

Attachment B

New Orleans City Council

Entergy New Orleans, LLC

Docket No. UD 21-03

Pole Performance Metric

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

- This Pole Performance Metric will be triggered if there is a single event that qualifies for a Federal Disaster Declaration and 150 or more ENO owned poles (including those poles that have not been installed as part of a Grid Hardening Project) fail (“Triggering Event”).²
- In the event the Pole Performance Metric is triggered, poles installed as part of a completed Grid Hardening Project must not exceed a 5% failure rate that will be applied individually to the four pole types installed across the ENO service area (“Failure Rate”). Those pole types are concrete, composite, steel, and wood. Any pole failure that occurs in conditions outside the design basis of the pole shall not be included in the calculated failure rate.
- In the event the Pole Performance Metric is failed for a pole type, a Pole Performance Metric Fee (“Metric Fee”) shall be imposed upon ENO for each failed pole type in excess of the 5% 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. When a Metric Fee is imposed upon ENO, it shall be paid by being credited back to customers through the Resilience & Storm Hardening Cost Recovery Rider (“Rider RSHCR”) true-up process or, if the Rider RSHCR is no longer in place, as directed by the Council.

¹ For purposes herein, “Grid Hardening Projects” refers to the list of projects approved by the Council in Resolution Nos. R-24-73 and R-24-625, and any list of projects in future resolutions approved by the Council. Solely for purposes of this Pole Performance Metric each listed project of a Grid Hardening Project is considered separately to determine when it is “completed.” A project is “complete” once final inspection has been performed, and the listed project is in operation.

² Solely for purposes of this metric, a pole is considered to have “failed” if it requires repair, reinforcement, or replacement as part of restoration after a Triggering Event and does not result from conditions outside the design basis of the pole.

- Within ninety (90) days following a Triggering Event, ENO shall file a report, in the form required below, in this docket (UD-21-03) and not in connection with the Council docket addressing storm restoration cost recovery, if any. The Pole Performance Metric Report (“Metric Report”) and determination of the Metric Fees, if any, shall be handled independently of, and shall not serve to delay, the Council’s decision on any storm cost recovery application ENO may make or any storm cost securitization financing of Council-approved storm costs. Should extenuating circumstances necessitate additional time to file the Metric Report, ENO shall provide notice to CURO and the Advisors, along with an explanation of such circumstances, and the time for filing the Metric Report shall be extended by thirty (30) days. ENO may submit additional requests for extensions, which may be granted or denied at the discretion of CURO.
- The Pole Performance Metric shall be phased out 25 years from the date of the Council resolution approving the Grid Hardening Projects unless otherwise directed by the Council.
- The Metric Report shall include a narrative explaining in detail the calculation of the metric as conducted by ENO.³ The Metric Report shall also provide: 1) the location of each ENO-owned electric system primary pole by GPS coordinates or similar location data; 2) the location of each primary pole installed as a part of a completed Grid Hardening Project by GPS coordinates or similar location data; and 3) the location of each failed primary pole by GPS coordinates or similar location data. ENO will use best efforts to include digital photographs of each failed pole installed as a part of a completed Grid Hardening Project, provided that the taking of such photographs does not delay, interfere with, or otherwise impede efficient storm restoration activities.
- The Council at its sole discretion may conduct an independent audit of the Metric Report. If the independent audit results in a determination that the Pole Performance Metric and any associated fees were calculated incorrectly, the Council will require ENO to pay the associated Metric Fee. In addition, if the independent audit determines that the Metric Report understated the actual number of hardened poles that failed by more than 5%, ENO shall not be allowed to recover the cost of the audit from ratepayers. ENO reserves rights to contest the findings of any such independent audit. To the extent the Council finds that any costs to contest the findings of such audit were not prudently incurred by ENO, the costs shall not be recoverable from ratepayers.

³ The narrative shall also note and explain in detail the exclusion of any failed poles not included in the calculated Failure Rate.