



## ALLIANCE FOR AFFORDABLE ENERGY

**FOR IMMEDIATE RELEASE**

### **NEW ORLEANS CITY COUNCIL GREENLIGHTS CONTROVERSIAL GAS SYSTEM SALE, LEAVING RESIDENTS TO BEAR THE BURDEN**

**New Orleans, Louisiana | December 16, 2024** – Today the New Orleans City Council voted to approve Entergy New Orleans' (ENO) application for permission to sell its gas distribution system to a brand-new utility called Delta States Utilities New Orleans (DSU) at its Utility Committee meeting. The application will now go to the full Council for final approval.

This decision - taken despite significant public concerns raised by AAE, the Council's Advisors, and the Mayor's Office of Resilience & Sustainability - will have lasting consequences for the people of New Orleans. Right now in New Orleans, residents and businesses are struggling under the weight of the costs of living. Last year 19% of New Orleans households were disconnected because of their inability to pay their energy bill. "That's nearly 1 in 5 homes that couldn't keep the lights on or the gas flowing, to say nothing of the households that made hard choices every month between their utility bills and other basic needs. This crisis hasn't been addressed, and the transaction the Council voted to approve today only throws gas on that fire," said Logan Burke, AAE's Executive Director.

For households that use gas, gas charges have already been the major driver in total utility bill increases over the last few years. Even with the mitigation efforts in these conditions, this Council is aware that much larger bill increases are looming. The sale costs alone are projected to raise average residential gas bills by at least \$31 a year.

Rent and insurance and property taxes and water bills, and every other thing that adds up to the price of living in our city is out of reach for more and more of us. Our social safety net is full of holes, and there are not enough philanthropic funds to plug them. This year alone AAE has already received more than 42 calls from New Orleans residents seeking bill assistance because they are unable to pay their bill, many of whom had received disconnect notices.

"While the Council and the applicants have pointed specifically to '100 new jobs' that DSU says it will create in the city, the creation of these jobs is not a condition of the sale. The Council has allowed a deal that burdens households without ensuring the promised benefits are guaranteed," said Jesse George, AAE's New Orleans Policy Director.

During the lead-up to this vote, residents were unable to access the Council's website, which limited opportunities to submit public comments. Per AAE's request, the Council has extended the comment deadline so that residents are able to make their voice heard. The events today underscore the importance of transparency and accessibility in decisions with such far-reaching impacts.

AAE will continue to advocate for measures that limit the financial burden this sale imposes on residents. "We remain committed to holding DSU and the Council accountable for minimizing bill increases and ensuring protections for vulnerable ratepayers," George stated. "Despite this decision, our focus is on creating pathways for a more affordable and equitable energy future."

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**About The Alliance for Affordable Energy**

Since 1985, The Alliance for Affordable Energy has been working to ensure affordable, equitable, and environmentally responsible energy policy for ALL Louisiana energy consumers. As Louisiana's only dedicated Watchdog we monitor, educate, and participate in state and city utility regulation to ensure the public's best interests.

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