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IDAHO PUBLIC  
UTILITIES COMMISSION

1                   **BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

2   **IN THE MATTER OF THE APPLICATION )**  
3   **OF IDAHO POWER COMPANY FOR        )**  
4   **AUTHORITY TO INCREASE ITS RATES )**  
5   **AND CHARGES FOR ELECTRIC SERVICE )**  
6   **TO ELECTRIC CUSTOMERS IN THE     )**  
7   **STATE OF IDAHO.                    )**       **CASE NO. IPC-E-03-13**  
8                                        )  
9                                        )  
10                                        )  
11                                        )  
12                                        )

13                   **DIRECT TESTIMONY AND EXHIBITS OF**  
14                                        **PIKE TEINERT**  
15                                        **ON BEHALF OF**  
16                   **INDUSTRIAL CUSTOMERS OF IDAHO POWER**  
17  
18

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**Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

A. My name is Pike Teinert and my business address is 834 Harcourt Road Boise, Idaho 83702.

**Q. WHAT IS YOUR OCCUPATION?**

A. I am a principal consultant in Energy Strategies Group LLC, a consulting firm that provides services to clients in the public utility industry.

**Q. ARE YOU SPONSORING ANY EXHIBITS WITH THIS TESTIMONY?**

A. Yes. I am sponsoring Exhibit Nos. 206 through 208.

**A. QUALIFICATIONS**

**Q. PLEASE DESCRIBE YOUR QUALIFICATIONS TO TESTIFY AS AN EXPERT IN THIS PROCEEDING.**

A. I am an electrical engineer and I have thirty-four years experience in the energy industry in positions ranging from design engineer to Vice President. A complete résumé, including my educational background and employment history, is presented as Attachment A.

**Q. HAVE YOU PREVIOUSLY APPEARED AS AN EXPERT WITNESS BEFORE THIS COMMISSION?**

A. No. I have provided direct testimony in the Idaho Public Utilities Commission Case No. IPC-E-00-12 regarding an industrial class customer and Schedule 19.

1  
2 **B. INTRODUCTION AND OVERVIEW OF TESTIMONY**

3  
4 **Q. WHY ARE YOU TESTIFYING IN THIS CASE NO. IPC-E-03-13?**

5 A. I have been retained by the ICIP as an expert  
6 witness to assist in the analysis of Idaho Power's rate  
7 application filed in this case. Idaho Power's filing for  
8 industrial customers, especially the proposed Schedule 19 is new  
9 and radically different from its current rate Schedule 19. I have  
10 reviewed the Company's testimony and its exhibits as well as  
11 discovery filed by intervenors and the response by the  
12 Company. My testimony will focus primarily on Schedule 19 , but  
13 my silence on other issues does not necessarily imply  
14 acceptance of the Company's position.

15  
16 **Q. PLEASE DESCRIBE HOW YOUR TESTIMONY IS ORGANIZED.**

17 A. My testimony and exhibits will address rate design  
18 issues and components but will also address cost of service  
19 issues related to specific rate design elements and  
20 parameters. Specific issues addressed will be the mandatory time-  
21 of-use provisions in Schedule 19, cost of service for Schedule  
22 19, service charges, line extension provisions of Schedule 19,  
23 and power factor adjustment provisions of Schedule 19.

1                   **C. FACTUAL BACKGROUND**

2

3                   **Q. YOU SAY THE PROPOSED SCHEDULE 19 IS RADICALLY DIFFERENT**  
4 **FROM THE CURRENT SCHEDULE 19. CAN YOU GIVE EXAMPLES?**

5                   A. Yes. There have been many proposed changes to most of  
6 the components of the current Schedule 19. An example of one of  
7 the most radical is a proposed increase in the current Customer  
8 Charge of \$5.54 to a Service Charge of \$500 per month, more  
9 than a 9000% increase. Another radical difference is the  
10 complexity and multiple combinations of Demand and Energy Charges  
11 in the proposed Schedule 19 as required in its mandatory time-of  
12 -use component. The current Schedule 19 has one Demand and Energy  
13 Charge for each service level. The proposed Schedule 19 has as  
14 many as three different Demand Charges and five different Energy  
15 Charges. The proposed Demand and Energy Charges result in eight  
16 different combinations of Demand and Energy Charges. There are  
17 other examples of significant differences that I will discuss in  
18 this testimony, but these two provide a striking contrast between  
19 the current Schedule 19 and the Company's proposed Schedule 19.

20                   **Q. HAS THE COMPANY EXPLAINED THE DIFFERENCES AND**  
21 **COMPLEXITY OF THE PROPOSED SCHEDULE 19 TO ITS SCHEDULE 19**  
22 **CUSTOMERS?**

23                   A. The Company has not provide records of meetings and  
24 discussions they have had with Schedule 19 customers as requested  
25 in ICIP's Production Request No. 36. Although the Company met

1 with the ICIP, some Schedule 19 customers and some Special  
2 Contract Customers regarding rate case proposals there is no  
3 indication that the Company explained in detail the complexity of  
4 the proposed Schedule 19 and no records of the meeting were  
5 provided.

6 **Q. WHY IS IT IMPORTANT FOR THE COMPANY TO MEET WITH**  
7 **CUSTOMERS AND DISCUSS THE DIFFERENCES BETWEEN THE CURRENT**  
8 **SCHEDULE 19 AND THE PROPOSED SCHEDULE 19 RATES?**

9 A. Time-of-use rates are very complex and require that  
10 the customer clearly understand the impacts of the multiple  
11 pricing combinations for Demand and Energy Charges in different  
12 seasons and different times of the day. When the customer clearly  
13 understands these and other differences, then and only then, can  
14 he weigh the increased electricity costs of continuing to  
15 operate as he has in the past under the proposed Schedule 19  
16 rate against making the required changes in his operation to  
17 reduce summer season on peak demand and energy consumption.

18 **Q. WHAT TYPES OF CHANGES WILL A CUSTOMER CONSIDER WHEN**  
19 **ATTEMPTING TO ADJUST TO SEASONAL AND TIME-OF-USE PRICE SIGNALS**

20 A. Most importantly, customers will analyze the financial  
21 impact of operating electrical equipment in off peak versus on  
22 peak season and hours. Examples of the financial impact of  
23 operational changes are; potential increased labor costs, reduced  
24 production, additional capital costs for new more efficient  
25 equipment, and increased O&M costs of changing the operation of

1 electrical equipment. There are also employee moral issues that  
2 accompany changes in employee work schedules necessary for  
3 operational modifications. These are a few of the significant  
4 changes customers analyze in attempting to adjust to seasonal  
5 time-of-use rates and that is why it is important for the Company  
6 to clearly communicate with the customer the specific changes in  
7 the proposed Schedule 19.

8 **Q. HAS THE COMPANY ANALYZED AND/OR COMMUNICATED TO THE**  
9 **CUSTOMER THE POTENTIAL BENEFITS OF PROPOSED SCHEDULE 19 TIME-OF-**  
10 **USE RATE TO HELP OFFSET THESE FINANCIAL IMPACTS?**

11 A. The Company's response to ICIP's First Production  
12 Request No. 2 states, "No analyses attempting to identify any  
13 potential benefit or savings associated with mandatory time-of-  
14 use for Schedule 19 customers has been performed."

15 **Q. HAS THE COMPANY ANALYZED ITS POTENTIAL BENEFITS,**  
16 **SAVINGS AND INCREASED REVENUES FROM THE PROPOSED SCHEDULE 19**  
17 **MANDATORY TIME-OF-USE RATE?**

18 A. The Company states in its response to ICIP's First  
19 Production Request No. 3 that, "No other studies have been  
20 prepared of the benefits, savings and increased revenues for any  
21 rate class other than the Residential rate class".

22 **Q. WHAT IS YOUR CONCLUSION BASED ON THE COMPANY'S LACK OF**  
23 **ANALYSES OF THE BENEFITS, SAVINGS AND INCREASED REVENUES FOR**  
24 **EITHER THE COMPANY OR THE CUSTOMER FROM THE PROPOSED SCHEDULE 19**  
25 **MANDATORY TIME-OF-USE RATE?**

1           A. Based on the responses to ICIP's Production Requests,  
2 it seems clear that Idaho Power is proposing the implementation  
3 of the mandatory time-of-use rate without carefully analyzing the  
4 impact of the proposed Schedule 19 rate on either the Company or  
5 the Schedule 19 customers. The Company's lack of analysis  
6 indicates that it is unprepared to implement the proposed  
7 Schedule 19. It also indicates that the Company is insensitive to  
8 the impact of the proposed Schedule 19 on its industrial  
9 customers, their employees and the communities in with they are  
10 located.

11           **Q. DOES THE COMPANY PROVIDE ANY REASON FOR PROPOSING THE**  
12 **MANDATORY TIME-OF-USE FOR ONLY SCHEDULE 19 CUSTOMERS?**

13           A. The Company states in Ms. Brilz' testimony on page 27  
14 beginning at line 11 that Schedule 19 customers have the metering  
15 in place to accommodate the hourly pricing. Also, Mr. Gale's  
16 testimony beginning on page 13 at line 22 reasons that the cost  
17 based approach to ratemaking influenced the Company's decision to  
18 propose seasonal and time-of-use rates for certain rate classes.

19           **Q. DOES MR. GALE OFFER ADDITIONAL REASONS FOR THE**  
20 **COMPANY'S DECISION TO PROPOSE MANDATORY TIME-OF-USE RATES.**

21           A. Yes, in his testimony on page 11 beginning at line 6  
22 Mr. Gale explains that the Company's primary approach to  
23 ratemaking during the last several general rate cases has been to  
24 reflect costs as accurately as possible. Then Mr. Gale states:

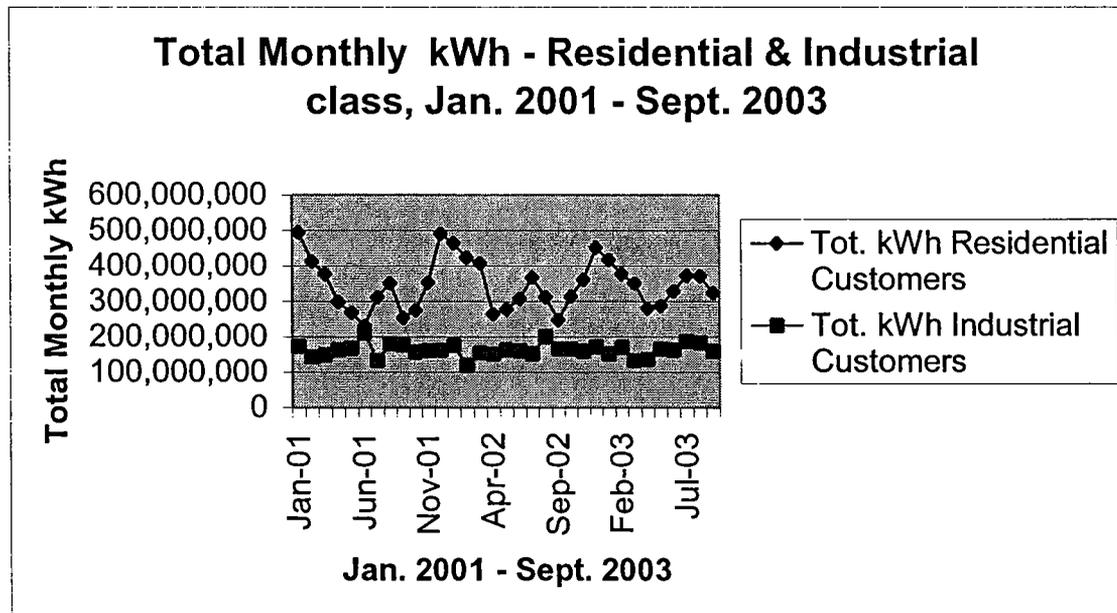
1           "Accordingly, the Company's ratemaking proposals usually  
2 advocate movement toward cost-of-service results which assign  
3 costs to those customers that cause the Company to incur the  
4 costs."

5           **Q. DO YOU BELIEVE THAT THE SCHEDULE 19 CUSTOMERS HAVE**  
6 **CAUSED THE COMPANY TO INCUR THE COSTS ASSOCIATED WITH THE NEED**  
7 **FOR SUMMER PEAKING RESOURCES?**

8           A. No. Mr. Said in his testimony beginning on page 4  
9 beginning at line 17 states:

10           "Load growth within the various customer classes has  
11 tended to be much more seasonal and dependent upon weather. As a  
12 result of the loss of relatively flat loads and the addition of  
13 non-interruptible seasonal loads, the Company's Integrated  
14 Resource Plan now shows the need for summer peaking resources  
15 (June, July, and August) and winter peaking resources (November  
16 and December)."

17           The data in the Company's response to the Commission  
18 Staff's Second Production Request No. 15 and the Company's 2002  
19 Integrated Resource Plan referenced by Mr. Said, clearly  
20 demonstrate that Schedule 19 customers have not caused the  
21 Company to incur the costs associated with the need for summer  
22 peaking resources. Teinert Exhibit No. 206 includes the following  
23 graph that contrasts the consumption patterns for the Schedule 19  
24 customer class with the residential customer class.



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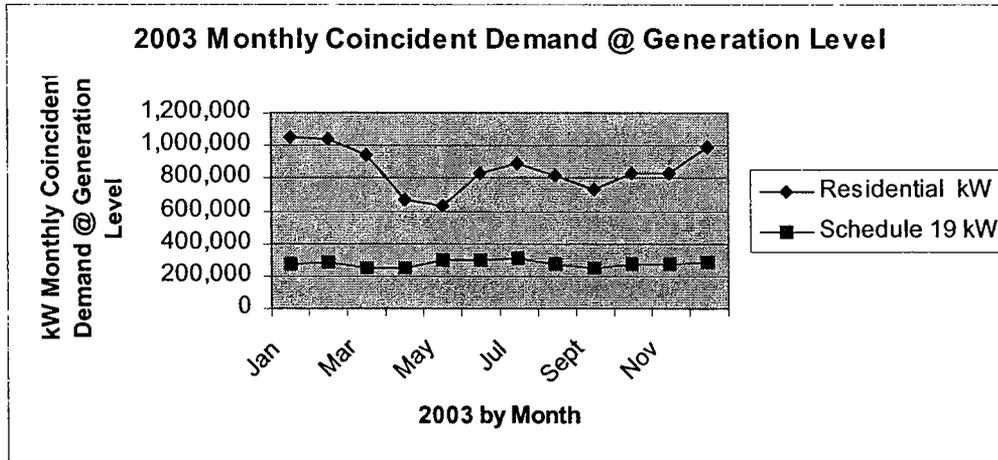
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Additionally, Teinert Exhibit No. 207, which uses data from MS. Brilz' Exhibit No. 40 page 1, also illustrates the lack of seasonal variance in Schedule 19 customer loads. The following graph, taken from Teinert Exhibit No. 207, summarizes the data in the exhibit.



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These graphs clearly display the dramatic seasonal variance of the Residential rate class energy consumption and demand patterns versus the modest seasonal changes of the Schedule 19 rate class. The graph and Exhibit No. 205 also illustrate that the Industrial customer class has not grown. Certainly Schedule 19 customers have not caused the Company to incur the costs associated with the need for summer peaking resources. If we are to believe Mr. Gales when he states, "Accordingly, the Company's ratemaking proposals usually advocate movement toward cost-of-service results which assign costs to those customers that cause the Company to incur the costs." Then Schedule 19 customers' rates should not include mandatory time-of-use rate design. [Reference Gale, Di. P. 11 L. 6, emphasis added].

1 Q. WHAT RATE STRUCTURE FOR SCHEDULE 19 CUSTOMERS IS  
2 APPROPRIATE FOR SCHEDULE 19 CUSTOMERS BASED ON MR. GALE'S  
3 TESTIMONY AND WHY?

4 A. As illustrated in the graph in my Exhibit No. 206,  
5 Schedule 19 customers contribute very little seasonal variance to  
6 the Company's load shape in comparison to other customer classes  
7 and the current rate structure for Schedule 19 customers, with  
8 one Demand Charge and one Energy Charge that does not vary  
9 seasonally or diurnally, acknowledges the relatively flat nature  
10 of Schedule 19 customer's load. Therefore I believe the current  
11 Schedule 19 rate structure is the most appropriate rate for  
12 Schedule 19 customers and should be the rate proposed in this  
13 filing for Schedule 19 customers.

14  
15 RATE DESIGN & COST OF SERVICE ISSUES

16  
17 Q. IN THE FACTUAL BACKGROUND OF THIS TESTIMONY, YOU  
18 DISAGREE WITH MANDATORY TIME-OF-USE FOR SCHEDULE 19 CUSTOMERS.  
19 ARE THERE OTHER ELEMENTS OF THE PROPOSED SCHEDULE 19 RATE THAT  
20 YOU WILL ADDRESS?

21 A. Yes. I will address the service charge, line extension  
22 and power factor adjustment provisions in the proposed Schedule  
23 19.

1           **Q. WHAT ARE YOUR CONCERNS RELATED TO THE SERVICE CHARGE IN**  
2 **THE PROPOSED SCHEDULE 19 RATE?**

3           A. The Company proposes, as shown in Ms. Brilz' Exhibit  
4 No.48 pages 72 through 76, to increase the current Customer  
5 Charge (the Customer Charge is proposed to be renamed Service  
6 Charge) to \$500 per month, an increase of more than 9000% for  
7 secondary service level Schedule 19 customers and more than 500%  
8 for Primary and Transmission service level customers. This is an  
9 unexpected and radical increase from the Company's current  
10 Customer Charge.

11           **Q. WHAT IS THE COMPANY'S RATIONALE FOR PROPOSING THIS**  
12 **DRAMATIC INCREASE IN SERVICE CHARGE?**

13           A. Ms. Brilz' direct testimony on page 26 line 1 through  
14 line 9 states that "The Company plans to emphasize increases to  
15 both the demand and customer charges so that these components are  
16 more reflective of costs." The Company's rationale is to recover  
17 more of the fixed cost associated with delivering energy and  
18 providing customer related services by increasing demand and  
19 customer charges. The Company's calculations and data supporting  
20 the increase in Service Charge for Schedule 19 customers is  
21 documented in Ms. Brilz' Exhibit No. 42 page 5. The Company,  
22 without explanation, includes monthly meter reading cost per  
23 customer of \$331.55 in its calculation of the Service Charge for  
24 Schedule 19 customer.

1           **Q. DO YOU DISAGREE WITH THE COMPANY'S PROPOSED INCREASE IN**  
2 **THE SERVICE CHARGE FOR SCHEDULE 19 CUSTOMERS AND IF SO WHY?**

3           A. Yes. The Company's increases of from over 500% to  
4 9000% for Service Charges are not adequately explained or  
5 detailed in it's testimony and the meter reading charge of  
6 \$331.55 is an example of an unexplained and extremely high cost  
7 for reading one meter. The Company should provide a much more  
8 detailed breakdown, explanation and justification of all elements  
9 of the Service Charge for all service levels included in the Cost  
10 of Service Study. They do not provide this information in their  
11 testimony and should therefore be denied the requested increase  
12 in Service Charge for Schedule 19.

13           **Q. WHY DO YOU DISAGREE WITH THE LINE EXTENSION PROVISIONS**  
14 **IN THE PROPOSED SCHEDULE 19?**

15           A. Ms. Brilz' Exhibit 48 page 68 under AVAILABILITY  
16 outlines the Company's procedure for charging Schedule 19  
17 customers for the construction of additional substation and  
18 transmission facilities required to serve the customer's load.  
19 The Company's administration of this provision of Schedule 19 has  
20 been discriminatory and capricious and therefore should not be  
21 included in the proposed Schedule 19.

22           **Q. ARE THERE OTHER REASONS YOU DISAGREE WITH THE COMPANY'S**  
23 **PROVISIONS FOR LINE EXTENSION CHARGES FOR SCHEDULE 19 CUSTOMERS?**

24           A. Yes. The Company's procedure for estimating new or  
25 added loads for Schedule 19 customers is flawed because the

1 Company uses the customer's connected load instead of a  
2 diversified load in calculating the customer's contracted load.  
3 Therefore, facilities required to serve the load, such as service  
4 transformers and distribution facilities from the point of  
5 delivery to the substation are frequently over sized. When these  
6 facilities are over sized the contribution in aid of  
7 construction, CIAC, is inflated and the customer is overcharged.  
8 Teinert Exhibit No. 207 analyzes and calculates excess  
9 distribution transformer capacity for Schedule 19 customers  
10 based on data provided by the Company. Exhibit No. 207  
11 calculates an installed distribution service transformer capacity  
12 of 596,832 kva using data from the Company's Response to ICIP's  
13 First Production Request No. 14. Teinert Exhibit No. 207 also  
14 uses a total Schedule 19 customer Coincident Demand @ Generation  
15 Level of 304,371 kW for July in the 2003 test year from the  
16 Company's Exhibit No. 40 page 1, Large Power Service column.  
17 The ratio of installed service transformer capacity is 96%  
18 greater than the Schedule 19 peak load for the test year  
19 2003. This large excess distribution service transformer capacity  
20 far exceeds the capacity needed to serve the load. Schedule 19  
21 customers are therefore overcharged for this excessive capacity  
22 in CIAC charges and in an inflated distribution rate base for  
23 the Schedule 19 customer class.

24 **Q. WHAT DO YOU CONCLUDE FROM YOUR FINDING THAT SERVICE**  
25 **TRANSFORMER CAPACITY IS 96% GREATER THAN SCHEDULE 19 PEAK DEMAND?**

1           A. It certainly raises questions relative to the  
2 appropriate level of rate base assigned to these customers. It  
3 also raises questions relative to the Company's planning  
4 parameters. I know the Commission does not want to micro manage  
5 the Company, however I believe this finding warrants a thorough  
6 investigation in a separate docket that is opened for just that  
7 purpose.

8           **Q. DO YOU DISAGREE WITH THE COMPANY'S INCREASE IN THE**  
9 **POWER FACTOR ADJUSTMENT MINIMUM FROM 85% TO 90%?**

10          A. Yes. Power factor adjustment clauses provide the  
11 Company with a method of recovering delivery capacity by reducing  
12 reactive power flow. Idaho Power does not offer evidence or  
13 testimony that its delivery system is capacity constrained due to  
14 power factor. Therefore, the increase in the minimum is not  
15 warranted.

16          **Q. ARE THERE OTHER CONCERNS YOU HAVE RELATED TO IDAHO**  
17 **POWER'S PROPOSED RATES AND REGULATIONS FOR SCHEDULE 19 CUSTOMERS?**

18          A. Yes. Each Schedule 19 customer pays a monthly  
19 conservation charge through Idaho Power's Energy Efficiency  
20 Rider, Schedule 91. Until 1997 Idaho Power had at least one  
21 Conservation Program specifically for the Industrial customer  
22 class. Currently Idaho Power does not administer any  
23 Conservation or DSM programs specifically for the Schedule 19  
24 customer class. It is not appropriate that the Schedule 19

1 customer class contributes Energy Efficiency Rider funds but  
2 receives no direct benefit from them.

3 **Q. SHOULD THE COMPANY'S CONSERVATION PLAN INCLUDE PROGRAMS**  
4 **THAT USE ENERGY EFFICIENCY RIDER FUNDS FOR CONSERVATION PROGRAMS**  
5 **SPECIFICALLY FOR SCHEDULE 19 CUSTOMERS AND WHAT DO YOU RECOMMEND?**

6 A. Yes. This is the self-funding concept the ICIP has  
7 promoted in the past. We strongly believe that each industrial  
8 and special contract customer should be allowed to use the funds  
9 it contributes to Idaho Power's energy efficiency rider for  
10 projects at their own industrial sites. We appreciate the  
11 Company's efficiency efforts. Nevertheless, the best  
12 conservation programs for any particular industrial customer can  
13 only be identified by that customer. By allowing self-funding of  
14 conservation projects the Company can be assured that the  
15 individual measures are fully embraced by the host industrial  
16 facility. This added benefit makes it more likely that whatever  
17 conservation measure is installed will be maintained and updated  
18 as necessary.

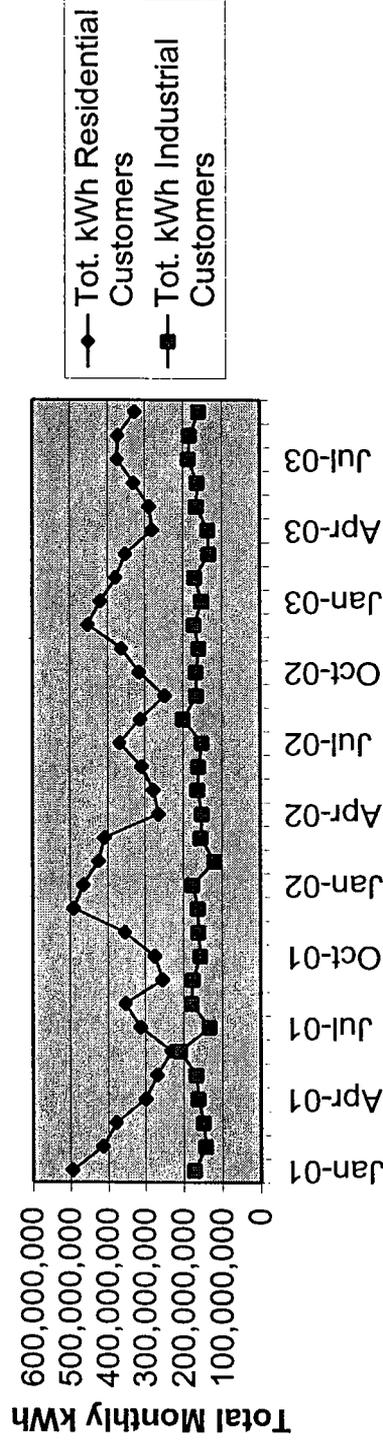
19 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

20 A. Yes it does.  
21  
22  
23

Total Monthly kWh - Residential & Industrial customer classes, Jan. 2001 - Sept. 2003 from data in the Company's response to the Commission Staff's Second Production Request No. 15.

	Jan-01	Feb-01	Mar-01	Apr-01	May-01
Tot. kWh Residential Customers	494,455,040	412,990,318	377,524,499	298,324,483	268,552,411
Tot. kWh Industrial Customers	172,156,340	142,790,573	148,512,590	162,378,808	166,953,343
Tot. kWh Special Customers	199,043,177	178,177,970	175,205,246	133,057,532	131,841,282
Tot. kWh Industrial (Incl. Specials)	371,199,517	320,968,543	323,717,836	295,436,340	298,794,625
No. of Special Customers	4	4	4	4	4
No. of Residential Customers	314,635	315,062	315,520	315,810	316,506
No. of Industrial Customers	107	107	108	107	107

**Total Monthly kWh - Residential & Industrial class, Jan. 2001 - Sept. 2003**



Jun-01	Jul-01	Aug-01	Sep-01	Oct-01	Nov-01	Dec-01
231,011,703	311,702,478	351,236,983	253,893,109	274,193,313	352,952,116	490,291,419
209,584,691	132,847,941	179,286,333	176,125,688	156,642,864	161,341,041	161,999,192
118,588,334	127,201,752	133,258,419	127,539,618	132,351,416	131,267,580	108,842,158
328,173,025	260,049,693	312,544,752	303,665,306	288,994,280	292,608,621	270,841,350
4	4	4	4	4	4	4
317,383	318,225	319,253	319,934	320,651	321,618	322,322
107	106	107	108	108	106	106

Jan-02	Feb-02	Mar-02	Apr-02	May-02	Jun-02	Jul-02
464,718,845	423,415,728	407,679,741	264,500,901	277,254,986	307,407,835	366,964,038
175,792,277	119,057,469	154,184,732	151,044,744	163,178,260	160,435,906	151,631,373
97,136,400	87,524,295	93,240,669	88,298,021	85,166,713	78,494,827	90,231,871
272,928,577	206,581,764	247,425,401	239,342,765	248,344,973	238,930,733	241,863,244
4	4	4	4	4	4	4
323,022	323,433	323,744	324,343	325,158	326,110	327,039
106	104	105	106	106	106	106

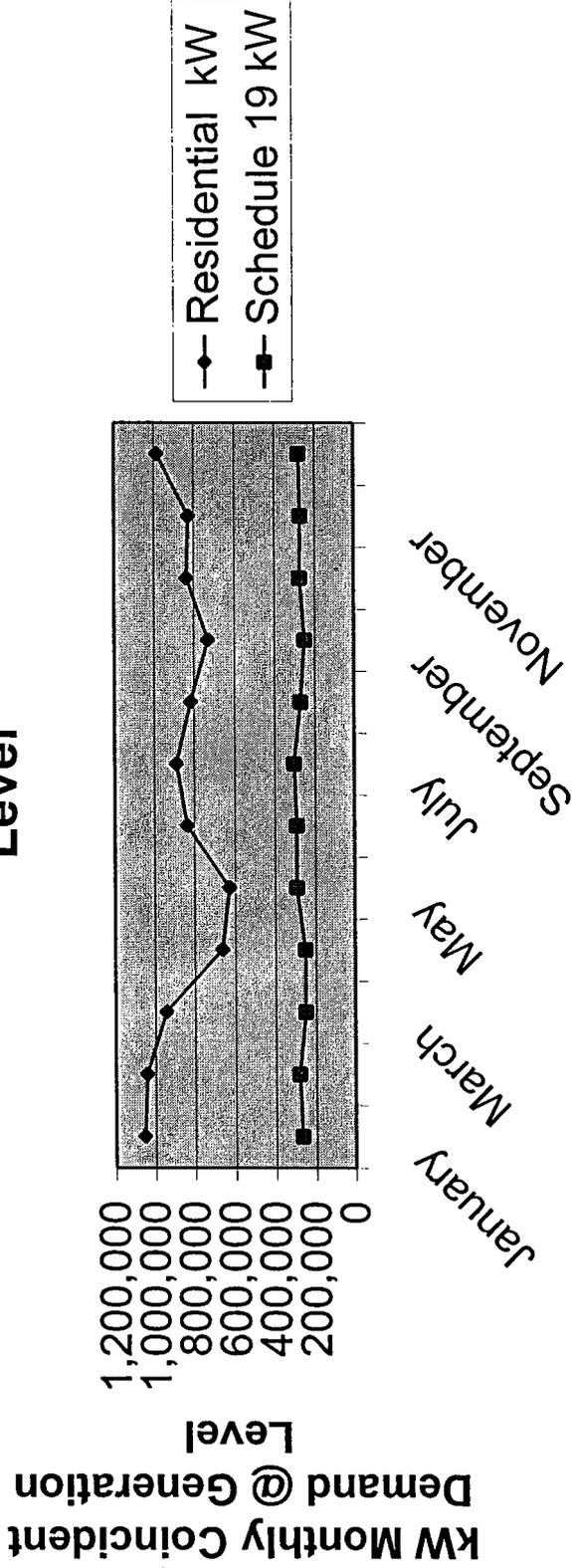
Aug-02	Sep-02	Oct-02	Nov-02	Dec-02	Jan-03	Feb-03
311,779,745	247,298,404	313,728,179	361,298,797	451,795,995	417,678,036	377,370,767
200,380,532	165,100,865	165,801,616	159,482,502	170,778,884	151,473,569	169,559,474
89,009,921	80,277,768	85,333,980	83,941,217	87,414,204	88,896,993	80,404,418
289,390,453	245,378,633	251,135,596	243,423,719	258,193,088	240,370,562	249,963,892
4	4	4	4	4	4	4
327,925	328,782	329,714	330,708	331,482	332,120	332,630
108	108	109	109	110	109	108

Mar-03	Apr-03	May-03	Jun-03	Jul-03	Aug-03	Sep-03
350,809,975	280,412,551	287,460,735	328,395,727	373,071,421	371,251,491	324,630,181
133,091,738	135,133,760	164,381,558	163,083,582	186,399,496	182,886,804	159,004,233
85,909,792	83,150,771	84,664,248	76,658,202	87,815,665	86,691,030	80,658,981
219,001,530	218,284,531	249,045,806	239,741,784	274,215,161	269,577,834	239,663,214
3	3	3	3	3	3	3
333,031	333,410	334,146	335,235	336,195	337,166	338,532
110	108	108	108	108	107	106

2003 test year monthly Coincident Demands @ Generation level - from data in M. Brilz Exhibit No. 42, page 2

	January	February	March	April	May	June	July	August
Residential kW	1,053,677	1,041,480	942,204	661,890	625,517	833,842	887,331	815,215
Schedule 19 kW	269,126	282,702	251,001	253,236	293,691	292,127	304,371	271,084

## 2003 Monthly Coincident Demand @ Generation Level

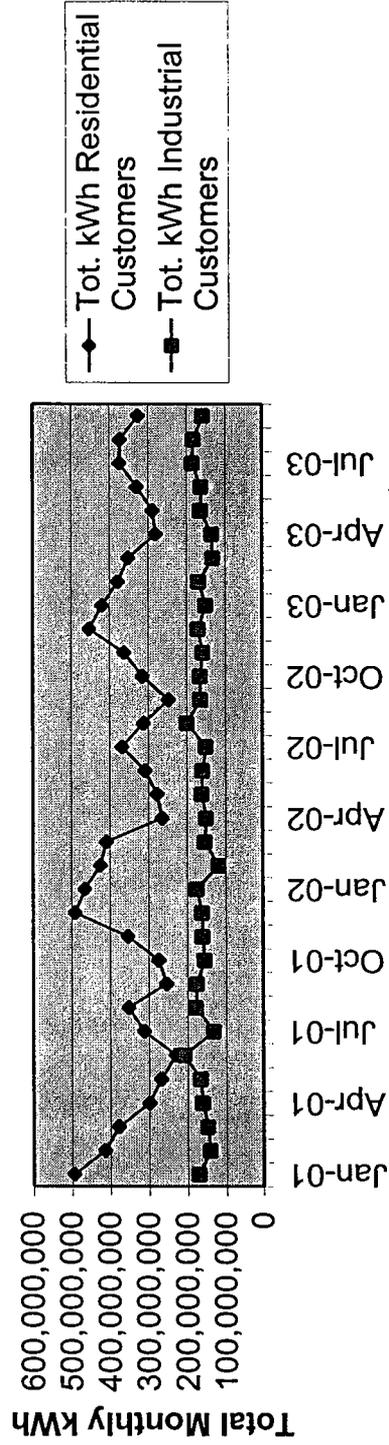


<b>September</b>	<b>October</b>	<b>November</b>	<b>December</b>
727,653	834,630	824,766	983,732
250,971	274,913	271,175	280,065

Total Monthly kWh - Residential & Industrial customer classes, Jan. 2001 - Sept. 2003 from data in the Company's response to the Commission Staff's Second Production Request No. 15.

	Jan-01	Feb-01	Mar-01	Apr-01	May-01
Tot. kWh Residential Customers	494,455,040	412,990,318	377,524,499	298,324,483	268,552,411
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Tot. kWh Special Customers	199,043,177	178,177,970	175,205,246	133,057,532	131,841,282
Tot. kWh Industrial (Incl. Specials)	371,199,517	320,968,543	323,717,836	295,436,340	298,794,625
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No. of Industrial Customers	107	107	108	107	107

**Total Monthly kWh - Residential & Industrial class, Jan. 2001 - Sept. 2003**



Jun-01	Jul-01	Aug-01	Sep-01	Oct-01	Nov-01	Dec-01
231,011,703	311,702,478	351,236,983	253,893,109	274,193,313	352,952,116	490,291,419
209,584,691	132,847,941	179,286,333	176,125,688	156,642,864	161,341,041	161,999,192
118,588,334	127,201,752	133,258,419	127,539,618	132,351,416	131,267,580	108,842,158
328,173,025	260,049,693	312,544,752	303,665,306	288,994,280	292,608,621	270,841,350
4	4	4	4	4	4	4
317,383	318,225	319,253	319,934	320,651	321,618	322,322
107	106	107	108	108	106	106

Jan-02	Feb-02	Mar-02	Apr-02	May-02	Jun-02	Jul-02
464,718,845	423,415,728	407,679,741	264,500,901	277,254,986	307,407,835	366,964,038
175,792,277	119,057,469	154,184,732	151,044,744	163,178,260	160,435,906	151,631,373
97,136,400	87,524,295	93,240,669	88,298,021	85,166,713	78,494,827	90,231,871
272,928,577	206,581,764	247,425,401	239,342,765	248,344,973	238,930,733	241,863,244
4	4	4	4	4	4	4
323,022	323,433	323,744	324,343	325,158	326,110	327,039
106	104	105	106	106	106	106

Aug-02	Sep-02	Oct-02	Nov-02	Dec-02	Jan-03	Feb-03
311,779,745	247,298,404	313,728,179	361,298,797	451,795,995	417,678,036	377,370,767
200,380,532	165,100,865	165,801,616	159,482,502	170,778,884	151,473,569	169,559,474
89,009,921	80,277,768	85,333,980	83,941,217	87,414,204	88,896,993	80,404,418
289,390,453	245,378,633	251,135,596	243,423,719	258,193,088	240,370,562	249,963,892
4	4	4	4	4	4	4
327,925	328,782	329,714	330,708	331,482	332,120	332,630
108	108	109	109	110	109	108

Mar-03	Apr-03	May-03	Jun-03	Jul-03	Aug-03	Sep-03
350,809,975	280,412,551	287,460,735	328,395,727	373,071,421	371,251,491	324,630,181
133,091,738	135,133,760	164,381,558	163,083,582	186,399,496	182,886,804	159,004,233
85,909,792	83,150,771	84,664,248	76,658,202	87,815,665	86,691,030	80,658,981
219,001,530	218,284,531	249,045,806	239,741,784	274,215,161	269,577,834	239,663,214
3	3	3	3	3	3	3
333,031	333,410	334,146	335,235	336,195	337,166	338,532
110	108	108	108	108	107	106

Calculation of Excess Distribution Service Trans. capacity for Schedule 19 customers using data from the Company's Response to ICIP's First Production Request No. 14 and the Company's Exhibit No. 40 page 1, Large Power Service column.

<u>Service Transformer size</u>	<u>Number of transformers</u>	<u>Installed kva</u>
3	1	3
5	4	20
10	13	130
15	83	1245
25	96	2400
37.5	11	412.5
45	2	90
50	127	6350
75	89	6675
100	75	7500
112	13	1456
112.5	3	337.5
150	17	2550
167	70	11690
200	3	600
225	18	4050
250	29	7250
300	41	12300
333	18	5994
500	85	42500
600	2	1200
750	23	17250
833	13	10829
1000	63	63000
1500	73	109500
2000	2	4000
2500	111	<u>277500</u>
		596832 kva

Total Schedule 19 Coincident Demand @ Generation Level of 304,371 kW for July 2003 - from the Company's Exhibit No. 40 page 1, Large Power Service column = 304,371 kW

**Total Installed Distribution Service Transformer capacity for Schedule 19 customers**  
**Schedule 19 customer Coincident Demand @ Generation Level for July in the 2003 test year**

<u>596,832 kva</u>	1.9609
304,371 kW	

This calculation yields an installed service transformer capacity that is 96% greater than the Schedule 19 peak load for the test year 2003.

**Pike Teinert**  
**Principal Consultant, energy strategies group LLC**

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**PROFESSIONAL BACKGROUND**

Thirty-four years of experience in the energy industry in positions ranging from Design Engineer to Vice President provide a breadth and depth of experience uncommon in the industry.

Encompassing positions at investor owned/public power utilities, the Electric Power Research Institute, EPRI, and consulting this broad industry experience has provided a unique perspective of the changing and challenging energy industry.

An engineer by education, with several years of engineering/technical background, positions in customer services, marketing and sales management positions have for the last 30 plus years immersed me in the industry's complex marketplace. At Texas Utilities Company during the mid 1980's head-to-head competition with gas and electric energy companies provided the experience of successfully competing in an industry that had been heavily regulated and noncompetitive for many years. This unique blend of experience with some of the industry's leading companies offers an exceptional resource for industrial, institutional, commercial and mass-market clients that require strategic energy service/solutions.

**SUMMARY**

Extensive experience in the utility industry encompassing engineering, electric service rules and regulations, consulting, sales, human resources, field management, regional operations management, corporate management and executive management positions provide a diverse and solid base of experience. Significantly, this background with public power, investor owned utilities and energy R&D, is vital experience in understanding today's complex energy challenges. Frequent meetings with client and company management and roundtable discussions with non-management staff are important communications and discovery tools used to develop understanding, consensus and solution driven results and value.

As Corporate Account Executive, Regional Operations Manager and Retail Regional Manager for EPRI, the energy industry's premier R & D organization, an understanding of a broad range of energy industry organizations, functions and practices have been added to my experience base. Complex strategic sales to clients like, Southern Company, TVA, TXU, Williams Energy, Reliant Energy, UtiliCorp and other North American energy companies averaging \$45 million per year in sales provide insight and understanding of strategies and practices in North America's leading energy companies.

As Vice President at the Orlando Utilities Commission, I reorganized the 207 employee, \$10 million annual budget, Customer Service & Conservation business unit into a customer driven, rapid response team that reduced department expense by \$1,000,000 annually and increased Conservation program participation by 300%.

At Texas Utilities, I analyzed, planned and negotiated contracts with large industrial, commercial and institutional customers such as Texas Instruments, Abbott Laboratories, Nucor Steel, Baylor University, EDS and the Ft. Hood Military Base in Killeen, Texas. These agreements increased their reliability, provided effective and efficient service extensions, decreased their exposure to sabotage, improved their energy efficiency and reduced their per unit electricity costs. At Ft. Hood, 9 distribution points of delivery were reduced to 2 transmission points for this 62 MW client and included a facilities lease and maintenance agreement.

As project team leader at Texas Power & Light Company, I developed TP&L's and subsequently Texas Utilities first interruptible rate, which ultimately served multiple customers with over 600 MW of dispatchable, interruptible load. This rate offered customers discounted energy costs in return for demand interruption and also gave TP&L/TU an attractive capacity avoidance and economic development/customer retention program element.

In summary, this background and experience offers breadth and depth that is uncommon, unique, extremely beneficial and timely given the energy industry's rapidly changing and complex environment.

#### **EXPERIENCE, EDUCATION, PROFESSIONAL**

Principal - (February 2003 to Present)

esg, energy strategies group LLC, Boise, Idaho

Founded esg, energy strategies group LLC, an energy consulting firm, to provide all markets with a strategic energy consulting practice dedicated to energy solutions that ensure a stable and sustainable energy future. Develops energy extension/service options that improve service efficiency and effectiveness and provide value driven rate options. Demand side strategies designed to develop, deploy and manage strategic energy solutions for efficient and economic energy use. Using industry leading technology and 30 plus years of experience, esg, energy strategies group, LLC based in Boise, helps Idaho plan a clear and concise energy road map for a stable and sustainable energy future.

Corporate Account Executive - (November 2001 to January 2003)

EPRI, Dallas, Texas

Managed the relationship/sales engagement with EPRI's largest clients, TVA, Southern Company, TXU and many other North American energy companies. Responsibilities included initiating, developing and maintaining account plans for each of these large and complex accounts, including all business units. Account plans integrated the strategy, goals and objectives of all business units with corporate vision/mission and EPRI resources including future, current and past products and services. Responsible and accountable for \$45M in total annual sales of EPRI resources to these key clients. Initiated and maintained Value Analysis and Partnership Plans for each of the key clients which demonstrated the value of EPRI resources in their companies and provided a roadmap for continued high value benefits.

Retail Regional Manager - (January 2000 to November 2001)

EPRI, Dallas, Texas

Manage EPRI's Retail Sector sales in South Central North America averaging over \$11 million annually, exceeding maximum sales goals. EPRI's Retail Sector includes Industrial, Commercial and Mass markets technologies for end use equipment efficiency, load management, market research, power quality, customer service, transportation and marketing/trading leading edge technologies.

Regional Operations Manager - (January 1998 to January 2000)

EPRI, Dallas, Texas

Managed EPRI Regional Operations for South Central North America, with sales averaging \$70 million annually. This new position forecasted, contracted, monitored, expedited and reported and tracked sales for the region. Customer contract and project status reporting was a critical client contact function of this position that improved customer satisfaction significantly.

Retail Regional Manager - (January 1996 to January 1998)

EPRI, Dallas, Texas

A new position that managed EPRI's Retail Sector sales in South Central North America averaging more than \$ 11 million annually. Focused heavily on customer care for EPRI's Retail sector, technologies which includes Industrial, Commercial and Mass markets for end use equipment, efficiency, load management, market research, power quality, customer service, transportation and marketing/trading technologies.

Self Employed - (August 1994 to January 1996)

Orlando, Florida

Managing family equity assets during this time increased my knowledge of financial markets in the U.S. and abroad. Success in this endeavor provided time to re-examine past experience and affirm career aspirations for the future. As the energy industry continued to move toward deregulation and a competitive future, more innovative customer options providing value added products, services and pricing became available to the marketplace and provided significantly greater energy industry opportunities.

Vice President, Customer Services and Conservation - (September 1993 to September 1994)

Orlando Utilities Commission, Orlando, Florida

Direct responsibility for the 207 employee Customer Service, Field Operations and Conservation Divisions for this 1100 employee, 240,000 customer electric and water utility. Overall, preparing these divisions

at OUC to be successful in the competitive marketplace was the primary goal. Reducing costs; improving service through benchmarking; improving response time; consolidating and reorganizing nonresidential customer service functions; develop, acquire and install a new state-of-the-art customer information system and changing the conservation function to increase customer participation in programs were methods used to reach Customer Service and Field Operations mission and budget goals. Staff were reduced, customer service improved, and response time reduced and customer participation in conservation programs more than tripled. Overall, quarterly customer opinion surveys improved as the three divisions in this department prepared for the competitive future.

Manager, Customer Services - (December 1992 to August 1993)

Orlando Utilities Commission, Orlando, Florida

Selected for this position in October 1992 by OUC's General Manager and an executive peer group committee in a vigorous and detailed selection procedure following a national search. Primary goal of the selection procedure was to find and hire an experienced knowledgeable leader to manage the new Customer Service department and to prepare it for the competitive marketplace.

Corporate Customer Service Consultant - (October 1991 to November 1992)

Texas Utilities Electric Company, Dallas, Texas

Customer Service, Technical and Marketing Support for 47,408 commercial and industrial customers with an annual revenue of \$333,711,000.

Competition for new customers, increasing sales to existing customers and marketing demand side management technologies were most important functions. Team Leader for New Rate Implementation and Distributed Energy Interconnection Guideline committees.

Manager of Technical Services - (August 1985 to October 1991)

Texas Utilities Electric Company, Dallas, Texas

Developed customer service and marketing policies, practices and procedures for residential, commercial and industrial customers encompassing 1,122,000 customers and \$1,956,609,000 annual revenue.

Successfully downsized this office by 18 employees during company mergers. Chaired Edison Electric Institute's Commercial & Industrial Applications and Cogeneration/Customer Service Committees at the Company.

Manager of Industrial Services - (December 1980 to July 1985)

Texas Power & Light Company, Dallas, Texas

Developed policies, practices and procedures for new service, marketing, sales strategy and tactics for 108,000 commercial and industrial customers with annual revenue of \$553,357,000. Held positions on Edison Electric Institute and Electric Power Research Institute Committees.

Manager, Bonham Office - (March 1979 to December 1980)

Texas Power & light Company, Bonham, Texas

Accountable for all operations, civic and community responsibilities for Bonham and several surrounding towns for this investor owned utility. Represented the Company before county and city officials, on civic and community boards and was accountable for all Company functions in the service area.

Assistant to the District Manager - (November 1977 to March 1979)

Texas Power & Light Company, Richardson, Texas

Responsible for management of all district employees in the largest district in the Company, including approximately 80,000 customers, 100 employees in construction, engineering, accounting and customer service functions with a construction and operating budget of \$10,000,000 annually.

Supervisor of Employment and Recruiting - (June 1974 to November 1977)

Texas Power & Light Company, Dallas, Texas

Interviewed and hired all professional personnel for the Company and all non-exempt personnel for the corporate office. During fall and spring recruiting seasons, supervised 5 to 10 recruiters on each trip to 12 major university campuses and filled an average of 30 engineering, accounting and sales positions each regular semester.

Power Consultant - (December 1972 to June 1974)

Texas Power & Light Company, Waco, Texas

Accountable as professional sales representative for 50 of the Company's largest commercial and industrial customers, with annual revenues of \$35,000,000. Responsible for sales, billing concerns, new service, service expansion/extension, rates and demand side management programs.

Engineer - (September 1968 to December 1972)

Texas Power & Light Company, Dallas, Texas

Designed electrical facilities for new and existing central station power plants in the 375 to 750 megawatt range, with project costs up to \$350,000,000. Interfaced with mechanical and civil engineering design teams to integrate electrical design with their system.

Education, Professional, Civic

BS, Electrical Engineering - (September 1968)

Texas Tech University, Lubbock, Texas

Bachelor of Science, Electrical Engineering, 1968

Registered Professional Engineer - Texas, 1991-1998.

In Texas: Rotary International, Chamber of Commerce, Lions Club

## CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 19<sup>th</sup> day of February, 2004, I caused a true and correct copy of the foregoing **DIRECT TESTIMONY OF PIKE TEINERT** to be served by the method indicated below, and addressed to the following:

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Signed   
\_\_\_\_\_  
Nina M. Curtis