

1 Q. [Account W01 - Water Regulating Structures] - Regarding the statement that
2 operating staff indicated that a 45- to 55-year life should be used for the investment
3 in Account W01 - Water Regulating Structures as set forth in CA-NLH-150, provide a
4 detailed narrative identifying the basis for operating staff's position as well as all
5 corresponding studies and documents to support such position, including all
6 meaningful and significant factors. Further, specifically indicate why a 70- and 80-
7 year average service life is also not appropriate. To the extent operating staff
8 believe that 70- or 80-year average life expectations are not also reasonable,
9 provide all support, justification and underlying documentation associated with
10 such position, including all meaningful and significant factors.

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13 A. The operations group was provided a preliminary version of the results of the
14 retirement rate analysis in order to provide comment and to verify the
15 reasonableness of the preliminary estimates. The operations group provided a
16 check of the reasonableness of Gannett's recommendations based on their
17 experience and knowledge of the system and their comments were not based on
18 any specific documentation. The Hydro operations group rely on the professional
19 expertise of Mr. Kennedy in developing Iowa curve fits, and are not in a position to
20 offer comment on the comparability of the characteristics of the differing Iowa
21 curve fits.