

ENO Code of Conduct for Gas Sales

I. Definitions

a. **Affiliates**, as used in this Code of Conduct, means:

- (1) any person that directly or indirectly owns, controls, or holds with power to vote, five percent or more of the outstanding securities of any other person, including, but not limited to any corporation, partnership, subsidiary, or division thereof, or
- (2) any person five percent or more of whose outstanding voting securities are owned, controlled, or held with power to vote, directly or indirectly, by such specified company; or
- (3) any person who is an officer or director of any other person, including, but not limited to any corporation, partnership, subsidiary, or any division thereof; or
- (4) any person who, along with another person, is under the common control of a corporation, partnership, subsidiary, holding company, or any division thereof; or
- (5) any person or class of persons that the Council determines, after thoughtful consideration and opportunity for comment, to stand in such relation to such other person, including, but not limited to any corporation, partnership, subsidiary, or any division thereof, that there is liable to be such absence of arm's-length bargaining in transactions between them as to make it necessary or appropriate in the public interest or for the protection of ratepayers and consumers that such person be subject to the obligations, duties, and liabilities imposed in this Code of Conduct upon Affiliates or upon ENO with respect to Affiliates.

- b. **Competitive Market Participants**, as used in this Code of Conduct includes, and is not limited to marketers, brokers, sellers of natural gas, and their respective agents that sell gas in a competitive market environment, including any Pilot Program the Council may initiate that would provide customer choice in the selection of a natural gas supplier, regardless of the size or scope of such Pilot Program, pursuant to the provisions of a Council Ordinance or Resolution regarding gas competition, within the City of New Orleans.

Exhibit A

- c. **Competitive Affiliate**, as used in this Code of Conduct, means an affiliate of a gas utility, which is a Competitive Market Participant as defined herein, and that (i) is not itself a utility subject to the jurisdiction of the Council of the City of New Orleans or other retail regulatory authority; or (ii) is not a service company established pursuant to the Public Utility Holding Company Act of 1935 in order to provide goods or services to such utilities.
- d. **Proprietary Customer Information**, as used in this Code of Conduct, means any information obtained or compiled by ENO in the normal course of providing gas service that is specific to an individual customer and related to or derived from gas services provided to that customer. Such information includes, but is not limited to: the customer's name, address, account number, type or classification of service, historical gas usage, expected patterns of use, types of facilities used in providing service, individual contract terms and conditions, price current charges, billing records, inquiries regarding new service or changes to existing service, whether or not acted upon, or any information the customer expressly requests be kept confidential, notwithstanding information that may already be publicly available pursuant to applicable law.

II. Code of Conduct

1. Unless in receipt of prior written consent, ENO shall not release any Proprietary Customer Information to any Competitive Market Participants. Contracts or other written agreements for gas service authorizing disclosure of Proprietary Customer Information as necessary to provide the contracted for gas service shall serve as prior written consent for purposes of this provision. Nothing in this provision shall be construed as a prohibition against or an obstacle to ENO's ability or obligation to provide information to the Council either directly or through its Advisors, other regulatory agencies or courts, as may be required from time to time.
2. ENO shall operate in a non-discriminatory fashion when dealing with all Competitive Market Participants, including any Competitive Affiliates, such that all Competitive Market Participants shall have access to information in the possession of ENO, including but not limited to: ENO's gas, sales, operations, and services, general market trends, economic forecasts, regulatory trends, demographics, or technology trends, on an equal and not unduly discriminatory basis. To ensure equal and not unduly discriminatory access to information:

ENO shall post on its Internet website any of the above-referenced information that the Company provides to a Competitive Affiliate. Such posting shall occur contemporaneously with the disclosure of the information to said competitive Affiliate.

Exhibit A

ATTACHMENT "A" TO RESOLUTION R-00-650

Privileged and Confidential
For Settlement Discussion Purposes Only
September 11, 2000

3. To the extent there is discretion in the application of any tariff, rate schedule, or contract provision, ENO shall exercise its discretion respectively in a not unduly discriminatory manner. ENO shall maintain a record of instances in which it exercised such discretion with respect to any Competitive Affiliate, which record shall be made available to Council for its review.
4. To the extent there is no discretion in the application of any tariff, rate schedule, or contract provision, ENO shall strictly enforce all such provisions for all Competitive Market Participants, including any Competitive Affiliates.
5. ENO shall not provide any undue preference to any Competitive Market Participant, including any Competitive Affiliates.
6. ENO shall not condition or tie any service it provides to the provision of gas supply from any particular Competitive Market Participant, including any Competitive Affiliates.
7. ENO shall process all similar requests for service in the same manner and within the same period of time.
8. To the greatest extent possible, while still maintaining benefits for ratepayers and subject to Council approval, ENO's employees, and the employees of its Competitive Affiliates, must function independently of each other.
9. The books of account and records for the regulated utility services provided by ENO to its retail gas customers will be maintained separately from any books and records kept by a Competitive Affiliate.
10. ENO shall structure its business arrangements in such a manner as to be in complete compliance with the requirements of this Code of Conduct.
11. Nothing in this Code of Conduct shall preclude ENO from providing information as necessary to Entergy Affiliates or other subcontractors used to perform utility corporate support services. In such circumstances, ENO shall remain liable for the continued confidentiality of customer information such that the requirements of this Code of Conduct are not circumvented.
12. Nothing in this Code of Conduct is intended to supplant or relieve ENO of the duty to comply with the requirements, policies, regulations or resolutions to the Council and this Code of Conduct does not supplant or relieve ENO of the duty to comply with the requirement, policies, regulations or resolutions of the Council or of any State or Federal regulatory authority.
13. ENO is hereby order to adhere to this Code of Conduct for gas sales in any and all transactions and relationships with any and all

Exhibit A

- Competitive Market Participants in the supply of natural gas, including all Competitive Affiliates.
14. This Code of Conduct shall be effective at such time as a competitive affiliate of ENO participates in gas sales pursuant to a retail gas pilot program in Orleans Parish or retail gas open access in Orleans Parish.
 15. Prior to the date on which an ENO competitive affiliate offers to provide gas supply within Orleans Parish, ENO shall file with this Council its plan for compliance with and adherence to this Code of Conduct. The compliance plans must address each of the requirements adopted herein. In addition to filing a compliance plan with the Council, ENO also shall respond to the following requests for information:
 - A. Identify the corporate position responsible for updating the information posted on the Company's website.
 - B. Describe the current physical location of ENO's and all Competitive Affiliates' places of business, including an explanation of how the companies are sited in proximity to one another.
 - C. Describe the extent to which employees are shared between the Company and any Competitive Affiliate. For each shared employee provide the employee's title, a description and explanation of the operational rules which will ensure that the shared employee complies with this Code of Conduct.
 - D. Provide a detailed organizational chart showing the relationship between and among ENO, and all competitive affiliates.
 - E. ENO and its Competitive Affiliates must abide by this Code of Conduct.
 16. Recognizing the gas industry is under constant evolution, and recognizing that this Code of Conduct has been developed and is appropriate for the current state of the industry, nothing in this Code of Conduct shall in any way prohibit or interfere with the Council's authority to review or amend this Code as appropriate.
 17. To the extent necessary to ensure and verify compliance with this Code of Conduct, ENO shall be subject to audit by the Council, through its Advisors, upon receiving adequate notice from the Council.

Exhibit A

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September 11, 2000

VIA HAND DELIVERY

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Jacquelyn Frick, Director
City Council Utilities Regulatory Office
City Hall - Room 6E07
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00 SEP 11 AM 10:14
CITY COUNCIL UTILITIES
REGULATORY OFFICE

Re: In the Matter of Investigation and Hearing into the Prudence of Entergy New Orleans, Inc.'s Natural Gas Contracting Practices
Docket No. UD-98-2

and

An Investigation Into Whether It Is In The Public Interest To Unbundle The Gas Services Provided By Entergy New Orleans, Inc.
Docket No. U-97-2B

Dear Ms. Williams and Ms. Frick:

The Sewerage and Water Board of New Orleans proposes that the following terms and conditions be accepted as settlement of the issues outstanding in the two dockets referenced above.

- ◆ Commencing effective with the first subsequent billing month to a Council resolution adopting ENO's settlement term sheet, a separate monthly City Gate Adjustment ("CGA") for the Large Municipal Service ("LM") resale gas rate schedule ("CGALM") will be calculated.
- ◆ The separate CGALM will be allocated 2.456% of the total monthly fixed resale gas costs, which include demand costs, reservation fees, monthly storage facility fees and other fixed costs as may be incurred from time to time by ENO.
- ◆ The CGALM will be allocated non-fixed resale gas costs, including but not limited to gas commodity and transportation costs currently recovered by ENO via the CGA, in proportion to LM monthly sales divided by monthly total gas sales for the CGA.

"ATTACHMENT B"

Emma Williams, Director, et al
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- ♦ The CGALM will be allocated a proportion of the cumulative resale gas "over/(under) account," as adjusted for the credit in ENO's settlement proposal, by a "factor" that is the ratio of LM sales divided by the total CGA resale gas sales. The factor to be applied to the cumulative resale gas "over/(under) account" to determine the beginning balance of the cumulative CGALM resale gas "over/(under) account" will be the quotient of total LM sales since January 1997 divided by the total CGA resale gas sales for that period. The beginning cumulative balance of the CGALM resale gas "over/(under) account" will be delayed until information is available as to the balance of the CGA cumulative resale gas "over/(under) account" as of the last month of participation by LM.

If you have any questions or would like to discuss this matter, please give me a call at your convenience.

Thank you very much.

Sincerely yours,



FRANK J. UDBO

FJU/gm