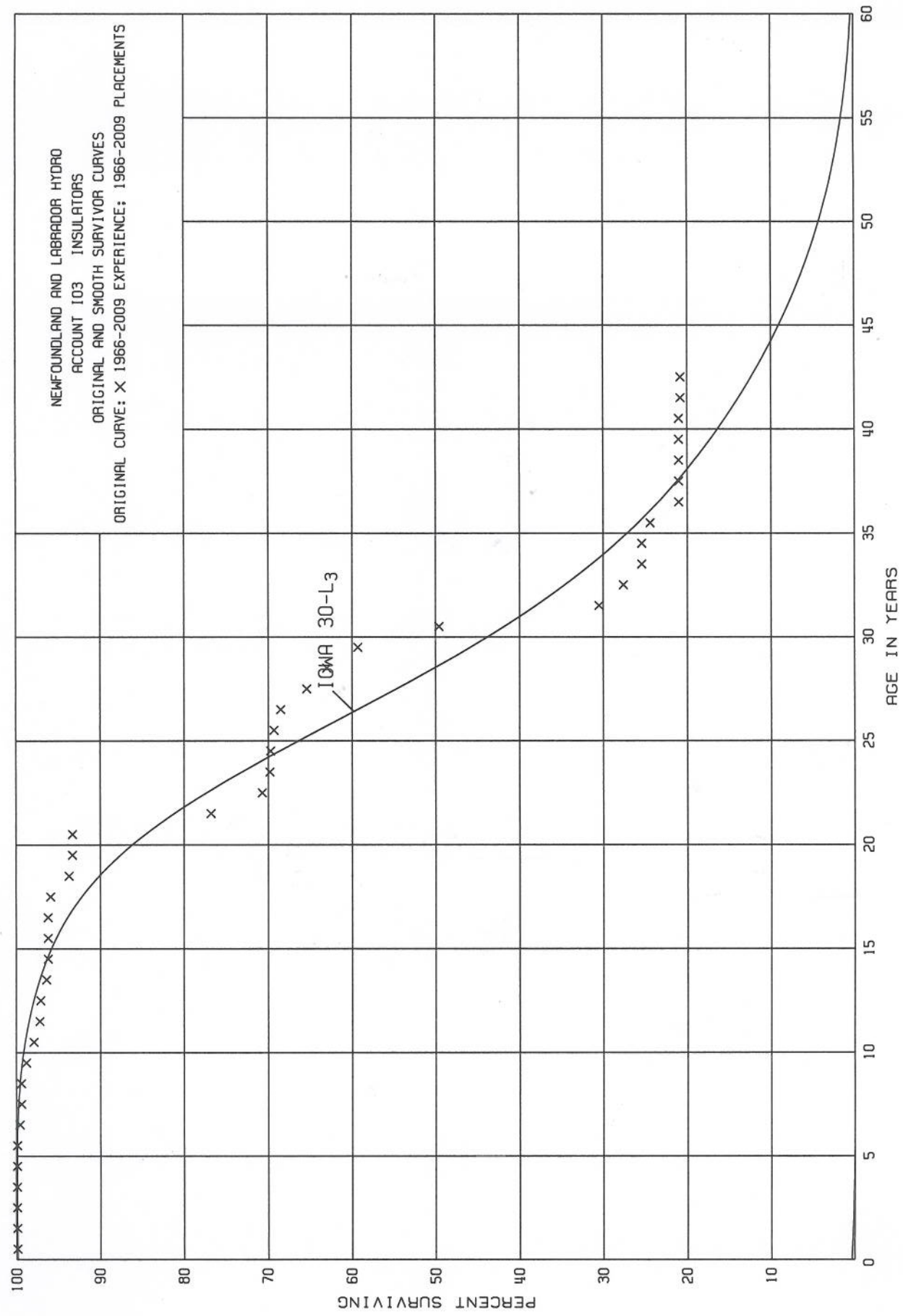
Q. Re: Account I03: Please provide a detailed narrative specifically explaining the portions of the curve fitting process given greater weight in the selection of a 30L3 life-curve combination for Account I03-Insulators. The narrative should specifically and completely address, explain and justify the deviations between the observed life table and the 30L3 for all areas of deviations, but in particular for the deviations beginning at 16.5 and 25.5 years of age. Further, explain on a step-by-step basis each item of meaningful information that was relied on to determine that the 30L3 was the best representation of the mortality characteristics for this account. Finally, provide all documentation that supports, explains, or justifies the impact that each meaningful item of information had in the selection process.

A. In the completion of the response to this Request for Information, Gannett Fleming has noted that an incorrect Iowa curve was provided in the Gannett Fleming report. A corrected graph of the fit of the Iowa 30-L3 is provided as CA-NLH-92, Attachment 1.

The average service life recommendation was based on the results of the retirement rate analysis. Refer to CA-NLH-91, Attachment 1 for a detailed listing of the specific items that were retired at ages 17.5, 20.5 and 21.5 years that had a material influence on the retirement rate analysis. Additionally, the retirement rate analysis was impacted by the retirements at age 5.5 and 8.5 years as detailed in CA-NLH-1, Attachment 1. In the completion of the retirement rate analysis, the Iowa 30-L3 was the statistical best fit to the observed life table through age 40.5 years. In addition, the Iowa 30-L3 provided the best visual fit to observed life table through age 35.5 years.

The preliminary indications from the retirement rate analysis were discussed with the operations staff, who indicated agreement that 30 years is consistent with the life. As such, the recommended 30-L3 is expected to be indicative of future retirement patterns.


NEWFOUNDLAND AND LABRADOR HYDRO
ACCOUNT 103 INSULATORS
ORIGINAL AND SMOOTH SURVIVOR CURVES
ORIGINAL CURVE: X 1966-2009 EXPERIENCE: 1966-2009 PLACEMENTS
IOWA 30-L3
PERCENT SURVIVING
AGE IN YEARS
100
90
80
70
60
50
40
30
20
10
0
5
10
15
20
25
30
35
40
45
50
55
60