NO. R-07-41

BY: COUNCILMEMBERS THOMAS, HEDGE-MORRELL, MIDURA AND CARTER

IN THE MATTER OF APPLICATION OF ENTERGY NEW ORLEANS, INC. FOR AUTHORIZATION TO IMPLEMENT RIDERS TO RECOVER COSTS RELATED TO HURRICANES KATRINA AND RITA (DOCKET NO. UD-06-01)

REVISED PROCEDURAL RESOLUTION

WHEREAS, pursuant to the Constitution of the State of Louisiana and the Home Rule Charter of the City

of New Orleans, the Council of the City of New Orleans (“Council”) is the governmental body authorized

to exercise regulatory control over rates, charges and the general conditions under which electric and

gas services are provided in New Orleans; and

WHEREAS, Entergy New Orleans (“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, in Resolution R-03-272, adopted by the Council on May 15, 2003, the Council approved an

electric formula rate plan (“EFRP”) and a gas formula rate plan (“GFRP”) (collectively, “FRPs”) for

ENO; and

WHEREAS, pursuant to its FRPs, ENO was required to file annual reports with the Council containing

evaluations of ENO’s earnings for the immediately preceding calendar year for its electric and gas

operations; and

WHEREAS, on June 30, 2006, ENO filed with the Council its Application of Entergy New Orleans, Inc.

for Approval of implementation of Post-Katrina Gas and Electric Formula Rate Plans in Docket Nos.

UD-01-04 and UD-03-01; and

WHEREAS, on June 30, 2006, ENO also filed with the Council its Application of Entergy New Orleans

for Authorization to Implement Riders to Recover Costs Related to Hurricanes Katrina and Rita and to

Adequately Fund a Storm Reserve (“Storm Cost Recovery Riders” and “Storm Reserve Riders,”

respectively); and

WHEREAS, for administrative convenience, the Council determined it would consider the formula rate

plan filings in their original dockets, Dockets UD-01-04 and UD-03-01; the Storm Cost Recovery Riders

in Docket UD-06-01, and the Storm Reserve Riders in Docket UD-06-02; and

WHEREAS, on October 26, 2006, an Agreement in Principle was entered between the Council’s Utility

Advisors (“Advisors”) and ENO, which agreement was adopted by the Council and embodied in

Resolution R-06-459, settling and terminating all the dockets except the Storm Cost Recovery Riders,

UD-06-01, which was left open for the further consideration of ENO’s storm costs application(s); and

WHEREAS, on June 30, 2006, the same time ENO made its 2006 Formula Rate Plan filing, ENO sought

authorization to recover costs of gas and electric restoration work performed and recorded on the

Company’s books through March 31, 2006 associated with Hurricanes Katrina and Rita, as well as the

write-off for uncollectible expenses of $14.627 million for total recovery of $150.829 million; and

WHEREAS, though the $150.829 million represented ENO’s storm costs on its books through March 31,

2006, ENO clearly indicated, and the Agreement in Principle contemplated, it would later seek recovery

of its costs beyond March 31, 2006; and

WHEREAS, in Resolution R-06-329, the Council adopted a Procedural Schedule which established a

process for the consideration of the recovery by ENO of costs associated with Hurricanes Katrina and

Rita; and

WHEREAS, the Advisors were directed to conduct an audit of the ENO costs associated with the Storm

Costs Recovery Riders; and

WHEREAS, as part of its review process with respect to ENO’s storm costs through March 31, 2006, the

Council ordered an evidentiary hearing, which hearing would commence on January 22, 2007; and

WHEREAS, on December 18, 2006, ENO filed its Supplemental and Amending Application for recovery

of additional storm restoration costs of $51.914 million covering the period April 1, 2006 through

October 31, 2006; and

WHEREAS, ENO has advised the Advisors that on or before January 22, 2007, ENO intends to make a

filing with respect to storm costs incurred through December 31, 2006; and

WHEREAS, in its Supplemental and Amending Application ENO represented that “On October 12, 2006,

in response to a request by ENO for Community Development Block Grant (“CDBG”) funding, the

Louisiana Recovery Authority Board for the State of Louisiana (the “LRA”), recommended that $200

million in CDBG funds be allocated to ENO to mitigate rate increases necessary to fund repair of electric

and gas infrastructures in the City of New Orleans, which rate increases otherwise would have been the

responsibility of ENO’s customers. In order for ENO to receive the funds recommended by the LRA the

following must occur: (1) the recommendation must be approved by the Louisiana legislature, which

approval was granted on December 3, 2006; the recommendation must be approved by the U.S.

Department of Housing and Urban Development; and all restoration, reconstruction, and rebuilding

costs claimed for CDBG funding must be certified as reasonable and necessary through an independent

process approved by the LRA.” (Supplemental and Amending Application at 3); and

WHEREAS, ENO has filed its Supplemental and Amending Application for recovery of storm costs

through October 31, 2006, and the Council desires to expedite its review of said costs and avoid multiple

evidentiary hearings in close succession, the Council orders herein that the hearings with respect to all

ENO costs filed on or before January 22, 2007 be conducted at the same time and in accordance with

the schedule set out below; and

WHEREAS, the Council in its original Procedural Resolution expressed an intent to render a decision in

the docket by February 1, 2007, the Council will likewise issue its decision with respect to ENO’s storm

costs requested through March 31, 2006 and its Supplemental and Amending Application for costs

through October 31, 2006, and its Application for costs through December 31, 2006, provided its

Application therefore is filed on or before January 22, 2007 at the same time and in accordance with the

schedule set out below; and

WHEREAS, with respect to the original Procedural Resolution, the instant resolution only changes the

dates of the Evidentiary Hearing and the Council’s Decision, which shall become the same for both the

cost recovery ENO sought in its request filed on June 30, 2006, covering costs through March 31, 2006

and its costs request of December 18, 2006 covering costs through October 31, 2006, and its request for

costs through December 31, 2006, provided its Application therefore is filed on or before January 22,

2007; and

WHEREAS, the Council desires to amend the original Procedural Resolution adopted with respect to

Docket No. UD-06-01, now therefore:

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF NEW ORLEANS THAT relative to ENO’s

Supplemental and Amending Applications for storm costs recovery through December 31, 2006, the

following rules will govern:

1. All parties shall have the right to discovery through January 31, 2007.

2. The Advisors shall file their written Comments, Recommendations and Draft Audit on or before

January 29, 2007.

3. ENO and Intervenors shall file any written Comments in response to the Advisors’ Comments,

Recommendations and Draft Audit on or before February 2, 2007.

4. The Advisors shall file their Final Audit on or before February 9, 2007.

BE IT FURTHER RESOLVED that the evidentiary hearing with respect to both ENO’s storm costs

request filed on June 30, 2006, covering costs through March 31, 2006 and its Supplemental and

Amending Applications covering storm costs through December 31, 2006, shall commence February 22,

2007.

BE IT FURTHER RESOLVED that it is the Council’s present intention to render a decision in this docket

by March 1, 2007.

BE IT FURTHER RESOLVED that all other provisions of the original Procedural Resolution not

inconsistent with this resolution are unchanged.

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

ADOPTION THEREOF AND RESULTED AS FOLLOWS:

YEAS: Carter, Fielkow, Head, Hedge-Morrell, Midura,

Willard-Lewis - 6

NAYS: 0

ABSENT: Thomas (Temporarily Out of Chamber) - 1

AND THE RESOLUTION WAS ADOPTED.