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Brian L. Guillot Assistant General Counsel Legal Services - Regulatory

January 14, 2022

Via Electronic Delivery

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

Re: Entergy New Orleans, LLC's 2021 Electric and Gas Formula Rate Plan Filings

CNO Docket No. UD-18-07

Dear Ms. Johnson:

Enclosed herewith Request of Entergy New Orleans, LLC ("ENO" or the "Company") to Modify its Electric Rate Schedules to Expand Access to Electric Vehicle Charging Infrastructure in the City of New Orleans. Herein, ENO requests modifications to its rate schedules, including the addition of a new rider, to facilitate and encourage the expansion of Electric Vehicle Charging Infrastructure ("EVCI") and encourage the adoption of Electric Vehicles with their environmental and societal benefits. These modifications address input received from parties interested in EVCI. Additionally, ENO herein provides an update on its plans to invest in free-to-use EV chargers located on public property. 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.

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

Sincerely.

Brian L. Guillot

BLG/amb Enclosures

cc: Official Service List (w/enclosures by e-mail)

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)	DOCKET NO. UD-18-07
RESOLUTIONS R-15-194 AND R-17-504)	
AND FOR RELATED RELIEF)	

REQUEST OF ENTERGY NEW ORLEANS, LLC TO MODIFY ITS ELECTRIC RATE SCHEDULES TO EXPAND ACCESS TO ELECTRIC VEHICLE CHARGING INFRASTRUCTURE IN THE CITY OF NEW ORLEANS

NOW BEFORE THIS COUNCIL, through its undersigned counsel, comes Entergy New Orleans, LLC ("Entergy New Orleans," "ENO," or the "Company") and represents as follows:

In Resolution R-19-457, the Council of the City of New Orleans (the "Council") approved ENO's latest efforts to expand access to Electric Vehicle Charging Infrastructure ("EVCI") in the City of New Orleans – a service in which ENO would provide electric vehicle ("EV") chargers to non-residential customers on their premises for their use and an investment by ENO in free-to-use EV chargers to be located on public property. ENO undertook these efforts knowing that they may have to be adjusted at some point to accommodate customers' needs. After receiving input from parties interested in EVCI, ENO requests modifications to its rate schedules, including the addition of a new rider, that would provide more flexibility to customers on payment terms when ENO provides EV chargers, would provide more certainty to host customers with respect to electric service costs for EV chargers during this early point in the EV adoption cycle, and would bring ENO's extension of electric service policy in line with its extension of gas service policy and encourage electrification. These modifications will facilitate and encourage the expansion of EVCI and encourage the adoption of EVs with their

environmental benefits – a goal shared by the Council of the City of New Orleans ("Council") and ENO. Additionally, ENO herein provides an update on its plans to invest in free-to-use EV chargers located on public property.

BACKGROUND

I.

Entergy New Orleans is an electric and gas utility with its general office and principal place of business at 1600 Perdido Street, Building 505, New Orleans, Louisiana 70112. The Company is engaged in the manufacture, production, transmission, distribution, and sale of electricity to residential, commercial, industrial, and governmental consumers throughout the City of New Orleans. As of December 31, 2020, Entergy New Orleans furnishes electric service to approximately 207,000 retail electric customers. Entergy New Orleans also is engaged in the provision of natural gas service throughout the City of New Orleans and, as of December 31, 2020, serves approximately 108,000 retail gas customers.

II.

On November 7, 2019, the Council adopted Resolution R-19-457, its final decision regarding the 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 and for Related Relief, Council Docket No. UD-18-07, which is commonly referred to as the "2018 Rate Case." Therein, the Council approved the Electric Vehicle Charging Infrastructure Rider ("EVCI Rider"). Pursuant to this rider, ENO would construct, own, and operate EVCI on a customer's property, and ENO would recover the investment in EVCI over ten years. For example, an apartment building owner could offer EV charging to tenants with EV chargers provided by

ENO pursuant to the EVCI Rider. The Council further authorized ENO to invest up to \$500,000 in free-to-use EV chargers located on public property.

III.

In its Direct Testimony in the 2018 Rate Case, ENO advised that it would work with the Council, its Advisors, and other stakeholders to make adjustments necessary to accommodate customers' needs regarding EVCI and to ensure an optimal customer experience. Since that time ENO has met with parties interested in participating under the EVCI Rider and providing public access to EV chargers, and ENO has determined that the needs of parties interested in EVCI can be better accommodated through three changes to ENO's electric rate schedules, which are discussed in detail below.

PROPOSED RATE SCHEDULE MODIFICATIONS

IV.

First, ENO proposes to modify the EVCI Rider so that a customer may choose a period from one year to ten years for the recovery of the EVCI investment. This arrangement is substantially similar to Option B under the Additional Facilities Rider, which allows customers to select a recovery period for ENO's investment in additional facilities to serve a customer. ENO identified the need for this flexibility based on discussions with parties that are seeking grants that would reimburse them for EVCI investment if the investment occurs over a specific time frame. This modification would not prejudice other customers and would facilitate EVCI expansion.

V.

Second, ENO proposes that the Council approve the Electric Vehicle Charging Demand Adjustment Rider Schedule ("EVCDA Rider"). The EVCDA Rider would modify the calculation of a host customer's bill pursuant to the Small Electric Service Schedule ("SE

Schedule") to provide more certainty with respect to electric service costs for EV chargers during this early point in the EV adoption cycle. Based on feedback from customers, ENO expects that many customers are likely to request separately metered electric service for EVCI and that the separately metered EVCI account would be billed pursuant to the SE Schedule.

VI.

ENO has met with potential host customers and provided them estimated cost information regarding EVCI. ENO has explained that the cost per kilowatt-hour ("kWh") under the SE Schedule can vary greatly depending on the utilization of an EV charging site. Assuming no change in demand, as utilization increases, the cost per kWh under the SE Schedule decreases. The potential host customers do not have EV charging utilization estimates, and ENO does not have any public EV charging utilization data specific to New Orleans. Because of the utilization uncertainty, ENO has provided to customers two utilization scenarios — a low utilization scenario and a high utilization scenario — to show the different potential cost per kWh for electric service to the EV charging site.

VII.

The uncertainty of utilization makes it difficult for the potential host customer to determine whether the benefits of offering EV charging to its customers, tenants, or employees outweigh the costs. Without a utilization estimate, the potential host customer is faced with two unattractive options. First, the potential host customer could allow free charging and hope that it recovers the electric service cost through additional revenues in other areas of its business. Second, if the customer chooses to install a smart charger, which is more expensive than chargers without smart technology, the customer could set a charging rate higher than the projected cost per kWh under the low utilization scenario. Neither option will facilitate EV

adoption. The first option is not attractive to risk-averse customers. The second option, while it eliminates risk, likely would result in the EV chargers not being used because the cost per kWh set by the host customer would be much more expensive to EV drivers than home charging and could further deter adoption of EVs by those who do not have the luxury to charge at home.

VIII.

Low utilization scenarios may become more unlikely as time passes and EVs become more numerous, but ENO does not know when EV adoption will translate into higher utilization of public EV chargers in New Orleans. For example, General Motors ("GM"), the largest U.S.-based vehicle manufacturer, announced in January 2021 that it is planning to end production of internal combustion engine vehicles and only manufacture and sell EVs by 2035. In conjunction with its announced long-term goal, GM plans to have 30 new EV models on the market by 2025. Volkswagen Group ("VW"), which is the largest European automaker, has announced plans to spend more than \$70 billion by 2025 to produce EVs and batteries, with longer-term plans to manufacture and sell 70 new EV models by 2030. Similar announcements have been made by other automobile manufacturers over the past year that indicate a significant shift to EVs over the next decade.

IX.

To address potential host customers' needs and concerns, ENO recommends that the Council approve the EVCDA Rider. The EVCDA Rider would mitigate the electric service cost uncertainty caused by the unpredictable utilization of EV chargers. The EVCDA Rider would adjust the demand charges calculated under the SE Schedule so that the monthly demand charges are consistent with a 15% load factor, even if the site's actual monthly load factor is less than 15%. As a result, the site's electric service cost per kWh would fall in a narrow range as long as

the site's load factor is less than 15%. If the actual monthly load factor were above 15%, no demand charge adjustment would be made.

X.

The EVCDA Rider has the potential to shift costs to other customers, but other benefits, such as environmental benefits and providing more EV charging options in New Orleans, may outweigh this relatively minor cost shift. Nevertheless, ENO recommends that the EVCDA Rider would be effective for a host customer for only five years and that the EVCDA Rider be available for the first 15 megawatts of EV charging load that becomes operational and participates under the rider in order to limit any potential cost shift and give the Council and the Company the opportunity to reassess the merits of the rider.

XI.

The EVCDA Rider would be available only to customers requesting new electric service pursuant to the SE Schedule for separately metered EVCI on the customers' premises. The EVCDA Rider would be available to a customer regardless of whether ENO, a third party, or the customer owns the EVCI on the customer's premises.

XII.

Third, ENO proposes to modify the Extension of Electric Service Policy ("Schedule EOES") to change the threshold at which the Company, based on its sole judgment, may allow no-cost overhead extensions and additions from two times the estimated annual revenue from the new service to four times the estimated annual revenue from the new service. This change to Schedule EOES is not limited to situations involving EVCI. This change should encourage customers to seek new electric service and increase electrification in the City of New Orleans by lowering a customer's initial investment associated with a new electric service. This change is

unlikely to harm customers because the ENO's no-cost threshold for extension of gas service already is four times the estimated annual revenue from the new gas service. Furthermore, the electric no-cost extension threshold for Entergy Louisiana, LLC, Entergy Mississippi, LLC, and Entergy Texas, LLC is four times the estimated annual revenue from the new electric service.

INTRODUCTION OF AFFIANTS

XIII.

With this Application, ENO submits three affidavits supporting the above modifications to ENO's rate schedules. The names of the affiants and the subject matter of their affidavits are as follows:

- Gregory S. Crisler Mr. Crisler is employed as the Product Manager, Tech Innovation for ENO. In his affidavit, Mr. Crisler discusses his direct experience with potential host customers and their concerns and needs regarding EVCI. He also provides an update on EV adoption data and ENO's EV charging infrastructure initiatives.
- Samantha F. Hill Ms. Hill is employed as the Manager, Regulatory Rate Strategy for
 Entergy Services, LLC. In her affidavit, she explains the modifications to the EVCI
 Rider and the modification of the SE Schedule billing through the EVCDA Rider and
 explains why the Council should approve such modifications.
- Barbara L. Casey Ms. Casey is employed as the Director, Regulatory Affairs for ENO. In her affidavit, she explains that ENO proposes to change the threshold at which the Company, based on its sole judgment, may allow no-cost overhead extensions and additions from two times the estimated annual revenue from the new service to four times. Such modification will encourage electrification by reducing the initial customer investment necessary for new electric service and that the proposed threshold is in line

with the no-cost extension threshold for gas service in New Orleans and in line with the corresponding threshold of the other Entergy Operating Companies.

TIMING OF IMPLEMENTATION

XIV.

If the Council authorizes the requested modifications to ENO's rate schedules, ENO can file the revised EVCI Rider and Extension of Electric Service Policy with Council and begin implementing their terms in a short time frame. Implementation of the EVCDA Rider would take approximately eight weeks from Council authorization in order to incorporate the EVCDA Rider in ENO's billing system.

WAIVER OF REQUIREMENTS

XV.

ENO's request for these modifications to its rate schedules does not implicate the requirements for applications to change rates or service set forth in Chapter 158 of the City Code due to the request's limited scope.

XVI.

Furthermore, the Council has the power to suspend the requirements applicable to applications to change rates or service set forth in Chapter 158 of the City Code pursuant to Section 158-49. In an abundance of caution and without waiving and reserving any and all rights regarding the necessity of this request, ENO requests a waiver of all requirements pertaining to applications to change rates or service set forth in Chapter 158 of the City Code because of the request's relationship to the Council's goals of expanding access to EVCI and encouraging the adoption of EVs.

WHEREFORE, Entergy New Orleans prays as follows:

A. That the Council:

- Confirm that the requirements applicable to applications to change rates or service set forth in Chapter 158 of the City Code do not apply to the above requested modifications to ENO's rate schedules or
- 2. Grant the requested waiver of requirements;
- B. That the Council authorize the requested modifications to ENO's rate schedules, including the approval of a new rider; and
- C. That the Council grant all general and equitable relief that the law and the nature of this request may permit.

Respectfully submitted,

BY: <

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ATTORNEYS FOR ENTERGY NEW ORLEANS, LLC

CERTIFICATE OF SERVICE

	<u> </u>			
I hereby certify that I have this 14^{th} day of January, 2022, 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: \boxtimes electronic mail, \square facsimile, \square hand delivery, and/or by depositing same with \square overnight mail carrier, or \square the United States Postal Service, postage prepaid.				
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 Christopher Roberts Council Utilities Regulatory Office City of New Orleans City Hall, Room 6E07 1300 Perdido Street New Orleans, LA 70112			
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Rev. Gregory Manning Pat Bryant Happy Johnson Sylvia McKenzie c/o A Community Voice 2221 St. Claude Avenue New Orleans, LA 70117

Dave Stets 2101 Selma St. New Orleans, La 70122

Brian L. Guillot

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)	DOCKET NO. UD-18-07
RESOLUTIONS R-15-194 AND R-17-504)	
AND FOR RELATED RELIEF)	

AFFIDAVIT OF GREGORY S. CRISLER ON BEHALF OF ENTERGY NEW ORLEANS, LLC

STATE OF LOUISIANA

PARISH OF ORLEANS

BEFORE ME, the undersigned Notary Public, personally came and appeared:

GREGORY S. CRISLER

who, after being duly sworn, did depose and state:

- My name is Gregory S. Crisler. My business address is 1600 Perdido Street, Building #505, New Orleans, Louisiana 70112. My title is Product Manager, Tech Innovation, and I am employed by Entergy New Orleans, LLC. I am testifying on behalf of Entergy New Orleans, LLC ("Entergy New Orleans," "ENO," or the "Company").
- 2. I have a bachelor's degree in Business Administration with a minor in Management from the University of New Orleans.
- 3. In 2008, I began my professional career in construction material sales. From 2010 to 2019, I worked in the renewable energy and energy efficiency industries. During this time, I was responsible for managing operations which consisted of procurement, estimating, project development, safety oversight, and on-site construction management.

- 4. In July 2019, I joined ENO in my current role as Product Manager of Tech Innovation. Over the past two and a half years, I have worked closely with local contractors to install over five megawatts of ENO-owned distributed-scale solar energy projects, including the commercial rooftop solar projects approved by the Council in Docket No. UD-17-05. Currently, I am working to implement the Council-approved project to deploy publicly accessible Level 2 EV chargers in New Orleans under the public EV charging pilot, approved by the Council in Docket No. UD-18-07. I am also working with various ENO customers that have expressed interest in either directly installing EV charging equipment or having ENO install, own, and operate EV charging equipment for their use.
- 5. The purpose of my Affidavit is to support requested modifications to the Electric Vehicle
 Charging Infrastructure ("EVCI") Rider and approval of the new Electric Vehicle
 Charging Demand Adjustment ("EVCDA") Rider by providing my direct experience
 from communicating with potential host customers, that is, non-residential customers that
 wish to install EV charging equipment for use on the customer's property. More
 specifically, potential host customers have expressed the need for increased flexibility
 when it comes to paying for ENO-supplied EV charging infrastructure through the EVCI
 Rider and for more certainty when it comes to the cost of electric service for EV chargers
 that have their own dedicated electricity service. I also provide an update on the current
 ENO EV charging infrastructure initiatives that I mentioned above.

Rider EVCI-1 Implementation

6. Over the past two years, non-residential customers' interest in EV charging infrastructure has steadily increased. I have conducted several in-person site visits along with providing details specific to ENO providing service under the current EVCI-1 Rider.

Initial customer feedback has typically been positive, with most believing that hosting EV chargers would be of value to their customers, tenants, or employees. However, the potential host customers have been hesitant to invest in EV charging infrastructure under the EVCI-1 Rider for two main reasons: (1) uncertainty in the cost of new electric service due to a new EV charger's uncertain utilization, particularly given that EV adoption is still modest but growing fast and (2) the sole option of a ten-year recovery term under the current EVCI-1 Rider.

- 7. Based on my experience, in ENO's service area, all installed EV chargers in operation today are located behind a customer's existing meter, meaning the usage is commingled with the customer's other non-EV charging usage. But, four of the customers I met with over the past year two governmental agencies, a private university, and a multi-unit development were interested in installing EV chargers at locations on their property that would require a new dedicated, separately-metered electric service provided by ENO. Future installations consisting of higher capacity, Level 3 fast charging or larger-scale Level 2 EV charging deployments likely will require new dedicated services to support them. Although each customer situation is unique given the nature of the customer's site, desired EV charging equipment, and proximity to the existing electric service, in many instances a customer will require new, dedicated service to supply EV chargers that will involve a new meter and new monthly bill. Such locations will also not have the benefit of load diversity that would otherwise occur if the EV charging equipment were able to be located behind the customer's existing electric service.
- 8. I determined that the appropriate rate schedule for these customers' new dedicated, separately-metered electric service to the new EV chargers would be the Small Electric

- Service Schedule ("SE Schedule"). I expect that the SE schedule will be the appropriate and cost-effective rate schedule for most potential host customers wanting EV chargers at locations that will require new dedicated, separately-metered electric service provided by ENO.
- 9. As explained in more detail by Samantha Hill, the effective cost per kilowatt-hour ("kWh") under the SE Schedule can vary greatly depending on the utilization of the service. I have communicated this fact to customers by way of providing a range of estimates. The potential host customers with which I have met do not have EV charging utilization estimates or experience yet, and ENO does not have any public EV charging utilization data specific to New Orleans because to my knowledge all of the existing EV chargers in the City are located behind existing customers' meters.
- 10. Because of this uncertainty, I have provided two utilization scenarios a low utilization scenario and a high utilization scenario to customers to show the different potential annual cost and the effective cost per kWh for electric service to the EV chargers. The potential host customers have communicated to me that they are concerned by the variability as well as the overall effective rate. Two scenarios that I provided to two different customers showed electric service costs of forty-five cents per kWh under scenarios of low utilization, which is in excess of what these customers currently pay for their electric service.
- 11. ENO expects a forty-five cents per kWh overall electric service cost under the SE Schedule because of low utilization to become more unlikely as time passes and EVs become more numerous, but neither ENO nor the host customer knows when EV adoption will translate into higher utilization of public EV chargers in New Orleans.

Adoption of EVs is still modest in most parts of the U.S. and in New Orleans. Despite the lingering impacts from the COVID-19 pandemic, EVs now make up around 3% of all car sales. But, growth is expected to accelerate as EV makers release many more models over the next few years. For example, General Motors ("GM"), the largest U.S.-based vehicle manufacturer, announced in January 2021 that it is planning to end production of internal combustion engine vehicles and only manufacture and sell EVs by 2035. In conjunction with its announced long-term goal, GM plans to have 30 new EV models on the market by 2025. Volkswagen Group ("VW"), which is the largest European automaker, has announced plans to spend more than \$70 billion by 2025 to produce EVs and batteries, with longer-term plans to manufacture and sell 70 new EV models by 2030. Similar announcements have been made by other automobile manufacturers over the past year that indicate a significant shift to EVs over the next decade.

12. The uncertainty of initial utilization makes it difficult for the potential host customer to determine whether the benefits of offering EV charging to its customers, tenants, or employees outweigh the costs. Without a utilization estimate, the potential host customer is faced with two unattractive options. First, the potential host customer could allow free charging and hope that it recovers the electric service cost through additional revenues in other areas of its business. Second, if the customer chooses to install a "smart" EV charger, which is more expensive to install and operate than EV chargers without smart

¹ Electric shock and awe: A Tesla bull debates a Tesla bear. (2021, January 21) *The Economist*, Jan 21st 2021 edition.

² "General Motors, the Largest U.S. Automaker, Plans to be Carbon Neutral by 2040," *General Motors*, January 28, 2021, (online).

³ Electric shock and awe: A Tesla bull debates a Tesla bear. (2021, January 21) *The Economist*, Jan 21st 2021 edition.

⁴ *Id*.

- technology, the customer could set a charging rate higher than the projected cost per kWh under the low utilization scenario. Neither option is attractive. The first option is not attractive to risk-averse customers. The second option, while it eliminates risk, likely would result in the EV chargers not being used because the effective cost per kWh would be much more expensive to EV drivers than home charging and could further deter adoption of EVs by those who do not have the luxury to charge at home.
- 13. Although the ten-year repayment option under the current EVCI-1 Rider offers ENO's customers the lowest monthly payment, two customers have requested shorter repayment options. A multi-unit complex was hesitant to commit to a ten-year option due to some uncertainty associated with future EV adoption. The other customer, a government agency, is pursuing grant funding and expressed a strong desire to provide payment through a one-year option and have ENO provide maintenance service for the full ten years under the EVCI-1 Rider. Grants such as those related to the VW settlement and what may soon become available under the recently-passed Infrastructure Investment and Jobs Act ("IIJA") typically require the customer to first make the investment and then be reimbursed once the project is placed in service. The current EVCI-1 Rider with only a ten-year investment recovery term does not provide the flexibility necessary to access such grants. With significant additional federal funding earmarked for EV infrastructure in the next few years, it is likely that this scenario will occur more frequently in the future.
- 14. Finally, the proposed changes to the Extension of Electric Service Policy, supported by Barbara Casey, would potentially lower a customer's cost related to investment in EV charging infrastructure and further encourage EV adoption and related investment.

Current ENO EV Initiatives

- 15. ENO is working to implement two distinct concepts designed to expand access to EV charging infrastructure in the City, both of which were proposed in conjunction with ENO's 2018 Combined Rate Case and approved by the Council in November 2019. First, the Public EV Charging Infrastructure plan involves ENO investing up to \$500,000 in EV charging infrastructure solely for public use at a handful of key locations in New Orleans. Second, the EVCI-1 Rider discussed above and by Ms. Hill is available to non-residential customers and involves ENO constructing, owning, and maintaining EV charging infrastructure on customer-owned property. In return, the customer pays ENO a fixed amount each month, plus the agreed-upon fixed amount for on-going operations and maintenance expense ("O&M").
- 16. Separately, ENO has an offering called eTech, which provides financial incentives, including a \$250 rebate, to qualifying residential and non-residential customers to partially offset the costs the customer incurs to install a Level 2 EV charger at their home or business. The number of eTech rebates provided for residential EV charging installations has steadily increased, supporting the trend of increased EV adoption, over the last three years going from 30 in 2019 to 75 in 2021. During this same time period, rebates specific to commercial EV charging investments stalled at seven (7) in 2019 with no further rebates requested in 2020 or 2021, supporting ENO's position to proactively make modifications to support the increased deployment of commercial and publicly-available EV charging stations, including the modification to the EVCI-1 Rider and the proposed EVCDA Rider discussed by Ms. Hill.

⁵ Resolution No. R-19-457, dated November 7, 2019, at 189.

See http://entergyetech.com/

ENO Public EV Charging Infrastructure Update

- 17. On January 10, 2020, in Docket No. UD-18-01, ENO made a presentation to the Council regarding its EV initiatives, including its investment of \$500,000 in EV chargers to be located on public property, which EV chargers would be free to use, for the purpose of receiving public comments. As part of that presentation, ENO discussed ways to receive stakeholder input regarding potential EV site locations.
- 18. In February 2020, ENO met with the Advisors and other key stakeholders and further discussed the gathering of stakeholder input regarding potential EV site locations and continued collaborative efforts.
- 19. Soon after, mitigation measure were put in place to address the COVID-19 pandemic, and progress toward the deployment of EV infrastructure slowed.
- 20. In March 2021, ENO issued an online public geo-survey to solicit stakeholder feedback on desired locations for public charging in Orleans Parish. The geo-survey received numerous responses, and the results were compiled in April 2021. Using the geo-survey results, hundreds of sites were ranked according to an evaluation matrix created by the EV Steering Committee, with the goal of ensuring equitable access to EV charging stations. In July 2021, ENO distribution engineering employees visited the top thirty identified sites, removing five sites due to the proximity to other identified sites or the inability to cost-effectively connect to ENO's distribution system. The target list of the remaining twenty-five sites has now been established, with plans to install 31 chargers with 61 plugs in total.

- 21. On October 1, 2021, ENO issued a design and construction request for proposals ("RFP"). ENO is targeting a start date for installation of the public EV chargers in 2022.
- 22. Further, Affiant sayeth not.

New Orleans, Louisiana, this 14 day of January, 2022.

Gregory S. Crisler

SWORN TO AND SUBSCRIBED BEFORE ME THIS 19 DAY OF JANUARY, 2022.

NOTARY PUBLIC

STEPHEN T. PERRIEN

Notary Public Parish of Orleans, State of Louisiana My Commission is Issued for Life. Bar No. 22590 Notarial No. 49480

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)	DOCKET NO. UD-18-07
RESOLUTIONS R-15-194 AND R-17-504)	
AND FOR RELATED RELIEF)	

AFFIDAVIT OF SAMANTHA FRAILEY HILL ON BEHALF OF ENTERGY NEW ORLEANS, LLC

STATE OF LOUISIANA

PARISH OF ORLEANS

BEFORE ME, the undersigned Notary Public, personally came and appeared:

SAMANTHA FRAILEY HILL

who, after being duly sworn, did depose and state:

- 1. My name is Samantha Hill. My business address is 639 Loyola Ave., New Orleans,
 Louisiana 70113. My title is Manager, Regulatory Rate Strategy, and I am employed by
 Entergy Services, LLC ("ESL"). I am testifying on behalf of Entergy New Orleans,
 LLC ("Entergy New Orleans," "ENO," or the "Company").
- I have a Bachelor of Science degree in Marketing and Finance, and a Bachelor of
 Professional Accountancy from Tulane University. I am a Certified Public Accountant
 and licensed to practice in Louisiana.

¹ ESL is a subsidiary of Entergy Corporation that provides technical and administrative services to all of the Entergy Operating Companies ("EOCs"). The EOCs include Entergy Arkansas, LLC; Entergy Louisiana, LLC; Entergy Mississippi, LLC; Entergy New Orleans, LLC; and Entergy Texas, Inc.

- 3. I began my career with Deloitte and Touche, LLP in the audit and assurance services group in 2004, serving both public and private companies. In 2012, I joined Assure Underwriting Agency, a managing general agency providing homeowners insurance, as Controller. I joined ESL in 2014 in the Internal Audit Department as a Senior Staff Auditor. In 2019, I transitioned to a Regulatory Project Coordinator role in the Regulatory Research and Strategy group. In 2021, I was named to my current role of Manager, Regulatory Rate Strategy. In my current role, I supervise a team of people that is responsible for providing research, support, and strategy to the EOCs on various regulatory matters and policy issues related to ratemaking and emerging technologies including smart grid, energy efficiency and demand response, distributed generation and distributed energy resources, alternative fuel vehicles, and batteries and other forms of energy storage. I also support the EOCs' efforts to develop regulatory mechanisms needed to implement new customer solution offerings that address the evolving needs and interests of customers.
- 4. The purpose of my Affidavit is to support ENO's recommendations designed to address the various customer concerns and needs discussed in the Affidavit of Company witness Gregory S. Crisler. First, ENO recommends modification of the number of years (the "Recovery Term") that will determine fine the appropriate monthly rates to be applied to the Company's investment in the current Electric Vehicle Charging Infrastructure Rider ("EVCI-1 Rider"), which is set today at ten years, so that a potential host customer would be able to select a Recovery Term of one (1) to ten (10) years. As discussed by Mr. Crisler, ENO intends this flexibility in the payment terms to facilitate potential host customers' pursuit of EVCI grants as well as provide more options should a customer

desire to "pay off" an investment faster than ten years. ENO already provides similar flexibility in its Council-approved Additional Facilities Charge ("AFC") Rider.

Additionally, for Recovery Terms between one (1) and nine (9) years, the revised EVCI Rider has been simplified such that a single percentage rate would apply rather than having one percentage rate apply during the Recovery Term and a different, lower percentage rate would apply to the timeframe after the Recovery Term up through the ten-year term required by the rider. To be clear, the customer will be under contract for ten years regardless of whether they select a one-year, five-year, or ten-year Recovery Term.

Second, ENO recommends adoption of a new Electric Vehicle Charging Demand Adjustment ("EVCDA") Rider, which would modify billings under the Small Electric Service schedule ("Schedule SE") for a separately-metered electric vehicle ("EV") charging site. The EVCDA Rider would mitigate the electric service cost uncertainty caused by the unpredictable utilization of EV chargers. The EVCDA Rider would accomplish this objective by adjusting the demand charges calculated under the Schedule SE so that the demand charges are consistent with a 15% load factor, if the site's actual load factor that month is less than 15%. As a result of the EVCDA Rider, a site's effective electric cost on a per kilowatt-hour ("kWh") basis would be within a narrow band between \$0.15 to \$0.20 per kWh using the Schedule SE rate and riders that were in effect for the most recent twelve months. Although the EVCDA Rider would shift a relatively small amount of costs to other customers through the normal ratemaking process, there are other important benefits, such as environmental and societal benefits that should be considered. Nevertheless, ENO recommends that the EVCDA Rider

would be effective for a host customer for only five years and that the EVCDA Rider be available for the first 15 megawatts ("MW") of EV charging load that becomes operational after the Rider is approved, so that any potential cost-shift is limited and the Council and the Company would have an opportunity to reevaluate the rider.

EVCI-1 Rider Recovery Term Revision

- 6. The Council approved the existing EVCI-1 Rider in conjunction with ENO's 2018

 Combined Rate Case in November 2019.²
- ENO developed the EVCI-1 Rider based on the rationale and methodology behind ENO's existing AFC Rider, Option B, using only the 10-year Recovery Term. The EVCI-1 Rider facilitates a situation in which ENO would construct, own, and maintain EV charging infrastructure on customer-owned property. In return, per the terms of the rider, the Net Monthly Bill for the 10-year Recovery Term would be calculated based on 1.375% applied to the total installed cost of the equipment, plus the fixed, agreed-upon amount provided for on-going operations and maintenance ("O&M") expense, such as extended warranties and/or network service to a "smart" EV charger.
- 8. ENO recommends revising the existing EVCI-1 Rider to provide Recovery Term options to allow for more customer choice and flexibility to suit a customer's particular needs, as discussed by Mr. Crisler.
- 9. If approved by the Council, a customer taking service under the revised EVCI Rider would choose its preferred Recovery Term in a similar manner to the current AFC Rider Option B. Under AFC Rider Option B, a customer must choose the preferred Recovery

² Resolution No. R-19-457, dated November 7, 2019, at 189.

- Term from one (1) to ten (10) years that determines the appropriate monthly percentage rate to be applied to the installed cost of the electrical infrastructure for billing purposes.
- 10. Under the revised EVCI Rider Schedule, which is attached as Exhibit SFH-1, the selected Recovery Term would be from one (1) to ten (10) years, but could not exceed ten years, which is the expected depreciable life of EV charging equipment.
- 11. The proposed Recovery Term percentage rate options for one year through nine years were calculated by starting with the current Council-approved AFC Rider Option B percentage rates and applying three adjustments.
- 12. First, consistent with the current EVCI-1 Rider, I removed the O&M expense percentage rates to account for EV charging equipment-related O&M expense being addressed separately for each installation, which would be agreed-upon between the Company and the host customer.
- 13. Second, I combined the "Monthly Percentage During Recovery Term" and the "Monthly Percentage Post Recovery Term" percentage rates to yield a single percentage rate to be applied during the Recovery Term. This change simplifies billing for the customer and eliminates the notion of a Post Recovery Term monthly payment during the timeframe between the end of the selected Recovery Term and the mandatory ten-year term. This feature would also facilitate a customer utilizing a grant to pay for costs under the EVCI Rider.
- 14. Third, I revised the levelized monthly percentage payment calculation for property tax and property insurance expense to use the net present value ("NPV") of ten years of property tax and property insurance expense, adjusted down from the thirty years used in

- the AFC Rider Option B percentage calculation. This more accurately aligns with the ten-year expected life of EV charging equipment.
- 15. For consistency, the current EVCI-1 Rider 10-year Recovery Term Monthly Percentage rate was also revised to use a 10-year NPV of property tax and property insurance expense, which led to a slight reduction in the percentage rate from the current 1.375% rate.
- Once the customer-selected Recovery Term has ended, ENO would continue to own and maintain the infrastructure and would bill the customer for any agreed-upon O&M expenses (e.g., network service for a "smart" EV charger). After the initial ten-year contract term ends, which, to be clear, would apply whether the customer selects a one-year Recovery Term or a ten-year Recovery Term, the host customer and ENO will determine whether to continue use of the EV charging infrastructure, replace it subject to a new agreement, or take some other mutually-agreeable course of action.
- 17. The Company's other customers would not bear any additional cost due to the proposed revision to the available recovery terms. Consistent with the current EVCI-1 Rider, a customer that elects to participate and have ENO own and maintain EV charging infrastructure at the customer's site would be paying for all costs involved with the investment subject to ENO's Extension of Electric Service Policy, which is discussed by Company witness Barbara L. Casey.
- 18. Providing additional Recovery Term options under EVCI-1 Rider would not affect how revenues are currently treated for ratemaking purposes, that is, revenues received are an offset to the cost of the dedicated facilities.

- 19. As discussed further by Ms. Casey, ENO is recommending a revision to the Extension of Electric Service Policy to address when ENO may provide extensions of service to customers at a lower cost or at no-cost to the customer. Consistent with that revision to the extension policy, the EVCI Rider takes into account estimated annual revenue (i.e., additional revenues anticipated to be received) as an adjustment deducted from the total installed cost of EV charging infrastructure to be recovered through the EVCI Rider.
- As an illustrative example using the proposed four (4) times the customer's estimated minimum annual revenue, assume that an apartment complex requests from ENO an extension of new electric service to accommodate EV chargers from ENO that would not be located behind the existing meter. Assume further that the total extension of electric service investment cost to ENO is \$4,000 and the cost of the EV charging infrastructure is \$10,000. The estimated minimum annual revenue from the electricity usage at the electric vehicle charger is \$1,000 a year. As such, four (4) times that estimated minimum annual revenue will equal a total of \$4,000 (\$1,000 multiplied by 4). Therefore, in this illustrative example, the total investment that would be subject to the EVCI Rider would be \$10,000 (\$14,000 less \$4,000) plus any agreed-upon O&M related to the EV charging equipment being installed.

Proposed EVCDA Rider

21. To address the concerns of potential host customers described by Mr. Crisler, ENO recommends that the Council approve the proposed EVCDA Rider. As noted above, the proposed rider would adjust demand charges under the Schedule SE rate to provide more certainty regarding the effective cost per kWh of electric service on a per kWh basis and

- an effective cost per kWh more consistent with higher utilization and higher load factors expected in the future as EV adoption increases.
- Demand charges are a long-accepted component of ENO's Council-approved non-residential rate schedules, including Schedule SE, are expressed on a dollar (\$) per kilowatt-month basis, and are intended to recover the fixed cost of meeting a customer's electricity demand on ENO's electric system. For billing purposes under Schedule SE, a customer's demand is measured as the highest fifteen-minutes of demand in kilowatts ("kW") registered during a month subject to certain provisions in the rate schedule (e.g., minimum Billing Demand is 3 kW). A customer's demand is sometimes referred to as "load."
- 23. Load factor refers to the ratio of the utilization of electrical energy during a given period to the maximum energy which would have been utilized in that period based on the customer's demand. For example, a customer would have a 100% daily load factor if the customer has 10 kW of demand and consumes 240 kWh of energy over twenty-four hours.
- A separately-metered EV charging site may experience uncertain effective electric service costs on a per kWh basis as its load factor changes due to varying EV charger utilization. Mathematically, this uncertainty occurs because the site's demand would be spread over a varying volume of energy usage. To illustrate, consider a multi-family apartment complex owner which has installed four Level 2 EV chargers, each having a load (i.e., demand) of 7.5 kW, or 30 kW if all four chargers are in use simultaneously. Assume that the four EV chargers are separately-metered and billed under Schedule SE. As shown in Figure 1, at a low load factor the effective cost per kWh is substantially

higher than at higher load factors, where costs are spread over more energy usage or kWh for the same level of demand.

Effective Cost per kWh under Schedule SE at Varying Load Factors

50.40

50.30

50.10

50.00

5%

10%

15%

20%

Load Factor

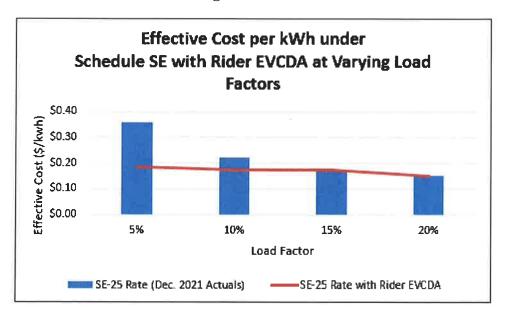
SE-25 Rate (Dec. 2021 Actuals)

Figure 1

- 25. To reduce uncertainty for potential host customers and promote increased investment in EV charging infrastructure, ENO recommends adoption of the EVCDA Rider, which I have included as Exhibit SFH-2. The EVCDA Rider would only be applicable to ENO's existing Schedule SE and would only be available to qualifying, separately-metered EV charging equipment, regardless of whether the equipment is owned by ENO.
- The EVCDA Rider would limit the amount of demand billed under Schedule SE to a qualifying customer during any billing period in which the actual calculated load factor is less than 15%. Under the rider, the amount of Billing Demand billed to EV charging stations will be the lesser of:
 - a. measured demand (kW), as conventionally determined and subject to terms of the Schedule SE; or

- adjusted demand (kW), as calculated based on actual usage and a minimum 15% monthly load factor.
- 27. Mathematically, the EVCDA Rider has the effect of limiting the effective cost per kWh under Schedule SE to a narrow band between \$0.15 and \$0.20 per kWh based on current rates and riders (before any applicable taxes and fees), as illustrated in Figure 2.

Figure 2



The example below illustrates the intended effect of the proposed EVCDA Rider. Using the earlier example where a host customer installs four Level 2 EV chargers with a demand of 30 kW if all four chargers are used at the same time, Figure 3 displays the effective cost per kWh assuming the equipment has a load factor of 10%. Under Schedule SE, the customer would be billed for 2,190 kWh of energy and 30 kW of demand, resulting in an effective cost of approximately \$0.22 per kWh. If the load factor were less than 10%, the effective cost per kWh would be significantly higher even though the bill itself would decline. Under the proposed EVCDA Rider, the billed demand would be adjusted to 20 kW for that month based on the actual usage of 2,190 kWh

adjusted to reflect the minimum 15% monthly load factor. The reduction of the billed demand from 30 kW to 20 kW would result in an effective cost of approximately \$0.17 per kWh, as shown in Figure 3 below.

\$0.25
\$0.22
\$0.20
\$0.15
\$0.10
\$0.15
\$0.05
\$Base Line Bill Bill with EVCDA

Figure 3

- ENO recommends that the EVCDA Rider use a minimum load factor of 15% to address customers' concerns. ENO does not have a quantitative analysis supporting the 15% minimum load factor. ENO selected a minimum monthly load factor of 15% because it balances facilitating encouraging the development of EV charging infrastructure, especially for public use, and minimizing the shift of costs to other customers. Also, ENO's expects EV adoption and, therefore, EV charging utilization, to increase in the future for the reasons described by Mr. Crisler, but ENO does not know when and to what degree EV adoption may increase in the future.
- 30. Initially, the EVCDA Rider would shift costs to ENO until ENO's rates were changed through a Formula Rate Plan ("FRP") proceeding or a rate case. In such proceedings,

- instead of the actual Billing Demands, ENO would use the lower adjusted Billing Demands to calculate the cost allocation factors for the rate class including the customers billed under Schedule SE and the EVCDA Rider. As a result, a certain level of costs would be shifted to other customers.
- To limit any potential cost shifts, ENO recommends that a host customer have electric vehicle charging load less than or equal to 1,500 kW, be limited to using the EVCDA Rider for five years, and that the EVCDA Rider be available for the first 15,000 kW of EV charging load that becomes operational after the rider is approved. This would limit potential cost-shifts. The above protections are based on ENO's judgment. ENO is not able to quantify the amount of the cost-shift, but, assuming 15,000 kW of EV charging load has an average load factor of 10%, the estimated cost shift would be approximately \$660,000, based on ENO's rates and riders for the prior twelve months. ENO plans to monitor utilization of the EVCDA Rider to ensure the rider is working as intended and to better understand usage patterns and load factors for new separately-metered EV charging stations.
- Although the EVCDA Rider would reduce billed demand for lower utilization EV charging sites, the bills for these sites would automatically be calculated with the unadjusted Schedule SE demand charges if the site's load factor increases to or above the 15% minimum load factor.
- 33. The Company is proposing that the EVCDA Rider be available only to non-residential customers taking new separately-metered electric service under Schedule SE exclusively for the purpose of EV charging. Customers with existing electric service unrelated to EV

- charging that add EV charging equipment behind their meter would be not be eligible for the EVCDA Rider.
- 34. The EVCDA Rider is not needed for EV chargers installed by residential customers for two reasons. First, ENO's Residential Electric Service rate schedule does not have a demand charge. Second, although there could be exceptions, residential customers generally install EV charging equipment behind their meter rather than request a new dedicated, separate meter for their EV charger.
- 35. In order to implement the EVCDA Rider, there would not be a new line item on a customer's bill. The only change to the customer's bill would be an adjustment to the billed demand, if warranted by the load factor for that billing cycle.
- 36. ENO believes stabilizing the effective cost per kWh for electric service to new separately-metered EV charging equipment could facilitate and encourage investment in EV charging infrastructure and EV adoption. In turn, the expansion of EV charging infrastructure and increased EV adoption should provide environmental and societal benefits to the residents of New Orleans. Although the magnitude of these potential benefits is difficult to predict and quantify, ENO believes that the proposed EVCDA Rider is a reasonable, transitional solution that ultimately should benefit all ENO customers.
- 37. ENO's proposed EVCDA Rider is similar to mechanisms that regulators have approved for use by Florida Power and Light³ and Xcel Energy Minnesota.⁴ Uncertain EV charging utilization of separately-metered EV charging stations is an emerging issue that

³ See Petition for approval of optional electric vehicle public charging pilot tariffs, by Florida Power & Light Company, Docket No. 20200170-EI, Order No. PSC-2020-0512-TRF-EI, December 21, 2021.

⁴ McFarlane, Dane, Matt Prorok, Brendan Jordan, and Tam Kemabonta, "Analytical White Paper: Overcoming Barriers to Expanding Fast Charging Infrastructure in the Midcontinent Region," Great Plains Institute (July 2019).

has been identified by ENO and other utilities seeking to expand EV charging access. For example, the Rocky Mountain Institute ("RMI") released a study in 2017 focused on California, where an analysis revealed demand charges can initially make up over 90% of an EV charger's electricity costs during the early adoption period due to low initial utilization. RMI has prepared and released subsequent studies focusing on various approaches to rate design to try to address challenges presented by demand charges during the early adoption phase.

38. Further Affiant sayeth not.

New Orleans, Louisiana, this

day of January, 2022.

SAMANTHA FRAILEY HILL

SWORN TO AND SUBSCRIBED BEFORE ME THIS 4 DAY OF JANUARY, 2022.

NOTARY PUBLIC

STEPHEN T. PERRIEN

Notary Public
Parish of Orleans, State of Louisiana
My Commission is Issued for Life.

Bar No. 22590 Notarial No. 49480

⁵ See https://rmi.org/wp-content/uploads/2017/04/eLab EVgo Fleet and Tariff Analysis 2017.pdf

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ENTERGY NEW ORLEANS, LLC

ELECTRIC SERVICE

Effective:

Filed: January 2022

Supersedes: EVCI-1 Effective April 2020

Billing

Schedule Consists of: Two Pages

RIDER SCHEDULE EVCI-2

ELECTRIC VEHICLE CHARGING INFRASTRUCTURE RIDER

I. AVAILABILITY

This Electric Vehicle Charging Infrastructure ("EVCI") Rider is available to Entergy New Orleans, LLC ("ENOL") Customers taking metered service under the Company's non-residential rate schedules.

II. APPLICATION

Prior to the Company installing Electric Vehicle ("EV") Charging Infrastructure at the Customer's premises, the Customer will enter into an Agreement with the Company and agree to pay to the Company a net monthly charge based on the investment, subject to adjustment, by Company in such infrastructure and a monthly percentage, plus an agreed-upon fixed amount to cover ongoing operation and maintenance ("O&M") expenses based on the Customer's desired level of warranty, insurance, remote monitoring, access, and network services. Any subsequent capital additions, replacements, or modifications of EV Charging Infrastructure will be treated as described below.

At the time the Agreement is entered into, the Customer will have a one-time election for the Selected Recovery Term. The Selected Recovery Term cannot be more than 10 years. The table below specifies the monthly percentages for application during the Selected Recovery Term. Applicable percentages will apply to the installed cost of all EV Charging Infrastructure included in the Agreement during the Selected Recovery Term. Following the Selected Recovery Term, the agreed-upon monthly fixed amount included in the Agreement will apply thereafter for operations, maintenance, and other on-going expenses.

Subsequent modifications and additions to EV Charging Infrastructure covered by an Agreement shall be subject to a new Agreement covering the installed cost of such modified or added infrastructure.

Subsequent replacement of a component shall be subject to a new Agreement covering the installed cost of such item. If the Agreement covering the replaced item remains in effect because there was not a total replacement of the EV Charging Infrastructure covered by the Agreement, the costs covered by such Agreement shall be reduced by the original cost of the replaced infrastructure. If the replacement occurs prior to the end of the Selected Recovery Term for the replaced infrastructure, the replacement installed cost shall be reduced by the salvage value of the replaced infrastructure, if any.

Selected Recovery	Monthly % Selected
Term (Years)	Recovery Term
1	9.522%
2	4.964%
3	3.449%
4	2.695%
5	2.244%
6	1.945%
7	1.733%
8	1.576%
9	1.454%
10	1.358%

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Page 39.2

III. NET MONTHLY BILL

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Per the terms of the Agreement, the Net Monthly Bill will be calculated based on the total installed cost of EV Charging Infrastructure less applicable adjustment for (1) utilization of any available government tax or other form of incentives and (2) additional revenues anticipated to be received by the Company, plus the agreed-upon fixed amount for on-going O&M. The Company shall be the sole judge of all questions relating to cost, revenue, terms, conditions, and adequacy of any guarantee of revenue and term of contract it will require in order to safeguard its investment in EV Charging Infrastructure.

IV. PAYMENT

The Net Monthly Bill is due and payable each month. If not paid within twenty (20) days from the date of billing, the Gross Monthly Bill, which is the Net Monthly Bill plus 2%, becomes due after the Gross Due Date shown on the bill.

V. CONTRACT PERIOD

The initial contract period of any Agreement for EV Charging Infrastructure provided hereunder shall be for ten (10) years regardless of the length of the Selected Recovery Term and shall be automatically extended thereafter for successive periods of one (1) year each until terminated by written notice given by one party to the other not more than six (6) months nor less than three (3) months prior to the expiration of the initial contract period or any anniversary thereof.

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ENTERGY NEW ORLEANS, LLC

ELECTRIC SERVICE

RIDER SCHEDULE EVCDA

Effective:

Filed: January 2022

Supersedes: New Schedule Schedule Consists of: One Page

ELECTRIC VEHICLE CHARGING DEMAND ADJUSTMENT RIDER

I. AVAILABILITY

This rider is available to a qualifying non-residential Customer taking service under the Small Electric Service Rate Schedule ("SE Rate Schedule") solely for the purpose of supplying a new, separately-metered electric vehicle charging installation that becomes operational after the rider's effective date. The Customer's charging installation must be for commercial or general use consistent with the nature of the Customer's premises.

The availability of this rider shall be on a first-come, first-serve basis and will be limited to the first 15,000 kilowatts ("kW") of electric vehicle charging load to become operational after the rider's effective date. To qualify for the rider, a separately-metered Customer account shall have electric vehicle charging load less than or equal to 1,500 kW.

II. NET MONTHLY BILL

All provisions of Rate Schedule SE shall apply except the Billing Demand will be determined as described herein.

III. BILLING DEMAND

The Billing Demand shall be the sum of the highest fifteen-minute kW demands (taken to the nearest half kW) registered during the month on the meter through which Customer takes service hereunder.

In the event the Billing Demand for a given billing period results in less than a 15 percent load factor based on that billing period's energy consumption, the Billing Demand will be adjusted to result in a 15 percent load factor subject to the other minimum Billing Demand provisions of the SE Rate Schedule.

The monthly Billing Demand shall not be less than 3 kW.

IV. CONTRACT REQUIREMENT

The Customer is required to enter into an Agreement for Electric Service ("Agreement") covering service to the new separately-metered electric vehicle charging installation. Such Agreement shall specify that the Customer shall be billed under the terms of the SE Rate Schedule subject to the provisions of this rider and that Customer's term of service under this rider shall be for a period of not more than five years.

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)	DOCKET NO. UD-18-07
RESOLUTIONS R-15-194 AND R-17-504)	
AND FOR RELATED RELIEF)	

AFFIDAVIT OF BARBARA L. CASEY ON BEHALF OF ENTERGY NEW ORLEANS, LLC

STATE OF ARKANSAS

PARISH OF PULASKI

BEFORE ME, the undersigned Notary Public, personally came and appeared:

BARBARA L. CASEY

who, after being duly sworn, did depose and state:

- 1. My name is Barbara L. Casey. My business address is 1600 Perdido Street, Building #505, New Orleans, Louisiana 70112. My title is Director, Regulatory Affairs, and I am employed by Entergy New Orleans, LLC. I am testifying on behalf of Entergy New Orleans, LLC ("Entergy New Orleans," "ENO," or the "Company").
- 2. I have a bachelor's degree in Business Administration in Accounting from the University of Central Arkansas, Conway, Arkansas. I am a Certified Public Accountant and licensed to practice in Arkansas. I am a member of the American Institute of Certified Public Accountants and the Arkansas Society of Certified Public Accountants.
- 3. I began my career with Entergy Arkansas, LLC ("EAL") (then known as Arkansas Power & Light Company) in 1985 as a Staff Accountant I, in the General Accounting group; in 1986, I was promoted to Staff Accountant II. In 1989, I began working in the Taxes &

Special Studies group. I worked in that group until 1990. Thereafter, I worked in the Regulatory Accounting & Tax Group. After a reorganization of the accounting and tax functions in 1993, I began working in Regulatory Accounting for Entergy Services, LLC ("ESL").\(^1\) In October 2007, I was promoted to Senior Staff Accountant, Regulatory Accounting. In this role, I was responsible for preparing accounting and financial data along with supporting testimony for the EOCs' rate filings. In January 2014, I was promoted to Regulatory Project Coordinator in the Regulatory Filings department. In this role, I was responsible for providing analysis and support to EAL in the preparation of cost-of-service studies, rider updates, and other rate-related filings. In July 2016, I was promoted to Manager in the Regulatory Filings department and was responsible for general rate-related regulatory support in the areas of regulatory accounting for EAL. In my current role, I am responsible for leading all Council of the City of New Orleans ("Council") regulatory activities of ENO, including supervising all regulatory filings made with the Council and any groups supporting such filings.

- 4. I have testified before the Arkansas Public Service Commission in various proceedings. In my past positions in Regulatory Accounting, I supported ENO's rate filings made with the Council, in particular the 2008 Rate Case and the subsequent Electric and Gas Formula Rate Plan filings made in 2010 through 2012.
- 5. The purpose of my Affidavit is to support the proposed change to the Extension of Electric Service Policy, which is included in ENO's Electric Rate and Rider Schedules as Schedule EOES-4.

¹ ESL is a subsidiary of Entergy Corporation that provides technical and administrative services to all of the Entergy Operating Companies ("EOCs"). The EOCs include EAL; Entergy Louisiana, LLC; Entergy Mississippi, LLC; Entergy New Orleans, LLC; and Entergy Texas, Inc.

Change to Extension of Electric Service Policy

- 6. The proposed change concerns Paragraph 3(B) of Schedule EOES. Paragraph 3 describes the situations in which ENO generally may accept, subject to certain conditions, an application for new service and extend overhead lines or add other overhead facilities to satisfy the requirements of such new service at no cost to the customer.
- 7. Paragraph 3(B) currently states that ENO generally may provide the necessary extensions and/or additional facilities at no cost to the customer if the cost of such extensions and/or additional facilities is not more than two times the estimated annual revenue from the new service.
- 8. Additionally, the customer must provide the Company adequate and satisfactory contractual guarantees that the Company will indeed realize such revenue. Paragraph 3 expressly provides that the Company shall be the sole judge of all questions relating to cost, revenue, terms, conditions, and adequacy of any guarantee of revenue and term of contract it will require in order to safeguard its investment in extensions and additions.
- 9. If these conditions are not met, then ENO would provide such new service only after payment of a satisfactory contribution in aid of construction by the customer. In that case, the contribution would be the amount by which the cost of the extensions and/or additional facilities exceeds two times the estimated annual revenue from the new service.
- 10. ENO proposes that Paragraph 3(B)'s threshold for no cost extensions and additions be changed from two times the estimated annual revenue from the new service to four times the same. Attached hereto as Exhibit BLC-1 is the proposed Extension of Electric Service Policy, which would be Schedule EOES-5, if approved. A comparison of the

- current Schedule EOES-4 and the proposed Schedule EOES-5 is also included in the Exhibit.
- 11. For example, assume a customer requests a new service that requires an extension of overhead distribution lines at a cost of \$20,000 and the customer's new service would produce \$7,000 of revenue. Under the current two-times threshold, the customer would have to provide ENO a contribution of \$6,000, that is, \$20,000 less two times \$7,000, which is \$14,000. Under the proposed four-times threshold, the customer would not have to provide ENO a contribution because four times \$7,000, which is \$28,000, is greater than \$20,000.
- 12. Although this change is being proposed in the context of a request related to Electric Vehicle ("EV") charging infrastructure and should encourage investment in the same, this change to Schedule EOES would not be limited to situations involving EV charging infrastructure.
- 13. This change should encourage customers to seek new electric service and increase electrification in the City of New Orleans by lowering a customer's initial investment associated with a new electric service.
- 14. This change is unlikely to harm electric customers because ENO's no-cost threshold for extension of gas service is already four times the estimated annual revenue from the new gas service. This proposed change would seek to align the policy for both electric and gas customers. Furthermore, this change would align ENO's no-cost extension threshold for electric service with those of Entergy Louisiana, LLC; Entergy Mississippi, LLC; and Entergy Texas, Inc., all of which use four times the estimated annual revenue from the new electric service.

15. Further Affiant sayeth not.

New Orleans, Louisiana, this //day of January, 2022.

BARBARA L. CASEY

SWORN TO AND SUBSCRIBED BEFORE ME THIS ¼ DAY OF JANUARY, 2022.

NOTARY PUBLIC

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ENTERGY NEW ORLEANS, LLC

ELECTRIC SERVICE

SCHEDULE EOES-5

Effective:

Filed: January 2022

Supersedes: EOES-4 Effective 7/31/19 Schedule Consists of: Three Pages

EXTENSION OF ELECTRIC SERVICE POLICY

I. AVAILABILITY

This Extension of Service Policy is available to all applicants for the provision of permanent electric service from any point on the Company's existing facilities having adequate capacity and suitable voltage for delivery of service from the Company's interconnected system.

II. COST OF EXTENSIONS OR ADDITIONS

The term "cost" when applied to the Company's property or additions thereto shall include the following.

- **A.** The invoice cost, plus transportation, storage, insurance, and handling expenses, of all material, equipment and incidental supplies used in the work.
- **B.** The payroll cost of all labor and direct supervision employed on the work, plus associated employee liability insurance, medical insurance, payroll taxes, subsistence, retirement benefits, and travel expenses.
- **C.** The cost of services performed by a contractor, if used.
- D. The cost of any required privileges, permits, certificates, easements, servitude, etc.
- **E.** The pro-rated cost of expendable tools, safety devices, etc.
- **F.** The cost, including interest, taxes, insurance, depreciation and operation and maintenance expenses, of equipment used such as air compressors, air drills, hole diggers, ditchers, wagons, trailers, tractors, etc., if owned by the Company and the rental and other charges paid therefore or in connection therewith when not so owned, calculated at a rate per day or hour.
- **G.** All direct truck and transportation expense incurred which shall include insurance, license fees, interest, taxes, depreciation, and operation and maintenance expense charged for at a rate per mile or per hour.
- **H.** The cost of engineering, inspecting, testing, general supervision, legal and general office auditing and accounting expense, public liability insurance, injuries and damages during construction and other general administration and overhead expenses.
- I. The cost of interest and taxes on idle investments solely dedicated to the alteration, extension, or addition during the period to be from the beginning of the project until it is completed and placed in operation.

III. EXTENSION OF OVERHEAD FACILITIES

The Company will accept applications for service and extend overhead lines and/or add other overhead facilities when required to satisfy the Customer's service requirements without cost to the Customer under the following conditions:

- A. the extension and/or additions do not exceed three hundred (300) feet; or
- **B.** the extension and/or additions or combinations of extension and/or additions will cost no more than four (4) times the Customer's estimated minimum annual revenue, excluding adjustments, for which the Customer has furnished to the Company adequate and satisfactory contractual guarantees.

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When the conditions above are not met, the Company will provide service after satisfactory payment to the Company of a contribution in aid of construction by the Customer. Such contribution shall be the amount by which the cost of such extension and/or additions exceeds four (4) times the Customer's estimated minimum annual revenue, excluding adjustments, for which the Customer has furnished to the Company adequate and satisfactory guarantees. When requirements of law or rules of governmental agencies require that such contribution in aid of construction be considered as revenue to the Company and therefore the basis of additional income taxes due, such contribution in aid of construction will be adjusted so as to provide to the Company the required funds after such income taxes have been deducted.

The Company shall be the sole judge of all questions relating to cost, revenue, terms, conditions and adequacy of any guarantee of revenue and term of contract it will require in order to safeguard its investment in extensions and additions.

IV. EXTENSION OF UNDERGROUND FACILITIES

The Company will accept applications for service and extend underground lines or other underground facilities when required to satisfy the Customer's service requirements, the requirements of appropriate regulatory or governmental authority or to preserve consistency with practices in the immediate locale after satisfactory payment to the Company of a contribution in aid of construction by the Customer. Such contribution shall be any amount required to be paid by the Customer under Section III.B above plus the differential amount between the estimated cost of the necessary underground lines and/or underground facilities and the estimated cost of the overhead lines and/or overhead facilities which would have been required to provide service. However, nothing herein shall prevent the Company, at its sole discretion, from waiving or amending the underground lines and/or facilities cost for reasons of (but not limited to) compliance with regulatory or governmental directives, consistency with past practices and procedures, contractual obligations, unusual conditions or circumstances which render overhead lines and/or facilities impractical or recognition of other reasonable benefit to be derived by the Company by said underground lines and/or facilities.

The Company shall be the sole judge of all questions relating to cost, revenue, terms, conditions and adequacy of any guarantee of revenue and term of contract it will require in order to safeguard its investment in extensions and additions.

V. UNUSUAL COSTS

When unusual costs are incurred by the Company that are not explicitly mentioned in Paragraph II above, Cost of Extensions or Additions, such costs shall be recorded at the cost to the Company and shall be added to any other charges to be paid by the Customer pursuant to this Policy.

VI. RELOCATION, MODIFICATION OR COMPLETE REMOVAL OF COMPANY FACILITIES

When a Customer requests a relocation or modification of the Company's existing facilities, the Customer shall reimburse the Company for the costs of such relocation or modification and provide right-of-way if required. Where relocation or modification of the Company's existing facilities is made for Company purposes, the cost shall be borne by the Company.

If a request is made or the Company is required to completely remove electric service facilities from a property location, the requesting party, property owner or Customer shall pay the Company the cost for removal of such facilities. If the Customer does not require the facilities for the full term of any contract for electric services and wishes to cancel the contract prior to the expiration date, the Company reserves the right to remove such facilities and may consent to the cancellation of the contract provided the Customer pays to the Company the applicable termination charges in addition to the costs associated with the removal of the facilities.

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VII. CHANGES IN SERVICE REQUIREMENTS

The Company will install facilities pursuant to this Policy to accommodate the electrical load proposed by the Customer. If the Customer increases or otherwise changes load characteristics such that the Company must modify its facilities, the Customer shall be responsible for the cost of such modification unless the additional revenue, excluding adjustments, justifies the cost of such modification.

VIII. RIGHT OF WAY

The Company shall not be required to make such extensions and deliver service unless and until the Customer delivers to the Company free of all cost, satisfactory permits, servitude or easements (including minimum underground clearances) granting to the Company the right to construct, operate, maintain and remove such extensions across or over any affected private property.