April 3, 2020

Lora W. Johnson, CMC, LMMC
Clerk of Council
Room IEO9, City Hall
1300 Perdido Street
New Orleans, LA 70112


Dear Ms. Johnson:

On behalf of Entergy New Orleans, LLC ("ENO" or the Company), please find for electronic filing the Estimated First-Year Non-Fuel Revenue Requirement for New Orleans Power Station, which I would appreciate your filing into the record of this proceeding. As a result of the remote operations of the Council’s office related to COVID-19, ENO submits this filing electronically and will submit the requisite original and number of hard copies once the Council resumes normal operations, or as you direct. ENO requests that you file this submission in accordance with Council regulations as modified for the present circumstances.

Please note that the exhibits to the attached filing are Highly Sensitive Protected Materials and are being provided this date to appropriate reviewing representatives generally in accordance with the terms of the Council’s Official Protective Order set forth in Resolution R-07-432 via electronic means.

Should you have any questions regarding the enclosed filing, please do not hesitate to contact me.

Sincerely,

Timothy S. Cragin

Enclosures
cc: Official Service List via email
BEFORE THE COUNCIL
OF THE CITY OF NEW ORLEANS

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 AND FOR RELATED RELIEF

DOCKET NO. UD-18-07

ESTIMATED FIRST-YEAR NON-FUEL REVENUE REQUIREMENT FOR NEW ORLEANS POWER STATION

NOW COMES Entergy New Orleans, LLC ("ENO" or the "Company"), through undersigned counsel, and hereby submits New Orleans Power Station ("NOPS") Estimated First-Year Non-Fuel Revenue Requirement ("Estimated Revenue Requirement"). In its Revised Application for Authority to Change Electric and Gas Rates, Approval of Proposed Electric and Gas Formula Rate Plans, and Related Relief filed in the above-referenced docket, ENO explained that it would file the NOPS Estimated Revenue Requirement seventy-five days prior to NOPS commencing commercial operation. Currently, ENO anticipates that NOPS will commence operation in June 2020, and, therefore, ENO is submitting this filing at this time.

The NOPS Estimated Revenue Requirement is $28.6 million and summarized in the table below. A detailed calculation of the NOPS Estimated Revenue Requirement is attached as Exhibit ENO-1 (Highly Sensitive Protected Materials).
<table>
<thead>
<tr>
<th>Line No.</th>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Rate Base</td>
<td>195,736,964</td>
</tr>
<tr>
<td>2</td>
<td>Before-Tax Rate of Return on Rate Base</td>
<td>8.60%</td>
</tr>
<tr>
<td>3</td>
<td>Return on Rate Base</td>
<td>16,823,592</td>
</tr>
<tr>
<td>4</td>
<td>Expenses</td>
<td>11,735,962</td>
</tr>
<tr>
<td>5</td>
<td>Total Estimated First-Year Non-Fuel Revenue Requirement</td>
<td>28,559,554</td>
</tr>
</tbody>
</table>

The principal driver of Rate Base is the Plant in Service amount, which reflects ENO’s investment in NOPS. The Plant in Service amount is based on actual costs incurred through February 29, 2020 and estimated future costs through December 31, 2020. As further support of the Plant in Service amount, attached as Exhibit ENO-2 (Highly Sensitive Protected Materials) is the Project Budget Status Table\(^1\) reflecting the actual costs incurred through February 29, 2020 and estimated costs thereafter. Exhibit ENO-2 shows that the NOPS project, which includes the construction of the generating station and related transmission facilities, continues to be on budget.\(^2\) Accumulated Depreciation & Amortization and Accumulated Deferred Income Taxes reflect one full-year of Depreciation & Amortization Expense. The NOPS depreciation rate is based on fifty years as required by Resolution R-19-457. With respect to the other Expenses, the Company’s estimates have not changed from those set forth in Exhibit OT-3 to the Revised

---

\(^1\) The Project Budget Status Table is a part of the information included in the Quarterly Reports filed with the Council pursuant to Resolution R-18-65.

\(^2\) The difference between the Plant in Service amount shown in Exhibit ENO-1 and the Total before Transmission Cost Estimate is attributable to the fact that the Project Contingency is for the overall NOPS project, which consists of both the generation and transmission components, as stated above.
Direct Testimony of Orlando Todd filed in the above-referenced docket except for the addition of income tax expense associated with the recovery of equity AFUDC.³

As mentioned above, the Council has monitored and continues to monitor the construction of NOPS and the associated costs pursuant to Resolutions R-18-65 and R-19-78 through quarterly and bi-monthly reports. The Plant in Service amount includes the same actual costs reflected in the March 25, 2020 Bi-Monthly Report Pursuant to Council Resolution No. R-19-78. To aid the Council’s review of the NOPS Estimated Revenue Requirement, ENO intends to file its Report for the Quarter Ended March 31, 2020 Pursuant to Council Resolution R-18-65 by no later than April 30, 2020. This quarterly report will not use the same cost information as reflected in the NOPS Estimated Revenue Requirement; the quarterly report will reflect actual costs incurred through March 31, 2020 and estimated future costs through completion.

At this time, based on the expected in-service date, ENO expects that it will begin deferring the NOPS non-fuel costs as of June 2020. Resolution R-19-457 permits ENO to defer the NOPS non-fuel costs, including the cost of capital, after NOPS enters operation, until ENO commences non-fuel cost recovery from customers after the conclusion of the appeals regarding Resolution R-18-65. Those appeals have not concluded, and Proclamation Number JBE 2020-30, Additional Health Measures for COVID-19 Public Health Emergency, which suspends all legal deadlines until April 13, 2020, has increased the uncertainty as to the timing of their conclusions.⁴ Nevertheless, as permitted by Resolution R-19-457, ENO will commence recovery of the NOPS Revenue Requirement and any related deferral through an in-service rate

---

³ “AFUDC” stands for Allowance for Funds Used During Construction.

⁴ On February 12, 2020, the Court of Appeal, Fourth Circuit reversed the district court’s judgment voiding the Council’s vote on Resolution R-18-65, which approved the construction of NOPS. Certain parties, however, have sought review of the Court of Appeal decision by the Louisiana Supreme Court.
adjustment effective the first billing cycle of the month after the appeals conclude, assuming the appeals have concluded and NOPS has entered service previously.

ENO continues to explore a long-term service agreement ("LTSA") for NOPS. The NOPS Estimated Revenue Requirement assumes that ENO does not enter into an LTSA. ENO reserves the right to update the NOPS Estimated Revenue Requirement if ENO decides to enter into an LTSA. Additionally, ENO reserves the right to update the NOPS Estimated Revenue Requirement in the event of an unforeseen event (e.g., work stoppage due to worker health concerns) having a material impact on any assumptions or projections relied upon in developing the NOPS Estimated Revenue Requirement.

Respectfully submitted,

BY: Tim Cragin, LSB 22313
Alyssa Maurice-Anderson, LSB 28388
Harry M. Barton, LSB 29751
Brian L. Guillot, LSB 31759
ENTERGY SERVICES, INC.
639 Loyola Avenue
Mail Unit L-ENT-26E
New Orleans, Louisiana 70113
Telephone: (504) 576-6523
Facsimile: (504) 576-5579

Stephen T. Perrien, LSB 22590
TAGGART MORTON, L.L.C.
1100 Poydras Street, Suite 2100
New Orleans, Louisiana 70113
Telephone: (504) 599-8500
Facsimile: (504) 599-8501

John F. Williams, TX Bar No. 21554100
Scott R. Olson, TX Bar No. 24013266
James F. McNally, Jr., TX Bar No. 13815680
DUGGINS WREN MANN & ROMERO, LLP
One American Center
600 Congress Avenue, Suite 1900
Austin, Texas 78701
Telephone: (512) 744-9300
Facsimile: (512) 744-9399

ATTORNEYS FOR ENTERGY NEW ORLEANS, LLC
CERTIFICATE OF SERVICE

I hereby certify that I have this 3rd day of April, 2020, served the required number of copies of the foregoing pleading upon all other known parties of this proceeding individually and/or through their attorney of record or other duly designated individual by electronic means.

Lora W. Johnson, CMC, LMMC
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
Bobbie Mason
Council Utilities Regulatory Office
City of New Orleans
City Hall, Room 6E07
1300 Perdido Street
New Orleans, LA 70112

Andrew Tuozzo
CM Moreno Chief of Staff
1300 Perdido Street, Rm 2W40
New Orleans, LA 70112

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

Suni LeBeouf
Michael J. Laughlin
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. Jeffrey S. Gulin
3203 Bridle Ridge Lane
Lutherville, MD 21093

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

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

Joseph W. Rogers
Victor M. Prep
Byron S. Watson
Legend Consulting Group
6041 South Syracuse Way
Suite 105
Greenwood Village, CO 80111
Errol Smith  
Bruno and Tervalon  
4298 Elysian Fields Avenue  
New Orleans, LA 70122

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

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

Tim Cragin  
Alyssa Maurice-Anderson  
Harry Barton  
Entergy Services, LLC  
Mail Unit L-ENT-26E  
639 Loyola Avenue  
New Orleans, LA 70113

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

Renate Heurich  
1407 Napoleon Ave, #C  
New Orleans, LA 70115

Andy Kowalczyk  
1115 Congress St.  
New Orleans, LA 70117

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

Susan Stevens Miller  
Earthjustice  
1625 Massachusetts Ave., NW, Ste. 702  
Washington, DC 20036

Katherine W. King  
Randy Young  
KEAN MILLER LLP  
400 Convention Street, Suite 700 (70802)  
Post Office Box 3513  
Baton Rouge, LA 70821-3513

Carrie R. Tournillon  
KEAN MILLER LLP  
900 Poydras Street, Suite 3600  
New Orleans, LA 70112

John Wolfrom  
720 I Hamilton Blvd.  
Allenton, PA 18195-1501
Maurice Brubaker  
Air Products and Chemicals, Inc.  
16690 Swingly Ridge Road  
Suite 140  
Chesterfield, MO 63017

Myron Katz, PhD  
Building Science Innovators, LLC  
302 Walnut Street  
New Orleans, LA 70118

Michael W. Tifft  
710 Carondelet Street  
New Orleans, LA 70118

John H. Chavanne  
111 West Main St., Suite 2B  
P.O. Box 807  
New Roads, LA 70760-8922

Brian A. Ferrara  
Yolanda Y. Grinstead  
Sewerage and Waterboard of New Orleans  
Legal Department  
625 St. Joseph St., Rm 201  
New Orleans, Louisiana 70165

Luke F. Piontek  
Christian J. Rhodes  
Shelley Ann McGlathery  
Roedel, Parsons, Koch, Blache,  
Balhoff & McCollister  
1515 Poydras Street, Suite 2330  
New Orleans, LA 70112

New Orleans, Louisiana, this 3rd day of April 2020.

Timothy S. Cragin