1	Q.	For each account in which judgment and input from Hydro personnel formed the
2		foundation and basis for life recommendations, please explain in detail what led to
3		the conclusion that Mr. Kennedy's study analyses results were reasonable or not
4		reasonable. Was only the life resulting from Mr. Kennedy's statistical analysis
5		presented to the operations personnel to review? While there may not be specific
6		documentation, please provide specificity regarding the internal expertise and
7		system knowledge. Please explain with specificity what the operations group's
8		check of reasonableness of Gannett Fleming's recommended lives entailed.
9		
10		
11	A.	The operations staff were involved in the average service life selection process in
12		two ways:
13		Operations interviews were conducted prior to the development of the
14		preliminary life estimates. The notes from these interviews have been
15		included in CA-NLH-12; and
16		After the development of the preliminary life estimates, the estimates were
17		distributed to the operations staff to confirm the reasonableness of the
18		estimates. Any changes that resulted from this review of the life estimates were
19		summarized in CA-NLH-19.
20		
21		The operations staff did not provide any other direct material or opinion other than
22		that provided in response to previous requests for information, and were not
23		specifically requested to review alternative average service life scenarios.
24		
25		The internal operations staff are well trained, knowledgeable and have a mandate

to safely operate and maintain the plant to which they are assigned. This staff are

26

Depreciation Methodology and Asset Service Lives

Page 2 of 2

- 1 extremely familiar with the operation, the current condition, the operating
- 2 constraints, and any other potential issues with the equipment they operate.