



ALLIANCE FOR AFFORDABLE ENERGY

FOR IMMEDIATE RELEASE

NEW ORLEANS CITY COUNCIL WILL VOTE ON ENTERGY NEW ORLEANS' PROPOSED SALE OF ITS GAS DISTRIBUTION SYSTEM

AAE warns the sale will have serious consequences for our community

New Orleans, Louisiana | December 13, 2024 – We are expecting the New Orleans City Council to vote on Entergy New Orleans' (ENO) application for permission to sell its gas distribution system to a brand-new utility called Delta States Utilities New Orleans (DSU) at its Monday, December 16 Utility Committee meeting (agenda item 3).

The sale will mean [higher costs and more complications](#) for New Orleans residents. The sale costs alone are projected to raise average residential gas bills by at least \$31 a year. "Despite agreeing to a temporary rate freeze, DSU has admitted plans to expand gas infrastructure in the City, which will lead to inevitable future additional rate increases," said Jesse George, AAE's New Orleans Director.

The Council's own Advisors comments reference "[ratepayer harm](#)" 41 times, and they state in their [Reply Brief](#) that "as proposed, the Gas Transaction imposes quantifiable harm on both future DSU NO gas customers and ENO electric customers."

The Mayor's Office of Resilience & Sustainability's (ORS) reply brief similarly stated, "Simply put, the sale of the natural gas portion of Entergy New Orleans, LLC to Delta States Utilities NO, LLC, [is not in the public interest](#)." The ORS recommends the Council "forgo a sale that could have costly and negative side effects to residents and business owners of New Orleans."

While ENO has argued that the sale could bring economic development and new jobs to the city, these developments would be funded by captive gas customers, many of whom are already struggling with high energy costs. The Council and applicants have pointed specifically to "100 new jobs" that DSU says it will create in the city, but notably, the creation of these jobs is not a condition of the sale. **The Alliance urges the Council to vote no on this harmful deal and thoroughly review the potential impact of the sale on residents' bills**, especially as the Sewerage & Water Board and other large gas users move toward electrification.

"The Council has an opportunity to ensure that our city's energy future aligns with its climate action plans," said Logan Burke, AAE's Executive Director. "But approving this sale without fully understanding the long-term impacts on ratepayers could lock us into higher bills and fossil fuel dependency at a time when we need to address New Orleans' affordability crisis and move toward clean energy." Any decision should be grounded in a clear understanding of the financial and environmental consequences for New Orleans' future.

The Alliance is urging residents to take action. Attend the meeting on December 16 to submit comments in-person or submit comments online at bit.ly/dec16cmnts and tell your Councilmembers to vote no on this harmful deal. We've provided a [helpful template for residents to use here](#). Residents can also contact their City Councilmembers by email or phone.

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About The Alliance for Affordable Energy

Since 1985, The Alliance for Affordable Energy has been working to ensure affordable, equitable, and environmentally responsible energy policy for ALL Louisiana energy consumers. As Louisiana's only dedicated Watchdog we monitor, educate, and participate in state and city utility regulation to ensure the public's best interests.

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