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Harry M. Barton Senior Counsel Legal Department -- Regulatory

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May 31, 2018

Via Hand Delivery

Lora W. Johnson, CMC, LMMC 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:

Entergy New Orleans, LLC ("ENO") hereby submits for your further handling and filing an original and three copies of the Interim Energy Efficiency Cost Recovery Rider ("Rider EECR"). Please file an original and two copies in the record in the above-referenced matter, and return a date-stamped copy to our courier.

ENO files Rider EECR in an effort to ensure compliance with Council Resolution No. R-17-623, which provided that, "in the absence of any additional supplemental [Energy Smart Legacy] funding ordered by the Council prior to June 2018," ENO should implement an EECR rider "on ENO Legacy customer bills commencing with the first billing cycle in July 2018."

On May 22, 2018 ENO filed with the Council an Agreement in Principle ("AIP") reached between ENO and the Council's Advisors regarding the flow-through to customers of estimated benefits derived from the Tax Cuts and Jobs Act of 2017. Among other things, that AIP proposed an allotment of funding for Energy Smart programs for both Legacy ENO and Algiers customers that would be sufficient to fund the programs through the anticipated month that new rates are implemented as a result of the 2018 Rate Case, in lieu of the Energy Efficiency Rider that ENO was directed to submit to the Council. ENO anticipates that the AIP, including the proposed allotment of funding for Energy Smart, will be considered at the June 14, 2018 meeting of the Council's Utility, Cable, Telecommunications, and Technology Committee and subsequently by the full Council. If the Council approves the AIP and the proposed allotment of funding to Energy Smart, ENO would not need to implement the attached Rider



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EECR. However, out of the abundance of caution and in order to ensure compliance with Resolution R-17-623, ENO submits its proposed Rider EECR to the Council for consideration.

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)

ENTERGY NEW ORLEANS, LLC

ELECTRIC SERVICE

RIDER SCHEDULE EECR

Effective: June 29, 2018
Filed: May 31, 2018
Supersedes: New Schedule
Schedule Consists of: Two Pages

Plus Attachments A and B

INTERIM ENERGY EFFICIENCY COST RECOVERY RIDER

I. PURPOSE

The purpose of the Interim Energy Efficiency Cost Recovery Rider ("Rider EECR") is to establish the rates by which Entergy New Orleans, LLC ("ENOL" or the "Company") will recover the approved program costs associated with demand side management and energy efficiency programs from the customer classes that receive services under these programs per Resolution R-17-623.

II. APPLICABILITY

This rider is applicable to all Customers of ENOL, except the Fifteenth Ward of the City of New Orleans, served under the applicable retail rate schedules set forth in Attachment A to this Rider EECR, whether metered or unmetered, subject to the jurisdiction of the New Orleans City Council ("Council").

III. ENERGY EFFICIENCY COST RATES

The rates associated with Rider EECR ("Energy Efficiency Cost Rates") shall be as set forth in Attachment A ("Rider EECR Rates") by application of the formula set out in Attachment B to this Rider EECR ("Rider EECR Rate Calculation") and shall be based on the program costs of the energy efficiency programs, associated lost contribution to fixed costs and performance incentives as approved by the Council in accordance with City Council of New Orleans Resolutions R-15-140 and R-17-176.

IV. INTERIM RATE DETERMINATION

The interim Rider EECR Rate(s) shall be based on the approved program costs of the demand side management and energy efficiency programs, the lost contribution to fixed costs and performance incentives that the Company expects to incur during the thirteen months ended July 2019. The interim Rider EECR Rate(s) so determined shall become effective with the first billing cycle of July 2018 and continue in effect until [______].

V. TRACKING AND MONITORING PROGRAM COSTS AND BENEFITS

The Company shall develop and implement appropriate accounting procedures, subject to the review of the Council, which provide for separate tracking, accounting, and reporting of all EECR Program Costs incurred by the Company. The procedures shall enable the revenue requirement of the demand side management and energy efficiency programs incurred to be readily identified and clearly separated from all other costs. The Company shall secure and retain all documents necessary to verify the validity of these costs for which it is seeking recovery.

The Company shall develop and implement appropriate accounting procedures, subject to the review of the Council, which provide for separate tracking, accounting, and reporting of revenues collected through the Rider EECR Tariff. The procedures shall enable the Rider EECR revenues to be readily identified and clearly separated from all other revenues. The Company shall secure and retain all documents necessary to verify the accuracy of the Rider EECR revenues.

For the purpose of assessing the benefits and effectiveness of the programs, the Company shall utilize Council approved procedures, in accordance with City Council of New Orleans Resolutions R-15-140 and R-17-176, to provide separate tracking of the benefits and the effectiveness of the programs. The data that shall be tracked and shall include, but shall not be limited to, information that will enable the Council to assess the effectiveness of the programs. The Company shall secure and retain all documents necessary to verify its assessments.

All aspects of utility-sponsored energy efficiency efforts, including, but not limited to, measures, programs, and reports are potentially subject to Evaluation, Measurement and Verification ("EM&V").

All EM&V activities undertaken as part of a utility-sponsored program, including, but not limited to, estimation of energy efficiency savings and process evaluations, shall be conducted consistent with the New Orleans Technical Resource Manual ("TRM") or other similar accepted EM&V standards.

VI. TERM

This Rider EECR shall remain in effect until superseded by a Council-approved recovery mechanism for future program costs or otherwise terminated in accordance with the provisions of this Rider EECR or Council resolution, subject to notice of termination by the Council following reasonable notice and opportunity for hearing. If the EECR Rider is terminated by mutual agreement of the Council and the Company, or if this EECR Rider is terminated by a future Council resolution, the then-existing EECR Rider Rates shall continue to be in effect until new rates reflecting the then-existing approved program costs are duly approved and implemented. Nothing contained in this EECR Rider shall limit the right of any party to file an appeal as provided by law.

If this Rider EECR is terminated by a future order of the Council, the Rider EECR Rate(s) then in effect shall continue to be applied until Council approves an alternative mechanism by which the Company can recover its previously approved amounts. At that time, any cumulative over-recovery or under-recovery resulting from application of the just terminated Rider EECR Rate(s), inclusive of carrying costs at the then current Prime Rate, shall be applied to customer billings beginning on the first billing cycle of the second month following the termination of Rider EECR Tariff in a manner prescribed by Council.

Effective: 6/29/2018

ENTERGY NEW ORLEANS, LLC EECR RIDER RATE ADJUSTMENTS JULY 2018

I. NET MONTHLY RATE

The Net Monthly Bill or Monthly Bill calculated pursuant to each applicable retail rate schedule* and/or rider schedule* on file with the City of New Orleans will be adjusted monthly by the appropriate percentage of applicable class base rate revenue, before application of the monthly fuel adjustment.

* Excluded Schedules: AFC, DTK, EAC, EDR, EFRP, EOBP, EOES, EPAD, FAC, MES, MISO, PPCACR, PPS, R-3, R-8, RCL, RPCEA, SMS, SSCO and SSCR

Ln No.	Rate Class (1)	EECR Rider Rates (2)
1	Residential	3.1468%
2	Master Metered Residential	0.000%
3	Small Electric	2.9136%
4	Municipal Buildings	4.8296%
5	Large Electric	4.8296%
6	Large Electric High Load Factor	4.8296%
7	Master Metered Non Residential	0.000%
8	High Voltage	4.8296%
9	Experimental Interruptible	0.000%
10	Large Interruptible	0.000%
11	Outdoor Directional Security	0.000%
12	Outdoor Night Watchman	0.000%
13	Street Lighting	0.000%
14	Traffic Signal	0.000%

Notes:

- (1) Excludes schedules specifically identified on Attachment A above on this EECR Rider.
- (2) See Attachment B, Page 1, Col. E

ENTERGY NEW ORLEANS, LLC EECR RIDER RATE ADJUSTMENTS FORMULA JULY 2018

Energy Smart Revenue Requirement (EECR)

		Requirement (EECR)			
Ln	Rate Class (1)	Class	Shortfall	Applicable	EECR Rider
No.		Allocation	EECR	Base Rate	Rates
				Revenue (\$) (2)	
	Col A	Col B	Col C	Col D	Col E
1	Residential	39.2546%	\$4,442,930	\$141,187,011	3.1468%
2	Small Electric	14.0143%	\$1,586,171	\$54,439,981	2.9136%
3	LE/LE-HLF/HV/MB	46.7312%	\$5,289,150	\$109,515,710	4.8296%
4	Total		\$11,318,251	\$305,142,702	
4	Total		\$11,318,251	\$305,142,702	

Note:

- (1) Excludes schedules specifically identified on Attachment A on this EECR Rider.
- (2) Base Rate Revenues 12 months ending March, 2018, extrapolated to a 13 month period

CERTIFICATE OF SERVICE <u>Docket No. UD-08-02</u>

I hereby certify that I have served the required number of copies of the foregoing report upon all other known parties of this proceeding, by the following: electronic mail, facsimile, overnight mail, hand delivery, and/or United States Postal Service, postage prepaid.

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New Orleans, Louisiana, this 31st day of May, 2018.

Harry M. Barton