

**DELTA NEW ORLEANS GAS  
COMPANY, LLC**  
GAS SERVICE

RIDER SCHEDULE GFRP

Effective: July 2025 Billing  
Filed: July 8, 2025  
Supersedes: New Schedule  
Schedule Consist of: Five Pages Plus  
Attachments A - G

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**GAS FORMULA RATE PLAN RIDER SCHEDULE**

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**I. GENERAL**

This Gas Formula Rate Plan Rider Schedule GFRP-7 ("Rider GFRP") defines the procedure by which the rates contained in the Delta New Orleans Gas Company, LLC ("DNOG" or "Company") gas rate schedules designated in Attachment A to this Rider GFRP ("Rate Schedules") may be periodically adjusted. Rider GFRP shall apply in accordance with the provisions of Section II.A below to all gas service billed under the Rate Schedules, whether metered or unmetered, and subject to the jurisdiction of the Council of the City of New Orleans ("CNO" or "Council").

**II. APPLICATION AND REDETERMINATION PROCEDURE**

**A. RATE ADJUSTMENT**

The adjustments to the Company's rates set forth in Attachment A to this Rider GFRP ("Rate Adjustments") shall be added to the rates set out in the monthly bills in accordance with the Company's Rate Schedules. The Rate Adjustments shall be determined in accordance with the provisions of Sections II.B and II.C below.

**B. ANNUAL FILING AND REVIEW**

**1. FILING DATE**

On or before April 30 of 2024 and 2025, Entergy New Orleans, LLC ("ENOL") shall file a report with the Council containing an evaluation of the Company's earnings for the immediately preceding calendar year prepared in accordance with the provisions of Section II.C below ("Evaluation Report"). A revised Attachment A shall be included in each such Filing containing the Company's proposed revised Rate Adjustments determined in accordance with the provisions of Section II.C below.

**2. REVIEW PERIOD**

The Council's Advisors ("Advisors") and all intervenors ("Intervenors"), which together with ENOL shall be referred to hereinafter, collectively, as the "Parties," shall receive a copy at the time it is filed with the Council of each Evaluation Report together with all subsequent filings in the related proceeding. All Intervenors in Docket UD-18-07 shall be recipients of each such Evaluation Report filing. At the time each such Evaluation Report is filed, ENOL shall provide all Parties with workpapers supporting the data and calculations reflected in the Evaluation Report. The Parties may request such clarification and additional supporting data as each deems necessary and within the scope of normal discovery to adequately review the Evaluation Report and ENOL's proposed revised Rate Adjustments. ENOL shall provide such clarifications and additional supporting data sought by the other Parties within fifteen (15) days for each and every request.

The Parties shall then have until July 15 or 75 days after the filing, whichever is longer, to

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review the Evaluation Report to ensure that it complies with the requirements of Section II.C below. If any of the Parties should detect an error(s) (as distinguished from a regulatory issue(s)) in the application of the principles and procedures contained in Section II.C below, such error(s) shall be formally communicated in writing to ENOL and the Company and/or other Parties by July 15 of the filing year. Each such indicated error shall include documentation of the proposed correction. ENOL shall then have thirty-five (35) days to review any proposed corrections, to work with the other Parties to resolve any differences and to file a revised Attachment A containing Rate Adjustments reflecting all corrections upon which the Parties agree. ENOL shall provide the other Parties with appropriate work papers supporting any revisions made to the Rate Adjustments initially filed.

Except where there is an unresolved dispute, which shall be addressed in accordance with the provisions of Section II.B.3 below, the Rate Adjustments initially filed under the provisions of Section II.B.1 above, or such corrected Rate Adjustments as may be determined pursuant to the terms of this Section II.B.2, shall become effective for bills rendered on and after the first billing cycle of September of the filing year ("September Adjustment"). Pursuant to Council Resolution No. R-24-791, the Rate Adjustment effective in September 2025 shall remain in effect until changed pursuant to a general rate case.

### **3. RESOLUTION OF DISPUTED ISSUES**

In the event there is a dispute regarding any Evaluation Report, the Parties shall work together in good faith to resolve such dispute. If the Parties are unable to resolve the dispute by the end of the thirty-five (35) day period provided for in Section II.B.2 above, revised Rate Adjustments reflecting all revisions to the initially filed Rate Adjustments on which the Parties agree shall become effective as provided for in Section II.B.2 above. Any disputed issues shall be submitted to the Council for the setting of an Administrative Hearing before its designated Hearing Officer and a subsequent Resolution of the Council pursuant to the provisions of the Home Rule Charter.

If the Council's final ruling on any disputed issues requires changes to the September Adjustment referenced in Paragraph II.B.2 above, ENOL shall file a revised Attachment A ("Final Adjustment") containing such further modified Rate Adjustments within fifteen (15) days after receiving the Council's order resolving the dispute. ENOL shall provide a copy of the filing to the Council together with appropriate supporting documentation. Such modified Rate Adjustments shall then be implemented with the first billing cycle of the month after the date of the ruling if the ruling is received by the 5<sup>th</sup> day of the month, otherwise, the modified Rate Adjustments shall then be implemented with the first billing cycle of the second subsequent month after the date of the ruling and shall remain in effect until superseded by Rate Adjustments established in accordance with the provisions of this Rider GFRP.

Within 60 days after receipt of the Council's final ruling on disputed issues, ENOL shall determine the amount to be refunded or surcharged to customers, if any, together with interest at a Council mandated rate of interest. Such refund/surcharge amount shall be based on customers' revenue from the first billing cycle of September of the filing year through the last date the interim Rate Adjustments were billed. Such refund/surcharge amount shall be applied to customers' bills in the manner prescribed by the Council.

## **C. ANNUAL REDETERMINATION OF RATE ADJUSTMENTS**

### **1. DEFINITION OF TERMS**

#### **a. EVALUATION PERIOD**

The Evaluation Period shall be the twelve month period ended December 31 of the calendar year immediately preceding the filing. All data utilized in each Evaluation

Report shall be based on actual results for the Evaluation Period as recorded as gas operations on ENOL's books in accordance with the Uniform System of Accounts and such other documentation as may be appropriate in support of adjustments including known and measurable<sup>1</sup> changes in the revenues or cost of providing utility service for the Evaluation Period as further addressed in Attachments B and C hereto.

**b. EARNED RATE OF RETURN ON COMMON EQUITY**

The Earned Return on Common Equity ("EROE") shall be evaluated based on the Company's total revenues and costs. The EROE for any Evaluation Period shall be determined in accordance with the EROE formula set out in Attachment B. The EROE determination shall reflect the Evaluation Period adjustments set out in Attachment C.

**c. BENCHMARK RATE OF RETURN ON RATE BASE**

The Benchmark Rate of Return on Rate Base ("BRORB") shall be determined in accordance with the BRORB formula set out in Attachment D.

**d. EVALUATION PERIOD COST RATE FOR COMMON EQUITY**

The Evaluation Period Cost Rate for Common Equity ("EPCOE") is the Company's cost rate for common equity applicable to the Evaluation Period. The EPCOE value applicable for each Evaluation Period shall be determined in accordance with Attachment E.

**e. ANNUALIZED EVALUATION PERIOD GFRP REVENUE**

The Annualized Evaluation Period GFRP Revenue is the Rider GFRP Rider Rate Adjustment (Final Adjustment) in effect at the end of the Evaluation Period multiplied times the applicable Evaluation Period Billing Revenues.

**f. TOTAL RIDER GFRP REVENUE**

The Total Rider GFRP Revenue is the Annualized Evaluation Period GFRP Revenue plus the reduction/increase in Rider GFRP Revenue as calculated in Attachment F.

**g. RATE OF RETURN ON COMMON EQUITY BANDWIDTH**

The Rate of Return on Common Equity Bandwidth ("Bandwidth") shall be an Upper Band equal to the EPCOE plus 0.50% (50 basis points) and a Lower Band equal to the EPCOE minus 0.50% (50 basis points).

**2. TOTAL RIDER GFRP REVENUE**

In each Evaluation Period, the Total Rider GFRP Revenue level shall be determined using the Rider GFRP Revenue Redetermination Formula set out in Attachment F, which reflects the following rules:

- a. If the EROE is less than the Lower Band, the ROE Adjustment shall be equal to the EPCOE minus the EROE.
- b. If the EROE is greater than the Upper Band the ROE Adjustment shall be equal to the EPCOE minus the EROE.
- c. There shall be no change in Rider GFRP Revenue level for the Evaluation Period if the

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<sup>1</sup> For purposes of this Rider GFRP, adjustments for changes to Rate Base, Revenues, and Expense for the prospective twelve months following the GFRP evaluation period (i.e. Proforma Adjustments) can be made as long as they are "Known and Measurable." Known and Measurable changes, including attendant impacts, are those changes that reflect changes in operating conditions and/or costs incremental to test year evaluation period operations. Such costs must be expected to be incurred and reasonably budgeted with sufficient information to be verified as appropriate proforma adjustments as set forth in Attachment G.

EROE is less than or equal to the Upper Band and greater than or equal to the Lower Band.

### **3. RIDER GFRP REVENUE ALLOCATION**

The Total Rider GFRP Revenue, as determined under the provisions of Section II.C.2, will be allocated to each applicable rate schedule based on an equal percentage of base rate revenue. This percentage will be developed by dividing the Total Rider GFRP Revenue by the total applicable base rate revenue, calculated pursuant to Attachment B.

### **4. RATE ADJUSTMENT REDETERMINATION**

All applicable retail rate and rider schedules on file with the Council will be adjusted through Rider Schedule GFRP by the percentage as determined under Section II.C.3. A complete cost of service analyses in support of the NJ customers' rates will be provided for the GFRP Evaluation Period calendar year 2025.

## **III. PROVISIONS FOR OTHER RATE CHANGES**

### **A. EXTRAORDINARY COST CHANGES**

It is recognized that from time to time the Company may experience extraordinary increases or decreases in costs that occur as a result of actions, events, or circumstances beyond the control of the Company. Such costs may significantly increase or decrease the Company's revenue requirements and, thereby, require rate changes that this Rider GFRP is not designed to address. Should the Company experience such an extraordinary cost increase or decrease having an annual revenue requirement impact exceeding \$1 million on a total gas Company basis, then either the Company or the Council may initiate a proceeding to consider a pass-through of such extraordinary cost increase or decrease.

### **B. SPECIAL RATE FILINGS**

The Company is experiencing a changing business environment and increasing competition. Experimental, developmental, and alternative rate schedules may be appropriate tools for the Company to use to address these conditions. Therefore, nothing in this Rider shall be interpreted as preventing the Company from proposing, or requiring the Council to approve, any revisions to existing rate schedules or implement new rate schedules as may be appropriate. Any such rate changes shall be filed with the Council and evaluated in accordance with the rules and procedures then in effect.

### **C. FORCE MAJEURE**

In addition to the rights of DNOG under this Rider, or as provided by law, to make a filing for the pass-through of costs outside the provisions of the Rider GFRP, if any event or events beyond the reasonable control of DNOG including natural disaster, damage or unforeseeable loss of generating capacity, changes in regulation ordered by a regulatory body or other entity with appropriate jurisdiction, and orders or acts of civil or military authority, cause increased costs to DNOG or result in a deficiency of revenues to DNOG which is not readily capable of being addressed in a timely manner under this Rider GFRP, DNOG may file for rate or other relief outside the provisions of the Rider GFRP. Such request shall be considered by the Council in accordance with applicable law governing such filings.

### **D. CHANGES IN TAX RATE**

In the event of a change in the state or federal corporate income tax rate(s) applicable to DNOG, and/or any related changes to tax law, including, but not limited to changes that may

affect the effective tax rate(s) and/or changes that may affect the treatment of accumulated deferred income tax, ENOL shall include in the FRP Evaluation Report following the change in law, all relevant information for the Council to determine the effect on the revenue requirement and propose related ratemaking treatment to become effective as of the date of the change in law.

**IV. EFFECTIVE DATE AND TERM**

Rider GFRP shall be in effect for three years with annual Evaluation Report filings to be made on or before April 30 of 2024 and 2025 for the Evaluation Periods 2023 and 2024, respectively. The FRP rate resulting from the April 30, 2025 Filing shall continue in effect until such time as new rates become effective pursuant to a final Council order.

**DELTA NEW ORLEANS GAS COMPANY, LLC  
GAS FORMULA RATE PLAN  
FOR THE PERIOD ENDED DECEMBER 31, 20XX**

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3	Attachment B - Earned Rate of Return on Common Equity Rate Base Operating Income Income Tax
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6	Attachment C - Adjustment Descriptions Rate Base Adjustments Operating Income Statement Adjustments Income Tax Adjustments
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Effective July 2025 Billing

**ATTACHMENT A**

**DELTA NEW ORLEANS GAS COMPANY, LLC  
GAS FORMULA RATE PLAN RIDER SCHEDULE GFRP-7  
RATE ADJUSTMENTS  
FOR THE TEST YEAR ENDED DECEMBER 31, 2023**

The following Rate Adjustments will be applied to the rates set out in the monthly bills of Entergy New Orleans, LLC's ("ENOL") Rate Schedules and Delta New Orleans Gas Company, LLC's Rate Schedules identified below, or such additional rate schedules subject to the ENOL Gas Formula Rate Plan Rider Schedule GFRP-7 that may become effective, but not including special contracts that do not specifically provide for the application of the Rider GFRP-7. The Rate Adjustments shall be effective for bills rendered on and after the first billing cycle of September of the filing year for the 2024 Evaluation Report and September of the filing year for subsequent Evaluation Reports or as approved by the City Council of the City of New Orleans.

The Net Monthly Bill calculated pursuant to each applicable retail rate schedule\* on file with the City Council of the City of New Orleans will be adjusted monthly by a percentage of 77.4716% before application of the monthly purchase gas adjustment except this Rider will not apply to the following:

\*Excluded Schedules: Contract Minimums, GAFC, GR-1, MGS and PGA.

## Attachment B

<b>Delta New Orleans Gas Company, LLC</b> <b>Formula Rate Plan</b> <b>Earned Rate of Return on Common Equity Formula</b> <b>Gas</b> <b>For the Test Year Ended December 31, 20XX</b>		
Line No.	Description	Adjusted Amount
<b>TOTAL COMPANY</b>		
1	RATE BASE	Att B, P 2, L 19
2	BENCHMARK RATE OF RETURN ON RATE BASE	Att D, L 4, Col D
3	REQUIRED OPERATING INCOME	L 1 * L 2
4	NET UTILITY OPERATING INCOME	Att B, P 3, L 24
5	OPERATING INCOME DEFICIENCY/(EXCESS)	L 3 - L 4
6	REVENUE CONVERSION FACTOR (1)	
7	REVENUE DEFICIENCY/(EXCESS)	L 5 * L 6
8	PRESENT RATE REVENUES FROM ULTIMATE CUSTOMERS	Att B, P 3, L 1
9	REVENUE REQUIREMENT	L 7 + L 8
10	PRESENT RATE REVENUES FROM ULTIMATE CUSTOMERS	Att B, P 3, L 1
11	REVENUE DEFICIENCY/(EXCESS)	L 9 - L 10
12	REVENUE CONVERSION FACTOR (1)	L 6
13	OPERATING INCOME DEFICIENCY/(EXCESS)	L 11/L 12
14	RATE BASE	Att B, P 2, L 19
15	COMMON EQUITY DEFICIENCY/(EXCESS)	L 13/L 14
16	WEIGHTED EVALUATION PERIOD COST RATE FOR COMMON EQUITY (%)	Att D, L 3, Col D
17	WEIGHTED EARNED COMMON EQUITY RATE (%)	L 16 - L 15
18	COMMON EQUITY RATIO (%)	Att D, L 3, Col B
19	EARNED RATE OF RETURN ON COMMON EQUITY (%)	L 17/L 18

## Notes

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(1) Revenue Conversion Factor =  $1 / [(1 - \text{Composite Tax Rate}) * (1 - \text{Bad Debt-Regulatory Commission Tax})]$

## Attachment B

<b>Delta New Orleans Gas Company, LLC</b> <b>Formula Rate Plan</b> <b>Rate Base (A)</b> <b>Gas</b>  <b>For the Test Year Ended December 31, 20XX</b>				
Line No.	Description	Per Books	Adjustments (B)	Adjusted Amount
1	PLANT IN SERVICE			
2	ACCUMULATED DEPRECIATION			
3	<b>NET UTILITY PLANT ( L1+ L2)</b>			
4	PLANT HELD FOR FUTURE USE			
5	CONSTRUCTION WORK IN PROGRESS ( C )			
6	MATERIALS AND SUPPLIES ( D )			
7	PREPAYMENTS ( D )			
8	CUSTOMER ADVANCES			
9	CUSTOMER DEPOSITS			
10	PROVISION FOR PROPERTY INSURANCE RESERVE (D)			
11	PROVISION FOR INJURIES & DAMAGES RESERVE ( D )			
12	GAS STORED UNDERGROUND (D)			
13	ACCUMULATED DEFERRED INCOME TAXES			
14	ACCUMULATED DEFERRED ITC PRE-1971-NET			
15	CASH WORKING CAPITAL (E)			
16	OTHER ( F ) ( G )			
17	NET UNAMORTIZED REGULATORY ASSETS/LIABILITIES			
18	PENSION LIABILITY EXCLUDING SFAS 158			
19	<b>RATE BASE (L3 + Sum of L4 through L18)</b>			

**Notes:**

- (A) Ending balances are to be utilized except where otherwise noted
- (B) Adjustments as set out in Attachment C to this rider GFRP. See Section 6 for the Adjustments Summary. See Section 10 for the Adjustment Workpapers.
- (C) Amount not subject to AFUDC accrual
- (D) 13-month average balances
- (E) Cash Working Capital is deemed to be zero.
- (F) Other items includible in rate base but not specifically identified above, including but not limited to any items recognized pursuant to Section 8 of Attachment C
- (G) Beginning & Ending or 13-mos average as more appropriate.

## Attachment B

<b>Delta New Orleans Gas Company, LLC</b> <b>Formula Rate Plan</b> <b>Operating Income</b> <b>Gas</b>  <b>For the Test Year Ended December 31, 20XX</b>				
Line No.	Description	Per Books	Adjustments (A)	Adjusted Amount
	<b>REVENUES</b>			
1	SALES TO ULTIMATE CUSTOMERS			
2	OTHER GAS REVENUE			
3	TOTAL OPERATING REVENUES (L1 + L2)			
	<b>EXPENSES</b>			
4	GAS OPERATION & MAINTENANCE			
	PRODUCTION -- GAS PURCHASES			
5	TRANSMISSION			
6	DISTRIBUTION			
7	CUSTOMER ACCOUNTING			
8	CUSTOMER SERVICE & INFORMATION			
9	SALES			
10	ADMINISTRATIVE & GENERAL			
11	TOTAL GAS O&M EXPENSES ( Sum of L4 - L10)			
12	GAIN FROM DISPOSITION OF ALLOWANCES			
13	REGULATORY DEBITS & CREDITS (B)			
14	DEPRECIATION & AMORTIZATION EXPENSES			
15	INTEREST ON CUSTOMER DEPOSITS			
16	TAXES OTHER THAN INCOME			
17	STATE INCOME TAX			
18	FEDERAL INCOME TAX			
19	PROV DEF INC TAX - STATE -- NET			
20	PROV DEF INC TAX - FED -- NET			
21	INVESTMENT TAX CREDIT			
22	OTHER (C)			
23	TOTAL UTILITY OPERATING EXPENSES (Sum of L11 - L22)			
24	<b>NET UTILITY OPERATING INCOME (L 3 - L 23)</b>			

## Notes:

- (A) Adjustments defined in Attachment C
- (B) Including, but not limited to, the amortization of regulatory assets and liabilities
- (C) Other items included pursuant to Section 8 of Attachment C

## Attachment B

<b>DELTA NEW ORLEANS GAS COMPANY, LLC</b> <b>Formula Rate Plan</b> <b>INCOME TAX</b> <b>GAS</b> <b>For the Test Year Ended December 31, 20XX</b>					
Line No.	Description	Reference	Per Books	Adjustments (A)	Adjusted Amount
1	TOTAL OPERATING REVENUES	Att B, P 3, L 3			
2	TOTAL O&M EXPENSE	Att B, P 3, L 11			
3	GAIN FROM DISPOSITION OF ALLOWANCES	Att B, P 3, L 12			
4	REGULATORY DEBITS & CREDITS	Att B, P 3, L 13			
5	DEPRECIATION & AMORTIZATION EXPENSE	Att B, P 3, L 14			
6	INTEREST ON CUSTOMER DEPOSITS	Att B, P 3, L 15			
7	TAXES OTHER THAN INCOME	Att B, P 3, L 16			
8	NET INCOME BEFORE INCOME TAXES	L1 - Sum of L2 through L7			
9	ADJUSTMENTS TO NET INCOME BEFORE TAXES				
10	TAXABLE INCOME	L8 + L9			
<b>COMPUTATION OF STATE INCOME TAX</b>					
11	STATE TAXABLE INCOME	L10			
12	STATE ADJUSTMENTS				
13	TOTAL STATE TAXABLE INCOME	L11 + L12			
14	STATE INCOME TAX BEFORE ADJUSTMENTS (B)	L13 * Eff. Tax Rate			
15	ADJUSTMENTS TO STATE TAX				
16	<b>STATE INCOME TAX</b>	L14 + L15			
<b>COMPUTATION OF FEDERAL INCOME TAX</b>					
17	TAXABLE INCOME	L10			
18	STATE INCOME TAX BEFORE ADJUSTMENTS (B)	L14 as deduction			
19	FEDERAL ADJUSTMENTS				
20	TOTAL FEDERAL TAXABLE INCOME	Sum of L17 through L19			
21	FEDERAL INCOME TAX BEFORE ADJUSTMENTS (B)	L 20 * Eff. Tax Rate			
22	ADJUSTMENTS TO FEDERAL TAX				
23	<b>FEDERAL INCOME TAX</b>	L21 + L22			

## Notes:

(A) Adjustments as defined in Attachment C.

(B) The Tax Rate in effect at the time the Evaluation Report is filed shall be utilized.

## Attachment C

### DELTA NEW ORLEANS GAS COMPANY, LLC

#### EVALUATION PERIOD ADJUSTMENTS

The actual (per book) data for each Evaluation Period as reflected in Attachment B, shall be adjusted to reflect the following:

**1. Rate Annualization Adjustment**

- A) Rate Schedule Revenue shall be adjusted to reflect, on an annualized basis, the Rate Adjustment in effect at the end of the Evaluation Period under this Rider GFRP.

**2. Interest Synchronization**

All Evaluation Period Interest expenses are to be eliminated and replaced with an imputed interest expense amount equal to the Evaluation Period rate base multiplied by the weighted embedded cost of debt for the Evaluation Period determined in accordance with Attachment D.

**3. Income Taxes**

All state and federal income tax effects including 1) adjustments to taxable income, 2) adjustments to current taxes, 3) provisions for deferred income tax (debit and credit), and 4) accumulated provision for deferred income tax (debit and credit) shall be adjusted or eliminated, as appropriate, to comport with the following principles:

- A) Effects associated with other adjustments set out in this Attachment C shall similarly and consistently be adjusted;
- B) All effects associated with the difference in the timing of transactions, where the underlying timing difference is eliminated, shall also be eliminated;
- C) The corporate state and federal income tax laws legally in effect on the date an Evaluation Report is filed under this GFRP Rider shall be reflected in the calculation of all income tax amounts; and
- D) Tax effects normally excluded for ratemaking purposes shall be eliminated.

**4. Ratemaking Adjustments**

- A) The regulatory assets and associated amortization and any regulatory debits and credits not recovered through base rates shall be excluded.
- B) The amortization and/or rate base amount of any regulatory asset or deferral previously authorized by the Council shall be adjusted consistent with such authorization.
- C) Any OPEB expense credits associated with ENO's OPEB plan shall be excluded.
- D) The Retired Plant Revenue Requirement as agreed in Council Resolution R-18-37, which includes a return on the Stranded Meter ADIT shall be included in Regulatory Debits, and the Stranded Meter ADIT shall be excluded per Council Resolution R-20-67
- E) Extraordinary Cost Change

**5. Ratemaking Adjustments - Known and Measurable Adjustments**

- A) ENO may propose other known and measurable costs that are supportable and expected to be incurred in the prospective 12 months following the FRP evaluation period, if the Company elects to do so, in accordance with Attachment G.

**6. Reclassifications**

- A) Costs not allowable for ratemaking purposes shall be removed by adjustment from the Evaluation Period cost data. Likewise, costs that are allowed, but recorded below the utility operating income line, shall be included in the Evaluation Period cost data through appropriate reclassification adjustments. These adjustments shall include but are not limited to the reclassification of below-the-line interest expense associated with customer deposits as interest on customer deposits expense.

**7. Out-of-Period Items**

Expenses and revenues recorded in any Evaluation Period that are related to transactions occurring prior to the Evaluation Period used in the first Evaluation Report shall be eliminated by adjustment from the Evaluation Period cost data. This shall include any associated tax adjustments.

**8. Other**

In addition to Adjustments 1 through 7 above, there may, from time-to-time, be special costs or rate effects that occur during an Evaluation Period that require adjustments of the Evaluation Period cost data. Nothing in this Rider GFRP shall preclude any Party from proposing such adjustments.

## Attachment D

**DELTA NEW ORLEANS GAS COMPANY, LLC**  
**Formula Rate Plan**  
**BENCHMARK RATE OF RETURN ON RATE BASE**  
**GAS**  
**For the Test Year Ended December 31, 20XX**

<u>Description</u>	<u>( A ) Capital Amount (1) (\$)</u>	<u>( B ) Capital Ratio (%)</u>	<u>( C ) Cost Rate (2) (%)</u>	<u>( D ) Benchmark Rate of Return on Rate Base(3)</u>
1 LONG-TERM DEBT (4)		45%		
2 PREFERRED EQUITY				
3 COMMON EQUITY (4)		55%		
4 TOTAL		100.%		

## Notes:

- (1) Amounts at the end of the Evaluation Period as adjusted for refinancing activities. All Long-Term Debt issues shall reflect the balance net of a) unamortized debt discount, premium, and expense; b) gain or loss on reacquired debt; and c) any adjustments required per Attachment C. All Preferred Stock issues shall reflect the balance net of discount, premium and capital stock expense.
- (2) Annualized cost of Long-Term Debt and Preferred Equity at the end of the Evaluation Period divided by the corresponding Capital Amount. The Long-Term Debt Cost Rates shall include a) annualized amortization of debt discount, premium, and expense; b) annualized gain or loss on reacquired debt; and c) any adjustments required per Attachment C. The Common Equity Cost Rate shall be the Evaluation Period Cost Rate for Common Equity (EPCOE) determined in accordance with Attachment E.
- (3) The components of the BRORB column are the corresponding Cost Rates multiplied by the associated Capital Ratio. The BRORB is the sum of the components so determined and expressed as a % to two decimal places (XX.XX%).
- (4) The common equity ratio shall be 55% and the long-term debt ratio shall be 45% in accordance with Council Resolution R-23-491.

**Attachment E**

**DELTA NEW ORLEANS GAS COMPANY, LLC  
EVALUATION PERIOD COST RATE FOR COMMON EQUITY PROCEDURE**

**EVALUATION PERIOD COST RATE FOR COMMON EQUITY**

The EPCOE applicable for any Evaluation Report pursuant to this Rider GFRP shall be 9.35%.

## Attachment F

**DELTA NEW ORLEANS GAS COMPANY, LLC**  
**Formula Rate Plan**  
**RIDER FRP REVENUE REDETERMINATION FORMULA**  
**GAS**  
**For the Test Year Ended December 31, XXXX**

<b>SECTION 1</b>			
<b>BANDWIDTH CHECK</b>			
Line No.	DESCRIPTION	REFERENCE	
1	Earned Rate of Return on Common Equity ("EROE")	Attachment B, P 1, L 19	_____
2	Evaluation Period Cost Rate for Common Equity ("EPCOE")	Developed per Attachment E	_____
3	Upper Band ROE	L2 + 50 basis points	_____
4	Lower Band ROE	L2 - 50 basis points	_____
<b>SECTION 2</b>			
<b>ROE BAND RATE ADJUSTMENT</b>			
Line No.	DESCRIPTION	REFERENCE	
5	Earned Rate of Return on Common Equity	L1	_____
6	ROE Adjustment if Earnings Above Upper Band ROE	If L1 > L3, then Adjustment = L2 - L1, but no adjustment if L1 ≤ L3.	_____
7	ROE Adjustment if Earnings Below Lower Band ROE	If L1 < L4, then Adjustment = L2 - L1, but no adjustment if L1 ≥ L4	_____
8	Common Equity Capital Ratio	Attachment D, L3, Column B	_____
9	Rate Base	Attachment B, P1, L1	_____
10	Revenue Conversion Factor	Attachment B, P1, L 6	_____
11	Total Change in Rider GFRP Revenue	(L6 or L7) * L8 * L9 * L10	_____
<b>SECTION 3</b>			
<b>TOTAL BAND RATE ADJUSTMENT</b>			
Line No.	DESCRIPTION	REFERENCE	
12	Annualized Evaluation Period GFRP Revenue (1)		_____
13	Change in Rider GFRP Revenue	L11	_____
14	Extraordinary Cost Change Revenue Requirement	Per Sec. III.A of the Tariff	_____
15	Other Recoveries	See Note 3	_____
16	Total Rider GFRP Revenue (2)	L12 + L13 + L14 + L15	_____

## Note:

- (1) Rider GFRP Rate Adjustments in effect at the end of the applicable Evaluation Period multiplied by the applicable Evaluation Period revenues.
- (2) The Total Rider GFRP Revenue reflects the total credit or surcharge to be applied to customer bills based on the results of the Rider GFRP Redetermination Formula.
- (3) Other outside the bandwidth formula recoveries authorized by the Council shall be reflected on this line 15.

## ATTACHMENT G

### Known and Measurable Adjustments to Rate Base and Operating Income

ENO proposes, but not limited to, the below known and measurable costs that are supportable and expected to be incurred in the prospective 12 months following the FRP evaluation period which are either (i) approved by the Council, or (ii) clearly supported in ENO's detailed budgeting process.

#### a) Rate Base:

Plant In Service - Each Evaluation Report may include and be based upon actual plant in service, plus additions to and retirements of plant in service expected to occur by the end of the year following the Evaluation Period (net of ADIT), as noted in Attachment B. See section below labeled Documentation in Support of Known and Measurable Changes to Plant in Service for further details of level of support will be provided.

Accumulated Depreciation - Each Evaluation Report may include depreciation expense using the depreciation rates in effect during the Evaluation Period as applied to the Plant In Service described above.

ADIT - Each Evaluation Report may include the synchronized ADIT based upon amounts included in rate base for the Evaluation Period.

Other Rate Base Adjustments – ENOL or CNO may propose adjustments for annualization or normalization, or to reflect known and measurable changes to rate base, subject to Council approval.

#### b) Revenues:

Rate Schedule Revenue - The Per Book revenues will be adjusted for any large industrial and/or commercial customer additions or losses by the end of the year following the Evaluation Period.

#### c) Expenses:

O&M Expense Adjustments (Non Payroll) - Each Evaluation Report may include adjustments to the previous calendar year O&M Expense based on known and measurable changes by the end of the year following the Evaluation Period.

Administrative & General Expense Adjustment - Each Evaluation Report may include adjustments to the previous calendar year Administrative & General Expense based on known and measurable changes by the end of the year following the Evaluation Period.

Payroll Expense Adjustment - Each Evaluation Report may include an adjustment that reflects the level of payroll, related benefits and payroll taxes on an annualized basis for the headcount as of January 31 of the year following the Evaluation Period.

Depreciation Expense Adjustment - Each Evaluation Report may include an adjustment that reflects the annualized depreciation expense using the depreciation rates to be in effect during the Evaluation Period applied to Plant In Service, including any known and measurable changes.

Other Expense Adjustments – The Company or CNO may propose adjustments for annualization or normalization, or to reflect known and measurable changes to operating expenses, subject to Commission approval.

### Documentation in Support of Known and Measurable Changes to Plant in Service

- A. Capital Project Summary Sheet (Plant in Service) by Function (Transmission, Distribution, Production, and General Plant & Intangible):

The Company shall provide a complete listing of the Company's capital programs and projects not otherwise included in the programs reflected in the Evaluation Period historical rate base, broken out by function by FERC account group, that clearly shows the amount to be closed to plant or included in CWIP for amounts closing in the year following the Evaluation Period historical rate base as known and measurable adjustments.

- B. Major Specific Projects (\$10 million and above closing to plant or in CWIP for amounts closing in the year following the Evaluation Period historical rate base as known and measurable adjustments):

For each capital project listed in Section A above for which the estimated capital costs exceed \$10 million and which does not fall within the description of recurring program spending described in Section D below, the Company shall provide as minimum filing requirements the following documentation:

- 1) Clearly defined project description, including project objective
- 2) The projected start and end dates of the project
- 3) Any historical spend on the project, if applicable, and developed cost estimate for the spend in the Evaluation Period that will close to plant by December 31 of the following year
- 4) An analysis that describes:
  - a) how the project advances customer service, reliability, safety, operational efficiency or other similar purposes
  - b) why the project is appropriate at this time
  - c) alternative(s) that were considered and the cost associated with alternative(s) or a statement explaining why no feasible alternatives exist
  - d) Any engineering plans, specifications or drawings that exist at the time of the Evaluation Report filing

- C. Specific Projects (between \$5 million and \$10 million closing to plant or in CWIP for amounts closing in the year following the Evaluation Period historical rate base as known and measurable adjustments):

For each capital project listed in Section A above for which the estimated capital costs exceeds \$5 million but are less than \$10 million and which does not fall within the description of recurring program spending described in Section D below, the Company shall provide as minimum filing requirements the following documentation, with the understanding that the Company shall provide any additional documentation in response to reasonable data requests by CNO that will facilitate CNO's review of the Evaluation Report:

- 1) Clearly defined project description and project objective, including how the program advances customer service, reliability, safety, operational efficiency or other similar purposes
- 2) The projected start and end dates of the project
- 3) Any historical spend on the project, if applicable, and developed cost estimate for the spend in the Evaluation Period that will close to plant by December 31 of the following year

- D. Recurring program spending:

For recurring capital spending that can be categorized in to programs with defined objectives that are budgeted collectively, and which is not captured in Sections B and C above, the Company shall provide:

- a. program description and purpose of the program, including how the program advances customer service, reliability, safety, operational efficiency or other similar purposes
- b. Cost estimate based upon an analysis of historical plant in service data from which the amount requested to be included in rate base was derived
- c. An explanation for any material deviations from historical program trends that are reflected in the amount requested to be included in rate base