

1 **AGREEMENT FOR PROFESSIONAL SERVICES BETWEEN**
2 **THE CITY OF NEW ORLEANS**
3 **AND**
4 **LEGEND CONSULTING GROUP LIMITED**

5 **THIS AGREEMENT** is made and entered into as of the 1st day of January 2010 by and
6 between the Council of the City of New Orleans, represented by Arnie Fielkow, President of the
7 Council (hereinafter referred to as "City") and the firm of **Legend Consulting Group Limited**
8 (hereinafter referred to as "Contractor").

9 **WITNESSETH**

10 **WHEREAS**, to address the complex legal and technical issues necessary to properly meet its
11 responsibility, the Council has selected hearing officers and consulting firms as advisors, in accordance
12 with the competitive selection process required by the Home Rule Charter; and

13 **WHEREAS**, pursuant to Rule 45, the City Council adopted Motion M-09-459, directing the
14 Council staff to issue a Request for Qualifications to initiate a competitive selection process to obtain
15 consultants with expertise essential to assisting the Council in effectuating its regulatory authority over
16 electric and gas utilities in New Orleans; and

17 **WHEREAS**, a Request for Qualifications relative to electric and gas regulatory services was
18 issued on September 4, 2009 and re-issued on October 20, 2009; and

19 **WHEREAS**, responses to the Request for Qualifications were reviewed by the Staff
20 Selection Review Committee on October 20, 2009 and on November 9, 2009, the Council Utility
21 Committee met and recommended that the City Council approved the selection of Sonnenschein
22 Nath & Rosenthal, L.L.P., Wilkerson & Henry, L.L.C., Legend Consulting Group Limited, Bruno
23 and Tervalon, L.L.P., and Paillet, Meunier & LeBlanc, L.L.P. be retained to provide electric and/or
24 natural gas regulatory consulting services to the City Council; and

1 **WHEREAS**, by Motion M-09-6453 the City Council approved the recommendation of the
2 Council Utilities Committee that the firm of Legend Consulting Group, Limited be retained to
3 provide utility consulting services in the area of the Council's electric and gas regulatory
4 responsibility; and

5 **WHEREAS**, the Council by Motion M-09-674 authorized the President of the Council to
6 sign a professional service contract with the firm of Legend Consulting Group for the contract
7 amount as specified herein; and

8 **WHEREAS**, the firm of Legend Consulting Group, Limited is herein represented by
9 Joseph Vumbaco, President, as authorized by letter to enter into agreement on behalf of the firm of
10 Legend Consulting Group, Limited;

11 **NOW, THEREFORE**, the City of New Orleans and the firm of Legend Consulting
12 Group, Limited for the consideration, and under conditions set forth, do agree as follows:

13 I. **SCOPE OF SERVICES**

14 A. Contractor Agrees To:

15 Provide engineering, engineering-economic, accounting and rate-financial professional
16 consulting services to the Council in all local, state and federal regulatory matters in
17 respect to the electric and natural gas utilities providing services in New Orleans, including
18 but not limited to Entergy, its unregulated subsidiaries and its regulated operating
19 subsidiaries; Entergy Louisiana, Inc; and Entergy New Orleans, Inc.; as may be required
20 from time to time by the City Council, and its staff.

1 B. The City Agrees To:

- 2 1. Provide contract administration through the City Council Utilities Regulatory
3 Office.
4
5 2. Provide access to records, documents and other information as may be required.
6 Additional support and information may be directed to the Council Utilities
7 Regulatory Office.

8 **II.**

9 **COMPENSATION**

10 The compensation to be paid for services rendered will be at the hourly billing rate of:

11 Managing Partner	up to \$325.00 per hour
12 Partner/Executive Consultants	up to \$305.00 per hour
13 Senior Consultants	up to \$270.00 per hour
14 Supervisor Engineer Analyst.	up to \$235.00 per hour
15 Senior Engineer/Analyst Economist	up to \$210.00 per hour
16 Engineer/Analyst Economist	up to \$185.00 per hour

17 The compensation to be paid to the firm of Legend Consulting Group Limited for such services
18 shall not exceed One Million Nine Hundred Five Thousand Dollars (\$1,905,000.00). If there are any
19 necessary and ordinary expenses attached to the work of the firm of Legend Consulting Group Limited
20 these expenses, in addition to the fees outlined above, shall be reimbursable by the City but the total
21 amount of such expenses and fees shall not exceed One Million Nine Hundred Five Thousand Dollars
22 (\$1,905,000.00). The firm of Legend Consulting Group Limited shall submit to the City a detailed
23 monthly invoice for payment of services provided. The firm of Legend Consulting Group Limited work
24 shall be detailed in increments of one-tenth of an hour. This agreement is contingent upon the
25 appropriation and allocation of funds by the City of New Orleans.

1 **III. PAYMENT**

2 Payment under this agreement shall be made pursuant to detailed monthly invoices submitted by
3 the firm, subject to review and approval by the City for payment. Upon authorization through the
4 City Council Utilities Regulatory Office such invoices may be submitted to the Finance
5 Department for payment by the City or, alternatively, when such invoices would be reimbursable
6 by a utility subject to regulation under Section 3-130 of the Home Rule Charter and reimbursable
7 pursuant to Section 3-130 (5) of the Home Rule Charter, the City Council Utilities Regulatory
8 Office may submit such invoices for payment to such regulated utility company. Payments in the
9 name of the firm under this provision shall then be sent to the Council Utilities Regulatory Office
10 which shall immediately forward such authorized payment to the firm. The Council Utilities
11 Regulatory Office shall maintain records of such payments which shall be public records and shall
12 also forward copies of such records as required to the CAO and Department of Finance. Such
13 payments, when made by such utility company through the City Council's Utilities Regulatory
14 Office shall fully discharge the City's obligation for such payment under this contract and be
15 included in and applied to the maximum compensation limits of this contract. Pursuant to Motion
16 M-09-674 such payments shall be recoverable as regulatory expense by such utility in the same
17 manner as reimbursements to the City for such payments pursuant to Section 3-130 (5) of the
18 Home Rule Charter.

19 **IV. EQUAL EMPLOYMENT OPPORTUNITY**

20 In all hiring or employment made possible by or resulting from this Contract, there (1) will not be
21 any discrimination against any employee or applicant for employment because of race, color,
22 religion, gender, age, physical or mental disability, national origin, sexual orientation, creed,

1 culture, or ancestry, and (2) where applicable, affirmative action will be taken to ensure that the
2 Contractor's employees are treated during employment without regard to their race, color, religion,
3 gender, age physical or mental disability, national origin, sexual orientation, creed, culture, or
4 ancestry. This requirement shall apply to, but not be limited to the following: employment,
5 upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination;
6 rates of pay or other forms of compensation; and selection for training, including apprenticeship.
7 All solicitations or advertisements for employees shall state that all qualified applicants will
8 receive consideration for employment without regard to race, color, religion, gender, age, physical
9 or mental disability, national origin, sexual orientation, creed, culture, or ancestry.

10 **V. ASSIGNABILITY**

11 The Contractor shall not assign any interest in this Contract, and shall not transfer any interest in
12 the same without prior written consent of the City of New Orleans.

13 **VI. CONFLICT OF INTEREST**

14 In the interest of ensuring that efforts of the Contractor do not conflict with the interest of the City,
15 and in recognition of Contractor's professional responsibility to the City, the Contractor agrees to
16 decline any offer of employment if its independent, professional work on behalf of the City is
17 likely to be adversely affected by the acceptance of such employment. The initial determination of
18 such a possibility rests with the Contractor. It is incumbent upon the Contractor to notify the City
19 and provide full disclosure of the possible effects of such employment on the Contractor's
20 independent, professional work in behalf of the City. Final decision on any disputed offers of other
21 employment for the Contractor shall rest with the City.

1 **VII. INDEMNIFICATION**

2 The Contractor shall indemnify and save harmless the City of New Orleans against any and all
3 claims, demands, suits, judgments of sum of money to any party accruing against the City for loss
4 of life or injury or damage to persons or property growing out of, resulting from, or by reason of
5 any act of omission of the operation of the Contractor, his agents, servants or employees while
6 engaged in or about or in connection with the discharge or performance of the services to be done
7 or performed by the Contractor hereunder, and shall also hold the City harmless from any and all
8 claims and/or liens for labor, services, or materials furnished to the Contractor in connection with
9 the performance of its obligation under this Agreement.

10 **VIII. ACKNOWLEDGMENT OF EXCLUSION OF WORKER'S COMPENSATION**

11 **COVERAGE**

12 The Contractor herein expressly agrees and acknowledges that it is an independent Contractor as
13 defined in R. S. 23:1021 (6) and as such, it is expressly agreed and understood between the parties
14 hereto, in entering into this professional services contract, that the City of New Orleans shall not be
15 liable to the Contractor for any benefits or coverage as provided by the Worker's Compensation
16 Law of the State of Louisiana, and further, under the provisions of R.S. 23:1034 anyone employed
17 by the Contractor shall not be considered an employee of the City for the purpose of Worker's
18 Compensation Coverage.

19 **IX. ACKNOWLEDGMENT OF EXCLUSION OF UNEMPLOYMENT COMPENSATION**

20 **COVERAGE**

21 The Contractor herein expressly declares and acknowledges that it is an independent contractor and
22 as such is being hired by the City under this contract of hire as noted and defined in R.S. 23:1472
23 (E); and, therefore, it is expressly declared and understood between the parties hereto, in entering
24 into this professional services contract or contract for hire, and in connection with unemployment
25 compensation in coverage only, that:

1 A. The Contractor has been and will be free from any control or direction by the City, over the
2 performance of the services covered by this contract; and

3 B. Service(s) to be rendered by the Contractor are outside the normal course and scope of the
4 City's usual business; and

5 C. The Contractor has been independently engaged in performing services listed herein prior to
6 the date of this contract.

7 Consequently, neither the Contractor nor anyone employed by the Contractor shall be considered an
8 employee of the City for the purpose of unemployment compensation coverage, the same being hereby
9 expressly waived and excluded by the parties hereto.

10 **X. WAIVER OF SICK AND ANNUAL LEAVE BENEFITS**

11 It is expressly agreed to and understood between the parties entering into this professional services
12 contract that the Contractor, acting as an independent agent, and its agents assigned and employees
13 shall not receive any sick and annual leave benefits from the City of New Orleans.

14 **XI. JURISDICTION**

15 The undersigned Contractor does further hereby consent and yield to the jurisdiction of the State
16 Civil Courts of the Parish of Orleans and does hereby formally waive any pleas of jurisdiction on
17 account of residence elsewhere of the undersigned Contractor

18 **XII. DURATION OF AGREEMENT**

19 The services to be provided under the terms of this Agreement shall begin on January 1, 2010 and
20 shall end no later than December 31, 2010. It is understood and acknowledged by all signators to
21 this Agreement that work described under these terms is to be accomplished during the time period
22 specified herein. The terms, conditions and duration of this contract may be modified by an
23 executed, written amendment to this contract.

1 **XIII. EXTENSION**

2 This agreement may be extended at the option of the City, provided that funds are allocated by the
3 Council of the City of New Orleans and the extensions of the agreement facilitates the continuity of
4 services provided herein. This agreement may be approved for the negotiation of one year
5 contracts renewable on an annual basis for a total period of up to five years.

6 **XIV. CANCELLATION:**

7 Either party of this contract may terminate the contract at any time during the term of the contract
8 by giving the other party written notice of said intention to terminate at least thirty (30) days
9 before the date of termination.

10 **XV. SOLICITATION:**

11 The Contractor has not employed or retained any company or person, other than a bona fide
12 employee working solely for him, to solicit or secure the subject contract. The Contractor has not
13 paid or agreed to pay any person, other than a bona fide employee working from him, any fee,
14 commission, percentage, gift, or any other or consideration contingent upon or resulting from the
15 subject contract.

16 **XVI. OFFICE OF INSPECTOR GENERAL**

17 The Contractor understands and will abide by all provisions of the Code of the City of New
18 Orleans, Chapter 2, Art. XIII, Sect. 2-1120, as adopted by City Ordinance No. 22,888 M.C.S.,
19 (relative to the operations and authority of the City Inspector General), incorporated herein by
20 reference.

21 **XVII. SUBCONTRACTS**

22 Any and all subcontracts by the Contractor relating to work under this contract shall be approved in
23 advance by motion of the Council. The Council may require information on ownership interests in
24 the subcontractor prior to approval of the subcontractor's retention. Contractor shall incorporate
25 by reference in all subcontracts the provisions of this Article and shall require all subcontractors to

1 comply with such provisions. Contractor's failure to comply with the obligations in this subsection
2 shall constitute a material breach of this Agreement.

3 **XVIII. EXPENSES**

4 Unless otherwise approved by the Contracting Officer of the City Council, reimbursable expenses
5 shall be limited as follows: meals at reasonable and customary costs for the city in which they are
6 consumed absent charges for alcoholic beverages, air transportation limited to lowest available
7 coach fares at the time of booking, lodging expenses in New Orleans not to exceed federal per
8 diem rate for hotels in New Orleans to the extent achievable without an official governmental
9 identification for the personnel; postage, overnight delivery or courier services at contractor's
10 actual cost; facsimile transmissions and long distance telephone charges at contractor's actual cost;
11 copies at \$0.10 per page; computerized research at contractor's actual cost.

12 **XIX. LIMITATIONS**

13 For the attendance at all meetings of the Council, the CUC, briefings of Councilmembers, and
14 representation before any court or regulatory body and during the conduct of regulatory
15 proceedings before the Council and other regulatory bodies, the Council will only provide labor fee
16 reimbursement for one consultant from any applicable firm, unless otherwise specifically approved
17 by the Contracting Officer of the City Council. Contractor further agrees to avoid the unnecessary
18 duplication of personnel and costs in the performance of services under this agreement and
19 accordingly, shall staff all assignments with only qualified and experienced personnel so as to only
20 charge for the minimum number of personnel and incur the least costs reasonably necessary to
21 perform the assignments.

1 **XX. SEVERABILITY**

2 In the event a Court of competent jurisdiction finds any clause or provisions pertaining to the
3 retention of Contractor invalid, unless said Court expressly states otherwise, said findings shall not
4 affect Contractor's right to continue providing utility-related legal services to the City with respect
5 to any clause or provision not found to be invalid.

6 For the consideration and under the conditions set forth above, the Contractor has agreed to perform the
7 specified services for the City of New Orleans.

8 **IN WITNESS WHEREOF:**

9 ATTEST

CITY COUNCIL

10 _____


Arnie Fielkow
City Council President

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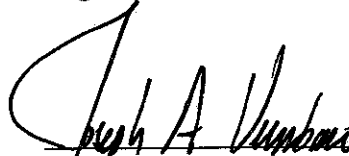
13 _____

14 Martha R. Simmons

Legend Consulting Group Limited

15 Charlotta DeCuir

By:


Joseph A. Vumbaco
President

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19
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8055 East Tufts Avenue
Suite 1250
Denver, Colorado 80237-2835

21 Approved: Victoria Jones
22 Law Department

841153900
Federal ID Number

23

**MOTION
(AS CORRECTED)
NO. M-09-674**

CITY HALL: DECEMBER 7, 2009

BY: COUNCILMEMBERS CARTER, HEDGE-MORRELL AND WILLARD-LEWIS

WHEREAS, pursuant to Section 3-130 of the Home Rule Charter of the City of New Orleans, the New Orleans City Council exercises powers of supervision, regulation, and control over electric and gas utilities providing service in the City; and

WHEREAS, to address the complex legal and technical issues necessary to properly meet its responsibility, the Council has selected consulting firms as advisors, in accordance with the competitive selection process required by the Home Rule Charter and established by Council Rule 45; and

WHEREAS, by Motion M-09-645, after competitive selection, the City Council authorized retention of Legend Consulting Group Limited to continue to provide consulting services to the City Council in electric and gas utility regulatory matters; and

WHEREAS, by Motion M-09-645 and the terms of the Request For Qualifications issued on September 4, 2009 and reissued on October 20, 2009, the Council is authorized to enter into a contract with Legend Consulting Group Limited to provide consulting services to the City Council in electric and gas utility regulatory matters renewable on an annual basis for a total period of up to two years; and

WHEREAS, by Motion M-09-645 the Council further authorized negotiation of contracts with a scope of work consistent with the request for qualifications and the Council's electric and gas Utility regulatory needs with each of the firms to be retained by the Council; and

WHEREAS, for budget year 2009 Legend Consulting Group Limited (“Legend”), the City Council’s Consulting Engineer and Chief Technical Advisor to the Council on all regulatory matters, was instrumental in and the lead consultant on numerous matters in the Council’s regulation of Entergy New Orleans, Inc. (“ENO”) and Entergy Louisiana, LLC (“ELL”) both in the Council’s local regulatory jurisdiction and in the Council’s activities before the Federal Energy Regulatory Commission (“FERC”) including, among other things:

1. Bi-monthly reporting to the Council on the evaluation of ENO’s monthly *No or Poor Gas Call Reports* (“NOPGR”) required pursuant to Council Resolution R-07-01, as supplemented by Council Resolution R-08-290, resulting in the reduction in the average service restoration time from 7.4 hours to 6.1 hours for the 2008/2009 winter heating season.
2. Preparation and submittal to Council monthly Residential Bill Comparisons for ENO, ELL and various cities throughout Louisiana and the United States as a measure of competitiveness of ENO and ELL electric and gas retail rates.
3. Analysis, evaluation and reporting to the Council on ENO and ELL’s quarterly compliance filings pursuant to Council Resolution R-07-428 regarding ENO and ELL’s revised customer service regulations and dispute resolution process.
4. Review, analysis, evaluation and reporting to the Council on the potential rate implications in ELL-Algiers on ELL’s Waterford Nuclear Unit’s replacement of certain nuclear plant components and related cost recovery impact on Algiers’ ratepayers.
5. Review, analysis, evaluation and reporting to the Council on suspension (and subsequent cancellation) by ELL in the repowering of Little Gypsy Unit Three and attendant cost recovery impacts for the ELL-Algiers jurisdiction of the Council.

6. Review, evaluation, analysis and reporting to the Council on ENO's Cyber Security Standards Compliance with the North American Electric Reliability Corporation cyber security standards embodied in FERC Order No. 706 and evaluation of ENO's subsequent report to the Council regarding such compliance.
7. Provide analyses and litigation support in numerous matters before the FERC in FERC Dockets ER08-1056, ER09-636, EL08-51, ER08-1057, ER09-833, EL09-50, ER09-1224, EL09-61, EL09-43, EL00-66, and ER10-48.
8. The conduct of analysis, recommendations and reporting to the Council monthly on ENO's Fuel Adjustment ("FAC") and Purchased Gas Adjustment ("PGA") Clauses related to: (i) consumer complaints, (ii) level of charge, (iii) causal factors associated with the monthly charge, (iv) amounts in over/under accounts associated with capping of the FAC, and (v) alternative capping methodologies.
9. Development of draft letters for the Committee Chair on numerous reliability, customer service, and regulatory compliance matters for submittal to ENO and ELL.
10. Review, analysis, evaluation and reporting to the Council on ENO's quarterly gas storage physical hedge program pursuant to Council Resolution R-91-102
11. Development of a report to the Council on the implications of the LPSC's adoption of an Environmental Adjustment Clause for implementation in ELL's rates and the corresponding potential affects in the ELL-Algiers jurisdiction.
12. Review, analysis and development of a report to the Council on the differences in the funding of future storm reserve amounts between the securitization approach employed by the LPSC and the ratepayer funding approach employed by the Council as a result of Council Resolution R-06-459 and the resultant benefits to Orleans Parish ratepayers from

the Council's adopted methodology.

13. Review, analysis, evaluation and the development of a report to the Council on Entergy Services Inc.'s 2009 Filings before the FERC on the 2009 remedy payments and receipts among the Entergy Operating Companies (as required by FERC Opinions 480 and 480-A) and the effects on ENO and ELL-Algiers' ratepayers.
14. Review, analysis, evaluation and development of a report to the Council on ELL-Algiers' compliance filing with Council in the return to ratepayers of \$3,133,867 of 2008 remedy receipts pursuant to FERC Opinions 480 and 480-A.
15. Assistance to the Council and its legal counsel on all matters related to Entergy Arkansas Inc.'s ("EAF") and Entergy Mississippi, Inc.'s ("EMI") withdrawal from the Entergy System Agreement including: (i) the effects of such actions on ENO and New Orleans' ratepayers, (ii) approaches to a successor agreement, (iii) alternative provisions of a successor agreement, (iv) evaluation of ENO's supply approaches absent a successor agreement, and (v) participation in numerous meetings on the subject.
16. Development of a report to Council on ENO's failure to comply with the requirements of Council Resolution R-08-324 with regards to Entergy Thermal, LLC's franchise and potential for transference of fixed costs from Entergy Thermal customers to New Orleans' ratepayers.
17. Negotiation, and development of the 2009 Agreement in Principle in the settlement of Council Docket UD-08-03 including all rate, cost of service, cost of capital, revenue requirement, income tax, deferred accounting treatments, Energy Smart funding and its future procedural process, future generating resource requirements, appropriate return on equity for ENO's gas and electric operations, and the design and development of ENO's

gas and electric formula rate plans that resulted in the reduction of electric and gas bills by a combined total of \$30,309,000 annually.

18. Review, evaluation, analysis and development of direct and surrebuttal testimony in ENO's rate case filing in Council Docket UD-08-03 including: (i) development of discovery requests, (ii) development of issues in the docket, (iii) assistance to the Council's legal counsel in preparation of deposition issues and questions and participation in the deposition of ENO witnesses, and (iv) sponsoring of expert testimony in the proceeding, as well as a new FAC and a mechanism for the permanent funding of the Council's Energy Smart Plan.
19. Investigation, analysis and reporting to the Council on numerous customer complaints on power outages in the Orleans Parish jurisdiction.
20. Development of a Council issued RFQ and associated documents for use by the Council in soliciting the services of an Independent Monitor to oversee ENO's selection of a Third Party Administrator ("TPA") in the administration, implementation and delivery of the Energy Smart energy efficiency programs.
21. Provision of expert testimony and assistance to the Council's legal counsel in FERC Docket No. ER07-956 regarding the just and reasonableness of ESI's proposed production costs and their allocations among the Entergy Operating Companies including the proper accounting for Storm Costs.
22. Attendance, monitoring and the development of reports to the Council on Entergy's quarterly earnings teleconferences and evaluation of impacts on the future rates, charges and reliability of service in Orleans Parish.
23. Development of a report and analysis to the Council on Entergy's River Bend Nuclear

- Unit No. 3 and potential rate effects in Orleans Parish for the ELL-Algiers jurisdiction.
24. Review, analysis and development of Council Resolution R-09-483 regarding ENO's Application for Approval of Programs to be Included in the Energy Smart New Orleans Plan and Related Approvals filed pursuant to Resolution R-09-136.
 25. Review, analysis, evaluation and development of a report to the Council regarding ENO's compliance filing in Council Docket No. UD-08-02 on its schedule of Energy Smart Demand and Energy Savings.
 26. Participation and assistance to the Council's Accounting Advisors in the conduct of an audit and certification of ENO's Hurricane Katrina and Rita Katrina storm related costs for the period of January 1, 2007 – March 31, 2009 in the amount of \$73,966,000.
 27. The conduct and development of a Regulatory Audit of ENO's Hurricanes Gustav and Ike storm related costs and appropriate regulatory accounting of same in ENO's 2010 FRP filing.
 28. The attendance at and participation in meetings and reporting to the Council on numerous matters relating to Entergy's Independent Coordinator of Transmission ("ICT") including: ongoing review and evaluation of: (i) ICT Quarterly and Annual Performance Reports, and other ICT Staff Reports, (ii) Stakeholder Policy Committee Meetings, (iii) ongoing activities of the ICT Near Term Transmission Issues Working Group; (iv) ongoing activities of the ICT Long Term Transmission Issues Working Group; (v) ongoing activities of the Entergy's Weekly Procurement Process Issues Working Group; (vi) evaluation of the ICT's Strategic Transmission Expansion Plan; (vii) ongoing activities of the ICT's Rate Pancaking Task Force; (viii) review and evaluation of the ICT's annual Base Plan and Entergy's Annual Transmission Construction Plan, and (ix)

participation in the ICT's annual Transmission Summit meeting.

29. The attendance at and participation meetings with the FERC staff on the status of Entergy's ICT performance.
30. Review and evaluation of Entergy FERC filings in FERC Docket No.EL08-1065 and participation in related FERC proceedings concerning ICT matters including development of recommendations of Council positions for filing with the FERC.
31. The attendance at and participation in meetings concerning the formation and ongoing development of the Entergy Regional State Committee ("ERSC"), including: (i) the development of ERSC bylaws and voting procedures; and (ii) development of assumptions and a scope of work for the performance of a Cost Benefit Analysis ("CBA") of Entergy's membership in the Southwest Power Pool Regional Transmission Organization ("SPP RTO").
32. Development of revisions to the City of New Orleans Net Energy Metering Rules for compliance with applicable Louisiana statutes.

WHEREAS, for budget year 2010, Legend will be required in the Council's local jurisdiction and in the Council's activities before the Federal Energy Regulatory Commission ("FERC") to, among other things:

1. Attend and participate in meetings and reporting to the Council on numerous matters relating to Entergy's Independent Coordinator of Transmission including: ongoing review and evaluation of: (i) ICT Quarterly and Annual Performance Reports, and other ICT Staff Reports, (ii) Stakeholder Policy Committee Meetings, (iii) ongoing activities of the ICT Near Term Transmission Issues Working Group; (iv) ongoing activities of the ICT Long Term Transmission Issues Working Group; (v) ongoing activities of the

- Entergy's Weekly Procurement Process Issues Working Group; (vi) evaluation of the ICT's Strategic Transmission Expansion Plan; (vii) ongoing activities of the ICT's Rate Pancaking Task Force; (viii) review and evaluation of the ICT's Annual Base Plan and Entergy's Annual Transmission Construction Plan, and (ix) participation in the ICT's Annual Transmission Summit meeting
2. Provide assistance to the Council's legal counsel in numerous matters before the FERC, including the potential sponsorship of expert testimony, as appropriate, in FERC Docket Nos. ER07-956, ER-08-1056, ER09-1224, EL08-50, ER-09-636, EL-09-61, EL09-50, ER05-1065 and related appeals in the federal jurisdiction.
 3. The attendance at and participation in meetings with the FERC staff on the status of Entergy's ICT performance.
 4. Finalization of Hurricanes Gustav and Ike Regulatory Audit matters, including the potential sponsorship of expert testimony in ENO's 2010 FRP Filing regarding the appropriate treatment of such costs and amounts disallowed as non incremental Storm Costs.
 5. Review and evaluation of ENO's modified gas system rebuild plans filed with the Council in 2009 and a continuation of the monitoring of the ENO gas system rebuild and its incremental effects on New Orleans ratepayers.
 6. Pursuant to Resolution R-08-290, ENO is to provide monthly reports regarding no or poor gas ("NOPG") service calls related to natural gas service disruptions and complaints for the period of October 2009 through March 2010. Legend will continue to review and evaluate and assist the Council in NOPG, and other electric and gas service issues and complaints by ENO customers.

7. Review and evaluation of ENO's TPA selection process, Energy Smart implementation plans and related matters to assure prudent implementation by ENO of the Council's approved Energy Smart Programs.
8. Assistance to the Council in the evaluation and remedying of customer service complaints.
9. Review and evaluation of Entergy Thermal, LLC's expansion of facilities in the CBD.
10. Continue to lead the evaluation, examination, and analysis of any 2010 Remedy Receipts for ENO and ELL-Algiers due to the 2009 production cost equalization of FERC Opinion Nos. 480 and 480-A, FERC Docket No. EL01-88-000 and ESI's Filing with FERC in 2010.
11. On November 19, 2009 FERC issued an order in Docket No. ER09-636 accepting the cancellation of EAI's and EMI's participation in the System Agreement. The order further found that there are no continuing obligations on behalf of the withdrawing companies to the remaining Operating Companies who are parties to the System Agreement. Legend will continue to assist the Council's legal counsel in any requests for rehearing and participation in any such rehearing. Furthermore, Legend will develop discovery and analysis in Council Docket UD-07-03 regarding the potential development of a new system agreement by ESI in lieu of the withdrawal of EAI and EMI and continue to provide litigation assistance to the Council's legal counsel, including the provision of expert testimony support, as appropriate in the various federal and local dockets.
12. Provide assistance to the Council's legal counsel, including engineering-economic evaluation and expert testimony as necessary, in Council Docket UD-08-02 regarding the

establishment of integrated resource planning components and reporting requirements for ENO.

13. Pursuant to Resolution R-08-452, ENO is to file an informational filing within thirty days of each issuance and sale by ENO of any New Bonds, Debt Securities, New Preferred or Preferred Securities. Legend will lead the review, examination, and evaluation of ENO's Informational Filing to the extent one is filed and report its findings to Council.
14. Pursuant to Resolution R-08-324, ENO is required to file an annual report relative to Entergy Thermal, L.L.C. Legend will lead the review, evaluation and analyses of ENO's Annual report and will report to the Council its findings.
15. Review and evaluation of Entergy FERC filings in FERC Docket No. EL08-1065 and participation in related FERC proceedings concerning ICT matters including development of recommendations of Council positions for filing with the FERC.
16. The attendance at and participation in meetings concerning the ongoing development of the Entergy Regional State Committee, including: (i) development of assumptions and a scope of work for the performance of a Cost Benefit Analysis of Entergy's membership in the Southwest Power Pool Regional Transmission Organization; (ii) review of proposals and recommendation of a third party consultant for performance of the CBA; (iii) evaluation of the results of the Cost Benefit Analysis; (iv) development of policy provisions for an enhanced Entergy ICT as an alternative to Entergy membership in the SPP RTO; (v) evaluation of Entergy's enhanced ICT proposal and (vi) development of policy positions and recommendations for the Council concerning ERSC voting matters.
17. Review and evaluate the ENO's selection of an Amite South region Combined Cycle Gas Turbine ("CCGT") resource as a result of the Summer 2009 Request For Proposals

("RFP") for Long-Term Supply-Side Resources or in the alternate a self build CCGT resource in the Amite South region pursuant to ENO's right of first refusal for up to 20 percent of the selected resource.

18. Review and evaluate the technical details, associated rate schedules, and cost recovery related to ENO's anticipated application before the council for implementation of ENO's proposed Advanced Metering Infrastructure ("AMI") project which is supported in part by a U.S. Department of Energy Smart Grid Investment Grant.
19. ELL has filed before the LPSC an application requesting authorization to cancel the Little Gypsy Unit 3 Repowering Project and recovery through rates of the actual costs incurred for the project which total approximately \$209 million. To the extent that ELL files a similar request before the Council for recovery of a portion of these costs in Algiers it will be necessary to evaluate the application and allocation of costs to ELL-Algiers as well as the associated rate treatment.
20. Evaluate ENO's EFRP and GFRP filings anticipated in May 2010 pursuant to the rate settlement in Council Docket UD-08-03. Concurrently, it will be necessary to evaluate the performance of ENO's Energy Smart program savings and potentially adjust program savings targets based on data obtained from the programs implemented.
21. Review and evaluation of ENO Net Metering Tariffs and Interconnection filings with the Council.
22. Preparation and submittal to Council monthly Residential Bill Comparisons for ENO, ELL and various cities throughout Louisiana and the United States as a measure of competitiveness of ENO and ELL electric and gas retail rates.
23. The conduct of analysis, recommendations and reporting to the Council monthly on

ENO's Fuel Adjustment and Purchased Gas Adjustment Clauses related to: (i) consumer complaints, (ii) level of charge, (iii) causal factors associated with the monthly charge, (iv) amounts in over/under accounts associated with capping of the FAC, and (v) alternative capping methodologies as required.

24. Attendance, monitoring and reporting to the Council on Entergy's quarterly earnings teleconferences and evaluation of impacts on the future rates, charges and reliability of service in Orleans Parish.
25. Evaluation, analysis and development of a report to the Council on ENO's bi-annual 2010-2011 Design Day Peak Demand Report and its attendant cost impact on New Orleans gas ratepayers.
26. Review, analysis, evaluation and development of a report to the Council on ENO's compliance filing relating to its Annual Gas System Report pursuant to Resolutions R-05-518 and R-06-401.
27. Provide analyses, litigation support and expert testimony at FERC as required related to the 2009 production cost equalization of FERC Opinion Nos. 480 and 480-A, FERC Docket No. EL01-88-000 and ESI's Filing with FERC in 2010.

WHEREAS, in approving this contract, the New Orleans City Council is conscious of its responsibility to pursue its regulatory responsibility over gas and electric utilities in a cost-effective manner which nonetheless does not compromise the interests of ratepayers in the high stakes proceedings and others matters which the Council must address on behalf of the City and its ratepayers; and

WHEREAS, given the continuing needs of this Council relative to its regulatory responsibility the Council desires to authorize an appropriate contract with the Firm of Legend

Consulting Group Limited to assist in meeting the Council's regulatory responsibility to the City and its ratepayers; now, therefore

BE IT MOVED BY THE COUNCIL OF THE CITY OF NEW ORLEANS, that the President of the Council is hereby requested and authorized to sign a new contract with Legend Consulting Group Limited to provide consulting services to the City Council for a maximum compensation under such contract up to One Million Nine Hundred Five Thousand Dollars (\$1,905,000.00).

BE IT FURTHER MOVED BY THE COUNCIL OF THE CITY OF NEW ORLEANS, that the contract shall contain a statement that pursuant to Chapter 2, Article XVIII of the City Code relative to the office of Inspector General that the contractor understands and will abide by all provisions of that Chapter.

BE IT FURTHER MOVED BY THE COUNCIL OF THE CITY OF NEW ORLEANS, that the contract shall reflect firm hourly billing rates as follows:

Managing Partner	up to \$325.00 per hour
Partner/Executive Consultants	up to \$305.00 per hour
Senior Consultants	up to \$270.00 per hour
Supervisor Engineer Analyst.	up to \$235.00 per hour
Senior Engineer/Analyst Economist	up to \$210.00 per hour
Engineer/Analyst Economist	up to \$185.00 per hour

BE IT FURTHER MOVED BY THE COUNCIL OF THE CITY OF NEW ORLEANS, that such contract may include provisions allowing the option of direct payment of invoices by utilities regulated by the Council pursuant to Section 3-130 of the Home Rule Charter, provided such payments have been approved by the City, after the City's review and forwarding of such

invoices for payment, and further that such invoices, if paid by the City, would be reimbursable by such utility pursuant to Section 3-130 (5) of the Home Rule Charter. Such payments shall be recoverable as a regulatory expense by such utility in the same manner as reimbursements to the City for such payments.

BE IT FURTHER MOVED BY THE COUNCIL OF THE CITY OF NEW ORLEANS,
that the contract shall be circulated in accordance with normal process and the City Council Rules.


**THE FOREGOING MOTION WAS READ IN FULL, THE ROLL WAS CALLED ON
THE ADOPTION THEREOF AND RESULTED AS FOLLOWS:**

YEAS: Carter, Clarkson, Fielkow, Hedge-Morrell, Willard-Lewis - 5

NAYS: Midura - 1

ABSENT: Head (Temporarily Out of Chamber) - 1

AND THE MOTION, AS AMENDED, WAS ADOPTED.

THE FOREGOING IS CERTIFIED
TO BE A TRUE AND CORRECT COPY

CLERK OF COUNCIL