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AMENDMENT TO
AGREEMENT FOR PROFESSIONAL SERVICES BETWEEN
THE CITY OF NEW ORLEANS
AND
LEGEND CONSULTING GROUP LIMITED

THIS AGREEMENT is made and entered into as of the 1st day of January 2009 by and between the Council of the City of New Orleans, represented by Jacquelyn Brechtel Clarkson, President of the Council (hereinafter referred to as "City") and the firm of **Legend Consulting Group Limited** (hereinafter referred to as "Contractor").

WITNESSETH

WHEREAS, to address the complex legal and technical issues necessary to properly meet its responsibility, the Council has selected Legend Consulting Group Limited, in accordance with the competitive selection process required by the Home Rule Charter; and

WHEREAS, pursuant to Motions M-04-803 the City Council approved the recommendation of the Council Utilities Committee that the firm of Legend Consulting Group Limited be retained to provide utility consulting services in the area of the Council's electric and gas regulatory responsibility; and

WHEREAS, the Council desires to authorize a contract amendment and extension with Legend Consulting Group Limited to assist in meeting the Council's regulatory responsibility to the City and its ratepayers; and

WHEREAS, by Motion M-08-726 the President of the Council is hereby authorized to sign a contract amendment with Legend Consulting Group Limited extending the contract through 2009 and increasing the maximum compensation under such contract; now, therefore

K08-927

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AMENDMENT TO
AGREEMENT FOR PROFESSIONAL SERVICES BETWEEN
THE CITY OF NEW ORLEANS
AND
LEGEND CONSULTING GROUP LIMITED

THIS AGREEMENT is made and entered into as of the 20th day of November 2008 by and between the Council of the City of New Orleans, represented by Jacquelyn B. Clarkson, President of the Council (hereinafter referred to as "City") and the firm of **Legend Consulting Group Limited** (hereinafter referred to as "Contractor").

WITNESSETH

WHEREAS, to address the complex legal and technical issues necessary to properly meet its responsibility, the Council has selected Legend Consulting Group Limited, in accordance with the competitive selection process required by the Home Rule Charter; and

WHEREAS, pursuant to Motions M-04-803 the City Council approved the recommendation of the Council Utilities Committee that the firm of Legend Consulting Group Limited be retained to provide utility consulting services in the area of the Council's electric and gas regulatory responsibility; and

WHEREAS, the Council desires to authorize a contract amendment and extension with Legend Consulting Group Limited to assist in meeting the Council's regulatory responsibility to the City and its ratepayers; and

WHEREAS, by Motion M-08-653 the President of the Council is hereby authorized to sign a contract amendment with Legend Consulting Group Limited extending the contract through 2008 and increasing the maximum compensation under such contract; now, therefore

WHEREAS, all parties to the agreements dated January 1, 2005 desire to amend the agreement and have the necessary authority to do so.

THEREFORE, IT IS HEREBY AGREED:

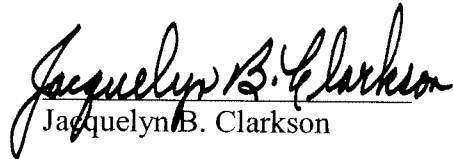
1. To increase the maximum compensation payable under the terms of this agreement by "\$150,000.00" thereby increasing the amount on lines 16 and 20 of page 3 of 9 of the Agreement dated January 1, 2005 for the firm of Legend Consulting Group Limited. The compensation to be paid to the firm of Legend Consulting Group Limited for such services shall not exceed Seven Million Three Hundred Thousand Dollars (\$7,300,000.00). If there are any necessary and ordinary expenses attached to the work of the firm of Legend Consulting Group Limited, these expenses in addition to the fees outlined above, shall be reimbursable by the City but the total amount of such expenses and fees shall not exceed Seven Million Three Hundred Thousand Dollars (\$7,300,000.00.)

IN WITNESS WHEREOF:

ATTEST

CITY COUNCIL

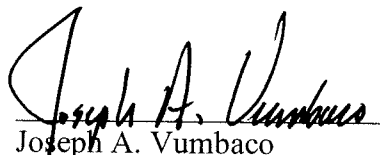
City Council President


Jacquelyn B. Clarkson

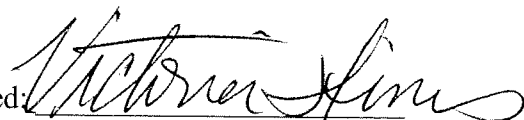
Charbett De Cui

Legend Consulting Group Limited

Martha Summers

By: 
Joseph A. Vumbaco
President

8055 East Tufts Avenue
Suite 1250
Denver, Colorado 80237-2835

Approved: 
Law Department

841153900
Federal ID Number

MOTION
M-08-726

CITY HALL: DECEMBER 18, 2008

**BY: COUNCILMEMBERS MIDURA, CARTER, HEDGE-MORRELL AND
WILLARD-LEWIS**

WHEREAS, pursuant to Section 3-130 of the Home Rule Charter of the City of New Orleans, the New Orleans City Council exercises powers of supervision, regulation, and control over electric and gas utilities providing service in the City; and

WHEREAS, to address the complex legal and technical issues necessary to properly meet its responsibility, the Council has selected consulting firms as advisors, in accordance with the competitive selection process required by the Home Rule Charter and established by Council Rule 45; and

WHEREAS, by Motion M-04-803, after competitive selection, the City Council authorized retention of the Legend Consulting Group Limited to continue to provide consulting services to the City Council in electric and gas utility regulatory matters; and

WHEREAS, by Motion M-04-803 and the terms of the Request For Qualifications issued on June 11, 2004, the Council is authorized to renew and extend its existing contract with Legend Consulting Group Limited to provide consulting services to the City Council in electric and gas utility regulatory matters; and

WHEREAS, by Motion M-04-803 the Council further authorized negotiation of contracts with a scope of work consistent with the request for qualifications and the Council's electric and gas Utility regulatory needs with each of the firms to be retained by the Council; and

WHEREAS, for budget year 2008, Legend Consulting Group Limited ("Legend"), the City Council's Consulting Engineer and Chief Technical Advisor to the Council on all regulatory matters, was instrumental in and the lead consultant on numerous matters in the Council's regulation of Entergy New Orleans, Inc. ("ENO") and Entergy Louisiana, LLC ("ELL") both in the Council's local regulatory jurisdiction and in the Council's activities before the Federal Energy Regulatory Commission ("FERC") including, among other things:

1. The reporting to the Council on the evaluation of ENO's monthly *No or Poor Gas Call Reports* (NOPGR) required pursuant to Council Resolution R-07-01 resulting in the reduction in the average service restoration time from 74.5 hours to 6.9 hours for the 2007/2008 winter heating season.
2. The development and initiation of Resolution R-08-290 requiring ENO's continuation of the NOPGR through the heating season concluding March 2011.
3. The review, evaluation and recommendation to the Council on ENO's and ELL's proposed modifications to Night Watchman Rate Schedules and proposed new HPSV Night Watchman Rate Schedules due to the prohibition on manufacturing and/or importation of Mercury Vapor Lamp Ballast after January 1, 2008 pursuant to EPACT 2005.
4. Review, evaluation and recommendations to the Council on ENO's March 3, 2008 filing of its bi-annual 2008-2009 Design Day Peak Demand Report including engineering, economic and financial analyses on the excessive financial impact to ratepayers resulting from ENO's continued use of the methodologies in its peak day forecast.
5. The development of a report to the Council evaluating a Green Power Pricing Program

for New Orleans citizens, which reported upon the Entergy Gulf States Louisiana, Inc. Green Power Program and its results, and provided suggested modifications to ENO's proposed Voluntary Green Power Pricing Program.

6. As a result of inquires to the Council from DC service customers regarding the discontinuance of such service by ENO, assistance to the Council in the review of ENO's DC system, the status of ENO's activities pertaining to the discontinuance of DC service to customers, and follow up direction to ENO's engineering, operations, customer service and regulatory personnel on the manner of effectuating the transfer in a more orderly customer friendly manner.
7. The attendance and reporting to the Council on numerous matters relating to Entergy's Independent Coordinator of Transmission (ICT) on the: (i) ICT's Staff Reports, (ii) Stakeholder Policy Committee Meetings, (iii) the ICT's Strategic Transmission Expansion Plan, (iv) the ICT's Rate Pancaking Task Force, and (vi) meetings with the FERC staff on the status of Entergy's ICT performance.
8. The conduct and reporting to the Council on numerous evaluations and analysis regarding ENO's Fuel Adjustment (FAC) and Purchased Gas Adjustment (PGA) Clauses related to: (i) consumer complaints, (ii) level of charge, (iii) causal factors associated with the monthly charge, (iv) amounts in over/under accounts associated with capping of the FAC, and (v) alternative capping methodologies.
9. Evaluation and recommendations to the Council associated with ELL's compliance filing pursuant to Council Resolution R-08-39 in the return to Algiers' ratepayers of ELL's 2006 production cost remedy receipts of \$963,000.

10. Reports to the Council on the adverse effects on New Orleans' ratepayers of the Arkansas Public Service Commission's (APSC) Investigation into Entergy Arkansas, Inc.'s (EAI) withdrawal from its participation in the Entergy System Agreement.
11. Evaluation, examination, and recommendations to the Council associated with ELL's compliance filing pursuant to Council Resolution R-08-207 in the return to Algiers' ratepayers of ELL's 2007 production cost remedy receipts of \$240,000.
12. Evaluation, examination, analysis and recommendations to the Council associated with ENO's receipt of \$6,500,000 in remedy receipts pursuant to FERC Opinions 480 and 480-A for 2007 and the return of same to New Orleans' ratepayers.
13. Evaluation, analysis and report to the Council on Entergy Operations, Inc.'s Application for a Combined License Application before the Nuclear Regulatory Commission for the construction of Grand Gulf Unit No. 3.
14. A report to the Council on the causal factors that have led to the higher levels of ENO's FAC and potential mitigation factors that may be employed by the Council and ENO to ameliorate the complaints of customers relating to the FAC.
15. Assistance to the Council and its legal counsel on all matters related to EAI's and Entergy Mississippi, Inc.'s (EMI) withdrawal from the Entergy System Agreement including: (i) the effects of such actions on ENO and New Orleans' ratepayers, (ii) approaches to a successor agreement, (iii) alternative provisions of a successor agreement, (iv) evaluation of ENO's supply approaches absent a successor agreement, and (v) participation in numerous meetings on the subject.
16. Evaluation and assistance to the Council's legal counsel on matters in FERC Docket

ER08-927 relating to the Toledo Bend Power Sales Agreement.

17. Evaluation and report to the Council on ENO and ELL's quarterly compliance filings on the number of complaints and their resolution pursuant to Council Resolution R-07-428.
18. An evaluation, analysis and report to the Council's legal counsel on Entergy Services Inc.'s filing in FERC Docket ER-08-1056 and areas of concern for use in the development of a protest and intervention.
19. Investigation, analysis and reporting to the Council on numerous customer complaints on power outages in the Orleans Parish jurisdiction.
20. Review, evaluation and development of proposed resolution for Council adoption related to ENO's April 1, 2008 Financing Plan Application.
21. Provision of expert testimony and assistance to the Council's legal counsel in FERC Docket No. ER07-956 regarding the just and reasonableness of ESI's proposed production costs and their allocations among the Entergy Operating Companies including the proper accounting for Storm Costs.
22. Development of alternative funding sources and a report to the Council on same related to the Council's funding of a portion of its Energy Smart Plan from ENO's 2007 production cost remedy receipts pursuant to FERC Opinion Nos. 480 and 480-A.
23. An examination, evaluation and analysis of the underestimated amount by ENO for inclusion in the PGA attributable to a metering error at City Gate No. 4 resulting in an additional recommended amount of \$728,820 and the development of a show cause resolution for consideration of the Council related to same.
24. Evaluation of ENO's May 2008 final filing related to the sale of its Market Street

Property and development of Council Resolution R-08-209 relating to same.

25. Review, evaluation, analysis of ENO's rate case filing in Council Docket UD-08-03 including: (I) development of discovery requests, (ii) development of issues in the docket, (iii) assistance to the Council's legal counsel in preparation of deposition issues and questions and participation in the deposition of ENO witnesses, and (iv) sponsoring of expert testimony in the proceeding on behalf of the Advisors recommending a \$68,000,000 electric rate reduction and \$3,900,000 gas increase, as well as a new FAC and a mechanism for the permanent funding of the Council's Energy Smart Plan.

WHEREAS, for budget year 2009, Legend will be required in the Council's local jurisdiction and in the Council's activities before the Federal Energy Regulatory Commission ("FERC") to, among other things:

1. Continue to evaluate in Docket UD-08-03 the issues in the proceeding, most notably (I) ENO's rebuttal testimony, (ii) conduct and finalize its evaluation of ENO's third quarter results, (iii) develop responsive expert testimony to ENO and the Interveners in the Docket, (iv) participate in additional discovery, (v) assist the Council's legal counsel in development of cross examination, and (vi) stand for deposition and cross examination in the Council's administrative hearing on the case.
2. Provide assistance to the Council's legal counsel in numerous matters before the FERC, including the potential sponsorship of expert testimony, as appropriate, in FERC Docket Nos. ER95-112, ER-96-586, ER04-638, ER08-1056, EL03-132, ER03-1272, EL05-22, EL05-1065, EL07-48, ER07-682, EL07-683, EL07-727, EL07-985, ER08-1056, ER08-927 and related appeals in the federal jurisdiction.
3. Provide assistance to the Council, including engineering-economic evaluation and analyses in litigation matters related to Council Docket Nos. UD-07-01, UD-07-02, UD-

07-03, UD-08-01, and UD-08-02.

4. Finalization of an Incremental Storm Cost resolution so as to assure only the single recovery of storm costs by ENO and ELL in the Orleans Parish jurisdiction.
5. Continuation of the monitoring of the ENO gas system rebuild and its incremental effects on New Orleans ratepayers.
6. Pursuant to Resolution R-08-290, ENO is to provide monthly reports for the period of October 2008 through March 2009 and October 2009 through March 2010. Legend will continue to review and evaluate and assist the Council in NOPGR, electric and gas service issues and complaints by ENO customers as they return to inhabit various portions of the City.
7. Review and evaluation of ENO's draft IRP and the City Council's related Energy Smart Plan matters.
8. Assistance to the Council in the evaluation and remedying of customer service complaints.
9. Review and evaluation of Entergy Thermal, LLC's expansion of facilities in the CBD.
10. Continue to lead the evaluation, examination, and analysis of the 2009 Remedy Receipts for ENO and ELL-Algiers due to the 2008 production cost equalization of FERC Opinion Nos. 480 and 480-A, FERC Docket No. EL01-88-000 and ESI's Filing with FERC in 2009.
11. Review ENO's Annual Report regarding its Storm Reserve Fund Escrow Account including the review, examination and evaluation of the actual data relating to costs associated with Hurricane Gustav and the appropriateness of ENO's withdrawal of \$10 million from the Storm Reserve Fund Escrow Account on or before October 10, 2008

and potential cost recovery issues attributable to Hurricanes Gustav and Ike.

12. Continue to explore alternative funding sources for the Council's Energy Smart Program and assist in the development of the appropriate structure for program implementation and development.
13. Pursuant to Resolution R-08-452, ENO is to file an informational filing within thirty days of each issuance and sale by ENO of any New Bonds, Debt Securities, New Preferred or Preferred Securities. Legend will lead the review, examination, and evaluation of ENO's Informational Filing to the extent one is filed and report its findings to Council.
14. Pursuant to Resolution R-08-324, ENO is required to file its Annual Report by July 19, 2009 relative to Entergy Thermal, L.L.C. Legend will lead the review, evaluation and analyses of ENO's Annual report and will report to the Council its findings.
15. Pursuant to the requirements of Council Resolution R-07-428, ENO is to file quarterly reports regarding customer complaints and the new customer complaint process. Legend will continue to review these reports and report upon same to Council.
16. Legend has been instrumental in the participation in Resolution R-06-89 in Council Docket No. UD-07-03. Legend will continue to conduct engineering and economic analyses and exploring issues associated with the development of a new System Agreement by ESI and provide litigation assistance to the Council's legal counsel, including the provision of expert testimony support, as appropriate in the various federal and local dockets.

WHEREAS, in approving these contract extensions and amendments, the New Orleans City Council is conscious of its responsibility to pursue its regulatory responsibility over gas and electric utilities in a cost-effective manner which nonetheless does not compromise the interests of ratepayers in the high stakes proceedings and others matters which the Council must address on behalf of the City and its ratepayers; and

WHEREAS, prior to the commencement of the 2009 RFQ process the Council fully intends to undertake a thorough analysis of the allocation of its utility regulation resources to ensure that these resources are used in a cost-effective manner that protects the interest of rate payers; and

WHEREAS, the Council will evaluate and incorporate recommendations of such analysis into the 2009 RFQ process, as appropriate; and

WHEREAS, given the continuing needs of this Council relative to its regulatory responsibility the Council desires to authorize an appropriate contract and/or contract amendment(s) with the Firm of Legend Consulting Group Limited to assist in meeting the Council's regulatory responsibility to the City and its ratepayers; now, therefore

BE IT MOVED BY THE COUNCIL OF THE CITY OF NEW ORLEANS, that the President of the Council is hereby requested and authorized to sign a contract amendment with the Firm of Legend Consulting Group Limited extending the contract through 2009 and increasing the maximum compensation under such contract up to \$1,950,000.00.

BE IT FURTHER MOVED BY THE COUNCIL OF THE CITY OF NEW ORLEANS, that the contract amendment shall add a statement that pursuant to Chapter 2, Article XVIII of the City Code relative to the office of Inspector General that the contract understands and will abide by all provisions of that Chapter.

BE IT FURTHER MOVED BY THE COUNCIL OF THE CITY OF NEW ORLEANS,

that the contract amendment shall reflect revised firm hourly billing rates as follows:

Managing Partner	up to \$325.00 per hour
Partner/Executive Consultants	up to \$305.00 per hour
Senior Consultants	up to \$270.00 per hour
Supervisor Engineer Analyst.	up to \$235.00 per hour
Senior Engineer/Analyst Economist	up to \$210.00 per hour
Engineer/Analyst Economist	up to \$185.00 per hour

BE IT FURTHER MOVED BY THE COUNCIL OF THE CITY OF NEW ORLEANS,

that such contract may include provisions allowing the option of direct payment of invoices by utilities regulated by the Council pursuant to Section 3-130 of the Home Rule Charter, provided such payments have been approved by the City, after the City's review and forwarding of such invoices for payment, and further that such invoices, if paid the by the City, would be reimbursable by such utility pursuant to Section 3-130 (5) of the Home Rule charter. Such payments shall be recoverable as a regulatory expense by such utility in the same manner as reimbursements to the City for such payments.

BE IT FURTHER MOVED BY THE COUNCIL OF THE CITY OF NEW ORLEANS,
that the contract and/or contract amendment(s) shall be circulated in accordance with normal process
and the City Council Rules.

THE FOREGOING MOTION WAS READ IN FULL, THE ROLL WAS CALLED ON
THE ADOPTION THEREOF AND RESULTED AS FOLLOWS:

YEAS: Carter, Clarkson, Fielkow, Midura, Willard-Lewis - 5

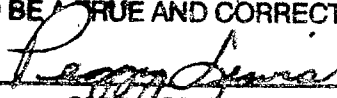
NAYS: 0

ABSENT: Head, Hedge-Morre11 - 2

AND THE MOTION WAS ADOPTED.

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THE FOREGOING IS CERTIFIED
TO BE A TRUE AND CORRECT COPY



CLERK OF COUNCIL

**MOTION
M-08- 653**

CITY HALL: NOVEMBER 20, 2008

**BY: ^{son} COUNCILMEMBERS MIDURA, CARTER, HEDGE-MORRELL AND
WILLARD-LEWIS**

WHEREAS, pursuant to Section 3-130 of the Home Rule Charter of the City of New Orleans, the New Orleans City Council exercises powers of supervision, regulation, and control over electric and gas utilities providing service in the City; and

WHEREAS, to address the complex legal and technical issues necessary to properly meet its responsibility, the Council has selected consulting firms as advisors, in accordance with the competitive selection process required by the Home Rule Charter and established by Council Rule 45; and

WHEREAS, on May 6, 2004, the City Council adopted Motion M-04-301, determining that highly qualified and experienced legal, technical, and engineering professional regulatory advisors are needed by the Council and directing the Council staff to issue a Requests for Qualifications ("RFQ") to begin the competitive selection process established by Council Rule 45; and

WHEREAS, a Request for Qualifications relative to electric and natural gas regulatory services was issued on June 11, 2004; and

WHEREAS, by Motion M-04-803, after competitive selection, the City Council authorized Legend Consulting Group Limited to continue act as technical and engineering advisor to the City Council in electric and gas utility regulatory matters; and

WHEREAS, in connection with Utility docket UD-08-03, the Council's consideration of the Entergy New Orleans, Inc. (ENO) rate filing for a change in electric and gas rates in New Orleans, Legend Consulting Group Limited has been actively involved in reviewing ENO's filing, identifying deficiencies and then reviewing ENO's supplemental filings; and

WHEREAS, Legend Consulting Group has also provided litigation support in connection with depositions of ENO witnesses who filed testimony in Docket UD-08-03; and

WHEREAS, the level of activity required to fully support the Council's efforts to analyze the issues in the ENO rate case has necessitated increased funding for 2008 in the Legend Consulting Group Limited contract; now, therefore

BE IT MOVED BY THE COUNCIL OF THE CITY OF NEW ORLEANS that the President of the Council is hereby requested and authorizes to sign a contract amendment with the firm of Legend Consulting Group Limited increasing the maximum compensation of that firm's contract by \$150,000.00.

BE IT FURTHER MOVED that the contract amendments authorized herein shall be circulated in accordance with normal process and City Council Rules

THE FOREGOING MOTION WAS READ IN FULL, THE ROLL WAS CALLED ON THE ADOPTION THEREOF AND RESULTED AS FOLLOWS:

YEAS: Carter, Clarkson, Rielkow, Hedge-Morrell, Midura - 5

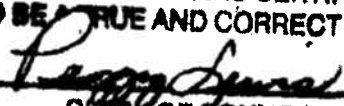
NAYS: 0

ABSENT: Head (Temporarily Out of Chamber), Willard-Lewis (Official City Business) - 2

AND THE MOTION WAS ADOPTED.

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**THE FOREGOING IS CERTIFIED
TO BE A TRUE AND CORRECT COPY**


CLERK OF COUNCIL