

1 **Q. [Remaining Life] – Please provide a detailed narrative along with a corresponding**
2 **step-by-step example of how the Company calculates remaining life for: (a) mass**
3 **property accounts where no remaining plant in service exceeds the life depicted by**
4 **the end of the assumed life/curve combination chosen for life purposes; and (b)**
5 **where many of the older vintages that are still in service exceed the end of the**
6 **life/curve combination chosen for life analysis purposes by the Company. Further,**
7 **provide all support and justification for the Company’s calculation procedures..**
8

9 A. The depreciation rates for this filing are based on the equal life group (ELG) procedure
10 and whole life technique. The remaining life for each vintage is not calculated when
11 using the whole life technique. Any reserve variances that exceed a 5 percent threshold
12 are amortized over the composite remaining life for each account. The composite
13 remaining life for each account is equal to the whole life future accruals divided by the
14 whole life annual accruals, which are based on the ELG procedure described in the
15 response to Request for Information CA-NP-012.