



Control Number: 14406



Item Number: 469

Addendum StartPage: 0

May 7, 2009

Filing Clerk  
Public Utility Commission of Texas  
1701 N. Congress Ave, Rm 8-100  
P.O. Box 13326  
Austin, TX 78711-3326

2009 MAY 12 AM 11:34  
PUBLIC UTILITY COMMISSION  
FILING CLERK

Re: Project No. 14406; *Safeway Inc. - Registration as a Power Marketer*

Gentlemen:

Safeway Inc. files the following information to register with the Public Utility Commission of Texas (Commission) as a power marketer pursuant to P.U.C. Subst. R.25.105.

1. **Substantive Rule 25.105(c) (1).** Communications regarding Safeway Inc. should be directed to the following:

Safeway Inc.  
5918 Stoneridge Mall Road  
Pleasanton, CA 94588  
Attention: Energy Operations  
Phone: (925) 467-2708  
Facsimile: (925) 467-3123  
Doug.condon@safeway.com  
George.waidelich@safeway.com

Safeway Inc.  
5918 Stoneridge Mall Road  
Pleasanton, CA 94588  
Attention: Legal Department  
Phone: (925) 467-3912  
Facsimile: (925) 467-3214  
Lissa.maldonado@safeway.com

Safeway Inc. is one of the largest food and drug retailers in North America. Safeway operates over 1800 stores in the United States and Canada. In support of its stores, Safeway has an extensive network of distribution, manufacturing, and food processing facilities. Safeway is a publicly traded (NYSE "SWY") Delaware corporation with its headquarters in Pleasanton, CA. Information on Safeway can be found at [www.safeway.com](http://www.safeway.com).

2. **Substantive Rule 25.105(C) (2).** Safeway has no affiliates that buy or sell electricity at wholesale in Texas, or sell electricity at retail in Texas.
3. **Substantive Rule 25.105(c) (3).** Safeway's principal place of business is:

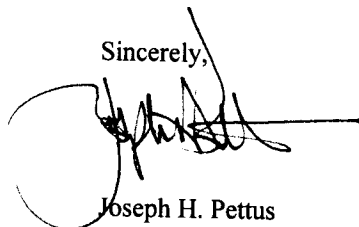
Safeway Inc.  
5918 Stoneridge Mall Road  
Pleasanton, CA 94588

4. **Substantive Rule 25.105(c) (4).** Safeway proposes to act as a power marketer, purchasing electricity and reselling it to wholesale customers. Safeway may also engage in other activities to facilitate efficient trade in the bulk power market, such as arranging services in related areas such as transmission and fuel supplies.
5. **Substantive Rule 25.105(c) (5).** Attached as Exhibit A is a copy of information relating to Safeway Inc.'s application for market-based rate authority with the Federal Energy Regulatory Commission filed in FERC Docket Nos. ER06-229-000 and ER06-229-001.

6. **Substantive Rule 25.105 (c) (6).** Attached as Exhibit B is an affidavit by an authorized person that Safeway Inc. is a power marketer.

We trust the foregoing information is sufficient for the purposes of registering with the Commission as a power marketer. Please contact me if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "J. Pettus", with a long horizontal line extending to the right.

Joseph H. Pettus  
Senior Vice President  
Fuel & Energy  
Safeway Inc.

EXHIBIT A



ORIGINAL

FILED  
OFFICE OF THE  
SECRETARY

December 16, 2005

2005 DEC 20 P 4: 45

FEDERAL ENERGY  
REGULATORY COMMISSION

Magalie R. Salas, Secretary

Federal Energy Regulatory Commission  
Information Services Division  
ED 12.3  
888 First Street, NE  
Washington, DC 20426

Re: Safeway Inc.  
Docket No. ER06-229-000

Dear Ms. Salas:

Attached are six (6) copies of Safeway Inc. Rate Schedule FERC No. 1 in accordance with FERC order 614 guidelines. We kindly request that you include this information in our Docket No. ER06-229-000.

Please feel free to contact me if you have any questions.

Sincerely,

Joe Pettus  
Group Vice President  
Safeway Inc.  
5918 Stoneridge Mall Road  
Pleasanton, CA 94588

Enclosure

Safeway Inc.  
Rate Schedule FERC No. 1

Original Sheet No. 1

SAFEWAY INC.  
RATE SCHEDULE FERC NO. 1

FILED  
OFFICE OF THE  
SECRETARY  
2005 DEC 20 P 4:45  
FEDERAL ENERGY  
REGULATORY COMMISSION

Availability

Safeway Inc. (Safeway) makes electric energy and capacity available under this Rate Schedule to any purchaser for resale.

Applicability

This Rate Schedule is applicable to all sales of energy or capacity by Safeway not otherwise subject to a particular rate schedule of Safeway.

Rates

All sales shall be made at rates established by agreement between purchaser and Safeway.

Other Terms and Conditions

All other terms and conditions shall be established by agreement between the purchaser and Safeway.

Affiliate Sales Prohibited

No sale may be made pursuant to this Rate Schedule to any public utility with a franchised electric service territory that is controlled by, or under common control with, or controlling Safeway.

Reporting of Material Changes in Status

Safeway must timely report to the Commission any change in status that would reflect a departure from the characteristics the Commission relied upon in granting market-based rate authority. A change in status includes, but is not limited to, each of the following: (i) ownership or control of generation or transmission facilities or inputs to electric power production other than fuel supplies, or (ii) affiliation with any entity not disclosed in the application for market-based rate authority that owns or controls generation or transmission facilities or inputs to electric power production or affiliation with any entity that has a franchised service area. Any change in status must be filed no later than thirty (30) days after the change in status occurs.

Effective Date

This Rate Schedule is effective on \_\_\_\_\_.

Safeway Inc.  
Rate Schedule FERC No. 1

Original Sheet No. 2

Appendix A

Market Behavior Rules

As a condition of market-based rate authority, Safeway will comply with the following Market Behavior Rules:

1. Unit Operation: Safeway will operate and schedule generating facilities, undertake maintenance, declare outages, and commit to otherwise bid supply in a manner that complies with the Commission-approved rules and regulations of the applicable power market. Compliance with this Market Behavior Rule 1 does not require Safeway to bid or supply electric energy or other electricity products unless such requirement is a part of a separate Commission-approved tariff or requirement applicable to Safeway.
2. Market Manipulation: Actions or transactions that are without a legitimate business purpose and are intended to or foreseeably could manipulate market prices, market conditions, or market rules for electric energy or electricity products are prohibited. Actions or transactions undertaken by Safeway that are explicitly contemplated in Commission-approved rules and regulations of an applicable power market (such as virtual supply or load bidding) or taken at the direction of an ISO or RTO are not in violation of this Market Behavior Rule. Prohibited actions and transactions include, but are not limited to:
  - a. pre-arranged offsetting of trades of the same product among the same parties, which involve no economic risk and no net change in beneficial ownership (sometimes called "wash trades");
  - b. transactions predicated on submitting false information to transmission providers or other entities responsible for operation of the transmission grid (such as inaccurate load or generation data; or scheduling non-firm service for products sold as firm), unless Safeway exercised due diligence to prevent such occurrences;
  - c. transactions in which an entity first creates artificial congestion and then purports to relieve such artificial congestion (unless Safeway exercised due diligence to prevent such an occurrence; and
  - d. collusion with another party for the purpose of manipulating market prices, market conditions, or market rules for electric energy or electricity products.
3. Communications: Safeway will provide accurate and factual information and not submit false or misleading information, or omit material information, in any communication with the Commission, Commission-approved market monitors, Commission-approved regional transmission organizations, or Commission-approved independent system operators, or jurisdictional transmission providers, unless Safeway exercised due diligence to prevent such occurrences.

Safeway Inc.  
Rate Schedule FERC No. 1

Original Sheet No. 3

4. **Reporting:** To the extent Safeway engages in reporting of transactions to publishers of electricity or natural gas price indices, Safeway shall provide accurate and factual information, and not knowingly submit false or misleading information or omit material information to any such publisher, by reporting its transactions in a manner consistent with the procedures set forth in the Policy Statement issued by the Commission in Docket No. PL03-3 and any clarifications thereto. Safeway shall notify the Commission within fifteen (15) days of the effective date of this tariff provision of whether it engages such reporting of its transactions and update the Commission within fifteen (15) days of any subsequent change to its transaction reporting status. In addition, Safeway shall adhere to such other standards and requirements for price reporting as the Commission may order.

5. **Record Retention:** Safeway shall retain, for a period of three (3) years, all data and information upon which it billed the prices it charged for the electric energy of electric energy products it sold pursuant to this tariff or the prices it reported for use in price indices.

6. **Related Tariffs:** Safeway shall not violate or collude with another party in actions that violate Safeway's market-based rate code of conduct or Order No. 889 standards of conduct, as they may be revised from time to time.

Any violations of these Market Behavior Rules will constitute a tariff violation. Safeway will be subject to disgorgement of unjust profits associated with the tariff's violation, from the date on which the tariff violation occurred. Safeway may also be subject to suspension or revocation of its authority to sell at market-based rates or other appropriate non-monetary remedies.



UNITED STATES OF AMERICA  
FEDERAL ENERGY REGULATORY COMMISSION

Safeway Inc. Docket No. ER06-\_\_\_\_-000

NOTICE OF FILING

Issued \_\_\_\_\_, 2005

Take notice that on \_\_\_\_\_, Safeway Inc. ("Safeway") petitioned the Commission for acceptance of Safeway Rate Schedule FERC No.1; the granting of certain blanket approvals, including the authority to sell electricity at market-based rates; and the waiver of certain Commission regulations.

Safeway intends to engage in wholesale electric power and energy purchases and sales as a marketer. Safeway is not in the business of generating or transmitting electric power. Safeway is one of the largest food and drug retailers in North America. Safeway operates over 1800 stores in the United States and Canada. In support of its stores, Safeway has an extensive network of distribution, manufacturing and food processing facilities. Safeway is a publicly traded (NYSE "SWY") Delaware corporation with its headquarters in Pleasanton, CA.

Any person desiring to be heard or to protest said filing should file a motion to intervene or protest with the Secretary, Federal Energy Regulatory Commission, 888 First Street, N.E., Washington, D.C. 20246, in accordance with Rules 211 and 214 of the Commission's Rules of Practice and Procedure (18 CFR 385.211 and 18 CFR 385.214). All such motions or protests should be filed on or before \_\_\_\_\_. Protests will be considered by the Commission in determining the appropriate action to be taken, but will not serve to make protestants parties to the proceeding.

Any person wishing to become a party must file a motion to intervene.

Copies of this filing are on file with the Commission and are available for public inspection.

Magalie R. Salas

Secretary



November 16, 2005

Magalie R. Salas, Secretary

Federal Energy Regulatory Commission  
Information Services Division  
ED 12.3  
888 First Street, NE  
Washington, DC 20426

Re: Safeway Inc.  
Docket No. ER06-\_\_\_\_-000

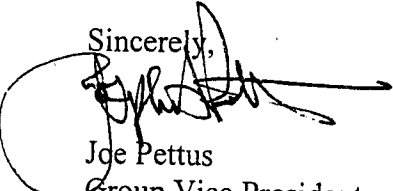
Dear Ms. Salas:

Enclosed for filing are an original and six copies of the Petition for Acceptance Of Initial Rate Schedule, Waivers and Blanket Authority, submitted by Safeway Inc. The Petition requests acceptance of Safeway Rate Schedule FERC No. 1, under which Safeway will engage in wholesale electric power and energy transactions as a marketer; the granting of certain blanket approvals, including the authority to sell electricity at market-based rates; and the waiver of certain Commission regulations. Attached to the Petition is a form of notice of this filing suitable for publication in the Federal Registrar, and a copy of the notice on a 3 1/2" diskette and CD.

Safeway is currently not subject to any state regulatory commission nor is it selling power to any person pursuant to the proposed rate schedule. Accordingly, no copies have been served on other parties.

Please file, stamp, and return one copy of the cover letter, using the enclosed stamped self-addressed envelope.

Sincerely,



Joe Pettus

Group Vice President  
Safeway Inc.

5918 Stoneridge Mall Road  
Pleasanton, CA 94588

Enclosure

PETITION FOR ACCEPTANCE OF INITIAL RATE FILING

UNITED STATES OF AMERICA

BEFORE THE

FEDERAL ENERGY REGULATORY COMMISSION

Safeway Inc. Docket No. ER06-\_\_\_\_-000

PETITION FOR ACCEPTANCE OF INITIAL RATE SCHEDULE,  
WAIVERS AND BLANKET AUTHORITY

Pursuant to Rules 205 and 207 of the Commission's Rules Of Practice and Procedure, 385.205 and 385.207, and Section 35.12 of the Commission's Regulations, 18 C.F.R. S 35.12, Safeway Inc. ("Safeway") hereby submits for filing Safeway Rate Schedule FERC No. 1, under which Safeway will engage in wholesale electric power and energy transactions as a marketer.

I. COMMUNICATION

All communications and service related to this application should be directed to the following:

Joe Pettus  
Group Vice President  
Safeway Inc.  
5918 Stoneridge Mall Road  
Pleasanton, CA 94588  
(925) 467-2144  
[Joe.pettus@safeway.com](mailto:Joe.pettus@safeway.com)

II. DESCRIPTION OF APPLICANT

Safeway is one of the largest food and drug retailers in North America. Safeway operates over 1800 stores in the United States and Canada. In support of its stores, Safeway has an extensive network of distribution, manufacturing and food processing facilities. Safeway is a publicly traded (NYSE "SWY") Delaware corporation with its headquarters in Pleasanton, CA.

Safeway proposes to act as a power marketer, purchasing electricity and reselling it to wholesale customers. Safeway may also engage in other, non-jurisdictional, activities to facilitate efficient trade in the bulk power market, such as arranging services in related areas such as transmission and fuel supplies. All transactions between Safeway and its purchasers will be at rates negotiated between the parties to the transaction.

### III. REQUEST FOR BLANKET AUTHORIZATION TO PURCHASE AND RESELL ELECTRICITY AT NEGOTIATED, MARKET BASED RATES

Safeway requests authorization to sell electricity at market-based rates pursuant to the attached Safeway Rate Schedule FERC No. 1. The Commission has granted open-ended market rate authority to power marketers when it has determined that the marketer and its affiliates do not have, or have adequately mitigated, market power in generation and transmission; cannot engage in anticompetitive practices through preferential affiliate transactions or reciprocal dealing; and cannot otherwise erect barriers to market entry by competing suppliers.

Under the analysis used by the Commission in considering other power marketer applications, Safeway and its affiliates lack the ability to engage in anticompetitive actions.

#### A. Generation Dominance

Neither Safeway nor any of its affiliates owns or controls generation facilities. Accordingly, Safeway cannot bar entry to the market by virtue of generation market power.

#### B. Transmission Market Power

Neither Safeway nor any of its affiliates owns or controls transmission facilities. According, Safeway cannot bar entry to the market by virtue of transmission market power.

#### C. Other Barriers to Entry

Neither Safeway nor any of its affiliates owns or controls any sites for the construction of new generating capacity, interstate or intrastate natural gas transmission lines, or other essential resources or inputs that could be used to restrict market entry by competing power suppliers.

#### D. Affiliate Abuse

The Commission has indicated that its concern over affiliate abuse and reciprocal dealing arises in the context of a seller affiliated with an electric utility having a franchised service territory. Neither Safeway, nor any of its affiliates has a franchised service area for the sale of electricity. Accordingly, neither Safeway nor any of its affiliates has the power to gain a competitive advantage by pass-through to ratepayers of excessive costs paid to affiliates for power or by ratepayer cross-subsidy or preferential pricing of services.

#### IV. REQUEST FOR WAIVERS AND ADDITIONAL BLANKET AUTHORITY

Safeway requests waiver from the following Commission Regulations, which have been granted to other power marketers:

Subparts B and C of Part 35, regarding the filing of rate schedules, except sections 35.12(a), 35.13(b), 35.15, and 35.16;

Part 41, regarding accounts, records, and memoranda;

Part 101, regarding the uniform system of accounts;

Part 141, regarding statements and reports; and

The full requirements of Part 45, regarding interlocks. With respect to making an abbreviated filing under Part 45, Safeway agrees that the person holding the interlock will file a sworn statement providing the full name and business address of the affected person, as well as a listing of all jurisdictional interlocks, identifying the affected companies and the positions held by that person.

Safeway requests blanket approval under Part 34 of the Commission's Regulations of future issuances regarding securities and assumptions of liabilities, subject to objection of an interested party.

#### V. EFFECTIVE DATE

Safeway requests that the rate schedule be effective sixty days after filing, or the date the Commission issues an order accepting the rate schedule, whichever occurs first.

#### VI. QUARTERLY FILINGS

Safeway agrees to submit quarterly transaction reports of its purchase and sales transactions, as required by the Commission for other power marketers. Safeway agrees to submit such reports even to state that no transactions occurred during the particular calendar quarter.

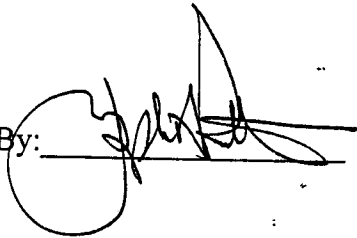
#### VII. STATUS CHANGE REPORTING REQUIREMENT

Safeway agrees to promptly inform the Commission, through its quarterly transaction reports, of any departure from the facts relied upon by the Commission in its market analysis, including affiliation with generation or transmission facilities, or an electric utility with a franchised service area. In such notices, Safeway will discuss whether these changed facts affect Safeway's authority to charge market-based rates. See Coastal Electric Services Company, 71 FERC 61,374 (1995).

WHEREFORE, Safeway Inc. requests the Commission to issue an order accepting Safeway Rate Schedule FERC No. 1 and granting the waivers and authorizations requested in this Petition.

Respectfully Submitted,

Safeway Inc.

November 16, 2005 By: 

Joe Pettus  
Group Vice President  
Safeway Inc.  
5918 Stoneridge Mall Road  
Pleasanton, CA 94588

SAFEWAY INC.

RATE SCHEDULE FERC NO. 1

Availability

Safeway Inc. (Safeway) makes electric energy and capacity available under this Rate Schedule to any purchaser for resale.

Applicability

This Rate Schedule is applicable to all sales of energy or capacity by Safeway not otherwise subject to a particular rate schedule of Safeway.

Rates

All sales shall be made at rates established by agreement between purchaser and Safeway.

Other Terms and Conditions

All other terms and conditions shall be established by agreement between the purchaser and Safeway.

Affiliate Sales Prohibited

No sale may be made pursuant to this Rate Schedule to any public utility with a franchised electric service territory that is controlled by, or under common control with, or controlling Safeway.

Reporting of Material Changes in Status

Safeway must timely report to the Commission any change in status that would reflect a departure from the characteristics the Commission relied upon in granting market-based rate authority. A change in status includes, but is not limited to, each of the following: (i) ownership or control of generation or transmission facilities or inputs to electric power production other than fuel supplies, or (ii) affiliation with any entity not disclosed in the application for market-based rate authority that owns or controls generation or transmission facilities or inputs to electric power production or affiliation with any entity that has a franchised service area. Any change in status must be filed no later than thirty (30) days after the change in status occurs.

Effective Date

This Rate Schedule is effective on \_\_\_\_\_.

Market Behavior Rules

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1. Unit Operation: Safeway will operate and schedule generating facilities, undertake maintenance, declare outages, and commit to otherwise bid supply in a manner that complies with the Commission-approved rules and regulations of the applicable power market. Compliance with this Market Behavior Rule 1 does not require Safeway to bid or supply electric energy or other electricity products unless such requirement is apart of a separate Commission-approved tariff or requirement applicable to Safeway.
2. Market Manipulation: Actions or transactions that are without a legitimate business purpose and are intended to or foreseeably could manipulate market prices, market conditions, or market rules for electric energy or electricity products are prohibited. Actions or transactions undertaken by Safeway that are explicitly contemplated in Commission-approved rules and regulations of an applicable power market (such as virtual supply or load bidding) or taken at the direction of an ISO or RTO are not in violation of this Market Behavior Rule. Prohibited actions and transactions include, but are not limited to:
  - a. pre-arranged offsetting of trades of the same product among the same parties, which involve no economic risk and no net change in beneficial ownership (sometimes called "wash trades");
  - b. transactions predicated on submitting false information to transmission providers or other entities responsible for operation of the transmission grid (such as inaccurate load or generation data; or scheduling non-firm service for products sold as firm), unless Safeway exercised due diligence to prevent such occurrences;
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independent system operators, or jurisdictional transmission providers, unless Safeway exercised due diligence to prevent such occurrences.

4. Reporting: To the extent Safeway engages in reporting of transactions to publishers of electricity or natural gas price indices, Safeway shall provide accurate and factual information, and not knowingly submit false or misleading information or omit material information to any such publisher, by reporting its transactions in a manner consistent with the procedures set forth in the Policy Statement issued by the Commission in Docket No. PL03-3 and any clarifications thereto. Safeway shall notify the Commission within fifteen (15) days of the effective date of this tariff provision of whether it engages such reporting of its transactions and update the Commission within fifteen (15) days of any subsequent change to its transaction reporting status. In addition, Safeway shall adhere to such other standards and requirements for price reporting as the Commission may order.

5. Record Retention: Safeway shall retain, for a period of three (3) years, all data and information upon which it billed the prices it charged for the electric energy of electric energy products it sold pursuant to this tariff or the prices it reported for use in price indices.

6. Related Tariffs: Safeway shall not violate or collude with another party in actions that violate Safeway's market-based rate code of conduct or Order No. 889 standards of conduct, as they may be revised from time to time.

Any violations of these Market Behavior Rules will constitute a tariff violation. Safeway will be subject to disgorgement of unjust profits associated with the tariff's violation, from the date on which the tariff violation occurred. Safeway may also be subject to suspension or revocation of its authority to sell at market-based rates or other appropriate non-monetary remedies.

UNITED STATES OF AMERICA  
FEDERAL ENERGY REGULATORY COMMISSION

Safeway Inc. Docket No. ER06-\_\_\_\_-000

NOTICE OF FILING

Issued \_\_\_\_\_, 2005

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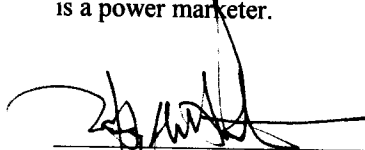
Magalie R. Salas

Secretary

## EXHIBIT B

AFFIDAVIT

I, Joseph Pettus, Senior Vice President of Fuel and Energy for Safeway Inc, hereby state that Safeway Inc. is a power marketer.



Joseph Pettus – Senior Vice President

Safeway Inc.  
5918 Stoneridge Mall Road  
Pleasanton, CA 94588

Signed before me, this the 8<sup>TH</sup> day of May 2009.

Notary Pamela Capuchino

