

1 Q. [Account D01 - Dams & Dikes] - Please provide all specific support and justification,
2 including all underlying documents corresponding to the statement made in
3 response to CA-NLH-12 Attachment 1 page 4 of 5 under the topic Following Up from
4 April 15 Discussion for Account 179 - Dams, Dikes, Canals, and Tunnels that a
5 recommended 100 average service life is appropriate. Further, explain, support and
6 justify the reference that the 100-year recommended life is appropriate, "especially
7 considering that 100 years is an average age, not a maximum life expectation." The
8 response to this portion of the question should clearly identify the maximum life
9 and how this corresponds or relates to other service lives and maximum lives used
10 for dams and dikes elsewhere in the industry. Finally, provide all meaningful or
11 significant information and supporting documentation for any position taken.

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14 A. The reference comment from page 4 of 5 of CA-NLH-12 Attachment 1 was provided
15 to summarize the discussions that were held with the Operations staff indicating an
16 expectation based on experience, knowledge of age and current conditions that
17 some assets in this group will last longer than 100 years and some assets will retire
18 prior to 100 years, resulting in an average of 100 years. The discussions with the
19 Operations group and Gannett Fleming did not include any review or discussion of
20 any additional documentation.

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22 The Gannett Fleming study recommends an Iowa 100-R4 curve for account D01.
23 The 100-R4 curve provides for a maximum life indication of 153 years (with less
24 than 1% surviving after the 140th year). The information response to CA-NLH-156
25 includes Attachment 2 which provides the Iowa curve estimate made by Gannett
26 Fleming within Canada. The maximum life indications of the Iowa curve shapes are
27 published in a number of depreciation textbooks.

1 Mr. Kennedy, during the preparation of the recommendations of the life estimate
2 for this account did not review any additional company specific information
3 regarding any of the US based Gannett Fleming recommendations.