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VIA ELECTRONIC MAIL

Clerk of Council
Clerkofcouncil@la.gov
City Hall - Room 1E09
1300 Perdido Street
New Orleans, LA 70112

Re: Resolution and Order Establishing a New Docket and Procedural Schedule to Revise Chapter 158 of the Code of Ordinances (CNO Docket No. UD-25-01)

Dear Clerk of Council:

Attached please find *Entergy Orleans, LLC's ("ENO") Reply to Comments of the Alliance, Delta New Orleans, and Air Products, In Response to the Proposed-Revised Chapter 158 of the Municipal Code of New Orleans and to the Proposed Utilities Regulatory Manual* which is being filed in the above-referenced docket. ENO submits this filing electronically and will submit the requisite original and number of hard copies if and when directed to do so.

Thank you for your assistance in this matter, and please let me know if you have any questions or concerns.

Sincerely,

Courtney R. Nicholson

CRN/hhs

Enclosures
cc: Official Service List UD-25-01 (*via electronic mail*)

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

RESOLUTION AND ORDER)	
ESTABLISHING A NEW DOCKET)	
AND PROCEDURAL SCHEDULE TO)	DOCKET NO. UD-25-01
REVISE CHAPTER 158 OF THE CODE)	
OF ORDINANCES)	

**ENTERGY NEW ORLEANS, LLC’S REPLY TO COMMENTS OF THE ALLIANCE,
DELTA NEW ORLEANS, AND AIR PRODUCTS, IN RESPONSE TO THE PROPOSED-
REVISED CHAPTER 158 OF THE MUNICIPAL CODE OF NEW ORLEANS AND TO
THE PROPOSED UTILITIES REGULATORY MANUAL**

Entergy New Orleans, LLC (“ENO” or the “Company”), in compliance with the requirements of Council of the City of New Orleans (the “Council”) Resolution No. R-25-407 (“Resolution”), respectfully submits this Reply to the Comments to the proposed-revised Chapter 158 of the Municipal Code of the City of New Orleans (“Proposed 158”) and to the newly-proposed Utilities Regulatory Manual (“URM”) filed on October 17, 2025, by The Alliance for Affordable Energy (“Alliance”), Delta New Orleans Gas Company, LLC (“Delta”), and Air Products & Chemicals, Inc. (“Air Products”).

As more fully discussed herein, ENO generally agrees with the Comments and does not oppose the proposed revisions to Proposed 158 and the URM submitted by Delta and by Air Products. ENO agrees with the Alliance, Delta, and Air Products, that Proposed 158’s prohibition on oral *ex parte* communications with Councilmembers should be rejected. ENO strongly disagrees with the remainder of the Alliance’s Comments and Proposed Revisions and urges the Council to reject the Alliance’s other proposals, including the draconian proposals relating to residential disconnections.

I. ENO’S REPLY TO THE ALLIANCE’S COMMENTS AND ITS PROPOSED REVISIONS TO PROPOSED 158

A. The Alliance’s Proposal to Have the Council Declare Utility Access a “Fundamental Human Right” Coupled with Its Proposal to End Residential Disconnections Due to Inability to Pay Would Have Far-Reaching Adverse Consequences for ENO’s Customers, the City of New Orleans, and ENO Itself.

In the Alliance’s Comments to Proposed 158, it proposes to have the Council declare utility access a “fundamental human right.” The Alliance does not attempt to define “fundamental human right” or to detail what such a declaration would mean in practical terms with regard to the provision of electric service and other utility services. However, based on the Alliance’s other proposals regarding residential disconnections, the Alliance’s intent behind the proposal is clear. Specifically, where, as here, the Alliance has proposed a wholesale ban on residential disconnections unless the customer specifically asks to be disconnected, “utility access as a fundamental human right” must mean that residential customers are entitled to free electricity (and other utility services) if they merely claim that they are unable to pay their bill. Such a policy, if adopted by this Council, would have disastrous effects on ENO’s paying customers, on the City of New Orleans, and on ENO as the provider of electric service in the City.

ENO is well aware of the economic demographics of New Orleans and of the fact that a significant portion of New Orleans residents live at or below the Federal poverty line. With a keen focus on affordability, ENO employees work tirelessly on a daily basis to find solutions or to make alternative payment arrangements for customers who may be experiencing temporary or chronic difficulty paying their bills. There are resources available through Entergy and through various agencies to assist customers who may be struggling to pay their energy bills. For instance, there is the Low Income Home Energy Assistance Program (“LIHEAP”), which provides federally-funded assistance to low-income households to assist with their heating and cooling costs. Additionally,

Entergy offers the Power to Care Program, which is funded through voluntary donations by Entergy employees and customers and which donations are then matched by Entergy shareholders. The Power to Care Program assists older adults and the disabled with limited incomes who are struggling to pay their utility bills. ENO also operates the Energy Smart Program, which offers home energy assessments and instant rebates to ENO's residential electric customers. Energy Smart uses a comprehensive, whole-house approach to improving energy efficiency and comfort through simple home improvements and through certain free energy-efficient products such as smart thermostats and advanced power strips that can help customers reduce bills.

Ultimately, the Alliance's proposal to deem access to electric service (and other utility services) an unconditional right that must be provided without regard to payment for those services would create more problems than it would solve. If payment becomes optional, the number of customers who do not pay their electric bill can be expected to increase significantly. The more customers who do not pay without the repercussion of service disconnection, the more other customers, even those who may have the ability to pay, will refuse to do so. The cost of providing electric service to those who do not pay for the service then will be borne by the remaining customers who continue to pay their bills, even those who may be struggling to do so. This will cause significant increases in the bills for those paying customers, thereby placing more customers in the category of "inability to pay." This will result in a cycle of more and more customers refusing to pay their bills, increasing the cost to the remaining customers, increasing the number of customers who are unable to pay, further increasing the cost to the remaining customers, until at some point the framework collapses and all customers simply refuse to pay their bills. Allowing such a precedent would undermine the fundamental fairness and financial stability of the utility system. It encourages nonpayment, penalizes those who act responsibly, and erodes the

accountability that makes essential-service systems viable. This is bad public policy because it transforms a regulated service model into an unsustainable subsidy that harms the very customers it is meant to protect.

The Alliance's proposal would not only negatively affect paying customers by increasing their rates but would also inevitably have a negative effect on the quality of utility services in the City. The utilities' revenues and cash flow will be adversely affected if more customers refuse to pay their bills. When revenues and cash flow are insufficient to cover expenses and upcoming liabilities, the utility will not be able to make the necessary infrastructure investments needed for reliability and safety and will be unable to hire and retain qualified personnel to carry out necessary maintenance and customer service responsibilities. Additionally, it can be reasonably expected that credit rating agencies will react negatively to a policy that prohibits service disconnection for nonpayment of bills, and a credit downgrade of the utilities affected by such a policy is a virtual certainty. Such a policy would not only signal a very negative regulatory environment (a key consideration for credit rating agencies) but would also call into question the long-term economic viability of the utility. Lower credit ratings will increase the utilities' cost of capital, making it more costly and more difficult to raise the capital necessary to invest in the capital infrastructure needed to provide reliable service to utilities' customers.

In summary, simply declaring utilities to be a "fundamental human right" ignores the underlying economic reality. It does not create the resources to deliver that right. Instead, it merely shifts the costs of providing those services onto other customers, making it more difficult for them to pay their own bills. The Alliance's proposal is operationally and economically unsustainable. Utility systems are capital intensive and require continuous investment in infrastructure, maintenance, and personnel to ensure safe and reliable service. Declaring utility access a

“fundamental right” without regard to payment removes the essential economic mechanism that funds these systems and keeps them functional. Investor-owned utilities operate within a regulatory framework specifically designed to balance public necessity with financial viability. Regulators ensure that rates are just and reasonable while also permitting utilities the opportunity to earn a fair return sufficient to attract investment and maintain reliability. Removing the enforcement mechanism of disconnection for nonpayment will disrupt this regulatory balance in a manner that will be detrimental to customers, to our community, and to ENO’s (and other utilities’) ability to provide safe and reliable service to our City.¹ The Alliance’s proposal is economically reckless and threatens to collapse a system built to serve all customers by making it difficult to serve anyone.

Apparently realizing the unworkability of its major proposal (prohibiting residential disconnections except upon customer request), the Alliance puts forth two equally unworkable alternatives. The Alliance’s alternatives of either declaring a three-year moratorium on residential disconnections or an ongoing moratorium on disconnections each summer and winter (apparently timed to coincide with the summer and winter solstices) would produce the same adverse economic consequences as the initial proposal. History and experience (e.g., the moratorium invoked during the pandemic) clearly demonstrate that when disconnections are suspended, more customers choose not to pay their bills on time and, when the moratorium ends, many, if not most, are unable to pay their accumulated arrears. Moratoriums adversely affect the cash flow necessary for utilities to operate their businesses and to continue to deliver reliable services to their customers. The

¹ Although the Alliance claims in one breath that “[t]he Council would not be alone in taking this step,” in the next breath it concedes that the Council would “be among the first regulatory bodies to take this important step.” In fact, to ENO’s knowledge, were the Council to adopt the Alliance’s fringe policy, it would not be “among the first regulatory bodies” to do so, it would be the first and only regulatory body to do so. ENO is not aware of any Federal or State legislature or utility regulator enacting a policy such as the one proposed by the Alliance here.

result is not short-term relief but long-term harm in the form of higher arrearages, increased bad debt, and rising costs that ultimately fall on paying customers. In short, the Alliance’s proposals, whether permanent, seasonal or temporary, ignore the basic economic reality that utilities cannot provide service without revenue. Policies that sever the link between service and payment are destabilizing, inequitable and unsustainable. Each of the Alliance’s proposals, if adopted, would be detrimental to customers, to the community, and to the utilities that serve our City.

B. The Alliance’s Proposal to Add the Right to Residential Ratepayer Representation and Intervenor Compensation to the Bill of Rights Will Increase the Already High Cost of Regulatory Proceedings.

The Alliance also seeks to have the Council “create a pathway for New Orleans low-income residential customers to be thoroughly represented in ratemaking and other regulatory proceedings” by including “residential ratepayer representation and intervenor compensation as an enumerated right under the Customer Bill of Rights.” Once again, the Alliance asks the Council to create certain “rights” without defining those rights or articulating the parameters of those rights. Anyone who has been a participant in or spectator to the regulatory proceedings conducted before the Council over the past several decades cannot reasonably dispute that the interests of residential ratepayers, including low-income ratepayers, have been robustly represented in those proceedings. Adopting a policy that encourages mass interventions on the promise or expectation of future compensation would be a misstep. It could encourage frivolous interventions, unnecessarily multiply the number of parties and filings, increase the complexity of the proceedings, and result in duplicative advocacy efforts, all of which would bog down the Council’s processes and diminish

their efficiency. Worse, the administrative and legal costs of such expanded participation would ultimately be paid for by the customers.

Customers should not be forced to pay for organizations to participate in proceedings on their behalf (or in some cases on behalf of other customer classes that may have competing interests than their own) when those customers have neither requested such representation nor have any visibility or control over what positions those advocates are purportedly advancing in their name. Notably, the Alliance's proposal provides no accountability mechanism to ensure that customer-funded advocacy produces tangible benefits to customers. In short, transforming participation in regulatory proceedings into a compensated entitlement is bad public policy – it is an invitation to inefficiency, opportunism, and escalating costs that is more likely to erode, rather than enhance, the fairness and effectiveness of the regulatory process.

C. The Alliance's Proposal to Allow Customers to Appeal the Utility's Disposition of an Initial Complaint to CURO Before the Utility Has Rendered Its Disposition Will Involve CURO Prematurely and Create Unnecessary Work.

The Alliance's proposed revision to Section 158-12 (a) of Proposed 158 would allow a customer to "appeal the outcome of an initial complaint ... at any time during the complaint process if the utility is not responsive." Thus, the Alliance would have CURO entertain an appeal of an outcome (i.e., utility disposition of complaint) that has not yet occurred. In ENO's view, this is a proposed solution to a problem that does not exist. Customer complaints are typically handled very expeditiously by ENO's Customer Service Team and ENO is not aware of a situation in which customer complaints are not being resolved in a reasonable time frame or that customers are not getting notified timely of the disposition of their complaint. Involving CURO prior to the utility concluding its review of a customer complaint will simply use CURO resources prematurely and unnecessarily.

D. The Alliance’s Proposal to Find in Favor of the Complainant if the Utility Does Not Attend an Appeal Hearing Is One-Sided and Would Prohibit the Exercise of the Reasonable Discretion of the Appeal Officer.

In Section 158-14 of Proposed 158, the Alliance proposes to change the Appeal Officer’s authority to find in favor of the customer (i.e., “may find”) if the utility does not attend the Appeal Hearing to a *requirement* that the Appeal Officer find in favor of the customer (i.e., “shall”) in such instances. Interestingly, no such parallel revision was proposed to the first sentence of the section, which reads, “If the claimant does not attend a hearing, the appeal officer *may* dismiss the complaint.” (Emphasis added.) ENO believes that permitting the Appeal Officer to find in favor of one party if the other party does not attend the Appeal Hearing is reasonable and that allowing the Appeal Officer the discretion not to do so (e.g., if it can be shown that there was good cause for the lack of attendance) is also reasonable. However, if the Council chooses to remove reasonable discretion from the Appeal Officer’s authority, then it should do so in a balanced manner and require the Appeal Officer to find against any party that fails to attend an Appeal Hearing.

E. The Alliance’s Proposal to Prohibit Any Confidentiality Designation Other than “Highly Sensitive Protected Materials” Is Unnecessarily Restrictive and Ignores Special Confidentiality Situations that Can Occur in Litigation that Require Additional Confidentiality Protection

The Alliance also proposes to prohibit any deviation from the “Highly Sensitive Protected Materials” confidentiality designations set forth in Council’s Official Protective Order, Resolution R-07-432. Whereas the Council’s Official Protective Order generally provides adequate confidentiality protections for sensitive materials, certain situations can arise during litigation that warrant exceptions to and additional confidentiality protections than those explicitly provided for in the Council’s Official Protective Order. ENO supports allowing the Hearing Officer or the

Council to determine whether additional protections sought by any party may or may not be warranted. Accordingly, ENO encourages the Council to reject the Alliance's proposal.

II. ENO'S Reply to the Comments and Proposed Revisions to Proposed 158 and the URM Submitted by Delta and by Air Products

As noted briefly above, ENO generally agrees with the Comments submitted by Delta and by Air Products and does not oppose their proposed revisions to Proposed 158 and the URM. Each of the specific issues addressed in Delta's and Air Products' Comments and proposed revisions are addressed briefly below:

Delta's and Air Products' Proposed Revisions to Proposed 158:

- Section 158-4, Utility Designated Representative: ENO agrees with Delta's proposed revision;
- Section 158-8(b), Bill of Rights: ENO agrees with Delta's proposed revision;
- Section 158-8(i), Bill of Rights: Delta's proposed revision applies only to Delta but ENO has no objection to the proposed revision;
- Section 158-8(l), Bill of Rights: Delta's proposed revision applies primarily to Delta but ENO has no objection to the proposed revision;
- Section 158-8(p), Bill of Rights: ENO agrees with Delta's proposed revision;
- Section 158-8(r), Bill of Rights: ENO agrees with Delta's proposed revision;
- Section 158-10, Applicability, Customer Complaints: ENO agrees with the substance of Delta's Comments regarding this section and ENO has proposed its own revisions to address the issues raised;
- Section 158-11(b), Complaint Process: ENO does not oppose the revisions proposed by Delta regarding this Section;

- Section 158-11(c), (d), (f) and (g), Complaint Process: ENO has proposed its own changes to the Customer Complaint Process and continues to urge those revisions but agrees with Delta that an Initial Complaint should be submitted by a customer in writing to the utility to clarify and document the circumstances surrounding the complaint and to minimize confusion and misunderstandings. The remainder of Delta's Comments regarding the Complaint Process are generally aligned with the Comments made by ENO.
- Section 158-18, Effect of an Appeal Officer's Decision: ENO has proposed the same change as that of Delta regarding this Section;
- Section 158-21, Conduct and Decorum: ENO has proposed the same change as that of Delta regarding this Section;
- Section 158-23, *Ex Parte* Communications Prohibited: ENO has made similar Comments and has proposed similar changes as those proposed by both Delta and Air Products. Also, ENO agrees with Delta's additional proposed revision that would allow parties, in conjunction with *ex parte* communications with Councilmembers, to provide or share written material that is included in or sourced from information contained in the administrative record.
- Section 158-34(f), (h) and new (i), Evidence: ENO has submitted a change similar to that proposed by Delta for Section 158-34(f). ENO does not oppose Delta's proposed revision to subparagraph (h) or its proposed new subparagraph (i).
- Section 158-37, Depositions: ENO has submitted the same change as that of Delta regarding this Section;

- Section 158-38(b)(1), (b)(4) Hearings: ENO has submitted Comments and proposed revisions similar to those of Delta regarding this Section. In short, paper hearings should be held only if all parties agree to a hearing on paper and in-person hearings should be transcribed by an in-person court reporter;
- Section 158-40, Form and Content of Orders: ENO has proposed the same change as that of Delta regarding this Section;
- Section 158-42, Notice of Service of Filings in Other Forums: ENO believes that Delta's proposed change clarifying the applicability of this provision is helpful and re-urges ENO's own Comments and proposed revisions to this Section;
- Section 158-52, Waiver of Requirements: ENO has submitted the same change as that of Delta regarding this Section;

Delta's Proposed Revisions to the URM

- URM, Division IV, Section 1, Required Content, Subparts 1.1, 1.2, 1.3, 1.4, 1.6, and 1.8: ENO does not oppose any of Delta's proposed revisions in this section of the URM, but continues to urge acceptance of ENO's proposed revisions to the URM.

III. CONCLUSION

For the reasons advanced in ENO's original Comments and Proposed Revisions to Proposed 158 and the URM and in these Reply Comments, ENO urges the Council to adopt Proposed 158 and the URM subject to the changes proposed in ENO's original and Reply Comments.

Respectfully submitted,



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**ATTORNEYS FOR
ENTERGY NEW ORLEANS, LLC**

CERTIFICATE OF SERVICE

Docket No. UD-25-01

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.

New Orleans, Louisiana, this 7th day of November, 2025

Courtney R. Nicholson
