

ENTERGY NEW ORLEANS, INC.
ELECTRIC SERVICE

RIDER SCHEDULE PPCACR

Effective: November 30, 2015
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Supersedes: PPACCR Effective 6/30/15
Schedule Consists of: Three Pages plus
Attachment A

**PURCHASED POWER AND CAPACITY ACQUISITION
COST RECOVERY RIDER**

I. GENERAL

The purpose of the Purchased Power and Capacity Acquisition Cost Recovery Rider ("Rider Schedule PPCACR") or ("PPCACR Rider") is to provide contemporaneous cost recovery by Entergy New Orleans, Inc. ("ENO" or "Company") of the capacity costs associated with the Purchased Power Agreement ("PPA") authorized by the Council of the City of New Orleans ("CNO") for the Nine Mile 6 Unit and associated with Union Power Station Power Block 1 ("Power Block 1") owned by ENO. The fuel and variable costs associated with the Nine Mile 6 Unit and Power Block 1 shall be recovered through Rider Schedule FAC.

II. AVAILABILITY

At all points throughout the territory served by the Company, except the Fifteenth Ward of the City of New Orleans, where facilities of adequate capacity and suitable phase and voltage are adjacent to the premises to be served, and service is taken according to the Service Standards and Service Regulations of the Company.

III. APPLICABILITY

This Rider is applicable under the regular terms and conditions of the Company to all Customers that are located outside the Fifteenth Ward of the City of New Orleans and that are served under applicable retail electric rate schedules, whether metered or unmetered, and/or rider schedules subject to the jurisdiction of the CNO.

IV. PPAs EXCEPTED

The capacity costs associated with the PPAs listed in this paragraph shall continue to be recovered in the manner previously authorized by the CNO, and such capacity costs shall not be recovered through the PPCACR Rider. The PPAs are as follows: Grand Gulf Unit Power Sales Agreement between System Energy Resources, Inc. and New Orleans Public Service Inc. *et al.*, the PPAs (sourced from Entergy Gulf States Louisiana, L.L.C.'s unregulated 30% share of the River Bend unit and Entergy Arkansas, Inc.'s wholesale baseload capacity) approved in CNO Resolution R-03-272, dated May 15, 2003, and the Algiers PPA approved by the CNO in Resolution R-15-194.

V. RIDER RATE

- A. The Rider PPCACR Rate shall be determined as set forth in Attachment A to this Rider PPCACR.

The Rider PPCACR Rate will include an over / under recovery computation. This computation will provide a true-up of actual capacity costs to actual Rider PPCACR revenues. This computation will be made in accordance with Attachment A, Page 2 of 4. The over / under recovery computations will include interest on the average of the balances existing at the beginning and end of the current operating month. The interest rate to be utilized is the prime bank lending rate as published in the Wall Street Journal on the last business day of each month.

- B. (1) The Rider PPCACR Rate shall include the estimated monthly revenue requirement associated with Power Block 1 effective the first billing cycle of January 2016. For calendar year 2016, the estimated monthly revenue requirement shall be the amount determined in Council Docket No. UD-15-01.

For each calendar year subsequent to 2016, the Company shall update the estimated monthly revenue requirement associated with Power Block 1. Contemporaneously with the October Billing Month Rider PPCACR Filing of each year, the Company shall file a new estimated monthly revenue requirement, which will be based on forecasted information for the following calendar year and which will be used beginning in the first billing cycle of the following January.

Additionally, on August 1 of each year, ENO shall report to the Council the actual revenue requirement associated with the Power Block 1 for the first six months of the calendar year for the purpose of determining whether the effective estimated monthly revenue requirement should be revised prior to the first billing cycle of the following January.

(2) Beginning in 2017, the Company contemporaneously shall file with the May Billing Month Rider PPCACR Filing a computation to true-up the estimated monthly revenue requirement associated with Power Block 1 for the previous calendar year to the actual revenue requirement for that calendar year. The difference plus interest calculated using the rate set forth in Paragraph A above shall be included as a Prior Period Adjustment in the over / under recovery computation in the June Billing Month Rider PPCACR Filing.

The Council Advisors ("Advisors") and the Company (collectively, the "Parties") shall have fifteen (15) days to ensure that the true-up is correctly calculated. If any of the Parties should detect any error(s), such error(s) shall be formally communicated in writing to the other Parties within the same fifteen (15) days. Each such indicated dispute shall include, if available, documentation of the proposed correction. The Company shall then have fifteen (15) days to review any proposed corrections, to work to resolve any disputes, and to file a revised true-up reflecting all corrections upon which the Parties agree. The Company shall provide the Advisors with appropriate workpapers supporting any revisions made to the true-up initially filed.

Except where there are unresolved disputes, which shall be addressed in accordance with the following paragraph, the true-up shall be reflected in June Billing Month Rider PPCACR Filing.

In the event there are disputes regarding the true-up, the Parties shall work together in good faith to resolve such disputes. If the Parties are unable to resolve the disputes or reasonably believe they will be unable to resolve the disputes by the end of the thirty (30) day period provided for above, a revised true-up reflecting all revisions to the initially filed true-up on which the Parties agree shall be used in the reflected in the June Billing Month Rider PPCACR Filing. Any remaining disputes shall be submitted to the Council for resolution. If the Council's final ruling on any disputes requires changes to the true-up initially used pursuant to the above provisions, within sixty (60) days after receipt of the Council's final ruling on any disputes, the Company shall file a revised true-up and shall determine the amount to be refunded or surcharged to customers, if any, together with interest based on the rate set forth in Paragraph A above. Such refund/surcharge amount shall be included in the next true-up computation.

VI. CORRECTION OF ERRORS IN PRIOR PERIODS

The Company is obligated to correct filing errors in prior period Rider PPCACR Filings. Filing errors are differentiated from vendor invoice errors or changes that occur on a continuing basis that are simply corrected in the then-current operating month's fuel costs. Filing errors in prior period filings shall be described and quantified in a supplemental report in the current operating month filing. Correction of the errors will be through an addition or subtraction to the cumulative over / under recovery balance absent other direction from the CNO. The correction of the error should include interest from the effective date of the error through the effective date of the correction pursuant to Section V above.

VII. TERM

The Rider PPCACR shall terminate the last day of the month prior to the implementation of base rates recovering the capacity costs recovered through the rider.

Upon termination of the Rider PPCACR, the Rider PPCACR collections shall be true-up and any over or under refund/recovery, including carrying costs calculated utilizing the prime bank lending rate as published in the Wall Street Journal on the last business day of each month the Rider PPCACR is in effect, will be included in Attachment A, Page 2, Line 12 of the then-effective Rider Schedule FAC as a Prior Period Adjustment to the Cumulative (Over)/Under Collection Account.

ENTERGY NEW ORLEANS, INC.
PURCHASED POWER AND CAPACITY ACQUISITION COST RECOVERY RIDER

Data Based on Operations Month of _____
Applied to Bill in the Month of _____

LINE NO	DESCRIPTION	REFERENCE		
PURCHASED POWER AND CAPACITY ACQUISITION COST RECOVERY RATES				
1	Union Estimated Monthly Revenue Requirement	Attachment A: P4	<u>\$0.00</u>	
1b	NM 6 PPA Costs Recoverable in Rider Schedule PPCACR		<u>\$0.00</u>	
1c	kWh Sales for Operations Month	WP1, cols. e+f+g+h+j	<u>0 kWh</u>	
1d	Average PPA Cost Rate per kWh	(L1 + L1b) / L1c	<u>\$0.000000 /kWh</u>	
2	Non-Transmission Service Level Voltage Loss Factor	Rider FAC Attachment A: P1a, L5	<u>0.000000</u>	
3	Rate per kWh Delivered for Non-Transmission Service Voltage Level Sales in Billing Month Sales	L1d * L2		<u>\$0.000000 /kWh</u>
4	Transmission Service Level Voltage Loss Factor	Rider FAC Attachment A: P1a, L7	<u>0</u>	
5	Rate per kWh Delivered for Transmission Service Voltage Level Sales in Billing Month Excluding Rate Schedule EIS Available and Off-Peak kWh Sales in Billing Month	L1d * L4		<u>\$0.000000 /kWh</u>
6	Rate per kWh Delivered for Rate Schedule EIS Available and Off-Peak kWh Sales in Billing Month	L5 * 1.3		<u>\$0.000000 /kWh</u>
(OVER) / UNDER SURCHARGE RATE				
7	(Over) / Under Surcharge Rate for All kWh Sales in Billing Month	Attachment A: P2, L15		<u>\$0.000000 /kWh</u>
PPCACR Rider Rates				
PPCACR Rider Rate in Billing Month for:				
8	Non-Transmission Service Voltage Level kWh Sales	L3 + L7		<u>\$0.000000 /kWh</u>
9	Transmission Service Voltage Level Sales Excluding Rate Schedule EIS Available and Off-Peak kWh Sales	L5 + L7		<u>\$0.000000 /kWh</u>
10	Rate Schedule EIS Available and Off-Peak kWh Sales	L6 + L7		<u>\$0.000000 /kWh</u>

SURCHARGE FOR (OVER) / UNDER BILLING RECOVERY

Data Based on Operations Month of _____
 Applied to Bill in the Month of _____

LINE NO	DESCRIPTION	REFERENCE		
PP&CACR RIDER REVENUE				
1	Non-Transmission Service Voltage Level Sales for Operations Month	WP1, col. (j)	0	kWh
2	Transmission Service Voltage Level Sales for Operations Month Excluding Rate Schedule EIS Available and Off-Peak kWh Sales	WP1, col. (e) + (f)	0	kWh
3	Rate Schedule EIS Available and Off-Peak kWh Sales for Operations Month	WP1, col. (g) + (h)	0	kWh
4	PPCACR Rider Rate for Non-Transmission Service Voltage Level Sales in Operations Month	Attachment A Page 1 of Operations Month Filing	\$0.000000	/kWh
5	PPCACR Rider Rate for Transmission Service Voltage Level Sales in Operations Month Excluding Rate Schedule EIS Available and Off-Peak kWh Sales	Attachment A Page 1 of Operations Month Filing	\$0.000000	/kWh
6	PPCACR Rider Rate for Rate Schedule EIS Available and Off-Peak kWh Sales in Operations Month	Attachment A Page 1 of Operations Month Filing	\$0.000000	/kWh
7	PPCACR Rider Revenue for Operations Month	(L1 * L4) + (L2 * L5) + (L3 * L6)		\$0.00
CUMULATIVE (OVER) / UNDER COLLECTION				
8	Cumulative (Over) / Under Collection from Previous Month	Attachment A: P2 L13 of Previous Month Filing	\$0.00	
9	Actual NM 6 PPA Costs Recoverable in Rider Schedule PPCACR - Per Books	WP2	\$0.00	
9b	Union Estimated Monthly Revenue Requirement	Attachment A: P1, L1 of the Month Filing before the Previous Month	\$0.00	
10	PPCACR Rider Revenue for Operations Month	L7	\$0.00	
11	Prior Period Adjustment and associated interest			
12	Interest on Average of Beginning-of-Month and End-of-Month Cumulative (Over) / Under Balances for Operations Month	$((L8 + (L8 + L9 + L9b - L10 + L11)) / 2) * ((\text{Prime Rate}) / 12)$ (See Note)	\$0.00	
13	Cumulative (Over) / Under for Operations Month	L8 + L9 + L9b - L10 + L11 + L12		\$0.00
(OVER) / UNDER SURCHARGE RATE				
14	Sales for 12 Months Ending With Operations Month (Over) / Under Surcharge Rate for All kWh Sales in Billing Month	WP1, cols. e+f+g+h+j	0	kWh
15		L13/L14	\$0.000000	/kWh

Note: Prime Rate on the last business day of the operations month as stated in the Wall Street Journal was X.XX%

LOSS FACTORS

Data Based on Operations Month of _____
 Applied to Bill in the Month of _____

LINE NO	DESCRIPTION	REFERENCE	
SALES AND INPUT			
1	Non-Transmission Service Voltage Level Sales for 12 Months Ending with Operations Month	WP1, Ln 13 + Ln 35	_____ 0 kWh
2	Net Area Input for 12 Months Ending with Operations Month	WP3, Col. (d) 12 Mths.	_____ 0 kWh
3	Transmission Service Voltage Level Sales for 12 Months Ending with Operations Month Adjusted to Input Level	WP1, Ln 20	_____ 0 kWh
4	Net Area Input for Non-Transmission Service Voltage Level for 12 Months Ending with Operations Month	L2 - L3	_____ 0 kWh
LOSS FACTORS			
5	Non-Transmission Service Level Voltage Loss Factor	L4 / L1	_____ 0.000000
6	Transmission Service Level Voltage Loss Factor	WP4	_____ 0.000000

Union Estimated Revenue Requirement

LINE			
<u>NO</u>	DESCRIPTION	ANNUAL AMOUNT	MONTHLY AMOUNT
1	Calendar Year 2016	\$0.00	\$0.00
2	Calendar Year 2017		
3	Calendar Year 2018		
4	Calendar Year 2019		