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Logan Burke  
Executive Director  
[Logan@all4energy.org](mailto:Logan@all4energy.org)

**VIA EMAIL ONLY:**

Helena Moreno  
At Large  
[morenocouncil@nola.gov](mailto:morenocouncil@nola.gov)  
City Hall, Room 2W40  
1300 Perdido Street  
New Orleans, LA 70112

Jason Rogers Williams  
At Large  
[jasonwilliams@nola.gov](mailto:jasonwilliams@nola.gov)  
City Hall, Room 2W50  
1300 Perdido Street  
New Orleans, LA 70112

Joseph I. Giarrusso III  
District A  
[joseph.giarrusso@nola.gov](mailto:joseph.giarrusso@nola.gov)  
City Hall, Room 2W80  
1300 Perdido Street  
New Orleans, LA 70112

Jay H. Banks  
District B [jay.banks@nola.gov](mailto:jay.banks@nola.gov)  
City Hall, Room 2W10  
1300 Perdido Street  
New Orleans, LA 70112

Kristin Gisleson Palmer  
District C  
[kristen.palmer@nola.gov](mailto:kristen.palmer@nola.gov)  
City Hall, Room 2W70  
1300 Perdido Street  
New Orleans, LA 70112

Jared C. Brossett  
District D  
[councildistrictd@nola.gov](mailto:councildistrictd@nola.gov)  
City Hall, Room 2W20  
1300 Perdido Street  
New Orleans, Louisiana 70112

Cyndi Nguyen  
District E  
[Cyndi.nguyen@nola.gov](mailto:Cyndi.nguyen@nola.gov)  
City Hall, Room 2W60  
1300 Perdido Street  
New Orleans, LA 70112



**RE: REVISED APPLICATION OF ENTERGY NEW ORLEANS, LLC FOR A CHANGE IN ELECTRIC AND GAS RATES PURSUANT TO COUNCIL RESOLUTIONS R-15-194 AND R-17-504 AAND FOR RELATED RELIEF**

Dear Councilmembers:

The Alliance for Affordable Energy respectfully submits this letter to the New Orleans City Council on the eve of an important decision on Council Docket UD-18-07, which will set rates, confirm customer bills, approve Entergy New Orleans' Return on Equity, and, reaffirm the Council's jurisdiction to regulate local utilities.

The Alliance is shocked to see Entergy continue the kind of tactics that has stripped all confidence from the regulatory process over the last three years, and we urge the Council to not give in to the profit-centric focus of a utility that cannot be trusted to do its job. Entergy has an obligation to serve the customers of New Orleans reliable, low-cost power, and with their most recent letters they are holding the Council hostage to threats of lawsuits and additional regulatory costs, throwing misleading "offers" on the table that not only have never been discussed as part of this docket but have not been vetted in any other, and would further only **benefit the utility to the detriment of ratepayers**. This is not an offer, it is extortion.

These arm-twisting, hard lobbying strategies are the latest in the arsenal of a utility who does not deserve to receive everything it wants simply because it formerly won wars waged against the community it is obligated to serve.

When a regulator penalizes a utility for poor service or misdeeds, it is not the utility's right to re-write the past and change the frame to a "settlement."

The utility's letters of October 30 and November 5, 2019 show that this utility is unable or unwilling to accept that they are not their own regulator



Entergy continues to insist that it should receive its preferred profit, only because it says it should, while plenty of evidence to the contrary is in the record of this case.

Entergy says it cannot conduct an energy efficiency program without earning a profit, despite the fact that the vast majority of utilities in 50 states who offer efficiency programs do so without earning an ROE on the costs, as the record in this docket shows.

Entergy is suddenly insisting it wants its profit margin so much it is willing to spend **ratepayer** dollars on infrastructure for Sewerage and Water Board with a specific price-tag, which of course comes with a profit margin attached, and which has never been publicly considered, analyzed, or even agreed upon by any agency of this city, including the Sewerage and Water Board. Moreover, Entergy is offering to spend **ratepayer** dollars, yet behaving as if this expenditure is a benefit the Company is offering, when in reality it is a benefit the ratepayers would be giving, against their will, to the Board.

Entergy continues to insist it should receive another vote to recover the costs of a gas plant that they currently have no approval for, and which actually would eliminate *all* savings touted by them and any other party in this case.

Entergy's final blow, suggesting that if it doesn't get its way, it will drag the parties through another rate case, and charge the ratepayers another \$7 million dollars, despite the fact that the resolution on the table provides a formula rate plan that is already a path for the utility to true up its revenue requirement. That is the whole point of a Formula Rate Plan. What is most outrageous is that the utility doesn't even consider the notion that the City Council, it's regulator, has every right to disallow inappropriate rate-case spending. Other regulators in the country, including the South Carolina Commission earlier this year, have dis-allowed excessive rate-case cost recovery. The South Carolina Commission allowed only \$1,399,000 to be recovered from customers. This Council could do the same, and not continue to allow the utility to lob ridiculous threats at its regulator.



The Alliance asks this Council assert its jurisdictional authority, stand up for the people of New Orleans, who cannot afford to be sacrificed for ever greater profits, and cannot bear to see the Council again bend to the whims of a purely profit-motivated corporation.

Sincerely,



Logan Atkinson Burke

CC: Official Service List via email