

April 18, 2019

**Via Hand Delivery**Lora W. Johnson, CMC, LMMC  
Clerk of Council  
Room 1E09, City Hall  
1300 Perdido Street  
New Orleans, LA 70112

Re: *Resolution and Order Opening an Inquiry into Establishing a Smart Cities Initiative for the City of New Orleans and Directing Entergy New Orleans, LLC to Report with Respect to Matter Related to Grid Modernization*  
Docket No. UD-18-01

Dear Ms. Johnson:

Please find enclosed an original and three copies of the Entergy New Orleans, LLC's Comments concerning the Roadmap to Develop a Master Plan for a Smart and Sustainable New Orleans. Please file an original and two copies into the record in the above-referenced matter, and return a date-stamped copy to our courier.

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. BartonHMB/bkd  
Enclosures

cc: Official Service List (via e-mail)

**RECEIVED**  
APR 18 2019BY:  \_\_\_\_\_

4/21/19

**BEFORE THE  
COUNCIL OF THE CITY OF NEW ORLEANS**

**IN RE: RESOLUTION AND ORDER )  
OPENING AN INQUIRY INTO )  
ESTABLISHING A SMART CITIES )  
INITIATIVE FOR THE CITY OF )  
NEW ORLEANS AND DIRECTING )  
ENTERGY NEW ORLEANS, LLC TO )  
REPORT WITH RESPECT TO )  
MATTER RELATED TO GRID )  
MODERNIZATION )**

**DOCKET NO. UD-18-01**

**ENTERGY NEW ORLEANS, LLC’S COMMENTS CONCERNING  
THE SMART AUDIT PROPOSAL SUBMITTED BY  
THE COUNCIL FOR THE CITY OF NEW ORLEANS’ UTILITY ADVISORS**

NOW, before the Council of the City of New Orleans (“Council”) comes Entergy New Orleans, LLC (“ENO”) and, pursuant to Council Resolution No. R-18-536, submits these Comments concerning the Roadmap to Develop a Master Plan for a Smart and Sustainable New Orleans, prepared by the Council’s Advisors and filed in the above-captioned Docket on February 18, 2019 (the “Smart Audit Proposal”). ENO shares the Council’s and the Advisors’ belief that many benefits can be created for the residents of New Orleans through a well-planned, carefully-coordinated, and equity-focused Smart City initiative and looks forward to participating in and contributing to the process proposed by the Council and its Advisors. To that end, ENO offers these brief comments on the Smart Audit Proposal. ENO’s substantive comments largely focus on the second phase (Roadmap Step Two) of the Smart Audit Proposal, as this phase seems to require the most substantive work and the most significant level of investment from ENO, other utilities, and essential service providers. ENO’s hopes that its comments will help the Council to clearly define roles, responsibilities, requirements, and best practices for the Smart Audit process when the Council ultimately adopts a Resolution initiating such a process.

## General Process Comments

ENO believes that the Smart Audit Proposal represents significant progress toward taking the ideas described in Dr. Carl Pechman's whitepaper (which was attached to Council Resolution No. R-18-537) and adapting those concepts into a scope and procedural framework that is more appropriate for the Council's regulatory process. Specifically, Dr. Pechman's paper could be interpreted as suggesting that ENO would lead the Smart Audit process, collect data from other service providers, and perform the entirety of the Smart Audit. However, ENO does not have the ability to require that other service providers submit the data necessary for the Smart Audit and may not have the technical expertise to process such data and other information if it was freely provided to ENO. In contrast, the Council does have some regulatory authority over other service providers (*e.g.*, telecommunications, cable, water services, etc.) and should be able to require that such entities provide the necessary information. The Council can also engage subject matter experts (or request that other regulated service providers designate subject matter experts) who can perform the kinds of analyses on, and evaluations of, data that would require expertise beyond that possessed by ENO's employees. As such, ENO believes that the Advisors' recommendation that an entity other than ENO should lead the Smart Audit Process is a beneficial and necessary clarification to Dr. Pechman's initial proposal.

ENO also notes that much of the subject matter covered in Dr. Pechman's paper implicates efforts that are already underway at ENO and in various Council Utility Dockets (*e.g.*, Advanced Metering Infrastructure deployment, Grid Modernization, Storm Hardening and other reliability work, the 2018 Combined Rate Case, etc.). The timely execution, or completion, of these ongoing efforts is important to enabling ENO to continue providing its customers with reliable, low-cost service. Additionally, much of the information generated through these efforts can also contribute

to the objectives described in Dr. Pechman's paper. Due to the Council's oversight of each of these efforts, ENO believes that the Council should be well positioned to help ensure that the Smart Audit process (i) does not unduly delay any of these important, ongoing efforts, and (ii) that the information generated through these ongoing efforts can be used to fulfill the information-gathering objectives described by Dr. Pechman without incurring additional incremental expenses to perform separate analyses, fact-finding, and data-mining exercises solely for the purpose of completing a Smart Audit. In other words, the Council's knowledge and oversight of efforts currently underway at ENO means that it is well positioned to identify possible synergies between such efforts and the Smart Audit process, which in turn can enable performance of the Smart Audit in a way that most effectively utilizes time and resources. ENO also believes that the Council's awareness of the full breadth of ongoing regulatory activity affecting ENO, as well as other service providers regulated by the Council, will help the Council to ensure that the scope and cost of the Smart Audit process do not become excessively burdensome to such entities or their customers. ENO looks forward to working with the Advisors, other service providers, and stakeholders, under the Council's direction and supervision, as the Smart Audit process moves forward.

#### **Specific Comments on the Smart Audit Proposal**

Roadmap Step Two as outlined in the Smart Audit Proposal recommends that ENO and other participating service providers should be required to complete three significant tasks during a Council-initiated process: (i) drafting and executing a Data Sharing Agreement, (ii) completion of a Grid and/or System Architecture, and (iii) completion of a System Audit. Each of these tasks will require a substantial amount of work. ENO believes that the ability to accomplish each of these tasks in a timely, efficient manner would be enhanced by further clarity from the Council and incorporation of best practices identified by the Advisors and other Smart City experts.

With regard to the Data Sharing Agreement, several important questions must be answered before such an agreement can be completed. These questions include (i) what type of data is contemplated to be shared pursuant to the agreement, (ii) what kind of confidentiality protections will be in place if parties choose to share information they identify as confidential; (iii) how, to whom, and how often each entity receiving confidential data will be required to demonstrate that they are employing appropriate security mechanisms for protecting the data; (iv) whether parties will have the ability to refuse to distribute data to entities that do not have appropriate security mechanisms in place to protect information that the discloser identifies as confidential; (v) where such data will be stored; and (vi) whether different obligations will apply to entities that are required to participate in the Smart Audit process (*e.g.*, ENO and other regulated utility service providers) and those entities that participate voluntarily (*e.g.*, intervenors) – or, whether by virtue of participating in the process, unregulated intervenor entities would be required to submit to the regulatory authority of the Council with regard to its oversight of the Smart Audit process. Answering these and many other questions will be an important first step in allowing multiple parties to effectively and efficiently negotiate and draft a Data Sharing Agreement. ENO looks forward to hearing from the Advisors and other parties to this proceeding on their suggestions for addressing such issues. ENO also suggests that it may be beneficial for the Council, or the Advisors, to attach a draft or model Data Sharing Agreement to the Council Resolution that initiates the Smart Audit Process. Such a model agreement could be derived from the City of New Orleans' standard data sharing agreement, as informed by best practices employed in the other Smart City efforts described in Dr. Pechman's paper and the Smart Audit Proposal. Having a model agreement in place could also help to ensure that the parties can come to an agreement within the deadline. However, if the parties are not able to do so, ENO also suggests that the

Council's process should also make reasonable allowances for necessary extensions of time for the completion of the agreement, and extensions of the other impacted deadlines.

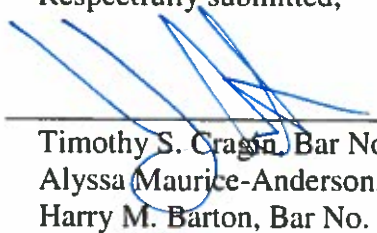
Concerning the Grid and System Architectures and the System Audit, ENO believes the Council's initiating resolution for the Smart Audit should balance the need for specificity as to what information should be included with the need for flexibility to ensure that the parties can comply with the intent of the requirements related to these components, without incurring exorbitant compliance costs. To that end, ENO suggests that the Council's initiating resolution should include detailed and specific guidelines for the kinds of information that should be included in each deliverable, but also create the opportunity to convene technical conferences to allow the parties to check and adjust if fulfilling such guidelines risks becoming unduly burdensome or expensive. ENO believes that this kind of balanced framework will allow all participants in the Smart Audit process to make good faith efforts to meet the Council's objectives in a reasonable way that prioritizes cost-efficiencies. One such technical conference could be devoted to identifying information already in the possession of the parties that can contribute to the Smart Audit process and determining whether that information can be satisfactory for the Council's purposes, or whether new information must be collected. Taking this kind of "information inventory" at the start of Roadmap Step Two could increase the efficiency, and reduce the expense, of this phase of the Smart Audit Process.

### **Conclusion**

ENO hopes that its comments will contribute to the Council's goals for the development of a Smart City Roadmap and looks forward to working with all parties in furtherance of the Council's objectives in this docket.

Respectfully submitted,

By:



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Timothy S. Craig, Bar No. 22313  
Alyssa Maurice-Anderson, Bar No. 28388  
Harry M. Barton, Bar No. 29751  
Courtney Nicholson, Bar No. 32618  
639 Loyola Avenue, Mail Unit L-ENT-26E  
New Orleans, Louisiana 70113  
Telephone: (504) 576-2984  
Facsimile: (504) 576-5579

**ATTORNEYS FOR  
ENERGY NEW ORLEANS, LLC**

**CERTIFICATE OF SERVICE**

**Docket No. UD-18-01**

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.

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

Erin Spears, Chief of Staff  
Connolly A. F. Reed, Executive Assistant  
Bobbie Mason  
Council Utilities Regulatory Office  
City of New Orleans  
City Hall, Room 6E07  
1300 Perdido Street  
New Orleans, LA 70112

Andrew Tuozzolo  
Chief of Staff to CM Moreno  
City Hall – 2W40  
1300 Perdido St.  
New Orleans, LA 70112

David Gavliniski  
Council Chief of Staff  
New Orleans City Council  
City Hall, Room 1E06  
1300 Perdido Street  
New Orleans, LA 70112

Sunni LeBeouf  
City Attorney Office  
City Hall, Room 5th Floor  
1300 Perdido Street  
New Orleans, LA 70112

Norman White  
Department of Finance  
City Hall, Room 3E06  
1300 Perdido Street  
New Orleans, LA 70112

Hon. Jeffery S. Gulin  
3203 Bridle Ridge Lane  
Lutherville, MD 21093

Clinton A. Vince, Esq.  
Presley R. Reed, Jr., Esq.  
Emma F. Hand, Esq.  
Herminia Gomez  
Dentons US LLP  
1900 K Street NW  
Washington, DC 20006

Basile J. Uddo, Esq.  
J.A. "Jay" Beatmann, Jr.  
c/o Dentons US LLP  
650 Poydras Street, Suite 2850  
New Orleans, LA 70130-6132

Philip J. Movish  
Joseph W. Rogers  
Victor M. Prep  
Legend Consulting Group  
6041 South Syracuse Way, Suite 105  
Greenwood Village, CO 80111



Errol Smith, CPA  
Bruno and Tervalon  
4298 Elysian Fields Avenue  
New Orleans, LA 70122

Brian L. Guillot  
VP, Regulatory Affairs  
Entergy New Orleans, LLC  
Mail Unit L-MAG-505B  
1600 Perdido Street  
New Orleans, LA 70112

Timothy S. Cragin  
Harry M. Barton  
Alyssa Maurice-Anderson  
Karen H. Freese  
Entergy Services, LLC  
Mail Unit L-ENT-26E  
639 Loyola Avenue  
New Orleans, LA 70113

Polly S. Rosemond  
Seth Cureington  
Derek Mills  
Kevin T. Boleware  
Entergy New Orleans, LLC  
Mail Unit L-MAG-505B  
1600 Perdido Street  
New Orleans, LA 70112

Joseph J. Romano, III  
Suzanne Fontan  
Therese Perrault  
Entergy Services, LLC  
Mail Unit L-ENT-4C  
639 Loyola Avenue  
New Orleans, LA 70113

Logan Atkinson Burke  
Sophie Zaken  
Alliance for Affordable Energy  
4505 S. Claiborne Avenue  
New Orleans, LA 70125

Jeff Cantin  
Gulf States Renewable Energy Industries  
Association  
400 Poydras Street, Suite 900  
New Orleans, LA 70130

New Orleans, Louisiana, this 18<sup>th</sup> day of April, 2019.



Harry M. Barton