

1 **Q. [ELG] – Regarding the statement on page I-3 of the Gannett Fleming study that the**
2 **equal life group procedure provides a better match of depreciation expense and loss**
3 **in serve value than the average service life procedure, please provide all support and**
4 **justification for such statement not based on theoretical assumptions, but rather the**
5 **actual experience of the Company as exhibited by plant additions and specific**
6 **retirements of those plant additions over time. The response should specifically**
7 **identify the expected level of ELG-related retirements by year subsequent to the**
8 **plant additions being placed into service and the ELG assumed level of retirement**
9 **that would occur for the same vintage addition for the same annual time periods,**
10 **along with the difference between the two values. The information should be**
11 **provided on electronic medium in Excel readable format.**

12
13 A. The ELG procedure is a depreciation calculation procedure, not a life characteristic
14 measurement. The survivor curve estimate is the life characteristics measurement
15 component. The expected level of retirements for each account based on the survivor
16 curve estimates are the same whether the ELG or ALG calculation procedure is used.
17 Any difference between actual and forecast Company experience is therefore the same
18 whether the ELG or ALG procedure is used. The specific calculations requested in this
19 Request for Information was not performed for the Depreciation Study.