

Entergy New Orleans, LLC

Docket No. UD 21-03

Metrics

1. Pole Performance Metric

The Grid Hardening Projects¹ shall be subject to a Pole Performance Metric and fee as set forth below:

- The Pole Performance Metric will be triggered if there is a single event that qualifies for a Federal Disaster Declaration and the ENO electrical system loses 150 or more ENO owned poles (including those poles that have not been installed as part of a Grid Hardening Project).
- In the event the Pole Performance Metric is triggered, poles installed as part of a completed Grid Hardening Project must not exceed a 10% failure rate across the ENO service area. The Pole Performance Metric will be applied individually to the four pole types installed through the Grid Hardening Projects. Those pole types are concrete, composite, steel, and wood. Any pole failure which occurs in conditions outside the design basis of the pole (excess wind, tornadic activity, public inflicted damage, debris, flooding, etc.) shall not be included in the calculated failure rate.
- In the event the Pole Performance Metric is failed, a fee shall be imposed upon ENO for each failed pole in excess of the 10% metric threshold as follows:
 - Concrete: \$12,500
 - Composite: \$12,500
 - Steel: \$11,750
 - Wood, \$8,750
- The Fees shall decrease by 4% per year from the date of the Council resolution approving the Grid Hardening Projects. In the event a fee has been imposed upon ENO, it shall be credited back to customers through the Resilience Program Rider true-up process or, if the Resilience Program Rider is no longer in place, as directed by the Council.
- Following a triggering event, ENO shall file a report in a single X docket established solely for the purposes of ongoing monitoring and review of the Grid Hardening Projects and shall not occur in connection with the Council docket addressing storm restoration cost recovery, if any. It is the Movers' intent that the review of the Pole Performance Metric report and determination of the Pole Performance Metric fee, if any, shall be handled

¹ For purposes herein, "Grid Hardening Projects" refers to the projects proposed in ENO's 2025-27 Resilience Plan, as described in its March 22, 2024 filing.

independently of, and shall not serve to delay, the Council's decision on any storm cost recovery application the Company may make or any storm cost securitization financing of Council-approved storm costs.

- The Pole Performance Metric shall be phased out 25 years from the date of the Council resolution approving the Grid Hardening Projects.

2. Quality Metric

- The Council's qualified engineering consultant will provide pre-construction review and acceptance of general design standards, flood mitigation specifications, and wind-loading specifications and conduct periodic field audits of a sample of Grid Hardening Projects.
- The Council's engineering consultant must review and accept or provide detailed reasons for not accepting any project design and/or wind-loading specifications within 30 calendar days. The Council's engineering consultant must review and accept or provide written, detailed identification of any deficiencies for any Grid Hardening Project selected for a field audit within 20 calendar days of notification from ENO of completion of the Grid Hardening Project.
- If the Council's engineering consultant accepts the project design and/or wind loading specifications or fails to render a determination within 30 calendar days, the Company shall be able to proceed with the project that was subject to review. To the extent any project design and/or wind-loading specifications are rejected, the parties will work in good faith to remedy any identified concerns.
- In the event the Advisors and the Company are unable to resolve any remaining issues within 30 calendar days, the matter will be referred to a third-party engineering firm selected by both the Advisors and ENO. Once selected, the third-party engineering firm shall have 30 days to render a determination on the issues remaining between the Advisors and ENO regarding the project at issue.
- With respect to the field audits, to the extent the Council's engineering consultant documents any deficiency or collection of deficiencies which constitute a material deviation from the scope and purpose of the project purpose, ENO shall remedy such deficiency or collection of deficiencies at no additional cost to customers.

Reports

1. Construction Report

Starting no later than 9 months following issuance of a Council resolution approving the Grid Hardening Projects and every 6 months thereafter during the construction of the Grid Hardening Projects, ENO shall file with the Council monitoring reports detailing the progress of construction, including project completion status, project schedule, material business issues, and additional matters intended to keep the Council informed on the progress of the Grid Hardening Projects.

2. Post-Storm Report

Within a reasonable time following all major hurricanes (Category 3 or higher) that impact the ENO service area, the Company shall file with the Council a report with a summary of the performance of assets installed through the Grid Hardening Projects. The Company's obligation to file the Post-Storm Report shall expire on December 31, 2034 unless otherwise extended by the Council.