

1 Q. [Account R12 - Right of Ways] - In CA-NLH-115, a statement is made that a  
2 significant life extension is appropriate for the investment in Account R12 – Right of  
3 Ways which is followed by a statement that "as such, a 10 year life extension (22%)  
4 is recommended." At this time, please provide all criteria relied upon to limit the life  
5 extension to 22% rather than any other value. Further, identify each instance in the  
6 2009 Gannett Fleming study where life extensions or reductions exceeded 22%  
7 from the previously recommended average service life estimate for such account.  
8 Finally, state whether Gannett Fleming has recommended life extensions or  
9 reductions in excess of 22% for other utilities and if so, why a 22% life extension  
10 limitation is believed appropriate for Hydro in this case.

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13 A. The quoted reference to the 22% was provided only for the purpose to illustrate  
14 that a significant life extension is being proposed. The reference to 22% was not  
15 intended to be, nor should it be construed to be any type of criteria used in this  
16 study or in any other Gannett Fleming study prepared by Mr. Kennedy. In all  
17 circumstances where material life extensions or reductions have been proposed in  
18 this study, the amount of the change in service life is identified in the response  
19 provided to CA-NLH-19.

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21 Gannett Fleming has proposed life extensions and reductions greater than 22% in  
22 other studies prepared by Mr. Kennedy.