Q. Re: Account G03: Please provide a detailed explanation of the retirement at age
2 27.5 years for Account G03 – Generators as set forth on page IV-83 of Exhibit 1,
3 including but not limited to a detailed description of what retired along with
4 corresponding dollars, the events that resulted in the need for retirement at that
5 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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A. Please refer to the response to CA-NLH-85 Attachment 1 for a description of the assets retired at ages 27.5 years. The retirements involved relate to the replacement of the Exciter in its 28th year of service due to condition. This type of retirement of a critical component of the generator may be expected to reoccur in the future. As such, the retirement rate analysis does need to specifically consider these retirements in the development of the average service life expectations.

Retirements at Age 27.5 Years for Account G03 - Generators

| New | Old | | | Install | Original Cost | | | |
|---------|---------|------------|-----------|---------|---------------|------|--|--|
| Account | Account | Trans Type | Trns Year | Year | Amount | Age | Asset Description | Description |
| G03 | 29300 | Retirement | 1997 | 1969 | (3,300.00) | 27.5 | Phouse Generator - Environmental Protection System Asset 958 - Bay d'Espoir | Static Exciters Units 1 and 4 - Bay d'Espoir |
| G03 | 29300 | Retirement | 1997 | 1969 | (209,460.50) | 27.5 | Auxiliary Generator - Environmental Protection System Asset 108 - Bay d'Espoir | Static Exciters Units 1 and 4 - Bay d'Espoir |