

RESOLUTION

NO. R-21-400

CITY HALL: October 27, 2021

**BY: COUNCILMEMBERS MORENO, GLAPION, GIARRUSSO, BANKS AND
BROSSETT**

**RESOLUTION AND ORDER DIRECTING ENTERGY NEW ORLEANS, LLC
TO EMPLOY CERTAIN REFUND AND TAX CREDIT MONIES TOWARD
RATEPAYER CREDITS**

WHEREAS, pursuant to the Constitution of the State of Louisiana and the Home Rule Charter of the City of New Orleans (“Charter”), the Council of the City of New Orleans (“Council”) is the governmental body with the power of supervision, regulation, and control over public utilities providing service within the City of New Orleans; and

WHEREAS, pursuant to its powers of supervision, regulation, and control over public utilities, the Council is responsible for fixing and changing rates and charges of public utilities and making all necessary rules and regulations to govern applications for the fixing and changing of rates and charges of public utilities; and

WHEREAS, Entergy New Orleans, LLC (“ENO” or "Company"), is a public utility providing electric and natural gas service to all of New Orleans; and

WHEREAS, in late 2020 System Energy Resources, Inc. was awarded approximately \$40.5 million from the Department of Energy (“DOE”) for interim spent fuel damages from 2012-2017. ENO’s share of the award is approximately \$6.2 million. ENO is holding these funds for Council direction with regards to their use; and

WHEREAS, In FERC Docket No. EL09-61, ENO was provided approximately \$7 million as a refund credit related to EAL’s off-system sales practices. The Council employed this credit to

fund the City Council Cares (“CCC”) program; however approximately \$2.7 million of these funds remain unapplied; and

WHEREAS, in FERC Docket No. ER13-1508, pursuant to Opinion No. 575, Entergy Louisiana, LLC and Entergy Arkansas, LLC (“EAL”) paid to ENO \$6.1 million. On August 20, 2021, Committee Chair Helena Moreno asked ENO to hold this refund until the Council provided guidance as to how the refund shall be utilized; and

WHEREAS, as part of their review of ENO’s books of account, the Advisors have identified approximately \$2.4 million in unprotected excess accumulated deferred income tax (“UPITA”) related to its electric utility that has not been returned to ratepayers or otherwise applied for ratepayer benefit; and

WHEREAS, these monies held by ENO that have not yet been returned to ratepayers or otherwise applied for ratepayer benefit total approximately \$17.4 million; and

WHEREAS, the adverse effects related to COVID-19 continue to affect New Orleans; and

WHEREAS, the Council notes that fuel costs that may be reflected in ENO’s electric and gas rates have increased substantially in 2021 compared to a year prior; and

WHEREAS, the Council desires to use the unapplied approximate \$17.4 million in awards, refunds, and UPITA to mitigate ratepayer bills over the November 2021 to March 2022 period (five months); and

WHEREAS, the Council desires to apply the approximately \$17.4 million in awards, refunds, and UPITA in equal amounts over the months of November 2021, December 2021, January 2022, February 2022, and March 2022; and

WHEREAS, the Council finds that the most appropriate means to apply approximately \$17.4 million in awards, refunds, and UPITA is through a credit to Rider PPCR;

NOW THEREFORE

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF NEW ORLEANS, That
ENO is directed to:

1. Apply all funds totaling approximately \$17.4 million from its Department of Energy fuel storage award, FERC Docket No. EL09-61, FERC Docket No. ER13-1508, and UPITA as five equal credits toward the calculation of Rider PPCR's rates for each billing cycle in each of the months November 2021, December 2021, January 2022, February 2022, and March 2022.

THE FOREGOING RESOLUTION WAS READ IN FULL, THE ROLL WAS CALLED ON THE ADOPTION THEREOF, AND RESULTED AS FOLLOWS:

YEAS:

NAYS:

ABSENT:

AND THE RESOLUTION WAS ADOPTED.