

**ENTERGY NEW ORLEANS, LLC**  
ELECTRIC SERVICE

RIDER SCHEDULE RSHCR

Effective: October 24, 2024  
Filed: December 18, 2024  
Supersedes: New Schedule  
Schedule Consists of: Two Pages plus  
Attachments A and B

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**RESILIENCE & STORM HARDENING COST RECOVERY RIDER**

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**I. PURPOSE**

The purpose of the Resilience & Storm Hardening Cost Recovery Rider ("Rider RSHCR") is to establish the revenue requirement associated with the Council-approved Resilience Plan capital additions ("RSHCR Revenue Requirement"). Entergy New Orleans, LLC ("ENO" or the "Company") will recover the RSHCR Revenue Requirement through the Electric Formula Rate Plan ("EFRP") Rate Adjustment. Capital additions associated with other transmission and distribution work shall not be eligible for recovery through this Rider RSHCR. To the extent that ENO receives government grant funding for such capital additions, such funding shall be accounted for as stated below.

**II. DEFINITIONS**

RSHCR Revenue Requirement shall include the cost associated with the Council-approved Resilience Plan capital additions determined in Council Resolution No. R-24-625 in Council Docket No. UD-21-03 and any other costs that the Council finds appropriate to support the resilience of ENO's operations, including capital investments and expenses.

**III. BILLING AND CALCULATION, REDETERMINATION, TRUE-UP, AND REALIGNMENT**

- A. **Billing and Calculation.** Attachment A shall show the estimated annual RSHCR Revenue Requirement by rate class. The estimated annual RSHCR Revenue Requirement for the following calendar year shall be calculated with the formula ("RSHCR Revenue Requirement Formula") set out in Attachment B to this Rider RSHCR. The estimated Rider RSHCR Revenue Requirement shall be included in the Rider EFRP Rate Adjustment as an Outside the Band adjustment. The RSHCR Revenue Requirement will be allocated to the Rate Classes based on the most recently calculated D1: Distribution Primary Demand allocator reflected in ENO's rates. The initial estimated annual Rider RSHCR Revenue Requirement for calendar year 2025 will be included in Rider EFRP Attachment A as part of the EFRP Rate Adjustment effective with the first billing cycle of January 2025 per Council Resolution No. R-24-625.
- B. **Redetermination.** For each calendar year after 2025, the Company shall update the RSHCR Revenue Requirement. On or before October 1, 2025, and each subsequent October 1 thereafter, the Company shall file a new estimated annual revenue requirement, which will be based on forecasted information for the following calendar year, and which will be used beginning with the first billing cycle of the following January. Such estimated annual revenue requirement shall include all costs associated with Resilience Plan capital additions for the following calendar year and any RSHCR Revenue Requirements that have not been realigned into base rates.
- C. **True-Up and Prudence Review.** Beginning in 2026, on or before August 1, the Company shall file a report to support the prudence of the previous calendar year's actual RSHCR Revenue Requirement. Such report shall include a variance report comparing actual capital to projected capital additions plus any other material cost differences. Such report shall also include the computation to true-up the previous calendar year's actual RSHCR Revenue Requirement with the corresponding estimated annual RSHCR Revenue Requirement ("True-Up"). The
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difference plus interest shall be returned to or recovered from customers over twelve months beginning in the first billing cycle of the following January, as shown in the RSHCR Revenue Requirement Formula. The interest rate to be utilized is the prime bank lending rate as published in the Wall Street Journal. Any grant funding from non-utility sources that ENO receives for Resilience Plan capital additions shall be treated as an offset to the capital additions included in the actual revenue requirement.

- D. Dispute Resolution.** The Council Advisors ("Advisors"), any intervenors allowed by the Council, and the Company (collectively, the "Parties") shall have until November 1 to file a report communicating any errors or disputes ("Correction/Error Report") with respect to the proposed Rider RSHCR Revenue Requirement, the true-up, or the prudence of any capital addition or other cost. Each such indicated dispute shall include, if available, documentation to support the proposed correction or prudence dispute. The Company shall then have thirty (30) days to review any proposed corrections or disputes, to work to resolve any disputes, and to file a revised Rider RSHCR Revenue Requirement reflecting all corrections and disputes upon which the Parties agree. The Company shall provide the Advisors with appropriate workpapers supporting any revisions.

In the event there are disputes regarding the Rider RSHCR Revenue Requirement, the true-up, or the prudence of any capital addition or other cost, the Parties shall work together in good faith to resolve such disputes. If the Parties are unable to resolve the disputes or reasonably believe they will be unable to resolve the disputes by the end of the thirtieth (30) day after the filing of the Correction/Error Reports, revised Rider RSHCR Revenue Requirement reflecting all revisions to the initially filed RSHCR Revenue Requirement on which the Parties agree shall be used in the EFRP Rate Adjustment effective the first billing cycle of the following January.

Any remaining disputes shall be submitted to the Council for resolution. If the Council's final ruling on any disputes requires changes to the true-up initially used pursuant to the above provisions, within sixty (60) days after receipt of the Council's final ruling on any disputes, the Company shall file a revised true-up and shall determine the amount to be refunded or surcharged to customers, if any, together with interest based on the rate set forth in Paragraph C above. Such refund/surcharge amount shall be included in the next true-up computation.

- E. Realignment.** The Company shall realign all RSHCR Revenue Requirements related to Resilience Plan capital additions included in per books plant in service in an EFRP Evaluation Report or base rate case class cost of service study contemporaneous with the rate change resulting from that rate proceeding. In the case of an EFRP, such realigned revenue requirement shall be included inside the bandwidth calculation and the associated revenues shall be realigned to Annualized Evaluation Period EFRP Revenues. The Company shall adjust the Rider RSHCR Revenue Requirement to remove the corresponding realigned revenue requirement contemporaneous with the EFRP or base rate change.

#### **IV. TERM**

The Rider RSHCR shall remain in effect until the Council replaces the Rider RSHCR with a new contemporaneous cost recovery mechanism. After the completion of the Council-approved Resilience Plan, the recovery of the Rider RSHCR Revenue Requirement shall remain in effect unless and until the last day of the month prior to the implementation of base rates recovering the RSHCR Revenue Requirement previously recovered through the EFRP Rate Adjustment.

Within six months after termination of the Rider RSHCR, there will be a true-up of any periods not previously subject to a true-up as provided for above. Any over- or under- refund/recovery, including interest, will be included in Attachment A, Page 2, Line 12 of the then-effective Rider Schedule FAC as a Prior Period Adjustment to the Cumulative (Over)/Under Collection Account.

**Entergy New Orleans, LLC  
 Resilience & Storm Hardening Cost Recovery Rider  
 Resilience & Storm Hardening Cost Recovery Rider Revenue Requirement Formula  
 Rider RSHCR Rate Formula**

**Rate Adjustments - January XXXX**

<u>Col A</u>		<u>Col B</u>	<u>Col C</u>	
		<b>Resilience &amp; Storm Hardening Cost Recovery Rider Revenue Requirement (RSHCRRR)</b>		
Ln No.	Rate Class (1)	Class Allocation (%) (2)	RSHCRRR (\$) (3)	
1	Residential	0.00%	\$	-
2	Small Electric	0.00%	\$	-
3	Municipal Buildings	0.00%	\$	-
4	Large Electric	0.00%	\$	-
5	Large Electric High Load Factor	0.00%	\$	-
6	Master Metered Non Residential	0.00%	\$	-
7	High Voltage	0.00%	\$	-
8	Large Interruptible	0.00%	\$	-
9	Lighting	0.00%	\$	-
10	Total ENO	0.00%	\$	-

Notes:

- (1) Excludes schedules specifically identified on Attachment A of Rider EFRP.
- (2) Requirement (RSHCRRR) shall be allocated to the retail rate classes based on the most recently used D1: Distribution Primary Demand Allocation Factor pursuant to Section III.A of this Resilience & Storm Hardening Cost Recovery Rider.
- (3) See Attachment B, Page 1, Line 17 for the RSHCR Revenue Requirement. The class amount is the Class Allocation % in Col B times the RSHCRRR.

**Entergy New Orleans, LLC**  
**Resilience & Storm Hardening Cost Recovery Rider**  
**Resilience & Storm Hardening Cost Recovery Rider Revenue Requirement Formula (1)**  
**For the Twelve Months ended December 31, XXX**

Ln No.	Description	Amount	Reference
<b>Rate Base:</b>			
1	Plant in Service <sup>(2)</sup>		WP 1
2	Accumulated Depreciation & Amortization <sup>(2)</sup>		WP 2
3	<b>Net Utility Plant</b>	-	Line 1 + Line 2
4	Accumulated Deferred Income Taxes <sup>(3)</sup>		WP 2
5	<b>Total Rate Base</b>	-	Line 3 + Line 4
6	Before-Tax Rate of Return on Rate Base <sup>(4)</sup>		WP 4
7	<b>Return on Rate Base</b>	-	Line 5 * Line 6
<b>Expenses:</b>			
9	Operation & Maintenance Expense <sup>(6)</sup>	-	WP 3
10	Depreciation & Amortization Expense <sup>(5)</sup>		WP 2
11	Taxes Other Than Income <sup>(5)</sup>	-	WP X
12	AFUDC Equity Book Depreciation Income Tax Expense Flow Through <sup>(7)</sup>	-	WP 2
13	<b>Total Expenses</b>	-	Line 9 + Line 10 + Line 11 + Line 12
14	Revenue Related Expense Factor <sup>(8)</sup>		WP 5
15	<b>Total Estimated Annual Resilience &amp; Storm Hardening Cost Recovery Rider Revenue Requirement</b>	-	(Line 7 + Line 13) * Line 14
16	True-up of Resilience & Storm Hardening Cost Recovery Rider Revenue Requirement	-	Att B Pg 2, L24
17	<b>Total Annual Resilience &amp; Storm Hardening Cost Recovery Rider Revenue Requirement (RSHCRRR)</b>	<b>\$ -</b>	Line 15 + Line 16

Notes:

- (1) Pursuant to Section III.B of this Resilience & Storm Hardening Cost Recovery Rider
- (2) Estimated Plant in Service and Accumulated Depreciation & Amortization balances at December 31 of the upcoming calendar year based on end of period. This amount also includes conductor handling costs.
- (3) The amount is adjusted for the normalization limit per Regulation Section 1-167(l)-1(h)(6).
- (4) The Before Tax Rate of Return is based on the currently approved rate proceeding using the most recently approved return on equity at December 31 of the current calendar year unless another capital structure is agreed upon for ratemaking purposes.
- (5) Estimated Depreciation & Amortization Expense and Other Tax Expense for the upcoming calendar year.
- (6) Operation & Maintenance Expense approved by Council for recovery through the Resiliency Rider.
- (7) This amount reflects the grossed-up federal and state income tax expense resulting from the recovery of book depreciation expense attributable to previous accruals of AFUDC Equity that were not included in the income tax return and for which there is no tax basis and no accelerated tax depreciation. Recovery of this amount is consistent with Council ratemaking practice.
- (8) Revenue Related Expense Factor =  $1 / (1 - \text{Bad Debt Rate} - \text{Revenue Related Tax Rate})$ . The ENO Bad Debt Rate and the Revenue Related Tax rate shall be developed consistent with the methodology used for calculating it in the most recent ENO rate filing and shall use the most recently available calendar year data at the time of filing.

**Entergy New Orleans, LLC**  
**Resilience & Storm Hardening Cost Recovery Rider**  
**Resilience & Storm Hardening Cost Recovery Rider Revenue Requirement Formula**  
**True-up of Resilience & Storm Hardening Cost Recovery Revenue Requirement <sup>(1)</sup>**  
**For the Period ended December 31, XXXX**

Ln No.	Description	Amount	Reference
<b><u>Rate Base:</u></b>			
1	Plant in Service <sup>(2)</sup>	-	WP X
2	Accumulated Depreciation & Amortization <sup>(2)</sup>	-	WP X
3	<b>Net Utility Plant</b>	-	Line 1 + Line 2
4	Accumulated Deferred Income Taxes <sup>(2)</sup>	-	WP X
5	<b>Total Rate Base</b>	-	Line 3 + Line 4
6	Before-Tax Rate of Return on Rate Base <sup>(3)</sup>	0.00%	WP X
7	<b>Return on Rate Base</b>	-	Line 5 * Line 6
<b><u>Expenses:</u></b>			
9	Operation & Maintenance Expense <sup>(4)</sup>	-	WP X
10	Depreciation & Amortization Expense <sup>(4)</sup>	-	WP X
11	Taxes Other Than Income <sup>(4)</sup>	-	WP X
12	AFUDC Equity Book Depreciation Income Tax Expense Flow Through <sup>(5)</sup>	-	WP X
13	<b>Total Expenses</b>	-	Line 9 + Line 10 + Line 11 + Line 12
14	Revenue Related Expense Factor	-	Att B, Pg 1, L14 PY Filing
15	<b>Actual Resilience &amp; Storm Hardening Cost Recovery Rider Revenue Requirement</b>	<b>\$ -</b>	(Line 7 + Line 13) * Line 14
16	<b>Estimated Resilience &amp; Storm Hardening Cost Recovery Rider Revenue Requirement</b>	<b>\$ -</b>	WP X
17	<b>Difference in Actual Annual Rider RSHCR Revenue Requirement and Estimated Rider RSHCR Revenue Requirement</b>	<b>-</b>	Line 15 - Line 16
<b><u>Interest:</u></b>			
19	Annual Prior Year True-up of Resilience & Storm Hardening Cost Recovery Rider Revenue Requirement <sup>(6)</sup>	-	Att B Pg 2, L24 PY Filing
20	Prior Period Adjustments	-	
21	Total True-Up Adjustment Before Interest	-	Line 17 + Line 19 + Line 20
22	Interest Rate <sup>(7)</sup>	0.00%	
23	<b>Interest on Average Balance</b>	<b>-</b>	(Line 21/2) * Line 22
24	<b>Total True-Up of RSHCRRR with Interest</b>	<b>\$ -</b>	Line 17 + Line 23

Notes:

- (1) Pursuant to Section III.C of this Resilience & Storm Hardening Cost Recovery Rider
- (2) Actual Plant in Service, Accumulated Depreciation & Amortization, and Accumulated Deferred Income Taxes balances on December 31 of the previous calendar year based on end of period. To the extent that ENO receives government funding for such capital additions, such funding shall be treated as an offset to rate base and book depreciation expense in the revenue requirement including interest calculated from the date that the funds were received. The ADIT impacts associated with taxable government funding would also be included in the adjustments to the revenue requirement.
- (3) The Before Tax Rate of Return is based on the actual capital costs at December 31 of the previous calendar year.
- (4) Actual Operation & Maintenance Expense, Depreciation & Amortization Expense, and Other Tax Expense for the previous calendar years balances as of December 31.
- (5) This amount reflects the grossed-up federal and state income tax expense resulting from the recovery of book depreciation expense attributable to previous accruals of AFUDC Equity that were not included in the income tax return and for which there is no tax basis and no accelerated tax depreciation. Recovery of this amount is consistent with Council ratemaking practice.
- (6) Prior Period True-up of Resilience & Storm Hardening Cost Recovery Rider Revenue Requirement (RSHCRRR) reflected on line 24 of Attachment B, Page 2 in the previous years Resilience & Storm Hardening Cost Recovery Rider filed August XXXX.
- (7) Prime Rate on the last business day of the operations recovery period as stated in the Wall Street Journal was X.XX%.