

April 14, 2023

Via Electronic Delivery

Ms. Lora W. Johnson, CMC, LMMC
Clerk of Council
City Hall - Room 1E09
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 – CNO Docket No. UD-17-04

Dear Ms. Johnson:

Enclosed for further handling please find Entergy New Orleans, LLC's ("ENO") combined April 14, 2023 and April 30, 2023 compliance submissions in response to Council Resolution R-23-73 identifying historic capital and operation and maintenance expenditures for 2016-2022 as well as projected capital and operation and maintenance expenditures for 2023-2027 to CURO and Advisors, which is being submitted for filing in the above-referenced docket.

Additionally, projected capital and operation and maintenance expenditures for 2023-2027 for achieving distribution system reliability are being provided to the Council's Advisors bearing the designation "Highly Sensitive Protected Materials" pursuant to the terms and conditions of the Official Protective Order adopted in Council Resolution R-07-432.

As a result of the remote operations of the Council's office related to COVID-19, ENO submits this filing electronically and will submit the requisite original and number of hard copies once the Council resumes normal operations, or as you direct. ENO requests that you file this submission in accordance with Council regulations as modified for the present circumstances.

Thank you for your assistance with this matter.

Best Regards,



Lacresha Wilkerson

LW/bkd
Enclosures

cc: All Councilmembers
Council Utilities Regulatory Office
Council Advisors

**BEFORE THE
COUNCIL OF THE CITY OF NEW ORLEANS**

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

**ENTERGY NEW ORLEANS, LLC’S COMPLIANCE
SUBMISSION IN RESPONSE TO COUNCIL RESOLUTION R-23-73**

Entergy New Orleans, LLC (“ENO” or the “Company”) respectfully submits this compliance submission in response to Resolution R-23-73, which was adopted by the Council of the City of New Orleans (the “Council”) on February 16, 2023. Specifically, the Council directed ENO to present “a consistent method for identifying capital and operation and maintenance expenditures for achieving distribution system reliability, above and beyond nominal operations.”¹ The Council also directed ENO to present “a categorized schedule of its historic capital and operation and maintenance expenditures for achieving distribution system reliability, annually, for 2016 through 2022” as well as projected “capital and operation and maintenance expenditures for achieving distribution system reliability, annually, for 2023 through 2027.”

¹ Resolution R-23-73 does not define “nominal operations,” and ENO does not know what the Council intended by the phrase “above and beyond nominal operations.” ENO sets forth below, as directed, its method for identifying capital and operation and maintenance expenditures for achieving distribution system reliability and explains why this method serves the overall objectives and directives of Resolution R-23-73.

I. Proposed Methodology

In the past, ENO has presented to the Council capital and operation and maintenance (“O&M”) expenditures. The Company’s reliability efforts, which also have been described to the Council previously, include the FOCUS Program, Equipment Inspection and Maintenance, Internal Projects, the Backbone Program,² Strategic Reliability (including such programs as the 100% Lateral Program and the Fix-it-Now Crew), the Pole Program, Sectionalization, and Underground Residential Distribution/Cable Projects (collectively, the “Baseline Reliability” programs) as well as vegetation management efforts. Furthermore, from time to time, the Company has identified to the Council additional expenditures that were made to address particular circumstances on the distribution system, such as the “reliability blitz” in 2016 and 2017, as well as other expenditures beyond the Company’s Baseline Reliability programs that have direct or incidental benefits that improve reliability. For example, the Company executed the “Storm Hardening Plan,” a 2017-2019 plan approved by the Council in Resolution R-17-331, that further improved the distribution system’s resiliency. ENO believes that continuing with this general framework (*i.e.*, providing capital and O&M expenditures for Baseline Reliability programs and vegetation management as well as other plans or programs that are designed to improve distribution system reliability) facilitates compliance both with the request for a consistent methodology as well as with the Council’s further directive that ENO provide historical and projected information about expenditures.

² The Backbone Program was a proactive reliability program that selected certain backbone feeders each year for inspection up to the first protective device and completed reliability projects that resulted from those inspections. Beginning in 2019, the Company started to phase the Backbone Program out and replace it with the 100% Backbone and Lateral Inspection Program (“100% Lateral Program”), which is designed to inspect the overhead distribution grid, backbone and laterals, on a five to eight-year cycle, and identify and complete reliability projects.

To that end, Table 1 below illustrates how the Company proposes to present this information to the Council. The “Other Program(s)” category is a placeholder for providing information in future years for targeted programs like the “reliability blitz” and hardening plan discussed above.

TABLE 1:
PROPOSED FORMAT FOR DISTRIBUTION SYSTEM RELIABILITY EXPENDITURES

Category (\$ millions)	20XX
<i>Baseline Reliability Programs (Capital)</i>	
Equipment Inspection	-
FOCUS	-
Internal	-
Pole	-
Sectionalization	-
Strategic Reliability	-
URD/Cable	-
<i>Other Program(s) (Capital)</i>	-
Subtotal Capital	-
Reliability (O&M)	-
Vegetation Management (O&M)	-
Other Program(s) (O&M)	-
Subtotal O&M	-
Total (Capital and O&M)	-

II. Historical and Projected Capital and O&M Expenditures

Further responding to the requirements of Resolution R-23-73, and consistent with the Company’s proposed methodology, Table 2 below sets forth the Company’s “categorized schedule

of its historic capital and operation and maintenance expenditures for achieving distribution system reliability, annually, for 2016 through 2022,” and Table 3, which has been marked Highly Sensitive Protected Material (“HSPM”), below sets forth the Company’s current estimates of capital and O&M expenditures for achieving distribution system reliability for 2023 through 2027. ENO emphasizes that Table 3 presents estimated expenditures that are subject to review and revision as conditions and assumptions change.

Additionally, the Company, the Council, and other community stakeholders are considering ways to improve the overall resilience of the electric system in Council Docket No. UD-21-03, including through the resilience plan proposed by the Company. The estimated expenditures on Table 3 do not include the resilience projects that are being proposed by the Company. However, the Company will carefully coordinate resilience projects with its reliability programs to promote cost and operational efficiency and mitigate the impact to customers of necessary planned outages.

Resolution R-23-73 also directed the Company to provide “ENO’s plan of capital and operation and maintenance expenditures for achieving the Electric System Distribution Reliability Standard (“ESDRS”) using ENO’s alternative minimum annual performance level for a distribution system SAIFI of 1.79 and a distribution system SAIDI of 196, annually, for 2023 through 2027.” As an initial matter, ENO did not prepare a spending plan that matched precisely with the recommended performance targets that ENO submitted in this docket on September 19, 2022. The Company, moreover, submits that it is not aware of an industry-standard methodology for accurately projecting how each dollar of spending (or each dollar of reduced spending) on the Company’s distribution system will impact future SAIFI and SAIDI scores, particularly at a level of detail as fine as the .01 annual SAIFI that the Council included as part of the penalty mechanism

in the ESDRS.³ Accordingly, the Company does not have a plan that is responsive to the Council's request in ordering paragraph 2(c).

In conclusion, the Company submits that Tables 2 and 3 demonstrate that ENO has and will continue to make prudent expenditures on the Company's distribution system both to meet the minimum annual performance levels required by the ESDRS and, more importantly, to provide safe, reliable service to customers at rates that are affordable.

³ Importantly, however, the Council recognized in Resolution R-23-73 that the penalties listed in the ESDRS are "maximum penalties and not automatic," and that ENO will have the opportunity to explain why a penalty may not be appropriate in any given year.

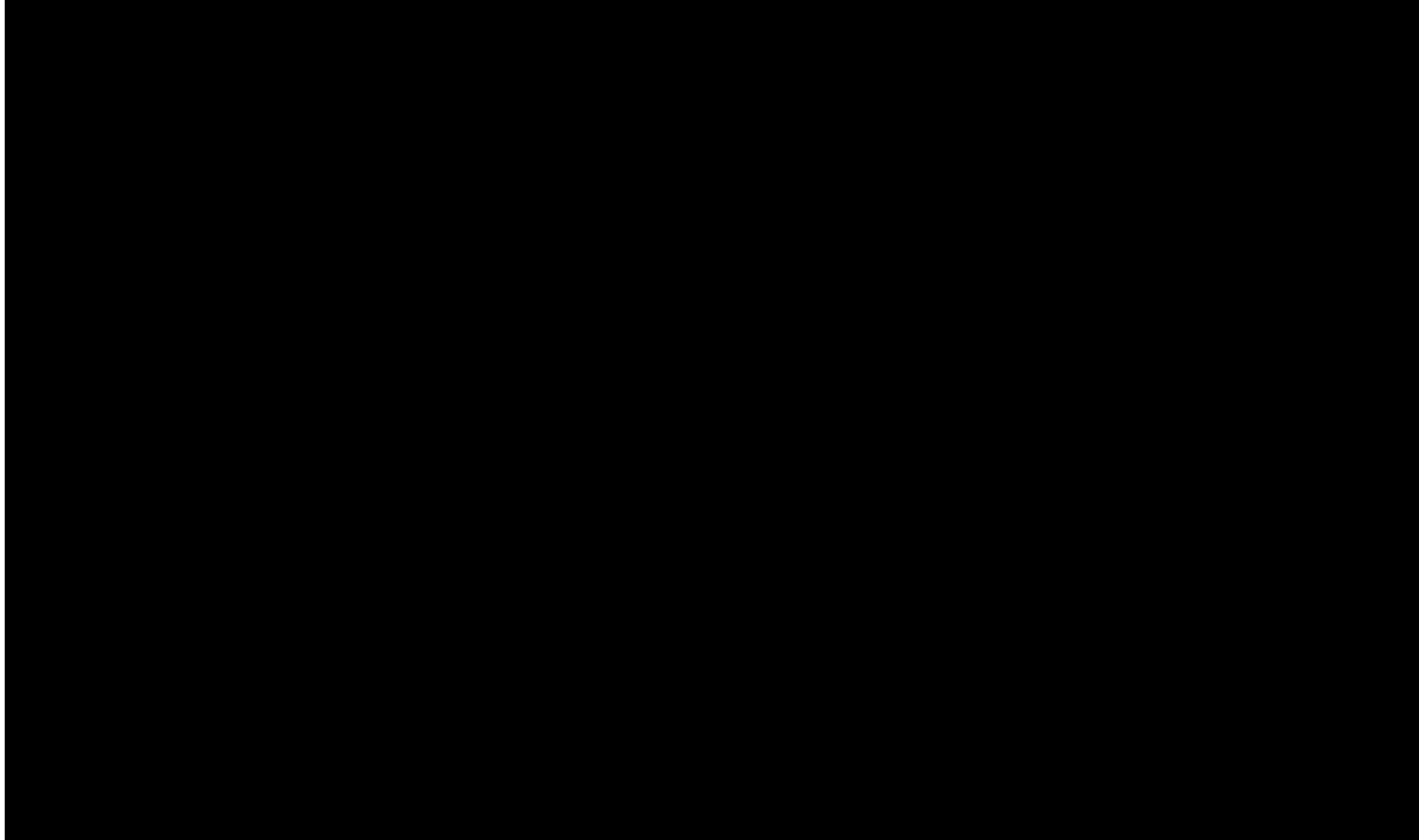
TABLE 2:

HISTORICAL CAPITAL AND OPERATION AND MAINTENANCE EXPENDITURES FOR ACHIEVING DISTRIBUTION SYSTEM RELIABILITY

Category (\$ millions)	2016	2017	2018	2019	2020	2021	2022
<i>Baseline Reliability Programs (Capital)</i>							
Backbone	0.03	0.51	3.52	0.97	0.36	0.52	-
Equipment Inspection	0.40	0.89	1.32	0.18	0.46	0.01	0.01
FOCUS	0.27	2.23	4.46	0.44	0.32	(0.10)	0.01
Internal	1.28	1.09	2.91	0.97	2.55	5.36	5.08
Pole	0.41	1.14	1.52	3.17	0.93	2.05	1.72
Sectionalization	0.04	0.01	0.88	5.6	1.65	1.32	2.14
Strategic Reliability	-	-	-	3.90	9.12	7.74	23.75
URD/Cable	0.28	0.41	0.99	0.60	0.42	0.22	0.43
<i>Other Programs (Capital)</i>							
“Reliability Blitz”	9.23	1.00	-	-	-	-	-
Distribution Storm Hardening	-	12.70	14.11	1.13	-	-	-
Subtotal Capital	11.94	19.98	29.71	17.02	15.81	17.11	33.14
Reliability (O&M)	0.66	0.95	2.00	1.57	2.16	2.10	3.79
Vegetation Management (O&M)	1.64	3.18	3.27	3.17	2.84	2.84	3.87
Other Programs (O&M)	1.24	3.05	2.22	(0.02)	-	-	-
Subtotal O&M	3.54	7.18	7.49	4.72	5.00	4.94	7.66
Total (Capital and O&M)	15.48	27.16	37.20	21.74	20.81	22.06	40.80


Note: Amounts may not tie due to rounding.

TABLE 3:
PROJECTED CAPITAL AND OPERATION AND MAINTENANCE EXPENDITURES FOR ACHIEVING DISTRIBUTION SYSTEM RELIABILITY



Note: Amounts may not tie due to rounding; estimated expenditures are subject to review and revision as conditions and assumptions change.

Respectfully submitted,

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CERTIFICATE OF SERVICE
Docket No. UD-17-04

I hereby certify that I have served the required number of copies of the foregoing report upon all other known parties of this proceeding, by the following: electronic mail, facsimile, overnight mail, hand delivery, and/or United States Postal Service, postage prepaid.

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New Orleans, Louisiana, this 14th day of April 2023.



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