PREPARED SUPPLEMENTAL DIRECT TESTIMONY OF
STEPHEN SHAFER
ON BEHALF OF SAN DIEGO UNIFIED PORT DISTRICT

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

APRIL 4, 2018
### Table of Contents

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>I. WITNESS BACKGROUND, EDUCATION, EXPERIENCE, BUSINESS TITLE AND ADDRESS</td>
<td>1</td>
</tr>
<tr>
<td>II. OVERVIEW OF TESTIMONY</td>
<td>1</td>
</tr>
<tr>
<td>III. RESPONSE TO SCOPING MEMO QUESTION NO. 1</td>
<td>2</td>
</tr>
<tr>
<td>IV. CONCLUSION</td>
<td>3</td>
</tr>
</tbody>
</table>
I. WITNESS BACKGROUND, EDUCATION, EXPERIENCE, BUSINESS TITLE AND ADDRESS

My name is Stephen Shafer and my business address is 3165 Pacific Highway, San Diego, CA 92101. I am the Maritime Program Manager at the San Diego Unified Port District (“District”). My background, education and experience were set forth in my September 26, 2018 Direct Testimony submitted in this proceeding.

II. OVERVIEW OF TESTIMONY

On March 8, 2018, a Scoping Memo and Ruling of Assigned Commissioner Picker and Joint Ruling with Administrative Law Judge (“ALJ”) Lau (“Scoping Memo”) was issued, which required San Diego Gas & Electric Company (“SDG&E”) to file supplemental testimony to provide additional information to address the following questions:

1. How does the Port District transfer the monthly electricity costs for its cruise ship terminal account to the individual cruise ships?

2. What are the historical monthly electricity usages and costs of the Port District’s cruise ship terminal account for the past three years?

3. What is the monthly forecasted electricity demand for the cruise ship terminal account for the next five years?

4. Compare the estimated bill impacts, with and without the requested discounts, for the Port District’s cruise ship terminal account for the next five years under Schedules A, AL-TOU, and A6-TOU.

Originally, the Scoping Memo assigned all four questions to SDG&E, however, pursuant to ALJ Lau’s e-mail dated Friday, March 16, 2018, the District was assigned to answer Questions 1 and 3 in its supplemental testimony due on April 4, 2018. The purpose of my supplemental testimony is to present the District’s response to Question 1. Dr. Adam Borison will provide supplemental testimony containing the District’s Response to Question 3. SDG&E Witness Cynthia Fang submitted testimony on March 28, 2018 responding to Questions 2 and 4.
III. RESPONSE TO SCOPING MEMO QUESTION NO. 1.

Scoping Memo Question No. 1 states: How does the Port District transfer the monthly electricity costs for its cruise ship terminal account to the individual cruise ships? In this testimony, I provide a response to this question based on the current straight-forward billing structure. It is noteworthy that neither the Marine Terminal Supervisor nor the personnel from the District’s Finance Department have expertise in preparing electrical billing and are only able to do so at this time because the bills are based on volumetric measures. A change in the billing structure to one that included demand and/or fixed charges would likely necessitate the District hire one or more persons to prepare invoices, creating additional costs for the cruise operations.

Under the current structure, the District sends individual invoices to the cruise lines for electricity used while connected to the Shore Power Account. Individual invoices are sent for each cruise (i.e., there is an invoice for each time a vessel plugs in). The billing process is as follows:

1. The SDG&E electricity bill for the Shore Power Account is delivered to the District’s Financial Services Department, which is then forwarded on to the District’s Marine Terminal Supervisor.

2. The Marine Terminal Supervisor uses that bill to determine the per kWh rate to charge the cruise lines by dividing the total bill amount by the total kWh used.

3. The Marine Terminal Supervisor then logs into the SDG&E online system with the Shore Power Account login. That system breaks out usage on a daily basis.

4. The Marine Terminal Supervisor matches the daily amounts of electricity used (as recorded in the SDG&E online system) with the cruise calendar to determine which cruise ship used electricity on each specific day.

5. The Marine Terminal Supervisor determines the cost of the electricity used by each ship per call by multiplying the per kWh rate for the month by the amount of electricity used on the individual days and provides that information, by email, to the Financial Services department listing the electricity cost for each individual shore-powered cruise for the month.
(6) The District’s Financial Services Department uses that email to prepare a shore-power cost invoice for each individual cruise and then sends those invoices to the cruise lines.

IV. CONCLUSION

This concludes my testimony at this time.