

STANLEY, REUTER, ROSS  
THORNTON & ALFORD, LLC

909 Poydras Street, Suite 2500  
New Orleans, Louisiana 70112  
Telephone: 504-523-1580  
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ALISON N. PALERMO

OUR FILE NO.  
41,654

December 13, 2022

**VIA ELECTRONIC DELIVERY**

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

**Re: *IN RE: Application of Entergy New Orleans, LLC, and the Louisiana Utilities Restoration Corporation for Authority to Fund and Finance Storm Recovery Reserves, and Related Relief***  
**CNO Docket UD-22-01**

Dear Ms. Johnson:

Pursuant to the Financing Order (Resolution R-22-437 (As Corrected)) adopted on the 6th day of October, 2022, in the above-referenced docket, please find enclosed for your further handling the public version of the Louisiana Utilities Restoration Corporation and Entergy New Orleans, LLC's ("ENO") final Issuance Advice Letter along with ENO's Certification. 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 original and requisite 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.

The confidential version of the final Issuance Advice Letter is being provided to those Reviewing Representatives who have executed the non-disclosure agreement made part of the Official Protective Order approved by the Council in Resolution R-07-432.

Thank you for your courtesy and assistance with this matter. Please do not hesitate to contact me if you have any questions.

December 13, 2022

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With kind regards I am,

Sincerely,



Alison N. Palermo

ANP/

Enclosure

cc: Official Service List for Docket UD-22-01 (via electronic mail)

## **ISSUANCE ADVICE LETTER**

**Tuesday, December 13, 2022**

**COUNCIL OF THE CITY OF NEW ORLEANS**

### **SUBJECT: ISSUANCE ADVICE LETTER FOR STORM RECOVERY BONDS**

Pursuant to the Financing Order (Resolution R-22-437 (As Corrected)) adopted on the 6th day of October, 2022, in *Application of Entergy New Orleans, LLC and the Louisiana Utilities Restoration Corporation for Authority to Fund and Finance Storm Recovery Reserves, and Related Relief, Docket No. UD-22-01* (the “Financing Order”), the LOUISIANA UTILITIES RESTORATION CORPORATION (“Corporation” or “LURC”) and ENTERGY NEW ORLEANS, LLC (“ENO” or the “Company” and together with the Corporation, the “Co-Applicants”) hereby submit, no later than two business days after the pricing of the Storm Recovery Bonds, the information referenced below. This Issuance Advice Letter is for the Storm Recovery Bonds, Tranche A. Any capitalized terms not defined in this letter shall have the meanings ascribed to them in the Financing Order or the Louisiana Electric Utility Storm Recovery Securitization Act, La. R.S. §§ 45:1226-1240.

#### **PURPOSE**

This filing establishes the following:

- (1) the total amount to be financed;
- (2) confirmation that customers will experience savings or that rate impacts to customers will be avoided or mitigated relative to traditional methods of financing;
- (3) confirmation that the structuring, terms and the pricing of the Storm Recovery Bonds are consistent with the terms of the Financing Order;
- (4) confirmation that the pricing of the Storm Recovery Bonds is consistent with market conditions at the time of pricing;
- (5) the actual terms and structure of the Storm Recovery Bonds being issued; and
- (6) the initial Storm Recovery Charges.

The concurrence by the Council’s Designee to this filing will establish the Council’s approval of the final forms of the indenture, the loan agreement (including the form of promissory note), the servicing agreement, and the storm recovery reserve escrow agreement.

## **COMPLIANCE WITH FINANCING ORDER**

The Co-Applicants hereby confirm, pursuant to the Financing Order, the following:

### **1. COSTS BEING SECURITIZED**

The total amount of storm recovery costs, including storm recovery reserves, and issuance costs being financed (the “Authorized Securitization Amount”) is presented in Attachment 1.

### **2. BENEFIT ANALYSIS**

The weighted average interest rate of the Storm Recovery Bonds is less than 7.0%; accordingly, the proposed structuring, expected pricing, and financing costs of the storm recovery bonds are reasonably expected to result in lower overall costs and/or will avoid or mitigate rate impacts to customers as compared to traditional methods of financing or recovering storm recovery costs. The benefits of securitization of the storm recovery costs, including storm recovery reserves, compared to the funding of a storm recovery reserve using conventional utility financing are demonstrated in Attachment 2, Schedule C.

### **3. CONFIRMATION OF STRUCTURE AND PRICES**

The Storm Recovery Bonds will be issued in one issuance, consisting of one tranche having scheduled final maturities of approximately 14.7 years and legal final maturities not exceeding 16.7 years from the date of issuance (See “Actual Terms of Issuance”). The structuring and pricing of the Storm Recovery Bonds are consistent with the terms set out in the Financing Order (see “Actual Terms of Issuance” and Attachments 2 and 4).

### **4. CONFIRMATION OF PRICES WITH MARKET**

The structuring and pricing of the Storm Recovery Bonds resulted in the lowest storm recovery charges consistent with market conditions on the date and time of such pricing (see Attachments 4 and 5).

## 5. ACTUAL TERMS OF ISSUANCE

Storm Recovery Bond Series: (Louisiana Utilities Restoration Corporation Project/ENO), Series 2022 (Federally Taxable)

Storm Recovery Bond Issuer: Louisiana Local Government Environmental Facilities and Community Development Authority

Trustee: U.S. Bank Trust Company, National Association

Closing Date: December 16, 2022

Bond Ratings: S&P AAA(sf), Moody's Aa1(sf)

Amount Issued: \$209,300,000

Estimated Up-front Financing Costs: See Attachment 1, Schedule B.

Estimated Ongoing Financing Costs: See Attachment 2, Schedule B.

Tranche	Coupon Rate	Scheduled Final Maturity Date	Legal Final Maturity
A	5.197%	9/1/2037	9/1/2039

Effective Annual Interest Rate of the Storm Recovery Bonds:	5.197%
Life of Bonds:	14.71 years
Weighted Average Life of Series:	8.64 years
Call provisions (including premium, if any):	
Amortization Schedule:	Attachment 2, Schedule A
Scheduled Final Maturity Dates:	Attachment 2, Schedule A
Legal Final Maturity Dates:	See Table Above
Payments to Investors:	Semiannually Beginning September 1, 2023
Amount of annual Servicing Fee:	\$205,980
Weighted Average Coupon Rate <sup>1</sup> :	5.197%
Annualized Weighted Average Yield <sup>2</sup> :	5.197%

<sup>1</sup> Weighted by modified duration and principal amount.

<sup>2</sup> Weighted by modified duration and principal amount.

**6. INITIAL STORM RECOVERY CHARGE**

Table I below shows the current assumptions for each of the variables used in the calculation of the initial Storm Recovery Charges.

<b>TABLE I</b>	
<b>Input Values For Initial Storm Recovery Charges</b>	
Applicable period: from December 16, 2022 to September 1, 2023	
Forecasted base revenue sales for the applicable period:	See Appendix B to the Financing Order
Storm Recovery Bond debt service for the applicable period:	\$12,584,464
Charge-off rate for each investment cost recovery group:	See Appendix B to the Financing Order
Forecasted % of Billings Paid in the Applicable Period:	99.5790%
Forecasted ongoing financing costs (excluding Storm Recovery Bond principal and interest):	\$548,236
Current Storm Recovery Bond outstanding balance:	\$209,300,000
Target Storm Recovery Bond outstanding balance as of 9/1/2023:	\$204,968,541
Total Periodic Billing Requirement for applicable period:	\$12,637,448

Based on the foregoing, the initial Storm Recovery Charges are detailed in Attachment 3.

**EFFECTIVE DATE**

In accordance with the Financing Order, the Storm Recovery Charge shall be billed beginning on January 3, 2023, *i.e.*, the first day of the first billing cycle of the next revenue month following the date of issuance of the Storm Recovery Bonds.

**NOTICE**

Copies of this filing are being furnished to the parties on the service list in this docket. Notice to the public is hereby given by filing and keeping this filing open for public inspection at the Company's corporate headquarters.

**APPROVAL:**

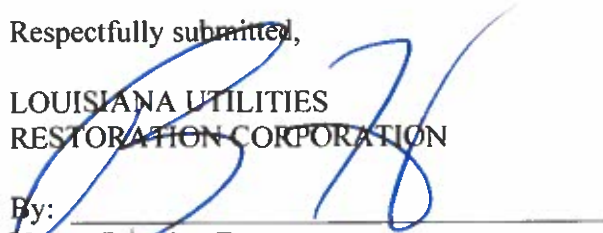
The Chair of the Council Utility, Cable, Telecommunications and Technology Committee, or in her/his unavailability the Chief of Staff of the Council Utilities Regulatory Office, the duly designated Designee under the Financing Order, shall notify the Co-Applicants and the Council, no later than one business day after receipt of this Issuance Advice Letter via email, and using the form of letter attached hereto as Attachment 6, in the case of acceptance and approval of the Issuance Advice Letter by the Designee.

**AUTHORIZED OFFICER**

The undersigned are officers of Co-Applicants and authorized to deliver this Issuance Advice Letter on behalf of Co-Applicants.

Respectfully submitted,

LOUISIANA UTILITIES  
RESTORATION CORPORATION

By:   
Name: Brandon Frey  
Title: Chairperson  
Date: December 13, 2022

ENTERGY NEW ORLEANS, LLC

By: \_\_\_\_\_  
Name: Barrett E. Green  
Title: Vice President and Treasurer  
Date: December 13, 2022

**EFFECTIVE DATE**

In accordance with the Financing Order, the Storm Recovery Charge shall be billed beginning on January 3, 2023, *i.e.*, the first day of the first billing cycle of the next revenue month following the date of issuance of the Storm Recovery Bonds.

**NOTICE**

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**APPROVAL:**

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**AUTHORIZED OFFICER**

The undersigned are officers of Co-Applicants and authorized to deliver this Issuance Advice Letter on behalf of Co-Applicants.

Respectfully submitted,

LOUISIANA UTILITIES  
RESTORATION CORPORATION

By: \_\_\_\_\_

Name: Brandon Frey

Title: Chairperson

Date: December 13, 2022

ENTERGY NEW ORLEANS, LLC

By:  \_\_\_\_\_  
Name: Barrett E. Green

Title: Vice President and Treasurer

Date: December 13, 2022



**ATTACHMENT 1**  
**SCHEDULE A**  
**CALCULATION OF AUTHORIZED SECURITIZATION AMOUNT<sup>3</sup>**

A.	Storm Recovery Costs (costs of replenishing and funding storm recovery reserves)	\$200,000,000
B.	Estimated up-front financing costs of issuing the Storm Recovery Bonds (Attachment 1, Schedule B)	\$9,300,000
C.	Any credit enhancements and other mechanisms designed to promote the credit quality and marketability of the Storm Recovery Bonds	-
<b>TOTAL AUTHORIZED SECURITIZATION AMOUNT</b>		<b>\$209,300,000</b>

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<sup>3</sup> Refer to Attachment 1, Schedule B.

**ATTACHMENT 1**  
**SCHEDULE B**  
**ESTIMATED UP-FRONT FINANCING COSTS**

<b>Non-Company Upfront Financing Costs</b>	
Underwriters' Fees & Expenses	\$1,112,455
Underwriters' Counsel Legal Fees & Expenses	\$300,000
Issuer Legal & Advisory Fees	\$25,000
Issuer Financing Acceptance Fee	\$104,850
State Bond Commission Fees	\$80,170
Bond Counsel Fees	\$150,000
Rating Agency Fees	\$410,000
Printing	\$15,000
Trustee's/Trustee Counsel's Fees & Expenses	\$50,000
LURC Legal and Advisory Fees	\$300,000
LURC Financial Advisor	\$200,000
Original Issue Discount	-
Cost of Swaps & Hedges	-
Other Credit Enhancements (Overcollateralization Subaccount)	-
Rounding/Contingency	\$5,060
Debt Service Reserve Subaccount (DSRS)	\$4,709,250
<b>Subtotal Non-Company Up-front Financing Costs</b>	<b>\$7,461,445</b>
<b>Company Upfront Financing Costs</b>	
Company's Financial Advisor Fees & Expenses	\$183,555
Company's Internal and External Advisors, including Legal Fees & Expenses	\$1,240,000
Company's Non-legal Securitization Proceeding Costs & Expenses	\$15,000
Company's Miscellaneous Administrative Costs	\$50,000
Servicer's Set-Up Costs	\$50,000
External Servicing Costs (Accountant's)	\$300,000
<b>Subtotal Company Up-front Financing Costs</b>	<b>\$1,838,555</b>
<b>TOTAL ESTIMATED UP-FRONT FINANCING COSTS TO BE SECURITIZED</b>	<b>\$9,300,000</b>

**Note: Any difference between the Estimated Up-front Financing Costs financed for, and the actual Up-front Financing Costs incurred by, the Corporation, the Issuer and ENO will be resolved, if estimates are more or less than actual, in accordance with Ordering Paragraph 3 of the Financing Order.**

**ATTACHMENT 2**  
**SCHEDULE A**  
**STORM RECOVERY BOND REVENUE REQUIREMENT INFORMATION**

<b>SERIES 2022, TRANCHE A</b>				
Payment Date	Principal Balance	Interest	Principal	Total Payment
Closing Date	\$209,300,000.00	\$-	\$-	\$-
09/01/23	\$204,968,540.89	\$7,704,769.04	\$4,331,459.11	\$12,036,228.15
03/01/24	\$200,326,422.36	\$5,326,107.54	\$4,642,118.53	\$9,968,226.07
09/01/24	\$194,700,743.70	\$5,205,482.09	\$5,625,678.66	\$10,831,160.75
03/01/25	\$189,791,816.45	\$5,059,298.83	\$4,908,927.25	\$9,968,226.08
09/01/25	\$183,892,396.06	\$4,931,740.35	\$5,899,420.39	\$10,831,160.74
03/01/26	\$178,702,613.90	\$4,778,443.91	\$5,189,782.16	\$9,968,226.07
09/01/26	\$172,515,040.58	\$4,643,587.42	\$6,187,573.32	\$10,831,160.74
03/01/27	\$167,029,617.84	\$4,482,803.33	\$5,485,422.74	\$9,968,226.07
09/01/27	\$160,538,721.72	\$4,340,264.62	\$6,490,896.12	\$10,831,160.74
03/01/28	\$154,742,094.33	\$4,171,598.68	\$5,796,627.39	\$9,968,226.07
09/01/28	\$147,931,906.91	\$4,020,973.32	\$6,810,187.42	\$10,831,160.74
03/01/29	\$141,807,691.44	\$3,844,010.60	\$6,124,215.47	\$9,968,226.07
09/01/29	\$134,661,403.55	\$3,684,872.86	\$7,146,287.89	\$10,831,160.75
03/01/30	\$128,192,354.05	\$3,499,176.57	\$6,469,049.50	\$9,968,226.07
09/01/30	\$120,692,271.63	\$3,331,078.32	\$7,500,082.42	\$10,831,160.74
03/01/31	\$113,860,234.24	\$3,136,188.68	\$6,832,037.39	\$9,968,226.07
09/01/31	\$105,987,731.68	\$2,958,658.19	\$7,872,502.56	\$10,831,160.75
03/01/32	\$98,773,596.82	\$2,754,091.21	\$7,214,134.86	\$9,968,226.07
09/01/32	\$90,509,067.99	\$2,566,631.91	\$8,264,528.83	\$10,831,160.74
03/01/33	\$82,892,720.05	\$2,351,878.13	\$7,616,347.94	\$9,968,226.07
09/01/33	\$74,215,526.64	\$2,153,967.33	\$8,677,193.41	\$10,831,160.74
03/01/34	\$66,175,791.02	\$1,928,490.46	\$8,039,735.62	\$9,968,226.08
09/01/34	\$57,064,208.21	\$1,719,577.93	\$9,111,582.81	\$10,831,160.74
03/01/35	\$48,578,795.59	\$1,482,813.45	\$8,485,412.62	\$9,968,226.07
09/01/35	\$39,009,954.85	\$1,262,320.00	\$9,568,840.74	\$10,831,160.74
03/01/36	\$30,055,402.46	\$1,013,673.68	\$8,954,552.39	\$9,968,226.07
09/01/36	\$20,005,231.34	\$780,989.63	\$10,050,171.12	\$10,831,160.75
03/01/37	\$10,556,841.21	\$519,835.94	\$9,448,390.13	\$9,968,226.07
09/01/37	\$-	\$274,319.52	\$10,556,841.21	\$10,831,160.73

**ATTACHMENT 2**  
**SCHEDULE B**  
**ESTIMATED ONGOING FINANCING COSTS**

	ANNUAL AMOUNT
True-Up Administration Fees <sup>^</sup>	\$-
Issuer Administration Fees <sup>^</sup>	\$-
Issuer Legal Fees <sup>^</sup>	\$-
LURC Administration Fees <sup>^</sup>	\$80,000
LURC Legal Fees & Expenses <sup>^</sup>	\$90,000
LURC Accounting Fees <sup>^</sup>	\$80,000
Trustee's/Trustee's Counsel Fees & Expenses <sup>^</sup>	\$20,000
Rating Agency Fees <sup>^</sup>	\$48,000
Miscellaneous <sup>^</sup>	\$50,000
Costs of Swaps & Hedges <sup>^</sup>	\$-
Other Credit Enhancements <sup>^</sup>	\$-
<b>Subtotal Non-Company External Annual Ongoing Financing Costs</b>	<b>\$368,000</b>
<b>Company Annual Ongoing Financing Costs</b>	
Ongoing Servicer Fees (ENO as Servicer)	\$205,980
Accounting Costs (External) <sup>^</sup>	\$200,000
<b>Subtotal Company Annual Ongoing Financing Costs</b>	<b>\$405,980</b>
<b>Total (ENO as Servicer) Estimated Annual Ongoing Financing Costs</b>	<b>\$773,980</b>
Ongoing Servicer Fees (Third-Party as Servicer – 0.60% of principal)	\$1,255,800
Other External Ongoing Fees (total of lines marked with a <sup>^</sup> mark above)	\$568,000
<b>Total (Third-Party As Servicer) Estimated Ongoing Financing Costs</b>	<b>\$1,823,800</b>

**Note: The amounts shown for each category of ongoing financing costs on this attachment are the expected expenses for the first year of the storm recovery bonds. Storm recovery charges will be adjusted at least semi-annually to reflect the actual Ongoing Financing Costs through the true-up process described in the Financing Order, except that the servicing fee is fixed as long as ENO is servicer.**

**ATTACHMENT 2**  
**SCHEDULE C**  
**BENEFITS VERSUS CONVENTIONAL FINANCING**

**Storm Recovery Reserves**

	Conventional Financing	Securitization Financing	Savings/(Cost) of Securitization Financing
Present Value	\$142,295,003	\$119,623,772	\$22,671,231

	Conventional Financing	Securitization Financing	Savings/(Cost) of Securitization Financing
Nominal Value	\$252,500,160	\$181,038,205	\$71,416,954

**Discussion of Benefits**

The weighted average interest rate of the Storm Recovery Bonds is 5.197%, which is less than the not-to-exceed rate of 7.0% as set forth in Resolution No. R-22-437 (As Corrected) and the Financing Order attached thereto (“Financing Order”). As set forth in the first table above, the net present value of the savings based on securitization financing, as compared to traditional methods of financing, is estimated to be \$22,671,231. ENO will use the Storm Recovery Bonds’ principal amount of \$200 million to replenish and fund its storm recovery reserves, disbursements from which will be used by ENO to recover (on an interim and/or permanent basis) Hurricane Ida storm recovery costs (subject to Council certification of those costs, including carrying costs) and to fund storm recovery activity after future storms.

With respect to the comparison of benefits reflected in the tables above, the comparison reflects the depreciable life of utility plant (such as poles replaced after Hurricane Ida; 30-year depreciable life assumption) in determining the revenue requirements under conventional utility financing methods. In addition, with specific regard to the Company’s Securitized Storm Cost Offset Rider II (“Rider SSCOII”), the Financing Order provides that ENO is authorized to reflect in Rider SSCOII the benefits to customers relating to the accumulated deferred income tax (“ADIT”) effects from the incurrence of Council-certified costs in restoring service after Hurricane Ida. Accordingly, those effects have been taken into account in the tables above.

Also with respect to the Rider SSCOII calculations, the IRS has not yet issued guidance that would allow for the application of the principles contained in Revenue Procedure 2005-62 (the “Revenue Procedure”) to a transaction under the Securitization Act involving the LURC.<sup>4</sup> Accordingly, the \$200 million of bond proceeds transferred from LURC to ENO for the right to recover the storm surcharge will be taxable to ENO when received rather than taxable over the life of the storm recovery bonds. ENO’s federal and state net operating loss carryforwards (“NOL”) will be utilized against the taxable income resulting in a significant reduction to the associated NOL ADIT assets. The Rider SSCOII calculations reflected in the tables above take into account this lower NOL ADIT asset based on ENO recognizing \$200 million of taxable income in 2022. In addition, those Rider SSCOII calculations assume that the storm O&M and Capital ADIT balances will be reduced ratably as if tax is paid over the life of the storm recovery bonds, consistent with the method established for ENO’s prior securitization transaction in 2015 (authorized in Council Resolution R-15-193).

If the IRS does issue guidance allowing ENO to apply the principles of the Revenue Procedure to this transaction, ENO will adjust the Rider SSCOII calculations to include the related increase in its NOL ADIT asset for the appropriate tax years impacted. ENO will spread the resulting increase in cost associated with the NOL ADIT over the twelve (12) months following the receipt of the IRS guidance. The Financing Order affords flexibility to allow these and other adjustments to be made through Rider SSCOII.

Securitization financing under the Louisiana Electric Utility Storm Recovery Securitization Act, La. R.S. §§ 45:1226-1240, contemplates savings that, although not quantified in the tables above, are valuable to ENO and its customers. Specifically, because the Corporation is participating as an assignee in the financial transactions, the securitization debt is “off-balance sheet” for ENO, thereby aiding ENO’s credit metrics and ratings. This “off-balance sheet” securitization structure is of particular benefit to ENO and its customers because it will be received as positive by the ratings agencies that evaluate ENO’s creditworthiness and will help prevent any further credit downgrades, which would precipitate an increase in the cost of debt that would otherwise be passed on to ENO’s customers. In fact, in a September 29, 2021 credit opinion, Moody’s Investors Service noted and explained its expectation that ENO will be able to move

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<sup>4</sup> ENO continues to seek this IRS guidance.

forward with storm cost securitization: “We view securitization to be a credit positive method of cost recovery, since it incorporates the lowest cost of financing to minimize the customer rate impact and is non-recourse to the utility, which acts as a pass through conduit of collections.”<sup>5</sup>

Using securitization financing to fund storm recovery reserves can mitigate the impact of storm recovery costs on customer rates in comparison with conventional utility financing methods in several other key areas. For example, the benefits to customers when ENO has storm reserves in place that it can access quickly after a major storm (should it need to do so) include the following: (1) a known, low financing cost, which mitigates the uncertainty around the availability and cost of financing a future storm; (2) mitigation of negative action by rating agencies in the event of future storms; (3) additional assurance to power and fuel suppliers that the Company will be able to pay for purchases following a storm and mitigation of the risk of suppliers refusing to transact without prepayment or adequate assurance; (4) additional assurance to mutual aid companies and contractors that they will be paid for the restoration work they perform in ENO’s service area; and (5) mitigation of customer exposure to carrying costs following expenditures for future storm restoration.

For all of these reasons, the proposed structuring, expected pricing, and financing costs of the Storm Recovery Bonds are reasonably expected to result in lower overall costs or will mitigate rate impacts to customers as compared with traditional financing.

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<sup>5</sup> Moody’s Investors Service Credit Opinion, September 29, 2021.

**ATTACHMENT 3**  
**INITIAL ALLOCATION OF COSTS**

Entergy New Orleans, LLC  
Docket No. UD-22-01  
Securitized Storm Cost Calculation - Initial Payment

Line No.	Rate Class	7 months Forecasted Base Revenue (1/2023 - 7/2023) [1]	Required PBR	Uncollectible Rate [2]	PBR Adjusted for Uncollectibles	Securitized Storm Cost Rate
1	All	\$228,435,878	\$ 12,584,464	0.4210%	\$ 12,637,448	5.5322%
					PBR Calculation	
2	Sept 2023 PPR				\$ 12,584,464	
3	Actual Collections - month 1				\$ -	
4	Collections, month 2				\$ -	
5	Excess Funds Subaccount Balance				<u>\$ -</u>	
	Initial PBR				<u>\$ 12,584,464</u>	

Notes:

[1] Excludes schedules AFC, AMO, BRAR, DTK, EAC, EECR, EFRP, EVCI, FAC, GPO, IRAR-E, MES, MISO, PPCR, PPS, R-3, R-8, RPCEA, SMS, SSCO, SSCO II and SSCR.

[2] Uncollectible factor based on 5 years ending 2021



**ATTACHMENT 4**  
**APPLICANT'S CERTIFICATION**

Date: December 13, 2022

Council of the City of New Orleans  
City Hall, Room 1E09  
1300 Perdido Street  
New Orleans, Louisiana 70112

Re: Application of Entergy New Orleans, LLC and the Louisiana Utilities Restoration Corporation for Authority to Fund and Finance Storm Recovery Reserves, and Related Relief, Docket No. UD-22-01

Entergy New Orleans, LLC (the "Applicant") submits this Certification pursuant to Ordering Paragraph 6 of the Financing Order (Resolution R-22-437 (As Corrected)) in *Application of Entergy New Orleans, LLC and the Louisiana Utilities Restoration Corporation for Authority to Fund and Finance Storm Recovery Reserves, and Related Relief, Docket No. UD-22-01* (the "Financing Order"). All capitalized terms not defined herein shall have the meanings ascribed thereto in the Financing Order or the Louisiana Electric Utility Storm Recovery Securitization Act, La. R.S. §§ 45:1226-1240.

The Issuance Advice Letter dated December 13, 2022, sets forth the following particulars of the Storm Recovery Bonds:

The proposed terms of pricing and issuance of the Storm Recovery Bonds are as follows:

Name of the Storm Recovery Bonds: (Louisiana Utilities Restoration Corporation Project/ENO), Series 2022 (Federally Taxable)  
Name of Trustee: U.S. Bank Trust Company, National Association  
Closing Date: December 16, 2022  
Principal Amount of Storm Recovery Bonds: \$209,300,000  
Bond Ratings: S&P AAA(sf), Moody's Aa1(sf)  
Scheduled and Legal Final Maturities: 9/1/2037; 9/1/2039  
Amount of Upfront Financing Costs securitized: See Attachment 1 Schedule B to Issuance Advice Letter  
Estimated Ongoing Financing Costs: See Attachment 2, Schedule B.

Tranche	Coupon Rate	Scheduled Final Maturity Date	Legal Final Maturity
A	5.197%	9/1/2037	9/1/2039

Effective Annual Interest Rate of the Storm Recovery Bonds:	5.197%
Life of Bonds:	14.71 years
Weighted Average Life of Series:	8.64 years
Call provisions (including premium, if any):	
Amortization Schedule:	Attachment 2, Schedule A
Scheduled Final Maturity Dates:	Attachment 2, Schedule A
Legal Final Maturity Dates:	See Table Above
Payments to Investors:	Semiannually Beginning September 1, 2023
Amount of annual Servicing Fee:	\$205,980

Interest Rate: 5.197%

Effective Annual Interest Rate: 5.197%

Initial Balance of Debt Service Reserve Subaccount: \$4,709,250

The following actions were taken in connection with the design, structuring, and pricing of the bonds:

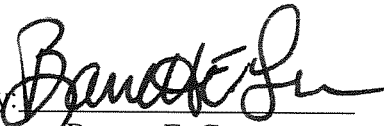
- Included credit enhancement in the form of the true-up mechanism and funded the DSRS in the amount of 2.25% of the original principal amount.
- Achieved “AAA” and “Aa1” ratings from S&P and Moody’s, respectively, such agencies being at least two of the three major rating agencies.
- Selection of an underwriter which has relevant experience and execution capabilities was affirmed by the Company’s Financial Advisor and the Council Utility Advisors.
- The marketing materials were developed to emphasize the unique credit quality and security related to these bonds.
- Provided the preliminary official statement by e-mail to prospective investors.
- Allowed sufficient time for investors to review the preliminary official statement and to ask questions regarding the transaction.
- Held one-on-one conference calls with potential investors to describe the legislative, political, and regulatory framework and the bond structure with a focus on municipal/corporate/agency/other buyers specifically targeted to achieve the transaction objectives.

- Arranged issuance of rating agency pre-sale reports during the marketing period.
- During the period that the bonds were marketed, held periodic market update discussions with the underwriting team to develop recommendations for pricing.
- Developed and implemented a marketing plan designed to aggressively market the bonds and to reach out to a broad base of potential investors, including investors who have not previously purchased this type of security.
- Provided potential investors with access to an internet roadshow for viewing at the investors' convenience. Similar roadshow information was also discussed in one-on-one meetings with investors.
- Adapted the storm recovery bond offering to market conditions and investor demand at the time of pricing. Variables impacting the final structure of the transaction were evaluated including the average lives and maturity of the bonds and interest rate requirements at the time of pricing so that the structure of the transaction would correspond to investor preferences and rating agency requirements for favorable ratings.

Based upon information reasonably available to its officers, agents, and employees of the Applicant, the Applicant hereby certifies that the structuring and pricing of the Storm Recovery Bonds will result in the lowest Storm Recovery Charges consistent with market conditions at the time of pricing and the terms of the Financing Order.

Respectfully submitted,

ENTERGY NEW ORLEANS, LLC

By: 

Name: Barrett E. Green

Title: Vice President and Treasurer

**ATTACHMENT 5**

**PRICING ADVICE CERTIFICATE**

**CONFIDENTIAL**

**ATTACHMENT 6**  
**COUNCIL DESIGNEE'S CONCURRENCE**

Date: \_\_\_\_\_, 2022

Council of the City of New Orleans  
City Hall, Room 1E09  
1300 Perdido Street  
New Orleans, Louisiana 70112

Pursuant to the Financing Order of the Council of the City of New Orleans ("Council") dated October 6, 2022, Council Docket No. UD-22-01, Resolution R-22-437 (As Corrected)

I, \_\_\_\_\_, (the "Designee"), in accordance with the Louisiana Electric Utility Storm Recovery Securitization Act, codified at La. R.S. 45:1226-1240, and the Financing Order, for the purpose of (a) establishing that the structuring and pricing of the Storm Recovery Bonds will result in the lowest Storm Recovery Charges consistent with market conditions and the terms of the Financing Order and (b) approving at the time of pricing of the Storm Recovery Bonds, the terms and conditions of the Storm Recovery Bonds, servicing fees with respect to the collection of such Storm Recovery Charges and the pledging, assignment and sale of the Storm Recovery Bonds in connection with the initial Storm Recovery Charge, HEREBY CONCUR as follows:

1. I have received and reviewed in accordance with Financing Order a copy of the Applicant's Certification, a copy of which is attached hereto, and find that such certificate is in proper form as evidenced by such Financing Order. I have also reviewed other information as I have deemed necessary to provide this Concurrence. Any capitalized terms not defined herein shall have the meanings ascribed thereto in the Financing Order or the Louisiana Electric Utility Storm Recovery Securitization Act.
2. The following are the terms of the Storm Recovery Bonds:

Name of Storm Recovery Bonds: (Louisiana Utilities Restoration Corporation Project/ENO),  
Series 2022 (Federally Taxable)

Closing Date: December 16, 2022

Amount Issued: \$209,300,000

Interest Rates and Expected Amortization Schedule: See Issuance Advice Letter

Distributions to Investors (quarterly or semi-annually): Semi-annually

Weighted Average Coupon Rate: See Issuance Advice Letter

Annualized Weighted Average Yield: See Issuance Advice Letter

Initial Balance of Debt Service Reserve Subaccount: \$4,709,250

3. The final structuring, terms and pricing of the storm recovery bonds in the Issuance Advice Letter are consistent with the criteria established in the Financing Order, and the

mathematical calculations are accurate. Accordingly, the terms and conditions of the Storm Recovery Bonds and the schedule of payments of principal and interest on the Storm Recovery Bonds as well as the initial storm recovery charge are approved.

4. The final forms (subject to completion of final numbers and information) of the indenture, the loan agreement (including the form of promissory note), the servicing agreement, and the storm recovery reserve escrow agreement have been reviewed by the Council Utility Advisors and are approved.

Respectfully submitted,

\_\_\_\_\_  
Designee

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**ATTACHMENT 7**  
**SCHEDULE A**  
**EXPECTED AMORTIZATION SCHEDULE**

(with coupons, prices, classes, if any, expected amortization schedule and stated maturities, and call features requirements)

A. General Terms

<u>Class</u>	<u>Price</u>	<u>Coupon</u>	<u>Fixed/Floating</u>	<u>Avg. Life</u>	<u>Stated Maturity</u>	<u>Legal Final Maturity</u>
A	100.00%	5.197%	Fixed	8.64 years	9/1/2037	9/1/2039

B. Scheduled Amortization Requirement

<u>Date</u>	<u>Tranche A</u>		
12/16/22	\$-		
09/01/23	\$4,331,459.11		
03/01/24	\$4,642,118.53		
09/01/24	\$5,625,678.66		
03/01/25	\$4,908,927.25		
09/01/25	\$5,899,420.39		
03/01/26	\$5,189,782.16		
09/01/26	\$6,187,573.32		
03/01/27	\$5,485,422.74		
09/01/27	\$6,490,896.12		
03/01/28	\$5,796,627.39		
09/01/28	\$6,810,187.42		
03/01/29	\$6,124,215.47		
09/01/29	\$7,146,287.89		
03/01/30	\$6,469,049.50		
09/01/30	\$7,500,082.42		
03/01/31	\$6,832,037.39		
09/01/31	\$7,872,502.56		
03/01/32	\$7,214,134.86		
09/01/32	\$8,264,528.83		
03/01/33	\$7,616,347.94		
09/01/33	\$8,677,193.41		
03/01/34	\$8,039,735.62		

09/01/34	\$9,111,582.81		
03/01/35	\$8,485,412.62		
09/01/35	\$9,568,840.74		
03/01/36	\$8,954,552.39		
09/01/36	\$10,050,171.12		
03/01/37	\$9,448,390.13		
09/01/37	\$10,556,841.21		