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April 3, 2020

Lora W. Johnson, CMC, LMMC
Clerk of Council
Room IEO9, City Hall
1300 Perdido Street
New Orleans, LA 70112

Re: *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, Council Docket No. UD-18-07*

Dear Ms. Johnson:

On behalf of Entergy New Orleans, LLC ("ENO" or the Company), please find for electronic filing the Estimated First-Year Non-Fuel Revenue Requirement for New Orleans Power Station, which I would appreciate your filing into the record of this proceeding. 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.

Please note that the exhibits to the attached filing are Highly Sensitive Protected Materials and are being provided this date to appropriate reviewing representatives generally in accordance with the terms of the Council's Official Protective Order set forth in Resolution R-07-432 via electronic means.

Should you have any questions regarding the enclosed filing, please do not hesitate to contact me.

Sincerely,

A handwritten signature in blue ink that reads "Timothy S. Cragin".

Timothy S. Cragin

Enclosures
cc: Official Service List via email

**BEFORE THE COUNCIL
OF THE CITY OF NEW ORLEANS**

APPLICATION OF ENTERGY NEW)	
ORLEANS, LLC FOR A CHANGE IN)	
ELECTRIC AND GAS RATES)	
PURSUANT TO COUNCIL)	DOCKET NO. UD-18-07
RESOLUTIONS R-15-194 AND R-17-504)	
AND FOR RELATED RELIEF)	

**ESTIMATED FIRST-YEAR NON-FUEL REVENUE REQUIREMENT
FOR NEW ORLEANS POWER STATION**

NOW COMES Entergy New Orleans, LLC (“ENO” or the “Company”), through undersigned counsel, and hereby submits New Orleans Power Station (“NOPS”) Estimated First-Year Non-Fuel Revenue Requirement (“Estimated Revenue Requirement”). In its Revised Application for Authority to Change Electric and Gas Rates, Approval of Proposed Electric and Gas Formula Rate Plans, and Related Relief filed in the above-referenced docket, ENO explained that it would file the NOPS Estimated Revenue Requirement seventy-five days prior to NOPS commencing commercial operation. Currently, ENO anticipates that NOPS will commence operation in June 2020, and, therefore, ENO is submitting this filing at this time.

The NOPS Estimated Revenue Requirement is \$28.6 million and summarized in the table below. A detailed calculation of the NOPS Estimated Revenue Requirement is attached as Exhibit ENO-1 (Highly Sensitive Protected Materials).

NOPS Estimated First-Year Non-Fuel Revenue Requirement Summary (\$)		
Line No.	Description	Amount
1	Rate Base	195,736,964
2	Before-Tax Rate of Return on Rate Base	8.60%
3	Return on Rate Base	16,823,592
4	Expenses	11,735,962
5	Total Estimated First-Year Non-Fuel Revenue Requirement	28,559,554

The principal driver of Rate Base is the Plant in Service amount, which reflects ENO's investment in NOPS. The Plant in Service amount is based on actual costs incurred through February 29, 2020 and estimated future costs through December 31, 2020. As further support of the Plant in Service amount, attached as Exhibit ENO-2 (Highly Sensitive Protected Materials) is the Project Budget Status Table¹ reflecting the actual costs incurred through February 29, 2020 and estimated costs thereafter. Exhibit ENO-2 shows that the NOPS project, which includes the construction of the generating station and related transmission facilities, continues to be on budget.² Accumulated Depreciation & Amortization and Accumulated Deferred Income Taxes reflect one full-year of Depreciation & Amortization Expense. The NOPS depreciation rate is based on fifty years as required by Resolution R-19-457. With respect to the other Expenses, the Company's estimates have not changed from those set forth in Exhibit OT-3 to the Revised

¹ The Project Budget Status Table is a part of the information included in the Quarterly Reports filed with the Council pursuant to Resolution R-18-65.

² The difference between the Plant in Service amount shown in Exhibit ENO-1 and the Total before Transmission Cost Estimate is attributable to the fact that the Project Contingency is for the overall NOPS project, which consists of both the generation and transmission components, as stated above.

Direct Testimony of Orlando Todd filed in the above-referenced docket except for the addition of income tax expense associated with the recovery of equity AFUDC.³

As mentioned above, the Council has monitored and continues to monitor the construction of NOPS and the associated costs pursuant to Resolutions R-18-65 and R-19-78 through quarterly and bi-monthly reports. The Plant in Service amount includes the same actual costs reflected in the March 25, 2020 Bi-Monthly Report Pursuant to Council Resolution No. R-19-78. To aid the Council's review of the NOPS Estimated Revenue Requirement, ENO intends to file its Report for the Quarter Ended March 31, 2020 Pursuant to Council Resolution R-18-65 by no later than April 30, 2020. This quarterly report will not use the same cost information as reflected in the NOPS Estimated Revenue Requirement; the quarterly report will reflect actual costs incurred through March 31, 2020 and estimated future costs through completion.

At this time, based on the expected in-service date, ENO expects that it will begin deferring the NOPS non-fuel costs as of June 2020. Resolution R-19-457 permits ENO to defer the NOPS non-fuel costs, including the cost of capital, after NOPS enters operation, until ENO commences non-fuel cost recovery from customers after the conclusion of the appeals regarding Resolution R-18-65. Those appeals have not concluded, and Proclamation Number JBE 2020-30, Additional Health Measures for COVID-19 Public Health Emergency, which suspends all legal deadlines until April 13, 2020, has increased the uncertainty as to the timing of their conclusions.⁴ Nevertheless, as permitted by Resolution R-19-457, ENO will commence recovery of the NOPS Revenue Requirement and any related deferral through an in-service rate

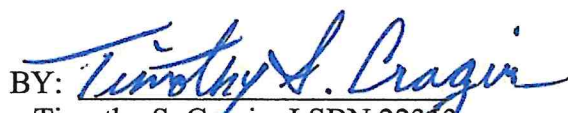
³ "AFUDC" stands for Allowance for Funds Used During Construction.

⁴ On February 12, 2020, the Court of Appeal, Fourth Circuit reversed the district court's judgment voiding the Council's vote on Resolution R-18-65, which approved the construction of NOPS. Certain parties, however, have sought review of the Court of Appeal decision by the Louisiana Supreme Court.

adjustment effective the first billing cycle of the month after the appeals conclude, assuming the appeals have concluded and NOPS has entered service previously.

ENO continues to explore a long-term service agreement (“LTSA”) for NOPS. The NOPS Estimated Revenue Requirement assumes that ENO does not enter into an LTSA. ENO reserves the right to update the NOPS Estimated Revenue Requirement if ENO decides to enter into an LTSA. Additionally, ENO reserves the right to update the NOPS Estimated Revenue Requirement in the event of an unforeseen event (e.g., work stoppage due to worker health concerns) having a material impact on any assumptions or projections relied upon in developing the NOPS Estimated Revenue Requirement.

Respectfully submitted,

BY: 

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ATTORNEYS FOR ENTERGY NEW ORLEANS, LLC

CERTIFICATE OF SERVICE

I hereby certify that I have this 3rd day of April, 2020, served the required number of copies of the foregoing pleading upon all other known parties of this proceeding individually and/or through their attorney of record or other duly designated individual by electronic means.

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New Orleans, Louisiana, this 3rd day of April 2020.



Timothy S. Cragin