

RESOLUTION

NO. R-21-37

CITY HALL: January 28, 2021

BY: COUNCILMEMBERS MORENO, GIARRUSSO, BANKS AND BROSSETT

**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**

**RESOLUTION AND ORDER TO INITIATE A COMMENT PERIOD IN
RESPONSE TO THE ALLIANCE FOR AFFORDABLE ENERGY AND SIERRA
CLUB'S MOTION TO INSTITUTE PRUDENCE REVIEW TO EXAMINE THE COSTS
ASSOCIATED WITH THE DESIGN AND CONSTRUCTION OF THE NEW ORLEANS
POWER STATION**

DOCKET NO. UD-18-07

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, on July 31, 2018, ENO filed its initial *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* ("Initial Rate Filing"); and

WHEREAS, in a letter dated August 15, 2018, Roderick K. West, Entergy Group President of Utility Operations, explained that ENO had decided to withdraw its Initial Rate Filing, explaining that the decision to withdraw the Initial Rate Filing was in “response to the thoughtful feedback that Entergy New Orleans has received from members of the Council of the City of New Orleans and Council’s legal and technical Advisors, particularly with regard to the need to develop a better path toward a single rate structure for all customers of Entergy New Orleans, both those residing on the East Bank of New Orleans and those residing in Algiers” and noted that ENO would refile the rate case in September; and

WHEREAS, on September 21, 2018, ENO refiled its rate case, *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* (“Revised Application”); and

WHEREAS, on October 4, 2018, the Council adopted Resolution R-18-434 establishing a procedural schedule to allow the parties to this proceeding to rigorously investigate the Revised Application, conduct discovery, file testimony, and otherwise establish a record upon which the Council could rely to make a determination as to the proper rates to be charged by ENO; and

WHEREAS, the Council reviewed the Revised Application, the positions of the parties, and the evidence presented in the voluminous record certified in this proceeding; and

WHEREAS, on November 7, 2019, the Council adopted Resolution R-19-457 (“Rate Case Resolution”) including the mechanisms by which ENO may recover costs related to the New Orleans Power Station (“NOPS”) if litigation related to Docket UD-16-02 was resolved and the Council’s decision in Resolution R-18-65 was upheld; and

WHEREAS, litigation related to Docket UD-16-02 has been resolved and the Council’s decision has become final. As a result, on October 27, 2020, ENO notified the Council that it

would commence recovery of costs related to NOPS with the first billing cycle of November 2020;
and

WHEREAS, on December 11, 2020, the Alliance for Affordable Energy and Sierra Club filed a Motion to Institute Prudence Review requesting that the Council “1) institute a prudence review to investigate all aspects of the design and construction of NOPS and 2) contract with an independent auditor to conduct a full examination of the NOPS design and construction expenditures;” **NOW THEREFORE**

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF NEW ORLEANS, That parties to Docket UD-18-07 have 30 days from the adoption this resolution to submit comments in response to the Alliance for Affordable Energy and Sierra Club’s Motion to Institute Prudence Review.

BE IT FURTHER RESOLVED BY THE COUNCIL OF THE CITY OF NEW ORLEANS, That the Council Utilities Regulatory Office and the Council’s Utility Advisors are directed to review comments submitted and provide to the Council a recommendation as to whether or not the Council should initiate a prudence investigation into the design and construction of NOPS.

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

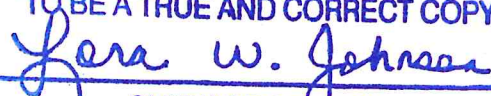
YEAS: Banks, Brossett, Giarrusso, Gisleson Palmer, Moreno, Nguyen - 6

NAYS: 0

ABSENT: 0

AND THE RESOLUTION WAS ADOPTED.

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**THE FOREGOING IS CERTIFIED
TO BE A TRUE AND CORRECT COPY**

CLERK OF COUNCIL