

AGREEMENT FOR WHOLESALE ELECTRIC ENERGY SERVICE

BETWEEN

CLECO POWER LLC, AS SELLER,

AND

CITY OF ALEXANDRIA, LOUISIANA, AS BUYER

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AGREEMENT FOR WHOLESALE ELECTRIC ENERGY SERVICE

BETWEEN

CLECO POWER LLC, AS SELLER,

AND

CITY OF ALEXANDRIA, LOUISIANA, AS BUYER

THIS AGREEMENT FOR Wholesale Electric Energy Service (hereinafter referred to as “Agreement”) is made and entered into this ___ day of _____, 2010, by and between Cleco Power LLC, an investor-owned utility company engaged in the business of generating, transmitting, distributing, and selling electricity at retail and wholesale in Louisiana, and having its principal office and place of business at 2030 Donahue Ferry Road, Pineville, Louisiana, as Seller (hereinafter referred to as “CLECO”), and the City of Alexandria, Louisiana, a municipality existing under the laws of the State of Louisiana and having its principal office and place of business at 915 Third Street, Alexandria, Louisiana, as Buyer (hereinafter referred to as “ALEXANDRIA”).

WITNESSETH:

WHEREAS, ALEXANDRIA owns and operates an electric utility system consisting of generation, transmission, and distribution components serving retail customers in and around the City of Alexandria, Louisiana;

WHEREAS, ALEXANDRIA, in order to provide electric service to its retail customers, owns and operates electric generating capacity, and has contractual rights to electric generating capacity and energy from other parties;

WHEREAS, CLECO owns and operates an electric utility system consisting of electric generation, transmission, and distribution components, among others;

WHEREAS, CLECO's owned electric generation and purchased capacity and energy are used primarily to serve CLECO's own retail customers, but also may serve various wholesale customers from time to time;

WHEREAS, CLECO is willing to sell to ALEXANDRIA electric energy;

WHEREAS, ALEXANDRIA has determined that the electric energy that CLECO is willing to sell and deliver to ALEXANDRIA and ALEXANDRIA is willing to purchase and receive for delivery, pursuant to the terms and conditions set forth in this Agreement, represents an economical and reliable energy resource suitable for use in serving ALEXANDRIA's retail customer loads; and

WHEREAS, to accomplish the purchase, delivery, and sale, CLECO and ALEXANDRIA desire to enter into this "Agreement for Wholesale Electric Energy Service," under which CLECO shall provide to ALEXANDRIA at the Point of Delivery (defined below) certain volumes of electric energy, as provided below;

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements hereinafter set forth, the Parties hereto mutually contract and agree as follows.

ARTICLE I

DEFINITIONS

The following terms herein shall have the respective meanings set forth below:

- 1.1 "Agreement" means this Agreement for Wholesale Electric Energy Service.
- 1.2 "ALEXANDRIA" means the City of Alexandria, Louisiana, a municipal corporation of the State of Louisiana.
- 1.3 "ALEXANDRIA Resources" means the (i) LEPA Capacity and Energy, (ii) SWPA Capacity and Energy, and (iii) Hunter; provided that ALEXANDRIA shall have the right to designate additional ALEXANDRIA Resources in a Succeeding Term if ALEXANDRIA provides written notice of the addition of such resources two (2) years prior to the commercial operation date of such resources.
- 1.4 [INTENTIONALLY LEFT BLANK]

1.5 “Ancillary Services” means those services that are necessary to support the transmission of capacity and energy from resources while maintaining reliable operation of the transmission provider’s transmission system in accordance with Good Utility Practice as set forth in the CLECO OATT.

1.6 “Balancing Authority or Control Area” shall have the meaning set forth in the CLECO OATT.

1.7 “Bankrupt” means, with respect to any entity, that such entity (i) files a petition or otherwise commences, authorizes, or acquiesces in the commencement of a proceeding or cause of action under any bankruptcy, insolvency, reorganization or similar law, or has any such petition filed or commenced against it, which proceeding or petition is not dismissed, discharged, stayed, or restrained in each case within forty-five (45) days of the institution or presentation thereof; (ii) makes an assignment or any general arrangement for the benefit of creditors; (iii) otherwise becomes bankrupt or insolvent (however evidenced); (iv) has a liquidator, administrator, receiver, trustee, conservator, or similar official appointed with respect to it or any substantial portion of its property or assets; or (v) is generally unable to pay its debts as they become due.

1.8 “Billing Month” means the time from the date of the period-beginning meter reading and extending through the date of the period-ending meter reading, which readings shall be made approximately every thirty (30) days.

1.9 “Business Day” means Monday through Friday except for legal holidays recognized by the State of Louisiana.

1.10 “CLECO” means Cleco Power LLC, an investor-owned utility company engaged in the business of generating, transmitting, and distributing electricity in, among other places, certain parts of the State of Louisiana.

1.11 “CLECO NITS” means Network Integrated Transmission Service (as set forth in the CLECO OATT) provided by CLECO, in its capacity as a transmission provider, to ALEXANDRIA.

1.12 “CLECO OATT” means the Open Access Transmission Tariff filed with FERC by CLECO, as such may be amended or superseded from time to time.

- 1.13 “CLECO Transmission Charges” means all monthly charges billed by CLECO in its capacity as a transmission provider to ALEXANDRIA for transmission service and any Ancillary Services required for delivery of the energy and capacity to the Point of Delivery.
- 1.14 [INTENTIONALLY LEFT BLANK]
- 1.15 “Defaulting Party” shall have the meaning defined in Section 8.1.
- 1.16 “Early Termination Date” shall have the meaning defined in Section 8.2.
- 1.17 “Effective Date” shall be the first day of the first full month immediately following the completion of all of the Conditions Precedent as set forth in and in accordance with Section 2.1.
- 1.18 “Energy Service” shall have the meaning set forth in Section 2.1.
- 1.19 “Entergy OATT” means the Entergy Services, Inc. Open Access Transmission Tariff filed with FERC, as such may be amended or superseded from time to time.
- 1.20 “Entergy Transmission Loss Factor” means the loss factors for capacity and energy as set forth in the Entergy OATT.
- 1.21 “Event of Default” shall have the meaning defined in Section 8.1.
- 1.22 “FERC” means the Federal Energy Regulatory Commission or any successor agency.
- 1.23 “GAAP” means Generally Accepted Accounting Principles.
- 1.24 “Good Utility Practice” means any of the practices, methods, and acts engaged in or approved by a significant portion of the electric utility industry during the relevant time period, or any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition. Good Utility Practice is not intended to be limited to the optimum practice, method or act to the exclusion of all others, but rather to be a range of acceptable practices, methods or acts that could have been expected to accomplish the desired result at a reasonable cost consistent with reliability, safety, and expedition. Good Utility Practice

includes due regard for, among other things, the requirements of governmental authorities of competent jurisdiction, agencies such as NERC and any successor organization, regional reliability standards and local reliability practices.

1.25 “Hunter” means the generating units owned by ALEXANDRIA as of the Effective Date located at ALEXANDRIA’s D.G. Hunter Generating Station in Alexandria, Louisiana, as more particularly described in Exhibit B.

1.26 “Interest Rate” means, for any date, the lesser of (a) the per annum rate of interest equal to the prime lending rate as may from time to time be published in *The Wall Street Journal* under “Money Rates” on such day (or, if not published on such day, on the most recent preceding day on which published), plus two percentage points (2%) or (b) the maximum rate permitted by applicable law.

1.27 “Joint Owners Agreement” means that certain agreement for the Joint Ownership, Construction and Operation of Rodemacher Unit No. 2, dated as of November 15, 1982, among LEPA, CLECO, CLECO Construction Co., Inc., and LPPA as same may be or has been amended from time to time.

1.28 “LEPA Capacity and Energy” means ALEXANDRIA’s Entitlement Share to the Net Capacity and Energy (as those terms are defined in the LEPA Contract) pursuant to the LEPA Contract.

1.29 “LEPA Contract” means that certain agreement between ALEXANDRIA and LEPA entitled “Power Sales Contract between Louisiana Energy and Power Authority and City of Alexandria, Louisiana, dated as of October 1, 1982,” and any amendments thereto.

1.30 [INTENTIONALLY LEFT BLANK]

1.31 “NERC” means the North American Electric Reliability Corporation.

1.32 [INTENTIONALLY LEFT BLANK]

1.33 [INTENTIONALLY LEFT BLANK]

1.34 “Non-Defaulting Party” shall have the meaning defined in Section 8.2.

1.35 “Parties” means CLECO and ALEXANDRIA, collectively.

1.36 “Party” means either CLECO or ALEXANDRIA, individually.

1.37 “Point of Delivery” means the point of interconnection where CLECO’s 138 kV transmission line attaches to ALEXANDRIA’s 138 kV transmission at CLECO’s transmission line Structure No. 5 located in Section 10, Township 4 North, Range 1 West, Rapides Parish, Louisiana, and the point of interconnection where CLECO’s 230 kV transmission line attaches to ALEXANDRIA’s 230 kV transmission structure number 14 located in Section 12, Township 3 North, Range 2 West, of Rapides Parish, Louisiana.

1.38 “Primary Term” shall have the meaning defined in Section 9.4.

1.39 “Prior Agreements” means those agreements set forth in Schedule 9.24.

1.40 “Reliability Coordinator” means SPP in its capacity as Reliability Coordinator or Security Coordinator (as set forth in the SPP Criteria for SPP Members) or any successor entity, which entity is the highest level of authority responsible for enforcing the reliable operation of the generation resources, transmission lines, and associated equipment of CLECO and of neighboring systems, and which has the authority to prevent or mitigate emergency operating situations.

1.41 “Reliability Standards” means the reliability requirements for planning and operating the North American bulk electric power system as set forth by the NERC and that define the functions that must be performed to ensure the dependable operation of the bulk electric power system, as such Reliability Standards may be amended, restated or renamed from time to time.

1.42 “Reserve Sharing Group” shall have the meaning defined in the SPP Criteria, which form a part of the SPP Agreement.

1.43 “SPP” means the Southwest Power Pool, Inc.

1.44 “SPP Agreement” means the SPP Membership Agreement executed by SPP and CLECO or an equivalent agreement with a successor organization, as amended from time to time.

1.45 “Succeeding Term” shall have the meaning defined in Section 9.4.

1.46 “SWPA Capacity and Energy” means that certain hydropower allocation to ALEXANDRIA of Hydro Peaking Power, Peaking Energy, and Supplemental Peaking Energy (as those terms are defined in the SWPA Contract) from the Southwestern Power Administration pursuant to the SWPA Contract.

1.47 “SWPA Contract” means that certain agreement between ALEXANDRIA and the United States, Department of Energy, Southwestern Power Administration entitled “Power Sales Contract between United States of America and City of Alexandria, Louisiana, dated as of November 10, 2003,” and any amendments thereto.

1.48 “Wholesale Fuel Cost” means the Adjustment Factor as set forth in and calculated each month in accordance with “Exhibit A-1, Wholesale-Fuel Cost Adjustment,” attached hereto and made a part hereof.

ARTICLE II

TERMS AND CONDITIONS OF POWER SUPPLY SERVICE

2.1 Energy Service Supplied by CLECO

2.1.1 Beginning on the Effective Date and throughout the Primary Term and any Succeeding Term, and subject to the terms and conditions of this Agreement, CLECO agrees to sell to ALEXANDRIA, and ALEXANDRIA agrees to purchase from CLECO, the Energy Service (as defined herein), at the Point of Delivery.

“Energy Service” means all energy delivered by CLECO to ALEXANDRIA at the Point of Delivery under this Agreement which is in excess of the energy delivered from ALEXANDRIA Resources to the Point of Delivery. Energy Service shall not include (a) any energy not provided by CLECO or (b) Ancillary Services that may be delivered from time to time to ALEXANDRIA under the CLECO OATT. Energy Service shall be supplied by CLECO on a non-firm basis, meaning specifically on an as, if, and when physically-available basis. By way of example and for the avoidance of doubt, the following are examples (that are not intended to be exhaustive, but rather illustrative) of circumstances, the existence of which would excuse CLECO from providing Energy Service: (i) during any hour or hours in which CLECO is seeking energy from the Reserve Sharing Group pursuant to the SPP Agreement; (ii) at any time should CLECO determine that the supply of Energy Service would require CLECO to acquire or allocate capacity to comply with the SPP Agreement or any legal or regulatory requirement; or (iii) if and when CLECO NITS transmission service is unavailable to deliver energy from

CLECO to the Point of Delivery. Energy shall not be deemed unavailable for sale to ALEXANDRIA as Energy Service because of the economics of such sale. When energy is physically available for delivery to ALEXANDRIA, CLECO is obligated to provide it and CLECO shall not displace sales under this Agreement in order to make sales of energy, which otherwise would be available for delivery and sale under this Agreement, at comparable or preferable prices, terms and conditions to other wholesale power customers; provided, however, that in order to so provide energy to ALEXANDRIA, CLECO shall not be obligated to purchase additional resources beyond those then available.

ALEXANDRIA shall be responsible for obtaining and maintaining its own capacity by means of the ALEXANDRIA Resources and CLECO has no obligation under this Agreement to supply capacity to ALEXANDRIA. In the event that CLECO for any reason does not provide Energy Service, ALEXANDRIA shall be entitled to generate the energy necessary to meet its load requirements or obtain such energy from any source ALEXANDRIA in its sole discretion chooses.

2.1.2 Beginning on the Effective Date, and continuing throughout the Primary Term and any Succeeding Term, the Energy Service shall be provided at the rates and charges determined in accordance with Exhibit A (and additionally, for any Succeeding Term, Section 9.4.2) of this Agreement, subject to all other terms and conditions contained in this Agreement.

In accordance with the terms of this Section, ALEXANDRIA shall have the right to elect, prior to the Effective Date (the "Initial Election"), and once annually thereafter as set forth below (the "Annual Election"), which Cost Model listed in Exhibit A (the Facilities Charge Cost Model or the Heat Rate Cost Model) shall be used to calculate the charges for Energy Service during each calendar year. The Initial Election of ALEXANDRIA shall be the Facilities Charge Cost Model. The Initial Election establishes the Cost Model to be used for Energy Service between and inclusive of the Effective Date and December 31, 2010. The Annual Election shall be made once each calendar year in writing prior to August 1 to be effective January 1 of the following year. The Annual Election shall establish the Cost Model to be used for Energy Service provided during the calendar year following the year in which the Annual Election is made. (By way of example, ALEXANDRIA must make its Annual Election of a Cost Model applicable

to Energy Service delivered in 2011 by August 1, 2010.) If ALEXANDRIA fails to provide CLECO with a timely Annual Election for any year during the Primary Term, then the Cost Model applicable to Energy Service for that year shall be the Cost Model in effect for the immediately preceding calendar year.

2.1.3 Completion Payment

If, at the end of the Primary Term, ALEXANDRIA has taken and paid for a minimum of 700,000 MWh of Energy Service pursuant to this Agreement, then CLECO shall pay to ALEXANDRIA, within thirty (30) days after the end of the Primary Term, the sum of SIX MILLION FIVE HUNDRED THOUSAND DOLLARS (\$6,500,000).

2.1.4 Annual Incentive Credit

ALEXANDRIA shall receive, as an annual incentive credit, a \$50,000.00 credit that will be applied against CLECO's billings to ALEXANDRIA for the month of August in each year of the Primary Term.

2.2 Concurrent Agreements

CLECO and ALEXANDRIA agree that the effectiveness of this Agreement is contingent and conditioned upon the Parties, together or individually: (i) entering into agreements with each other separate and apart from this Agreement; (ii) entering into agreements with other parties; and (iii) obtaining certain other items, as set forth more particularly in Schedule 2.2. The Parties agree to coordinate and cooperate with each other as necessary to secure the appropriate agreements and other documents set forth in Schedule 2.2. In addition, the Parties agree that they will in good faith attempt to negotiate an amendment to this Agreement if, after each Party's commercially reasonable efforts, they have been unable to obtain the items set forth in Schedule 2.2. In the event the Parties are unable to either obtain the items, as set forth in Schedule 2.2, or if the Parties are unable to negotiate an amendment(s) to this Agreement related to such items (or as otherwise set forth in Schedule 2.4 with respect to specific items), and, therefore, the Effective Date has not occurred, this Agreement shall be null and void and the Parties shall have no further obligations to one another pursuant or with respect to this Agreement as of August 1, 2010, which date may be changed by written agreement of the Parties.

ARTICLE III

TRANSMISSION SERVICE

3.1 Transmission Service.

CLECO and ALEXANDRIA are directly interconnected at the Point of Delivery. ALEXANDRIA agrees, as a condition to the delivery of Energy Service pursuant to this Agreement, to enter into and maintain all necessary agreements for interconnection of ALEXANDRIA's transmission system to CLECO's transmission system at the Point of Delivery, and, as set forth in Section 2.2 of this Agreement, Cleco shall coordinate and cooperate in good faith with ALEXANDRIA in ALEXANDRIA's obtaining and maintaining such necessary agreements. Both Parties acknowledge that CLECO is under no obligation pursuant to this Agreement to: (i) provide or pay for any transmission service for the delivery of ALEXANDRIA Resources or the Energy Service to the Delivery Point, (ii) build or pay for any transmission facilities required to support the interconnection of ALEXANDRIA's system to CLECO's system, (iii) provide any additional points of interconnection or points of delivery; or (iv) pay any costs or expenses related to either ALEXANDRIA's or CLECO's transmission system, including but not limited to repairs, maintenance, upgrades or operations. Nothing herein shall alter or modify any rights or obligations of CLECO or ALEXANDRIA under any transmission service agreement between ALEXANDRIA and CLECO, the Interconnection Agreement or the CLECO OATT. ALEXANDRIA shall acquire and be responsible for payment for the CLECO NITS for which ALEXANDRIA contracts. Throughout the Primary Term and Succeeding Term, ALEXANDRIA shall take all necessary actions to designate CLECO, in its capacity as a wholesale seller, as ALEXANDRIA's representative for purposes of all energy scheduling with respect to CLECO NITS, the LEPA Contract and the SWPA Contract, and any other resources acquired by ALEXANDRIA that ALEXANDRIA may require be scheduled during those periods in which CLECO is not, in whole or in part, supplying Energy Service.

Without limiting the foregoing, throughout the term of this Agreement, ALEXANDRIA will be responsible for making all arrangements and executing all agreements to provide for the transmission services necessary to deliver Energy Service to the Point of Delivery. ALEXANDRIA shall be

responsible for paying for all transmission services necessary for delivery of ALEXANDRIA Resources, such other capacity resources to which the City acquires an entitlement, by ownership, contract, lease, or otherwise, and the Energy Service under this Agreement, including but not limited to CLECO Transmission Charges and, with respect to the SWPA Capacity and Energy, any Entergy Transmission Charges incurred by CLECO.

ALEXANDRIA agrees to provide CLECO timely disclosure of information regarding any proposed material changes to the ALEXANDRIA Resources. ALEXANDRIA shall take all actions within its control required to add or include, as of the Effective Date, ALEXANDRIA's load and Hunter generation into CLECO's Balancing Authority Area. Pursuant to this Agreement, CLECO has no obligation to incur any expenses required for or associated with placing ALEXANDRIA's load and Hunter generation into the CLECO Balancing Authority Area. During the Primary Term and any Succeeding Term, neither Party shall take any action to remove ALEXANDRIA's load or Hunter from the CLECO Balancing Authority Area. The Parties further recognize and agree that absent another agreement to the contrary, CLECO shall have no contractual obligation to maintain ALEXANDRIA's load or Hunter generation in CLECO's Balancing Authority Area after the termination of this Agreement.

3.2 SWPA Transmission Services

ALEXANDRIA currently does not possess any transmission service across the Entergy Transmission System for the delivery of the SWPA Capacity and Energy. As part of the Scheduling Service supplied herein by CLECO, CLECO will, in consultation with ALEXANDRIA (from time to time and to the extent practicable under the circumstances), use commercially reasonable efforts to acquire transmission service on the Entergy Transmission System for delivery of the energy available pursuant to the SWPA Contract. ALEXANDRIA shall reimburse CLECO, on a cost pass-through basis, for any charges that CLECO incurs for such transmission service. Such costs shall be added to the monthly invoice to ALEXANDRIA as an item separate from and in addition to the charges for Energy Service and Scheduling Service.

ARTICLE IV

OPERATING RESPONSIBILITIES

4.1 Operating Responsibilities of ALEXANDRIA

ALEXANDRIA shall maintain its generation, transmission and distribution facilities in accordance with Good Utility Practice. Upon proper notice to CLECO, as scheduling representative and as may be required under any other agreement, ALEXANDRIA retains all rights to dispatch Hunter, in ALEXANDRIA's sole discretion, to serve ALEXANDRIA's retail load.

4.2 Operating Responsibilities of CLECO

CLECO shall perform the Scheduling Services, which are defined as the scheduling tasks associated with scheduling of ALEXANDRIA Resources, such other capacity resources to which the City acquires an entitlement, by ownership, contract, lease, or otherwise as provided in Section 1.3 and Section 2.1 of this Agreement, and Energy Service to the Point of Delivery under the CLECO NITS, the LEPA Contract and the SWPA Contract. Beginning on the Effective Date, and continuing throughout the Primary Term and any Succeeding Term, the Scheduling Service shall be provided at the rates and charges determined in accordance with Exhibit A of this Agreement, subject to all other terms and conditions contained in this Agreement.

4.3 Dedicated Telephone Lines

ALEXANDRIA will provide, at ALEXANDRIA's sole expense, dedicated phone lines to ALEXANDRIA from CLECO, as necessary for CLECO to maintain adequate communications of data regarding ALEXANDRIA's load and generation.

ARTICLE V

METERING

5.1 Meter Reading

The Parties shall cause meters to be read monthly at times agreed upon.

5.2 Meters, Associated Transformers, and Telemetry Facilities

CLECO's records of data collected from the electric meters at the Point of Delivery shall be available at all reasonable times, upon notice, to the duly authorized representatives of ALEXANDRIA.

5.3 Meter Tests

Each meter used hereunder at the Point of Delivery shall be tested and calibrated in accordance with the CLECO NITS. If a meter shall be found not registering accurately, it shall be restored to an accurate condition or an accurate meter shall be substituted.

5.4 Meter Accuracy

CLECO and ALEXANDRIA shall have the right to request that a special test of metering equipment be made at any time. If any test made at ALEXANDRIA's request discloses that the metering equipment tested is registering within two percent (+ or - 2%) accuracy, ALEXANDRIA shall bear the expense thereof. The expense of all other such tests shall be borne by CLECO.

5.5 Meter Adjustments

The results of all meter tests and calibrations shall be open to examination by ALEXANDRIA. Any meter tested and found to be within plus or minus two percent (+ or - 2%) accuracy shall be considered to be accurate. If, as a result of any test, any meter is found not to register within plus or minus two percent (+ or - 2%) accuracy, the readings of such meter previously taken shall be corrected according to the percentage of inaccuracy so found, but no such correction shall extend beyond the date such meter was last tested or six (6) months, whichever is shorter. If any metering equipment fails to register or if the accuracy of the metering equipment cannot reasonably be determined, the capacity and energy delivered shall be determined by mutual agreement of ALEXANDRIA and CLECO.

ARTICLE VI

BILLINGS AND PAYMENTS

6.1 Compensation

CLECO shall invoice ALEXANDRIA monthly for the Energy Service, the Scheduling Service, and Energy Transmission Charges associated with the SWPA Capacity and Energy in the form of invoice appended hereto as Schedule 6.1. The monthly charges payable by ALEXANDRIA for Energy Service

and Scheduling Service shall be determined in accordance with the rates and charges contained in Exhibit A, subject to all other terms and conditions contained in this Agreement. The Entergy Transmission Charges shall be as invoiced by Entergy without mark up or adder by CLECO.

6.2 Payment by ALEXANDRIA to CLECO

ALEXANDRIA shall make payment to CLECO for the monthly charges billed under this Agreement so that collected funds are available to CLECO within twenty (20) days from the date invoices are mailed. Any challenge by ALEXANDRIA of a charge under this Agreement shall be subject to the provisions of Section 9.15.

Either Party may, in good faith, dispute the correctness of any invoice or adjustment to an invoice rendered under this Agreement or adjust any invoice for any arithmetic or computational error within twelve (12) months from the date of the invoice or invoice adjustment.

If such Party, in good faith, disputes any part of any invoice prior to the due date for payment, the disputing Party shall provide a written explanation of the basis for the dispute. The existence of a dispute shall not relieve a Party of its obligation to pay the amount in dispute, but such amount shall be paid by the disputing Party subject to refund with interest thereon calculated at the Interest Rate and in accordance with FERC refund calculations under 18 C.F.R. 35.19a.

Any dispute with respect to an invoice is waived unless the other Party is notified in accordance with this Section 6.2 within twelve (12) months after the invoice is rendered or any specific adjustment to the invoice is made.

Payment shall be made to CLECO by electronic transfer of funds to the bank and account as specified in writing by CLECO from time to time.

Unpaid amounts that are not the subject of a billing dispute and are not paid by the due date for payment shall be subject to interest at the Interest Rate and a late payment charge equal to two percent (2%) per month of any said unpaid amounts, provided, however, that such late payment charge shall not exceed the maximum charge which may be collected under the provisions of Louisiana law.

In the event of early termination under Section 8.2, ALEXANDRIA must pay all amounts owed to CLECO, and CLECO shall pay any amounts owed ALEXANDRIA, under this Agreement within thirty (30) days of the date the final invoice is mailed by CLECO to ALEXANDRIA.

6.3 Taxes

Except as specified in section 6.4 of this Agreement, CLECO shall be obligated to pay all present and future taxes, fees, and levies that may be assessed by any entity upon the purchase or sale of the Energy Service to ALEXANDRIA covered by this Agreement for which the taxable incident occurs prior to the Point of Delivery. For the purposes of this agreement, “taxable incident” shall mean the event that causes a tax, fee or levy to be imposed under federal, state, or local law. ALEXANDRIA shall be obligated to pay all present and future taxes, fees, and levies that may be assessed by any entity upon the purchase or sale of Energy Service to ALEXANDRIA covered by this Agreement for which the taxable incident occurs at or after the Point of Delivery. If ALEXANDRIA is required by law to remit such taxes to the applicable government authority on behalf of CLECO, ALEXANDRIA shall remit the payment as appropriate and deduct the amount paid on CLECO’s behalf from payments due to CLECO under this Agreement. If CLECO is required by law to remit such taxes to the applicable government authority on behalf of ALEXANDRIA, CLECO shall remit the payment as appropriate and add the amount paid on ALEXANDRIA’s behalf to payments due from ALEXANDRIA under this Agreement.

ARTICLE VII

ADDITIONAL PROVISIONS

7.1 Future ALEXANDRIA Generation Resources

During the Succeeding Term of the Agreement, ALEXANDRIA may install one or more generation resources in ALEXANDRIA to help satisfy ALEXANDRIA’s capacity and energy requirements. ALEXANDRIA shall notify CLECO in writing of ALEXANDRIA’s anticipated installation of such generation resources. Said notice shall be provided no later than twenty four (24) months prior to the commercial operation of such generation resource. The written notification shall

include the expected net dependable generating capacity (kW) of such generation resource and the expected commercial operation date. The giving of such notice by ALEXANDRIA shall not relieve ALEXANDRIA of any obligation it may have to provide independent notice of ALEXANDRIA's anticipated installation of such generation resources to CLECO's Transmission Department.

7.2 Responsibility for Electricity

ALEXANDRIA assumes all responsibility for electricity at and after the Point of Delivery, and CLECO assumes all responsibility for electricity present on CLECO's system before the Point of Delivery. It is understood and agreed that neither CLECO nor ALEXANDRIA assumes any responsibility with respect to the construction, installation, insulation, maintenance or operation of the systems of the other or any part thereof and neither CLECO nor ALEXANDRIA shall, in any event, be liable for damage or injury to any person or property whatsoever arising, accruing or resulting from, in any manner, the receipt, transmission, control, use, application or distribution by the other Party of said electricity. Nothing in this Agreement is intended to contravene or modify the comparable provisions of that certain Interconnection Agreement between ALEXANDRIA and CLECO.

7.3 Continuity of Service

CLECO does not guarantee continuous service, but shall endeavor at all times to provide Energy Service, as provided pursuant to the provisions of Section 2.1. In no event, however, shall CLECO be liable to ALEXANDRIA or third parties for loss or damage arising from failure, interruption or suspension of service. CLECO reserves the right to suspend service, without liability on its part, at such times and for such periods and in such manner as it may deem advisable when, in its reasonable opinion, and notwithstanding anything to the contrary in Section 2.1, the continuance of service to ALEXANDRIA would endanger persons or property. CLECO shall use its best efforts to provide ALEXANDRIA with reasonable notice in the event of a suspension of service. CLECO shall provide ALEXANDRIA with such notice as is feasible under the circumstances of CLECO's inability to provide or deliver, or the interruption or suspension of Energy Service under this Agreement, as soon as reasonably possible before or after the occurrence thereof.

7.4 Right of Access

ALEXANDRIA agrees to provide, obtain or assist CLECO to obtain all necessary permission to enable CLECO to carry out this Agreement, including rights of access for CLECO, as well as its fully authorized agents, contractors, or employees, to the premises of ALEXANDRIA at all reasonable times for the purpose of reading or checking meters; for inspecting, testing, repairing, renewing or exchanging any or all of CLECO's equipment; or for performing any other work incident to rendering the services covered by this Agreement, provided that CLECO agents, contractors or employees comply at all time with all rules, regulations or requirements established by ALEXANDRIA concerning access to ALEXANDRIA premises and facilities, including but not limited to safety rules.

7.5 Hold Harmless Provisions

Each Party shall indemnify and hold harmless the other Party, its officers, directors, employees, affiliates, successors and assigns, from and against any and all legal and other expenses, claims, costs, losses, suits or judgments for damages to any person or destruction of any property arising in any manner directly or indirectly by reason of the acts of such Party's authorized representatives while on the premises of the other Party under the right of access provided in Section 7.4 of this Agreement.

In no event shall either Party be liable to the other Party, or the other Party's employees, officers or customers, for any indirect, special, incidental, punitive, exemplary, or consequential damages (including, without limitation, liability based upon or damages for loss of profits) or any penalties, fines, assessment, or levies with respect to any claim arising out of this Agreement whether based on law, regulation, contract, tort (including the negligence or the sole negligence of a Party), or otherwise.

ALEXANDRIA shall indemnify and hold CLECO harmless from and against any claims by or liability to ALEXANDRIA's customers for consequential loss or damage arising out of any performance or failure to perform under this Agreement. CLECO shall indemnify and hold ALEXANDRIA harmless from and against any claims by or liability to any CLECO customers for consequential loss or damage arising out of any performance or failure to perform under this Agreement. The provisions of the indemnities provided to CLECO by ALEXANDRIA shall apply to the fullest extent permitted by law.

ARTICLE VIII

EVENTS OF DEFAULT AND REMEDIES

8.1 Event of Default

An “Event of Default” shall mean with respect to a Party (the “Defaulting Party”): the failure by the Defaulting Party to make, when due, any payment required under this Agreement, provided that such failure is not cured within five (5) Business Days after written notice of such failure is given to the Defaulting Party, and provided further that the Non-Defaulting Party shall not be required to give notice of such failure more than two (2) times in any 12-month period, and upon the third such failure may immediately exercise its remedies under this Article VIII. In the event of any other breach or default under this Agreement that does not constitute an Event of Default under this Section 8.1, the remedies available to the Non-Defaulting Party (as hereinafter defined) shall include specific performance or damages, but shall not include the early termination or dissolution of this Agreement.

8.2 Declaration of an Early Termination Event

If an Event of Default with respect to a Defaulting Party shall have occurred and be continuing, the other Party (the “Non-Defaulting Party”) shall have the right (i) to designate a day, no earlier than the day such notice of early termination is effective (such notice to be effective on the date it is received by the Defaulting Party) and no later than 20 days after such notice is effective, on which this Agreement shall terminate (the “Early Termination Date”); (ii) to withhold any payments due to the Defaulting Party under this Agreement; and (iii) to suspend performance.

ARTICLE IX

GENERAL PROVISIONS

9.1 Governing Law

The validity, interpretation, and performance of this Agreement and each of its provisions shall be governed by the laws of the State of Louisiana, except when preempted by the Federal laws of the United States of America. Any dispute arising hereunder which is not within the jurisdiction of a

The names, titles and addresses of either Party in this section may be changed by written notification to the other Party.

9.3 Section Headings Not To Affect Meaning

The descriptive headings of the various articles and sections of this Agreement have been inserted for convenience of reference only and shall in no way modify or restrict any of the terms and provisions thereof.

9.4 Term of this Agreement.

9.4.1 Primary Term.

This Agreement shall become effective on the Effective Date and shall be effective for five (5) years from the Effective Date (“Primary Term”).

9.4.2 Succeeding Term.

CLECO shall have the option to extend this Agreement for two (2) additional one (1) year periods (“Succeeding Terms”). In the event CLECO desires to extend this Agreement for the first Succeeding Term, CLECO shall provide ALEXANDRIA with notice of its election no later than December 31 of the third year of the Primary Term. In the event CLECO desires to extend this Agreement for the second Succeeding Term, CLECO shall provide ALEXANDRIA with notice of its election no later than December 31 of the fourth year of the Primary Term. In the event CLECO does elect to extend this Agreement for any Succeeding Term, in that event, the Fuel Charge in Exhibit A shall be amended as follows:

If ALEXANDRIA has elected the Facilities Charge Cost Model, the Fuel Charge shall be “Cleco Power Wholesale Fuel Cost + 2.76 Mmbtu/MWH;” and

If ALEXANDRIA has elected the Heat Rate Cost Model, the Fuel Charge shall be “9.26 Mmbtu/MWh.”

9.5 Counterparts

This Agreement may be executed simultaneously in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

9.6 Amendments

This Agreement may only be amended by a writing signed by both Parties.

9.7 Exhibits and Schedules

All Exhibits, attachments and schedules that are referred to in this Agreement are incorporated herein and are a part of the Agreement for all purposes.

9.8 Severability

In the event any material term, covenant or condition of this Agreement, or any amendment hereto, or the application of any such term, covenant or condition shall be held invalid, illegal, or unenforceable as to any Party or circumstances by any court or regulatory authority having jurisdiction, CLECO and ALEXANDRIA shall conduct good faith negotiations for the purpose of reaching a mutually acceptable written agreement to replace the deleted provision(s) with provision(s) that will most nearly accomplish the purpose and intent of the deleted provision(s); provided, however, that the validity or enforceability of the remaining provisions of this Agreement shall not be affected by the invalidity or unenforceability of any other provision of this Agreement, and any provision determined to be invalid or unenforceable shall be deemed severed from the remainder of the Agreement.

9.9 Computation of Time

In computing any period of time prescribed or allowed by this Agreement (other than the beginning and ending dates of a billing month), the day of the act, event, or default from which the designated period of time begins to run shall not be included. The last day of the period so computed shall be included unless it is a Saturday, Sunday, or legal holiday, in which event the period shall run until the end of the next Business Day.

9.10 Limitation

This Agreement is not intended to and shall not create rights of any character whatsoever in favor of any person, corporation, association, or entity other than the Parties to this Agreement, and the obligations herein assumed are solely for the use and benefit of the Parties to this Agreement, their successors in interest, or assigns. EXCEPT AS SET FORTH HEREIN, THERE IS NO WARRANTY

OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, AND ANY AND ALL IMPLIED WARRANTIES ARE DISCLAIMED. THE PARTIES CONFIRM THAT THE EXPRESS REMEDIES AND MEASURES OF DAMAGES PROVIDED IN THIS AGREEMENT SATISFY THE ESSENTIAL PURPOSES HEREOF. FOR BREACH OF ANY PROVISION FOR WHICH AN EXPRESS REMEDY OR MEASURE OF DAMAGES IS PROVIDED, SUCH EXPRESS REMEDY OR MEASURE OF DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY, THE OBLIGOR'S LIABILITY SHALL BE LIMITED AS SET FORTH IN SUCH PROVISION AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. IF NO REMEDY OR MEASURE OF DAMAGES IS EXPRESSLY PROVIDED HEREIN, THE OBLIGOR'S LIABILITY SHALL BE LIMITED TO DIRECT ACTUAL DAMAGES ONLY. SUCH DIRECT ACTUAL DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. UNLESS EXPRESSLY HEREIN PROVIDED, NEITHER PARTY SHALL BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES, LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES, BY STATUTE, IN TORT OR CONTRACT, UNDER ANY INDEMNITY PROVISION OR OTHERWISE. IT IS THE INTENT OF THE PARTIES THAT THE LIMITATIONS HEREIN IMPOSED ON REMEDIES AND THE MEASURE OF DAMAGES BE WITHOUT REGARD TO THE CAUSE OR CAUSES RELATED THERETO, INCLUDING THE NEGLIGENCE OF ANY PARTY, WHETHER SUCH NEGLIGENCE BE SOLE, JOINT OR CONCURRENT, OR ACTIVE OR PASSIVE. TO THE EXTENT ANY DAMAGES REQUIRED TO BE PAID HEREUNDER ARE LIQUIDATED, THE PARTIES ACKNOWLEDGE THAT THE DAMAGES ARE DIFFICULT OR IMPOSSIBLE TO DETERMINE, OR OTHERWISE OBTAINING AN ADEQUATE REMEDY IS INCONVENIENT AND THE DAMAGES CALCULATED HEREUNDER CONSTITUTE A REASONABLE APPROXIMATION OF THE HARM OR LOSS.

9.11 Waivers

A waiver by a Party of a default by the other Party shall not be deemed a waiver of any other or subsequent default.

9.12 Changes in Rates, Charges, Terms, and Conditions

All rates, terms and conditions as specified in this Agreement shall remain in effect in accordance with their terms and shall not be subject to change through application by either Party to FERC pursuant to the provisions of Section 205 or 206 of the Federal Power Act. Absent the agreement of all Parties, the standard of review for changes to any Section, Exhibit, Schedule or attachment in this Agreement proposed by a non-party, or FERC acting *sua sponte*, shall be the most stringent standard permitted by law. The standard of review for any dispute regarding application, interpretation, or operation of this Agreement adjudicated before FERC shall be the public interest standard.

9.13 ALEXANDRIA's Right to Challenge.

Nothing in this Agreement, including the exhibits and schedules attached hereto, shall constitute or be construed as a waiver or limitation of the rights of ALEXANDRIA, under law, at equity, or under the terms of this Agreement, to challenge, pursuant to Section 9.15 of this Agreement, the consistency with, compliance with, and permissibility under this Agreement, including the lawfulness, of (i) any cost sought to be passed through or included in the charges produced by the terms of this Agreement, or (ii) the monthly charges produced under this Agreement. For the avoidance of doubt, ALEXANDRIA shall have the right to challenge pursuant to Section 9.15 all inputs to, calculations, and resulting levels of any charge or calculation affecting charges under this Agreement, including but not limited to (a) CLECO's Wholesale Fuel Cost and the Wholesale Fuel Cost Adjustment calculated pursuant to Exhibit A-1, and (b) CLECO's charge per kWh for environmental allowance costs (the "Environmental Charge" pursuant to Exhibit A). ALEXANDRIA shall not have the right to challenge the Facilities Charge Cost Model or the Heat Rate Cost Model or any charges specified and fixed thereunder, as specifically agreed pursuant to Exhibit A of this Agreement.

ALEXANDRIA's ability to exercise the legal and equitable rights to challenge set forth in this Section 9.13 and to obtain any remedy available at law or in equity shall not in any way be limited by the twelve (12) month challenge period for invoices set forth in Section 6.2, provided that any such challenge under this Section 9.13 by ALEXANDRIA shall be initiated no later than thirty-six (36) months after the month in which the disputed cost, calculation or charge was reflected in an invoice issued by CLECO under this Agreement. Alexandria's rights in this respect will survive the termination of this Agreement.

9.14 ALEXANDRIA's Right to Information

CLECO shall deliver to ALEXANDRIA, within thirty (30) days after CLECO's receipt thereof, the results of any Louisiana Public Service Commission (LPSC) audit, study or investigation of CLECO's fuel costs for a fuel year, provided that ALEXANDRIA executes the Confidentiality Agreement set forth in Schedule 9.14 of this Agreement with respect to any non-public information contained in such LPSC audit, study or investigation. ALEXANDRIA expressly acknowledges and agrees that the foregoing covenant shall not be construed as, nor used for, the purpose of establishing any standing or providing any rights of intervention in favor of ALEXANDRIA in any fuel audit or other proceeding conducted by the LPSC. ALEXANDRIA's rights to proceed against CLECO under this Agreement are fully and completely specified in Section 9.15(e) of this Agreement.

In order to review the charges produced under this Agreement, ALEXANDRIA shall be entitled to access to all documents and information in CLECO's possession reasonably necessary for ALEXANDRIA to evaluate any charges or payments, or any calculation affecting charges or payments, under this Agreement, such information to include, but not be limited to, the information to be provided each month by CLECO pursuant to Section 9.32 and Schedule 9.32; provided, however, that as to documents and information in CLECO's possession that relate to the Wholesale Fuel Cost Adjustment as described in Exhibit A-1, ALEXANDRIA shall be entitled to such documents and information only for the years for which ALEXANDRIA has elected the Facilities Charge Cost Model. If ALEXANDRIA requests information and data in addition to the foregoing documents and information, CLECO shall respond to such request within ten (10) Business Days (or such longer period as reasonably may be

required under the circumstances). CLECO shall be entitled to compensation for the actual cost of compiling and providing any additional information and data requested by ALEXANDRIA, provided that a dispute as to what constitutes the actual costs shall not delay the provision of the requested information within the required ten (10) business days to ALEXANDRIA (or such longer period as reasonably may be required under the circumstances).

To the extent that either party maintains that information to be provided under this Agreement is confidential, the Parties agree to abide by the terms of the Confidentiality Agreement attached hereto as Schedule 9.14.

Any documents, data or information required to be provided to ALEXANDRIA under this Section shall be sent to an outside counsel who is designated by ALEXANDRIA and subject to the Confidentiality Agreement attached hereto as Schedule 9.14.

9.15 Challenge Procedures

In the event that ALEXANDRIA invokes its right to challenge a charge under this Agreement, the Parties shall abide by the following procedures:

- a) In order to initiate a challenge under this Agreement, ALEXANDRIA shall provide CLECO with written notice that it is protesting the charge under this Agreement (“Challenge Notice”). ALEXANDRIA’s Challenge Notice shall provide the month(s) of charges subject to challenge, the basis for its challenge to the charge or charges and state, if feasible, the proposed adjustment to the charges.
- b) Upon receipt of ALEXANDRIA’s Challenge Notice, all payments made by ALEXANDRIA for such challenged charge or charges shall be paid to CLECO, subject to refund plus interest (calculated according to the Interest Rate specified herein) upon completion of a successful challenge.
- c) CLECO shall have thirty (30) days to provide a written response to ALEXANDRIA’s Challenge Notice either (i) agreeing to modify the charge or charges under challenge as requested in the Challenge Notice; or (ii) providing the basis for CLECO’s belief that the

challenged charge or the charges are accurate. A failure by CLECO to respond to a Challenge Notice within the thirty (30) day period will be deemed agreement by CLECO with the Challenge Notice and the requested change in charge or charges.

- d) In the event that CLECO disputes ALEXANDRIA's challenge, the Parties shall have thirty (30) days from ALEXANDRIA's receipt of CLECO's response disputing the challenge to negotiate in good faith to resolve the dispute.
- e) In the event the Parties do not resolve the dispute within thirty (30) days, ALEXANDRIA shall retain all legal rights it has to seek redress of the matter before FERC or the United States District Court for the Western District of Louisiana. Further, with respect to any and all other disputes under this Agreement, the Parties are limited to seeking redress of such disputes solely before FERC, the United States District Court for the Western District of Louisiana, and any appellate courts from which the decisions of those fora may be reviewed on petition or appeal.

9.16 Market-Based Rate

The Parties agree that CLECO's rates, terms, and conditions in this Agreement are market-based rates pursuant to CLECO's FERC-approved market-based-rates-tariff authority.

9.17 RTO Changes

Each Party covenants that, should an independent system operator or a regional transmission organization (collectively, "RTO") enact or implement any change in law, rule, regulation, tariff, or practice binding on either Party that materially and adversely affects such Party's ability to perform its obligations hereunder, the Parties shall negotiate in good faith an amendment hereto or take other appropriate action the effect of which is to restore each Party, as closely as practicable, to its position prior to such change. If, within ninety (90) days, the Parties are unable to agree on such amendment or such other appropriate action, each Party shall have the right to provide notice of its decision to terminate this Agreement upon one hundred eighty (180) days notice to the other Party. With respect to any implementation or formation of an RTO, the Parties specifically agree: (i) the formation of any RTO does

not affect the legality, enforceability, or binding nature of this Agreement; and (ii) the rights, responsibilities, and existing risk allocation as between the Parties hereunder prior to any RTO formation should be maintained to the extent feasible within the RTO structure.

9.18 Regulatory Liability

The Parties agree that neither Party, by virtue of the Agreement or any action taken pursuant to the Agreement, assumes any regulatory liability on behalf of the other Party under any federal, state, or local regulatory laws, ordinances, rules, or regulations, including but not limited to liability for compliance with any reporting or disclosure obligations and, or compliance with any obligations with respect to the other Party's reliability obligations.

9.19 NERC Regulation and Compliance

It is the intention of the Parties that their respective rights and responsibilities regarding NERC Reliability Standards shall be governed by a separate agreement to be entered into by the Parties. Accordingly, neither Party shall be required, pursuant to this Agreement, to perform or be responsible for any NERC Reliability Standards for or on behalf of the other Party.

9.20 Successors and Assigns

This Agreement shall be binding upon and inure to the benefit of the successors and assigns of the Parties hereto, but neither Party shall assign its interest in the Agreement in whole or in part without the prior written consent of the other Party, which agreement shall not unreasonably be withheld.

9.21 Rounding

Whenever the provisions of this Agreement require the use of kilowatts or kilowatt hours, the actual kilowatt or kilowatt-hour figure involved shall be adjusted by rounding upward to the next whole kilowatt or kilowatt-hour if the actual figure is 0.5 kilowatt or kilowatt-hour, or higher; or downward to the last whole kilowatt or kilowatt-hour if the actual figure is less than 0.5 kilowatt or kilowatt-hour.

9.22 Survivorship of Obligations

The termination or cancellation of this Agreement shall not discharge any Party from any obligation it owes to the other Party under this Agreement by reason of any transaction, loss, cost, damage, expense, or liability that shall occur or arise prior to or upon such termination. It is the intention of the Parties that any such obligation owed (whether the same shall be known or unknown as of the termination or cancellation of this Agreement) shall survive the termination or cancellation of this Agreement. The Parties also intend that the indemnification and limitation of liability provisions contained in Article VII and Article IX, respectively, shall remain operative and in full force and effect, regardless of any termination or cancellation of this Agreement, except with respect to actions or events occurring or arising after such termination or cancellation is effective.

9.23 Force Majeure

Neither Party shall be liable to the other Party for failure to perform its obligations under this Agreement, other than those requiring payment to be made, when such failure is attributable solely to force majeure. Force majeure shall mean any cause beyond the reasonable control of either Party, including, without limitation, flood, freeze, earthquake, hurricane, tornado, storm, fire, lightning, other acts of God, epidemic, war, acts of a public enemy, acts of terrorism, riot, civil disturbance or disobedience, strike, lockout, work stoppages, other industrial disturbance or dispute, labor or material shortage, sabotage, restraint by court order or other public authority, and action or non-action by, or failure or inability to obtain the necessary authorizations or approvals from, any governmental or regulatory agency or authority, which by the exercise of due diligence such Party could not reasonably have been expected to avoid and by exercise of due diligence it could not overcome. Nothing contained herein shall be construed so as to require the Parties to settle any strike, lockout, work stoppage or any industrial disturbance or dispute in which it may be involved, or to seek review of or take an appeal from any administrative or judicial action.

9.24 Termination and Release of Prior Agreements.

This Agreement and its attached exhibits constitute the entire agreement of the Parties with respect to the subject matter of the Agreement and supersede and novate all prior agreements, undertakings, and understandings, both written and oral, with respect to any and all wholesale sales by CLECO to ALEXANDRIA, including the subject matter of this Agreement. ALEXANDRIA and CLECO agree that the Prior Agreements and any and all other agreements or contracts of any kind or description whatsoever between them, whether in written or oral form, for the purchase and sale of electric capacity or energy or for any services related to electric capacity or energy, to the extent not previously terminated, are hereby terminated as of the Effective Date of this Agreement, without further notice, and that any notice of termination requirements therein are hereby waived.

9.25 Representations and Warranties

On the date of entering into this Agreement, each Party represents and warrants to the other Party that:

- (i) it is duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation;
- (ii) it has or will obtain prior to the Effective Date, all federal, state and local regulatory authorizations necessary for it to legally perform its obligations under this Agreement;
- (iii) the execution, delivery and performance of this Agreement is within its powers, has been duly authorized by all necessary action and does not violate any of the terms and conditions in its governing documents, any contracts to which it is a party or any law, rule, regulation, order or the like applicable to it;
- (iv) this Agreement constitutes its legally valid and binding obligation enforceable against it in accordance with its terms, subject to any equitable defenses;
- (v) it is not involved as a debtor in voluntary or involuntary bankruptcy proceedings under the United States Code, and there are no proceedings pending or being contemplated by it or, to its knowledge, threatened against it which would result in it being or becoming a debtor in voluntary or involuntary bankruptcy proceedings under the United States Code;
- (vi) there is no pending or, to its knowledge, threatened legal proceeding against it or any of its affiliates that could materially and adversely affect its ability to perform its obligations under this Agreement;
- (vii) no Event of Default with respect to it has occurred and is continuing, and no such event or circumstance would occur as a result of its entering into or performing its obligations under this Agreement;

(viii) it is acting for its own account, has made its own independent decision to enter into this Agreement and as to whether this Agreement is appropriate or proper for it based upon its own judgment, is not relying upon the advice or recommendations of the other Party in so doing, and is capable of assessing the merits of and understanding, and understands and accepts, the terms, conditions and risks of this Agreement; and

(ix) it has entered into this Agreement in connection with the conduct of its business, and it has the capacity or ability to make or take delivery of all capacity, energy and services referred to herein.

9.26 Title and Risk of Loss.

Title to and risk of loss related to the energy supplied as Energy Service by CLECO to ALEXANDRIA under this Agreement shall transfer from CLECO to ALEXANDRIA at the Point of Delivery. CLECO warrants that it will deliver to ALEXANDRIA Energy Service free and clear of all liens, security interests, claims and encumbrances or any interest therein or thereto by any person arising prior to the Point of Delivery.

9.27 Audit

CLECO and ALEXANDRIA shall maintain precise and distinguishable books and records in accordance with GAAP or other applicable sound accounting practices applied in a consistent manner with respect to all obligations under this Agreement. Either Party, by written notice to the other Party, may obtain access to the other Party's books and records by an independent auditor (following execution of a confidentiality agreement in form and substance attached as Schedule 9.28 to this Agreement) and conduct an independent audit of the other Party's compliance with this Agreement, it being understood and agreed that the party being audited shall cooperate with and facilitate said audit. The Party requesting the audit shall bear its own costs incurred by it for the audit.

9.28 Independent Parties

This is a contract between two utilities that are contracting independently with respect to the obligations to be performed under this Agreement. No provision of this Agreement shall be construed as creating any agency or other special relationship between the Parties other than that of independent, contracting parties.

9.29 Jointly Developed Agreement.

For purposes of construction and interpretation of this Agreement, the Parties stipulate and agree that this Agreement and all of its provisions have been negotiated and drafted through the joint efforts of both Parties. Accordingly, neither this Agreement nor any of its provisions shall be construed against either Party.

9.30 Additional Documents.

ALEXANDRIA and CLECO each agree that there may be more documents to be executed, even post closing of this transaction, and each Party agrees to use its best efforts to have those documents executed by a duly authorized representative as soon as practicable after they become aware of such a requirement.

9.31 Certification Requests.

If requested in writing by ALEXANDRIA, and ALEXANDRIA is not in default under this Agreement, CLECO shall promptly, but in no event more than thirty (30) days after such written request, provide ALEXANDRIA or its designee with written certification that ALEXANDRIA is not in default under this Agreement and that CLECO is not aware of any condition or event which, with the giving of notice or the passage of time may become an event of default for which ALEXANDRIA may be responsible.

9.32 Data to be Provided by CLECO

CLECO shall provide, monthly, to ALEXANDRIA, the information set forth in Schedule 9.32. CLECO shall not be required to provide the WR-1 Fuel Adjustment Calculation spreadsheet as updated each month, for the months during years for which ALEXANDRIA has elected the Heat Rate Cost Model.

9.33 Joint Owners Agreement.

The Parties agree that nothing contained in this Agreement is intended to affect, amend, alter or otherwise change the rights and obligations of CLECO contained in the Joint Owners Agreement.

9.34 Acknowledgement of Non-Guarantee

In the course of negotiating this Agreement, the parties exchanged certain information and analysis. The Parties acknowledge and agree that: (i) any such information and analysis did not constitute a guarantee or a warranty; (ii) any such information and analysis was only a forward-looking projection based on assumptions believed to be reasonable; (iii) each Party discussed and evaluated all information and analysis with its own expert consultant and did not rely on the other Party to satisfy itself as to the reasonableness of said information or analysis; and (iv) forecasts contained in any information and analysis may be higher or lower than estimated by either Party over the term of this Agreement based upon load, usage, actual market conditions, and other foreseeable and unforeseeable factors.

ARTICLE X

FINANCIAL ASSURANCES

10.1 Financial Information

Either Party may request from the other Party financial information reasonably necessary and available from such Party.

IN WITNESS WHEREOF, Cleco Power LLC, and the City of Alexandria have caused this Agreement to be executed in multiple copies in their names by their respective duly authorized officials as of the date and year first above written.

CLECO POWER LLC

By: _____
Dilek Samil
President and Chief Operating Officer

ATTEST:

CITY OF ALEXANDRIA

By: _____
Jacques Roy
Mayor of Alexandria

ATTEST:

EXHIBIT A

ALEXANDRIA MONTHLY CHARGES

I. Facilities Charge Cost Model shall include the following charges:

Facilities Charge	\$ 4.50 kW/Month multiplied by ALEX Peak
Variable O&M Charge	\$ 4.00/MWh for each MWh delivered
Fuel Charge	Cleco Power Wholesale Fuel Cost + (2.26 Mmbtu/MWh multiplied by the Fuel Index)
Environmental Charge	Equal to Cleco Power Retail per kWh charge

WHERE, "ALEX Peak" shall be the highest integrated hourly amount of Energy Service delivered to the Point of Delivery beginning Hour ending 01:00 the first day of the month and ending Hour ending 24:00 the last day of the month; and

"Fuel Index" shall be the gas index price for the first of the month as published in Platt's "Inside FERC's Gas Market Report" for Market Center Spot Gas Prices, South Louisiana, Henry Hub, for the applicable month.

II. Heat Rate Cost Model shall include the following charges:

Facilities Charge	\$ 2.50 kW/Month multiplied by ALEX Peak
Variable O&M Charge	\$ 5.00/MWh for each MWh delivered
Fuel Charge	8.76 Mmbtu/MWh multiplied by the Fuel Index
Environmental Charge	Equal to Cleco Power Retail per kWh charge

WHERE, "ALEX Peak" shall be the highest hourly amount of Energy Service delivered to the Point of Delivery beginning Hour ending 01:00 the first day of the month and ending Hour ending 24:00 the last day of the month; and

"Fuel Index" shall be the gas index price for the first of the month as published in Platt's "Inside FERC's Gas Market Report" for Market Center Spot Gas Prices, South Louisiana, Henry Hub, for the applicable month.

III. Scheduling Services charges:

\$10,000.00 per month.

EXHIBIT A-1

WHOLESALE FUEL COST ADJUSTMENT

(1) APPLICATION

This adjustment clause is applicable to the Facilities Charge Cost Model for Energy Service under this Agreement pursuant to Cleco Power LLC's Market Based Sales Tariff.

(2) FUEL COST ADJUSTMENT

This fuel cost adjustment clause provides a monthly adjustment per kWh of sales that adjusts for the cost of fuel used by CLECO in supplying electric service. The adjustment per kWh, rounded to the nearest \$0.00001, to be added to or deducted from the monthly bill shall be derived as follows:

$$\text{Adjustment Factor} = (F_m / S_m) \times (\text{Loss Factor}) \times (\text{Tax Factor}) \pm A \pm B$$

Where:

- (1) "F" is the total fuel cost to include CLECO's share of fossil and nuclear fuel consumed in owned or leased plants, total cost of economy purchases, and the identifiable fuel costs of other purchases less the cost of fossil and nuclear fuel recovered through all inter-system sales.
- (2) "S", in kWh, is the sum of generation, purchases, interchange-in, less inter-system sales, less total system losses.
- (3) "m" references the month prior to the billing month, which is the most recent historical month of operation for which historical information is available.
- (4) "Loss Factor" is the ratio of the specific wholesale rate class loss factor to the system loss factor.
- (5) "Tax Factor" is to allow the recovery of revenue based on tax charges caused by the fuel adjustment revenues.
- (6) "A" is an adjustment per kWh to correct for the cumulative variance in fuel expense versus fuel recovery as of the end of the last prior historical month of operation. This value is determined by dividing the cumulative over- recovery or under-recovery of wholesale fuel costs as of the end of the last prior historical month of operation by the total wholesale kWh sales for the last prior twelve months ended historical operations. Over-recovery adjustments will be subtractions while under-recovery adjustment will be additions.
- (7) "B" is an adjustment per kWh to correct for the cumulative variance in fuel expense versus fuel recovery as of the end of the last prior historical month of operation. This value is determined by multiplying the cumulative over- recovery or under-recovery of wholesale fuel costs as of the end of the last prior historical month of operation by the prime bank lending rate as published in the Wall Street Journal on the last business day of the month, divided by 12 then, divided by "S_m". Over-recovery adjustments will be subtractions while under-recovery adjustment will be additions.

EXHIBIT B

**DESCRIPTION OF D.G. HUNTER
GENERATING STATION**

I. Hunter shall mean all the generating units owned by ALEXANDRIA located at ALEXANDRIA's D.G. Hunter Generating Station, Alexandria, Louisiana.

II. Hunter generation nameplate information:

A.	Unit 1:	non-operational
B.	Unit 2:	non-operational
C.	Unit 3:	55,000 kW
D.	Unit 4:	85,000 kW
	Total:	140,000 kW

SCHEDULE 2.2

REQUIRED AGREEMENTS, CONSENTS, AND OTHER ITEMS

1. CLECO and ALEXANDRIA have entered into a revised Interconnection Agreement, or if all other conditions in this Schedule 2.4 have been completed and a revised Interconnection Agreement has not been executed, the unexecuted revised Interconnection Agreement has been filed at FERC.
2. ALEXANDRIA and CLECO's Transmission Operations division have entered into a Network Integration Transmission Service Agreement and the Network Operating Agreement for CLECO NITS for the Primary Term.
3. ALEXANDRIA and CLECO have entered into an agreement separate and apart from this Agreement regarding their respective obligations under the NERC Reliability Standards.

SCHEDULE 6.1

FORM OF MONTHLY INVOICE

Cleco Power LLC P. O. Box 69000 Alexandria, Louisiana 71306-9000	
SAMPLE BILL	
City of Alexandria Alexandria, Louisiana	FOR PERIOD: From: January 1, 2010 To: February 1, 2010
Alexandria Monthly Peak	<u>65,000</u> KW
Total kWh	<u>10,000,000</u> kWh
Henry Hub First of the Month Natural Ga:	<u>\$5.12</u>
Facilities Charge Cost Model	
Facilities Charge	65,000 KW AT <u>\$4.50</u> PER KW =\$ <u>\$292,500.00</u>
Variable O & M Charge	10,000,000 KWH AT \$ 0.004 PER KWH =\$ <u>\$ 40,000.00</u>
Fuel Charge	Wholesale Fuel Cost Adjustment <u>\$0.03700</u> PER KWH (2.26mmBTU x \$5.12)/1000 kWh <u>\$0.01157</u> PER KWH <u>\$0.04857</u> PER KWH
	10,000,000 KWH AT <u>\$0.04857</u> PER KWH =\$ <u>\$ 485,712.00</u>
	Sub Total <u>\$818,212.00</u>
OR	
Heat Rate Cost Model	
Facilities Charge	65,000 KW AT \$ - PER KW =\$ \$ -
Variable O & M Charge	10,000,000 KWH AT \$ - PER KWH =\$ \$ -
Fuel Charge	(8.76mmBTU x \$5.12)/1000 kWh <u>\$0.04485</u> PER KWH
	10,000,000 KWH AT <u>\$0.00000</u> PER KWH =\$ <u>\$ -</u>
	Sub Total <u>\$ -</u>
PLUS	
Entergy Transmission Expense (SWPA Transmission)	<u>\$ -</u>
Scheduling Services	<u>\$ 10,000.00</u>
Annual Incentive Credit	<u>\$ -</u>
	Total <u>\$828,212.00</u>

SCHEDULE 9.14

FORM OF CONFIDENTIALITY AGREEMENT

This is a cover page; the document is attached hereto.

CONFIDENTIALITY AGREEMENT

BETWEEN

CLECO POWER, LLC

AND

CITY OF ALEXANDRIA, LOUISIANA

1. This Confidentiality Agreement shall govern the use of all Protected Materials produced by, or on behalf of, any Party to the Agreement for Wholesale Electric Energy Service between Cleco Power, LLC and the City of Alexandria, Louisiana dated [DATE] (“Energy Agreement”). Notwithstanding the termination of the Energy Agreement, this Confidentiality Agreement shall remain in effect until specifically modified or terminated by mutual agreement of the Parties.
2. This Confidentiality Agreement applies to: (A) all materials a Party may designate as protected which customarily are treated by that Party as sensitive or proprietary, which are not available to the public, and which, if disclosed freely, would subject that Party or its customers to a risk of competitive disadvantage or other business injury; and (B) materials designated as protected by a Party which contain critical energy infrastructure information, as defined in 10 C.F.R. § 388.113(c)(1) (“Critical Energy Infrastructure Information”).
3. Definitions -- For purposes of this Confidentiality Agreement:
 - (a) The term “Party” shall mean Cleco Power, LLC (“Cleco”) and the City of Alexandria, Louisiana (“City” or “Alexandria”), and their respective successors and assigns in accordance with section 9.20 of the Energy Agreement.
 - (b) (1) The term "Protected Materials" means (A) materials which are made subject to this Confidentiality Agreement by order of the United States District Court for the Western District of Louisiana, Alexandria Division, or by agreement of the Parties; (B) notes of Protected Materials; and (C) copies of Protected Materials. The Parties agree that materials produced by Cleco pursuant to the terms of the Energy Agreement that are designated and marked by Cleco as “Protected Materials” shall be Protected Materials under this Confidentiality Agreement. The Party producing the Protected Materials shall physically mark them on each page as "PROTECTED MATERIALS" or with words of similar import as long as the term "Protected Materials" is included in that designation to indicate that they are Protected Materials. If the Protected Materials contain Critical Energy Infrastructure Information, the Party producing such information shall additionally mark on each page containing such information the words “Contains Critical Energy Infrastructure Information – Do Not Release.”
 - (2) The term "Notes of Protected Materials" means memoranda, handwritten notes, or any other form of information (including electronic form) which copies or discloses materials described in Paragraph 3(b)(1). Notes of Protected Materials are subject to the same

restrictions provided in this order for Protected Materials except as specifically provided in this order.

(3) Protected Materials shall not include (A) any information or document contained in the files of any federal or state agency, or any federal or state court, unless the information or document has been determined to be protected by such agency or court, or (B) information that is public knowledge, or which becomes public knowledge, other than through disclosure in violation of this Confidentiality Agreement.

(c) The term "Non-Disclosure Certificate" shall mean the certificate attached hereto by which any person who has been granted access to Protected Materials shall certify their understanding that such access to Protected Materials is provided pursuant to the terms and restrictions of this Confidentiality Agreement and that such persons have read the Confidentiality Agreement and agree to be bound by it.

(d) The term "Reviewing Representative" shall mean a person who has signed a Non-Disclosure Certificate and who is:

- (1) an attorney who has been retained by any Party;
- (2) attorneys, paralegals, and other employees associated with an attorney described in Subparagraph (1);
- (3) an expert or an employee of an expert retained by a Party for the purpose of advising a Party with respect to its rights or the materials provided under the Energy Agreement;
- (4) a person designated as a Reviewing Representative by order of the United States District Court for the Western District of Louisiana, Alexandria Division, any federal or state agency, or
- (5) employees or other representatives of the Parties with significant responsibility for the administration of the Energy Agreement.

4. Protected Materials shall be made available under the terms of this Confidentiality Agreement only to Parties and only through their Reviewing Representatives as provided in Paragraphs 7-9; provided, however, that any Protected Materials of CLECO that are provided to Alexandria shall be provided to an outside counsel who is designated by Alexandria and subject to the terms of this Confidentiality Agreement and shall not be provided to Alexandria directly without the prior written consent of Cleco.

5. Protected Materials shall remain available to Parties until sixty (60) months after the expiration of the Energy Agreement. If requested to do so in writing after that date, the Parties shall, within fifteen days of such request, return the Protected Materials (excluding Notes of Protected Materials) to the Party that produced them, or shall destroy the materials, except that copies of filings with courts or agencies, official transcripts and exhibits in any proceeding arising out of or with respect to a dispute under the Energy Agreement that contain Protected Materials, and Notes of Protected Material may be retained, if they are maintained in accordance with Paragraph 6, below. Within such time period each Party, if requested to do so, shall also submit to the producing Party an affidavit stating that, to the best of its knowledge, all Protected Materials and all Notes of Protected Materials have been returned or have been destroyed or will be maintained in accordance with Paragraph 6. To the extent Protected Materials are not returned or destroyed, they shall remain subject to the Confidentiality Agreement.

6. All Protected Materials shall be maintained by the Party in a secure place not open to the public. Access to those materials shall be limited to those Reviewing Representatives specifically authorized pursuant to Paragraphs 8-9.

7. Protected Materials shall be treated as confidential by each Party and by the Reviewing Representative in accordance with the certificate executed pursuant to Paragraph 9. Protected Materials shall not be used except as necessary for the administration of the Energy Agreement and the resolution before any court or agency of dispute(s) arising under or with respect to the Energy Agreement, nor shall they be disclosed in any manner to any person except a Reviewing Representative who needs to know the information in order to carry out that person's responsibilities with respect to the Energy Agreement, or in accordance with the requirements of Sections 12-15 of this Confidentiality Agreement. Reviewing Representatives may make copies of Protected Materials, but such copies become Protected Materials. Reviewing Representatives may make notes of Protected Materials, which shall be treated as Notes of Protected Materials if they disclose the contents of Protected Materials.

8. (a) If a Reviewing Representative's scope of employment includes the marketing of energy, the direct supervision of any employee or employees whose duties include the marketing of energy, the provision of consulting services to any person whose duties include the marketing of energy, or the direct supervision of any employee or employees whose duties include the marketing of energy, such Reviewing Representative may not use information contained in any Protected Materials obtained through this proceeding to give any Party or any competitor of any Party a commercial advantage.

(b) In the event that a Party wishes to designate as a Reviewing Representative a person not described in Paragraph 3(d) above, the Party shall seek agreement from the Party providing the Protected Materials. If an agreement is reached, that person shall be a Reviewing Representative pursuant to Paragraphs 3(d) above with respect to those materials. If no agreement is reached, the Party shall submit the disputed designation to the United States District Court for the Western District of Louisiana, Alexandria Division for resolution.

9. (a) A Reviewing Representative shall not be permitted to inspect, participate in discussions regarding, or otherwise be permitted access to Protected Materials pursuant to this Confidentiality Agreement unless that Reviewing Representative has first executed a Non-Disclosure Certificate; provided, that if an attorney qualified as a Reviewing Representative has executed such a certificate, the paralegals, secretarial and clerical personnel under the attorney's instruction, supervision or control need not do so. A copy of each Non-Disclosure Certificate shall be provided to counsel for the Party asserting confidentiality prior to disclosure of any Protected Material to that Reviewing Representative.

(b) Attorneys qualified as Reviewing Representatives are responsible for ensuring that persons under their supervision or control comply with this order.

10. Any Reviewing Representative may disclose Protected Materials to any other Reviewing Representative as long as the disclosing Reviewing Representative and the receiving Reviewing

Representative both have executed a Non-Disclosure Certificate. In the event that any Reviewing Representative to whom the Protected Materials are disclosed ceases to be engaged in the administration of the Energy Agreement, or is employed or retained for a position whose occupant is not qualified to be a Reviewing Representative under Paragraph 3(d), access to Protected Materials by that person shall be terminated. Even if no longer engaged in the administration of the Energy Agreement, every person who has executed a Non-Disclosure Certificate shall continue to be bound by the provisions of this Confidentiality Agreement and the certification.

11. Subject to Paragraph 15, the United States District Court for the Western District of Louisiana, Alexandria Division shall resolve any disputes arising under this Confidentiality Agreement. Prior to presenting any dispute under this Confidentiality Agreement to the United States District Court for the Western District of Louisiana, Alexandria Division, the Parties shall use their best efforts to resolve it. Any Party that contests the designation of materials as protected shall notify the Party that provided the Protected Materials by specifying in writing the materials the designation of which is contested. This Confidentiality Agreement shall automatically cease to apply to such materials thirty (30) business days after the notification is made unless the designator, within said 30-day period, files a motion with the United States District Court for the Western District of Louisiana, Alexandria Division, with supporting affidavits, demonstrating that the materials should continue to be protected. In any challenge to the designation of materials as protected, the burden of proof shall be on the participant seeking protection. If the United States District Court for the Western District of Louisiana, Alexandria Division, finds that the materials at issue are not entitled to protection, the procedures of Paragraph 15 shall apply.

12. All copies of all documents reflecting Protected Materials filed with any judicial or administrative body, including the portion of any hearing testimony, exhibits, transcripts, briefs and other documents which refer to Protected Materials, shall be filed under seal and served in sealed envelopes or other appropriate containers endorsed to the effect that they are sealed pursuant to this Confidentiality Agreement. Such documents shall be marked "PROTECTED MATERIALS" and shall be filed under seal.

13. Nothing in this Confidentiality Agreement shall be construed as precluding any Party from objecting on any legal or evidentiary grounds to the use of Protected Materials in a judicial or administrative action.

14. All Protected Materials filed with any judicial or administrative body, in support of, or as a part of, a motion, other pleading, brief, or other document, shall be filed under seal and served in sealed envelopes or other appropriate containers bearing prominent markings indicating that the contents include Protected Materials subject to this Confidentiality Agreement.

15. If any judicial or administrative body finds at any time that all or part of the Protected Materials need not be protected, those materials shall, nevertheless, be subject to the protection afforded by this Confidentiality Agreement for ten (10) business days from the date of issuance of the judicial or administrative body determination, and, if the Party seeking protection files an interlocutory appeal or requests that the issue be certified to or reviewed by a court of appeal, for

an additional thirty (30) business days or in accordance with a court-issued stay, whichever period is longer. None of the Participants waives its rights to seek additional administrative or judicial remedies after a court or agency decision respecting Protected Materials or Reviewing Representatives, or the denial of any appeal thereof.

16. In the event that a court or agency shall impose different requirements with respect to the filing, service, and use of Protected Materials before such forum, the court or agency requirements shall control, provided that neither Party shall seek before such court or agency a condition(s) inconsistent with the requirements of this Confidentiality Agreement.

17. The Parties recognize that this Confidentiality Agreement is being entered as part of an order by the United States District Court for the Western District of Louisiana, Alexandria Division, and that any violation of this Confidentiality Agreement shall be deemed a violation of that order.

Executed this ___ day of _____, _____

CLECO POWER LLC

By: _____
Name: _____
Title: _____

ATTEST:

CITY OF ALEXANDRIA

By: _____
Name: _____
Mayor of Alexandria

ATTEST:

NON-DISCLOSURE CERTIFICATE

I hereby certify my understanding that access to Protected Materials is provided to me pursuant to the terms and restrictions of the Confidentiality Agreement in this proceeding, that I have been given a copy of and have read the Confidentiality Agreement, and that I agree to be bound by it. I understand that the contents of the Protected Materials, any notes or other memoranda, or any other form of information that copies or discloses Protected Materials shall not be disclosed to anyone other than in accordance with that Confidentiality Agreement. I acknowledge that a violation of this certificate constitutes a violation of an order of the United States District Court for the Western District of Louisiana, Alexandria Division.

By: _____

Title: _____

Representing: _____

Date: _____

SCHEDULE 9.24

PRIOR AGREEMENTS

1. Services Agreement by and between ALEXANDRIA and CLECO dated as of May 19, 2003, as amended.
2. EEI Master Power Purchase & Sale Agreement between the Parties effective as of May 19, 2003.
3. All agreements and schedules for services pursuant to the Electric System Interconnection Agreement effective May 13, 1986, between the Parties, including, but not limited to:
 - (i) Form of Service Agreement for Sale of Power and/or Energy, by and between Cleco Corporation and the City of Alexandria, July 15, 1998;
 - (ii) Exhibit C, Service Schedule SEE (Schedule C), Special Economy Energy, July 15, 1998;
 - (iii) Rate Schedule SEE-1 to Service Schedule SEE, July 15, 1998
 - (iv) Exhibit C, Service Schedule RS (Schedule D), Regulation Service, September 7, 1993;
 - (v) Exhibit C, Service Schedule OR (Schedule E), Operating Reserves, September 7, 1993;
 - (vi) Exhibit C, Service Schedule ES, Emergency Power and Energy Service, September 2, 1986; and
 - (vii) Exhibit C, Service Schedule B, Emergency Power and Energy Service.
4. Electric System Interconnection Agreement effective May 13, 1986 between the Parties, if and only if, the Parties have entered into a revised, restated or new agreement for interconnection.
5. City of Alexandria Power and Energy Sales Tariff with Cleco Corporation, July 15, 1998.
6. Service Agreement for Sale of Power and/or Energy, by and between Cleco Corporation and the City of Alexandria, July 15, 1998.
7. Agreement for the Sale of Electric Capacity Reserves and Ancillary Services between Central Louisiana Electric Company, Inc. and the City of Alexandria, Louisiana, FERC Docket No. ER-94-37.
8. Letter Agreement dated August 24, 1993, for Operating Reserves FERC Docket No. ER-94-37.
9. Amendment to Contract for the Sale of Special Energy between Central Louisiana Electric Company, Inc. and the City of Alexandria, January 2, 1992, FERC Docket No. ER 92-287.

10. Contract for the Sale of Special Energy by Central Louisiana Electric Company, Inc. to the City of Alexandria, Louisiana, January 1, 1989, FERC Docket No. ER 92-97.
11. Contract for the Sale of Special Energy by Central Louisiana Electric Company, Inc. to the City of Alexandria, Louisiana, June 1, 1987.
12. Contract for the Sale of Replacement Energy by Central Louisiana Electric Company, Inc. to the City of Alexandria, Louisiana, January 30, 1986.

SCHEDULE 9.27

FORM OF CONFIDENTIALITY AGREEMENT - AUDIT

This is a cover page; the document is attached hereto.

CONFIDENTIALITY AGREEMENT

THIS CONFIDENTIALITY AGREEMENT (this "Agreement"), dated as of _____, is by and among Cleco Power LLC ("CLECO"), a Louisiana limited liability company, the City of Alexandria, Louisiana ("CUSTOMER"), and _____ ("AUDITOR"), a (State) (corporation or limited liability company). CLECO, CUSTOMER, and AUDITOR are collectively referred to herein as the "Parties."

WHEREAS, in accordance with Section 9.27 of that certain Agreement for Wholesale Electric Energy Service between Cleco Power LLC and the City of Alexandria, Louisiana (the "ENERGY AGREEMENT"), AUDITOR has been engaged by CUSTOMER to audit the books and records of CLECO that relate to obligations under that ENERGY AGREEMENT.

WHEREAS, in accordance with Section 9.27 of the ENERGY AGREEMENT, CLECO accepts AUDITOR as possessing the qualifications and experience that are reasonably required of an independent auditor; provided, however, that this acceptance shall not be construed to extend to any analyses, findings, or conclusions of the AUDITOR.

WHEREAS, the audit will require CLECO, CUSTOMER, and AUDITOR to disclose or exchange certain information, and it is a condition to the disclosure of such information that the Parties enter into this Agreement to evidence the Parties' undertakings and agreement with respect to the treatment as confidential, and the control and use of, any information that may be furnished to the Parties.

NOW, THEREFORE, in consideration of the foregoing premises, the mutual covenants contained herein, and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Parties hereby agree as follows:

1. Defined Terms. As used in this Agreement, each of the following terms shall have the meaning assigned to such term as set forth below:

1.1. "Affiliate" means any Person that directly or indirectly (through one or more intermediaries) controls or is controlled by or is under common control with the relevant Person specified herein.

1.2. "Confidential Information" means (a) all information, whether of a business, financial, technical, engineering, economic or other nature and regardless of the form in which it is communicated or maintained, relating to a party to this Agreement (the "Disclosing Party"), its Affiliates, and/or the ENERGY AGREEMENT Obligations that is provided to another party (the "Receiving Party") or any of its Representatives by the Disclosing Party or any of its Representatives, (b) all sketches, drawings, reports, analyses, data, compilations, studies and notes containing or reflecting Confidential Information, regardless of who prepares such materials, and (c) the fact that the Confidential Information has been made available to or is being inspected or evaluated by the Receiving Party, except that Confidential Information shall not include:

- (i) information that was already in the Receiving Party's or its Affiliates' possession on a non-confidential basis prior to disclosure hereunder;

- (ii) information that prior to disclosure was already in the public domain, or that after disclosure entered the public domain other than by a breach of this Agreement by the Receiving Party or any of its Representatives; and
- (iii) information that was received from a third party that the Receiving Party reasonably believes was not and is not violating an obligation of confidentiality to the Disclosing Party or its Affiliates; provided that use or disclosure by the Receiving Party of information which the Receiving Party obtains in the manner described by this Section 1.2(iii) does not violate any of the terms under which it was disclosed by said third party.

1.3. "Person" means any natural person, governmental body, corporation, company, partnership, limited liability company, joint venture, trust, organization, association, sole proprietorship or other entity.

1.4. "ENERGY AGREEMENT Obligations" means the terms and obligations of the ENERGY AGREEMENT and the transactions and data that relate directly to the fulfillment and performance of those terms and obligations.

1.5. "Representatives" means the directors, officers, officials, employees, partners, managers, agents, representatives, advisors, consultants, contractors, credit evaluators, potential lenders, potential investors, and Affiliates of the Person specified.

2. Restrictions on Disclosure and Use of Confidential Information.

2.1. The Receiving Party agrees to, and to cause its Representatives to, treat all Confidential Information as confidential and secret and comply with the terms and conditions contained herein. The Receiving Party shall not, and shall not permit its Representatives to, disclose Confidential Information to any Person (except as set forth in this Section 2), without the prior written consent of the Disclosing Party.

2.2. Without the prior written consent of the Disclosing Party, the Receiving Party shall not, and shall not permit its Representatives to, make any use whatsoever of the Confidential Information other than as may be necessary for the purpose referenced above in connection with the audit. Without limiting the generality of the foregoing, the Receiving Party shall not, and shall not permit its Representatives to, use the Confidential Information to compete (or assist others to compete) with the Disclosing Party or any of its Affiliates or use the Confidential Information in any other way detrimental to the Disclosing Party or any of its Affiliates.

2.3. Except as set forth in Section 2.4, the Receiving Party shall only disclose Confidential Information to those of its Representatives or other Persons that are concerned with the ENERGY AGREEMENT Obligations and whose knowledge of such Confidential Information is necessary or advisable for the purpose of the audit. Each such Person receiving Confidential Information from the Receiving Party shall have the same obligations with respect to such Confidential Information as the Receiving Party hereunder, and the Receiving Party shall so instruct each such Person receiving Confidential Information and shall use all reasonable efforts to prevent and prosecute unauthorized use or disclosure of Confidential Information by such Persons. The

Receiving Party shall be liable to the Disclosing Party for any breach of such obligations by any such Person(s).

2.4. If the Receiving Party or any of its Representatives is requested or required (by deposition, interrogatories, requests for information or documents in legal proceedings, subpoenas or similar process) in connection with any proceeding to disclose or otherwise becomes legally compelled to disclose any Confidential Information, the Receiving Party shall provide the Disclosing Party with prompt written notice and reasonable assistance (subject to reimbursement by the Disclosing Party of all reasonable and out-of-pocket expenses incurred by the Receiving Party in providing such assistance) so as to enable the Disclosing Party to seek a protective order or other appropriate remedy or waive compliance with this Agreement. If such a protective order or other remedy is not obtained, or if the Disclosing Party waives compliance with this Agreement, the Receiving Party (or such other Persons to whom such request is directed) may disclose Confidential Information, but only such Confidential Information as it is legally required to disclose to avoid contempt or other penalty in the reasonable opinion of counsel to the Receiving Party, and the Receiving Party shall exercise reasonable efforts to obtain reliable assurance that confidential treatment will be accorded such Confidential Information upon disclosure.

2.5. Any Confidential Information of CLECO that is provided to CUSTOMER during the audit shall be provided to an outside counsel who is designated by CUSTOMER and subject to the terms of this Agreement and shall not be provided to CUSTOMER directly without the prior written consent of CLECO.

3. Safekeeping and Return of Confidential Information.

3.1. The Receiving Party shall take all reasonable steps to prevent the unauthorized use, distribution, or reproduction of all copies of written materials relating to or containing any part of Confidential Information, including all sketches, drawings, reports, data, analyses, compilations, studies and notes, and all copies, reproductions, reprints and translations thereof. The Receiving Party shall not, and shall not permit its Representatives to, directly or indirectly, duplicate or otherwise reproduce, in whole or in part, such Confidential Information in any manner inconsistent with the terms hereof.

3.2. At the conclusion of the audit under Section 9.27 of the ENERGY AGREEMENT, the Receiving Party shall return to the Disclosing Party, within ten (10) days after receipt of such a request by the Disclosing Party, all materials containing or reflecting Confidential Information that are in the possession of the Receiving Party and its Representatives, without retaining copies. Notwithstanding the foregoing, Receiving Party may retain such materials to the extent required by applicable law in the reasonable opinion of counsel to the Receiving Party and may also retain reports, analyses, compilations, studies, notes or other documents or records prepared by the Receiving Party which contain or otherwise reflect or are generated from Confidential Information, provided, however, Receiving Party shall keep all such copies confidential in accordance with this Agreement and such obligation shall survive the termination of this Agreement. Notwithstanding the return of such materials, the Receiving Party and its Representatives shall continue to be bound by the obligations of confidentiality and other obligations hereunder.

4. Notice. All notices, requests, consents, waivers and other communications required, permitted or desired to be given hereunder or by law to be served upon or given to a party by any other party shall be deemed duly served and given when received after being delivered by hand, courier, or facsimile or sent by registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

If to: CLECO
Cleco Power LLC
2030 Donahue Ferry Road
Pineville, Louisiana 71360
Attention: General Counsel
Telephone: (318) 484-7400
Fax: (318) 484-7685

If to: CUSTOMER
City of Alexandria
P.O. Box 71
Alexandria, Louisiana 71309
915 Third Street
Alexandria, Louisiana 71301
Attention: City Attorney
Telephone: (318) 449-5015
Fax: (318) 449-5019

If to: AUDITOR
(Name of Company)
(Address)

(Attention: _____)
(Telephone: _____)
(Fax: _____)

Each party may change its address for the purpose of this section by giving written notice of such change to the other parties in the manner provided in this section.

5. Term. This Agreement and the obligations of confidentiality undertaken hereby shall remain in full force and effect for a period from the date of this Agreement until the end of five (5) years after the date of this Agreement.

6. Consequential Damages. No party shall be liable in any action initiated by one against the other for special, indirect, or consequential damages resulting from or arising out of this Agreement, including, without limitation, loss of profit or business interruptions, however same may be caused.

7. No Waiver; Amendments. No failure or delay by the Disclosing Party in exercising any right, power, or privilege hereunder shall operate as a waiver thereof, nor shall any single or

partial exercise thereof preclude any other or further exercise thereof or the exercise of any right, power, or privilege hereunder. Any modification of and amendment to this Agreement and any waiver of any provision of this Agreement must be in writing signed by the Parties.

8. Governing Law; Jurisdiction. This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Louisiana, without reference to the conflict of laws or principles thereof.

9. Severability. If any provision of this Agreement is held to be illegal, invalid, or unenforceable under present or future laws, such provision shall be fully severable and this Agreement shall be construed and enforced as if such illegal, invalid, or unenforceable provision had never comprised a part of this Agreement, and the remaining provisions of this Agreement shall remain in full force and effect and shall not be affected by the illegal, invalid, or unenforceable provision or by its severance from this Agreement. Furthermore, in lieu of such illegal, invalid, or unenforceable provision, there shall be added automatically as a part of this Agreement a provision as similar in its terms to such illegal, invalid, or unenforceable provision as may be possible and be legal, valid, and enforceable.

10. Remedies. It is agreed that Parties shall be entitled to relief both at law and in equity, including, but not limited to, injunctive relief and specific performance, in the event of any breach or anticipated breach of this Agreement, without proof of any actual or special damages. The Parties agree that an impending or existing violation of any provision of this Agreement would cause Disclosing Party irreparable injury for which there would be no adequate remedy at law, and that Disclosing Party will be entitled to seek immediate injunctive relief prohibiting such violation without the posting of bond or other security, in addition to any other rights and remedies available. The Receiving Party agrees to pay the costs and expenses (including reasonable attorneys' fees and expenses) incurred by Disclosing Party in successfully enforcing any of the terms of this Agreement or proving that the Receiving Party or any of its Representatives breached any of the terms of this Agreement.

11. Successors and Assigns. No party may assign this Agreement or any of its rights hereunder except with the prior written consent of the other parties, which consent shall not be unreasonably withheld, conditioned, or delayed; provided, however, that CLECO shall be entitled to withhold consent to any assignment that would be inconsistent with CLECO's rights under Section 9.27 of the ENERGY AGREEMENT. This Agreement shall be binding upon and inure to the benefit of the successors and permitted assigns of the Parties.

12. Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument. Any executed counterpart transmitted by facsimile or similar transmission by any party shall be deemed an original and shall be binding upon such party.

13. No Warranty. The Parties hereby acknowledge that no party, nor any of its representatives, agents, affiliates or assigns makes any representations or warranties whatsoever concerning the accuracy, completeness, or correctness of the Confidential Information supplied hereunder, nor may such representation or warranty be implied.

14. Entire Agreement. This Agreement represents the entire agreement among the Parties with respect to the subject matter hereof and supersedes all prior agreements, whether oral or written.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first written above.

Cleco Power LLC

City of Alexandria, Louisiana

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date Signed: _____

Date Signed: _____

(Name of Independent Auditor)

By: _____

Name: _____

Title: _____

Date Signed: _____

SCHEDULE 9.32

MONTHLY DATA AND INFORMATION TO ALEXANDRIA

CLECO will provide each month the WR-1 Fuel Adjustment Calculation in the following format:

Wholesale Fuel Adjustment Calculation

**Data Based on Operating Month of
Applied to Bills for Month of**

MEGAWATT HOURS	
TOTAL SYSTEM GENERATION (net fossil fuel generation)	
LESS TIME OF USE	
LESS FIXED PRICE CONTRACT (LINE 7)	
PURCHASES (INTERCHANGE IN)	
DELIVERIES (INTERCHANGE OUT)	_____
NET INTERNAL SYSTEM REQUIREMENTS (without TOU)	_____
DEDUCT SYSTEM LOSSES (losses change monthly)	_____
	ADJUSTED SYSTEM SALES

\$ FUEL COST	
TOTAL SYSTEM GENERATION (Fuel used)	
LESS TIME OF USE	
LESS FIXED PRICE CONTRACT (LINE 25)	
PURCHASES (INTERCHANGE IN)	
DELIVERIES (INTERCHANGE OUT)	

NET INTERNAL SYSTEM REQUIREMENTS	_____

\$ FUEL COST PER KWH	
TOTAL SYSTEM GENERATION	
PURCHASES (INTERCHANGE IN)	
DELIVERIES (INTERCHANGE OUT)	
TIME OF USE	
NET INTERNAL SYSTEM REQUIREMENTS	
	LOSS ADJUSTED SYSTEM SALE

ADJUST TO WHOLESALE LOSSES (losses change monthly)	
True up Adjustment (see below)	_____

Wholesale FCA Factor

True up Computation - Wholesale:	
<u>Monthly Fuel Cost</u>	
Beginning (Over)/Under	
Monthly Fuel Adj. Expense (Should have been collected)	
Monthly Fuel Adj. Revenue (Actually Collected)	
Monthly (Over)/Under	
Ending (Over)/Under	
<u>Public Utilities (WR-1) Billed KWH - Curr Mo.</u>	
Current Month (from Market basis rpt.) Secondary	
Transmission WR-1	
12 M.E. KWH Sales	
True Up Adjustment "A"	