

1 Q. Re: Account R15: Please fully explain and justify the selection of a 33R5 life-curve
2 combination for Account R15 – Runner. The response should specifically address
3 the curve fit set forth on page IV-182 of Exhibit 1 and why a longer life is not
4 appropriate. The response should also present the specific steps and corresponding
5 information and documents relied on to arrive at the proposed life-curve
6 combination.

7

8

9 A. The retirement rate analysis provided an average service life estimate consistent
10 with the Iowa 33-R5. While this account has only a limited amount of retirement
11 volume, the limited amounts of retirements do provide a basis for analysis.
12 Discussions with the operations group have indicated that a 33 year life estimate
13 resulting from the retirement rate analysis is reasonable.

14

15 The assets in this account were not componentized by the peer group of
16 companies, and therefore a peer analysis was not prepared. However, given the
17 retirement rate analysis, and the confirmation received from the operating staff,
18 there is sufficient evidence to support this life estimate.