

February 26, 2021

VIA ELECTRONIC MAIL (twjohnson@nola.gov)

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

RE: *Revised Application of ENO for a Change in Electric and Gas Rate in the City of New Orleans Pursuant to Council Resolutions R-15-194 and R-17-504 and for Related Relief*
CNO Docket UD-18-07
Our File No.: 7717-46

Dear Ms. Johnson:

Enclosed please find attached for electronic filing, Air Products and Chemicals, Inc.'s ("Air Products") Comments on Motion to Initiate Prudence Review of NOPS in the referenced docket. As a result of the remote operations of the Council's office related to COVID-19, Air Products submits this filing electronically and will submit the requisite original and number of hard copies once the Council resumes normal operations, or as you or the Council otherwise directs. Air Products requests that you file this submission in accordance with Council regulation as modified for the present circumstances.

Should you have any questions regarding the above, please do not hesitate to contact me. Thank you for your assistance with this matter.

Very truly yours,



Carrie R. Tournillon

CRT/tp
Enclosure

cc: Official Service List UD-18-07 (via electronic mail)

**BEFORE THE
NEW ORLEANS CITY COUNCIL**

IN RE: REVISED APPLICATION OF ENO)	
FOR A CHANGE IN ELECTRIC AND GAS)	DOCKET NO. UD-18-07
RATE IN THE CITY OF NEW ORLEANS)	February 26, 2021
PURSUANT TO COUNCIL RESOLUTIONS)	
R-15-194 AND R-17-504 AND FOR RELATED)	
RELIEF)	

**AIR PRODUCTS AND CHEMICALS, INC.'S
COMMENTS ON MOTION TO INITIATE PRUDENCE REVIEW OF NOPS**

NOW COMES Air Products and Chemicals, Inc. (“Air Products”) and, pursuant to Resolution R-21-37 of the Council of the City of New Orleans (“Council”), respectfully submits these comments in response to the Alliance for Affordable Energy (“AAE”) and Sierra Club’s Motion to Institute Prudence Review (“Motion”) with respect to Entergy New Orleans’ (ENO’s) construction of the New Orleans Power Station (“NOPS”). As discussed in the Council resolution, the Motion requests that the Council (i) institute a prudence review to investigate all aspects of the design and construction of NOPS and (ii) contract with an independent auditor to conduct a full examination of the NOPS design and construction expenditures.

Air Products supports the initiation of a prudence review of NOPS. Such a review by utility regulators of large capital projects is typical and appropriate to ensure that utility customers are paying in rates only costs for prudently incurred expenditures. Air Products submits that the scope of the NOPS prudence review should be limited to determining (i) ENO’s management of the construction of NOPS, including with respect to any third-party contractors, and (ii) ENO’s cost controls to ensure construction of NOPS was completed at lowest reasonable cost.

Air Products does not support relitigating the need for NOPS, as such determination was previously made by the Council and supported by evidence in the record of Docket UD-16-02.¹ Air Products participated in Docket UD-16-02, including evaluating the need for NOPS and supporting certification of the construction of NOPS as in the public interest. Air Products requests that the scope of the prudence review be carefully defined to exclude the Council's decision to certify construction of NOPS as in the public interest.

With respect to the request of the AAE and Sierra Club for the Council to hire an independent third-party auditor to examine the NOPS design and expenditures, Air Products reiterates its concern and objection to reconsidering and relitigating findings previously made by the Council with respect to the construction of NOPS. However, to the extent the Council determines it requires or would benefit from the assistance of an expert consultant to undertake a prudence review of ENO's management of the construction of NOPS and use of cost controls to ensure NOPS was constructed at the lowest reasonable cost, then Air Products supports the Council's exercising its authority to retain such a consultant.

WHEREFORE, Air Products respectfully requests the Council initiate a prudence review of NOPS within the parameters discussed herein.

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¹ Resolution R-18-65.

RESPECTFULLY SUBMITTED:



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Attorneys for Air Products and Chemicals, Inc.

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing has been served upon the Official Service List via electronic mail.

New Orleans, Louisiana this 26th day of February, 2021.



Carrie R. Tournillon