

1 Q. [Account T05 - Transformers] - In CA-NLH-139 the Company states that operations
2 staff agreed that a 55-year life is representative of the life characteristics for the
3 investment in Account T05 - Transformers. At this time, provide all underlying
4 support and documentation in association with operation staff's analysis and
5 conclusion that a 55-year life is representative including all meaningful and
6 significant factors. Further, state whether operation staff also believes a 60- or 65-
7 year life is characteristic of the investment in the account and, if not, provide all
8 support and justification for such position along with all corresponding supportive
9 documentation.

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12 A. The operations group were provided a preliminary version of the results of the
13 retirement rate analysis in order to provide comment and to verify the
14 reasonableness of the preliminary estimates. The operations group provided a
15 check of the reasonableness of Gannett's recommendations based on their
16 experience and knowledge of the system and their comments were not based on
17 any specific documentation. The Hydro operations group rely on the professional
18 expertise of Mr. Kennedy in providing developing lowa curve fits, and are not in a
19 position to offer comment on the comparability of the characteristics of the
20 differing lowa curve fits.