

- 1 Q. [Account R15 - Runner] - Regarding the statement in CA-NLH-122 that the operating  
2 group has indicated a 33-year life is reasonable for the investment in account R15 -  
3 Runner, please provide the following:
- 4 a. A detailed narrative explaining and justifying the basis for the assumption  
5 that a 33-year life estimate for the investment in this account is reasonable,  
6 including all meaningful and significant factors;
  - 7 b. All documents that support the operation group's statement;
  - 8 c. All reasons why the operating group does not believe a life estimate of 38 or  
9 40 years is not also reasonable if, in fact, they do believe that such life  
10 estimates are not reasonable along with all support and justification for such  
11 position including all meaningful and significant factors.
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- 14 A. a. The operations group were provided a preliminary version of the results of the  
15 retirement rate analysis in order to provide comment and to verify the  
16 reasonableness of the preliminary estimates. The operations group provided a  
17 check of the reasonableness based on their experience and knowledge of the  
18 system. The comments from the operations group were not based on any specific  
19 documentation.
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- 21 b. The comments from the operations group were not based on any specific  
22 documentation.
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- 24 c. The operations group were provided a preliminary version of the results of the  
25 retirement rate analysis in order to provide comment and to verify the  
26 reasonableness of the preliminary estimates. The operations group provided a  
27 check of the reasonableness of Gannett's recommendation based on their

1        experience and knowledge of the system, and indicated that 33 years is consistent  
2        with their expectations. The comments from the operations group were not based  
3        on any specific documentation, but rather based on their internal expertise and  
4        knowledge of the system. The Hydro operations group rely on the professional  
5        expertise of Mr. Kennedy in providing Iowa curve fits, and are not in a position to  
6        offer comment on the comparability of the characteristics of the differing Iowa  
7        curve fits.