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October 1, 2020

Via Electronic Mail

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

***Re: Application of Entergy New Orleans, LLC for Approval of Renewables
Portfolio and Request for Cost Recovery and Related Relief
CNO Docket NO.: UD-18-06***

Dear Ms. Johnson:

Pursuant to Council of the City of New Orleans Resolution No. R-19-293, Entergy New Orleans, LLC (“ENO”) respectfully submits the attached Estimated First-Year Non-Fuel Revenue Requirement for the New Orleans Solar Station, for electronic filing. 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 in native format this date to appropriate reviewing representatives in accordance with the terms of the Council’s Official Protective Order set forth in Resolution R-07-432 via electronic means.

Thank you for your assistance with this matter.

Sincerely,


Timothy S. Cragin

TSC\rdm

Enclosures

cc: Official Service List (*via electronic mail*)

BEFORE THE COUNCIL

OF THE CITY OF NEW ORLEANS

**APPLICATION OF ENTERGY NEW)
ORLEANS, LLC FOR APPROVAL OF)
RENEWABLES PORTFOLIO AND) DOCKET NO. UD-18-06
REQUEST FOR COST RECOVERY)
AND RELATED RELIEF)**

**ESTIMATED FIRST-YEAR REVENUE REQUIREMENT
FOR NEW ORLEANS SOLAR STATION**

NOW COMES Entergy New Orleans, LLC (“ENO” or the “Company”), through undersigned counsel, and hereby submits the New Orleans Solar Station (“NOSS”) Estimated First-Year Revenue Requirement (“Estimated Revenue Requirement”). In the Agreement in Principle approved in Resolution R-19-293, dated July 19, 2019 (“Renewables AIP”), ENO agreed to file the NOSS Estimated Revenue Requirement no later than forty-five days prior to NOSS commencing commercial operation. Also, pursuant to Resolution R-19-293, the Council has monitored and continues to monitor the construction of NOSS and the associated costs through quarterly reports. Currently, ENO anticipates that NOSS will commence operation in the latter half of November 2020, and, therefore, ENO is submitting this filing at this time.

The NOSS Estimated First-Year Revenue Requirement is \$5.3 million and summarized in the table below. A detailed calculation of the NOSS Estimated First-Year Revenue Requirement is attached as Exhibit ENO-1 (Highly Sensitive Protected Materials).

NOSS Estimated First-Year Revenue Requirement Summary (\$)		
Line No.	Description	Amount
1	Rate Base	39,622,794
2	Before-Tax Rate of Return on Rate Base	8.73%
3	Return on Rate Base	3,459,070
4	Expenses	1,834,557
5	Total Estimated First-Year Revenue Requirement	5,293,627

The principal driver of Rate Base is the Plant in Service amount, which reflects ENO's investment in NOSS. The Plant in Service is based on actual costs incurred through August 31, 2020 and estimated future costs through December 31, 2020. As further support of the Plant in Service amount, attached as Workpaper 6 to Exhibit ENO-1 (Highly Sensitive Protected Materials) is the Project Budget Status Table¹ reflecting the actual costs incurred through August 31, 2020 and estimated costs thereafter. Workpaper 6 shows that the NOSS project, which includes the construction of the generating station and related transmission and distribution facilities, continues to be on budget.² Accumulated Depreciation & Amortization and Accumulated Deferred Income Taxes reflect one full-year of Depreciation & Amortization Expense. The NOSS depreciation rate is based on a thirty-year service life.


ENO reserves the right to update the NOSS Estimated Revenue Requirement in the event of an unforeseen event (e.g., work stoppage due to worker health concerns or the presence of

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-19-293.

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 NOSS project, which consists of both the generation, transmission, and distribution components.

severe weather at the site) having a material impact on any assumptions or projections relied upon in developing the NOSS Estimated Revenue Requirement.

Respectfully submitted,

BY: 
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ATTORNEYS FOR ENTERGY NEW ORLEANS, LLC

CERTIFICATE OF SERVICE

I hereby certify that I have this 1st day of October, 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.

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