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June 1, 2009

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Arizona Corporation Commission
1200 West Washington
Phoenix, AZ 85007

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AZ CORP COMMISSION
DOCKET CONTROL

Arizona Corporation Commission

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JUN - 2 2009

Re: Solar Alliance – Docket NO. E-20633A-08-0513

Dear Commissioner:

DOCKETED BY

On behalf of Safeway Inc., I am writing to express support for the Solar Alliances request to the Commission for a declaratory order determining Solar Service Agreement providers are not Public Service Corporations (Docket Number E-20633A-08-0513). We are greatly concerned about the future of Solar Service Agreements (SSA) in Arizona. It is critical that the Commission rule in favor of the Solar Alliance in this matter and expedite the proceeding. The regulatory uncertainty caused by this pending matter is delaying our solar efforts in Arizona and increasing development costs.

Safeway Inc. is a Fortune 100 company and one of the largest food and drug retailers in North America:

- In Arizona we employ approximately 12,000 people, with store employees represented by UFCW Local 99. We operate 117 retail stores, 100 pharmacies, 30 gasoline stations, a 788,000 square-foot distribution center, a milk plant and ice cream plant. Our Phoenix Division headquarters is located in Tempe Arizona, and our National Service Center is located in Phoenix, Arizona.
- We contributed approximately 2.8 million dollars in charitable contributions to Arizona organizations in 2008.
- Safeway operates more than 1,738 stores throughout 21 states and the District of Columbia in the United States and western Canada.
- In addition, to our stores, we operate 12 million square feet of distribution space at 24 distribution centers, 21 manufacturing facilities, and 382 gasoline stations.

Solar power is a cornerstone of Safeway's Greenhouse Gas (GHG) Reduction and Sustainability program. We have recently commissioned 14 solar facilities in the United States with an equal number under development. SSA's are a key strategic tool required to develop solar power on a large scale for many commercial businesses. In today's economic times, the SSA greatly increases our financial options thereby increasing our ability to develop solar throughout the country. We have already spent a great deal of effort in developing potential solar projects in Arizona. Unfortunately, the possibility that companies offering SSA's will be regulated as public utilities has halted our progress. Our decision to keep moving forward with solar development in Arizona will depend on how the ACC treats solar development companies doing business in the State.

Safeway encourages the ACC to support the application of the Solar Alliance and rule in favor of Docket NO. E-20633A-08-0513. We hope to continue with our SSA projects subject to a favorable decision. Thank you for your consideration.

Safeway Inc.
June, 1 2009
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Sincerely,

A handwritten signature in black ink, appearing to read "G. Waidelich", with a long horizontal flourish extending to the right.

George M. Waidelich
Vice President Energy Operations