



Entergy New Orleans, LLC
1600 Perdido Street, Bldg #505
New Orleans, LA 70112
Tel 504 670 3680
Fax 504 670 3615

Gary E. Huntley
Vice President, Regulatory Affairs
ghuntle@entergy.com

August 7, 2018

Via Hand Delivery

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

Re: Revised Lost Contribution to Fixed Costs and Utility Performance Incentive Filing for Program Years 5 and 6 for Entergy New Orleans, LLC (Docket No. UD-08-02, UD-17-03; Resolution R-15-140)

Dear Ms. Johnson:

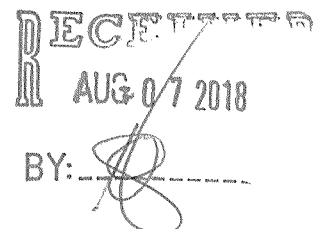
On June 30, 2016 and August 14, 2017, Entergy New Orleans, LLC (“ENO”), pursuant to Council of the City of New Orleans’s (“Council”) Resolution R-15-140, filed its Lost Contribution to Fixed Cost (“LCFC”) and Utility Performance Incentive (“UPI”) calculations for Energy Smart Program Years 5 and 6, respectively. Subsequently, it was discovered that the calculations in these filings utilized net kWh savings as opposed to gross kWh savings. Gross kWh savings were used in the evaluations for the prior four years, as well as in the implementation plans that proposed the kWh savings targets for Program Years 5 and 6. To be consistent with the LCFC and UPI filings for Program Years 1 through 4 and Program Year 7, ENO submits the enclosed original and three copies of ENO’s Revised Calculation of the Lost Contribution to Fixed Costs and Utility Performance Incentive related to Program Years 5 and 6 of Energy Smart. To be clear, ENO will not seek to recover the increased UPI and LCFC amounts that result from correcting the calculations and utilizing gross kWh savings.

Please file the original and two copies into the record in the above-referenced matter, and return a date-stamped copy to our courier. Thank you for your assistance with this matter.

Sincerely,

Gary E. Huntley

Enclosures
cc: Official Service List UD-08-02 (via electronic mail)
cc: Official Service List UD-17-03 (via electronic mail)



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**Program Year 5 Lost Contribution to Fixed Costs and
Performance Incentive**

ENO-Legacy

Lost Contribution to Fixed Costs	\$ 1,004,630	Appendix A
Performance Incentive	\$ 630,000	Appendix E
Total	\$ 1,634,630	

ENO-Algiers

Lost Contribution to Fixed Costs	\$ 79,712	Appendix C
Performance Incentive	\$ 51,950	Appendix F
Total	\$ 131,662	

Appendix A

Program Year 5 Lost Contribution to Fixed Costs

Program Year 5 kWh savings (Appendix C)	20,594,424
Adjusted Gross Margin (Appendix B)	0.0488
Calculation of LCFC	\$ 1,004,630

Appendix B

**Entergy New Orleans, Inc.
Energy Efficiency Program Support
2015 Per Book Usage, Base Revenue and AGM**

Rate Schedules	kWh	Base Revenue	Base Revenue	EFRP
RS	2,000,415,376	\$117,131,949	\$130,914,170	-\$13,782,221
MMRA	0	\$0	\$0	\$0
SE	786,435,865	\$45,482,585	\$50,826,860	-\$5,344,274
MB	27,108,482	\$2,011,842	\$2,240,325	-\$228,483
LE	530,029,941	\$23,105,689	\$25,822,712	-\$2,717,023
LE-HLF	1,631,289,469	\$62,194,800	\$69,487,618	-\$7,292,818
MMNR	19,228,480	\$706,090	\$789,173	-\$83,083
HV	167,098,580	\$5,130,513	\$5,734,198	-\$603,685
EIS	0	\$0	\$0	\$0
LIS	178,500,000	\$2,612,197	\$2,919,563	-\$307,366
ODSL	20,645,241	\$2,794,332	\$3,123,190	-\$328,858
ONW	296,086	\$44,880	\$50,155	-\$5,274
HPSV-NW	229,359	\$55,589	\$62,111	-\$6,522
Street Lighting (7&8)	29,481,760	\$1,633,099	\$1,825,259	-\$192,160
Traffic Signals (2)	1,066,302	\$62,566	\$69,927	-\$7,361
SMS	0	\$55,944	\$55,944	\$0
Total ENOI	<u>5,391,824,941</u>	<u>\$263,022,077</u>	<u>\$293,921,203</u>	<u>-\$30,899,126</u>
AGM (\$/kWh)		\$0.0488		

Appendix C

Program Year 5 ENO-Algiers Lost Contribution to Fixed Costs

Program Year 5 kWh savings (Appendix F)	1,463,108
Adjusted Gross Margin (Appendix E)	0.0545
Calculation of LCFC	\$ 79,712

Appendix C

Program Year 5 ENO-Algiers Lost Contribution to Fixed Costs

Program Year 5 kWh savings (Appendix F)	1,463,108
Adjusted Gross Margin (Appendix D)	0.0545
Calculation of LCFC	\$ 79,712

Appendix E

Program Year 5 Performance Incentive ENO - Legacy

kWh Achieved	20,594,424
kWh Goal	16,457,612
Percent of Goal Achieved	125.1%
ENO ROE Incentive Allowed	\$ 630,000

Savings Goal	Incentive Formula
60%<N<95%	\$0
95%<N<100%	
100%	\$530,000
100%<N<120%	\$530,000+\$5,000*(X)

Appendix F

Program Year 5 Performance Incentive ENO-ALGIERS

kWh Achieved	1,463,108
kWh Goal	1,380,971
Percent of Goal Achieved	105.9%
ENO ROE Incentive Allowed	\$ 51,950

Savings Goal	Incentive Formula
60%<N<95%	\$0
95%<N<100%	
100%	\$49,000
100%<N<120%	\$49,000+\$500*(X)

**Program Year 6 Lost Contribution to Fixed Costs and
Performance Incentive**

SUMMARY

ENO-LEGACY	
Performance Incentive	\$ 630,000
LCFC	\$ 1,210,790
Total	\$ 1,840,790

ENO-Algiers	
Performance Incentive	\$ -
LCFC	\$ 71,274
Total	\$ 71,274

**Program Year 6 Lost Contribution to Fixed Costs and
Performance Incentive**

WORKSHEET A

ENO-LEGACY PERFORMANCE INCENTIVE

Gross kWh Achieved	24,764,680
Gross kWh Goal	18,455,541
Percent	134%
ENO Incentive	\$ 630,000

Savings Goal	Incentive Formula
60%<N<94%	0
95%<N<99%	
100%	\$530,000
100%<N<120%	\$530,000+\$5,000*(X)

**Program Year 6 Lost Contribution to Fixed Costs and
Performance Incentive**

WORKSHEET B

ENO-ALGIERS PERFORMANCE INCENTIVE

Gross kWh Achieved	1,197,768
Gross kWh Goal	1,398,536
Percent	86%
ENO Incentive	\$ -

Savings Goal	Incentive Formula
60%<N<94%	0

**Program Year 6 Lost Contribution to Fixed Costs and
Performance Incentive
WORKSHEET C**

LCFC ENO-LEGACY		
A	Gross kWh savings	24,764,680
B	Adjusted Gross Margin (worksheet E)	0.0489
	Calculation of LCFC (AxB)	\$ 1,210,790

**Program Year 6 Lost Contribution to Fixed Costs and
Performance Incentive
WORKSHEET D**

LCFC ENO-ALGIERS		
A	Gross kWh savings	1,197,768
B	Adjusted Gross Margin (worksheet F)	0.0595
	Calculation of LCFC (AxB)	\$ 71,274

WORKSHEET E

Entergy New Orleans, Inc. Energy Efficiency Program Support 2016 Per Book Usage, Base Revenue and AGM

Rate Schedules	kWh	Base Revenue		EFRP
		(b)	(a)	
RS	1,941,132,987	\$114,725,085	\$128,224,350	-\$13,499,265
MMRA	0	\$0	\$0	\$0
SE	776,363,502	\$45,181,524	\$50,494,710	-\$5,313,186
MB	25,688,277	\$1,859,462	\$2,076,052	-\$216,590
LE	485,827,963	\$21,217,972	\$23,714,598	-\$2,496,626
LE-HLF	1,649,608,177	\$62,542,394	\$69,900,544	-\$7,358,150
MMNR	18,664,612	\$692,482	\$773,963	-\$81,481
HV	170,547,810	\$5,239,860	\$5,856,411	-\$616,551
EIS	0	\$0	\$0	\$0
LIS	172,494,000	\$2,573,609	\$2,876,434	-\$302,825
ODSL	21,334,315	\$2,885,942	\$3,225,673	-\$339,731
ONW	230,147	\$35,193	\$39,328	-\$4,135
PLS	63,424	\$12,945	\$14,468	-\$1,523
HPSV-NW	278,563	\$67,506	\$75,427	-\$7,921
SL (Street Lighting)	28,092,781	\$1,552,887	\$1,735,609	-\$182,722
TS (Traffic Signals)	1,021,292	\$60,700	\$67,842	-\$7,142
SMS	0	\$55,944	\$55,944	\$0
Total ENOI	5,291,347,850	\$258,703,505	\$289,131,353	-\$30,427,848

AGM (\$/kWh)

\$0.0489

Notes:

(a) Revenue from the following ENOI Rate/Rider Schedules were not included in base revenue: FAC, EFRP, ESRES, MISO, NPPA, PPACCR, PPCACR, SSCO, AFC, RPCEA, R-3, EAC, DTK, RCL and Tampering.

(b) Base revenue includes EFRP revenue.

WORKSHEET F

**Entergy New Orleans, Inc. (Algiers)
Energy Efficiency Program Support
2016 Per Book Usage, Base Revenue and AGM**

Rate Schedules	kWh	Base Revenue (b)	Base Revenue (a)	R-4A	FR-1	ENOI EFRP
RS-A	286,499,393	\$17,360,780	\$17,360,780			
MMRA-A	77,705	\$7,929	\$7,929			
GS-A	43,439,318	\$3,504,863	\$3,504,863			
LGS-A	105,986,023	\$4,772,043	\$4,772,043			
MMGS-A	55,552	\$60,330	\$60,330			
MBLP ALGIERS	0	\$0	\$0			
DSL-A	3,164,991	\$366,241	\$366,229	\$12		
HPSV-NW-A	74,424	\$16,482	\$16,482			
NW-A	224,869	\$30,075	\$30,075			
PLS	4,121	\$1,007	\$1,007			
TS-A	13,448	\$1,123	\$1,123			
SL-A	2,473,492	\$181,496	\$181,496			
Total Algiers	442,013,336	\$26,302,369	\$26,302,357	\$12	\$0	\$0

AGM (\$/kWh) \$0.0595

Notes:

- (a) Revenue from the following Algiers Rate/Rider Schedules were not included: FAC, R-4A, FR-1, ENOI-EFRP, ENOI-ESRES, AFC, RPCEA-A, R-3, EAC-A, MISO, NNCR, SSCO, FRAN and Tampering.
- (b) Algiers did not have revenue for riders FR-1 or ENOI EFRP in Year 2016.
- (c) Algiers kWh and revenue are recorded with legacy ENOI for 2016.