Q. [Account P10 - Powerhouse] - Regarding the statement in response to CA-NLH-109 that due to the low level of retirement activity anticipated with a 75R3 life-curve combination the Company's proposed life-curve combination is "a reasonable fit to the observed life table," please state whether the same statement would be as correct if not more correct for a 90R3 and a 100R3 life-curve combination. To the extent the Company believes that either of the longer life-curve combinations would not be as reasonable if not a better fit to the observed life table, provide all support, justification, and corresponding documentation for such position.

A. Gannett Fleming confirms that both the 90-R3 and the 100-R3 Iowa curves would provide for a reasonable fit to the observed life table. 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, a 50-S6 would 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-109, a number of other factors were considered in the development of the average service life. CA-NLH-109 also discusses the reasons and process used in the development of the Iowa 75-R3 estimate.