

COUNCIL OF THE CITY OF NEW ORLEANS

COUNCIL DOCKET NO. UD-17-04

ENO 2018 RELIABILITY PROJECT STATUS REPORT

TECHNICAL ADVISORS COMMENTS

DECEMBER 20, 2018

Introduction

On November 30, 2018, Entergy New Orleans, LLC (“ENO”) submitted its 2018 Reliability Project Status Report (Report”) to the Council of the City of New Orleans (“Council”), as ordered in Council Docket No. UD-17-04. The Report provides the status of ENO’s distribution remediation project activities through October 31, 2018, including detailed information on each individual FOCUS and Backbone reliability project undertaken by ENO during the reporting period.

ENO’s Remediation Project Activities

ENO’s Report notes the following:

1. During the reporting period, ENO completed 16 of 32 planned projects with 10 projects currently in construction.
2. Four ENO pole replacement projects are on hold due to the Army Corps. of Engineers’ prohibition against performing excavation work near levees when the Mississippi River is above a certain water level. Such projects will resume when water level decreases.
3. ENO’s remaining projects are expected to be started before the end of 2018, and if not completed will carry over to the start of 2019.
4. During the reporting period, ENO realigned its reliability service men (“RSM”) personnel to establish a dedicated crew to focus on immediate reliability issues throughout ENO’s distribution system.
5. ENO estimates that such realignment of its personnel has prevented potential outages that might have resulted in an estimated 80,000 customer interruptions.
6. ENO has identified 42 distribution feeders that were included in its 2018 remediation plan and is performing inspections of each feeder to identify high priority reliability issues, which will be added to already planned projects.
7. In early September 2018, ENO was staffed with additional line crews in preparation for response to Tropical Storm Gordon, which never occurred. ENO utilized these additional crews to perform infrastructure upgrades, which is estimated to have prevented outages that might have resulted in 63,000 customer interruptions.
8. ENO notes that it has seen an approximate 4 percent overall reduction in customer interruptions compared to the same period in 2017. However, some of its progress in reducing distribution line customer interruptions has been offset by transmission-related

customer interruptions which increased 91 percent over that experienced in the comparable 2017 period.

9. ENO notes that it is reviewing the causes of such transmission-related customer interruptions and is developing plans to improve transmission reliability going forward.
10. From a strictly distribution line perspective, ENO experienced an 18 percent reduction in customer interruptions during the reporting period.
11. ENO notes that its 2019 distribution reliability plan will incorporate Quanta Report suggestions, with the intention to further reduce customer interruptions going forward.

Advisors Comments on the Report

Based upon the Technical Advisors review of the Report, we are of the opinion that ENO's Report is thorough and provides significant detail concerning ENO's 2018 level of distribution reliability project spending, the current status of planned 2018 projects, budget and actual spend amounts for each project, information concerning the specific items of equipment identified for replacement resulting from ENO's inspection efforts, and estimated avoided customer interruptions resulting from the completion of each project undertaken.

The Advisors review of the Report indicates that ENO has made significant efforts to identify its distribution system problems and vulnerabilities and has designed and accomplished numerous projects centered on equipment replacements, which when completed should improve ENO's distribution system reliability and mitigate the number of customer interruptions that would otherwise likely occur.

The Advisors review of the specific items of equipment being replaced indicates that ENO's distribution has significant equipment problems, which have been major contributors to and direct causal factors of the outages ENO has been experiencing in recent years. Though ENO's reliability plan should provide positive reliability benefits to ENO's customers, significant work efforts and capital spending will need to be continued in the future to thoroughly remediate ENO's distribution system in support of achieving and maintaining an acceptable level of reliability going forward, and to hopefully avoid declines in distribution system reliability in future years. Accordingly, ENO's distribution reliability plan should be viewed as a starting point, which appears to be paying dividends in increased reliability, but which likely will require continued future efforts and spending above ENO's recent historical experience.

Intervenor Comments

The Alliance for Affordable Energy ("Alliance")

In its comments, the Alliance notes the significant level of avoided customer interruptions resulting from ENO's reliability efforts during the reporting period. However, the Alliance notes that it cannot identify any reporting of prior year customer interruptions and believes that the customer interruption contained in the Quanta Report does not appear to be comparable to the data in ENO's Bi-Monthly Outage Cause Analysis filed with the Council in the instant docket. The Alliance recommends that ENO provide comparable customer interruption data for prior years employing the same calculations as used in preparing ENO's Report.

The Alliance notes that ENO's projects are generally at or under budget, which is reassuring. However, the Report doesn't indicate the specific cost for the additional reliability work completed by ENO's RSM personnel and other Entergy crews positioned in New Orleans for Tropical Storm Gordon restoration work.

The Alliance states its interest in the outcome of ENO's investigation into transmission outages.

Advisor Observations: The Advisors agree with the Alliance concerning the need for comparable reporting by ENO on past outages and projected avoided interruptions in order to determine if forecasted improvements meet expectations. The Advisors are similarly concerned with ENO's reported increase in transmission outages.

Conclusions

In conclusion, based upon our review, the Advisors are of the opinion that the Report provides valuable information upon which ENO's progress in correcting its distribution system deficiencies can be tracked and measured. Comparable interruption and outage data for prior years would provide a longer-term view of ENO's reliability experience and improvement as a result of ENO reliability efforts. The Advisors believe such information should be obtainable from ENO for ongoing review.

ENO should be directed by the Council to provide detailed information concerning its recent transmission outages and plan to where possible avoid such occurrences in the future.

The Advisors recommend that ENO's 2018 Reliability Project Status Report as drafted be accepted by the Council in Council Docket No. UD-17-04.