



Safer, Stronger, Smarter:

Office of Community Development – Disaster Recovery Unit

Recovery Snapshot

Ratepayer Mitigation Program

Funds were used to offset the cost of restoration, reconstruction and rebuilding to provide relief for gas and electric utility system ratepayers in New Orleans

Administering Agency: OCD-DRU

Allocation: \$200,000,000

Funding Provided: \$200,000,000

National Objective(s): Benefit Citizens of Low-to-Moderate Income, Urgent Need

Accomplishments

- A total of 188,251 total households, comprised of 484,674 individuals, were impacted. Included in that total was 102,315 low to moderate income households.
- Without CDBG funding, it is estimated that Entergy New Orleans would have had to pass on approximately \$24 million in lost revenues annually to ratepayers.
- It was estimated that electric and gas bills would increase by 140% without CDBG funding. With CDBG funding rates only increased by 9%.

General Information

Hurricanes Katrina and Rita caused unprecedented damage to electric and gas system infrastructure in the State of Louisiana, especially in New Orleans, where the extent of the damage to utility infrastructure was substantially worse due to the flooding caused by the failure of the federal levee system. The damage was extensive to the infrastructure of Entergy New Orleans, Inc. (ENO), the regulated public utility responsible for providing both electricity and natural gas service in the City of New Orleans. Entergy New Orleans lost service to 100 percent of its customers immediately following Hurricane Katrina.

The objective of the Ratepayer Mitigation Program was to protect business and residential customers from bearing the entire cost of the utility infrastructure restoration and rebuilding. OCD-DRU provided \$200 million to Entergy New Orleans to restore the electric and gas infrastructures in an effort to prevent costs being passed down to the ratepayers. Entergy New Orleans restored 1,214,400 linear feet of lines, and 467,013 New Orleans customers were spared rate increases.

For More Information:

<http://www.doa.louisiana.gov/cdbg/> and
<http://www.rebuild.la.gov/>