

ENTERGY NEW ORLEANS, INC.  
CITY OF NEW ORLEANS  
Docket No. UD-16-02

Response of: Entergy New Orleans, Inc.  
to the Second Set of Data Requests  
of Requesting Party: Alliance for Affordable  
Energy

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Question No.: AAE 2-9

Part No.:

Addendum:

Question:

In reference to footnote 9 on page 18 of Seth Cureington's testimony.

- a. Explain why the company treats its load modifying resources as "Reserve capacity" in its supply role analysis;
  - b. How many MW of capacity does the company have from load modifying resources?;
  - c. What would happen to capacity need modeling if load modifying resources were treated as Base Capacity?;
  - d. Load Following?;
  - e. Peaking?; and
  - f. Provide all work papers, data, analysis, and documents relied on in answering this question.
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Response:

This response contains and attaches information that has been designated Highly Sensitive Protected Materials and will be produced only to the appropriate Reviewing Representatives in accordance with the Confidentiality Agreement in effect in this docket.

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Question No.: AAE 2-19

Part No.:

Addendum:

Question:

Table 1 of Exhibit CLR-22 indicates construction costs of \$1.6 million in 2015, and \$3 million in 2016. If the City Council of New Orleans finds the construction of NOPS is not a prudent investment, will ENO attempt to recover the \$4.6 million in construction costs this table indicates will have occurred before the close of 2016?

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Response:

The Company will seek to recover any prudently incurred costs associated with the development of the project, should NOPS be denied.

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Question No.: AAE 2-37

Part No.:

Addendum:

Question:

Page 16 of Jonathan Long's testimony presents a table of milestones, the first of which is "EPC Contract Execution" in June 2016.

- a. Was this milestone achieved?;
  - b. If the answer to subpart (a) is "yes", what was the exact date of execution?; and
  - c. If "no" has the contract been executed at the time of responding to this request for information?
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Response:

- a. Yes; however, no contract has been executed that would bind the Council and ENO's customers for the cost of constructing the CT, unless and until the Council approves the CT. That is, ENO has no obligation to the EPC contractor unless Council approval is given.
- b. June 30, 2016.
- c. N/A

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Question No.: AAE 2-45

Part No.:

Addendum:

Question:

Both testimonies by Mr. Cureington and Mr. Charles Long assert that if NOPS is not constructed, there will be a need for large-scale transmission upgrades in order to maintain reliability over the next 10 years.

- a. Besides the potential transmission line upgrades necessary to designate NOPS a MISO Network Resource identified on page 19 of the application introduction and the estimated \$2.3 million in upgrades needed at the Michoud switchyard, indicate what other transmission upgrades may be necessary regardless of whether NOPS is constructed;
  - b. Identify what transmission upgrades will no longer be necessary if NOPS is constructed;
  - c. Is it reasonable and prudent to forgo transmission upgrades due to the construction of a new generating facility?; and
  - d. Please provide all documents, data, workbooks, and analyses relied on in answering this question
- 

Response:

- a. The Company's long-term transmission plan incorporates the NOPS resource. The Company includes planned generation resources in its long-term transmission reliability study models to ensure that the transmission plan developed by the Company is consistent with and reflects the planned deployment of generation resources. This practice of integrated and coordinated generation and transmission planning ensures that the customers benefit from a reliable electric grid and efficient sources of energy that are delivered at the lowest reasonable cost. The latest update to the Company's long-term transmission plan may be found at this link:

[http://www.oasis.oati.com/ees/eesdocs/Entergy Long Term Transmission Plan Status Report May 2016.pdf](http://www.oasis.oati.com/ees/eesdocs/Entergy_Long_Term_Transmission_Plan_Status_Report_May_2016.pdf)

However, should the NOPS not be constructed, the list of likely transmission upgrades that would be needed to meet the NERC TPL 001-4 reliability standard constructed is provided in the attached spreadsheet “ENO CT – Transmission Costs”. In other words, the interconnection of the NOPS to the grid would obviate the need for the transmission upgrades listed in the aforementioned spreadsheet.

- b. Please see the response to subpart (a) above.
- c. The Company has not foregone transmission upgrades due to the construction of NOPS. As stated, the construction of NOPS obviates the need for certain transmission upgrades. If, however, NOPS is not approved, the Company will have a need to proceed with the referenced transmission upgrades in order to remain complaint with NERC standards over the long-term planning horizon.
- d. Please see the Company’s response to ADV 1-19(c).

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Question No.: AAE 2-46

Part No.:

Addendum:

Question:

In regards to transmission lines that serve the Greater New Orleans area please identify for the last 15 years:

- a. Which transmission lines have been damaged due to storms;
  - b. Whether the ability of those transmission lines to import power was impaired due to the storm damage;
  - c. How long did it take for the transmission lines to be repaired; and
  - d. Provide any and all documents relied on in answering this question.
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Response:

- a. Please see the attached spreadsheet for transmission lines that have been damaged during Hurricanes Katrina, Gustav, Cindy and Isaac in the Greater New Orleans area.
- b. All of the transmission branches listed in the spreadsheet provided in subpart (a) would have reduced the ability to transport power into or in the Greater New Orleans area by virtue of being in an outaged state. Depending on the system conditions prevailing at the time of each outage, such as the transmission branches and generators that were contemporaneously out of service, each of these transmission elements could have impaired the transmission system's ability to flow power in the electric network.
- c. Please see the response to subpart (a).
- d. Please see the attached.

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Question No.: AAE 2-47

Part No.:

Addendum:

Question:

On pages 13 and 14 of his testimony, Charles Long states that after Hurricane Gustav: "...the greater New Orleans metropolitan area and the industrial corridor southeast of Baton Rouge, Louisiana had dis-integrated from the rest of the country's electrical system, thus operating as an island for 33 hours. Without local generation, every customer in the area would have experienced complete outage for those 33 hours."

- a. What was the local generation source or sources that provided energy to customers during those 33 hours?;
- b. Is the recently acquired ninemile 6 in that industrial corridor?;
- c. If a similar dis-integration were to occur today, would ninemile 6 be able to provide power to customers in the greater New Orleans area? Why or why not?;
- d. How likely is it that New Orleans customers would lose access to the generating capacity at ninemile?;
- e. Is Waterford 3 in that industrial corridor?;
- f. If a similar dis-integration were to occur today, would Waterford 3 be able to provide power to customers in the greater New Orleans area? Why or why not?;
- g. Is Little Gypsy in that industrial corridor?;
- h. If a similar dis-integration were to occur today, would Little Gypsy be able to provide power to customers in the greater New Orleans area? Why or why not?;
- i. Is the Co-generation unit located at Occidental's Taft plant in that industrial corridor?;

- j. If a similar dis-integration were to occur today, would Oxy-Taft be able to provide power to customers in the greater New Orleans area? Why or why not?;
  - k. Are Waterford 1 and 2 in that industrial corridor?;
  - l. If a similar dis-integration were to occur today, would Waterford 1 and 2 be able to provide power to customers in the greater New Orleans area? Why or why not?; and
  - m. Provide all data and/or documents relied on in answering subparts (a)-(l).
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Response:

- a. The local generation sources that provided energy to customers during those 33 hours were the Waterford Unit 1, Gypsy Unit 2 and Ninemile Unit 5.
- b-m It should be noted at the outset that while most of the resources listed in this RFI may be able to serve the New Orleans area if they were capable of running and connected to New Orleans through the transmission system, it is important to point out that they are all more dependent on the transmission system to do so given that they are more electrically remote than the proposed NOPS location, which is in Orleans Parish.

If a similar dis-integration were to occur today, the availability of all the resources listed in this data response following a major storm event would depend on a number of factors which include, but are not limited to, the following:

- The availability of the natural gas fuel supply,
- Condition of substations and of the electric grid in the vicinity of the power plant,
- The condition of the transmission and distribution network between the resource substation the particular substations from which customers are served,
- Meteorological conditions that may force the pre-emptive shutting down of the power plant to prevent damage to plant equipment and personnel,
- If the dis-integration results in a unsustainable electrical mismatch of power generation and demand, a power black-out may be inevitable in the dis-integrated power system. The resource's ability to produce power will depend on the ability to provide start-up power to the resource (from a black-start resource such as Waterford Unit 4) in any



ensuing attempt to restore power in the dis-integrated power system,  
and

- Security conditions in the Greater New Orleans area that may endanger the safety of plant personnel.

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Question No.: AAE 2-49

Part No.:

Addendum:

Question:

Describe the process by which ENO determined the October 2019 target for NOPS to come into commercial operation. Include all documents and data relied upon in making this determination.

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Response:

The project schedule and projected completion date were derived through an estimate of the time required for external approvals and the negotiated schedule with the EPC contractor.

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Question No.: AAE 2-53

Part No.:

Addendum:

Question:

On page 4 of his testimony, Finance Director Orlando Todd asserts there will be a depreciation rate at 3.3% a year that will amount to \$72 million accrued during the first year and later proposes it will be used until the first rate case. Please provide any data and/or documents that were relied upon in reaching this depreciation rate.

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Response:

The depreciation rate of 3.3% was derived using an industry accepted 30-year useful life assumption for the technology to be utilized by NOPS.