

1 **NP-IC-2 Page 26. Is it Ms. Lee's evidence that the experience of Avista Utilities**
2 **where penstocks have been in service for almost 100 years and are just**
3 **being relined, is typical?**

4 **RESPONSE:** Ms. Lee is asserting that in light of the scant evidence presented by the
5 Company in support of its proposed life for Account P03 and the minimal amount
6 of retirement activity, there is no reason to conclude that Hydro's penstocks
7 should not be reasonably expected to experience similar life characteristics to
8 those of other penstocks; i.e., those owned by Avista or by other companies in
9 the peer group of Canadian companies. Indeed, the lives from the limited peer
10 group companies range as high as 100 years.