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March 25, 2019

By Hand Delivery

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

Re: Monthly Progress Report on Entergy New Orleans, LLC's Collaboration with Sewerage & Water Board of New Orleans re: Reliability of Electric Service, Submitted Pursuant to Council Resolution R-19-78

Dear Ms. Johnson:

Please find enclosed for your further handling an original and three copies of Entergy New Orleans, LLC's ("ENO") March 2019 Monthly Progress Report on Its Collaboration with the Sewerage and Water Board of New Orleans to Improve Reliability of Electric Service and Expedite a Long-Term Solution, which is submitted pursuant to Council Resolution R-19-78 and is being filed in the above-referenced docket. Please file an original and two copies into the record and return a date-stamped copy to our courier.

Thank you for your assistance with this matter.

Sincerely,

Timothy S. Cragin

TSCrdm

Enclosures

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Ms. Lora W. Johnson, CMC, LMMC

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cc (via electronic mail): Council President Jason Rogers Williams
Council Vice President Helena Moreno
Councilmember Joseph I. Giarrusso, III
Councilmember Jay H. Banks
Councilmember Kristin Gisleson Palmer
Councilmember Jared C. Brossett
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Entergy New Orleans, LLC's March 2019 Monthly Progress Report on Its Collaboration with the Sewerage and Water Board of New Orleans To Improve Reliability of Electric Service and Expedite a Long-Term Solution

Pursuant to Council Resolution R-19-78, Entergy New Orleans, LLC (“ENO” or the “Company”) submits this monthly progress report regarding its collaboration with the Sewerage and Water Board of New Orleans (“SWBNO”) to develop solutions to help ensure the reliability of electric service to SWB facilities, and to facilitate the transition of SWBNO to ENO as the primary source of reliable and economic power. The Company has already completed the short-term mitigation measures below, and collaboration with SWBNO to develop mid-term options and a long-term solution are well under way. The mid-term options currently under consideration do not represent a long-term solution, and further engineering analysis is necessary to identify what, if any, of the mid-term options would be reasonable to pursue prior to implementing the long-term solution. This report provides a status update on those efforts.

Short-term Risk Mitigation Measures

The following summarizes short-term measures to improve reliability as the collaboration to develop mid-term options and the long-term solution continue. The Company has already completed the following short-term measures:

- Distribution Feeder Inspection and Repair
 - Completed maintenance identified during infrared inspection of feeders serving SWBNO’s Carrollton Plant
 - Completed first bi-annual enhanced visual and infrared inspection program of all feeders and vaults
- Substation Maintenance and Upgrades
 - Monthly Infrared inspections of Southport and Joliet substations
 - Installed new primary and backup relaying on Ninemile and Labarre transmission circuits serving Southport
 - Installed new primary and backup relaying on Midtown transmission circuit serving Southport
 - Installed new primary and backup relaying on Transformer #1 at Southport
 - Upgraded Load Tap Changer on Transformer #1 at Southport
 - Performed distribution breaker maintenance
- Improved Communication between SWBNO and Entergy
 - Established direct line of communication between SWBNO and Entergy Control Centers
 - Completed site visits of SWBNO and Entergy control centers to better understand operations
 - Implemented new communication protocol between SWBNO and Entergy control room operators

Mid-Term Options

As previously reported to the Council, ENO and SWBNO formed a Joint Reliability Team (“JRT”) to collaborate in developing mid-term options and a long-term solution to help ensure the reliability of electric service to SWB facilities. The JRT meets at least once per month having previously met on the following dates prior to this report: December 5, 2018; and January 16, January 31, February 13, and March 13, 2019.

To be clear, the mid-term options relate solely to improvements that can be made to improve reliability of the distribution system that serves SWBNO’s Carrollton plant today and are not a long-term solution. The JRT has identified two mid-term options that could provide additional capacity and enhance reliability on the distribution system that currently serves SWBNO’s potable water system at its Carrollton plant; however, both options require further study to determine feasibility, cost, and time to construct. Option 1 would be implemented in two phases, where Phase I would increase the capacity of the existing Sycamore vault to 10 megawatts. This increase would allow SWBNO to convert aging steam driven pumps to electric motor driven pumps. Phase II includes adding a 2nd feeder into the Sycamore vault with an automatic transfer switch that would provide a back-up source of power in the event of an outage on the primary feeder. Phase II would require additional transformer capacity at the Southport substation that would need to be accelerated to make the first mid-term option feasible.

The second mid-term option would further improve reliability of the distribution system that currently serves the Carrollton plant; however, it requires completion of Option 1 first. This option would include construction of a new service vault with a primary and back-up source of power. The new vault would be designed with ‘fast bus’ transfer equipment capable of completing transfers from the primary source of power to a back-up in fractions of one second. While the second option would further enhance reliability by reducing the likelihood that SWBNO equipment will be ‘tripped’ offline when switching between primary and back-up power, it would involve additional cost and time to engineer and construct.

Long-Term Solution

Currently ENO does not provide a primary source of power to SWBNO’s drainage pumping system. While the mid-term options will improve reliability of the distribution system that powers the potable water system today, neither of those options can provide the increased capacity necessary to power SWBNO’s drainage pumping system. The long-term solution must provide both increased reliability and the additional capacity necessary to transition to ENO as SWBNO’s primary source of power, including power for the drainage pumping system. The JRT has agreed that the long-term solution is to construct a new transmission substation adjacent to SWBNO’s Carrollton plant. The new substation would provide increased reliability by routing power directly from the transmission system which is inherently less susceptible to outages, while also providing the increased capacity necessary to serve drainage pumps currently powered by aging and inefficient SWBNO generation. The additional capacity necessary to transition to ENO as the primary source of power simply would not be feasible using the distribution system that serves the Carrollton plant today.

Resolution R-19-78 also directs ENO to expedite the development of a long-term solution and to provide a timeframe in which such a solution could be presented to the Council. Because the mid-term and long-term solutions will require significant time and resources to design, engineer and construct, to avoid a situation where a mid-term solution has been constructed only to be replaced soon after by the long-term solution, ENO and SWBNO have agreed to retain Power and Control Systems International, Inc. ("PCS"), an independent 3rd party engineering firm, to:

- i) Conduct an independent and impartial audit of the electrical facilities that serve the Carrollton plant;
- ii) Jointly evaluate the mid-term options and long-term solution; and
- iii) Provide a written report that makes recommendations for an optimized solution set.

In its most recent meeting, the JRT agreed that PCS would be provided all necessary information and access to both ENO and SWBNO facilities that PCS requires to conduct an independent and impartial evaluation and make recommendations. To comply with the Council's directive to expedite the long-term solution, ENO is proactively contracting with PCS to begin the study in earnest. The Company will continue to keep the Council and its Advisors updated and anticipates providing more information on the timeframe in which a solution could be presented to the Council once the PCS study is complete.