

1 Q. Re: Account B06: Please provide a detailed explanation of the \$802,479 retirement  
2 at age 13.5 years for Account 806 - Buildings - Metal as set forth on page IV-17 of  
3 Exhibit 1, including but not limited to a detailed description of what retired along  
4 with corresponding dollars, the events that resulted in the need for retirement at  
5 that age, documents supporting the transaction, etc. Further, fully justify why such  
6 event should be considered representative of future expectations for the remaining  
7 plant.

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10 A. In preparing the response to this Request for Information, it was noted that the  
11 retirement transactions in this account related to 2005 were inadvertently  
12 downloaded as debit values rather than credit values. As such, the retirement rate  
13 models treated these transactions as reverse retirements. The database has been  
14 corrected and the retirement rate analysis for this account has been re-run. A  
15 revised retirement analysis has been filed due to this processing error in the initial  
16 data. The revised retirement data is included in the attachment to this response.

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18 The total retirements in this account at age 13.5 years has been updated from  
19 \$802,479 (referred to in the question above) to \$864,917. Based on a review of the  
20 revised observed life table, the average service life recommendation originally  
21 made by Gannett Fleming remains unchanged (55-R3). It should be noted that the  
22 incorrect Iowa curve (45-R3) was provided in the Gannett Fleming report. A  
23 corrected graph was provided as Attachment 2 to CA-NLH-19.

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25 Refer to CA-NLH-67 Attachment 1 for a detailed listing of the specific items that  
26 were retired at age 13.5 years. As noted in the attachment, the largest value of  
27 retirements was caused by the decommissioning of the Davis Inlet Diesel Plant as a

1 result of relocation of the residents of the community. This is not an extraordinary  
2 occurrence in Hydro's service territory, through both relocations and  
3 interconnection of diesel-served communities where economically feasible. As  
4 such, the specific retirement of plant in this account at age 13.5 years is a force of  
5 retirement that is, and should be, considered a normal business activity for electric  
6 generation systems.

## Retirements at Age 13.5 Years for Account B06 - Buildings - Metal

New	Old			Install	Original Cost			
Account	Account	Trans Type	Trns Year	Year	Amount	Age	Asset Description	Description
B06	53000	Retirement	2005	1991	(1,836)	13.5	Air Conditioning Unit	Install Central Air Conditioning
B06	53000	Retirement	2005	1991	(1,836)	13.5	Air Conditioning Unit	Install Central Air Conditioning
B06	53000	Retirement	2005	1991	(1,836)	13.5	Air Conditioning Unit	Install Central Air Conditioning
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B06	53000	Retirement	2004	1990	(833,698)	13.5	Metal Building	Decomissioning of Davis Inlet Diesel Plant