

RESOLUTION

NO. R-20-344

CITY HALL: October 15, 2020

**BY: COUNCILMEMBERS MORENO, WILLIAMS, GIARRUSSO, BANKS AND
BROSSETT**

**REVISED APPLICATION OF ENTERGY NEW ORLEANS, LLC FOR A
CHANGE IN ELECTRIC AND GAS RATES PURSUANT TO COUNCIL
RESOLUTIONS R-15-194 AND R-17-504**

**RESOLUTION AND ORDER AUTHORIZING APPROVING AN AGREEMENT
IN PRINCIPLE TO FOREGO THE 2020 FORMULA RATE FILING AND TO SETTLE
LITIGATION RELATED TO THE 2018 RATE CASE**

DOCKET NO. UD-18-07

WHEREAS, pursuant to the Constitution of the State of Louisiana and the Home Rule Charter of the City of New Orleans (“Charter”), the Council of the City of New Orleans (“Council”) is the governmental body with the power of supervision, regulation, and control over public utilities providing service within the City of New Orleans; and

WHEREAS, pursuant to its powers of supervision, regulation, and control over public utilities, the Council is responsible for fixing and changing rates and charges of public utilities and making all necessary rules and regulations to govern applications for the fixing and changing of rates and charges of public utilities; and

WHEREAS, Entergy New Orleans, LLC (“ENO” or “Company”), is a public utility providing electric and natural gas service to all of New Orleans; and

WHEREAS, on July 31, 2018, ENO filed its initial *Application of Entergy New Orleans, LLC for a Change in Electric and Rates Pursuant to Council Resolutions R-15-194 and R-17-504 and For Related Relief* (“Initial Rate Filing”); and

WHEREAS, in a letter dated August 15, 2018, Roderick K. West, Entergy Group President of Utility Operations, explained that ENO had decided to withdraw its Initial Rate Filing, explaining that the decision to withdraw the Initial Rate Filing was in “response to the thoughtful feedback that Entergy New Orleans has received from members of the Council of the City of New Orleans and Council’s legal and technical Advisors, particularly with regard to the need to develop a better path toward a single rate structure for all customers of Entergy New Orleans, both those residing on the East Bank of New Orleans and those residing in Algiers” and noted that ENO would refile the rate case in September; and

WHEREAS, on September 21, 2018, ENO refiled its rate case, *Revised Application of Entergy New Orleans, LLC for a Change in Electric and Gas Rates Pursuant to Council Resolutions R-15-194 and R-17-504 and For Related Relief* (“Revised Application”); and

WHEREAS, on October 4, 2018, the Council adopted Resolution R-18-434 establishing a procedural schedule to allow the parties to this proceeding to rigorously investigate the Revised Application, conduct discovery, file testimony, and otherwise establish a record upon which the Council could rely to make a determination as to the proper rates to be charged by ENO; and

WHEREAS, the Council reviewed the Revised Application, the positions of the parties, and the evidence presented in the voluminous record certified in this proceeding; and

WHEREAS, on November 7, 2019, the Council adopted Resolution R-19-457 (“Rate Case Resolution”) setting new rates and establishing the April 30, 2020 filing deadline for ENO’s Electric and Gas formula rate plans (“FRP”); and

WHEREAS, on December 6, 2019, pursuant to Section 3-130 of the Home Rule Charter, ENO filed a Verified Petition of Entergy New Orleans, LLC for Appeal and Judicial Review of, and Stay for or Injunctive Relief from, Resolution R-19-457 of the Council of the City of New

Orleans (“Verified Petition”) in Civil District Court for the Parish of Orleans, No. 2019-12656; and

WHEREAS, pursuant to the agreement in principle approved in Resolution R-20-67, ENO withdrew its request for injunctive relief; and

WHEREAS, many of the issues raised in the Verified Petition have remained outstanding and unresolved; and

WHEREAS, as a result of the COVID-19 pandemic, the State of Louisiana and the City of New Orleans have been under declared states of emergency since March 2020; and

WHEREAS, ENO prepared its 2020 Electric and Gas FRP Evaluation Reports and, if filed, the Reports would have requested a \$32 million electric and gas total combined revenue requirement increase that, if approved, would have become effective the first billing cycle of September 2020; and

WHEREAS, on May 7, 2020, the Council adopted Resolution R-20-112 granting ENO’s request to extend the deadline to file the first Evaluation Reports pursuant to Rider Schedule EFRP-5 and Rider Schedule GFRP-5 and said deadline was extended to June 29, 2020; and

WHEREAS, on July 2, 2020, the Council adopted Resolution R-20-213 granting ENO’s request to extend the deadline to file the Evaluation Reports to August 13, 2020; and

WHEREAS, on August 12, 2020, ENO filed a request for an additional extension to delay the filing to September 12, 2020; and

WHEREAS, on September 14, 2020, ENO filed a request for an additional two weeks to prepare and file an Agreement in Principle; and

WHEREAS, on September 28, 2020, ENO filed a Motion to Approve Agreement in Principle to Revise the Formula Rate Plan Filing Dates and to Implement Other Provisions Contained Therein (Attachment A); and

WHEREAS, the Council recognizes that in light of the current crisis, it is in the public interest to ensure that ratepayers are not subjected to any unnecessary rate increases while providing the utility with financial security required to continue reliable operations;

NOW THEREFORE

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF NEW ORLEANS, Motion to Approve Agreement in Principle to Revise the Formula Rate Plan Filing Dates and to Implement Other Provisions Contained Therein is granted and the Agreement in Principle is approved in its entirety.

BE IT FURTHER RESOLVED BY THE COUNCIL OF THE CITY OF NEW ORLEANS, That consistent with the Agreement in Principle, for the year 2021, the filing deadline for the Test Year 2020 Evaluation Reports shall be June 30, 2021, the deadline for parties to review the Evaluation Reports as described in Section II.B. of the Rider Schedules is September 15, 2021 or 75 days after filing whichever is longer. If any of the parties should detect an error(s) (as distinguished from a regulatory issue(s)) in the application of the principles and procedures contained in Section II.C of the Rider Schedules, such error(s) shall be formally communicated in writing to the Company and/or other Parties by September 15, 2021. Each such indicated error shall include documentation of the proposed correction.

BE IT FURTHER RESOLVED BY THE COUNCIL OF THE CITY OF NEW ORLEANS, That for the years 2022 and 2023, the filing deadline for the Evaluation Reports shall be April 30 of the filing year, the deadline for parties to review the Evaluation Reports as described

in Section II.B.2 of the Rider Schedules is July 15 of the filing year or 75 days after filing whichever is longer. If any of the parties should detect an error(s) (as distinguished from a regulatory issue(s)) in the application of the principles and procedures contained in Section II.C of the Rider Schedules, such error(s) shall be formally communicated in writing to the Company and/or other Parties by July 15 of the filing year. Each such indicated error shall include documentation of the proposed correction.

BE IT FURTHER RESOLVED BY THE COUNCIL OF THE CITY OF THE NEW ORLEANS, That Resolution R-19-457 be amended to delete ordering paragraph 2 on page 184 and replace it as follows:

2. For the term of the three-year Electric and Gas FRPs (test years 2020, 2021 and 2022), ENO is authorized to utilize a hypothetical capital structure of 51% equity and 49% long-term debt in determining its Benchmark Return on Rate Base.

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

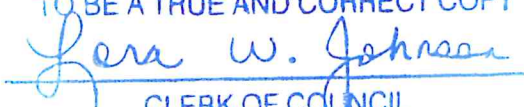
YEAS: Banks, Brossett, Giarrusso, Gisleson Palmer, Moreno, Nguyen, Williams - 7

NAYS: 0

ABSENT: 0

AND THE RESOLUTION WAS ADOPTED.

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THE FOREGOING IS CERTIFIED
TO BE A TRUE AND CORRECT COPY

CLERK OF COUNCIL