

October 2, 2017

Via Hand DeliveryLora W. Johnson, CMC
Assistant Clerk of Council
Room 1E09, City Hall
1300 Perdido Street
New Orleans, LA 70112**Re: In Re: Resolution Regarding Proposed Rulemaking to Establish Integrated Resource Planning Components and Reporting Requirements for Entergy New Orleans, Inc. (Docket No. UD-08-02)**

Dear Ms. Johnson:

On Friday September 29, 2017, and pursuant to Council Resolution No. R-17-176, Entergy New Orleans, Inc. ("ENO") submitted its Application for Approval of the Supplemental and Amended Implementation Plan for the Program Years 7 through 9 of the Energy Smart Plan with exhibits attached thereto ("Supplemental Application").

Among other things, R-17-176 required that the plan contain a discussion of "the specific customer class allocation and bill impact cost recovery mechanism related to any incremental ratepayer funding that will be required for Program Years 8 and 9," based upon certain recommended parameters set forth in R-17-176. Specifically, R-17-176 recommended that such cost recovery mechanisms "should be allocated to each customer class based upon the cost of the Energy Smart programs or program expenditures projected for each customer class, as determined within the final approved Energy Smart detailed program design so as to reflect the regulatory principle of the benefits and burdens test" and that "additional ratepayer funding would be recovered on the basis of the non-fuel (base rate) portion of the monthly bill."

In compliance with these directives, ENO's Supplemental Application proposed three different cost recovery mechanisms that met the requirements of R-17-176. The three options from ENO's Supplemental Application are summarized as follows:

- **Option 1: Stand-Alone Energy Efficiency Cost Recovery ("EECR") Rider**: The EECR would be created to recover program costs allocated as a percentage of base rates, in the manner recommended in R-17-176. The EECR would appear as a new and separate line item on customers' bills and, therefore, would provide customers with the ability to have a transparent understanding of the costs of the Energy Smart Program.

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BY: 

- **Option 2: Combine EECR Rate and Current MISO Rider Rates:** The MISO Rider is currently recovered as a percentage of base rates. Under Option 2, ENO would calculate the EECR Rates as a percentage of base rates and combine that EECR rate with the current MISO Rider rates to develop one set of allocation factors by rate class. This Option would not afford customers the transparency associated with Option 1, but would conform to the recommendations from R-17-176.
- **Option 3: Add EECR Rate as Component of Fuel Adjustment Clause (“FAC”):** This Option would use the EECR rate described in Option 1, which would still be allocated as a percentage of base rates as described above, and combine the regularly calculated FAC amount with the EECR amount. The combined amount would appear as a single line item on customers’ bills, and therefore, would not afford customers with the transparency associated with Option 1.

The Supplemental Application requested that Council for the City of New Orleans (“Council”) approve one of these three cost recovery mechanisms, which ENO estimates would be in effect from June 2018 until August 2019, if approved by the Council. Pursuant to Chapter 158, Article II, Division 2, Section 158-92 (entitled Public Notice) of the Code of Ordinances for the City of New Orleans, ENO is required to provide a public notice and summary of the pending application, as it seeks approval for a change in rates.

In compliance with that Ordinance, the following materials are provided with this letter:

- 1) NOTICE identifying the nature of the enclosed filing and stating the right of the public to inspect and copy same;
- 2) A cover sheet Summary of the enclosed filing summarizing the contents of and describing the effects thereof; and
- 3) A copy of the enclosed filing.

It is ENO’s request and understanding that your office will arrange for prompt and proper publication of the documents in the official Journal of the City of New Orleans (the “Times-Picayune”), the charges for which the Company will honor upon receipt of an invoice. Further, ENO will make available, at the main library and at each every operational satellite branch of the New Orleans Public Library within the City of New Orleans, the office of the Clerk of Council of the City of New Orleans, and also at the ENO Customer Care Center located in Orleans Parish, a copy of the filing for public inspection and copying.

Should you have any questions regarding the above matter, please don’t hesitate to contact me at 504-576-2984. Thank you for your assistance with this matter.

Sincerely,



Harry M. Barton

HMB/bkd

Enclosures

cc: Official Service List (*via email*)

NOTICE

Attached is a cover sheet summarizing the contents of Entergy New Orleans, Inc.'s ("ENO") Application for Approval of the Supplemental and Amended Implementation Plan for the Program Years 7 through 9 of the Energy Smart Plan with exhibits attached thereto ("Supplemental Application").

ENO filed the Supplemental Application in compliance with Council Resolution No. R-17-176, which contained specific requirements and recommendations for Program Years 7 through 9 (2017 through 2019) of the Council's energy efficiency program, which ENO administers, the Energy Smart Program. Among other things, R-17-176 required that the plan contain a discussion of "the specific customer class allocation and bill impact cost recovery mechanism related to any incremental ratepayer funding that will be required for Program Years 8 and 9," based upon certain recommended parameters set forth in R-17-176. Specifically, R-17-176 recommended that such cost recovery mechanisms "should be allocated to each customer class based upon the cost of the Energy Smart programs or program expenditures projected for each customer class and ratepayer funding would be recovered on the basis of the non-fuel (base rate) portion of the monthly bill. In compliance with these directives, ENO's Supplemental Application proposed three different cost recovery mechanisms that met the requirements of R-17-176 as follows: 1) Option 1: Stand-Alone Energy Efficiency Cost Recovery ("EECR") Rider; 2) Option 2: Combine EECR Rate and Current MISO Rider Rates; and 3) Option 3: Add EECR Rate as Component of Fuel Adjustment Clause ("FAC"). ENO anticipates that, if approved by the Council, the selected Option would be in effect from approximately June 2018 until August 2019.

The cover sheet summarizes the filing, and attached to the cover sheet summary is a copy of the filing so that anyone who wishes to may review the filing and may make a copy at his/her expense. A copy of this notice, the summary and the filing are to be located at the main branch and every operational satellite branch of the New Orleans Public Library within the City of New Orleans, the office of the Clerk of Council of the City of New Orleans, and also at the ENO Customer Care Center located in Orleans Parish.

ENTERGY NEW ORLEANS, INC. (ENO)

**SUMMARY OF ENTERGY NEW ORLEANS, INC.'S
APPLICATION FOR APPROVAL OF THE SUPPLEMENTAL AND AMENDED
IMPLEMENTATION PLAN FOR THE PROGRAM YEARS 7 THROUGH 9 OF THE
ENERGY SMART PLAN (DOCKET NO. UD-08-02)**

Pursuant to Council's Resolution R-17-176, ENO is required to file a Supplemental and Amended plan for Program Years 7 through 9 of the Council's energy efficiency program, which ENO administers, the Energy Smart Program. The Supplemental Plan contains program designs and budgets for the components of Energy Smart for these Program Years. Council Resolution R-17-176 required, among other things, that the Supplemental Plan and associated filings contain a discussion of "the specific customer class allocation and bill impact cost recovery mechanism related to any incremental ratepayer funding that will be required for Program Years 8 and 9," based upon certain recommended parameters set forth in R-17-176. Specifically, R-17-176 requires ENO to recommend that such cost recovery mechanisms "should be allocated to each customer class based upon the cost of the Energy Smart programs or program expenditures projected for each customer class and ratepayer funding would be recovered on the basis of the non-fuel (base rate) portion of the monthly bill. In compliance with these directives, ENO's Supplemental Application proposed three different cost recovery mechanisms that met the requirements of R-17-176 as follows: 1) Option 1: Stand-Alone Energy Efficiency Cost Recovery ("EECR") Rider; 2) Option 2: Combine EECR Rate and Current MISO Rider Rates; and 3) Option 3: Add EECR Rate as Component of Fuel Adjustment Clause ("FAC"). ENO anticipates that, if approved by the Council, the selected Option would be in effect from approximately June 2018 until August 2019.

For all options stated above, the estimated incremental effects on typical monthly electric bills are as follows: the typical summer electric residential bill for 1,000 kWh will have an incremental increase of \$2.31; the typical electric commercial bill for 50 kW and 9,125 kWh will have an incremental increase of \$20.54; and the typical electric industrial bill for 250 kW and 91,250 kWh will have an incremental increase of \$229.43.

ENTERGY NEW ORLEANS, INC.

October 2, 2017

City of New Orleans
Public Libraries

Re: Resolution Regarding Proposed Rulemaking to Establish Integrated Resource Planning Components and Reporting Requirements for Entergy New Orleans, Inc. (Docket No. UD-08-02)

Entergy New Orleans, Inc. ("ENO") hereby deposits with the main branch of the New Orleans Public Library and each satellite branch in the Company's service territory for public inspection and copying, at the expense of the person requesting any copies, the following documents that relate to the September 29, 2017 filings on behalf of ENO:

- 1) NOTICE identifying the nature of its Application for Approval of the Supplemental and Amended Implementation Plan for the Program Years 7 through 9 of the Energy Smart Plan with exhibits attached thereto ("Supplemental Application");
- 2) A cover sheet Summary of the filing summarizing the contents of and describing the effects thereof; and
- 3) A copy of the enclosed filing.

Sincerely,



Harry M. Barton

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ENTERGY NEW ORLEANS, INC.

October 2, 2017

VIA HAND DELIVERY

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

Re: *Advertisement to be published within one week* in the Official Journal of the City of New Orleans ("the *Times Picayune*") of the attached Notice & Summary of Entergy New Orleans, Inc.'s Application for Approval of the Supplemental and Amended Implementation Plan for the Program Years 7 through 9 of the Energy Smart Plan with exhibits attached thereto ("Supplemental Application")

Dear Ms. Johnson:

Enclosed is a copy of the "Notice and Summary" for the above referenced filings of Entergy New Orleans, Inc. This advertisement must be published within one week in the official journal of the City of New Orleans ("*Times Picayune*"). The *Times Picayune* has an account for Entergy New Orleans, Inc. and can bill the Company directly. Please expedite this advertisement being placed, as it is time sensitive. The Company further requests the notice to be run once a week for three consecutive weeks.

Thank you for your courtesy and assistance with this matter. If you have any questions, I may be reached at (504) 576-2984.

Sincerely,



Harry M. Barton

Enclosures

cc: W. Thomas Stratton, Jr.
Denise M. Russ – Word documents of Notice & Summary sent by electronic mail
to DMRuss@nola.gov

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ENTERGY NEW ORLEANS, INC.

Written comments should be filed with the City Council Utilities Regulatory Office -City Hall, Room 6E07, 1300 Perdido Street, New Orleans, LA 70112. Phone (504) 658-1110 for more information.