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November 1, 2024

Via Electronic Delivery
Clerk of Council
Council of the City of New Orleans
1300 Perdido Street
Room 1E09, City Hall
New Orleans, LA 70112

Re: Delta States Utilities NO, LLC and Entergy New Orleans, LLC, Ex Parte.
In Re: Application for Authority to Operate as Local Distribution Company and Incur Indebtedness and Joint Application for Approval of Transfer and Acquisition of Local Distribution Company Assets and Related Relief
(Council Docket No. UD-24-01)

Dear Clerk of Council:

Attached please find the Post-Hearing Reply Brief on behalf of Entergy New Orleans, LLC ("ENO"), for filing in the above-referenced docket.

ENO submits this filing electronically and will submit the requisite original and 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.

This Post Hearing-Reply Brief also contains a Highly Sensitive Protected Materials version and is being provided this date via electronic means only to the appropriate reviewing representatives who have executed the Council's Official Protective Order set forth in Resolution R-07-432, and as further provided therein.

If you have any questions, please do not hesitate to call me. Thank you for your courtesy and assistance with this matter.

Sincerely,

Leslie M. LaCoste

LML/jlc
Enclosures

cc: Official Service List (*via electronic mail*)

BEFORE THE

COUNCIL OF THE CITY OF NEW ORLEANS

DELTA STATES UTILITIES NO, LLC AND ENTERGY LOUISIANA, LLC, EX PARTE	)	
IN RE: APPLICATION FOR AUTHORITY TO OPERATE AS LOCAL DISTRIBUTION COMPANY AND INCUR INDEBTEDNESS AND JOINT APPLICATION FOR APPROVAL OF TRANSFER AND ACQUISITION OF LOCAL DISTRIBUTION COMPANY ASSETS AND RELATED RELIEF	)	**DOCKET NO UD-24-01**

POST-HEARING REPLY BRIEF ON BEHALF OF ENTERGY NEW ORLEANS, LLC

Entergy New Orleans, LLC ("ENO" or "the Company") respectfully submits this Post-Hearing Reply Brief in support of the Joint Application of ENO and Delta States Utilities NO, LLC ("DSU NO"). As ENO has discussed, the Gas Transaction serves the public interest under the Restructuring Resolution, and the Council should approve it subject to reasonable conditions. Moreover, the Council should reject certain additional conditions as untenable and unreasonable; they result from a flawed interpretation of the Restructuring Resolution. The Louisiana Public Service Commission ("LPSC") recently considered a substantially similar gas transaction – in which Entergy Louisiana, LLC ("ELL") agreed to transfer and sell its gas assets and liabilities to Delta States Utilities LA, LLC ("DSU LA") – and unanimously determined that the transaction serves the public interest.[1] For the reasons discussed herein, and those previously articulated, ENO respectfully requests that the Council do the same.[2]

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1 *See* LPSC Order No. S-37079 (Sept. 10, 2024).

2 This brief does not purport to address every issue raised by various stakeholders in their briefing and testimony, but rather only certain issues of particular importance to ENO that may be helpful to the Council in reaching a proper decision.

ARGUMENT

I. By Ignoring Significant Non-Quantifiable and Hard-to-Quantify Benefits, the Advisors Would Have Customers Receive All of the Benefits of the Gas Transaction Without Bearing Any of the Costs.

The Advisors spend a significant portion of their brief explaining that the Restructuring Resolution applies to the Gas Transaction, while attempting to distinguish certain jurisprudence referenced by ENO.[3] Much of this discussion appears unnecessary. ENO agrees that "[t]here is no dispute in this proceeding that the Restructuring Resolution applies to the [Gas Transaction]."[4] ENO also agrees that the Council must "balance" and "thoughtfully weigh" each of the eighteen (18) factors of the Restructuring Resolution "to determine whether the Gas Transaction is in the public interest."[5]

Moreover, the Advisors "generally agree with ENO's broad definition that the 'public interest' is that which best serves everyone," and "generally do not take issue with the broad legal and regulatory principles cited" by ENO regarding the need to consider various effects when evaluating the public interest.[6] As the Sewerage and Water Board of New Orleans ("SWBNO") correctly put it, the Gas Transaction "presents an opportunity for multiple, hard-to-quantify benefits" under the Restructuring Resolution,[7] and "all benefits (quantifiable and hard-to-quantify / qualitative) and harms of the Gas Transaction should be considered and weighed against each other, [which] is routinely done in change-of-ownership regulatory proceedings, including proceedings before the City Council."[8]

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3 Advisors Post-Hearing Br., pp. 4-10.
4 Advisors Post-Hearing Br., p. 7.
5 Advisors Post-Hearing Br., pp. 7-8.
6 Advisors Post-Hearing Br., pp. 7-8; *see also* Ex. ENO-5, Maurice-Anderson Rebuttal Testimony, pp. 4, 7-8 (citing *Permian Basin Area Rate Cases*, 390 U.S. 747, 815 (1968)).
7 SWBNO Post-Hearing Br., p. 3.
8 SWBNO Post-Hearing Br., p. 9.

The Advisors, however, do not properly apply these principles to the Gas Transaction. The Advisors narrowly focus on alleged future electric rate increases, and they fail to balance and weigh ***all*** of the effects of the Gas Transaction. This leads to the Advisors' erroneous claim of harm to electric customers and proposed conditions requiring ENO to engage in mitigation and denying ENO its Transaction and Cooperation Costs. The Advisors do not cite any authorities for imposing such conditions in similar circumstances. The conditions would effectively allow customers to receive all of the benefits of the Gas Transaction without bearing any of the costs. This is not a fair result and violates basic utility regulation principles.[9]

As ENO has discussed, the qualitative and hard-to-quantify benefits of the Gas Transaction, when combined with the quantitative benefits, produce "net benefits," and adequately mitigate any perceived harm from alleged future electric rate increases.[10] The Advisors' contrary claims are wrong and stem from their flawed analysis. The SWBNO points this out: the "SWBNO does not agree with the Advisors that hard-to-quantify / qualitative benefits should not be weighed against / offset quantifiable ratepayer harm or that the hard-to-quantify / qualitative benefits should receive less weight in such determination. The analysis is not a simple mathematical equation; rather, it requires consideration of all 18 factors in relation to each other."[11]

The Advisors' construction of factor (e) exemplifies their flawed analysis. Factor (e) considers "[w]hether the transfer will provide net benefits to ratepayers in both the short-term and the long-term and provide a ratemaking method that ensures, to the fullest extent possible, that ratepayers will receive the forecasted short and long term benefit."[12] The Advisors claim this

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9 *See Midwest ISO Transmission Owners v. Federal Energy Regulatory Comm'n*, 373 F.3d 1361, 1368 (D.C. Cir. 2004) ("we evaluate compliance with this unremarkable principle [*i.e.*, the cost causation principle] by comparing the costs assessed against a party to the burdens imposed or benefits drawn by that party").

10 Ex. ENO-5, Maurice-Anderson Rebuttal Testimony, p. 14.

11 SWBNO Post-Hearing Br., pp. 9-10.

12 Restructuring Resolution at (2)(e).

language means that "[b]enefits to ratepayers that occur outside of the ratemaking process" are excluded under factor (e).[13] As a result, the Advisors only consider quantifiable, ratemaking benefits of the Gas Transaction, and do not consider "significant" qualitative and hard-to-quantify benefits[14] under factor (e). The Advisors do not cite any authority for this position.[15]

The Restructuring Resolution, however, does not limit the "net benefits" inquiry to only quantifiable benefits.[16] Factor (e) does not contain the term "quantifiable." Nor does factor (e) require customers to receive benefits only through rates. Rather, factor (e) requires customers to receive benefits through rates "to the fullest extent possible," which recognizes that some benefits to customers may be qualitative and hard to quantify and thus may not have a rate effect. Given their flawed construction of factor (e), however, the Advisors do not consider qualitative and hard-to-quantify benefits in their "net benefits" inquiry. Thus, the Advisors fail to properly consider, among other things, that electric customers are expected to benefit from ENO's reliability and resilience investments as well as avoided debt issuances, retired maturing debt, and improvements to ENO's credit metrics resulting from the Gas Transaction.[17]

II. The Advisors' Claim that ENO Does Not Challenge Their Finding of Harm to Electric Customers, is Flatly Wrong and Not Supported by Record Evidence.

The Advisors' claim that "Mr. Watson's estimate of electric ratepayer harm is substantially unchallenged," and "that, as proposed, the Advisors' estimate of electric ratepayer harm is reasonable."[18] This is directly contrary to ENO's prior briefing and the record evidence. ENO disputes that electric customers are harmed by the Gas Transaction. In fact, the SWBNO found

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13 Advisors Post-Hearing Br., p. 32; *see also* Advisors Post-Hearing Br., pp. 24, 26.

14 SWBNO Post-Hearing Br., p. 10.

15 In fact, the Advisors' position runs counter to their acknowledgement that a public interest determination requires consideration of "a significant number of unknowns and unresolved issues." Ex. ENO-8, Maurice-Anderson Rejoinder Testimony, p. 7 (citing and quoting Vumbaco Direct Testimony in Council UD-14-02).

16 Ex. ENO-5, Maurice-Anderson Rebuttal Testimony, pp. 3-6.

17 *See, e.g.*, Ex. ENO-2, Arnould Rebuttal Testimony, pp. 3-4; Ex. ENO-3, Rodriguez Direct Testimony, pp. 3-4.; Ex. ENO-5, Maurice-Anderson Rebuttal Testimony, p. 12; Ex. ADV-1, Rogers Direct Testimony, p. 25.

18 Advisors Post-Hearing Br., pp. 17-18.

that "holistically, the Gas Transaction presents a net benefit, or, at a minimum, a net no-harm, situation for the electric and gas customers and should be found in the public interest."[19] The Advisors' erroneous claim of harm results from a misapplication of the Restructuring Resolution.[20] In any event, increases in electric rates do not necessarily translate into harm as a matter of law. Paying the actual, prudently incurred cost to serve customers should not be construed as harm.[21]

Moreover, any claim of harm is speculative given that ENO may be able to achieve cost efficiencies from the Gas Transaction.[22] The Advisors acknowledge the Gas Transaction may provide, among other things, "ratepayer benefits by avoiding debt issuances for some period [of time]."[23] But the Advisors contend such future "savings are speculative and dependent on market factors that cannot be known at this time."[24] At the same time, however, the Advisors contend that electric customers are certain to experience future harm. This does not make sense. Any consideration of mitigation should be handled in a future electric rate proceeding, where it is practical to do so.[25]

III. The Advisors Misunderstand *Bowie*, and the Provisions of the Restructuring Resolution Upon Which the Advisors Rely for Their Proposed Mitigation Conditions Do Not Provide Standards or Guidelines to Guide the Council's Discretion When Imposing Such Conditions.

The Advisors contend that "ENO's reliance on *Bowie* in an attempt to limit the Council's authority in this docket is misplaced and ignores the very context in which *Bowie* was decided."[26]

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19 SWBNO Post-Hearing Br., p. 11.

20 ENO Post-Hearing Br., pp. 17-18 (citing, *e.g.*, Ex. ENO-8, Maurice-Anderson Rejoinder Testimony, pp. 12-14; Ex. ENO-5, Maurice-Anderson Rebuttal Testimony, pp. 3-6).

21 ENO Post-Hearing Br., pp. 20-21 (citing, *e.g.*, Ex. ENO-5, Maurice-Anderson Rebuttal Testimony, p. 7; Ex. ENO-8, Maurice-Anderson Rejoinder Testimony, pp. 12-13; *City of Plaquemine v. Louisiana Public Serv. Comm'n*, 282 So. 2d 440, 443 (1973)).

22 ENO Post-Hearing Br., pp. 19-20 (citing, *e.g.*, Ex. ENO-5, Maurice-Anderson Rebuttal Testimony, pp. 14-15; Ex. ENO-8, Maurice-Anderson Rejoinder Testimony, p. 13).

23 Advisors Post-Hearing Br., p. 17.

24 Advisors Post-Hearing Br., p. 18.

25 ENO Post-Hearing Br., pp. 19-21.

26 Advisors Post-Hearing Br., pp. 6-7.

The Advisors are incorrect and ignore the unambiguous language of the Louisiana Supreme Court in *Bowie*. Thus, the mitigation conditions that the Advisors recommend be imposed on ENO (and DSU NO) are defective.

In *Bowie*, the LPSC had a rule requiring LPSC approval for a change of ownership to occur. The Court opined: "because the Commission's action infringes to some extent upon the stock owners' rights to contract and to dispose of their private property, the rule must be strictly construed and only applications plainly warranted by its language may be made."[27] Here, the Council has the Restructuring Resolution requiring Council approval for a change of ownership to occur. Accordingly, the Court's language applies with equal force to the Council's Restructuring Resolution, and the Restructuring Resolution must be strictly construed and only applications plainly warranted by its language may be made.

More importantly, the provisions of the Restructuring Resolution upon which the Advisors rely for their conditions do not provide standards and guidelines to guide the Council's discretion as required by *Bowie*.[28] The Advisors admit that the provisions upon which they rely provide as follows: "whether conditions are necessary to prevent adverse consequences which may result from the transfer" and "whether there are any conditions which should be attached to the proposed acquisition."[29] Those provisions do not provide any standards or guidelines to guide the Council's discretion. They do not explain when conditions may be necessary or how general or specific any conditions should be.

To be sure, the desire to "prevent adverse consequences" is neither a standard nor a guideline. As pointed out above, such language, taken literally, would mean that customers would always receive the benefits of a transaction without bearing the costs – which is an absurd and

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27 *Bowie v. Louisiana Pub. Serv. Comm'n*, 627 So. 2d 164, 169 (La. 1993).
28 *Bowie*, 627 So. 2d at 169-170.
29 Advisors Post-Hearing Br., p. 20.

unreasonable result. The Council's Restructuring Resolution has never been tested in the courts, and, indeed, *Bowie* indicates that those provisions likely would not survive judicial scrutiny. Accordingly, the mitigation conditions that the Advisors recommend be imposed on ENO (and DSU NO) are defective, and the Council should reject them.

IV. The Advisors Do Not Treat Future Debt Costs as They Did in the Algiers Transaction, and Thus the Council Should Reject Their Arbitrary "Quantifiable Harm" Recommendation Regarding Debt Costs.

The Council may miss out on an opportunity to obtain significant benefits for gas customers because the Council does not have a range of benefits that would result from DSU NO's significantly strong credit ratings versus ENO's speculative credit rating, which needs to be improved.[30] In their brief, the Advisors observe that ENO has a speculative credit rating and DSU NO claims that it will have a stronger investment-grade rating, and then the Advisors state that "DSU NO's cost of debt is higher [than ENO's cost of debt] and constitutes a quantifiable ratepayer harm."[31] The Council should approve the Gas Transaction, reject the Advisors' "quantifiable harm" recommendation, and allow gas customers the benefit of DSU NO's stronger credit rating.

A basic utility finance principle is that the cost of new debt increases as the credit rating decreases.[32] DSU NO's investment-grade rating means that DSU NO's cost of future debt will be less than ENO's cost of future debt, all else being equal. This outcome is what the Council should focus on. Moreover, the Advisors' treatment of future debt costs is contrary to their approach in the Algiers Transaction. In their brief, the Advisors admit that, when reviewing the Algiers Transaction, Mr. Watson quantified $1.7 million benefits from securitizing storm costs.[33] To make

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30 ENO is continuously working to improve its credit rating, and the Council has been helpful in this regard. But much more work needs to be done.

31 Advisors Post-Hearing Br., p. 12; *see also* Advisors Post-Hearing Br., p. 2.

32 Phillips, Charles F., Jr., The Regulation of Public Utilities, Arlington, Virginia: Public Utilities Reports, Inc., 1993, p. 250, n. 80.

33 Advisors Post-Hearing Br., p. 14.

that quantification, Mr. Watson had to estimate the cost of the securitization debt. The securitization debt had not been issued. Mr. Watson estimated the cost of the securitization debt to be 2.38%, based on testimony in another docket.[34]

A going-forward estimate of DSU NO's debt costs is important information, like the estimated securitization debt costs in the Algiers Transaction. However, with respect to a different debt cost estimate, one provided by ENO relative to the Gas Transaction, the Advisors simply have responded that "these [debt] savings are speculative and dependent on market factors that cannot be known at this time."[35] The Advisors' response is the exact opposite of what they did in their review of the Algiers Transaction. The Council should reject the Advisors' arbitrary "quantifiable harm" recommendation regarding ENO's and DSU NO's future debt costs and approve the Gas Transaction.

V. The Advisors' Proposed Condition to Deny ENO Recovery of its Transaction and Cooperation Costs, Is Entirely Unsupported and Unreasonable.

The Advisors recommend that the Council condition approval on denying ENO recovery of its Transaction and Cooperation Costs for the Gas Transaction. The Advisors do not cite any authority for the condition. Moreover, customers will not be harmed by allowing ENO to recover its Transaction and Cooperation Costs. The Advisors claim that customers will "be required to pay for [such costs] over some undetermined timeframe" because, they allege, ENO plans to defer the costs.[36] ENO, however, does not plan to recover its Transaction and Cooperation Costs from customers; rather, ENO plans to offset the costs against the proceeds of the sale, thus reducing the

[34] Watson Direct Testimony, Council Docket No. UD-14-02 (2015), p. 13.
[35] Advisors Post-Hearing Br., p. 18.
[36] Advisors Post-Hearing Br., p. 13.

gain.[37] Therefore, the Advisors' claim that recovery of these costs could "constitute a substantial electric ratepayer bill increase," is unfounded.[38]

Louisiana regulators routinely allow utilities to recover such costs in the context of a transfer or sale.[39] Understandably, the Advisors attempt to distinguish the Algiers Transaction because in that proceeding, they did not oppose the recovery of external transaction costs despite a potential increase in rates for Algiers customers post-transaction and several hard-to-quantify benefits.[40] While the Company has acknowledged the Algiers Transaction is non-precedential,[41] the Council should be wary of the Advisors' shifting positions, particularly where, as here, the Advisors seek to deny ENO recovery of its Transaction and Cooperation Costs by failing to properly consider hard-to-quantify benefits and thus wrongly claiming electric customers are harmed – all of which leads to ENO taking a $29 million loss on the Gas Transaction.

The Advisors also attempt to distinguish the sale of the Market Street Generation Plant, where the Council directed ENO to recover its transaction costs through the sale proceeds by requiring ENO to use the FERC Uniform System of Accounts ("FERC USOA") gain calculation.[42] While customers retained the entire gain in that proceeding, that does not require the Council in the Gas Transaction – where ENO proposes to share a portion of the gain with customers and use the gain to benefit customers – to deny ENO recovery of its Transaction and Cooperation Costs.

Finally, the SWBNO's proposal that the Council use the LPSC approach in the SWEPCO-AEP merger to deny ENO recovery of its Transaction and Cooperation Costs, is without merit. The SWBNO does not understand what the LPSC did in that proceeding. The quoted excerpt from

37 ENO Post-Hearing Br., p. 24; Ex. ENO-5, Maurice-Anderson Rebuttal Testimony, p. 17.
38 Advisors Post-Hearing Br., p. 13.
39 ENO Post-Hearing Br., pp. 22-23 (citing cases).
40 ENO Post-Hearing Br., p. 22.
41 ENO Post-Hearing Br., p. 22 ("The Council approved a non-precedential settlement….").
42 ENO Post-Hearing Br., pp. 22-23.

LPSC Order No. U-23327 describes the approach for SWEPCO's ***buyer*** to recover its transaction costs.[43] Here, the buyer is DSU NO, and ENO is the seller. The LPSC did not address the seller's use of sale proceeds or the seller's recovery of such costs. Thus, the LPSC approach in that merger is inapplicable to ENO's recovery of its Transaction and Cooperation Costs. Allowing ENO, the seller in the Gas Transaction, to recover its Transaction and Cooperation Costs through retention of sale proceeds is eminently reasonable.

VI. Summary Responses to the Advisors' Proposed Conditions

The Advisors present a list of eight (8) proposed conditions for approval of the Gas Transaction.[44] Certain conditions involve ENO, and ENO has previously addressed the conditions (and the issues regarding them) in its testimony and briefing. Out of an abundance of caution, however, ENO provides the following summary responses to the Advisors' conditions involving ENO:

> 3. The Council should include as a condition that the agreement and rate to deliver gas to NOPS shall be reviewed based on an updated cost of service analysis and a current review of gas transportation rates and contracts offered by intrastate gas distribution companies.

ENO is agreeable to this condition provided it is consistent with the terms of the Natural Gas Distribution Services Agreement ("Distribution Agreement").[45]

> 6. The Council should consider directing ENO not to seek recovery of its transaction costs and be required to demonstrate how such costs have been excluded from its rate action filings, such as ENO's annual FRP Evaluation filings.

ENO opposes this condition as written. ENO has requested that the Council permit ENO to recover its Transaction and Cooperation Costs by retaining a corresponding portion of the sales

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43 SWBNO Post-Hearing Br., p. 14.
44 Advisors Post-Hearing Br., pp. 20-21.
45 ENO Post-Hearing Br., p. 15.

proceeds.[46] ENO has never proposed to recover its Transaction and Cooperation Costs through electric rates, and the Advisors are wrong to assume such.[47] A condition prohibiting recovery of Transaction and Cooperation Costs through any means is contrary to regulatory authorities. It results from the Advisors' flawed application of the Restructuring Resolution, in which the Advisors fail to properly consider all of the benefits of the Gas Transaction. The condition would result in a $29 million loss to ENO from the Gas Transaction.[48]

> 7. The Council should consider directing ENO to create a contra-asset of approximately $18.8 million to offset the gas plant retained by electric customers and use the remaining approximate HSPM [redacted] of the HSPM [redacted] per book gain to create a regulatory liability whose amortization will offset the ENO gas O&M retained by ENO's electric customers. This remaining approximate HSPM [redacted], when amortized over four years, approximately offsets this annual retained O&M amount.

ENO opposes this condition. The condition would cause ENO to experience a financial loss from the Gas Transaction while customers receive all the benefits. This is an unreasonable outcome.

> 8. The Advisors recommend, as part of the Council's public interest determination, that the Council consider eliminating or mitigating, to the Council's satisfaction, the identified harm, either through conditions attached to any approval, or through other measures of mitigation. As such, the framework included in Section VII of the Surrebuttal Testimony of Joseph W. Rogers could be employed as a condition of approval to mitigate ratepayer harm while recognizing future benefits that might directly reduce that harm to electric and gas ratepayers and, correspondingly, the amount of mitigation that might be required.

ENO opposes this condition. As explained, ENO disputes the Advisors' claim of harm under the circumstances and as a matter of law.

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46 ENO Post-Hearing Br., p. 24.

47 Advisors Post-Hearing Br., p. 13.

48 ENO Post-Hearing Br., pp. 4-5, 24 (citing, *e.g.*, Ex. ENO-5, Maurice-Anderson Rebuttal Testimony, pp. 3-7, 14-15, 17-18; Ex. ENO-8, Maurice-Anderson Rejoinder Testimony, pp. 2-4, 10-13, 20-21; Ex. ENO-2, Arnould Rebuttal Testimony, p. 4).

VII. The SWBNO's Proposed "Most Favored Nations" Condition is Not Appropriate.

The SWBNO offers several proposed conditions.[49] ENO already has addressed those conditions to the extent applicable, and the Company refers the Council to its testimony and briefing. The SWBNO, however, raises a new condition that is worth mentioning:

> 11. Order and direct ENO and Delta States to offer the Council a "most favored nations" clause in which they each agree to provide to the benefit of ENO's and Delta States' customers any advantage or beneficial provision agreed to by any of their affiliates in the LPSC proceeding involving the sale of ELL's gas business or the LPSC and/or MPSC proceeding involving the sale of CenterPoint Energy's gas business.[50]

ENO oppose this condition. The SWBNO does not provide any supporting authority or explain why such condition is appropriate under the circumstances. In fact, the SWBNO does not specify any particular provision of the LPSC order approving the ELL-DSU LA transaction[51] that it believes the Council should apply here.

As for the transactions involving CenterPoint Energy, Inc. ("CERC"), those involve Bernhard Capital Partners' ("BCP") proposed purchase of CERC's gas distribution assets in Louisiana and Mississippi.[52] The CERC transactions remain pending before regulators, and they are separate from the Gas Transaction and do not involve ENO or DSU NO. ENO weighed the risks of pursuing the Gas Transaction and incurred significant costs to develop the Gas Transaction with DSU NO. Conditioning approval of the Gas Transaction on the CERC transactions would unfairly alter those risks and go beyond the terms of the relevant agreements.[53] The Council should reject the condition.

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49 SWBNO Post-Hearing Br., pp. 22-24.
50 SWBNO Post-Hearing Br., p. 24.
51 *See* LPSC Order No. S-37079 (Sept. 10, 2024).
52 Ex. DSU NO-5, Yuknis Rebuttal Testimony, p. 3.
53 Ex. ENO-8, Maurice-Anderson Rejoinder Testimony, p. 17.

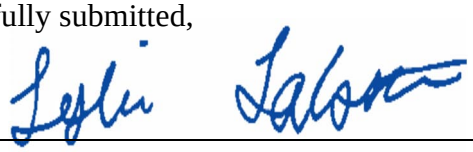
VIII. The Alliance's Position Should Be Rejected.

The Alliance for Affordable Energy ("Alliance") argues that the Council should reject the Gas Transaction because of climate change considerations, and instead initiate proceedings to shut down the gas business serving residential and small commercial customers in New Orleans.[54] As previously explained, the Alliance's position is not relevant to the Gas Transaction. It is also unreasonable because it seeks to eliminate an entire industry that is critical to New Orleans residents and businesses and to the economy as a whole – without providing any supporting analysis or evidence.[55] Moreover, the Alliance's position appears contrary to gas customers' legal right to have gas appliances in their homes.[56] The Council should reject the Alliance's position.

CONCLUSION

The Gas Transaction serves the public interest under the Restructuring Resolution, and ENO has expressed agreement to reasonable conditions in support of Council approval. Certain additional conditions, however, are untenable and unreasonable, and the Council should reject them. ENO looks forward to being a partner in bringing economic development to New Orleans and the benefits of having a singularly focused local gas distribution company to customers.

Respectfully submitted,

By: 

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54 *See generally* Alliance Post-Hearing Br.
55 Ex. ENO-2 Arnould Rebuttal Testimony, pp. 13-17.
56 La. R.S. RS 40:1847.

CERTIFICATE OF SERVICE
UD-24-01

I hereby certify that I have served the required number of copies of the foregoing pleading upon all other known parties of this proceeding individually and/or through their attorney of record or other duly designated individual.

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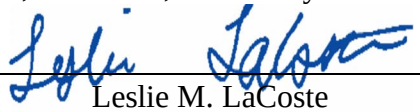
New Orleans, Louisiana, this 1st day of November 2024



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