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April 21, 2017

Via Hand Delivery

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

Re: Application of Entergy New Orleans, Inc. for Approval to Construct New Orleans Power Station and Request for Cost Recovery and Timely Relief CNO Docket NO.: UD-16-02

Dear Ms. Johnson:

Please find enclosed for your further handling an original and three copies of Entergy New Orleans, Inc.'s ("ENO") Status Report pursuant to the Judge Gulin's Order dated March 10, 2017. Please file an 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,

Timothy S. Cragin

Enclosure

cc: Official Service List (UD-16-02)

APR 1 2017
BY:

BEFORE THE

COUNCIL OF THE CITY OF NEW ORLEANS

APPLICATION OF ENTERGY NEW)	
ORLEANS, INC. FOR APPROVAL TO)	
CONSTRUCT NEW ORLEANS POWER)	DOCKET NO. UD-16-02
STATION AND REQUEST FOR COST)	
RECOVERY AND TIMELY RELIEF)	

ENTERGY NEW ORLEANS, INC.'S STATUS REPORT

Entergy New Orleans, Inc. ("ENO" or the "Company") respectfully submits this Status Report pursuant to the Judge Gulin's Order dated March 10, 2017, to provide an update regarding the status of ENO's planned Supplemental and Amending Application and Motion for a Procedural Schedule ("Supplemental Application").

On February 14, 2017, ENO filed a motion seeking to suspend the procedural schedule in the above-captioned matter in order to allow the Company and all parties to evaluate what implications, if any, that a recently updated forecast of ENO customer load may have with regard to ENO's pending proposal seeking Council approval to construct the New Orleans Power Station. On March 6, 2017, a status conference ("Status Conference") was held wherein Judge Gulin suspended the procedural schedule in this docket, along with the discovery process, until such time as the Council adopts a new procedural schedule. At the status conference, ENO committed to filing this Status Report by April 21, 2017 to apprise the parties of the status of its anticipated filing with the Council.

In light of the updated load forecast, and in order to best meet the needs of our valued community, the Company is in the process of conducting additional analyses that will be used in preparing its Supplemental Application. It is currently anticipated that the Supplemental

Application will seek Council approval of either: (1) the original New Orleans Power Station ("NOPS") combustion turbine proposal filed in June 2016; or, (2) an alternative proposal for an approximately 126 MW unit, comprised of seven 18 MW reciprocating engines. ENO believes that there are many reliability and economic benefits that could be provided if the Council should choose to certify the originally proposed NOPS combustion turbine. However, initial analyses indicate that the recently updated forecast of customer load may allow the construction of a peaking resource with a lower output than the proposed NOPS that will also provide certain reliability and other benefits. Thus, assuming that continuing analyses do not alter this preliminary indication, the Company expects to include in its Supplemental Filing this alternative proposal for Council consideration. Highlights of the alternative unit currently being considered include:

- Lower output (approximately 126 MW vs. 226 MW)
- Minimal groundwater usage
- Lower emissions rates
- Self-start capability to assist with storm restoration
- Superior flexibility that is ideal for supporting intermittent renewable resources

The Company notes that while it indicated at the Status Conference that it intended to make its filing within 60 to 90 days, it currently appears that it will need additional time to complete the analyses being undertaken and the Company's internal review and approval process. Accordingly, ENO is now targeting a filing date for its Supplemental Application in late June or early July. If filing prior to that time becomes feasible, the Company will make its filing as soon as it is completed. If any obstacles arise that would delay its filing significantly, ENO will provide an update communicating such to the parties. The Company's filing will include an updated request for certification and any supporting analyses that the Company believes are necessary to make its case for the originally proposed unit and for the alternative

proposal. As noted, the filing will also include a motion to adopt a new procedural schedule. Finally, the Company expects to include in its Supplemental Application, testimony setting forth a firm commitment to pursue up to 100 MW of renewable resources to serve New Orleans, as well as some indication of the process that it anticipates that pursuit might take and the anticipated timing for submitting any application for approval of renewable resources to the Council.

It should be noted that the information provided in this Status Report is based on current indications and is subject to change if circumstances and conditions warrant such change.

In summary, the City of New Orleans is still in need of a gas-fired, local power source to increase reliability, stabilize the grid, and serve customers economically. Whether the Council certifies the original unit proposed by the Company, or the smaller alternative, local generation is nevertheless needed for customers.

WHEREFORE, for the foregoing reasons, ENO respectfully requests that this Status Report be accepted into the record of this proceeding pursuant to the Hearing Officer's March 10, 2017 Order.

Respectfully Submitted:

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CERTIFICATE OF SERVICE CNO Docket No. UD-16-02

I, the undersigned counsel, hereby certify that a copy of the above and foregoing has been served on the persons listed below by facsimile, by hand delivery, by electronic mail, or by depositing a copy of same with the United States Postal Service, postage prepaid, addressed as follows:

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New Orleans, Louisiana, this 21st day of April, 2017.