



March 15, 2021

Via Electronic Mail

Ms. Lora W. Johnson, CMC, LMMC
Clerk of Council
Council of the City of New Orleans
Room 1E09, City Hall
1300 Perdido Street
New Orleans, LA 70112
lwjohnson@nola.gov

Re: Management Audit Request

Dear Ms. Johnson:

Please find enclosed Energy Future New Orleans's (EFNO) letter to city council. Please file the attached communication and this letter into the record. As a result of the remote operations of the Council's office related to COVID-19, EFNO submits this letter electronically and will submit the requisite original and number of hard copies once the Council resumes normal operations, or as you direct. EFNO requests that you file this submission in accordance with Council regulations as modified for the present circumstances. If you have any questions, please do not hesitate to contact me.

Thank you for your time and attention,

Sincerely,

A handwritten signature in black ink, reading 'Logan Atkinson Burke', is written over a horizontal line.

Logan Atkinson Burke
Executive Director
Alliance for Affordable Energy
Energy Future New Orleans

March 15, 2021
(Via Electronic Mail Only)

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Dear City Councilmembers,

Sky-high bills. Unannounced power outages on Mardi Gras Day in excess of four times the required load shed in below-freezing temperatures that also shut off electric service to the city's essential water services. Intentional safety violations at the Grand Gulf nuclear plant with exorbitant costs passed onto customers, which have triggered a \$1B+ FERC case. And now an apparent data breach that gave criminals access to customers' personal data. All of these management failures at Entergy have occurred in less than three months with great harm to the people of New Orleans.

We cannot afford nor do we seek yet another special meeting that involves a presentation by Entergy in lieu of concrete regulatory action. As elected leaders responsible for the regulation of Entergy, we urge you to summon the courage to require Entergy to undergo an independent management audit. Entergy's cascade of failures necessitates a management audit to provide the Council with honest and trustworthy answers about weaknesses in Entergy's business and operational practices. A management audit is needed to investigate the causes for the increased bills and unannounced Mardi Gras power outage and provide facts that Entergy has evaded in its presentations to the Council. A management audit is also needed to identify corrective action to improve electric service that meets the needs of New Orleans residents and is responsive to the climate crisis.

We have no evidence that Entergy has the management team and skills to meet the challenges and solve the problems it faces. And it lacks the capacity to build the team necessary.

The Council must order Entergy New Orleans to fund an independently-conducted management audit that addresses each of the following issues:

- a) Leadership and staffing roles, responsibilities and requirements.
- b) Organizational structure, decision-making processes, internal controls, and external relations of all kinds.
- c) Billing operations and verification method.
- d) Emergency planning and response.
- e) Salary and compensation levels.
- f) Corporate culture and capacity to address the critical issues of climate change, a transition to a renewable energy system, advanced energy efficiency, and ensuring energy justice.

There is precedent for regulators directing an independent management audit of a utility that uncovered cost savings and opportunities to improve customer service. The management audit ordered by Hawaii's utility regulators identified more than \$20M in savings that the islands' utilities are now working to capture.

Please take the necessary steps to bring this embarrassing and dangerous pattern of failed and incompetent management to an end. The first step is an independent management audit of Entergy New Orleans, which only the Council can order.

Sincerely,

Clare Geisen, 350 New Orleans

Beth Butler, A Community Voice

Logan A. Burke, Alliance for Affordable Energy

Brent Newman, Audubon Louisiana

Elizabeth Soychak, Coalition Against Death Alley

Peter Digre, Climate Reality Project, New Orleans Chapter

Monique Harden, Deep South Center for Environmental Justice

Rev. Gregory T. Manning, Greater New Orleans Interfaith Climate Coalition

Sylvia McKenzie, Louisiana League of Conscious Voters

Grace Morris, Sierra Club

Andy Kowalczyk, Sustainable Energy Economy Solutions

VAYLA- New Orleans