

1 Q. [Account P03 - Penstock] - As it relates to the statement made by the Company in  
2 CA-NLH-96, that it has been Gannett Fleming's experience that penstock structures  
3 will eventually require capital upgrades, please provide the specific experience  
4 referenced as well as all other Gannett Fleming experience where penstocks have  
5 not incurred capital upgrades to ensure their integrity. For each item of experience,  
6 identify the generating station, utility, dates of capital upgrades as well as dates of  
7 initial installation. Finally, provide all support and justification as to why the  
8 experience of Gannett Fleming as it relates to capital upgrades would not also apply  
9 reasonably to 90R4 and 100R4 life-curve combinations.

10

11

12 A. Information provided to Gannett Fleming in the course of completing depreciation  
13 studies is provided within the terms of strict confidentiality clauses. Gannett  
14 Fleming will not disclose the detailed information as requested as it would cause  
15 breach of contracts with other clients. Schedule 2 of the Gannett Fleming report  
16 provides the name and year of the peer information utilized by Gannett Fleming.  
17 Gannett Fleming notes that any information entered into the proceeding would be  
18 in the public records. Gannett Fleming does not have any additional information in  
19 its possession at this time.

20

21 Gannett Fleming notes that capital upgrades will result in retirement activity, given  
22 that the upgrade program normally replaces items currently in service. As such,  
23 when the penstocks undergo capital upgrading, the life indications at that time will  
24 include mortality experience that may not be consistent with a 90 or 100 year life.