

1 **Q. Page 31, lines 1 to 13 and Page 35, lines 13 to 18.**

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3 **How specifically has Mr. Pous considered the input from operational staff in his**  
4 **review of each of the 10 accounts listed at page 31? Please provide full supporting**  
5 **documentation indicating the extent, if any, of this consideration.**  
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7 A. Mr. Pous reviewed the meaningful and significant items of information presented by Hydro  
8 associated with input from its personnel. In addition, Mr. Pous submitted numerous  
9 discovery requests attempting to obtain the basis and support for comments, indications,  
10 feelings, etc. expressed by operational personnel in a generalized manner as reflected in  
11 response to discovery. Each item of information was weighed in conjunction with the  
12 Company's actual historical records and Mr. Pous' own experience and knowledge  
13 associated with utility property. For example, Mr. Pous investigated Hydro personnel's  
14 statements regarding shorter life expectations for investment in batteries, which were relied  
15 upon by Mr. Kennedy to significantly shorten the proposed average service life. Review of  
16 actuarial analyses indicated a longer life expectation rather than a shorter life expectation  
17 indicated to Mr. Kennedy by operating personnel. Further discovery identified that only 7%  
18 of the investment in the account was associated with the new type of batteries that  
19 operational personnel indicated would have life expectancy of less than 20 years. As noted  
20 by Mr. Pous in his testimony, until such time as the investment in the batteries account  
21 reflects a sizeable level of investment in newer technology batteries, input from Company  
22 personnel must be given the appropriate level of weight in determining the overall average  
23 service life for the account. Therefore, Mr. Pous recommended the retention of the existing  
24 23-year average service life due in part to Company personnel input. The consideration of  
25 input from Company personnel, as noted above, is precisely why the underlying basis and  
26 support for statements attributed to Company personnel needs to be tested and analyzed  
27 so as to best determine the degree to which the information should impact future  
28 expectations. However, as noted in Mr. Pous' testimony, the Company failed to provide any  
29 underlying support and documentation for generalized statements noted by Mr. Kennedy in  
30 discovery responses relating to input from Company personnel.