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Timothy S. Cragin
Assistant General Counsel
Legal Services - Regulatory

July 25, 2019

Via Hand Delivery

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

Re: Bi-Monthly Report of Entergy New Orleans, LLC, Detailing Expenditures Made to Date on New Orleans Power Station and the Currently Anticipated Schedule for Future Expenditures

Dear Ms. Johnson:

Please find enclosed for your further handling an original and three copies of the Public Version of the Bi-Monthly Report of Entergy New Orleans, LLC (“ENO” or the “Company”), concerning construction of the New Orleans Power Station (“NOPS”). Please file an original and two copies into the Council’s record and return a date-stamped copy to our courier.

This filing is made pursuant to Council Resolution R-19-78, which ordered ENO to provide bi-monthly reports to the Council during construction of NOPS, detailing the expenditures made to date and the currently anticipated schedule for future expenditures. Council Resolution R-19-78 at 13.

In connection with the Company’s filing, a Confidential Version of the Bi-Monthly Report bearing the designation “Highly Sensitive Protected Materials” is being provided to the Council’s Advisors pursuant to the terms and conditions of the Official Protective Order adopted in Council Resolution R-07-432. Portions of the information included in the filing consist of or reflect competitively sensitive cost and market information, the disclosure of which may present a risk of harm to ENO’s customers. In addition, portions of the filing may contain highly sensitive information of third parties to which an obligation of confidentiality is owed.

The Company plans to file subsequent bi-monthly reports on the following dates: September 25, 2019; November 25, 2019; January 27, 2020; March 25, 2020; May 26, 2020; July 27, 2020; and September 25, 2020.

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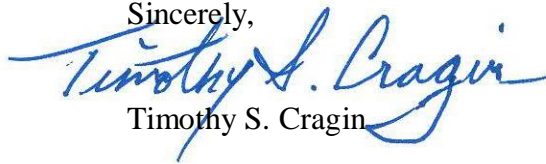
Ms. Lora W. Johnson, CMC, LMMC

July 25, 2019

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Thank you for your assistance with this matter.

Sincerely,



Timothy S. Cragin

Enclosures

cc (via electronic mail):

Honorable Helena Moreno
Honorable Jason Rogers Williams
Honorable Joseph I. Giarrusso, III
Honorable Jay H. Banks
Honorable Kristin Gisleson Palmer
Honorable Jared C. Brossett
Honorable Cyndi Nguyen
Erin Spears
Norman White
Sunni J. LeBeouf, Esq.
Clinton A. Vince, Esq.
Presley R. Reed, Jr., Esq.
Emma F. Hand, Esq.
J. A. Beatmann, Jr., Esq.
Joseph Rogers

**BEFORE THE
COUNCIL OF THE CITY OF NEW ORLEANS**

Entergy New Orleans, LLC

New Orleans Power Station RICE Project

Bi-Monthly Report

Pursuant to Council Resolution No. R-19-78

Public Version

July 25, 2019





This Bi-Monthly Report covering the period through the end of June 2019 is submitted to comply with the Ordering Paragraph entitled “NOPS Construction Costs” on page 13 of Council Resolution R-19-78, adopted by the New Orleans City Council (“Council”) on February 21, 2019. Specifically, that Ordering Paragraph requires that Entergy New Orleans, LLC (“ENO” or the “Company”) provide bi-monthly reports to the Council during the construction of the New Orleans Power Station (“NOPS” or the “Project”), “detailing the expenditures made to date and the currently anticipated schedule for future expenditures.”

I. SUMMARY OF KEY NOPS MILESTONES

Table 1 below shows actual and remaining key milestones for the Project:

Table 1: Key Milestones

| Milestone | Description | Date | Status |
|-----------|-----------------------------------|---------------|-------------|
| 1 | Full Notice to Proceed (FNTP) | March 2018 | Complete |
| 2 | Order Major Equipment | March 2018 | Complete |
| 3 | Start Engine Deliveries | February 2019 | Complete |
| 4 | First Production Pile Installed | February 2019 | Complete |
| 5 | Engine Hall Enclosed and Dried In | August 2019 | On Schedule |
| 6 | Generator Step Up Deliveries | August 2019 | On Schedule |
| 7 | Fuel Gas Available | January 2020 | On Schedule |
| 8 | Backfeed Power Available | March 2020 | On Schedule |
| 9 | Engine Commissioning | April 2020 | On Schedule |
| 10 | Target EPC Substantial Completion | June 2020 | On Schedule |

II. EXPENDITURES MADE TO DATE AND CURRENTLY ANTICIPATED SCHEDULE FOR FUTURE EXPENDITURES

ENO has made expenditures in the amount of \$140.2 million through June 2019. A more detailed confidential summary of ENO’s expenditures through June 2019 is attached as Appendix 1. The project status has been broken down into three different components for tracking progress on the Project: **Engineering, Procurement, and Construction**. The Company has completed 94% of project engineering, 91% of project procurement, and 29% of construction.

Major design/engineering tasks completed through June 2019 include:

- All major deliverables have been issued for design engineering.

- Remaining engineering effort is for construction support (Requests For Information (RFI), drawing redlines and comment resolution, etc.) and drawing hold removal. Engineering will not show 100% complete on progress curves until construction is complete.

Procurement progress through June 2019 includes:

- Took delivery on site of all project steel material.
- Reviewing vendor submittals for various procurement packages. All packages are on schedule at this time.

Major construction tasks completed through June 2019 include:

- Mobilized pre-engineered metal building (engine hall) contractor to begin erection of the engine hall and control room buildings. This is the current critical path. This work is currently on schedule.
- Mobilized mechanical contractor (Excel) to begin mechanical construction.
- Began erecting Radiator support steel.
- Began receiving balance of plant container deliveries from Wartsila.
- Began installation of drilled shafts for collector buss yard foundations.
- Continued conduit installation in the Power Block area.
- Continued grounding in foundations and ground grid.
- Continued backfill of Power Block areas to final grade.
- Continued excavating for and installing sections of fuel gas piping after being hydrotested.
- Continued fabrication and installation of piping for fire water, raw water and potable water lines.

Over the next two reporting months, ENO estimates that it will make expenditures in the approximate amount of \$17 million. Tasks associated with the estimated expenditures over the next two months include:

- GSU foundation formed, placed, cured and backfilled.
- All below grade piping installed and quality tested.
- Radiators rough set.
- Engine hall roofing and siding substantially complete.

- Engine hall dried in to facilitate engine setting.

Work under the engineering, procurement, and construction (“EPC”) contract with Burns & McDonnell (“B&M”) was partially suspended between late August 2018 and early February 2019. ENO has worked with B&M to understand the impacts of this delay, and ENO and B&M recently agreed to a change order that adds approximately [REDACTED] to the contract price and [REDACTED] days to the schedule, making [REDACTED], 2020, the revised substantial completion date. The change in the EPC contract price has not caused an increase in the \$210 million cost estimate for the RICE Alternative that was presented in Council Docket No. UD-16-02. As of June 30, 2019, approximately [REDACTED] of the Project’s contingency estimate was available to mitigate potential project risks or events.



Appendix 1

Expenditures Summary – Confidential Version

Highly Sensitive Protected Materials



Summary New Orleans Power Station
 Expenditures
 \$USD

| | Actuals thru 12/31/18 | Expenditures 5/1/19 thru 6/30/19 | Actuals thru 6/30/2019 |
|-------------|--------------------------|--|---------------------------|
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| Grand Total | \$ 95,944,068 | \$ 14,724,195 | \$ 140,157,953 |