Entergy Services, LLC
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Timothy S. Cragin
Assistant General Counsel
Legal Services - Regulatory

May 15, 2020

Via Electronic Mail
Ms. Lora W. Johnson, CMC
Clerk of Council
Room 1E09, City Hall
1300 Perdido Street
New Orleans, LA 70112

Re: Application of Entergy New Orleans, Inc. for Approval to Construct New Orleans Power Station and Request for Cost Recovery and Timely Relief (Docket No. UD-16-02) – First Quarter 2020 Monitoring Report of Entergy New Orleans, LLC

Dear Ms. Johnson:

Please find enclosed the Public Version of Entergy New Orleans, LLC's ("ENO" or the "Company") New Orleans Power Station Monitoring Report ("Monitoring Report") covering the period through the end of the 1st Quarter 2020. As a result of the remote operations of the Council's office related to COVID-19, ENO submits this filing electronically and will submit the requisite original and number of hard copies once the Council resumes normal operations, or as you direct. ENO requests that you file this submission in accordance with Council regulations as modified for the present circumstances.

This report is being submitted to comply with Ordering Paragraph 5 on page 188 of Council Resolution R-18-65, adopted by the New Orleans City Council ("Council") on March 8, 2018

In connection with the Company's filing, a Confidential Version of the Monitoring Report bearing the designation "Highly Sensitive Protected Materials" is being provided to the Council's Advisors pursuant to the terms and conditions of the Official Protective Order adopted in Council Resolution R-07-432. Portions of the information included in the filing consist of or reflect competitively sensitive cost and market information, the disclosure of which may present a risk of harm to ENO's customers. In addition, portions of the filing may contain highly sensitive information of third parties to which an obligation of confidentiality is owed.

Thank you for your assistance with this matter.

Sincerely,

Timothy S. Cragin

Enclosures

cc: Honorable Helena Moreno (*via electronic mail)*
Honorable Jason Rogers Williams (*via electronic mail*)
Honorable Joseph I. Giarrusso, III (*via electronic mail*)
Honorable Jay H. Banks (*via electronic mail*)
Honorable Kristin Gisleson Palmer (*via electronic mail*)
Honorable Jared C. Brossett (*via electronic mail*)
Honorable Cyndi Nguyen (*via electronic mail*)
Erin Spears (*via electronic mail*)
Norman White (*via electronic mail*)
Sunni J. LeBeouf, Esq. (*via electronic mail*)
Clinton A. Vince, Esq. (*via electronic mail*)
Presley R. Reed, Jr., Esq. (*via electronic mail*)
Emma F. Hand, Esq. (*via electronic mail*)
J. A. Beatmann, Jr., Esq. (*via electronic mail*)
Joseph Rogers (*via electronic mail*)
Errol Smith (*via electronic mail*)
Basile Uddo (*via electronic mail*)

BEFORE THE

COUNCIL OF THE CITY OF NEW ORLEANS

Entergy New Orleans, LLC

New Orleans Power Station RICE Project

Confidential Report for the Quarter Ended March 31, 2020

Pursuant to Council Resolution R-18-65

May 15, 2020

PUBLIC VERSION

This New Orleans Power Station Monitoring Report ("Monitoring Report") covering the period through the end of the 1st Quarter 2020 is being submitted to comply with Ordering Paragraph 5 on page 188 of Council Resolution R-18-65, adopted by the New Orleans City Council ("Council") on March 8, 2018.

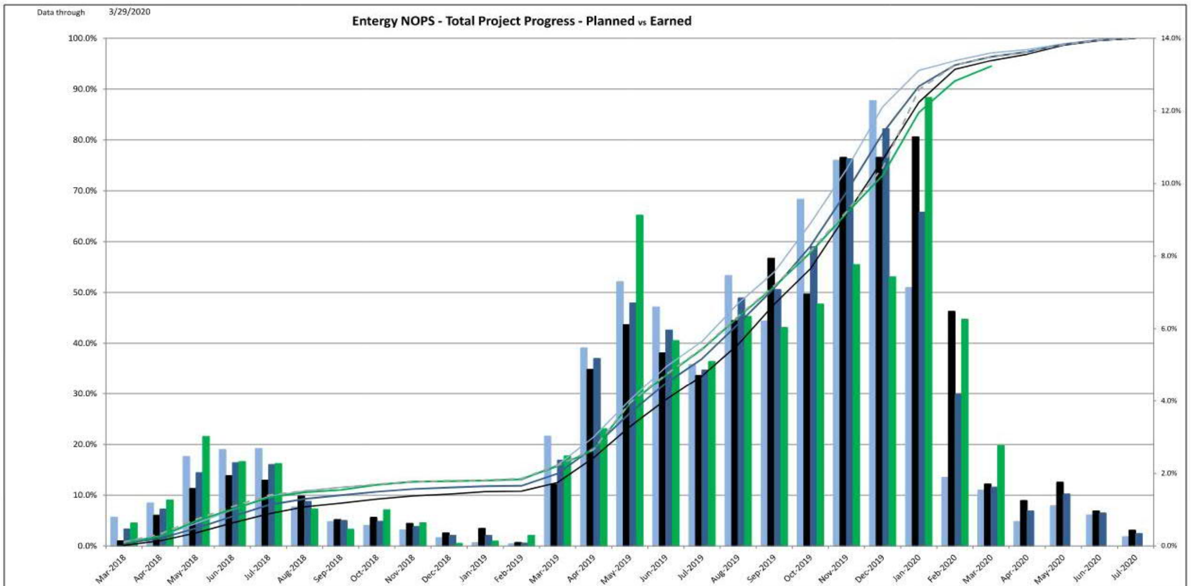
I. EXECUTIVE SUMMARY

Council Resolution R-18-65 certified that the New Orleans Power Station ("NOPS" or the "Project") Reciprocating Internal Combustion Engine ("RICE") Alternative "serves the public convenience and necessity and is in the public interest, and therefore prudent." Council Resolution R-18-65 at 187. The major permits and approvals necessary to start construction have been obtained. The Company has completed 97% of project design/engineering, 98% of project procurement, and 97% of construction activities through March 2020. The Project is currently on pace to reach substantial completion on or before the revised target of June 2020. Appendix 5 to this Monitoring Report presents pictures that show progress on the construction of the Project during the reporting period.

II. SUMMARY OF STATUS OF PROJECT SCHEDULE

The total Project is approximately 95% complete through March 2020. The Project's original substantial completion date was January 2020, but work under the engineering, procurement, and construction ("EPC") contract with Burns & McDonnell ("B&M") was partially suspended between late August 2018 and early February 2019. Substantial completion is now expected on or before the revised target of June 2020 (see **Appendix 1** for a current Level 1 Milestone Schedule).

Figure 1: Total Project Curve



	Mar-2018	Apr-2018	May-2018	Jun-2018	Jul-2018	Aug-2018	Sep-2018	Oct-2018	Nov-2018	Dec-2018	Jan-2019	Feb-2019	Mar-2019	Apr-2019	May-2019	Jun-2019
Plan E-Inc	0.8%	1.2%	2.5%	2.7%	2.7%	1.1%	0.7%	0.6%	0.4%	0.2%	0.1%	0.1%	3.0%	5.5%	7.3%	6.6%
Plan L-Inc	0.1%	0.9%	1.6%	1.9%	1.8%	1.4%	0.7%	0.8%	0.6%	0.4%	0.5%	0.1%	1.7%	4.9%	6.1%	5.3%
Plan-Inc	0.5%	1.0%	2.0%	2.3%	2.2%	1.2%	0.7%	0.7%	0.5%	0.3%	0.3%	0.1%	2.4%	5.2%	6.7%	6.0%
Earned-Inc	0.6%	1.3%	3.0%	2.3%	2.3%	1.0%	0.5%	1.0%	0.6%	0.1%	0.1%	0.3%	2.5%	3.2%	9.1%	5.7%
Plan E-Cum	0.8%	2.0%	4.4%	7.1%	9.8%	10.9%	11.5%	12.1%	12.6%	12.8%	12.9%	12.9%	16.0%	21.4%	28.7%	35.3%
Plan L-Cum	0.1%	1.0%	2.6%	4.5%	6.3%	7.7%	8.4%	9.2%	9.8%	10.2%	10.7%	10.8%	12.5%	17.4%	23.5%	28.8%
Plan-Cum	0.5%	1.5%	3.5%	5.8%	8.1%	9.3%	10.0%	10.7%	11.2%	11.5%	11.8%	11.9%	14.2%	19.4%	26.1%	32.1%
Earned-Cum	0.6%	1.9%	4.9%	7.3%	9.5%	10.6%	11.0%	12.0%	12.7%	12.7%	12.9%	13.2%	15.7%	18.9%	28.0%	33.7%
Earned FC-Cum	0.8%	2.4%	5.2%	7.8%	10.0%	10.9%	11.5%	12.2%	12.6%	12.9%	13.0%	13.3%	15.9%	19.0%	28.2%	33.8%

	Jul-2019	Aug-2019	Sep-2019	Oct-2019	Nov-2019	Dec-2019	Jan-2020	Feb-2020	Mar-2020	Apr-2020	May-2020	Jun-2020	Jul-2020
Plan E-Inc	5.0%	7.5%	6.2%	9.6%	10.6%	12.3%	7.1%	1.9%	1.5%	0.7%	1.1%	0.9%	0.3%
Plan L-Inc	4.7%	6.2%	7.9%	7.0%	10.7%	10.7%	11.3%	6.5%	1.7%	1.3%	1.8%	1.0%	0.4%
Plan-Inc	4.9%	6.8%	7.1%	8.3%	10.7%	11.5%	9.2%	4.2%	1.6%	1.0%	1.4%	0.9%	0.3%
Earned-Inc	5.1%	6.3%	6.0%	6.7%	7.8%	7.4%	12.4%	6.3%	2.8%				
Plan E-Cum	40.4%	47.8%	54.0%	63.6%	74.3%	86.5%	93.7%	95.6%	97.1%	97.8%	98.9%	99.7%	100.0%
Plan L-Cum	33.5%	39.8%	47.7%	54.7%	65.4%	76.1%	87.4%	93.9%	95.6%	96.8%	98.6%	99.6%	100.0%
Plan-Cum	36.9%	43.8%	50.9%	59.1%	69.8%	81.3%	90.5%	94.7%	96.3%	97.3%	98.7%	99.7%	100.0%
Earned-Cum	38.8%	45.1%	51.2%	57.8%	65.6%	73.0%	85.4%	91.6%	94.5%				
Earned FC-Cum	39.0%	45.3%	51.3%	58.2%	65.9%	74.6%	89.9%	94.7%	96.3%	97.3%	98.7%	99.7%	100.0%

A. Description of any changes to planned activities (or milestones) that have implications for project schedule or task sequencing:

Table 1: Key Milestones

Milestone	Description	Expected Date	Status
1	Full Notice to Proceed (FNTP)	March 2018	Complete
2	Order Major Equipment	March 2018	Complete
3	Start Engine Deliveries	February 2019	Complete
4	First Production Pile Installed	February 2019	Complete
5	Engine Hall Enclosed and Dried In	August 2019	Complete
6	Generator Step Up Deliveries	August 2019	Complete
7	Fuel Gas Available	January 2020	Complete
8	Backfeed Power Available	March 2020	Complete
9	Engine Commissioning	April 2020	On Schedule
10	Target EPC Substantial Completion	June 2020	On Schedule

Table 1 above reflects progress on certain key milestones. Work under the EPC contract with B&M was partially suspended between late August 2018 and early February 2019, and Table 1 reflects current expectations for remaining key milestones. Recent and upcoming progress on the Project is further reflected in Appendix 1 (Level 1 Milestone Schedule) and discussed in Section II.B below.

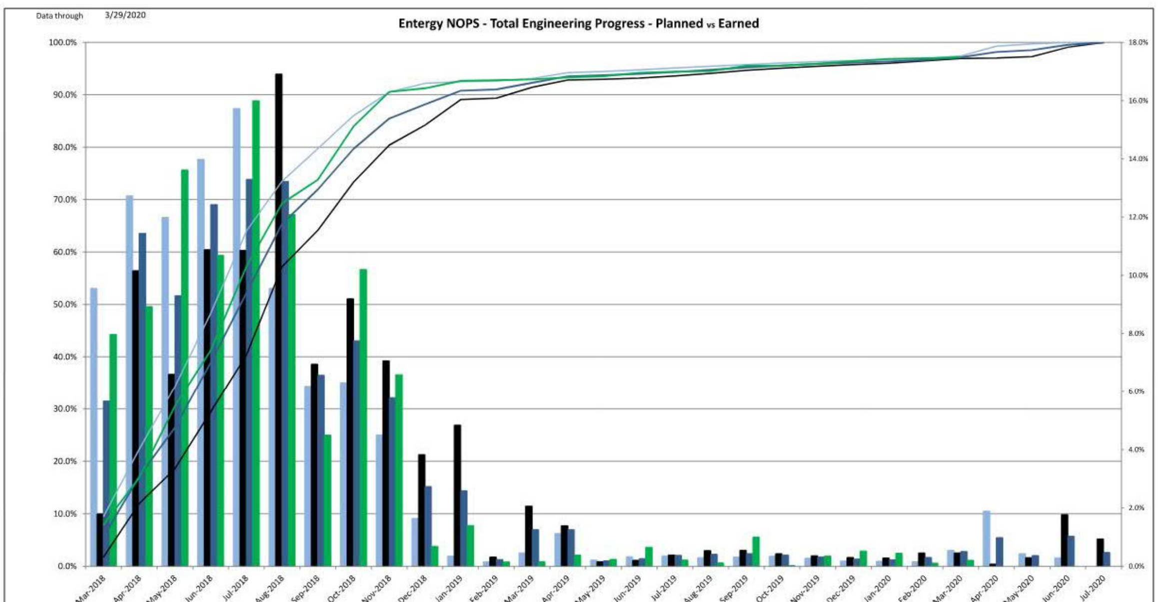
B. Overall Project Schedule Status:

The project status has been broken down into three different sections for tracking progress on the Project: **Engineering, Procurement, and Construction**. The sections below illustrate the level of progress in each area.

a. Engineering:

Actual Cumulative % Complete: 97%

Figure 2: Overall Curve-Engineering



	Mar-2018	Apr-2018	May-2018	Jun-2018	Jul-2018	Aug-2018	Sep-2018	Oct-2018	Nov-2018	Dec-2018	Jan-2019	Feb-2019	Mar-2019
Plan E-Inc	9.5%	12.7%	12.0%	14.0%	15.7%	9.5%	6.2%	6.3%	4.5%	1.6%	0.3%	0.2%	0.5%
Plan L-Inc	1.8%	10.2%	6.6%	10.9%	10.9%	16.9%	6.9%	9.2%	7.1%	3.8%	4.8%	0.3%	2.1%
Plan-Inc	5.7%	11.4%	9.3%	12.4%	13.3%	13.2%	6.6%	7.7%	5.8%	2.7%	2.6%	0.2%	1.3%
Earned-Inc	8.0%	8.9%	13.6%	10.7%	16.0%	12.1%	4.5%	10.2%	6.6%	0.7%	1.4%	0.1%	0.2%
Plan E-Cum	9.5%	22.3%	34.3%	48.2%	64.0%	73.5%	79.7%	86.0%	90.5%	92.2%	92.5%	92.7%	93.1%
Plan L-Cum	1.8%	12.0%	18.6%	29.4%	40.3%	57.2%	64.1%	73.3%	80.4%	84.2%	89.1%	89.4%	91.4%
Plan-Cum	5.7%	17.1%	26.4%	38.8%	52.1%	65.4%	71.9%	79.7%	85.5%	88.2%	90.8%	91.0%	92.3%
Earned-Cum	8.0%	16.9%	30.5%	41.2%	57.2%	69.3%	73.8%	84.0%	90.6%	91.2%	92.6%	92.8%	92.9%

	Apr-2019	May-2019	Jun-2019	Jul-2019	Aug-2019	Sep-2019	Oct-2019	Nov-2019	Dec-2019	Jan-2020	Feb-2020	Mar-2020	Apr-2020	May-2020	Jun-2020	Jul-2020
Plan E-Inc	1.1%	0.2%	0.3%	0.4%	0.3%	0.3%	0.3%	0.3%	0.2%	0.2%	0.2%	0.5%	1.9%	0.4%	0.3%	0.0%
Plan L-Inc	1.4%	0.2%	0.2%	0.4%	0.5%	0.5%	0.4%	0.4%	0.3%	0.3%	0.5%	0.5%	0.1%	0.3%	1.8%	0.9%
Plan-Inc	1.3%	0.2%	0.3%	0.4%	0.4%	0.4%	0.4%	0.3%	0.2%	0.2%	0.3%	0.5%	1.0%	0.4%	1.0%	0.5%
Earned-Inc	0.4%	0.2%	0.6%	0.2%	0.1%	1.0%	0.0%	0.4%	0.5%	0.4%	0.1%	0.2%				
Plan E-Cum	94.2%	94.4%	94.8%	95.1%	95.4%	95.7%	96.1%	96.3%	96.5%	96.7%	96.8%	97.4%	99.3%	99.7%	100.0%	100.0%
Plan L-Cum	92.8%	93.0%	93.2%	93.6%	94.1%	94.6%	95.1%	95.4%	95.7%	96.0%	96.5%	96.9%	97.0%	97.3%	99.1%	100.0%
Plan-Cum	93.5%	93.7%	94.0%	94.3%	94.8%	95.2%	95.6%	95.9%	96.1%	96.4%	96.7%	97.2%	98.1%	98.5%	99.5%	100.0%
Earned-Cum	93.3%	93.6%	94.2%	94.4%	94.5%	95.5%	95.6%	95.9%	96.4%	96.9%	97.0%	97.2%				

MAJOR DESIGN/ENGINEERING TASKS COMPLETED THROUGH 1Q2020

- Issued for Construction ("IFC") engine hall building shell drawings.
- IFB ductwork design.
- IFC site finish drawings.
- IFC Piping and Instrument Diagram's ("P&ID's").
- Site wick drain arrangement plan developed and issued.
- Power block building foundation and piling design completed and IFC.
- Pre-Engineered Metal Building ("PEMB") drawings IFC.
- Piling design IFC.
- Ductwork and support structural steel design completed.
- Heating, Ventilation and Air Conditioning ("HVAC") and plumbing design completed and IFC.
- Plant overall electrical one line drawing IFC.
- Generator Step Up ("GSU") Transformer IFC.
- Medium and Low Voltage ("MV/LV") electrical one lines drawings IFC.
- Plant General Arrangement ("GA") IFC.
- Below grade design/pipe routing IFC.
- Above grade pipe routing/design IFC.
- Plant electrical grounding IFC.
- Revised P&ID's complete with final comments. Transmittal of these documents occurred during this period.
- Revised equipment tagging process finalized and implemented in the field.
- Development of system descriptions, instrument data sheets, and engineering close out are items that remain. None of these items impact construction progress, commissioning or substantial completion for the Project.

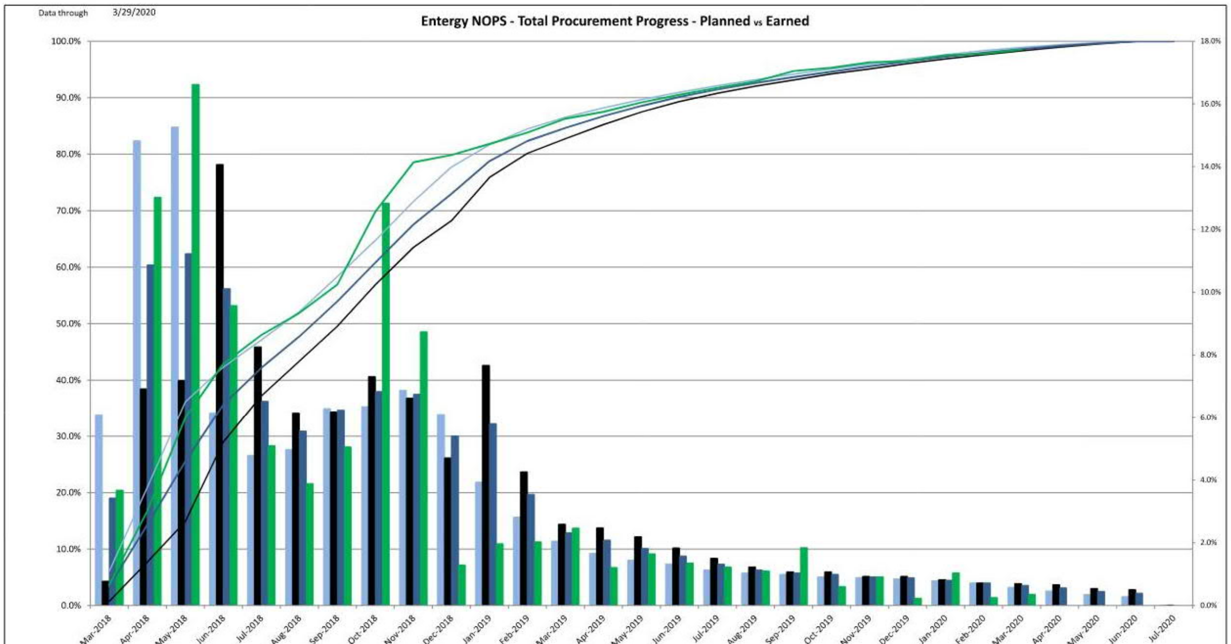
MAJOR DESIGN/ENGINEERING TASKS FORECAST FOR 2Q2020

- All major engineering deliverables have been issued.
- Remaining engineering effort for completion of construction support, drawing hold review, system closeouts and engineering required post substantial completion.

b. Procurement:

Actual Cumulative % Complete: 97%

Figure 3: Overall Curve-Procurement



	Mar-2018	Apr-2018	May-2018	Jun-2018	Jul-2018	Aug-2018	Sep-2018	Oct-2018	Nov-2018	Dec-2018	Jan-2019	Feb-2019	Mar-2019
Plan E-Inc	6.1%	14.8%	15.3%	6.1%	4.8%	5.0%	6.3%	6.4%	6.9%	6.1%	3.9%	2.8%	2.1%
Plan L-Inc	0.8%	6.9%	7.2%	14.1%	8.3%	6.1%	6.2%	7.3%	6.6%	4.7%	7.7%	4.3%	2.6%
Plan-Inc	3.4%	10.9%	11.2%	10.1%	6.5%	5.6%	6.2%	6.8%	6.8%	5.4%	5.8%	3.5%	2.3%
Earned-Inc	3.7%	13.0%	16.6%	9.6%	5.1%	3.9%	5.1%	12.8%	8.7%	1.3%	2.0%	2.0%	2.5%
Plan E-Cum	6.1%	20.9%	36.2%	42.3%	47.1%	52.1%	58.4%	64.7%	71.6%	77.7%	81.7%	84.5%	86.5%
Plan L-Cum	0.8%	7.7%	14.9%	29.0%	37.2%	43.4%	49.6%	56.9%	63.5%	68.2%	75.9%	80.2%	82.7%
Plan-Cum	3.4%	14.3%	25.5%	35.6%	42.2%	47.7%	54.0%	60.8%	67.6%	73.0%	78.8%	82.3%	84.6%
Earned-Cum	3.7%	16.7%	33.3%	42.9%	48.0%	51.9%	57.0%	69.8%	78.5%	79.8%	81.8%	83.8%	86.3%

	Apr-2019	May-2019	Jun-2019	Jul-2019	Aug-2019	Sep-2019	Oct-2019	Nov-2019	Dec-2019	Jan-2020	Feb-2020	Mar-2020	Apr-2020	May-2020	Jun-2020	Jul-2020
Plan E-Inc	1.7%	1.5%	1.3%	1.1%	1.0%	1.0%	0.9%	0.9%	0.9%	0.8%	0.7%	0.6%	0.5%	0.4%	0.3%	0.0%
Plan L-Inc	2.5%	2.2%	1.8%	1.5%	1.2%	1.1%	1.1%	0.9%	0.9%	0.8%	0.7%	0.7%	0.7%	0.5%	0.5%	0.0%
Plan-Inc	2.1%	1.8%	1.6%	1.3%	1.1%	1.0%	1.0%	0.9%	0.9%	0.8%	0.7%	0.6%	0.6%	0.4%	0.4%	0.0%
Earned-Inc	1.2%	1.7%	1.4%	1.2%	1.1%	1.8%	0.6%	0.9%	0.2%	1.0%	0.3%	0.4%				
Plan E-Cum	88.2%	89.7%	91.0%	92.1%	93.2%	94.2%	95.1%	96.0%	96.8%	97.6%	98.3%	98.9%	99.4%	99.7%	100.0%	100.0%
Plan L-Cum	85.3%	87.5%	89.3%	90.8%	92.0%	93.1%	94.2%	95.1%	96.0%	96.9%	97.6%	98.3%	98.9%	99.5%	100.0%	100.0%
Plan-Cum	86.7%	88.6%	90.1%	91.5%	92.6%	93.6%	94.6%	95.5%	96.4%	97.2%	98.0%	98.6%	99.2%	99.6%	100.0%	100.0%
Earned-Cum	87.5%	89.2%	90.5%	91.8%	92.9%	94.7%	95.3%	96.2%	96.5%	97.5%	97.8%	98.5%				

PROCUREMENT PROGRESS THROUGH 1Q 2020

- Issued Full Notice to Proceed ("FNTP") for Reciprocating Internal Combustion Engines ("RICE"), Generators and RICE auxiliary equipment in March 2018. All manufacturing of these components was completed in early December 2018.
  - Generators and auxiliary equipment shipped on December 19, 2018 and arrived at the Port of New Orleans on or about January 31, 2019.
  - RICE shipped on December 30, 2018 and arrived at the Port of New Orleans on or about February 4, 2019.
- GSU Transformers contract awarded. Took delivery of equipment in September 2019.
- Fire water pumps contract awarded. Took delivery of equipment in September 2019.
- Fuel Gas conditioning equipment contract awarded. Took delivery of equipment in September 2019.

- Oil Water Separator contract awarded. Took delivery of equipment in September 2019.
- Control enclosure contract awarded. Equipment on site in September 2019.Instrument air compressor equipment delivered to site in October 2019.
- Ductwork contract awarded. Equipment on site in September 2019.
- Ventilating units contract awarded. Equipment on site.
- Reverse Osmosis (“RO”) water treatment units delivered to site in October 2019.
- Emergency Diesel Generator (“EDG”) contract awarded. Equipment on site in October 2019.
- MV/LV Switchgear contract awarded. Equipment on site in October 2019.
- Circuit Breakers contract awarded. Equipment delivered to site.
- Motor Control Center’s (“MCC’s”) contract awarded. Equipment on site in October 2019.
- Uninterruptible Power Supply (“UPS”) delivered in October 2019.
- Tanks and Pressure Vessels contract awarded. Equipment on site as of November 2019.
- Structural Steel contract awarded, and material delivered to the site.
- 115 kV Capacitor Voltage Transformers contract awarded.
- Substation Steel contract awarded and accepted all deliveries at site.
- Fire protection equipment for engine hall delivered to site.
- Major ductwork and expansion joints delivered to site.
- Control enclosure delivered to site.
- Plant lighting material delivered to site.
- Interior building material delivered to site.
- Stacks received at site.
- Selective Catalytic Reduction (“SCR”) structure and catalysts received at site.
- Radiators received at site.
- All Wartsila supplied balance-of-plant equipment received at site.
- 115kV capacitor voltage transformers received at site.
- GSU transformers and auxiliary transformers received at site.

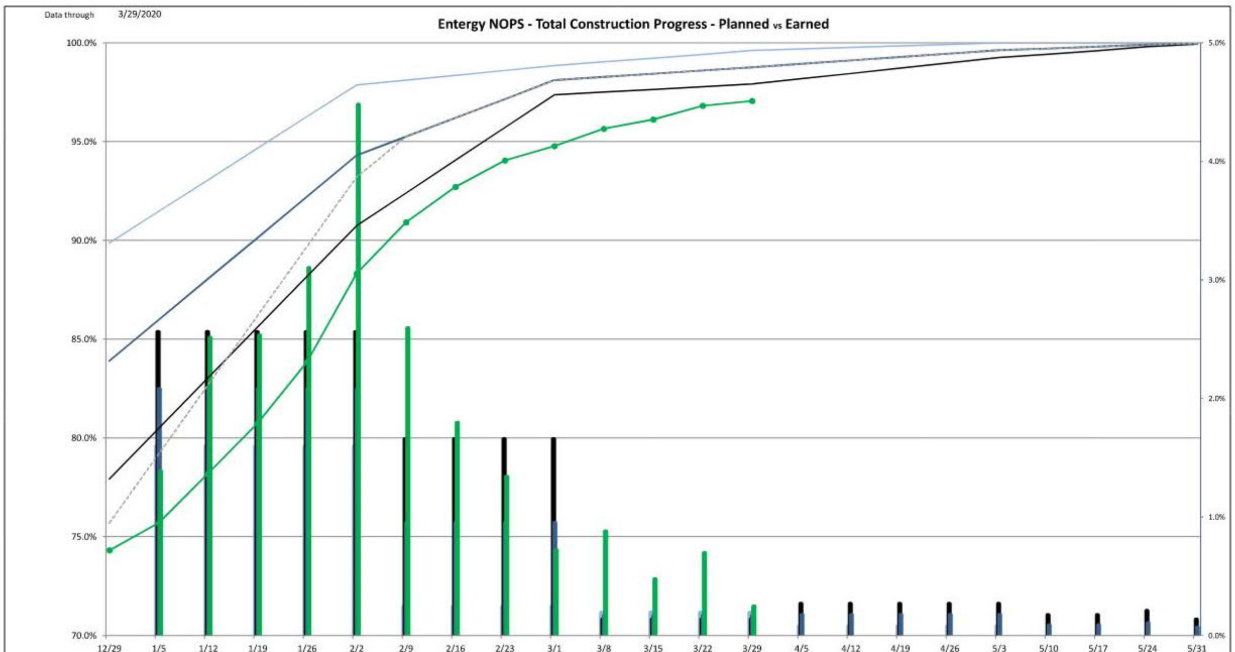
MAJOR PROCUREMENT/SUBCONTRACT FORECAST FOR 2Q 2020

- All major equipment for the project has been delivered to site.

c. Construction:

Actual Cumulative % Complete: 97%

Figure 4: Overall Curve-Construction



	12/29	1/5	1/12	1/19	1/26	2/2	2/9	2/16	2/23	3/1	3/8
Plan E-Inc	0.0%	1.6%	1.6%	1.6%	1.6%	1.6%	0.2%	0.2%	0.2%	0.2%	0.2%
Plan L-Inc	0.0%	2.6%	2.6%	2.6%	2.6%	2.6%	1.7%	1.7%	1.7%	1.7%	0.1%
Plan-Inc	0.0%	2.1%	2.1%	2.1%	2.1%	2.1%	1.0%	1.0%	1.0%	1.0%	0.2%
Earned-Inc	0.0%	1.4%	2.5%	2.5%	3.1%	4.5%	2.6%	1.8%	1.3%	0.7%	0.9%
Plan E-Cum	89.9%	91.5%	93.1%	94.7%	96.3%	97.9%	98.1%	98.3%	98.6%	98.8%	99.0%
Plan L-Cum	77.9%	80.5%	83.0%	85.6%	88.2%	90.7%	92.4%	94.0%	95.7%	97.4%	97.5%
Plan-Cum	83.9%	86.0%	88.1%	90.1%	92.2%	94.3%	95.2%	96.2%	97.1%	98.1%	98.3%
Earned FC-Cum	75.7%	79.2%	82.7%	86.2%	89.7%	93.2%	95.2%	96.2%	97.1%	98.1%	98.3%
Earned-Cum	74.3%	75.7%	78.2%	80.7%	83.8%	88.3%	90.9%	92.7%	94.0%	94.8%	95.6%

	3/15	3/22	3/29	4/5	4/12	4/19	4/26	5/3	5/10	5/17	5/24	5/31
Plan E-Inc	0.2%	0.2%	0.2%	0.1%	0.1%	0.1%	0.1%	0.1%	0.0%	0.0%	0.0%	0.0%
Plan L-Inc	0.1%	0.1%	0.1%	0.3%	0.3%	0.3%	0.3%	0.3%	0.2%	0.2%	0.2%	0.1%
Plan-Inc	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.1%	0.1%	0.1%	0.1%
Earned-Inc	0.5%	0.7%	0.2%									
Plan E-Cum	99.2%	99.4%	99.6%	99.7%	99.8%	99.8%	99.9%	100.0%	100.0%	100.0%	100.0%	100.0%
Plan L-Cum	97.6%	97.8%	97.9%	98.2%	98.4%	98.7%	99.0%	99.2%	99.4%	99.6%	99.8%	99.9%
Plan-Cum	98.4%	98.6%	98.8%	98.9%	99.1%	99.3%	99.5%	99.6%	99.7%	99.8%	99.9%	100.0%
Earned FC-Cum	98.4%	98.6%	98.8%	98.9%	99.1%	99.3%	99.5%	99.6%	99.7%	99.8%	99.9%	100.0%
Earned-Cum	96.1%	96.8%	97.1%									

MAJOR CONSTRUCTION TASKS COMPLETED THROUGH 1Q 2020

- Mobilized for pre-construction activities on April 9, 2018.
- Power block area clearing and grubbing complete.
- Installed settlement monitoring plates and piezometers to monitor settlement following installation of fill material.
- Installed power block fill and wick drains to allow for soil consolidation.
- Completed test pile program to determine the required pile depths.
- Installed temporary power distribution racks for construction work trailers and construction power.
- Site settlement to support installation of pilings and foundations considered complete on July 20, 2018.
- Completed preparation of equipment laydown area.

- Installed power block construction road.
- Installed drainage ditches around power block.
- Completed site pilings.
- Completed underground foundation work in engine hall area.
- Completed underground electrical duct bank beneath the engine hall and backfilled.
- Completed installation of all underground electrical ductbank.
- Completed all concrete foundations at site.
- Completed installation of underground piping at site.
- Transmission interconnection highline structures and interconnect lines installed.
- Transmission interconnection switchyard equipment setting complete.
- Erection of pre-engineered metal buildings for engine hall and control room/administration area substantially completed.
- Completed erection of the radiator support steel and radiator equipment setting.
- Completed erection of tank farm steel and set tanks on foundation.
- Completed erection of the Selective Catalytic Reduction ("SCR") structures.
- Completed erection of plant stacks.
- Completed insulation of SCRs.
- Completed erection of MV switchgear building.
- Interior finish work in the control room/administration building is in progress.
- Completed field erection of fire water tank.
- Set fire water pump on foundation.
- Installation of engine hall fire protection and detection systems in progress.
- Completed setting pipe rack and equipment modules in engine hall to support installation of engines.
- Placed GSU transformers on foundations.
- Set vent fans outside engine hall.
- Installed engines and generators in engine hall.
- Set fuel gas coalescer on foundation.
- Installed storm water discharge pumps.
- Completed final setting of charge air filters.
- Dressed out two of the three GSU's with fans, bushings and oil fill.
- Performed lube oil flushing of the engine piping system.
- Completed fuel gas tie connection to plant.
- Completed cable tray installation in engine hall.
- Began pulling and completed all cable pulls to engines and generators.
- Began and completed electrical testing of UPS and low voltage system cables and components.
- Began and completed insulating exhaust duct trains.

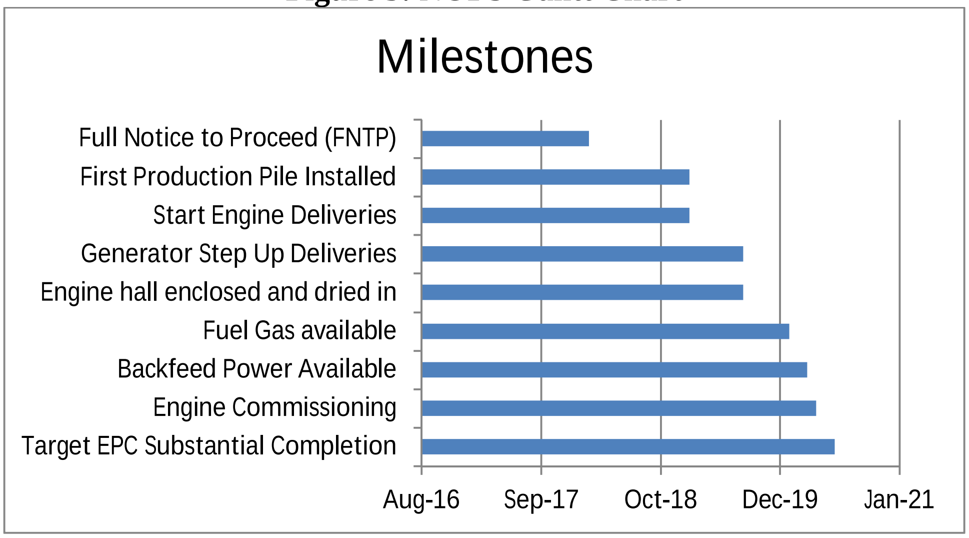
- Filled the fire water tank to be prepared to make RO water.
- Completed pipe testing and pipe system turnover.
- Began and completed flushing of cooling water piping and pigging of fuel gas piping on the power block.
- Completed interior buildout of the admin area drywall, ceiling, and HVAC ductwork.
- Completed installation of rigid bus and cable pulls in Collector Bus Yard.
- Began and completed surface rock installation in the Collector Bus Yard.
- Completed replacement of stormwater discharge pumps.
- Began and completed insulating mixing duct trains.
- Began and completed insulating HVAC exterior ductwork.
- Completed installation of charge air filters.
- Commissioned all switchgear, air compressors, RO unit, stormwater pumps, and fire pumps.
- Received first fills of lube oil and diesel.
- Completed filling engines with cooling water and lube oil.
- Completed pre-commissioning check-outs of electrical panels.
- Began electrical and instrumentation checkout to prepare for commissioning activities.

MAJOR CONSTRUCTION FORECAST FOR 2Q2020

- Achieve mechanical completion.
- Begin and complete plant commissioning.
- Develop final site punchlist.
- Begin and complete performance testing (net electrical output, emissions testing, heat rate testing, etc.).
- Achieve substantial completion and potentially achieve commercial operation.

C. Project Gantt Chart Showing Major Project Milestones:

Figure 5: NOPS Gantt Chart



III. PROJECT BUDGET STATUS

Table 2: NOPS Budget Status as of 03/31/2020

	Original Cost Estimate (1)	Expenditures Through 03/31/2020 (2)	Estimated Future Spending (3)	Cost Estimate Revisions (2+3) =4	Budget Variance (Over)/Under (1-4)
B&M EPC Payments	[redacted]				
Other Vendors/Expenses					
Entergy Project Management					
Indirect Loaders					
AFUDC					
Project Contingency					
Total before Transmission					
Transmission Interconnect to Switchyard					
Transmission Costs for Network Resource Interconnection Service					
Total Project Cost					

Table 2 Notes:
Note 1: As of 3/31/20, [redacted] of the contingency estimate is expected to be allocated to Project costs.

Note 2: As of 3/31/20, [redacted] of the contingency estimate is available to mitigate other potential project risks or events.

IV. PROJECT FINANCING

AFUDC recorded from Project inception through March 31, 2020, totaled [redacted] A table showing the monthly AFUDC costs as well as the projected AFUDC accruals for the Project is attached as **Appendix 2**.

ENO has financed NOPS spending to date through use of its general debt and equity. No dedicated project financing for NOPS has been made and none is expected near term.

Standard and Poor's and Moody's most recent reports are attached as **Appendix 3**.

Entergy Corporation's SEC filings are available at:
https://entergycorporation.gcs-web.com/financial-information/sec-filings

V. BUSINESS ISSUES

Work under the EPC contract with B&M was partially suspended between late August 2018 and early February 2019. ENO worked with B&M to understand the impacts of this delay, and ENO and B&M agreed to a change order in June 2019 that added approximately [redacted] to the contract price and [redacted] days to the schedule, making [redacted] 2020, the revised substantial completion date. The change in the EPC contract price has not caused an increase in the $210 million cost estimate for the RICE Alternative that was presented in Council Docket No. UD-16-02. As of March 31, 2020, approximately [redacted] of the Project's contingency estimate was available to mitigate potential project risks or events.

VI. TRANSMISSION

A. General Information

The original estimated total cost for transmission interconnection was $9.2 million, and the current revised forecast for the transmission project is $8.8 million.

B. Interconnection Facilities

All transmission work was executed by Ampirical Solutions LLC and its subcontractors under a fixed-price EPC contract. To date, all new transmission line structures and lines have been installed. Switchyard demolition is complete, as well as pilings. Foundation work is complete. All substation major equipment for the 115 kV yard has been completed. The end to end testing for the transmission line up to the plant collector bus yard was completed in this reporting period. This is required for back energization to the plant, which is expected to occur in April 2020.

NRIS Service

The Generator Interconnection Agreement ("GIA") between the Midcontinent Independent System Operator, Inc. ("MISO") and ENO was executed on March 1, 2018.

VII. SAFETY

Since the inception of the Project through March 2020, there have been over ~805,000 man-hours worked. Table 3 below shows the current safety figures for the Project:

Table 3: New Orleans Power Station Safety Statistics

	Entergy (ENO and support services)		Owner Project Contractors		Burns and McDonnell (includes subcontractors)	
	1Q 2020	Cumulative	1Q 2020	Cumulative	1Q 2020	Cumulative
Hours Worked	6,680	289,268	2,162	14,945	144,268	501,464
Recordable Injuries	0	0	0	0	0	1
First Aid Incidents	0	0	0	0	3	7
Near Misses (Good Call/Close Catch)	14	96	0	0	96	639
RIR[1]	0	0	0	0	0	0.25
Lost Work Days	0	0	0	0	0	0
LWDIIR[2]	0	0	0	0	0	0

VIII. ENVIRONMENTAL COMPLIANCE

A. Environmental Permitting or Compliance Issues that Could Affect the Project

On February 20, 2019, the Southern Center for Environmental Justice, Inc. d/b/a Deep South Center for Environmental Justice and the Alliance for Affordable Energy ("Petitioners") filed a Petition for Writ of Mandamus and Injunctive Relief against Dr. Chuck Carr Brown, the Secretary of the Louisiana Department of Environmental Quality ("LDEQ"). *Southern Center for Envt'l Justice, et al. v. Brown*, 19th JDC, Case No. C679843. The Petitioners argued that ENO failed to submit a timely and complete application for its air permit by the regulatory deadline. *Id.* at 1. The Petitioners asked the court to issue a writ of mandamus directing Secretary Brown to withdraw the renewal of ENO's air permit, or, in the alternative, to issue a preliminary injunction requiring the LDEQ to withdraw ENO's renewed air permit. Petition at 8–9. ENO filed a Petition of Intervention in the suit on March 1, 2019, and an order granting leave to intervene was signed on March 11, 2019. The LDEQ and ENO each filed Exceptions to the Petition and those Exceptions were heard on May 28, 2019. In a Judgment entered on July 23, 2019, 19th Judicial District Court Judge Richard "Chip" Moore,

1 Recordable Injury Rate.

2 Lost Workday injury and illness rate

III, sustained ENO's and LDEQ's Exceptions of No Cause of Action and LDEQ's additional Exception of Improper Cumulation of Actions and dismissed Plaintiffs' Petition with prejudice. The Petitioners did not appeal.

B. Major Environmental Permits/Agency Construction Notifications

Table 4: Environmental Permits / Agency Construction Notifications

Permit	Permit Number and Date Issued
Air Quality (Part 70 Operating Permit Renewal and Minor Modification and Acid Rain Permit Modification)	The permit application was submitted to the Louisiana Department of Environmental Quality ("LDEQ") on August 18, 2017. The permit was issued on January 31, 2019.
Minor Modification to Air Quality Operating Permit (2140-00014-V5B)	A Title V Permit Modification Application was submitted to the LDEQ on August 14, 2019 and was issued on November 13, 2019 as (permit No. 2140-00014-V6).
408 Letter of no objection	A letter of no objection from the New Orleans District of the U.S. Army Corps of Engineers ("USACE") for the RICE technology was issued January 17, 2018.
Coastal Use Permits/exemptions	The Louisiana Department of Natural Resources ("LDNR") Office of Coastal Management issued the following permits, which were needed for the project construction to commence: • P20160466 (Amended) issued for NOPS Construction, issued on February 5, 2018. • P20160466 LDNR exemption upheld (email from M. Hogan) – October 29, 2018.
Clean Water Act – Section 404 (Wetlands Determination)	The USACE issued the Final Determination Under GP-22 following Preliminary Wetland Determination/evaluations: • MVN-2015-02311-ES, issued on February 26, 2018.

Permit	Permit Number and Date Issued
LDEQ Construction Storm Water	The LDEQ issued the following project authorization under Storm Water General Permit LAR 1000000: • LDEQ storm water General Permit No: LAR10M828 issued on June 19, 2018 to Burns & McDonnell (EPC) for RICE Technology Project.
Louisiana Pollutant Discharge Elimination System (“LPDES”)	The LPDES application was submitted on October 12, 2018 to LDEQ. The draft permit was published in local newspaper in November 2019, and the public comment period closed on December 10, 2019. A LDEQ public hearing was held in New Orleans East in February 2020. Awaiting permit issuance. This is not required for construction or commercial operation. A multi sector general permit was obtained through the LDEQ that allows the plant to operate while capturing all process water on site until the LPDES permit is issued.
Levee District Permits	• The Southeast Louisiana Flood Protection Authority East (“SLFPA-E”) on behalf of Orleans Levee District (“OLD”) issued the Permits to perform work within the provisions set forth: • PG16-62A (Amended). o Issued February 2, 2018 (1-year tenure). o Extension received December 6, 2018 (expired December 31, 2019). o Extension received December 2, 2019. Extension expires December 2, 2020. • LONO 15359 and 16547 issued August 22, 2016 and December 20, 2017, respectively. • USACE LONO 16-402 and 16-402A issued October 1, 2016, and January 17, 2018 respectively.
City of New Orleans	• (DR001-18) Design Plan Approval issued on August 6, 2018 • (SW006-18) Storm Water Management Plan Approval issued on August 17, 2018

Permit	Permit Number and Date Issued
	• Building Permits Received: o Phase 1: Site Civil Earthwork & Grading (received 4-5-18) o Phase 2: Building Shell, Foundations, Underground Utilities (received 02-04-2019) o Phase 3: Interior Buildout (received 03-25-2019) o Phase 4: Misc., Foundations, Open Air Structures, Mech. (received 03-27-2019) o Phase 5: Aboveground Electrical • State Fire Marshal Approval (received 07-26-2018) • City fire marshal fire detection approval received. • Collector buss control house fire protection approval received.
FAA	Resubmitted FAA notices for stacks on October 30, 2018. Agency should issue within 45 days. (elevation change is reason for resubmittal). • Aeronautical Study No. for each of the 7 engine stacks (2018-ASW-16698-OE, 2018-ASW-16699-OE, 2018-ASW-16700-OE, 2018-ASW-16701-OE, 2018-ASW-16702-OE, 2018-ASW-16703-OE, 2018-ASW-16704-OE.) - Modification Approvals received December 4, 2018. • Notification for Max Heights submitted within 5 days of attainment. All 7 stacks erected between July 27, 2019 and August 1, 2019

C. New Environmental Laws/Regulations

ENO has not determined in this period that any new environmental laws or regulations have the potential to materially affect the Project.

IX. ADDITIONAL MATTERS

A. Updates in ENO's Forecasted Cost of Natural Gas

Since July 2017, when ENO filed its Supplemental and Amending Application seeking approval for NOPS, Entergy Services, LLC ("ESL"),[3] has lowered its long-term outlook for natural gas prices, both at the Henry Hub and delivered to the NOPS Site. Based on the Company's Reference Case Natural Gas Forecast summarized in Table 5, the forecasted average natural gas price for 2020-2050 (the time that NOPS is expected to be in commercial service) has fallen an average of 24% as measured by Henry Hub prices and 25% as measured by delivered-to-plant prices. The Reference Case shows that the average Henry Hub price has fallen $1.62 per MMBtu and the average delivered price has fallen $1.78 per MMBtu.

Table 5: Reference Case Natural Gas Forecast (Nominal $/MMBtu)

	Henry Hub			Delivered To NOPS		
	Forecast at Certification Filing (July 2017)[1]	Current Forecast (December 2019)[2]	Current Forecast Higher/(Lower)	Forecast at Certification Filing (July 2017)[1]	Current Forecast (December 2019)[2]	Current Forecast Higher/(Lower)
Avg 2020-2050	$6.77	$5.14	($1.62)	$7.18	$5.41	($1.78)
New Higher/(Lower) %			(24%)			(25%)
Levelized Nominal[3]	$5.80	$4.21	($1.59)	$6.17	$4.45	($1.72)
New Higher/(Lower) %			(27%)			(28%)

1. Forecast prepared Jan 24, 2017
2. Forecast prepared December 9, 2019
3. Levelized at 7.43% ENO WACC as of 12/31/2016

A table showing the current year-by-year forecast compared to the forecast in place at the time ENO filed its Supplemental and Amending Application is shown in **Appendix 4**.

[3] ESL is an affiliate of the Entergy Operating Companies ("EOCs") and provides engineering, planning, accounting, technical, and regulatory-support services to each of the EOCs. The five current EOCs are Entergy Arkansas, LLC ("EAL"), Entergy Louisiana, LLC ("ELL"), Entergy Mississippi, LLC ("EML"), ENO, and Entergy Texas, Inc. ("ETI").

The chart below shows daily prices for the last day of each quarter following ENO's Initial NOPS Application in June 2016:

Table 6: Henry Hub Cash Midpoint Price Based on Flow Date

September 30, 2017	$2.92
December 31, 2017	$2.97
March 31, 2018	$2.64
June 30, 2018	$2.97
September 30, 2018	$3.07
December 31, 2018	$3.07
March 31, 2019	$2.67
June 30, 2019	$2.30
September 30, 2019	$2.37
December 31, 2019	$2.08
March 31, 2020	$1.66

(Source: Platts)

Since ENO's Supplemental and Amending Application in July 2017, gas prices have gone through various fluctuations, ending in an overall decrease by the end of 1Q 2020. Increases in shale gas production created a supply/demand imbalance that the market was slow to rationalize. Even at low prices, producers were slow to reduce drilling due in part to the economics of associated gas liquids and oil. Increased demand and reduced drilling, however, have resulted in a recovery of prices. The long-term outlook remains for moderately-priced domestic natural gas for many years to come. The expectation is for lower average prices in the current decade versus the previous decade, but some price volatility up and down around the long-term average is likely to continue. For example, gas prices will still react to changes in demand from seasonal weather patterns that are more extreme than average weather (as was observed during the 2017-2018 winter). However, supply and demand are expected to smooth prices back to long-term trends over time.

B. Alternative Technologies

In Resolution R-18-65, the Council recognized that the NOPS RICE Alternative will address a reliability need for local generation and ENO's need for peaking and reserve capacity. As the Council noted, solar, wind, or other renewable technologies are not well-suited to address the peaking and reserve capacity deficit and reliability needs of New Orleans due to intermittency: "These resources cannot be counted on for reliability because at times they provide zero capacity." R-18-65 at 73. ENO is not aware of another technology that would provide the same level of reliability and flexibility, minimize groundwater usage, and provide black-start capability at a lower cost than the RICE Alternative.

C. Material Changes in the Cost to Complete the Project

There is nothing to report this period.

D. Material Incremental Changes in the Cost of Environmental Compliance

There is nothing to report this period.

E. Affirmation as to Whether Continuing Construction of the Project Remains in the Public Interest

Council Resolution R-18-65 sets forth the reasons why the Council found that "the NOPS RICE Alternative serves the public convenience and necessity and is in the public interest, and therefore prudent," R-18-65 at 187, and construction of NOPS remains in the public interest for the following reasons noted by the Council:

- ENO has shown an immediate and future need for peaking and reserve capacity. *Id.* at 43.
- ENO has conclusively demonstrated a critical and urgent reliability need, and DSM, solar, or other renewable resources and increased efficiency measures would not fully resolve the critical reliability issue currently facing ENO and the City. *Id.* at 73.
- The NOPS RICE Alternative is in the public interest because, among other reasons: (1) it resolves a critical and immediate reliability need in the City; (2) it is appropriately sized to meet the capacity need; (3) it provides operational flexibility that will support incorporation of renewables into ENO's generation portfolio; and (4) it has on-site black-start capability, which will aid in restoration efforts after hurricanes and storms. *Id.* at 108–09.
- ENO considered a sufficient range of options to meet the identified need. *Id.* at 141.
- Siting NOPS at the Michoud property is reasonable. *Id.* at 171.

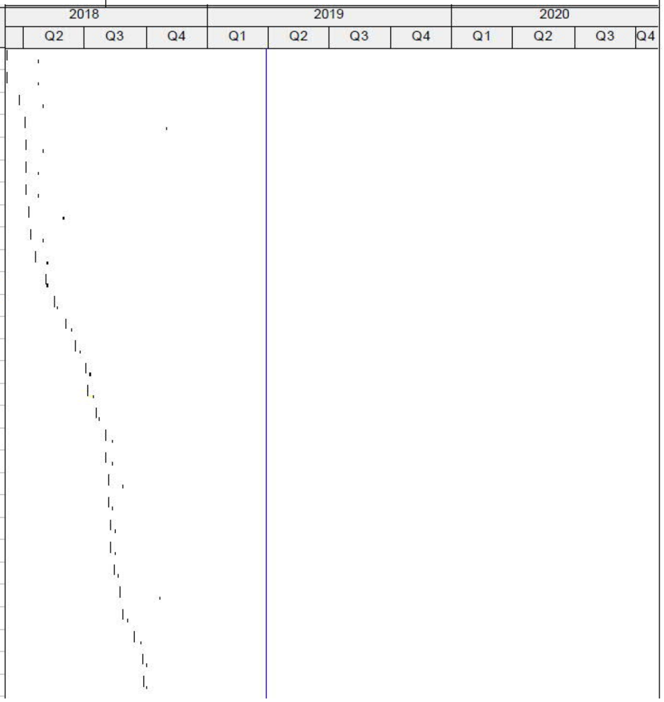
Furthermore, NOPS is bringing significant economic benefits to the City in the form of new business sales, new household earnings, new permanent jobs, and new tax collections, during both its construction and its ultimate operation. For these reasons, the construction of NOPS continues to serve the public interest as of the close of this reporting period.

Appendix 1

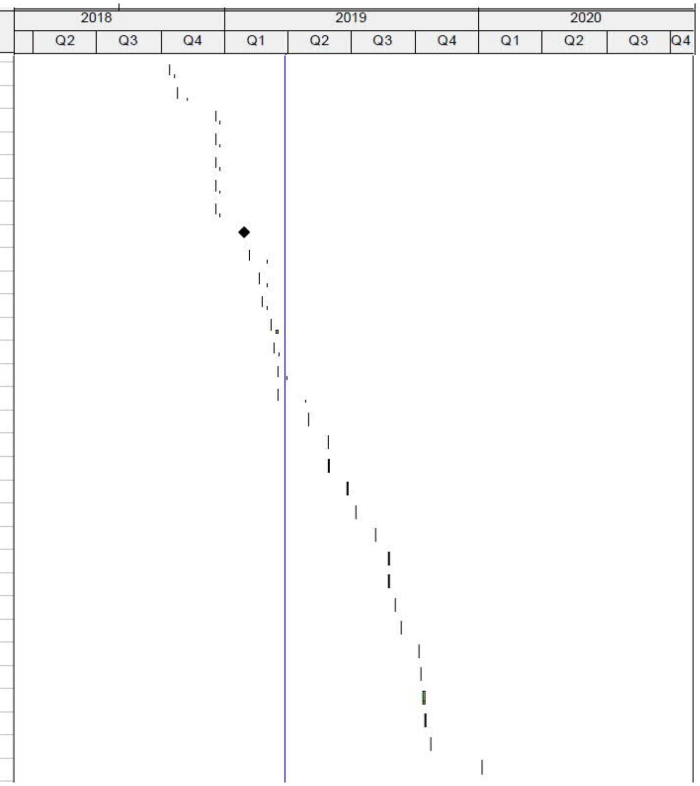
Level 1 Milestone Schedule

(NOPS) New Orleans Power Station ENOI — Schedule Report

Activity ID	Activity Name	Original Duration	Start	Finish
PM2018-03-2	Award - Recip Engines	1d	09-Mar-18 A	09-Mar-18 A
PM2018-03-1	FNTP	1d	09-Mar-18 A	09-Mar-18 A
PM2018-04-2	IFOR - GA	1d	27-Mar-18 A	27-Mar-18 A
PM2018-10-3	Award - Foundations & U/G Construction	1d	03-Apr-18 A	03-Apr-18 A
PM2018-04-1	Award - Site Prep	1d	06-Apr-18 A	06-Apr-18 A
PM2018-03-4	IFB - Site Prep	1d	06-Apr-18 A	06-Apr-18 A
PM2018-03-3	IFOR - Site Arrangement & Grading/Drainage	1d	06-Apr-18 A	06-Apr-18 A
PM2018-05-2	Site Prep Contractor Mobilized to Site	1d	09-Apr-18 A	09-Apr-18 A
PM2018-04-3	IFOR - Preliminary One-Lines	1d	13-Apr-18 A	13-Apr-18 A
PM2018-05-4	IFB - PE Building	1d	20-Apr-18 A	20-Apr-18 A
PM2018-05-3	IFB - GSU	1d	04-May-18 A	04-May-18 A
PM2018-06-1	P&ID's release for U/G Pipe Routing	1d	17-May-18 A	17-May-18 A
PM2018-05-1	IFOR - P&IDs	1d	04-Jun-18 A	04-Jun-18 A
PM2018-07-2	IFB - MCC's	1d	19-Jun-18 A	19-Jun-18 A
PM2018-07-1	Award - PE Building	1d	03-Jul-18 A	03-Jul-18 A
PM2018-06-4	Award - GSU	1d	06-Jul-18 A	06-Jul-18 A
PM2018-06-5	IFB - Piling Installation	1d	20-Jul-18 A	20-Jul-18 A
PM2018-08-2	IFC - Engine Hall Piling	1d	01-Aug-18 A	01-Aug-18 A
PM2018-06-2	IFC - Reciprocating Engine Piling	1d	01-Aug-18 A	01-Aug-18 A
PM2018-09-3	IFC - GSU Piling	1d	08-Aug-18 A	08-Aug-18 A
PM2018-08-3	Award - Piling Installation	1d	08-Aug-18 A	08-Aug-18 A
PM2018-09-1	IFC - Engine Hall Foundation	1d	09-Aug-18 A	09-Aug-18 A
PM2018-08-1	IFC - Reciprocating Engine Foundation	1d	09-Aug-18 A	09-Aug-18 A
PM2018-06-3	IFB - Major Electrical Equipment	1d	14-Aug-18 A	14-Aug-18 A
PM2018-07-4	IFB - Foundations & U/G Construction	1d	24-Aug-18 A	24-Aug-18 A
PM2018-09-2	Award - MCC's	1d	27-Aug-18 A	27-Aug-18 A
PM2018-10-1	IFF - Ductwork & Stack Steel Design	1d	14-Sep-18 A	14-Sep-18 A
PM2018-07-3	Award - Major Electrical Equipment	1d	27-Sep-18 A	27-Sep-18 A
PM2019-01-1	IFC - Piping Plans & Sections	1d	28-Sep-18 A	28-Sep-18 A



Activity ID	Activity Name	Original Duration	Start	Finish
PM2018-11-1	IFB - Mechanical Construction	1d	15-Oct-18 A	15-Oct-18 A
PM2018-10-2	IFC - GSU Foundation	1d	26-Oct-18 A	26-Oct-18 A
PM2019-02-4	IFC - Cable Schedule & Routing - Fiber & Communications Cable	1d	21-Dec-18 A	21-Dec-18 A
PM2019-02-2	IFC - A/G Raceway Design & Plans	1d	21-Dec-18 A	21-Dec-18 A
PM2019-02-1	IFC - Cable Schedule & Routing - LV Power / I&C Cable	1d	21-Dec-18 A	21-Dec-18 A
PM2018-12-2	IFB - Electrical Construction	1d	21-Dec-18 A	21-Dec-18 A
PM2018-12-1	IFC - Cable Schedule & Routing - MV Power Cable	1d	21-Dec-18 A	21-Dec-18 A
MS-APMT	AIR PERMIT RECEIVED	0d	31-Jan-19 A	
PM2019-01-2	Award - Mechanical Construction	1d	06-Feb-19 A	06-Feb-19 A
PM2019-02-5	Award - Electrical Construction	1d	22-Feb-19 A	22-Feb-19 A
PM2018-10-4	First Production Pile Installed	1d	25-Feb-19 A	25-Feb-19 A
PM2019-04-2	Electrical Subcontractor Mobilized to Site	1d	11-Mar-19 A	11-Mar-19 A
PM2018-11-2	Engine & Engine Hall Piling Installed	1d	14-Mar-19 A	14-Mar-19 A
PM2018-12-3	GSU Piling Installed	1d	19-Mar-19 A	19-Mar-19 A
PM2018-11-3	Begin Engine & Engine Hall Foundation	1d	20-Mar-19 A	20-Mar-19 A
PM2019-02-3	B/G Electrical Ductbank Installed within the Power Block	1d	03-May-19	03-May-19
PM2019-01-3	Engine & Engine Hall Foundation Formed/Poured/Cured/Backfilled	1d	30-May-19	30-May-19
PM2019-03-1	Mechanical Subcontractor Mobilized to Site	1d	31-May-19	31-May-19
PM2019-01-5	Begin Engine Hall Steel Erection	1d	28-Jun-19	28-Jun-19
PM2019-02-6	B/G Piping Installed & Hydrotested	1d	10-Jul-19	10-Jul-19
PM2019-01-4	GSU Foundation Formed/Poured/Cured/Backfilled	1d	06-Aug-19	06-Aug-19
PM2019-05-1	Engine Hall Roofing & Siding Substantially Complete	1d	26-Aug-19	26-Aug-19
PM2019-03-2	Engine Hall Dried in to facilitate Engine Setting	1d	26-Aug-19	26-Aug-19
PM2019-05-3	GSU Set of Foundation	1d	03-Sep-19	03-Sep-19
PM2019-06-1	Radiators Rough Set	1d	12-Sep-19	12-Sep-19
PM2019-04-1	GRU,EAM, and Pipe Rack rough set, EGM installed to facilitate Engine Setting	1d	08-Oct-19	08-Oct-19
PM2019-05-4	Begin Engine Setting	1d	10-Oct-19	10-Oct-19
PM2019-05-2	MV & LV Switchgear Rough Set	1d	15-Oct-19	15-Oct-19
PM2019-07-3	Switchyard Testing Complete - Ready for Backfeed	1d	17-Oct-19	17-Oct-19
PM2019-05-5	Engine Setting Complete	1d	25-Oct-19	25-Oct-19
PM2019-07-1	All BOP Equipment Rough Set	1d	08-Jan-20	08-Jan-20



Activity ID	Activity Name	Original Duration	Start	Finish
PM2019-08-2	480V Aux Power Energized & Available	1d	13-Jan-20	13-Jan-20
PM2019-10-2	First Engine Filled with Water	1d	27-Jan-20	27-Jan-20
PM2019-11-2	First Engine Filled with Lube Oil	1d	03-Feb-20	03-Feb-20
PM2019-08-1	SCR, SCR Outlet Duct, & Stack Erection Complete	1d	05-Feb-20	05-Feb-20
PM2019-09-2	Cooling Water System Installed, Tested, & Restored	1d	06-Feb-20	06-Feb-20
PM2019-09-1	Lube Oil System Installed, Tested, & Restored	1d	06-Feb-20	06-Feb-20
PM2019-08-3	Compressed Air System, Installed, Tested & Restored	1d	06-Feb-20	06-Feb-20
PM2019-07-2	MV & LV Switchgear Ready for Testing	1d	06-Feb-20	06-Feb-20
PM2019-11-1	Last Engine Filled with Water	1d	17-Feb-20	17-Feb-20
PM2019-12-1	Last Engine Filled with Lube Oil	1d	24-Feb-20	24-Feb-20
PM2019-07-4	Backfeed GSU for Startup & Commissioning Power	1d	05-Mar-20	05-Mar-20
PM2019-10-1	Mechanical Completion	1d	17-Mar-20	17-Mar-20
PM2020-01-1	Substantial Completion	1d	30-Jun-20	30-Jun-20

Primary Baseline — Remaining Work
Actual Work — Critical Remaining W...

Update Report: April 2019

Appendix 2

AFUDC Tables

Entergy

Entergy New Orleans, LLC
NOPS RICE
Monitoring Report for 1Q2020
Public Version

Monitoring Report
AFUDC March 31, 2020
All dollars are in thousands (000's)

	2015	2016	2017	2018	2019	2020	Total
Yearly	26	216	510	4,059	9,967	6,137	20,915
Cumulative	26	242	751	4,810	14,778	20,915	20,915

(Items in red are forecasts).

All dollars are in thousands (000's)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
2015 (Actual)													
Monthly	-	-	-	-	-	-	0	0	2	-	13	10	26
Cumulative	-	-	-	-	-	-	0	0	3	3	16	26	26
2016 (Actual)													
Monthly	11	12	12	14	15	17	20	21	22	23	24	26	216
Cumulative	37	48	61	74	89	106	126	147	168	191	215	242	242
2017 (Actual)													
Monthly	27	29	31	33	36	40	44	48	51	54	56	61	510
Cumulative	269	298	329	362	398	438	482	529	580	634	690	751	751
2018 (Actual)													
Monthly	65	67	130	192	231	286	339	425	524	580	591	631	4,059
Cumulative	816	882	1,012	1,204	1,435	1,721	2,060	2,484	3,008	3,589	4,179	4,810	4,810
2019 (Actual)													
Monthly	632	689	767	790	808	878	912	928	967	1,009	1,029	559	9,967
Cumulative	5,442	6,131	6,897	7,687	8,495	9,373	10,285	11,213	12,180	13,190	14,218	14,778	14,778
2020						(Items in red are forecasts).							
Monthly	982	990	1004	1,014	1,040	1,107	-	-	-	-	-	-	6,137
Cumulative	15,760	16,750	17,754	18,768	19,808	20,915	20,915	20,915	20,915	20,915	20,915	20,915	20,915

Appendix 3

Standard and Poor's and Moody's Credit Opinions

S&P Global Ratings

RatingsDirect®

Entergy New Orleans LLC

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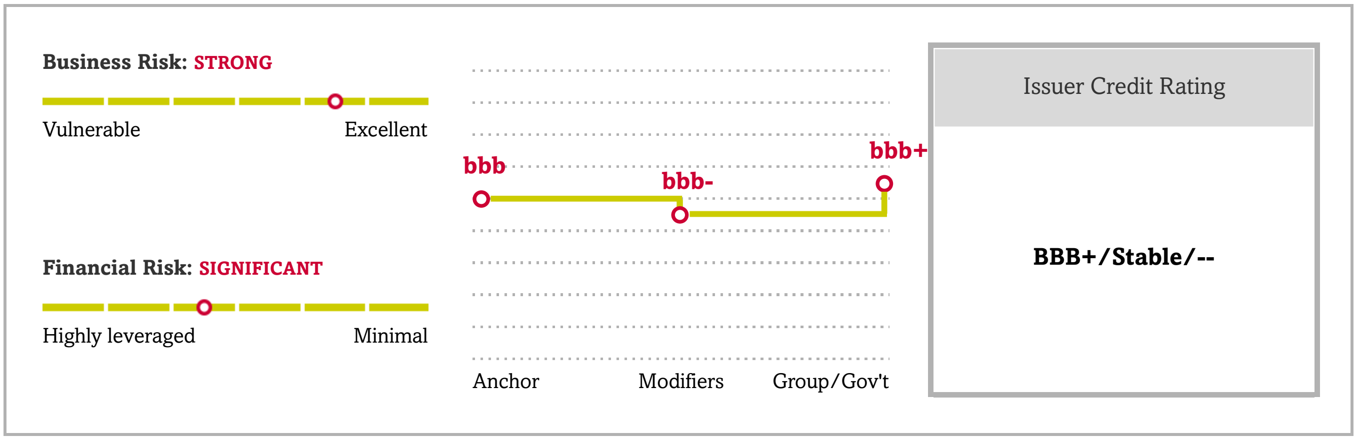
Entergy New Orleans LLC



Credit Highlights

Overview

Key Strengths	Key Risks
Low-risk, fully rate-regulated utility concentrated in New Orleans.	Small customer base with modest growth.
Generally stable regulatory framework.	Limited regulatory or business diversity.
About 80% of operating revenues are from residential and commercial customers, providing stability to the revenue and cash flow.	Susceptible to weather-related disasters.
	Negative discretionary cash flow, leading to external funding needs.

We expect stable cash flows in the coming years, with a consistent customer base consisting of about 80% residential and commercial customers. It is, however, offset by a concentrated service territory, with almost all of its revenue generated in New Orleans.

Diverse fuel mix for power generation-- Entergy New Orleans LLC (ENO) owns about 500 megawatts (MW) of natural gas and fuel oil generating capacity.

Outlook: Stable

The stable outlook on ENO reflects that on its parent company, Entergy Corp. Over the next two years, S&P Global Ratings' expectation is that Entergy will successfully exit its higher-risk, non-utility nuclear power generation stations and grow through its lower-risk, rate-regulated utility businesses, leading to an improved business risk profile. The outlook also reflects our base-case forecast for adjusted funds from operations (FFO) to debt averaging around 15% over the next few years, in line with the current significant financial risk profile.

Downside scenario

We could lower the ratings on Entergy and its subsidiaries, including ENO, over the next 24 months if the non-utility-owned nuclear power generation stations, which we currently expect to be closed, remain open and we anticipate a weakening in its financial measures, including adjusted FFO to debt consistently below 14%.

Upside scenario

Although unlikely given our expectation for weakened financial measures due to the impact of U.S. tax reform, we could raise our rating on Entergy over the next 24 months if we project that it will improve its adjusted FFO to debt consistently above 17%.

Our Base-Case Scenario

Assumptions

- Annual EBITDA margin at 20%-25%;
- Ongoing cost recovery through rate surcharges;
- Modest customer growth;
- Effective management of regulatory risk;
- All debt maturities refinanced;
- Annual capital spending averaging $220 million;
- Dividend payments of about $10 million; and
- Negative discretionary cash flow indicates external funding needs.

Key Metrics

	2018A	2019E	2020E
Adjusted FFO to debt (%)	27.5	18-19	20-21
Adjusted debt to EBITDA (x)	4	4-4.5	3.5-4
Adjusted FFO cash interest coverage (x)	6.1	4.5-5	4.5-5.5

A--Actual. E--Estimate. FFO--Funds from operations.

Company Description

ENO is a vertically integrated electric and natural gas distribution utility operating largely in New Orleans.

Business Risk: Strong

Our assessment of ENO's business risk profile reflects its operations under a generally stable regulatory environment by the City Council of New Orleans (NOCC), a small customer base, and limited regulatory and business diversity. Tariff-setting is characterized by historical test years that can be updated for known and measurable changes, reducing regulatory lag and supporting operating cash flow and credit quality. NOCC can authorize constructive rate mechanisms such as fuel and capacity riders that provide cash-flow/financial stability. ENO provides roughly 5% of Entergy's consolidated revenues and serves a small customer base of 200,000 electric and 105,000 natural gas customers. About 80% of operating revenues are from residential and commercial customers, providing some stability to revenue and cash flow. ENO's generation fleet of about 500 MW consists of natural gas and fuel oil. ENO is constructing a 128-MW, natural gas-fired generating facility--the New Orleans Power Station--for about $210 million. The station is expected to be operating by mid-2020.

Peer comparison

Table 1

Entergy New Orleans LLC -- Peer Comparison

Industry sector: Electric

	Entergy New Orleans LLC	Cleco Power LLC	El Paso Electric Co.	Tucson Electric Power Co.
Ratings as of Aug. 5, 2019	BBB+/Stable/--	BBB+/Stable/NR	BBB/Negative/--	A-/Negative/NR
	--Fiscal year ended Dec. 31, 2018--			
(Mil. $)				
Revenue	704.6	1,220.1	903.6	1,432.6
EBITDA	127.8	431.2	319.3	478.5
Funds from operations (FFO)	140.2	357.5	236.1	407.9
Interest expense	27.4	76.3	102.2	71.1
Cash interest paid	27.5	73.7	79.7	70.6
Cash flow from operations	161.7	318.5	272.0	454.6
Capital expenditure	201.6	270.3	273.8	440.7
Free operating cash flow (FOCF)	(39.9)	48.2	(1.8)	13.9
Discretionary cash flow (DCF)	(63.7)	(73.2)	(59.4)	(71.1)
Cash and short-term investments	19.7	32.0	12.9	138.1
Debt	509.1	1,548.2	1,519.3	1,828.9
Equity	445.0	1,594.5	1,164.1	1,819.7
Adjusted ratios				
EBITDA margin (%)	18.1	35.3	35.3	33.4
Return on capital (%)	8.5	9.4	7.3	8.5
EBITDA interest coverage (x)	4.7	5.7	3.1	6.7

Table 1

Entergy New Orleans LLC -- Peer Comparison (cont.)				
Industry sector: Electric				
	Entergy New Orleans LLC	**Cleco Power LLC**	**El Paso Electric Co.**	**Tucson Electric Power Co.**
FFO cash interest coverage (x)	6.1	5.9	4.0	6.8
Debt/EBITDA (x)	4.0	3.6	4.8	3.8
FFO/debt (%)	27.5	23.1	15.5	22.3
Cash flow from operations/debt (%)	31.8	20.6	17.9	24.9
FOCF/debt (%)	(7.8)	3.1	(0.1)	0.8
DCF/debt (%)	(12.5)	(4.7)	(3.9)	(3.9)

Financial Risk: Significant

Our assessment of ENO's stand-alone financial risk profile incorporates a base-case scenario for 2019-2021 that includes adjusted FFO to debt of 19%-20%, slightly above the midpoint of the benchmark range of the significant financial risk profile category. ENO's historical financial measures were elevated due to significantly increased deferred taxes that started reversing in 2017. We expect the supplemental ratio of FFO cash interest coverage to be 4.5x-5x, supporting the financial risk assessment. In addition, we anticipate continued capital spending, which, when combined with the utility's dividend payments, will result in DCF that is negative through 2021. Over the next few years, we expect debt leverage to be relatively significant for a regulated utility, as indicated by debt to EBITDA averaging about 4.1x. The utility will therefore require external financing or capital infusions from the Entergy group. We assess ENO's financial risk under our medial volatility financial benchmarks, reflecting the company's lower-risk, regulated utility operations and effective management of regulatory risk. These benchmarks are more relaxed compared with those used for a typical corporate issuer.

Financial summary

Table 2

Entergy New Orleans LLC -- Financial Summary					
Industry sector: Electric					
	--Fiscal year ended Dec. 31--				
	2018	**2017**	**2016**	**2015**	**2014**
(Mil. $)					
Revenue	704.6	703.4	651.7	668.8	690.1
EBITDA	127.8	141.7	144.5	135.6	99.9
Funds from operations (FFO)	140.2	127.1	208.1	109.6	77.1
Interest expense	27.4	23.7	23.8	19.8	18.5
Cash interest paid	27.5	23.3	22.3	17.8	17.9
Cash flow from operations	161.7	118.6	195.3	106.2	82.3
Capital expenditure	201.6	115.5	328.3	90.6	61.4
Free operating cash flow (FOCF)	(39.9)	3.0	(133.0)	15.6	20.9
Discretionary cash flow (DCF)	(63.7)	(92.9)	(152.2)	7.8	14.4
Cash and short-term investments	19.7	32.7	103.1	88.9	42.4

Table 2

Entergy New Orleans LLC -- Financial Summary (cont.)					
Industry sector: Electric					
	--Fiscal year ended Dec. 31--				
	2018	**2017**	**2016**	**2015**	**2014**
Gross available cash	19.7	32.7	103.1	88.9	42.4
Debt	509.1	390.1	339.5	258.0	299.5
Equity	445.0	415.5	436.8	359.9	237.9
Adjusted ratios					
EBITDA margin (%)	18.1	20.1	22.2	20.3	14.5
Return on capital (%)	8.5	12.7	14.4	15.9	11.5
EBITDA interest coverage (x)	4.7	6.0	6.1	6.9	5.4
FFO cash interest coverage (x)	6.1	6.5	10.3	7.1	5.3
Debt/EBITDA (x)	4.0	2.8	2.3	1.9	3.0
FFO/debt (%)	27.5	32.6	61.3	42.5	25.7
Cash flow from operations/debt (%)	31.8	30.4	57.5	41.2	27.5
FOCF/debt (%)	(7.8)	0.8	(39.2)	6.0	7.0
DCF/debt (%)	(12.5)	(23.8)	(44.8)	3.0	4.8

Liquidity: Adequate

We assess the company's stand-alone liquidity as adequate, because we believe its liquidity sources are likely to cover uses by more than 1.1x over the next 12 months and meet cash outflows even with a 10% decline in EBITDA. The assessment also reflects the company's generally prudent risk management, sound relationship with banks, and a generally satisfactory standing in credit markets.

Principal Liquidity Sources	Principal Liquidity Uses
• Estimated cash FFO of about $130 million; and • Credit facility availability of about $25 million.	• Minimal debt maturities; • Capital spending of about $125 million; and • Dividends of about $10 million.

Debt maturities

2019: nil

2020: $25 million

2021: nil

2022: nil

2023: $100 million

Thereafter: $342.4 million.

Other Credit Considerations

We assess the comparable rating analysis modifier for ENO as negative, reflecting its vulnerability to hurricanes, a unique risk characteristic that could stress credit measures.

Environmental, Social, And Governance

We consider environmental factors in our rating analysis. ENO's social and governance factors are generally comparable with those of its peers.

As both a vertically integrated electric utility with generation assets and a natural gas distribution utility, ENO has similar environmental risks to those of its vertically integrated peers and Entergy, which has about 21,000 MW of generation that consists of 65% natural gas, 25% nuclear, and about 10% coal. ENO's gas operations are still exposed to environmental risks in the normal course of business, as there is a possibility for the company's pipelines to emit methane.

Entergy continues to decarbonize its portfolio with wind-generation investments, and the company plans to have 1,000 MW of renewable energy resources by 2020, including through power purchase agreements in Arkansas and Louisiana. By pursuing more renewables generation, the company is meeting its customers' demand for renewable energy.

Social and governance factors are in line with those of other utility companies.

Group Influence

Under our group rating methodology, we consider ENO as a core subsidiary of its parent Entergy, reflecting our view that it is highly unlikely to be sold, is integral to the overall group strategy, possesses a strong long-term commitment from senior management, and is closely linked to the parent's name and reputation. We assess the issuer credit rating on ENO to be in line with Entergy's group credit profile of 'bbb+'.

Issue Ratings - Recovery Analysis

ENO's first mortgage bonds benefit from a first-priority lien on substantially all of the utility's real property owned or subsequently acquired. Collateral coverage of more than 1.5x supports a recovery rating of '1+' and an issue rating of two notches above the issuer credit rating.

Reconciliation

Table 3

Reconciliation Of Entergy New Orleans LLC's Reported Amounts With S&P Global Ratings' Adjusted Amounts (Mil. $)

	--Fiscal year ended Dec. 31, 2018--							
Entergy New Orleans LLC's reported amounts								
	Debt	**Revenue**	**EBITDA**	**Operating income**	**Interest expense**	**S&P Global Ratings' adjusted EBITDA**	**Cash flow from operations**	**Capital expenditure**
	483.7	717.4	130.1	74.2	19.6	127.8	171.8	202.2
S&P Global Ratings' adjustments								
Cash taxes paid	--	--	--	--	--	39.8	--	--
Cash taxes paid: Other	--	--	--	--	--	--	--	--
Cash interest paid	--	--	--	--	--	(19.8)	--	--
Operating leases	9.0	--	2.1	0.5	0.5	(0.5)	1.5	--
Postretirement benefit obligations/deferred compensation	4.3	--	--	--	--	--	--	--
Accessible cash and liquid investments	(19.7)	--	--	--	--	--	--	--
Capitalized interest	--	--	--	--	2.2	(2.2)	(2.2)	(2.2)
Securitized stranded costs	(65.7)	(12.8)	(12.8)	(1.8)	(1.8)	1.8	(11.0)	--
Power purchase agreements	94.8	--	8.2	6.6	6.6	(6.6)	1.6	1.6
Asset retirement obligations	2.6	--	0.2	0.2	0.2	--	--	--
Nonoperating income (expense)	--	--	--	(5.0)	--	--	--	--
Total adjustments	25.4	(12.8)	(2.3)	0.6	7.8	12.3	(10.1)	(0.6)
S&P Global Ratings' adjusted amounts								
	Debt	**Revenue**	**EBITDA**	**EBIT**	**Interest expense**	**Funds from operations**	**Cash flow from operations**	**Capital expenditure**
	509.1	704.6	127.8	74.8	27.4	140.2	161.7	201.6

Ratings Score Snapshot

Issuer Credit Rating

BBB+/Stable/--

Business risk: Strong

- **Country risk:** Very low
- **Industry risk:** Very low

- **Competitive position:** Satisfactory

Financial risk: Significant

- **Cash flow/Leverage:** Significant

Anchor: bbb

Modifiers

- **Diversification/Portfolio effect:** Neutral (no impact)
- **Capital structure:** Neutral (no impact)
- **Financial policy:** Neutral (no impact)
- **Liquidity:** Adequate (no impact)
- **Management and governance:** Satisfactory (no impact)
- **Comparable rating analysis:** Negative (-1 notch)

Stand-alone credit profile : bbb-

- **Group credit profile:** bbb+
- **Entity status within group:** Core (+2 notches from SACP)

Related Criteria

- Criteria - Corporates - General: Reflecting Subordination Risk In Corporate Issue Ratings, March 28, 2018
- General Criteria: Methodology For Linking Long-Term And Short-Term Ratings, April 7, 2017
- Criteria - Corporates - General: Methodology And Assumptions: Liquidity Descriptors For Global Corporate Issuers, Dec. 16, 2014
- Criteria - Corporates - Industrials: Key Credit Factors For The Unregulated Power And Gas Industry, March 28, 2014
- Criteria - Corporates - General: Corporate Methodology: Ratios And Adjustments, Nov. 19, 2013
- Criteria - Corporates - General: Corporate Methodology, Nov. 19, 2013
- Criteria - Corporates - Utilities: Key Credit Factors For The Regulated Utilities Industry, Nov. 19, 2013
- General Criteria: Methodology: Industry Risk, Nov. 19, 2013
- General Criteria: Country Risk Assessment Methodology And Assumptions, Nov. 19, 2013
- General Criteria: Group Rating Methodology, Nov. 19, 2013
- General Criteria: Methodology: Management And Governance Credit Factors For Corporate Entities And Insurers, Nov. 13, 2012
- General Criteria: Use Of CreditWatch And Outlooks, Sept. 14, 2009
- Criteria - Insurance - General: Hybrid Capital Handbook: September 2008 Edition, Sept. 15, 2008

Business And Financial Risk Matrix

Business Risk Profile	Financial Risk Profile					
	Minimal	Modest	Intermediate	**Significant**	Aggressive	Highly leveraged
Excellent	aaa/aa+	aa	a+/a	a-	bbb	bbb-/bb+
Strong	aa/aa-	a+/a	a-/bbb+	**bbb**	bb+	bb
Satisfactory	a/a-	bbb+	bbb/bbb-	bbb-/bb+	bb	b+
Fair	bbb/bbb-	bbb-	bb+	bb	bb-	b
Weak	bb+	bb+	bb	bb-	b+	b/b-
Vulnerable	bb-	bb-	bb-/b+	b+	b	b-

Ratings Detail (As Of September 11, 2019)*

Entergy New Orleans LLC	
Issuer Credit Rating	BBB+/Stable/--
Senior Secured	A
Issuer Credit Ratings History	
03-May-2018	BBB+/Stable/--
09-Jan-2017	BBB+/Positive/--
04-Aug-2016	BBB+/Stable/--
31-Mar-2015	BBB/Positive/--

*Unless otherwise noted, all ratings in this report are global scale ratings. S&P Global Ratings' credit ratings on the global scale are comparable across countries. S&P Global Ratings' credit ratings on a national scale are relative to obligors or obligations within that specific country. Issue and debt ratings could include debt guaranteed by another entity, and rated debt that an entity guarantees.

MOODY'S
INVESTORS SERVICE

CREDIT OPINION
28 January 2020

Update

Rate this Research

RATINGS

Entergy New Orleans, LLC.

Domicile	New Orleans, Louisiana, United States
Long Term Rating	Ba1
Type	LT Issuer Rating
Outlook	Stable

Please see the ratings section at the end of this report for more information. The ratings and outlook shown reflect information as of the publication date.

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Entergy New Orleans, LLC.

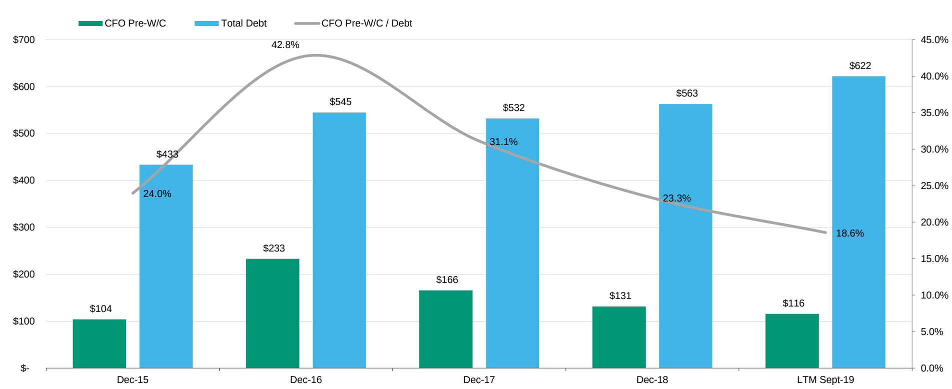
Update to credit analysis

Summary

Entergy New Orleans, LLC.'s (ENOL, Ba1 stable) credit profile is supported by strong financial metrics and the generally supportive regulatory treatment from the City Council of New Orleans (CCNO).

ENOL's credit profile is constrained by its small, geographically concentrated service territory in a storm-prone location. The coastal nature of the service territory is a material credit negative due to the rising risk of storm surges, more severe weather events and the impact on customer migration or local economic conditions. ENOL's low lying service territory will continue to constrain its credit going forward, despite the supportiveness of regulators and legislators, as well as its strong financial profile. For these reasons, ENOL's credit profile is 3-notches lower than its methodology scorecard-indicated outcome.

Exhibit 1
Historical CFO pre-WC, CFO pre-WC to Debt, Total Debt



Source: Moody's Financial Metrics

Credit strengths

» Regulated utility operations with historically supportive treatment from the CCNO

» Strong financial metrics generated by a rate base of around $900 million

» Storm cost recovery mechanisms are tested, and reasonably timely

Credit challenges

» Small and concentrated service territory in a low-lying coastal region exposed to storm surges and more severe weather events

» Financial metric decline due to tax rebates and high capex

» Reputational risk associated with public support of the New Orleans Power Station

Rating outlook

ENOL's stable outlook reflects strong financial metrics even when considering a near-term decline due to tax refunds. The stable outlook also incorporates a view that the company will be able to maintain adequate regulatory support for investment and cost recovery.

Factors that could lead to an upgrade

» It is unlikely that ENOL's issuer rating will be upgraded to Baa3, due to its concentrated service territory and vulnerability to storm activity.

» However, the maintenance of a financial profile that is reflective of much stronger credit and significantly improved regulatory and legislative support could lead to an upgrade

Factors that could lead to a downgrade

» A materially adverse regulatory decision or higher regulatory contentiousness

» Significant storm damage and delayed cost recovery for repairs

» Sustained decline in financial metrics, including cash flow to debt ratios below the mid-teens percent range.

Key indicators

Exhibit 2

Entergy New Orleans, LLC.

	Dec-15	Dec-16	Dec-17	Dec-18	LTM Sept-19
CFO Pre-W/C + Interest / Interest	5.9x	10.7x	8.1x	6.3x	5.7x
CFO Pre-W/C / Debt	24.0%	42.8%	31.1%	23.3%	18.6%
CFO Pre-W/C – Dividends / Debt	22.1%	39.1%	17.0%	19.1%	18.6%
Debt / Capitalization	42.9%	41.3%	43.5%	42.6%	42.8%

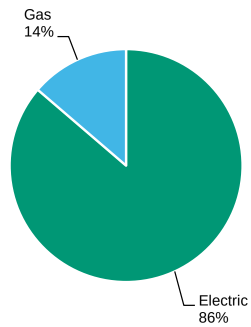
All ratios are based on 'Adjusted' financial data and incorporate Moody's Global Standard Adjustments for Non-Financial Corporations.
Source: Moody's Financial Metrics

Profile

ENOL is an electric and gas utility serving the city of New Orleans, Louisiana. The company is the smallest of the Entergy Corporation (Entergy, Baa2 stable) family, which includes five utility subsidiaries and System Energy Resources, Inc. (SERI Baa3 stable, a 1,400 MW nuclear unit in Mississippi). ENOL represents well under 10% of Entergy's adjusted consolidated cash flow, debt and net PP&E. ENOL's rate base is currently split roughly 90:10 (i.e., roughly $800 million to about $100 million) between electric and gas assets, based on the last filed case, which referenced a 2018 test year.

Exhibit 3

The majority of ENOL's revenue is from its electric business



As of the last twelve months (LTM) at 30 September 2019
Source: Entergy Corp.

Detailed credit considerations

Regulated utility operations with balanced treatment from the CCNO

ENOL's credit is underpinned by its business profile as a vertically integrated utility operating in a monopoly service territory with a regulatory allowed return on equity. Historically, ENOL has maintained a constructive relationship with utility stakeholders in New Orleans, as evidenced by the implementation of a formula rate plan (FRP), high allowed ROE levels compared to industry averages, single-issue cost recovery granted for the acquisition of the Union Power Plant (a 495 MW gas-fired generation unit in Arkansas) and the Algiers service territory. Both the power plant acquisition and the new service territory increased the size, scale and scope of the company.

Currently, we view the relationship between ENOL and City stakeholders as somewhat challenging, given some notable contentiousness in recent years over ENOL's service reliability and that paid speakers attended CCNO hearings to provide support for the New Orleans Power Station (NOPS, a 128 megawatt gas peaking unit, expected to be in-service in Q2 2020) and ENOL's December 2019 rate case appeal of a November 2019 rate order, which is currently pending with the CCNO.

Regarding the November 2019 rate order, the CCNO approved a general electric and gas rate case that resulted in a net revenue reduction of about $20 million, which was attributable to the effects of tax reform, a reduction to the allowed ROE (to 9.35% from 11.1%) and lower equity layer (to 50% from 52.2%). The order also denied ENOL's request for a community solar program and several new riders, such as contemporaneous cost recovery for NOPS, energy efficiency, incremental capacity costs and system modernization. These items form the basis for ENOL's current appeal.

At the same time, the CCNO approved a three-year FRP for both electric and gas operations for the years 2019 through 2021, which is credit supportive since it offers timely true-ups for costs and returns and provides a good line of site for the company's financial performance over that time. Moreover, the order provides for a full revenue decoupling pilot program should rates require adjustment, forward-looking FRP adjustments for known and measurable costs in subsequent FRP evaluation periods and new rate constructs for renewable power offerings and electric vehicle investments.

In all, we view the rate order as balanced, since it improves the timeliness of some operating and capital costs but at lower allowed returns, which will cause ENOL's financial profile to decline.

Financial metrics will decline due to tax rebates, lower net income and high capital spending

ENOL's financial profile is expected to remain in the high-teens to low-20% range in the next few years, due to tax rebates, lower earnings power as a result of the rate case order and increasing debt used to fund high capital expenditures.

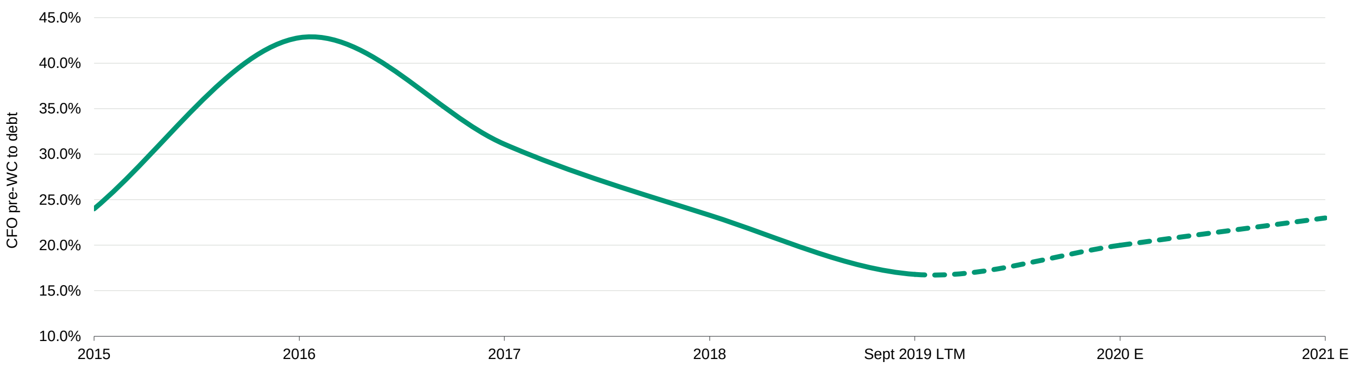
As part of its general rate filing, the company proposed to refund roughly $35 million of "unprotected" deferred tax liabilities to large customers in the following manner: $14 million in one-time credits through 2019, $12 million applied to investment in grid modernization; $6 million toward investment in energy efficiency programs and $3 million in its "Smart City" pilot program. The decision to allocate some of the excess deferred tax collections toward operational investment is credit positive, since it would otherwise be a cash outflow for ENOL and further suppress key financial metrics. Likewise, it shows a constructive negotiation between ENOL and the CCNO.

The unprotected liability credits are one-time items, but ENOL's cash flow will experience an ongoing drag from the federal tax rate reduction to 21% and "protected' deferred tax liability credits to customers over multiple decades.

ENOL's cash flow metrics have displayed some volatility over the past five years, mainly due to the impact of one time tax-related items. Despite the financial headwinds created by tax reform throughout the past two years, ENOL will still maintain cash flow to debt ratios around 15-20%, even with increasing debt to fund about $585 million in capital spending during 2020-2022, as seen in the exhibit below.

Exhibit 4

ENOL's ratio of cash flow to debt is expected to rebound to the high-teens range by 2020



Source: Moody's Investors Service

At the same time, ENOL has had a relatively meager dividend payout over the past five years (i.e., under 50% from 2014 through LTM Q3 2019), as capex has increased to rebuild and strengthen its asset base. For example, the company continues to pursue a construction program centered around the long-term repair and replacement of 844 miles of steel and cast iron pipes that were flooded with saltwater after hurricanes Katrina and Rita. The company estimates it will cost a total of $465 million over several years, an amount that has been certified by the CCNO.

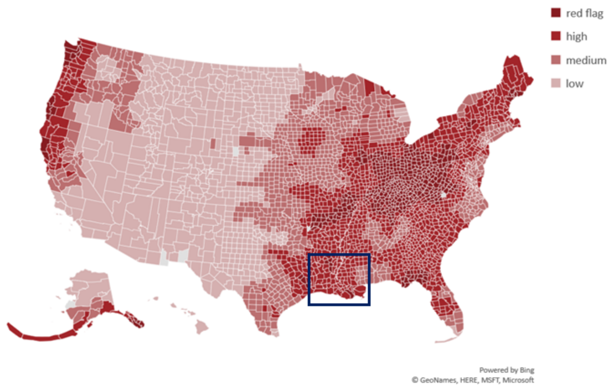
As a result, CFO pre-WC less dividends to debt ratios are among some of the highest in the industry, at 23% on average from 2014 through LTM Q3 2019. This continued investment, coupled with the Algiers acquisition, has helped ENOL's Net PP&E grow by a compound annual growth rate of nearly 14% over the same time period.

ESG considerations

Ongoing vulnerability to extreme weather events and moderate carbon transition risk

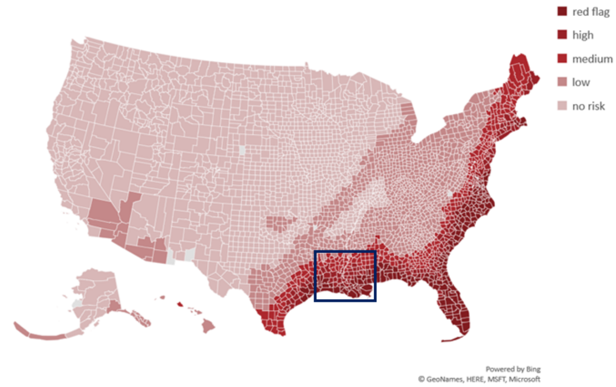
Today, New Orleans is better prepared for a major hurricane than it was pre-Katrina due to infrastructure enhancements made in recent years. ENOL has a higher risk service territory because it is concentrated in a small geographical area and is located partially below sea level, in a storm-prone location. Therefore, potentially damaging storms, with increasing severity and higher storm surges, are the most persistent threats to the company's customers and assets.

Exhibit 5
Relative projected extreme rainfall and flood stress



This metric is a combination of 3 projected components (wet days, very wet days, rainfall intensity) with annual changes from 2030-2040 vs. 1975-2005 + 2 historical components (flood frequency and flood severity, on return inundation basis).
Source: 427 (data sourced from CMIP5 models and Fathom)

Exhibit 6
Hurricane risk (historical data)



The indicator reflects the cumulative wind velocity from recorded cyclones over the period 1980-2016
Source: 427 (data sourced from IBTrACS version 3)

Historically, regulatory responses have been helpful in recovering costs of major storms - a credit positive. For example, the CCNO allows ENOL to collect revenue for a storm reserve fund and has provided for the securitization of storm costs through a discrete charge to customers.

Along these lines, ENOL's liquidity is important to bridge the timing gap between the cash outlay for storm repair and cost recovery through securitization or rate increases. ENOL's primary sources of external liquidity consist of $150 million access to a corporate money pool and its standalone borrowing facility of $25 million. We discuss the company's liquidity position, below.

Carbon exposure through natural gas-fired generation
ENOL has a moderate carbon transition risk within the utility sector. As an integrated utility, its generation ownership places it at a higher risk profile than companies primarily exposed to transmission and distribution operations. ENOL's generation portfolio is comprised almost entirely of natural gas-fired units, which emit roughly half of the amount of carbon, per unit of electricity generated, than coal-fueled generation.

Social considerations include developing more responsible production with an eye toward customer relations
ENOL is attempting to meet future power demand with the use of more renewable, solar, generation, since the technology's reliability is increasing and it meets management and stakeholder desires for lower carbon emissions. The company's customer-centric approach is attempting to identify specific customer needs and provide solutions that match responsible production with limiting the customer bill impact. The approach taken by the company and any success in achieving both goals should enhance customer relations and result in further regulatory support.

An example of this includes the CCNO's recent approval for a Green Pricing Proposal where Entergy is allowed to offer customers renewable energy credits (RECs) to meet their green energy procurement goals. Additionally, the commission approved two forms of recovery for ENOL to construct, operate and own electric vehicle (EV) infrastructure in New Orleans. One form is for a private customer that would pay ENOL fixed monthly payments and the other form is rate base treatment of infrastructure placed in public areas such as libraries, schools and recreational areas.

Entergy has generally strong governance practices, but some compensation design policies subordinate creditor interests
ENOL's governance is driven by that of Entergy Corp., its ultimate parent company.

Entergy's overall governance practices are strong, particularly in the areas of ownership characteristics, adherence to compliance standards, implementation of controls and in overall disclosure. However, Entergy has only moderately strong governance around compensation design, since incentive compensation is more tied to EPS performance than to operational or balance sheet metrics. The company also has somewhat generous CEO payout policies in an event of change in control.

Management has also evidenced credit supportive financial strategy and risk management decisions in its response to the 2017 Tax Cuts and Jobs Act. The company took a unique tact versus industry peers when it issued around $1.0 billion of equity in 2018 and 2019 in order to meet roughly $1.4 billion of “unprotected” deferred tax liabilities. Management also negotiated with customers and regulators to refund the bulk of that liability over the past two years. While this was a significant cash outlay that caused Entergy's key financial metrics to drop temporarily, it also provides a visible trajectory for these metrics to rebound in short order. Many peer companies did not originally issue an as- meaningful an amount of equity, as Entergy, and chose to prolonging the return of excess deferred tax liabilities, which is keeping their financial metrics lower for longer.

Liquidity analysis

We expect ENOL to maintain adequate liquidity over the next 12-18 months. ENOL’s liquidity profile is supported by its stable cash flow generation, external liquidity resources, and its ability to borrow from the Entergy money pool. Through LTM 30 September 2019, ENOL generated around $150 million of cash flow from operations, had $212 million in capital expenditures and distributed no dividends, resulting in negative free cash flow of over $60 million. We expect this trend to continue as cash flow pressures mount from tax reform headwinds and high capex levels.

To supplement any internally generated cash needs, ENOL has a FERC authorized short-term borrowing limit of $150 million, corresponding to its ability to borrow from the Entergy money pool through October 2021. As of 30 September 2019, ENOL had an approximate $85 million payable balance on the money pool. Additionally, ENOL has a stand-alone credit agreement in the amount of $25 million, maturing in November 2021, which was fully available at 30 September 2019. ENOL also has a new $70 million unsecured term loan issued on 18 December 2019 that will mature in May 2022, which is fully outstanding. The company also has $1 million letters of credit outstanding under an uncommitted credit facility to support its MISO obligations.

Entergy Corporation maintains a $3.5 billion revolving credit facility, expiring September 2024. As of 30 September 2019, Entergy had $155 million of borrowings under the facility, with $6 million in letters of credit and just over $1,900 million of commercial paper outstanding. The Entergy credit facility does not contain a material adverse change clause for new borrowings, but does contain a 65% debt to capitalization covenant and cross-default provisions with its major utility subsidiaries, which it was in compliance with as of 30 September 2019. ENOL is not included in the cross-default provision.

ENOL's next significant debt maturity is $25 million of senior secured notes due December 2020.

Rating methodology and scorecard factors

Exhibit 7
Entergy New Orleans, LLC

Regulated Electric and Gas Utilities Industry Scorecard [1][2]	Current LTM 9/30/2019		Moody's 12-18 Month Forward View As of Date Published [3]	
Factor 1 : Regulatory Framework (25%)	**Measure**	**Score**	**Measure**	**Score**
a) Legislative and Judicial Underpinnings of the Regulatory Framework	A	A	A	A
b) Consistency and Predictability of Regulation	A	A	A	A
Factor 2 : Ability to Recover Costs and Earn Returns (25%)				
a) Timeliness of Recovery of Operating and Capital Costs	A	A	A	A
b) Sufficiency of Rates and Returns	A	A	A	A
Factor 3 : Diversification (10%)				
a) Market Position	B	B	B	B
b) Generation and Fuel Diversity	B	B	B	B
Factor 4 : Financial Strength (40%)				
a) CFO pre-WC + Interest / Interest (3 Year Avg)	6.9x	Aa	5.5x - 6x	A
b) CFO pre-WC / Debt (3 Year Avg)	24.9%	A	18% - 20%	Baa
c) CFO pre-WC – Dividends / Debt (3 Year Avg)	18.8%	A	16% - 18%	A
d) Debt / Capitalization (3 Year Avg)	41.7%	A	45% - 50%	Baa
Rating:				
Scorecard-Indicated Outcome Before Notching Adjustment		A3		Baa1
HoldCo Structural Subordination Notching		0		0
a) Indicated Outcome from Scorecard		A3		Baa1
b) Actual Rating Assigned		Ba1		Ba1

[1] All ratios are based on 'Adjusted' financial data and incorporate Moody's Global Standard Adjustments for Non-Financial Corporations.
[2] As of 9/30/2019;
[3] This represents Moody's forward view; not the view of the issuer; and unless noted in the text, does not incorporate significant acquisitions and divestitures.
Source: Moody's Investors Service

Appendix

Exhibit 8

Credit metrics and financial statistics

CF Metrics	Dec-15	Dec-16	Dec-17	Dec-18	LTM Sept-19
As Adjusted					
FFO	111	241	164	133	125
+/- Other	(8)	(8)	2	(2)	(10)
CFO Pre-WC	104	233	166	131	116
+/- ΔWC	10	(19)	(28)	45	37
CFO	114	214	137	176	153
- Div	8	20	75	24	-
- Capex	92	327	115	196	211
FCF	14	(133)	(53)	(44)	(58)
(CFO Pre-W/C) / Debt	24.0%	42.8%	31.1%	23.3%	18.6%
(CFO Pre-W/C - Dividends) / Debt	22.1%	39.1%	17.0%	19.1%	18.6%
FFO / Debt	25.7%	44.3%	30.7%	23.7%	20.2%
RCF / Debt	23.8%	40.7%	16.6%	19.5%	20.2%
Revenue	671	665	716	717	684
Cost of Good Sold	369	337	391	384	356
Interest Expense	21	24	23	25	25
Net Income	41	54	51	58	48
Total Assets	1,223	1,504	1,508	1,584	1,677
Total Liabilities	860	1,066	1,101	1,149	1,195
Total Equity	362	438	407	435	482

All figures & ratios calculated using Moody's estimates & standard adjustments. Periods are Financial Year-End unless indicated. LTM=Last Twelve Months.
Source: Moody's Financial Metrics

Exhibit 9

Peer comparison

	Entergy New Orleans, LLC. Ba1 Stable			Mississippi Power Company Baa2 Positive			Duke Energy Kentucky, Inc. Baa1 Stable			Alaska Electric Light and Power Company(AELP) Baa3 Stable		
(in US millions)	FYE Dec-17	FYE Dec-18	LTM Sept-19	FYE Dec-17	FYE Dec-18	LTM Jun-19	FYE Dec-17	FYE Dec-18	LTM Jun-19	FYE Dec-17	FYE Dec-18	LTM Jun-19
Revenue	716	717	684	1,187	1,265	1,266	431	483	490	51	44	39
CFO Pre-W/C	166	131	116	-112	921	633	103	141	161	19	13	11
Total Debt	532	563	622	2,134	1,628	1,677	511	653	697	140	138	136
CFO Pre-W/C / Debt	31.1%	23.3%	18.6%	-5.2%	56.6%	37.7%	20.1%	21.6%	23.2%	13.9%	9.7%	8.2%
CFO Pre-W/C – Dividends / Debt	17.0%	19.1%	18.6%	-5.2%	56.6%	37.7%	20.1%	21.6%	23.2%	12.0%	2.0%	0.5%
Debt / Capitalization	43.5%	42.6%	42.8%	60.8%	44.8%	45.8%	42.4%	44.7%	45.1%	53.4%	53.6%	50.5%

All figures & ratios calculated using Moody's estimates & standard adjustments. Periods are Financial Year-End unless indicated. LTM=Last Twelve Months
Source: Moody's Financial Metrics

Ratings

Exhibit 10

Category	Moody's Rating
ENTERGY NEW ORLEANS, LLC.	
Outlook	Stable
Issuer Rating	Ba1
First Mortgage Bonds	Baa2
PARENT: ENTERGY CORPORATION	
Outlook	Stable
Issuer Rating	Baa2
Senior Unsecured	Baa2
Commercial Paper	P-2

Source: Moody's Investors Service

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CLIENT SERVICES

Americas	1-212-553-1653
Asia Pacific	852-3551-3077
Japan	81-3-5408-4100
EMEA	44-20-7772-5454

Appendix 4

Natural Gas Forecast

Reference Case Natural Gas Forecast (Nominal $/MMBtu)						
	Henry Hub			Delivered To NOPS		
Year	Forecast at Certification Filing (July 2017)[1]	Current Forecast (December 2019)[2]	Current Forecast Higher/(Lower)	Forecast at Certification Filing (July 2017)[1]	Current Forecast (December 2019)[2]	Current Forecast Higher/(Lower)
2020	4.10	2.46	(1.64)	4.39	2.64	(1.74)
2021	4.19	2.58	(1.61)	4.47	2.76	(1.71)
2022	4.28	2.69	(1.59)	4.58	2.88	(1.70)
2023	4.51	2.95	(1.56)	4.81	3.15	(1.67)
2024	4.73	3.18	(1.55)	5.04	3.38	(1.66)
2025	4.91	3.39	(1.52)	5.23	3.60	(1.63)
2026	5.10	3.59	(1.51)	5.43	3.80	(1.63)
2027	5.31	3.76	(1.55)	5.66	3.98	(1.67)
2028	5.50	3.98	(1.52)	5.86	4.21	(1.65)
2029	5.69	4.19	(1.49)	6.05	4.43	(1.62)
2030	5.89	4.41	(1.49)	6.27	4.65	(1.62)
2031	6.09	4.59	(1.51)	6.48	4.83	(1.65)
2032	6.28	4.74	(1.54)	6.67	4.99	(1.68)
2033	6.46	4.85	(1.61)	6.86	5.11	(1.76)
2034	6.66	4.99	(1.66)	7.07	5.25	(1.82)
2035	6.91	5.19	(1.72)	7.34	5.45	(1.89)
2036	7.12	5.35	(1.77)	7.55	5.62	(1.94)
2037	7.26	5.59	(1.67)	7.70	5.87	(1.84)
2038	7.41	5.82	(1.59)	7.86	6.10	(1.76)
2039	7.55	6.05	(1.51)	8.01	6.33	(1.68)
2040	7.71	6.17	(1.54)	8.17	6.46	(1.71)
2041	7.86	6.29	(1.57)	8.33	6.59	(1.75)
2042	8.02	6.42	(1.60)	8.50	6.72	(1.78)
2043	8.18	6.54	(1.63)	8.67	6.85	(1.82)
2044	8.34	6.67	(1.67)	8.84	6.98	(1.86)
2045	8.51	6.81	(1.70)	9.01	7.12	(1.89)
2046	8.68	6.94	(1.73)	9.19	7.26	(1.93)
2047	8.85	7.08	(1.77)	9.38	7.41	(1.97)
2048	9.03	7.22	(1.80)	9.56	7.56	(2.01)
2049	9.21	7.37	(1.84)	9.76	7.71	(2.05)
2050	9.39	7.52	(1.88)	9.95	7.86	(2.09)

1. Forecast prepared Jan 24, 2017
2. Forecast prepared December 9, 2019
3. Each year represents the 12-month average price

Appendix 5

Construction Progress Pictures

View Inside Engine Hall of NOPS Site (March 2020)

Engine Hall Interior (March 2020)

NOPS Control Room Furniture Install (March 2020)