

RESOLUTION

NO. R-24-196

CITY HALL: May 2, 2024

**BY: COUNCILMEMBERS MORRELL, MORENO, GIARRUSSO, HARRIS, KING,
GREEN AND THOMAS**

**IN RE: DIRECTING ENTERGY NEW ORLEANS, LLC TO INVESTIGATE AND
REMEDiate ELECTRIC SERVICE DISRUPTIONS AND COMPLAINTS AND
TO ESTABLISH MINIMUM ELECTRIC RELIABILITY PERFORMANCE
STANDARDS AND FINANCIAL PENALTY MECHANISMS**

RESOLUTION AND ORDER APPROVING AN AGREEMENT IN PRINCIPLE

DOCKET NO. UD-17-04

WHEREAS, pursuant to the Home Rule Charter of the City of New Orleans (“Charter”), the Council of the City of New Orleans (“Council”) is the governmental body with the power of supervision, regulation, and control over public utilities providing service within the City of New Orleans; and

WHEREAS, pursuant to its powers of supervision, regulation, and control over public utilities, the Council is responsible for fixing and changing rates and charges of public utilities and making all necessary rules and regulations to govern applications for the fixing and changing of rates and charges of public utilities; and

WHEREAS, Entergy New Orleans, LLC (“ENO”), is a public utility providing electric and natural gas service to New Orleans; and

WHEREAS, in Resolution No. R-17-427 the Council established Docket No. UD-17-04, for the Council's investigation into electric outages, electric reliability issues in Orleans Parish in general, ENO's level of distribution operation and maintenance (“O&M”) staffing and scheduling, and to consider the establishment of minimum reliability performance standards for all of the

utilities under the Council's jurisdiction, including the establishment of financial penalty mechanisms for failure to meet such minimum reliability performance standards as established by the Council; and

WHEREAS, pursuant to Resolution No. R-18-47, the Council's utility Advisors conducted a prudence investigation; and

WHEREAS, after reviewing the findings of the prudence investigation, the Council found that ENO acted imprudently in the maintenance and repair of its system; and

WHEREAS, based upon the record of the investigation, the Council imposed on ENO a one-time \$1 million penalty for the prior imprudent conduct, which order was appealed by ENO to the Civil District Court, Parish of Orleans where the Court ruled that the matter of the penalty be remanded to the Council for further consideration consistent with the Court's ruling; and

WHEREAS, in accordance with the Court's order, the Council adopted Resolution No. R-23-150, which established a procedural schedule to allow parties to submit additional evidence regarding the amount of the penalty; and

WHEREAS, on May 19, 2023, ENO filed a petition at Civil District Court requesting the Court "set aside, reverse, and vacate Council Resolution R-23-150" ("CDC Petition Case"); and

WHEREAS, on April 22, 2024, ENO and the Council's utility advisors executed an agreement in principle ("AIP") wherein ENO agreed to invest \$500,000 reliability-related matters and said investment would not be subject to recovery from ratepayers; and

WHEREAS, the Council has reviewed the AIP and finds that it is in the public interest to approve the agreement; **NOW THEREFORE**

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF NEW ORLEANS, That the AIP attached to this Resolution as Exhibit A is approved in its entirety.

BE IT FURTHER RESOLVED BY THE COUNCIL OF THE CITY OF NEW ORLEANS, That the procedural schedule established in Resolution No. R-23-150 and amended in Resolution No. R-23-348 is terminated upon the Court granting ENO's motion to dismiss in the CDC Petition Case.

THE FOREGOING RESOLUTION WAS READ IN FULL, THE ROLL WAS CALLED ON THE ADOPTION THEREOF, AND RESULTED AS FOLLOWS:

YEAS: Giarrusso, Green, Harris, Moreno, Thomas - 5

NAYS: 0

ABSENT: King, Morrell - 2

AND THE RESOLUTION WAS ADOPTED.

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Asst. Clerk of Council

Attachments are
in the Clerk of
Council Office for
Viewing.

City Hall

Room 1E09