NO. R-10-142

BY: COUNCIL MEMBERS MIDURA, CARTER, HEDGE-MORRELL AND WILLARD-LEWIS

IN RE: RESOLUTION REGARDING PROPOSED RULEMAKING TO ESTABLISH INTEGRATED RESOURCE

 PLANNING COMPONENTS AND REPORTING REQUIREMENTS FOR ENTERGY NEW ORLEANS, INC.

RESOLUTION AND ORDER REGARDING ENTERGY NEW ORLEANS, INC.’S INTEGRATED RESOURCE PLAN

STATUS REPORT AND REPORT ON TRANSMISSION PLANNING

DOCKET NO. UD-08-02

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, the Council is responsible for making all necessary rules and regulations to govern

applications for the fixing or changing of rates and charges of public utilities and all petitions and

complaints relating to any matter pertaining to the regulation of public utilities; and

WHEREAS, Entergy New Orleans, Inc. (“ENO” or “Company”) provides electric service to all of New

Orleans, except the Fifteenth Ward, Algiers, and gas service to all of New Orleans; and

WHEREAS, Entergy Louisiana, LLC (“ELL”) provides electric service to Algiers; and

WHEREAS, ENO and ELL are wholly-owned subsidiaries of Entergy Corporation (“Entergy”) and two

of the six Operating Companies, along with Entergy Services, Inc. (“ESI”), that are parties to the Entergy

System Agreement (“System Agreement”). The other four Operating Companies are Entergy Arkansas,

Inc. (“EAI”), Entergy Gulf States Louisiana, LLC (“EGS”); Entergy Mississippi, Inc. (“EMI”); and

Entergy Texas, Inc. (“ETI”) (the six operating companies are referred to collectively as the “Operating

Companies”); and

WHEREAS, the System Agreement is a contract among the Operating Companies under which the

Operating Companies collectively plan and operate their electric generation and bulk transmission

facilities as a single, integrated electric system; and

WHEREAS, on June 20, 1991, the Council adopted Ordinance No. 14629 M.C.S., which provided for

least cost resource planning for the electric utilities within Orleans Parish. The ordinance is codified in

the Code of the City of New Orleans as Chapter 158, Article V; and

WHEREAS, Chapter 158, Article V of the Code of the City of New Orleans (“LCIRP Ordinance”) sets

forth 20 year least-cost resource plan biennial filing requirements applicable to both ENO and ELL; and;

WHEREAS, the LCIRP Ordinance specifies detailed filing requirements, methods, components, and

processes regarding the development of the plan, including the establishment of a collaborative working

group composed of representatives of the utilities, the Council’s Advisors and its regulatory staff,

providers of demand-side services, and representatives from the residential, commercial, and industrial

sectors; and

WHEREAS, on May 14, 1993, after the Council in Resolution R-93-12 initiated hearings and established

procedures in Council Docket Nos. UD-92-2A and UD-92-2B regarding the initial Least Cost Integrated

Resource Plans filed by New Orleans Public Service, Inc. (“NOPSI”) and Louisiana Power and Light

Company (“LP&L”), NOPSI and LP&L filed a motion seeking an order to allow them to file, on or

before July 1, 1993, refined three-year action plans; to suspend all discovery with respect to demand-

side management matters; to direct the Hearing Examiner to establish a procedural schedule on the

Refined Plans, so that the Council could render a decision thereon by November 30, 1993; and to further

direct the Hearing Examiner to establish a procedural schedule on the LCIRPs so that the Council could

render a decision thereon by May 31, 1994; and

WHEREAS, on November 22, 1993 after an investigation and hearing regarding the refined three-year

action plans filed by NOPSI and LP&L in the Docket on July 1, 1993, the Council adopted Resolution

R-93-340 which approved implementation of seven full scale demand-side management programs and

deferred consideration of certain long-term policy issues associated with the LCIRP plans to a Phase II

hearing; and

WHEREAS, on April 17, 1994, after consolidation of the Phase II hearing record, the Council adopted

Resolution R-94-373 which approved implementation plans for demand-side management programs,

rejected the LCIRP because it had become moot due in large part to the merger of Entergy Corporation

and Gulf States Utilities Company, and directed NOPSI and LP&L to correct plan deficiencies in their

next plan filings; and

WHEREAS, on September 28, 1994, NOPSI and LP&L filed a “Motion to Defer December 1, 1994

LCIRP Filing” and a “Report to the Council of the City of New Orleans on the Current Plan of the

Entergy System Operating Companies With Respect to Integrated Resource Planning;” and

WHEREAS, in such filings, the Companies requested, among other things, a deferral of the December 1,

1994, filing deadline for their second least cost plans as set forth in the Council’s LCIRP Ordinance and

approval of a less restrictive method of least cost planning in which plans would be filed with the Council

on an informational basis and would employ the Ratepayer Impact Measure Test (“RIM Test”) for

demand-side screening; and

WHEREAS, the Companies cited recent changes toward increasing competition in the electric utility

industry as necessitating that the Companies maintain low rates and be able to respond quickly to

competitive pressures from their industrial customers and, ultimately, providing impetus for their

 request for a more flexible, RIM-based approach to least cost planning; and

WHEREAS, on October 6, 1994, the Council conducted a hearing in which NOPSI• and LP&L orally

presented their position and comments were heard from interested members of the public; and

WHEREAS, on October 6, 1994, the Council amended M.C.S. Ord. No. 16672 of the Code of the City of

New Orleans, so as to eliminate the December 1, 1994 filing deadline for the Companies’ second least

cost plans and to permit the Council to establish a new schedule for the filing of such plans in the future;

and

WHEREAS, on October 20, 1994 the Council adopted Resolution R-94-818 (As Amended) establishing

proceedings in its existing Docket Nos. UD-92-2A and UD-92-2B to conduct an investigation and

hearings on the appropriate standards for least cost planning in New Orleans following the request of

NOPSI and LP&L to change the existing standards; and

WHEREAS, on January 11, 1996, NOPSI and LP&L filed with the Council an offer to settle all issues

currently pending before the Council that arose or were related to Council Docket Nos. UD-92-A,

UD-92-B, and UD-95-1 with copies to all parties to these proceedings; and

WHEREAS, the Council in Resolution R-96-14, cited its desire to consider the January 11, 1996 offer of

settlement, directed all parties to file comments on the offer of settlement, and directed the Council’s

Advisors to review all comments and provide their recommendations to the Council’s Utility Committee

by February 8, 1996.

WHEREAS, on May 2, 1996, the Council adopted Resolution R-96-303, which suspended all proceedings

in Docket Nos. UD-92-2A, UD-92-2B, UD-95-1, and all demand-side management programs that were

currently being implemented pursuant to the Council’s order in Resolution R-94-373 (Substitute, As

Amended); and

WHEREAS, on January 30, 1997, ENO submitted an Offer of Settlement of the recovery of its

outstanding $11,796,454 of Deferred LCIRP Costs, which offer proposed that ENO and its shareholders

would absorb the total amount of its outstanding Deferred LCIRP Costs less $5,000,000, provided that

ENO was allowed to fully recover via a base rate debit rider this remaining $5,000,000 amount

(“Recoverable LCIRP Costs”); and

WHEREAS, on February 20, 1997 Council Resolution R-97-108 conditionally accepted ENO’s Offer of

Settlement of the recovery of its outstanding Recoverable LCIRP Costs and authorized recovery in a base

rate debit rider; and

WHEREAS, the Council’s experience with the LCIRP Ordinance has proven the process to be costly,

unduly burdensome and inefficient; and

WHEREAS, circumstances have changed significantly since the issuance of both Ordinance No. 14629

M.C.S. and Resolution R-96-303. The most notable changes since that time include: (1) the Federal

Energy Regulatory Commission (“FERC”) ordered rough equalization of production costs between the

Operating Companies; (2) EAI and EMI have given notice of their intent to withdraw from the System

Agreement and the FERC has ruled in its November 19, 2009 Order in Docket No. ER09-636 that there

are no continuing obligations to the remaining Operating Companies on the part of the withdrawing

Operating Companies; (3) Hurricanes Katrina and Rita, and their aftermath, have resulted in an

unexpected change in the balance of ENO’s supply and demand; (4) the Council has approved the Energy

Smart energy efficiency program for the City; and (5) the potential for greenhouse gas and carbon

legislation at the federal level has increased significantly; and

WHEREAS, these recent changes have rendered it critical that ENO and ELL develop and routinely

update a plan designed to optimize generation and transmission services and integrate demand-side

resource options on an equal footing to provide New Orleans ratepayers with reliable electricity at the

lowest practicable cost; and

WHEREAS, the extreme volatility of natural gas prices in the early 2000s and the economic crisis that

began in 2008 have emphasized the need for a more rapid response with regard to utility planning than

could be accomplished under Ordinance No. 14629 M.C.S.; and

WHEREAS, the Council desires to have uniform Integrated Resource Planning Guidelines applicable to

all electric utilities in its jurisdiction, including ELL; and

WHEREAS, to that end, on June 5, 2008, the Council issued Resolution R-08-295, Resolution Regarding

Proposed Rulemaking to Establish Integrated Resource Planning Components and Reporting

Requirements for Entergy New Orleans, Inc.; and

WHEREAS, in Resolution R-08-295, the Council commenced a rulemaking proceeding to develop

Integrated Resource Planning (“IRP”) components and IRP reporting requirements. The IRP components

are intended to provide a framework to help guide ENO in its decisions to (1) develop generation

resources and purchase power both individually and in conjunction with its affiliate Operating

Companies pursuant to the System Agreement; (2) develop transmission and distribution facilities both

individually and in conjunction with its affiliate Operating Companies pursuant to the System

Agreement; (3) develop and deploy demand-side resource options; and (4) incorporate into its planning

process the results of energy efficiency programs developed at the direction of the Council (e.g. Energy

Smart New Orleans and others as may subsequently be determined applicable); and

WHEREAS, Resolution R-08-295 set an intervention deadline of July 7, 2008 for interventions in this

docket and a deadline of 5 days from the date of each request for intervention for objections to the

request to be filed. Resolution R-08-295 also set a deadline of July 7, 2008 for initial comments to be

filed in the docket with a deadline for reply comments of July 21, 2008; and

WHEREAS, Resolution R-08-295 set forth a requirement that beginning on October 30, 2008 and every

three years thereafter, ENO shall file an IRP that shall incorporate the following IRP Components: (1)

IRP Objectives; (2) Demand and Energy-Use Forecast; (3) Supply and Demand-Side Resources; (4)

Integration of Delivery; (5) Public Presentation of IRP Prior to Filing; and (6) Reporting Requirements

and Council Resolutions; and

WHEREAS, Component 1 - IRP Objectives requires the IRP to state and support specific objectives to be

accomplished with regard to system planning and also requires the IRP to demonstrate how ENO

achieves or will achieve the objectives. It also requires ENO to identify and quantify the costs and

benefits (economic, social and environmental) of its resource portfolio and compare those to

alternatives available in the market; and

WHEREAS, Component 2 - Demand and Energy-Use Forecast requires the IRP to provide an annual

demand and energy use forecast for no less than a rolling 10-year planning horizon; and

WHEREAS, Component 3 - Supply and Demand-Side Resources requires the IRP to identify and

evaluate ENO’s existing resources used to serve New Orleans ratepayers’ load and include a comparison

of current costs to annual costs incurred for the previous ten (10) years. It must also identify and

quantify the success of ENO’s efforts to develop and implement programs that promote demand-side

resources, and to the extent ENO has not achieved its objectives, it must include a time-line indicating

when ENO anticipates achieving those objectives; and

WHEREAS, Component 4 - Integration of Delivery requires the IRP to explain how Entergy’s

transmission system (current and planned) and ENO’s distribution system are integrated into the overall

resource planning process; and

WHEREAS, Component 5 - Public Presentation of IRP Prior to Filing requires that ENO make its IRP

and IRP status reports available for public review not less than sixty days prior to the filing deadline, and

convene a public meeting not less than 30 days prior to the filing deadline during which it shall present

the IRP or IRP status report and be prepared to respond to questions. Interested parties will have ten

(10) days from the date of the meeting to submit comments on the IRP to ENO and the Council Advisors.

If comments concerning the process or the IRP raise issues that warrant consideration, the Council may

direct ENO to reevaluate and resubmit its IRP; and

WHEREAS, Component 6 - Reporting Requirements and Council Resolutions requires that in addition to

its triennial IRP filing, ENO shall file IRP status reports every eighteen (18) months intended to provide

the Council with an update on ENO’s progress in meeting the objectives established in the IRP; and

WHEREAS, on July 18, 2008, the Alliance filed the Initial Comments of the Alliance for Affordable

Energy arguing that there is no need for the proposed rulemaking in this docket. The Alliance argues

 that Ordinance No. 14629 M.C.S., codified at Chapter 158, Article V of the City Code remains in effect

and addresses the issues to be considered in this docket. The Alliance also argues that while a

rulemaking could extend over a considerable period of time and delay the implementation of integrated

resource planning, Ordinance No. 14629 M.C.S. could be implemented immediately; and

WHEREAS, in early September 2008, Hurricanes Gustav and Ike caused significant power outages in

New Orleans and highlighted the vulnerability of New Orleans to being cut off electrically from the rest

of the electrical power grid; and

WHEREAS, on September 30, 2008, ENO made available for public comment its Integrated Resource

Plan Status Report (“Status Report”) which presented both the Entergy System’s Strategic Supply

Resource Plan (“SSRP”) and an assessment of the unique needs of ENO; and

WHEREAS, the Council has not received ENO’s first triennial IRP filing which was required on October

30, 2008 pursuant to Council Resolution R08-295; and

WHEREAS, the Council must now rely on the Status Report and the comments of the intervenors to this

proceeding to form an opinion as to whether ENO’s planning process is in accordance with the IRP

components and framework set forth in Council Resolution R-08-295; and

WHEREAS, in its Status Report, ENO offers several sets of objectives used in the SSRP, including the

objectives of reliability, production cost, enhancement of current portfolio resources, cost minimization,

cost stabilization, base load production costs, flexible capability and load-following production costs,

generation portfolio enhancement, price stability risk mitigation and supply diversity risk mitigation; and

WHEREAS, ENO’s Status Report provides its Retail Sales Forecast and Wholesale Energy Sales

Forecast, and provides a narrative explanation of the assumptions in its Reference Planning Scenario,

but does not provide the data underlying its forecasts, nor how the forecasted load profiles are

developed and used in the selection of resources; and

WHEREAS, ENO’s Status Report explains the factors for developing its long-term supply portfolio plan,

and offers an overview of its existing supply resources, but does not provide any of the data ENO relied

upon in reaching its conclusions. It states that ENO is expected to own or control a surplus of power for

the period for 2008-2017, but will consider the addition of some amount of new load-following capacity

because its power supply is aging. It also states that the SSRP is an ongoing process and not a static plan;

therefore, actual portfolio decisions are made at the time of execution, not during the formation of the

SSRP. It does not provide relevant cost benefit analyses comparing various supply and demand-side

portfolios to the portfolio chosen that will allow the Council to determine which proposed portfolio will

provide the greatest benefit to the citizens of New Orleans. It does not provide a comparison of current

costs to costs over the past ten (10) years; and

WHEREAS, the Status Report includes summary level results of the planning process rather than the

detailed information necessary for the Council to assess the validity of the results; and

WHEREAS, the Status Report does not adequately address all issues that may affect ENO’s resource

planning, such as the pending withdrawal of EAI and EMI from the System Agreement and the

corresponding impact that may have on ENO’s resource planning; and

WHEREAS, the Status Report does not adequately address the potential for anew operating agreement

among the Operating Companies in lieu of the withdrawal of EAI and EMI from the System Agreement

and the corresponding impact that may have on ENO’s resource planning; and

WHEREAS, to the extent the Status Report addresses demand-side management, its inclusion in the

planning process is at an assumed level based on an independent study rather than as an integrated

component of the resource planning process, which is the very premise for the development of an

integrated supply and demand-side resource plan; and

WHEREAS, the Status report includes only the selected supply resource plan and limits the ability of the

Council to assess the robustness of the selected supply resource plan in comparison with alternative

resource plans that were determined by ENO to be less than optimal but may be preferable to the

Council and ratepayers; and

WHEREAS, ENO’s Status Report does not integrate transmission and distribution planning into its

portfolio, but states that the Federal Energy Regulatory Commission limits the extent to which

generation and transmission functions of the utility may interact, necessitating a separate transmission

planning report; and

WHEREAS, on September 30, 2008, ENO also made available for public comment its Integrated

Resource Plan Status Report - Report on Transmission Planning (“Transmission Report”) describing the

Entergy transmission planning process; and

WHEREAS, on November 19, 2008, ENO held a public meeting regarding its IRP Process; and

WHEREAS, on approximately December 5, 2008, the Energy Policy Task Force (“EPTF”) filed the

Comments of the Energy Policy Task Force. The EPTF argued that more work is necessary regarding

demand-side management. Like the Alliance, the EPTF argues that Ordinance No. 14629 should be

brought forward and modernized rather than relying upon a new rulemaking process to address IRP

issues. The EPTF recommends that ENO be made to work with an independent expert with a facilitator

placed within a formalized public input body coordinated collaboratively with the Utility Committee of

the City Council. The EPTF urges the maximum deployment of demand-side management such as

conservation, energy efficiency, and demand response. The EPTF recommends that the Council develop

a regulatory mechanism to ensure that there is no financial disincentive to ENO for the implementation

of a demand-side management program. The EPTF requests clarification from ENO on several

generation and transmission issues, in particular, the effects of Smart Grid, New Orleans’ status as a

“transmission island” and the potential effects of unraveling the System Agreement. The EPTF also seeks

more information regarding ENO’s evaluation of renewable resources and distributed generation.

Finally, the EPTF argues that more explanation of the risk analysis is needed, an action plan of next steps

should be delineated and the Council should consider joint cooperation with the Louisiana Public Service

Commission; and

WHEREAS, on December 12, 2008, the Alliance and Sierra Club jointly submitted the Comments of the

Alliance for Affordable Energy and Sierra Club. They argued that the Status Report is inadequate in that

the SSRP provides inadequate detail about assumptions, methods and results and that the SSRP

demonstrates Entergy’s limited scope of inquiry, particularly into the areas of demand-side

management, renewable resources, and distributed generation. The Alliance argues that the SSRP

should provide fuel prices and the sources for those prices, should provide analysis of the cost impact on

ratepayers of various alternatives, and should explain the derivation of ENO’s load forecasts. The

Alliance argues that ENO has taken a minimalist approach to studying demand-side management,

renewables resources and distributed generation and has not provided the data upon which it relied in

studying those options or its risk analysis. The Alliance states that ENO has not engaged in a

collaborative process and has not provided enough information to allow the public to provide

meaningful input; and

WHEREAS, on January 13, 2009, Entergy held a second public meeting, the purpose of which was to

focus on Entergy’s demand-side management and energy efficiency initiatives; and

WHEREAS, the Council agrees with the many of the criticisms put forth by the Energy Policy Task

Force, the Alliance, and the Sierra Club regarding ENO’s Status Report, but we disagree regarding the

necessity of using the provisions of Ordinance No. 14629 and the independent facilitator, because in our

view they have proven to be costly, unduly burdensome, and inefficient; and

WHEREAS in Resolution R-08-295, the Council reserved the right to issue subsequent resolutions

requiring the submission of filings and informational reports to ensure compliance with the IRP

components identified in that resolution; and

WHEREAS, on April 2, 2009, the Council issued Resolution R-09-136, approving an Agreement in

Principle (“AIP”) between ENO, the Advisors, the Alliance, Air Products & Chemicals, the Sewerage and

Water Board of New Orleans, and New Orleans Business Energy Council that, inter alia, settled ENO’s

Base Rate Case; and

WHEREAS, the AIP approved in Resolution R-09-136 provides that ENO shall have the right of first

refusal to participate in up to 20%, through ownership or contract, in an electric generation facility that

may be constructed or repowered in the Amite South Region in the next approximately 6 ½ years with

the goal of displacing the operation of the older, less efficient Michoud facility by adding a newer, more

efficient facility to ENO’s resource portfolio to reduce energy costs and provide for additional

operational flexibility and long-term system reliability; and

WHEREAS, the AIP approved in Resolution R-09-136 also provides for the funding, design, relevant cost

benefit tests, and implementation of a comprehensive demand-side program for ENO’s customers

(“Energy Smart Plan”) and provided that ENO will have the opportunity to earn incentives based on its

performance and implementation of the demand-side programs. The targets ENO must meet to obtain

such incentives are to be set in this docket; and

WHEREAS, the consideration of the programs to be included in the Energy Smart Plan, followed an open

and transparent process which included an initial filing by ENO which was posted on ENO’s website, a

public presentation of the filing, a public question and answer period in which ENO’s answers would be

posted on ENO’s website, the filing of written comments by intervenors in the proceeding, ENO’s reply

to intervenor comments, a public hearing on the filing by the Council Utility Committee, and ultimately a

decision by the Council.

WHEREAS, on September 17, 2009, the Council issued Resolution R-09-483, approving ENO’s

Application for Approval of Programs to Be Included in the Energy Smart Plan, and

WHEREAS, annually, on or about June 1, pursuant to Resolution R-04-66, ENO files with the Council its

Annual Supply and Resource Analysis; and

WHEREAS, the information included in the Annual Supply and Resource Analysis is often outdated by

the time the Council receives the filing; and

WHEREAS, the Entergy System typically completes its Annual Business Plan on or about March 30th of

each year; and

WHEREAS, the Entergy System typically completes its Annual Reference Case Gas Forecast, Market

Price Forecast and Load Forecast at least annually; and

WHEREAS, the Entergy System typically completes its Strategic Supply Resource Plan in the fourth

quarter no less frequently than once every three years; and

WHEREAS, on October 30, 2009 EAI filed with the Arkansas Public Service Commission (“APSC”), in

APSC Docket No. 07-16-U, Entergy Arkansas, Inc’s Integrated Resource Plan Submitted Pursuant to

Resource Planning Guidelines; and

WHEREAS, EAI’s October 30, 2009 filing before the APSC included as an attachment the Strategic

Resource Plan for the Entergy Operating Companies for the period 2009 through 2028; and

WHEREAS, EAI proposed a three year resource planning cycle in APSC Docket No. 07-16-U and,

accordingly, the next major EAI Integrated Resource Plan and Strategic Resource Plan for the Entergy

Operating Companies is anticipated in October 2012; and

WHEREAS, the Council wishes to coordinate with the existing planning process of Entergy, ENO and

ELL to ensure that the Council has the most current data available; and

WHEREAS, on the basis of the record before the Council and the reasons set forth below; now therefore:

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF NEW ORLEANS THAT:

1. The Council finds that the least cost resource planning process set forth in Ordinance No. 14629,

codified in the Code of the City of New Orleans as Chapter 158, Article V, has proven through

practical implementation to be costly, unduly burdensome and inefficient in developing a process by

which supply-side and demand-side resources can be (1) planned in a integrated manner, (2) selected,

and (3) implemented expeditiously to the benefit of the ratepayers of the City of New Orleans; and

2. The Council finds that the changed circumstances and procedural LCIRP experience since the

issuance of Ordinance No. 14629 and Resolution R-96-303 require that the Council modify the least

cost resource planning process to provide for a thorough yet more expedient planning process that can

be periodically updated to stay contemporary with other planning activities of the Entergy System and

provide the ability to respond quickly to changes in the cost and price of fuels, energy markets, and

the regulatory environment. Therefore, the Council will continue in this rulemaking docket rather than

relying solely upon Ordinance No. 14629. Similarly, because the Council believes there is a need for

expeditious action, the Council will not implement the EPTF’s costly and time consuming suggestion

of requiring ENO to work with an independent expert with a facilitator placed within a formalized

public input body coordinated collaboratively with the Utility Committee of the City Council.

3. The Council notes that there have also been several significant events since ENO’s submission of its

IRP Status Report that should be taken into account in any integrated resource plan of ENO and ELL,

including the approval of an Energy Smart Plan, the rulings of the FERC on the pending withdrawal

from the System Agreement of EAI and EMI, the potential of a new Operating Agreement among the

Operating Companies in light of FERC’s ruling on the withdrawal of EAI and EMI, transmission

planning and RTO participation alternatives, and the AIP’s provision for the right of first refusal for

ENO to participate in up to 20% in an electric generation facility that may be constructed in the Amite

South Region in the next approximately 6 ½ years.

4. The Council finds that ENO’s IRP status report and the transmission report do not meet the IRP

reporting requirements set forth in Resolution R-08-295. The Council agrees with the EPTF, the

Alliance and Sierra Club that ENO’s proposed resource plan does not adequately integrate

demand-side management programs into its supply plan and result in an IRP. Further, now that the

Council has approved the Energy Smart Plan, ENO must also specifically integrate that plan into its

integrated resource planning.

5. The Status Report provided a summary of the Entergy System SSRP, but offered no explanation of

how the SSRP meets the Council’s requirements and satisfies the objectives set forth in Resolution

R-08-295.

6. The Council agrees with the comments of the EPTF, the Alliance and the Sierra Club that ENO’s

Status Report does not provide adequate detail. ENO has failed to provide any underlying data that

would allow the Council, Advisors, and the intervenors to verify its calculations and risk analysis or to

assess the impact on ratepayers of ENO’s chosen portfolio. ENO also failed to provide

sufficient cost-benefit information regarding alternative portfolios considered.

7. The Council notes that the AIP did provide a mechanism to provide incentives for ENO under the

Energy Smart Plan as well as the collection by ENO of its lost contributions to fixed costs. Therefore,

the Council considers the comments from intervenors seeking that the Council develop a regulatory

mechanism to ensure that there is no financial disincentive to ENO for the implementation of a

demand-side management program to be moot.

8. The Council elects to take this opportunity prior to the filing of the first triennial IRP to clarify and

expand upon the IRP framework, components, and reporting requirements in Resolution R-08-295.

Accordingly, and to correct the planning deficiencies identified in the Status Report, the Council adopts

the revised reporting requirements attached hereto and titled “Electric Utility IRP Requirements of the

Council of the City of New Orleans 2010.”

9. The Council orders ENO and ELL to submit their first triennial IRP filings to the Council on

October 19, 2010, incorporating the recent events identified in this resolution, incorporating changes

since the development of the Strategic Resource Plan for the Entergy Operating Companies (2009-2028),

and in conformance with the Electric Utility IRP Requirements of the Council of the City of New Orleans

attached hereto.

10. The Council orders ENO and ELL to each file their second triennial IRP filing no later than

October 30, 2012, with subsequent triennial IRP filings required every three years thereafter, such that

the planning process is coordinated with the development of the Strategic Resource Plan for the

Entergy Operating Companies.

11. The Council terminates ENO’s Annual Supply and Resource Analysis filing requirements

established by resolved item

2 of Council Resolution R-04-66.

12. The Council, looking back on the successful process utilized in establishing the Energy Smart Plan

earlier in this Docket, directs that a similar open and transparent process be followed regarding the

IRP filing. The Council anticipates that this process will result in two distinct outcomes 1) a decision

by the Council on the first triennial IRP filing, and 2) finalization of The Electric Utility IRP

Requirements of the Council of the City of New Orleans for subsequent IRP filings. The

following procedural schedule is hereby adopted:

October 19, 2010 ENO and ELL shall each make their First Triennial IRP filing in Docket UD-80-2, and

post these filings on ENO’s and ELL’s websites

October 26, 2010 ENO and ELL shall make a Public Presentation of the Filings

October 26, 2010 Beginning of period for posting informational questions by the public on ENO’s and

ELL’s websites regarding ENO’s and ELL’s filing; such informational questions must be germane to the

subject matter of the filing. ENO and ELL shall have five (5) business days to respond to each informal

question. An objection to a question shall be filed within two (2) business days of the posting of the

question.

November 10, 2010 Last day for posting informational questions by the public on ENO’s and ELL’s

websites.

November 17, 2010 Last day for ENO and ELL to respond to informational questions posted on the

websites.

December 22, 2010 Deadline for Intervenors to file written comments in response to ENO’s and ELL’s

filings

January 18, 2011 Deadline for ENO and ELL to reply to Intervenor comments

February 4, 2011 Hearing Officer certifies the record in the proceeding

13. Upon certification of the record of the proceeding to the Council, the Council shall establish a

subsequent procedural schedule for the conduct of a public hearing, rendering a decision on ENO and

ELL’s filings, and any potential revision to the \*Electric Utility Integrated Resource Plan Requirements

of the Council of the City of New Orleans for subsequent IRP filings.

THE FOREGOING RESOLUTION WAS READ IN FULL, THE ROLL WAS CALLED ON THE

ADOPTION THEREOF AND RESULTED AS FOLLOWS:

YEAS: Carter, Clarkson, Head, Hedge-Morrell,

Willard-Lewis – 5

NAYS: 0

ABSENT: Fielkow, Midura - 2

AND THE RESOLUTION WAS ADOPTED.

\*Copies may be seen in full in the Clerk of Council’s office, 1300 Perdido Street, Room 1E09, City Hall.