding company for APS, Arizona's principal electric energy supplier as well as APS Energy Services, an energy marketing company based in Phoenix. Pinnacle West has \$7 billion of consolidated assets and consolidated revenues of approximately \$2 billion.

Mark Garman, President and CEO of FEA, said "John Lehman and Julia Long, the founding principals of Analytic Risk Solutions, have many years of experience with FEA analytics. We expect to partner with ARS even more frequently as both FEA and ARS focus on Value at Risk, especially in the context of energy derivatives. "

Mark Garman, John Lehman, and Julia Long will share the podium at the upcoming FEA Value-at-Risk seminar October 11-13, 2000 in Berkeley, CA, sponsored by FAME Energy and Algorithmics.

About Analytic Risk Solutions

Analytic Risk Solutions, L.L.C. is a Houston, Texas based provider of financial engineering expertise. ARS offers a unique combination of extensive industry experience and the state-of-the-art analytical skills and tools needed to provide risk analysis, valuation and hedging advice on the most complex problems. They are an FEA/*Alliance Partner*, and will participate in the FEA/*Inside* program, demonstrating their commitment to analytics excellence. For more information, see <http://www.analyticrisk.com/>

About Financial Engineering Associates

FEA's analytics are available to FEA/*Alliance Partners* such as ARS, in a library form. These components are subsequently sub-licensed as part of larger, comprehensive and customized trading and risk management solutions such as the ARS VaRManager software. Intensive development work has brought FEA to the forefront of the energy derivatives marketplace. Together with the advanced FEA software for market Value at Risk, known as VaRworks[®], these components are becoming widely included within systems used by companies participating in the energy markets.

Berkeley, California-based Financial Engineering Associates, Inc.'s mission is to provide the trading and investment community with high-quality analytical tools for the valuation and risk management of derivative securities. The company aims to be the primary purveyor of, and authority on, models for derivative products. Clients include over 600 financial institutions, including energy firms, money center banks, Fortune 500 companies, trading enterprises, and cutting-edge financial firms worldwide. For more information, see <http://www.fea.com/>.

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