

1 Q. [R12-Right-of-Ways] - Given the peer group information ranges between 65 and 70
2 year as set forth in CA-NLH-190 and no documents were produced in support of
3 internal staff's belief that 45 to 50 years is reasonable for the investment in Right-
4 of-Ways, please fully explain and justify why a 65-, 70-, or 75-year average service
5 life is not also reasonable, as requested in CA-NLH-191.
6
7

8 A. It is noted that as indicated in response to CA-NLH-116, the range of lives of the
9 peer group is from 36 years to 75 years. The operations staff was involved in the
10 average service life selection process in two ways:

- 11 • Operations interviews were conducted prior to the development of the
12 preliminary life estimates. The notes from these interviews have been included
13 in response to CA-NLH-12; and
- 14 • After the development of the preliminary life estimates, the estimates were
15 distributed to the operations staff to confirm the reasonableness of the
16 estimates. Any changes that resulted from this review of the life estimates were
17 summarized in the response to CA-NLH-19.

18
19 The operations staff did not provide any other direct material or opinion other than
20 that provided in response to previous requests for information, and were not
21 specifically requested to review alternative average service life scenarios.

22 However, Gannett Fleming views that the probability of the average service life
23 extending beyond 55 years is no more probable than the life actually being less than
24 55 years on average.