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BY ELECTRONIC MAIL

Ms. Aisha Collier
Clerk of Council
Council of the City of New Orleans
City Hall, Room IE09
1300 Perdido Street
New Orleans, LA 70112

Re: Resolution Directing Entergy New Orleans, Inc. to Investigate and Remediate Electric Service Disruptions and Complaints and to Establish Minimum Electric Reliability Performance Standards and Financial Penalty Mechanisms - Council Docket UD-17-04

Dear Ms. Collier:

Enclosed please find the *Advisors' Report Regarding Review of New Orleans City Council Electric System Distribution Reliability Standards* for filing in the above referenced docket. Please file the enclosed document and this letter in the record of this proceeding in accordance with your normal procedure.

Sincerely,

*/s Jay Beatmann*

Jay Beatmann

/JAB
Enclosure

cc: Official Service List

**Puyat Jacinto & Santos ► Link Legal ► Zaanouni Law Firm & Associates ► LuatViet ► For more information on the firms that have come together to form Dentons, go to dentons.com/legacyfirms**

**BEFORE THE**

**COUNCIL OF THE CITY OF NEW ORLEANS**

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| **RESOLUTION DIRECTING ENTERGY NEW ORLEANS, INC. TO INVESTIGATE AND REMEDIATE ELECTRIC SERVICE DISRUPTIONS AND COMPLAINTS AND TO ESTABLISH MINIMUM ELECTRIC RELIABILITY PERFORMANCE STANDARDS AND FINANCIAL PENALTY MECHANISMS** | ) | **DOCKET NO. UD-17-04** |

**ADVISORS' REPORT REGARDING**
**REVIEW OF NEW ORLEANS CITY COUNCIL ELECTRIC SYSTEM DISTRIBUTION RELIABILITY STANDARDS**

In Council Resolution No. R-26-309 ("Current Resolution") the Council expressed concern that the current Electric System Distribution Reliability Standards ("ESDRS") approved by the Council in Council Resolution No. R-23-73 adopted February 16, 2023, were not effectively achieving the goal of improving ENO's overall distribution system reliability. The Council had previously expressed this same concern in Council Resolution No. R-25-626 adopted December 18, 2025, noting that the standards should be revisited to ensure that the existing performance standards and penalties are an effective method of encouraging improved reliability and addressing the geographical imbalance of outages in recent years.

In the Current Resolution the Council specifically found that "it is in the best interest of ENO customers that the ESDRS be revisited and revised through a schedule that would clarify the Council's reliability performance expectations more specifically and provide revised minimum standards that would assure a more effective level of accountability from ENO." The Council further directed the Advisors to file a report reviewing the ESDRS and proposing revisions to better assure that they are an "effective method of encouraging improved reliability overall and addressing the geographical imbalance of outages noted in recent years." Having considered the Council's directions, the Advisors provide this report.

**ESDRS (Current Standards)**

The System Average Interruption Frequency Index ("SAIFI") measures the average number of interruptions of all customers over a defined period, usually a year. SAIFI is calculated by dividing the number of customer interruptions by the total number of customers served. An upward trend in SAIFI generally indicates a reduction in reliability.

System Average Interruption Duration Index ("SAIDI") measures the average length of interruptions, usually in minutes, experienced by all customers served over a defined period, usually a year. SAIDI is calculated by dividing the total minutes of interruptions by the total number of customers served. Like SAIFI, an upward trend in SAIDI generally indicates a reduction in reliability.

The ESDRS require ENO to calculate annual SAIFI and SAIDI performance using the methods contained in the Institute of Electrical and Electronics Engineers ("IEEE") standard 1366-2012.[1] The calculation excludes momentary interruptions, outages on days that are classified as a major event day ("MED")[2], and outages that are mandated by a public authority.[3] ENO is required to calculate SAIFI and SAIDI for each of its feeders and for ENO's entire service territory as a whole.

The minimum annual performance level for distribution system SAIFI, measured annually and with respect to ENO's entire service territory, is **1.53**. This represents the number of interruptions, on average, that an ENO customer experienced.

The minimum annual performance level for distribution system SAIDI, measured annually and with respect to ENO's entire service territory, is **178.2**. This represents the number of minutes of interruption, on average, that an ENO customer experienced.

ENO is required to file ESDRS Annual Compliance Filings that include:

1. A data set including all distribution system and transmission system outages.

[1] IEEE Std 1366-2012, IEEE Guide for Electric Power Distribution Reliability Indices. The latest revision of this standard is IEEE Std 1366-2022.
[2] Major Event Day is defined in IEEE Std 1366-2012.
[3] While outages on days that are classified as a MED are excluded for the purposes of calculating SAIFI and SAIDI performance in accordance with these standards, such outages should be recorded and reported as part of ENO's ESDRS Annual Compliance Filing.

2. Calculations of ENO's distribution system SAIFI and SAIDI for ENO’s entire service territory.
3. Calculations of ENO’s transmission system SAIFI and SAIDI for ENO’s entire service territory.
4. Calculations of ENO’s distribution system SAIFI and SAIDI for each of ENO's distribution feeders.
5. Identification of poor performing feeders (lowest 5% of feeders based on annual SAIFI) and ENO’s plan, budget, and schedule to improve the performance of each of the poor performing feeders.
6. To the extent either ENO's distribution system SAIFI for ENO’s entire service territory or ENO’s distribution system SAIDI for ENO’s entire service territory failed to meet the standards, ENO is required to include in its ESDRS Annual Compliance Filing an analysis of the outage causes and durations; its plan, budget, and schedule to bring the distribution system in compliance with the standards; and any other information it believes the Council should consider in determining whether enforcement actions are warranted.

The ESDRS provide enforcement mechanisms including remedial requirements and potential financial penalties. Specifically, failure to meet minimum overall annual performance level distribution system SAIFI can result in a fine of up to $2.7 million. Treated separately, failure to meet overall minimum annual performance level distribution system SAIDI triggers a requirement that ENO file a plan, budget, and schedule to bring the distribution system into compliance. To the extent the implementation of ENO’s plan does not bring the distribution system into compliance with minimum system SAIDI standards, the Council may take additional enforcement actions, including fining ENO up to $500,000 annually.

In addition, the ESDRS Annual Compliance Filing requires ENO to file a plan, budget, and schedule to improve the performance of each of the poor performing feeders. To the extent the implementation of ENO’s plan does not measurably improve the poor performing feeders in subsequent evaluation years, the Council may take additional enforcement actions, including fining ENO up to $500,000 annually.

**Revisions to the ESDRS**

The current ESDRS resulted from an extensive process that approached minimum reliability standards from the traditional perspective of using SAIFI and SAIDI. The standards adopted by the Council were based upon an extensive review of the IEEE applicable standards, the performance of other utilities, and ENO's past performance. The Council also considered comments filed by parties in the docket. Nonetheless, the current standards and penalties have not proven effective as a significant factor in improving ENO's reliability performance.

A default approach to revising the ESDRS would be to tighten the threshold for SAIFI and SAIDI. However, after analyzing this approach the Advisors do not believe that adjusting SAIDI and SAIFI alone can accomplish the Council's goals for performance reliability, nor for assuring an effective level of accountability for ENO.

Although system-wide SAIDI and SAIFI can be adequate metrics for measuring overall system reliability and for comparison with peer utilities, they rely on system-wide average performance which has not achieved the Council's stated goal of consistently reliable electric service for all customers.[4] System-wide SAIDI and SAIFI metrics tend to encourage investment into areas where the greatest improvement in the metrics can be achieved and not necessarily the customer groups who have the least reliable service.

Understanding this reality, the Council included requirements in the ESDRS for ENO to identify and improve the worst performing feeders, as identified by the individual feeder's SAIFI. ENO's distribution system has roughly 190 feeders. Although this requirement is more targeted and helps focus investment in feeders that need improvement, it has not resolved the problem that many ENO customers still experience more frequent and repeated outages relative to other customers. Accordingly, the Advisors believe that additional, more targeted metrics, and associated standards, focused on actual customer experience, should be considered in conjunction with SAIFI and SAIDI to revise and strengthen the ESDRS and to achieve the Council's goals.

[4] Resolution No. R-25-626 at 3.

**Customer-Focused Reliability Metrics**

In recent years ENO has taken steps toward grid modernization, implemented its Advance Distribution Management System ("ADMS") platform, and completed installation of advanced metering infrastructure ("AMI") meters, which collectively provide more detailed information at the customer level making it easier to measure, monitor, and target reliability spending to improve reliability for customers.

One customer-focused reliability metric being adopted by some regulatory bodies and utilized by utilities is Customers Experiencing Multiple Interruptions ("$CEMI_n$"). This metric measures the percent of customers experiencing a defined number of sustained interruptions in a reporting period.[5] For example, $CEMI_3$ would capture the number of customers who have experienced three or more sustained outages and divide that by the total number of customers served to calculate the percentage of customers that have experienced three or more sustained outages over a specified time period. This metric can be tracked for multiple defined numbers of sustained outages concurrently. The Council could require ENO to track and report on several variations of the $CEMI_n$ metric providing a more useful view of reliability at the customer experience level as opposed to broader system-wide averages.

The Advisors note that one of the recommendations of the 2018 Quanta Study was "…that ENO consider using $CEMI_n$ (e.g., $CEMI_5$) to help identify worst-performing customer pockets within feeders, regardless of customer density."[6] ENO has recently indicated that they have implemented that recommendation and that ENO analyzes $CEMI_n$ data in developing its reliability plans. Accordingly, the Council could require ENO to begin providing $CEMI_n$ data in their reports.

Although its use is not as common as $CEMI_n$, another customer-focused reliability metric that is being adopted by some regulatory bodies for reporting is Customers Experiencing Long Interruption Durations ("$CELID_{-S}$"). This metric measures the percent of customers experiencing interruptions with durations longer than or equal to a given time.[7] The time can either be the sum of all customer interruptions in the reporting period, or the duration of a single interruption. For

[5] This metric is included in IEEE Std 1366.
[6] Assessment of Distribution Reliability Improvement Initiatives, prepared by Quanta Technology for Entergy New Orleans, October 31, 2018 ("2018 Quanta Study") at 67.
[7] This metric is included in IEEE Std 1366.

example, if the metric was to use the sum of all customer interruptions, $CELID_{-4}$ would calculate the percentage of customers that have experienced a total of four or more hours of outage during the reporting period.

Requiring ENO to collect and report these customer-based metrics could provide the basis for the Council to establish enhanced standards that include $CEMI_n$ and/or $CELID_{-S}$ to trigger additional enforcement actions, including potential fines, and provide the basis for more vigorous remedial action.

**Expedited Procedural Schedule**

The Advisors believe that utilizing these more customer-focused metrics, in conjunction with maintaining or revising minimum SAIFI and SAIDI standards, a better, more effective ESDRS can be developed. To develop such standards, it is important first to obtain data from ENO regarding the level at which ENO is currently performing with respect to customer-focused reliability metrics. Accordingly, consistent with the Current Resolution, the Advisors recommend that the Council adopt an expedited procedural schedule to fully develop and evaluate this more comprehensive, customer-based approach for modifying the Council's distribution reliability standards and penalties consistent with its goals of improved overall reliability, consistently reliable electric service for all customers, addressing geographical imbalance of outages, and appropriately holding ENO more accountable for avoidable outages.

The Advisors' recommended procedural schedule should generally include the following:

1. A period for interested parties to intervene of not less than thirty (30) days after adoption of the resolution establishing the procedural schedule ("Resolution"):
2. A discovery period commencing with the adoption of the Resolution that extends until thirty (30) days after the comment period in number 4 below.
3. An Advisors' discussion proposal outlining a hypothetical more comprehensive, customer-based approach for modifying the Council's distribution reliability standards and penalties to be filed no later than seventy-five (75) days from the adoption of the Resolution.
4. A period ending no later than thirty (30) days after the filing of the discussion proposal for parties to file comments on the discussion proposal.

5. An Advisors' report analyzing and recommending modifications to the Council's ESDRS standards and penalties to be filed no later than sixty (60) days after the comment period ends.
6. Hearing officer certification of the record to the Council no later than fifteen (15) days after the filing of the Advisors' report.

Respectfully submitted by the Council's Legal and Technical Advisors on November 6, 2026.

DENTONS US LLP,

*/s/ J. A. Beatmann, Jr.*

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**CERTIFICATE OF SERVICE**

I hereby certify that a copy of the foregoing Advisors' report has been served upon "The Official Service List" via electronic mail and/or U.S. Mail, postage properly affixed, this 6th day of November 2026.

*/s/ J. A. Beatmann, Jr.*

J. A. Beatmann, Jr.