Q. [Account 001 - Dams & Dikes] - In CA-NLH-75, the Company states that its proposed 100R4 life-curve combination "anticipates very few retirements through this observation period" and, as such, its proposal is "a reasonable fit to the observed life table." Please specifically state whether a 110R4 life-curve combination as well as a 120R4 life-curve combination would not also anticipate very few retirements through this observation period and as such be "a reasonable fit to the observed life table." To the extent the 110- and 120-year values are not also reasonable fits, provide all support, justification, and corresponding documentation for such position. Further, in reference to the statement regarding interview notes that in Gannett Fleming experience earthen structures will eventually require capital upgrades, please explain and justify why such statements support a 100-year average service life versus a 110- or 120-year average service life. Finally, provide all experience of Gannett Fleming referenced in the response including the name of the unit, the name of the utility, the type of facility, the capital expenditures and upgrades, the dollar level of investment and when such investment occurred in relationship to the age of the unit, along with all other meaningful or significant information.

A. Gannett Fleming confirms that both the 110-R4 and the 120-R4 Iowa curves would anticipate very few retirements through the observation period, and also would provide for a reasonable fit. Gannett Fleming notes that in the circumstances where no retirement activity has occurred over an observation period, many average service life and Iowa curve shape combinations would provide an equally good fit to the observed life table. For example, an Iowa 90-R4, or a 100-R5, or a 50-S6 would all also provide an equal or better indication of a fit to the observed life table for this account. As such, in the circumstances of no retirement activity,

other factors, such as peer analysis, and views of the internal operational staff become the primary factor in the selection of the average service life estimate. However, the indication of a lack of retirement experience at early ages as seen in the observed life table provides an indication of a high mode curve and a longer life estimate.

As indicated in the response to CA-NLH-75, a number of other factors were considered in determining the average service life. CA-NLH-75 also discusses the reasons and process used in the development of the Iowa 100-R4 estimate. At the time the study was completed, there were no indications of Canadian utilities using a life estimate in excess of 100 years for earthen Dams. Additionally, as discussed in response to CA-NLH-154 when the Iowa curve shape and maximum life indications are considered, the 100-R4 meets with the expectations of the operations staff. Gannett Fleming considers that given the experience of utilities in Canada, and given the approximately 150 year maximum life indication of the Iowa 100-R4, a life estimate of greater than 100 years is not appropriate.