

ELECTRIC SYSTEM INTERCONNECTION AGREEMENT
Between
CLECO POWER LLC
and
THE CITY OF ALEXANDRIA, LOUISIANA

ELECTRIC SYSTEM INTERCONNECTION AGREEMENT

**Between
CLECO POWER LLC**

and

THE CITY OF ALEXANDRIA, LOUISIANA

This agreement (hereinafter Agreement) made and entered into the ____ day of _____, 2010 by and between CLECO POWER LLC, a limited liability company organized under the laws of the State of Louisiana, successor-in-interest to Central Louisiana Electric Company, Inc., hereinafter referred to as "Company", and the CITY OF ALEXANDRIA, LOUISIANA, a municipal corporation organized under the laws of the State of Louisiana, and hereinafter referred to as "City". Company and City, being sometimes hereinafter referred to individually as "Party" or collectively as "Parties".

WITNESSETH

WHEREAS, Company owns and operates an electric utility system comprised of electric generating facilities, transmission facilities and distribution facilities which are operated interconnected throughout Louisiana; and

WHEREAS, the City owns and operates an electric utility system comprised of electric generating facilities, transmission facilities and distribution facilities which are operated to supply the retail customers of the City; and

WHEREAS, the electric utility systems of the Parties are interconnected at certain transmission facilities of the Parties; and

WHEREAS, the Parties previously entered into the Electric System Interconnection Agreement Between Central Louisiana Electric Company, Inc. and The City of Alexandria, Louisiana (effective May 13, 1986) ("Terminated Agreement"), which agreement was noticed for termination by Company on August 31, 2009 and shall be terminated contemporaneously with the Effective Date of this Agreement; and

WHEREAS, the Parties desire that each Party continue to provide and maintain certain physical interconnection facilities under this Agreement; and

WHEREAS, each Party desires to establish the terms and conditions for continued interconnected operation of the electrical systems of the Parties under this Agreement;

NOW, THEREFORE, IN CONSIDERATION of these premises and the mutual benefits to be obtained from the covenants herein, Company and the City agree as follows:

ARTICLE 1
Definitions

Section 1.1 Definitions

- 1.1.1 The definition of all capitalized terms used in this Agreement are set forth in Exhibit "A" attached hereto and incorporated herein by this reference.

ARTICLE 2
Effective Date and Term

Section 2.1 Effective Date and Term

- 2.1.1 The Effective Date of this Agreement shall be the latter of June 1, 2010 or the date on which the Agreement is permitted to become effective by FERC.
- 2.1.2 This Agreement will, unless otherwise terminated as provided for in this Agreement, continue in effect unless terminated by either Party giving twenty four (24) months' prior written notice to the other Party of its desire to terminate this Agreement and specifying the date upon which said termination shall be effective.

ARTICLE 3
Coordinating Committee

Section 3.1 Establishment of Coordinating Committee

- 3.1.1 The Parties agree to establish a Coordinating Committee. The Coordinating Committee shall consist of one representative designated in writing by each Party, with each Party also designating an alternate who may act in the stead of the representative at the option of that Party. Such representative and alternate(s) shall be a person familiar with the physical interconnection facilities of the Party he or she represents, and each shall be fully authorized to cooperate on behalf of the Party he or she represents in performing the functions delegated to the Coordinating Committee. Either Party may at any time change its representative or alternate on the Coordinating Committee by promptly notifying in writing the other Party of the change in designation. Any representative, by written notice to the other members of the Coordinating Committee, may authorize his or her alternate to act temporarily in his or her place. Each member of the Coordinating Committee may invite other members of his or her organization or others, as advisors, to attend meetings of the Coordinating Committee.

Section 3.2 Authority of the Coordinating Committee

- 3.2.1 From time to time, to meet changing conditions, the Coordinating Committee shall establish, as may be necessary, operating procedures and standard practices with respect to this Agreement for the guidance of system operators and other employees as to matters affecting interconnected operations pursuant to this Agreement. The Coordinating Committee shall have no authority to modify any of

the provisions of this Agreement or any other agreement. The establishment of any procedure or practice or determination by the Coordinating Committee, within the scope of the Coordinating Committee's authority and responsibility, shall be effective when signed by the then current designated representatives of both Parties.

3.2.2 The Coordinating Committee shall meet at such times as deemed necessary by either Party with at least ten (10) business days' written notice.

Section 3.3 Procedures for Resolution of Disputes

3.3.1 The representatives constituting the Coordinating Committee shall be of equal authority, and all decisions made and directions given must be unanimous. If the Coordinating Committee is unable to agree on any matters within its authority and arising out of this Agreement, such matters shall be resolved by the mutual agreement of the Chief Executive of the Company and the Mayor of the City or their designated representatives. Should the Chief Executives or their representatives fail to reach an agreement then the matter may be submitted to binding arbitration in the following manner:

3.3.1.1 Any arbitration initiated under this Agreement shall be conducted before a single neutral Arbitrator appointed by the Parties. If the Parties fail to agree upon a single Arbitrator within ten (10) days of the referral of the dispute to arbitration, each Party shall choose one arbitrator who shall sit on a three-member arbitration panel. The two arbitrators so chosen shall within twenty (20) days select a third arbitrator to chair the arbitration panel. If the two arbitrators so chosen fail to agree on a third arbitrator to chair the arbitration panel, the American Arbitration Association shall be requested to provide a list of three qualified arbitrators from which the Parties shall select an individual to chair the arbitration panel by each Party rejecting one of the designees and the surviving individual being named the chairman. The Arbitrator or the Board of Arbitrators shall be knowledgeable in electric utility matters, including electric transmission and bulk power issues, and shall not have any current or past substantial business, financial, or personal relationships with any party to the arbitration (except prior arbitration). The arbitrator(s) shall provide each of the Parties an opportunity to be heard and, except as otherwise provided herein, shall generally conduct the arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association and any applicable governmental entity regulations and rules.

- 3.3.1.2 The Party desiring arbitration shall demand such arbitration by giving written notice to the other Party. Such notice shall conform to the procedures of the American Arbitration Association and shall include a statement of the facts or circumstances causing the controversy and the resolution, determination or relief sought by the Party desiring arbitration.
- 3.3.1.3 Before the matter is presented to the Arbitrator or the Board of Arbitrators, a conference shall be held by the Parties to attempt to resolve the controversy or if that is not possible, to stipulate as many facts as possible and to clarify and narrow the issues to be submitted to arbitration.
- 3.3.1.4 The Arbitrator or the Board of Arbitrators shall have no authority, power or jurisdiction to alter, amend, change, modify, add to or subtract from any of the provisions of this Agreement nor to consider any issues arising other than from the language in and authority derived from this Agreement. The opinion and findings of the Arbitrator or the Board of Arbitrators shall be reduced to writing and shall be binding on the Parties thirty (30) days after the Arbitrator or the Board of Arbitrators issues a written decision unless the Parties mutually agree on an alternative solution.

Each Party shall bear its own costs incurred in connection with the arbitration and shall share equally any common fees, expenses, or other costs, and the following costs, as applicable: a) the cost of the neutral third arbitrator chosen to be a member and acting chairman of the Board of Arbitrators plus one half the cost of any charges from the American Arbitration Association, if applicable or; b) one half the cost of the single neutral arbitrator jointly chosen by the Parties.

Section 3.4 Right of Enforcement

- 3.4.1 Nothing contained in this Agreement shall be construed to constitute a waiver or surrender by any Party of its right to any action, in law or equity, to enforce any or all provisions of this Agreement and its rights hereunder. Any determination by the Arbitrator or the Board of Arbitrators shall not be deemed binding on any Party, if contested in a proper judicial proceeding or properly appealed to FERC for review. However, in the event of any such proceeding regarding a disputed matter which under the terms of this Agreement was submitted to arbitration, the Parties shall proceed in accordance with the determination of such arbitration until the matter has been determined by final judgment in such proceeding.

ARTICLE 4

General

Section 4.1 Interconnected Operations

- 4.1.1 The Parties shall operate their electric transmission systems interconnected and shall cooperate in furnishing or receiving through the Point(s) of Interconnection of their systems such quantities of electric power and energy as may from time to time be required by separate agreement between the Parties in accordance with the terms and provisions of this Agreement and any such separate agreement between the Parties. In the event there is a conflict between this Agreement and any separate agreement between the Parties with respect to any term or condition in this Agreement, then this Agreement shall control as to that term or condition.
- 4.1.2 The systems of the Parties shall be operated interconnected continuously under normal conditions and the Parties shall cooperate in keeping the frequency of the interconnected systems at 60Hz or as close thereto as practicable, and in keeping the interchange of power and energy between the systems of the Parties as close as is practicable to the scheduled amounts. If the interconnected operations of the Parties' systems are interrupted, the Parties shall cooperate to remove the cause of the interruption as soon as practicable and restore their systems to normal interconnected operating condition.
- 4.1.3 Company is a member of the SPP pursuant to the SPP Agreement. Company shall, in performing its obligations hereunder, operate its system in accordance with the SPP Agreement, or any successor agreement as it may be revised from time to time, including, to the extent applicable, the Company's interconnection facilities provided for in this Agreement. The provisions of this Agreement are not intended, nor shall they be construed, to alter or in any manner modify Company's obligations or preclude Company from performing its obligations, existing or hereafter created, under the SPP Agreement.
- 4.1.4 Each Party shall have facilities or contractual arrangements adequate to serve its own load and shall exercise reasonable care to design, construct, maintain, and operate its Transmission System, in accordance with Good Utility Practice. Each Party agrees to operate its system in accordance with criteria, procedures, standards, terms, conditions, and the like adopted by applicable governmental and regulatory agencies including but not limited to FERC, ERO, SPP, NERC, and NAESB, as they may be revised from time to time.
- 4.1.5 If, during the term of this Agreement, the SPP Agreement is terminated or no longer exists, and should SPP not be replaced by a similar organization performing a like function, the SPP Agreement criteria, procedures, standards, terms, conditions, and the like applicable to this Agreement in effect at the time of such termination, shall remain in full force and effect until such time as revisions or substitutions are mutually agreed upon by the Parties or the criteria, procedures, standards, terms, conditions, and the like applicable to this Agreement are

otherwise modified or replaced. If SPP is replaced by a similar organization performing a like function and Company becomes a member of such organization, the agreement or other organizational documents of such replacement organization containing criteria, procedures, standards, terms, conditions, and the like shall apply upon the effective date of such successor agreement or document. If SPP is replaced by a similar organization but Company does not become a member, the first sentence of this section 4.1.5 shall apply.

- 4.1.6 If, during the term of this Agreement, NERC or NAESB is terminated or no longer exists, and should NERC or NAESB not be replaced by a similar organization or organizations performing a like function, the terminated organization's criteria, procedures, standards, terms, conditions, and the like applicable to this Agreement in effect at the time of such termination, shall remain in full force and effect until such time as revisions or substitutions are mutually agreed upon by the Parties. If NERC or NAESB is replaced by a similar organization performing a like function and Company becomes a member of such organization, the agreement or other organizational documents of such replacement organization containing criteria, procedures, standards, terms, conditions, and the like shall apply upon the effective date of such successor agreement or document. If NERC or NAESB is replaced by a similar organization but Company does not become a member, the first sentence of this section 4.1.6 shall apply.
- 4.1.7 Except as otherwise specifically prohibited in any other agreement between the Parties, either Party shall have the right to refuse to deliver power or energy to the other Party or, having begun such delivery, shall have the right to curtail, restrict or discontinue such delivery, whenever, in such Party's sole judgment, such delivery will endanger its facilities or those of other system(s) with which that Party is interconnected or interfere with its obligations, now existing or hereafter created, to its customers, to other entities with which a Party is interconnected, or with the criteria, procedures, standards, terms, and conditions and the like adopted by applicable governmental or regulatory agencies, including but not limited to FERC, ERO, SPP, NERC, and NAESB, or any successor organizations.
- 4.1.8 The systems of the Parties shall normally be operated and maintained to minimize, in accordance with Good Utility Practices, the likelihood of a disturbance originating in the system of one Party causing impairment to the service or the system of the other Party or of any other system(s) with which that Party is interconnected. The operation of the systems may be interrupted or reduced upon such notice as is reasonable under the circumstances in accordance with Good Utility Practice: (a) by operation of automatic equipment installed for power system protection; (b) after consultation with the other Party, if practicable, when a Party deems it desirable for installation, maintenance, inspection, repairs or replacements of equipment; or (c) at any time that, in the judgment of the interrupting Party an immediate action is necessary to preserve the integrity of, or to prevent or limit any instability on its Transmission System.

- 4.1.9 Each Party shall maintain voltage levels, and the volt-ampere requirements of its system in accordance with section 6.6, on its system at the Point(s) of Interconnection that are compatible with interconnected operations with the other system and the criteria, procedures, standards, terms, conditions, and the like adopted by FERC, ERO, SPP, NERC, and NAESB.
- 4.1.10 To the extent it can be controlled, neither Party shall impose any overload condition upon the facilities of the other Party. If emergency conditions arise on the system of a Party which overload the facilities of the other Party, the Party on whose system the emergency arises shall take steps immediately, in accordance with Good Utility Practices, to eliminate or mitigate the emergency conditions so that such overloaded facilities are returned to their safe and proper operating conditions, even though this may require the Party experiencing the emergency to interrupt service to its customers.
- 4.1.11 Inadvertent interchange of power and energy between interconnected systems may occur because of the impossibility of continuously controlling generation resources exactly to equal the load. It is recognized that, due to the manner in which the systems of the Parties are interconnected or may be interconnected with each other and with other systems, a portion of the power and energy scheduled for delivery between two such interconnected systems may not flow directly from the supplier to the receiver over the intended route through the transmission systems of the Parties, but may result in unintentional flows of power and energy through other systems. Therefore, because of these conditions:
- 4.1.11.1 It shall be the responsibility of each Party to control the net power and energy flowing into and out of its system during each hour so that deliveries are, as near as practicable, equal to the net scheduled amount. The difference between the net scheduled deliveries and the actual net deliveries will be settled in accordance with criteria, procedures, standards, terms, conditions, and the like adopted by FERC, SPP, ERO, NERC, and NAESB unless some other contractual obligation exists between the Parties that meets the intent of this section.
- 4.1.11.2 When there is a scheduled power and energy delivery by one Party to the other Party, if a portion of the scheduled power and energy actually flows through other systems which are not part of the scheduled transmission path, the portion of the power and energy flowing through such other systems will be considered as having been delivered on the scheduled transmission path by the supplying Party the same as though the entire scheduled amount had been delivered through the Point(s) of Interconnection between the Parties.

- 4.1.11.3 It is not the intent to grant either Party any right generally to use the system of the other Party as an intermediary in power and energy flows, nor will the consent by a Party to any such inadvertent flow through its system in a particular case create any rights to a Party for the continuance of such flows. In instances where the reliability of either Party's system (or the system of any other party) may be threatened, the Parties shall cooperate with one another and with the SPP or any other reliability authority to manage such flow so as to maintain reliability of the bulk electric system.
- 4.1.11.4 The Parties acknowledge that, under certain operating conditions, Company explicitly requests permission to place an amount of electrical flow onto certain of the City's facilities, i.e., the 138kV Twin Bridges to Bayou Rapides Line, the 138kV Bayou Rapides to Hunter Line, and/or the 138kV Pineville Tie (the "Special Facilities") in order to address operating conditions on the Company system other than loop flow conditions that exist in all interconnected systems. The Company and City agree to continue this practice for the life of this Agreement provided that (1) the City's consent to permit such flows as a result of Company system operating conditions is not intended to and does not grant the Company any right to use the Special Facilities for such Company system purposes except with the express prior consent of the City after such request; (2) any such use by Company does not impair the reliability or the City's own use of the Special Facilities; (3) in the event that Company's use of the Special Facilities pursuant to such explicit request, in addition to City's own use, requires or is reasonably projected to require under Good Utility Practice and applicable reliability criteria an upgrade or other remedial action, the Company agrees to protect and hold harmless the City from, and to assume as its own, any obligation to upgrade, reconstruct, rebuild, or otherwise modify the Special Facilities in any way when such work is necessary or planned to be necessary, in accordance with Good Utility Practice, to preserve, maintain, or increase the Company's ability, upon such explicit request and with the City's agreement, periodically to place Company's electrical flows on, and to have such electrical flows carried across, the Special Facilities; and (4) any such work required to preserve, maintain, or increase the Company's ability to place Company's electrical flows on and be carried across the Special Facilities upon such specific request shall be performed by the City or its designee and shall be at the sole expense of the Company and subject to reasonable engineering oversight and management by the City. Nothing in this section shall in any way limit the City's rights to use the Special Facilities.

- 4.1.12 Each Party shall provide on its electric system the necessary communications, telemetering and control facilities at the Point(s) of Interconnection and other appropriate locations to comply with NERC Reliability Standards and SPP Regional Criteria, and existing Cleco standards as applied to other similarly situated interconnections, provided that, if the City in good faith disputes the applicability or appropriateness of such Cleco standards, such dispute will be brought to the Coordinating Committee and addressed under Article 3 of this Agreement.
- 4.1.13 Nothing in this Agreement shall impose upon or imply any obligation of either Party to assume any responsibility for the other Party's compliance with any applicable FERC, ERO, SPP, NERC, or NAESB criteria, procedures, standards, terms, conditions or the like pursuant to the NERC Reliability Standards except as may be set forth in a separate agreement executed between the Parties and filed by Company with FERC.

ARTICLE 5

Interconnections

Section 5.1 Point(s) of Interconnection

- 5.1.1 The electric transmission systems of the Parties are interconnected at Points of Interconnection specified in Exhibit "B" attached hereto and by this reference incorporated herein. Additional Point(s) of Interconnection may be added but only if agreed to in writing by the Parties, which agreement shall not be unreasonably withheld. Such Party shall promptly notify the other Party in writing, including, as appropriate, a description of the Point(s) of Interconnection which the Party desires to upgrade and the reasons why, the desired location and designation of any additional Point(s) of Interconnection, the desired in-service date for the requested upgrade(s) or additional Point(s) of Interconnection, and any other information relevant to the requested upgrade or additional Point(s) of Interconnection, including any relevant studies or analyses. The Parties shall meet to discuss the requested upgrades or additional Point(s) of Interconnection, and thereafter, shall cooperate to study or cause to be studied the requested upgrades or additional Point(s) of Interconnection in accordance with their applicable interconnection procedures, and consistent with NERC Reliability Standards and SPP Regional Criteria.

Section 5.2 Point(s) of Delivery

- 5.2.1 The metering located at or near Point(s) of Interconnection shall be considered as the Point(s) of Delivery, unless specified otherwise within Exhibit B, for purposes of any deliveries of power, energy, and ancillary services between the parties pursuant to this Agreement or any other agreement. Additional Point(s) of Delivery may be added but only if agreed to in writing by the Parties, which agreement shall not be unreasonably withheld.

Section 5.3 Interconnection Facilities Responsibility

- 5.3.1 From time to time, the benefits to be derived by each Party pursuant to the interconnection of the systems of the Parties pursuant to this Agreement may not be equal. However, any such differences in benefits shall not be a basis for termination of this Agreement.
- 5.3.2 The transmission system of Company may, as requirements dictate, be upgraded to higher voltages. When Company, in its sole discretion, elects to upgrade such transmission system that is a part of Company's interconnected facilities with the City, each Party shall at its own expense be responsible for upgrading and/or changing the facilities that each owns which are a part of the interconnected transmission facilities that are the subject of this Agreement. Company shall provide twenty four (24) months' advance written notice, and where practicable thirty six (36) months advance written notice, of its intention to upgrade its facilities which are part of the interconnected transmission facilities subject to this Agreement, stating the planned voltage, configuration, and conversion schedule. The Company shall provide all necessary technical information regarding the planned facilities as may be needed for the City to evaluate the impact to its system. Such upgraded systems shall provide for the continuance of the interconnections between Company and the City under this Agreement.
- 5.3.3 The transmission system of City may, as requirements dictate, be upgraded to higher voltages. When City, in its sole discretion, elects to upgrade such transmission system that is a part of City's interconnected facilities with the Company, each Party shall at its own expense be responsible for upgrading and/or changing the facilities that each owns which are a part of the interconnected transmission facilities that are the subject of this Agreement. City shall provide twenty four (24) months' advance written notice, and where practicable thirty six (36) months advance written notice, of its intention to upgrade its facilities which are part of the interconnected transmission facilities subject to this Agreement, stating the planned voltage, configuration, and conversion schedule. The City shall provide all necessary technical information regarding the planned facilities as may be needed for the Company to evaluate the impact to its system. Such upgraded systems shall provide for the continuance of the interconnections between Company and the City under this Agreement.

ARTICLE 6

Interconnected Utility Responsibility

Section 6.1 Balancing Area Responsibility

- 6.1.1 Each Party shall be its own Balancing Area; provided, however, that the City's system, by separate agreement, may be included in and be a part of a third-party's Balancing Authority, or the City and Company may agree that City's system shall be a part of Company's Balancing Area, but only pursuant to the terms and conditions and for the term specified in a separate written agreement executed

between the Parties and filed by Company with FERC or, if the Parties fail to agree, a written agreement filed unexecuted pursuant to section 6.1.2. Except as may be provided in such separate written agreement, each Party shall exercise, or cause to be exercised, operating control of the resources necessary to meet the loads and perform any and all other obligations within its Balancing Area on an instantaneous and continuous basis in accordance with the criteria, procedures, standards, terms, conditions, and the like in accordance with Good Utility Practices. Each Party in exercising operating control shall, among other things:

- 6.1.1.1 Regulate or provide for the regulation of on-line generating facilities and other power resources to effect instantaneous and continuous supply of the power requirements of the loads within its Balancing Area at 60Hz or such other scheduled frequency for the interconnection in effect from time to time.
- 6.1.1.2 Regulate or start up generating facilities for the purpose of assisting in the control of frequency and time correction.
- 6.1.1.3 Monitor continuously the power flows between its Balancing Area and the Balancing Area(s) with which it is interconnected.

6.1.2 In the event the City does not provide operating control as required above or as otherwise may be required in accordance with Good Utility Practices, it shall pay Company for providing City with Balancing Area Service which cost shall be all costs, direct and indirect, reasonably incurred by Company for providing City with Balancing Area Service and, further, shall indemnify Company for any assessments, penalties, fines and the like assessed against Company based upon City's failure to provide such operating control consistent with City's Balancing Area responsibilities. In no event shall Company have any obligation to provide such Balancing Area Service until such time as the terms of such Balancing Area Services have been incorporated into a separate written agreement executed between the Parties and filed by Company with FERC. In the event the Parties fail mutually to agree upon the terms of a Balancing Area Services agreement, Company shall file with FERC an unexecuted version of the such agreement incorporating the terms and conditions and rates for such services.

Section 6.2 Reserve Capacity

6.2.1 Each Party (unless specified otherwise within some other separate agreement between the Parties) will maintain utility responsibility for its own load and, as a part of such responsibility, shall maintain or otherwise provide for annually Generation Capacity in an amount equal to or greater than its predicted annual peak load obligation for such year plus a margin of Generation Capacity as necessary to comply with NERC Reliability Standards and any SPP Regional Criteria.

Section 6.3 Responsibility for Operating Reserve

6.3.1 Each Party (unless specified otherwise within some other separate agreement between the Parties) shall maintain or otherwise provide Operating Reserves, Spinning Reserve and Non-Spinning Reserve, necessary to comply with NERC Reliability Standards and any SPP Regional Criteria.

Section 6.4 System Protection Coordination

6.4.1 The Parties shall coordinate the installation, settings and operation of Protective Equipment affecting the interconnected systems of the Parties to maximize protection of facilities without unnecessarily restricting power flow or inhibiting system reliability. Such settings shall be coordinated through engineering studies performed by the Parties. These studies will be jointly reviewed by Company and the City and the Parties shall mutually establish the final settings that are to be implemented on each Party's system according to the schedule established during the study review. The Parties shall cooperate in establishment of such settings. However, if Parties can not reach agreement on the final settings, Company's settings of Protective Equipment shall apply until such time as a final decision is issued by an Arbitrator in accordance with the provisions of Section 3.3 of this Agreement. Neither Party shall change or modify such devices or settings without coordinating with the other Party.

Section 6.5 Load Shedding

6.5.1 Major disturbances among interconnected systems may result in certain areas becoming isolated and experiencing abnormally low frequency and voltage levels. To provide load relief and to minimize the probability of system collapse, NERC and SPP have implemented automatic and manual load shedding criteria, procedures, standards, terms conditions, and the like. Since the Parties are directly interconnected they shall implement and maintain a load shedding program consistent with these requirements. The Parties shall coordinate their load shedding programs with each other to minimize any adverse effects on the other Party's system while respectively maintaining compliance with the aforementioned requirements.

Section 6.6 Reactive Power

6.6.1 Each Party shall be responsible to provide the reactive volt-ampere requirements of its system. Reactive power may be interchanged between the Parties' systems but only upon prior agreement of the Parties' system operators.

6.6.2 Each Party shall be obligated to supply the reactive power requirements of its system so as to maintain a Power Factor as measured at the Point(s) of Interconnection between 95% leading and 95% lagging unless the Party has prior written arrangements with the other Party. Annually, as part of the Parties' long-term planning process, the Parties shall plan to make any necessary capital investments necessary to meet the requirements of this section.

Should the hourly Power Factor as metered at the Point(s) of Interconnection not be maintained within such limits and this deficiency is attributable to the load of one of the Parties, the burdened Party may give written notice to the deficient Party (hereby referred to as a “Deficiency Notice”) requesting that the Power Factor be corrected so as to meet the deficient Party’s obligation pursuant to this section 6.6.2. If after thirty (30) days the deficient Party has not corrected the Power Factor, the matter shall immediately be referred to Coordinating Committee for resolution. Among other related matters, the Coordinating Committee shall prescribe the timeline within which the deficient Party shall place into service, if necessary, additional reactive facilities as necessary to achieve a Power Factor of between 95% leading and 95% lagging.

Once a Deficiency Notice is given to a deficient Party, the burdened Party shall be entitled to bill the deficient Party on a monthly basis for the period beginning on the first day of the month that begins 30 days or more after a Deficiency Notice is given and continuing until the end of the month following the operation date of reactive facilities installed pursuant to this section 6.6.2, and the deficient Party shall be required to pay within thirty (30) days, a charge for such reactive support. The charge for such reactive support shall be separate from any other charge that may be levied by one Party for service to or on behalf of the other Party under terms of any other agreement. The charge for such reactive support, if levied by Company, shall be calculated in accordance with Schedule 2 (Reactive Supply and Voltage Control from Generation Sources Service) of Company’s then effective Open Access Transmission Tariff. Charges levied by City shall be based on any applicable tariff in effect at the time or, if no such tariff is in effect, upon the cost of the City’s facilities used to provide such reactive support, provided however that such charge shall not in any event exceed the charge under Schedule 2 of Company’s then effective Open Access Transmission Tariff.

ARTICLE 7

Power and Energy Interchange Transfers

Section 7.1 Interchange Transfers and Schedules

7.1.1 All power and energy interchange between the Parties or between the City and a third-party shall be in accordance with all criteria, procedures, standards, terms, and conditions and the like adopted by applicable governmental and regulatory agencies and in accordance with established business practices common to the region. All power and energy interchange transfers between the Parties shall be scheduled in advance. Each Party shall appropriately notify the system operator of the other Party before intentionally taking power or energy.

ARTICLE 8
Measurement of Electric Power and Energy

Section 8.1 Metering

- 8.1.1 The electric power and energy delivered through interconnection facilities between Company and the City shall be measured by Metering Equipment.
- 8.1.2 This Article 8 defines the responsibility of Company and City for all Data Acquisition Equipment, Metering Equipment, and any other associated equipment and software not presently installed or presently capable of accommodating provision of information that may be required by either Party for the Parties to implement and operate their systems and Balancing Areas under this Agreement, in accordance with Good Utility Practice.
- 8.1.3 The Parties shall incorporate the information obtained from Metering Equipment and Data Acquisition Equipment into each Party's Control Center as the Parties determine to be necessary to carry out its responsibilities under this Agreement.
- 8.1.4 Parties shall provide or cause to be provided, as described within Exhibit B, complete Metering Equipment at or near the Point(s) of Interconnection. Each Party shall permit the other Party to utilize available metered quantities for the purpose of telemetering said quantities as required for the operation of both systems. Each Party shall bear its own expense for installation, ownership, operation and maintenance of all facilities necessary to interface and transmit information concerning said quantities to other locations as required for its system's operation, provided that such installation, operation and maintenance is performed under the supervision of authorized personnel of the Party who owns the Metering Equipment.
- 8.1.5 In the case where a new Point of Interconnection is desired to be established under this Agreement and the Parties are unable to reach agreement regarding the installation, ownership, operation and maintenance of the Meter Equipment, the City shall provide or cause to be provided complete Metering Equipment at or near Point(s) of Interconnection located at substation facilities owned by the City. Likewise, the Company shall provide or cause to be provided complete Metering Equipment at or near Point(s) of Interconnection located at substation facilities owned by the Company.
- 8.1.6 Where Point(s) of Interconnection are not located at a substation, the Parties shall mutually agree on the location of the Metering Equipment which shall be owned and maintained by the Party owning the facility where the Metering Equipment is to be installed.
- 8.1.7 The Parties shall agree upon the Metering Equipment to be installed prior to installation of such equipment. Both Parties hereby grant to the other the right to install and maintain the equipment in the substations of the other Party necessary for the City or Company to perform its functions under this Agreement and each

grants ingress and egress rights to the other Party to install, remove or maintain such equipment, which both Parties shall use reasonable effort to do during normal business hours. Each Party must coordinate such activities and access in the other Party's facilities with the other Party's Control Center.

Section 8.2 Metering Equipment Maintenance

8.2.1 All Metering Equipment required for the purposes of this Agreement shall be maintained by the owner in accordance with Good Utility Practices. The aforesaid Metering Equipment shall regularly be tested at intervals of not more than twelve (12) months. If at any test a component of the Meter Equipment is found inaccurate by more than 0.6%, the Meter Equipment shall be adjusted, repaired and/or replaced providing accurate meter readings i.e. within 0.5% tolerance for meters, 0.3%/0.6% tolerance for current transformers depending on test amps (reference IEEE Standard C57.13 Table 6) and 0.3% tolerance for potential transformers.

Section 8.3 Meter Readings and Data

8.3.1 Each Party shall read the meters it owns at least monthly or as otherwise agreed by the Coordinating Committee. Each Party shall furnish to the other Party appropriate data from meter registrations and from other sources in such detail, segregations, and time periods as are established by the Coordinating Committee, when such data is needed for billings, settlements, special tests, operating records, or for other purposes consistent with the objectives hereof.

Section 8.4 Meter Records and Logs

8.4.1 In addition to meter records, the Parties shall keep such log sheets and other records as may be needed to afford a clear history of the various scheduled and actual movements of power and energy between the systems of the Parties. The originals of all such meter records, log sheets, and other records shall be open to inspection during normal business hours by representatives of the Parties.

ARTICLE 9 Tax Clause

Section 9.1 Taxes and Other Governmental Charges

9.1.1 Each Party shall pay or shall reimburse the other for the applicable proportionate part of any new tax, or increase in existing taxes due to audit changes imposed by tax collector, or governmental imposition or charge (including those which may be lawfully imposed by the City upon Company, but excepting state, parish, city, and special district ad valorem taxes and any taxes on net income) levied or assessed against such other Party's electric business after the effective date of this Agreement and which affect the service under this Agreement, except as the power and energy may be exempt under law from the effects of any such tax or taxes. In no event shall the City be entitled to any payment or reimbursement hereunder from Company for any new tax, levy, assessment, imposition, or other charge by the City

or payment in lieu of tax to the City, or any increase in any such existing charge imposed by such City upon Company's electric business.

ARTICLE 10

Uncontrollable Forces

Section 10.1 Uncontrollable Forces

- 10.1.1 The term "uncontrollable force" shall mean any force or condition which is not within the control of the Party affected, and which by exercise of due diligence and foresight could not reasonably have been avoided, including, but not limited to, acts of God or the public enemy, failure of facilities, explosion, breakdown, flood, accident, earthquake, storm, hurricane, wind, lightning, fire, epidemic, war, riot, commotion, civil disturbance, labor disturbance, strike, sabotage, or restraint by court or public authority having jurisdiction, fuel curtailment, rationing, or shortage, delay or failure of performance by a third party, delay, action, or inaction by any governmental or regulatory agency, body, or authority, failure or malfunction of system facilities, unscheduled outage of generating units or other acts or conditions, whether of the same or different character than those above referred to, beyond the control of the Party affected, and not attributable to its neglect. For the purpose of this Section, actions of the City shall not be considered acts of a public or governmental entity. For purposes of this Agreement, uncontrollable force, as related to the Parties' obligations to provide electric service hereunder, shall include voluntary implementation by either Party of such electric capacity and energy curtailment and interruption programs (which programs may provide for priorities as between various classes of customers and various uses of electric service and may be implemented system wide or regionally in the discretion of the Party implementing the plan) on such terms and conditions as each Party may place into effect from time to time in case of shortage of capacity or energy resulting from any of the aforementioned acts or conditions, subject to any order of any regulatory authority having jurisdiction; provided that in no event shall such program or voluntary implementation of any electric capacity and energy curtailment and/or interruption program unduly discriminate with respect to the City as compared to similarly situated customers of the Company, or the Company as compared to similarly situated customers of the City.
- 10.1.2 Neither Party shall be responsible to the other for delay in or failure of performance of its obligations hereunder (except that obligations to pay money which are then due under the provisions of this Agreement shall not be excused) when such delay or failure is caused by uncontrollable force as defined in Section 10.1.1. The Party subject to uncontrollable force shall use all reasonable diligence to remove or cure the inability, provided that neither Party shall be required to settle or resolve labor disturbances or strikes or accept or agree to governmental orders or conditions without objection or contest on any basis not acceptable to such Party in its sole discretion. Notice of uncontrollable force shall be given by the Party affected as soon as reasonably possible.

ARTICLE 11

Severability

Section 11.1 Severability

11.1.1 The individual provisions of this Agreement and any Exhibits are necessarily interrelated and interdependent. In the event any provision of this Agreement material to the operation of this Agreement and the Exhibits thereunder should be finally determined to be invalid or violate any controlling law other than by any regulatory agency or authority as specified in Section 12.2.1, then the Parties agree to negotiate in an effort to reach a mutually acceptable agreement on a substitute provision, and if they are unable to reach an agreement, then this entire Agreement and all Exhibits then in effect shall be terminated and of no further force and effect recognizing, however, the right of the Parties to mutually agree to consider any such incident of invalidity severable. In the event any provision of an Exhibit material to the operation of such Exhibit should be determined to be invalid or violative of any controlling law, then the Parties agree to negotiate in an effort to reach a mutually acceptable agreement on a substitute provision, and if they are unable to reach an agreement, then such Exhibit in its entirety shall be terminated and of no further force and effect. In any event any payments then due to either Party under this Agreement or any Exhibit for service previously rendered shall remain payable as provided hereunder.

ARTICLE 12

Governing Law and Regulatory Authorities

Section 12.1 Governing Law

12.1.1 This Agreement is made subject to and shall be governed by the laws of the State of Louisiana and all the terms and provisions hereof and the rights and obligations of the Parties hereto shall be construed and enforced in accordance with the laws of said State, and in accordance with any applicable Federal law.

Section 12.2 Regulatory Authority

12.2.1 The Parties recognize that the provisions of this Agreement are subject to the regulatory authority of the FERC, and acceptance for filing by FERC shall be a prerequisite to its validity. In the event this Agreement is changed or modified by any regulatory agency or authority, either Party shall have the right to negotiate for relief necessary to alleviate such adverse effects caused by such changes or modifications. If, after a reasonable period of negotiations, the Parties are unable to agree on the necessary relief, either Party shall have the right to terminate this Agreement on six (6) months' written notice to the other Party.

12.2.2 Nothing contained herein shall be construed as affecting in any way the right of any Party furnishing service under this Agreement to unilaterally make application to the Federal Energy Regulatory Commission for a change in rates, terms or conditions under Section 205 of the Federal Power Act and pursuant to the

Commission's Rules and Regulations promulgated thereunder. Nothing contained herein shall be construed as affecting in any way the right of the Party receiving service under this Agreement to intervene and, as necessary, protest any such application or otherwise to exercise its rights under the Federal Power Act and the regulations promulgated thereunder.

ARTICLE 13

Successors and Assigns

Section 13.1 Assignment

13.1.1 This Agreement shall be binding upon and inure to the benefit of the successors or assigns of the respective Parties. Neither Party shall assign this Agreement nor any part thereof without the express written consent of the other Party, which consent shall not be unreasonably withheld, nor shall a Party be relieved of its obligations hereunder or impose additional obligations or burdens on the other Party by an assignment of this Agreement or any part hereof.

Section 13.2 Limitation of Rights

13.2.1 The provisions of this Agreement shall not create any rights in favor of any person, corporation, or association not a Party to this Agreement and the obligations herein assumed are solely for the use and benefit of the Parties to this Agreement.

ARTICLE 14

Indemnification and Insurance

Section 14.1 Indemnification

14.1.1 City shall at all times indemnify, defend, and save Company harmless from, any and all damages, losses, claims, including claims and actions relating to injury to or death of any person or damage to property, demands, suits, recoveries, costs and expense, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from Company's performance of its obligations under this Agreement on behalf of City, except in cases of negligence or intentional wrongdoing by Company. In addition, Company shall at all times indemnify, defend, and save the City harmless from, any and all damages, losses, claims, including claims and actions relating to injury to or death of any person or damage to property, demands, suits, recoveries, costs and expense, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from City's performance of its obligations under this Agreement on behalf of Company, except in cases of negligence or intentional wrongdoing by City.

14.1.2 Consequential Damages. In no event shall either Party be liable under any provision of this Agreement for any losses, damages, costs or expenses for any special, indirect, incidental, consequential, or punitive damages, including but not limited to loss of profit or revenue, loss of the use of equipment, cost of capital, cost

of temporary equipment or services, whether based in whole or in part in contract, in tort, including negligence, strict liability, or any other theory of liability; provided, however, that damages for which a Party may be liable to the other Party under another agreement will not be considered to be special, indirect, incidental, or consequential damages hereunder.

Section 14.2 Insurance

14.2.1 Each Party agrees, at its own expense, to maintain in good standing insurance coverage of the kind, type and in the limits specified as follows:

14.2.1.1 General Liability Insurance subject to a minimum limit of liability for each occurrence of not less than \$1,000,000.

14.2.1.2 Worker's Compensation Insurance per statutory requirements for the State of Louisiana.

14.2.1.3 Excess or Umbrella Liability Insurance subject to a minimum limit of liability for each occurrence of not less than \$5,000,000.

14.2.2 Either Party may elect to self-insure a portion of the above risks. Each Party shall, upon request, furnish to the other Party, certificates of insurance evidencing the required coverage, and shall also furnish, upon request, copies of the insurance policies in effect.

ARTICLE 15 Waivers

Section 15.1 Waivers

15.1.1 Any waiver at any time by either Party of its rights with respect to a default under this Agreement, or with respect to any matter arising in connection with this Agreement, shall not be deemed a waiver with respect to any other matter arising in connection with this Agreement and shall not be deemed a waiver with respect to any subsequent default or matter. Any delay short of the statutory period of limitation in asserting or enforcing any right shall not be deemed a waiver of such right.

ARTICLE 16
Captions and Joint Authorship

Section 16.1 Captions and Joint Authorship

- 16.1.1 Captions of the various articles herein are intended for convenience of reference only and shall not define or limit any of the terms or provisions thereof.
- 16.1.2 This Agreement shall be considered for all purposes as prepared through the joint efforts of the Parties and shall not be construed against one Party or the other as a result of the preparation, drafting, negotiation, or execution hereof.

ARTICLE 17
Notices

Section 17.1 Official Notices

- 17.1.1 Any notice or demand under or required by this Agreement shall be deemed properly given by Company if sent by registered or certified mail and addressed to the Director of Utilities of the City of Alexandria, P. O. Box 71, Alexandria, Louisiana, 71309-0071, with a copy to City Attorney of the City of Alexandria, P.O. Box 71, Alexandria, LA 71309-007, and by the City if sent by registered or certified mail to the Manager, Transmission Operation, Cleco Power LLC., P. O. Box 70, St. Landry, Louisiana, 71367. The foregoing designations of the name or address to which notice or demands are to be directed may be changed at any time and from time to time by written notice given by either Party to the other.

Section 17.2 Routine Notices

- 17.2.1 Any notice or request of a routine character in connection with operation under the terms of this Agreement, or in connection with the operation of facilities, shall be given in such manner as the Coordinating Committee or the authorized representatives of the Parties from time to time shall arrange.

ARTICLE 18
Miscellaneous

Section 18.1 Miscellaneous

- 18.1.1 Entire Agreement: This Agreement constitutes the entire understanding between the Parties and supersedes any and all previous understandings between the Parties with respect to the subject matter hereof. This Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and permitted assigns.

- 18.1.2 Modification or Amendment: No modification or amendment of any provision hereof shall be valid unless it is in writing and signed by both Parties and filed with and accepted by FERC to the extent necessary.
- 18.1.3 Counterparts: This Agreement may be executed in counterparts, all of which shall constitute one (1) agreement binding on both Parties hereto and shall have the same force and effect as an original instrument, notwithstanding that both Parties may not be signatories to the same original or the same counterpart.
- 18.1.4 Confidentiality: Each Party shall, to the maximum extent permitted by law, maintain the confidentiality of information provided by the other Party relating to service under this Agreement that is designated as confidential by the providing Party or required by law or regulation to be treated as confidential. In the event that the Party receiving confidential information receives a request in any administrative or judicial forum that could result in the disclosure of confidential information, the receiving Party shall promptly notify the other Party of such request and shall seek to maintain the confidentiality of such information to the extent permitted in such administrative or judicial forum.
- 18.1.5 Independent Contractors: The Parties are independent contractors. Nothing contained herein shall be deemed to create an association, joint venture, partnership or principal/agent relationship between the Parties hereto or to impose any partnership obligation or liability on either Party. Neither Party shall have any right, power or authority to enter into any agreement or commitment, act on behalf of, or otherwise bind the other Party in any way.
18. 1.6 Third Parties: This Agreement is intended solely for the benefit of the Parties. Nothing herein shall be construed to create any duty or liability to, or standard of care with reference to, any other Person.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed by their duly authorized officers, and copies delivered to each Party, to become effective as of the effective date.

Cleco Power LLC

By: _____

Name

Title

Date

City of Alexandria, Louisiana

By: _____

Name

Title

Date

EXHIBIT A

ELECTRIC SYSTEM INTERCONNECTION AGREEMENT

Between

CLECO POWER LLC

and

THE CITY OF ALEXANDRIA, LOUISIANA

DEFINITIONS

1. Arbitrator – the single neutral arbitrator, if one is chosen pursuant to Section 3.3 for purposes of dispute resolution between the Parties regarding all matters arising out of this Agreement.
2. Balancing Area - The collection of generation, transmission, and loads within the metered boundaries of the Balancing Authority. The Balancing Authority maintains load-resource balance within this area.
3. Balancing Area Service - Exercising operating control of the resources necessary to meet the loads within a Balancing Area on an instantaneous and continuous basis. The Party exercising operating control for Balancing Area Service shall, among other things:
 - a. Regulate generating facilities and other power resources to effect instantaneous and continuous supply of the power requirements of the loads within the Balancing Area.
 - b. Regulate generating facilities to assist in the control of frequency and time correction.
 - c. Monitor continuously the power flows between its Balancing Area and the Balancing Area(s) with which it is interconnected.
 - d. Conform to any reliability requirements established under a separate written agreement executed between the Parties and filed by Company with FERC or an agreement filed with FERC on an unexecuted basis pursuant to Section 6.1.2. .
4. Balancing Authority - The responsible entity that integrates resource plans ahead of time, maintains load-interchange-generation balance within a Balancing Area, and supports interconnection frequency in real time.
5. Board of Arbitrators – That board as established under section 3.3 for the purpose of dispute resolution between the Parties regarding all matters arising out of this Agreement, if one is chosen.

6. Control Center – The facility operated by each Party to carry out the duties and responsibilities of operating their respective systems and Balancing Areas.
7. Coordinating Committee – The committee formed pursuant to section 3.1.1 and 3.2.1 responsible for the establishment of operational procedures and standard practices with respect to this Agreement.
8. Data Acquisition Equipment - Supervisory control and data acquisition equipment (“SCADA”), remote terminal units (“RTUs”), including independent and redundant power supply, necessary to obtain information from a Party’s facilities, telephone equipment, leased telephone circuits, fiber optic circuits, and other communications equipment necessary to transmit data to/from remote locations, and any other equipment or service necessary to provide for the telemetry and control requirements under this Agreement.
9. Effective Date – Effective Date shall have the meaning set forth in Section 2.1.1.
10. ERO (Electric Reliability Organization) – The organization, or any successor organization with similar authority, established under the Federal Power Act with enforcement authority regarding mandatory reliability standards and responsibility for the oversight of reliability of the United States’ portion of the interconnected North American bulk electric system.
- 10a. FERC – the Federal Energy Regulatory Commission or any successor organization.
11. Good Utility Practices - Good Utility Practices at a particular time means 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, would have been expected to accomplish the desired result at the lowest reasonable cost consistent with reliability, safety and expedition, including but not limited to the practices, methods and acts engaged in or approved by a significant portion of the electrical utility industry prior thereto. It is recognized that Good Utility Practices is not intended to be limited to the optimum practices, methods or acts to the exclusion of all others, but rather is a spectrum of possible practices, methods or acts which could have been expected to accomplish the desired result at the lowest reasonable cost consistent with reliability, safety and expedition. Good Utility Practices include due regard to manufacturers’ warranties and the requirements of governmental authorities having jurisdiction, the ERO, FERC, NERC, NAESB, and the SPP.
12. Metering Equipment (or Meter Equipment): Metering Equipment will comprise high accuracy (0.5 percent accuracy or better) solid state four quadrant meters¹, metering cabinets, metering panels, conduits, cabling, high accuracy (0.3%/0.6% tolerance or better reference IEEE Standard C57.13 Table 6) current transformers, and high accuracy (0.3% tolerance or better) potential transformers which, directly or indirectly, provide input to meters or transducers, meter recording devices (e.g., solid state data receivers), telephone circuits, signal or pulse dividers, transducers, pulse accumulators, and any other equipment

¹ Unless agreed to otherwise by Company, the meter(s) will at a minimum provide instantaneous MW/MVAR data, hourly MWH 60-minute demand, 60-minute demand profile, kWh 60-minute demand, and kWh 60 minute demand profile data. The MW/MWH data shall be used for Balancing Authority Area operations. .

- necessary to implement the provisions of this Agreement. All the Metering Equipment installed in accordance with this Agreement shall conform to Company's standards for similar installations.
13. NAESB - the North American Energy Standards Board or any successor organization
 14. NERC - the North American Electric Reliability Corporation or any successor organization.
 15. NERC Reliability Standards (also known as ERO Reliability Standards) – Those standards established by the ERO which define the reliability requirements for planning and operating the North American bulk power system and which are legally enforceable upon all users of the bulk electric system.
 16. Operating Reserve - Operating Reserve is that capacity above the capacity required for instantaneous Balancing Area load that can be produced and applied to the area load in 10 minutes or less. The operating reserve of a Balancing Area is the sum of two components; Spinning Reserve and Non-Spinning Reserve.
 - a. Non-Spinning Reserve - Generating Capacity that can be fully realized within 10 minutes.
 - b. Spinning Reserve - Generating Capacity connected to the bus and ready to take load immediately by prime mover governor action.
 17. Operating Reserve Responsibility - That amount of Spinning Reserve and Non-Spinning Reserve which a Party is obligated under the terms of this Agreement to provide for the purpose of maintaining continuity of service.
 18. Planned Maintenance - Any anticipated and scheduled outage of generating or transmission facilities that is planned in advance of the equipment being removed from service.
 19. Power Factor - The ratio of real power (kW) to apparent power (kVA) for any given load and time. Generally, it is expressed as a percentage ratio.
 20. Protective Equipment - Includes, but shall not be limited to, protective relays, relaying panels, relaying cabinets, circuit breakers, conduits, cabling, current transformers, potential transformers, coupling capacitor voltage transformers, wave traps, transfer trip and fault recorders, which directly or indirectly provide input to relays, fiber optic communications equipment, power line carrier equipment and telephone circuits, and any other equipment necessary to implement the protection provision of this Agreement.
 21. Regional Entity (RE) – The NERC compliance organization which includes Company's footprint within the Eastern Interconnection.
 22. SPP - The Southwest Power Pool or any its successor organization.

23. SPP Agreement – The SPP Membership Agreement executed by SPP and Company or equivalent agreement with a successor organization, as amended from time to time.
24. SPP Regional Criteria – This Criteria is a document adopted by the SPP and is considered as the policies, standards, or principles of conduct by which the coordinated planning and operations of the interconnected electric system is achieved.

EXHIBIT B
ELECTRIC SYSTEM INTERCONNECTION AGREEMENT
Between
CLECO POWER LLC
and
THE CITY OF ALEXANDRIA, LOUISIANA
INTERCONNECTIONS

B.1 Interconnection “Hunter”

B.1.1 Interconnection Facilities

B.1.1.1 Company’s transmission facilities associated with Interconnection “Hunter” of this Agreement.

B.1.1.1.1 Company’s 138 kV transmission line from Company’s Pineville Substation to the Point of Interconnection “Hunter” with City.

B.1.1.1.2 Company’s interchange metering and breaker located in Company’s Pineville Substation on the 138 kV bus connected to the transmission line described in B.1.1.1.1.

B.1.1.2 The City’s transmission facilities associated with Interconnection “Hunter” of this Agreement.

B.1.1.2.1 The City’s 138 kV transmission line from the Point of Interconnection “Hunter” with Company to the City’s D.G. Hunter Substation.

B.1.1.2.2 The relaying, breakers, communications and apparatus in the City’s D.G. Hunter Substation that are connected to and/or associated with the operation of this Interconnection “Hunter”.

B.1.2 Point of Interconnection “Hunter”

B.1.2.1 The Point of Interconnection “Hunter” shall be where Company’s 138 kV transmission line attaches to the City’s 138 kV transmission line at Company’s transmission line structure number 6 located in Section 10, Township 4 North, Range 1 West, of Rapides Parish, Louisiana.

B.1.3 Metering and Point of Delivery for Interconnection “Hunter”

- B.1.3.1 The interchange meter shall be located on Company’s 138 kV bus in Company’s Pineville Substation.
- B.1.3.2 The Point of Delivery shall be the Point of Interconnection and any losses between the Point of Delivery and the interchange meter shall be considered as zero (0).

B.1.4 Ownership of Facilities, Interconnection “Hunter”

- B.1.4.1 Company shall own, operate and maintain the land, fences, general substation facilities, and the protective relaying for Company’s facilities breaker required by the Company for operations at the Company’s Pineville Substation.

Company shall own, operate, and maintain the interchange meter in the Company’s Pineville substation along with any telemetering equipment necessary for the Company’s operation.

Company shall own, operate and maintain the 138 kV transmission line from Company’s Pineville Substation to and including Company’s transmission line structure number 6 at Point of Interconnection “Hunter” with the City (approximately .61 of a mile).

- B.1.4.2 The City shall own, operate and maintain the land, fences, general substation facilities, and protective relaying for the City’s facilities breaker required by the City for operation of the City’s Hunter substation.

The City shall own, operate and maintain the telemetering equipment necessary to interface said telemetering equipment with Company’s interchange metering in the Pineville Substation necessary for the City’s operation.

The City shall own, operate and maintain the 138 kV transmission line from Point of Interconnection “Hunter” at Company’s transmission line structure number 6 to the City’s D.G. Hunter Substation (approximately .47 of a mile).

- B.1.5 All of the facilities described in these Sections B.1 are illustratively described in Figure B-1 attached hereto and incorporated herein.

B.2 Interconnection “Twin Bridges”

B.2.1 Interconnection Facilities

B.2.1.1 Company’s transmission facilities associated with Interconnection “Twin Bridges” of this Agreement.

B.2.1.1.1 Company’s 230 kV transmission line from Company’s Rapides Substation to the Point of Interconnection “Twin Bridges” with City.

B.2.1.1.2 Company’s breaker located in Company’s Rapides Substation on the 230 kV bus connected to the transmission line described in B.2.1.1.1.

B.2.1.2 The City’s transmission facilities associated with Interconnection “Twin Bridges” of this Agreement.

B.2.1.2.1 The City’s 230 kV transmission line from the Point of Interconnection “Twin Bridges” with Company to the City’s Twin Bridges Substation.

B.2.1.2.2 The relaying, breakers, communications and apparatus in the City’s Twin Bridges Substation that are connected to and/or associated with the operation of this Interconnection “Twin Bridges”.

B.2.2 Point of Interconnection “Twin Bridges”

B.2.2.1 The Point of Interconnection “Twin Bridges” shall be where Company’s 230 kV transmission line attaches to the City’s 230 kV transmission structure number 14 located in Section 12, Township 3 North, Range 2 West, of Rapides Parish, Louisiana.

B.2.3 Metering and Point of Delivery for Interconnection “Twin Bridges”

B.2.3.1 The interchange meter shall be located on the City’s 230kv bus located in the City’s Twin Bridges Substation in Rapides Parish, Louisiana.

B.2.3.2 The Point of Delivery shall be the Point of Interconnection and any losses between the Point of Delivery and the interchange meter shall be considered as zero (0).

B.2.4 Ownership of Facilities, Interconnection “Twin Bridges”

B.2.4.1 Company shall own, operate and maintain the land, fences, general substation facilities, and protective relaying for Company’s facilities breaker required by Company for operations at the Rapides Substation.

Company shall own, operate and maintain the 230 kV transmission line from Company’s Rapides Substation up to the City’s structure number 14 shown as Point of Interconnection “Twin Bridges in Figure B-2.

The Company shall own, operate and maintain the telemetering equipment necessary to interface said telemetering equipment with City’s interchange meter in the City’s Twin Bridges Substation necessary for the Company’s operation.

B.2.4.2 The City shall own, operate and maintain the land, fences, general substation facilities, and protective relaying for the City’s facilities breaker required by the City for operation of the City’s Twin Bridges substation.

City shall own, operate, and maintain the interchange meter in the City’s Twin Bridges substation along with any telemetering equipment necessary for the City’s operation.

The City shall own, operate and maintain 230kV transmission line from Point of Interconnection “Twin Bridges” at City’s structure number 14 to the City’s Twin Bridges Substation.

B.2.5 All of the facilities described in these Sections B.2 are illustratively described in Figure B-2 attached hereto and incorporated herein.

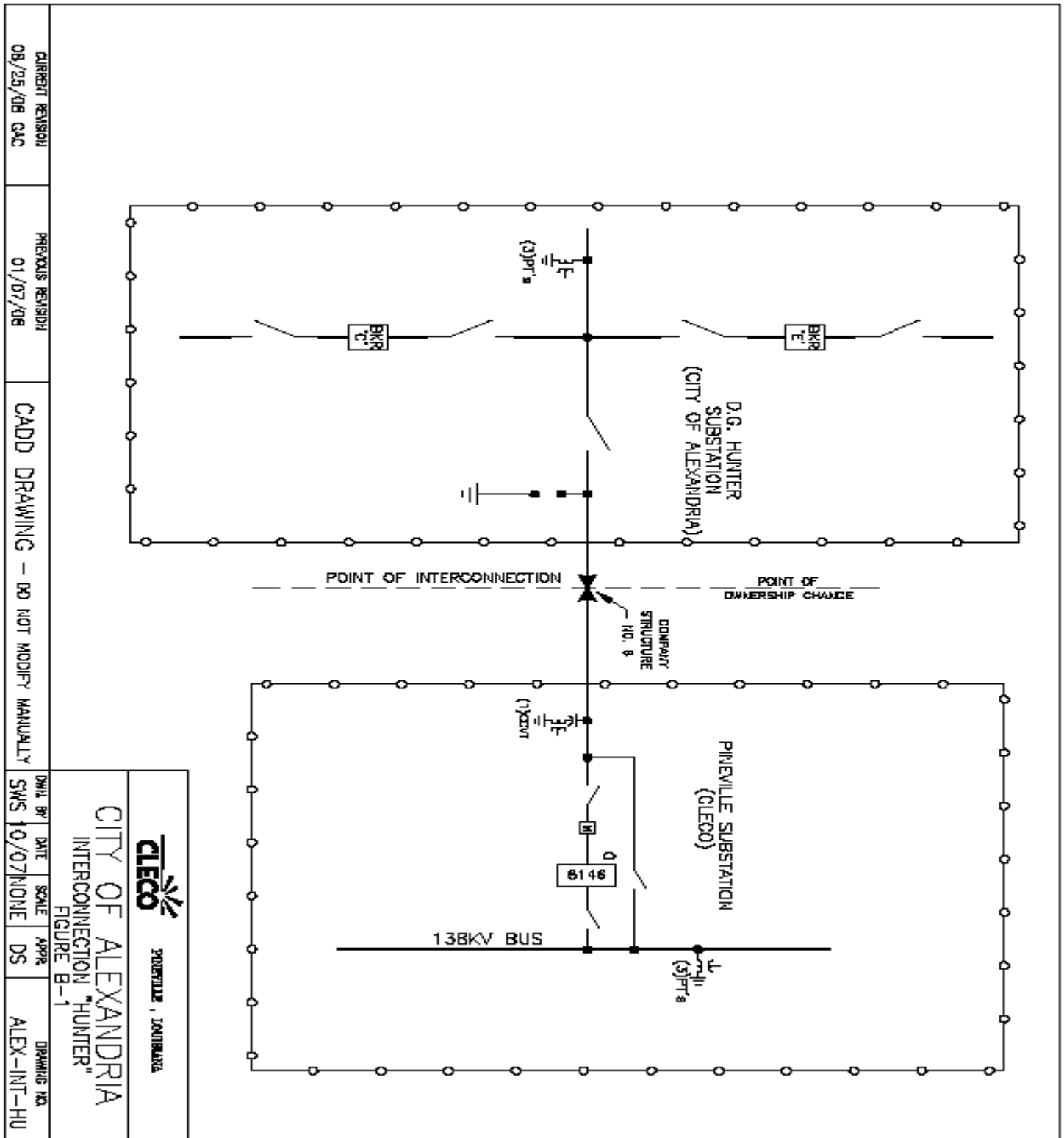


Figure B-1

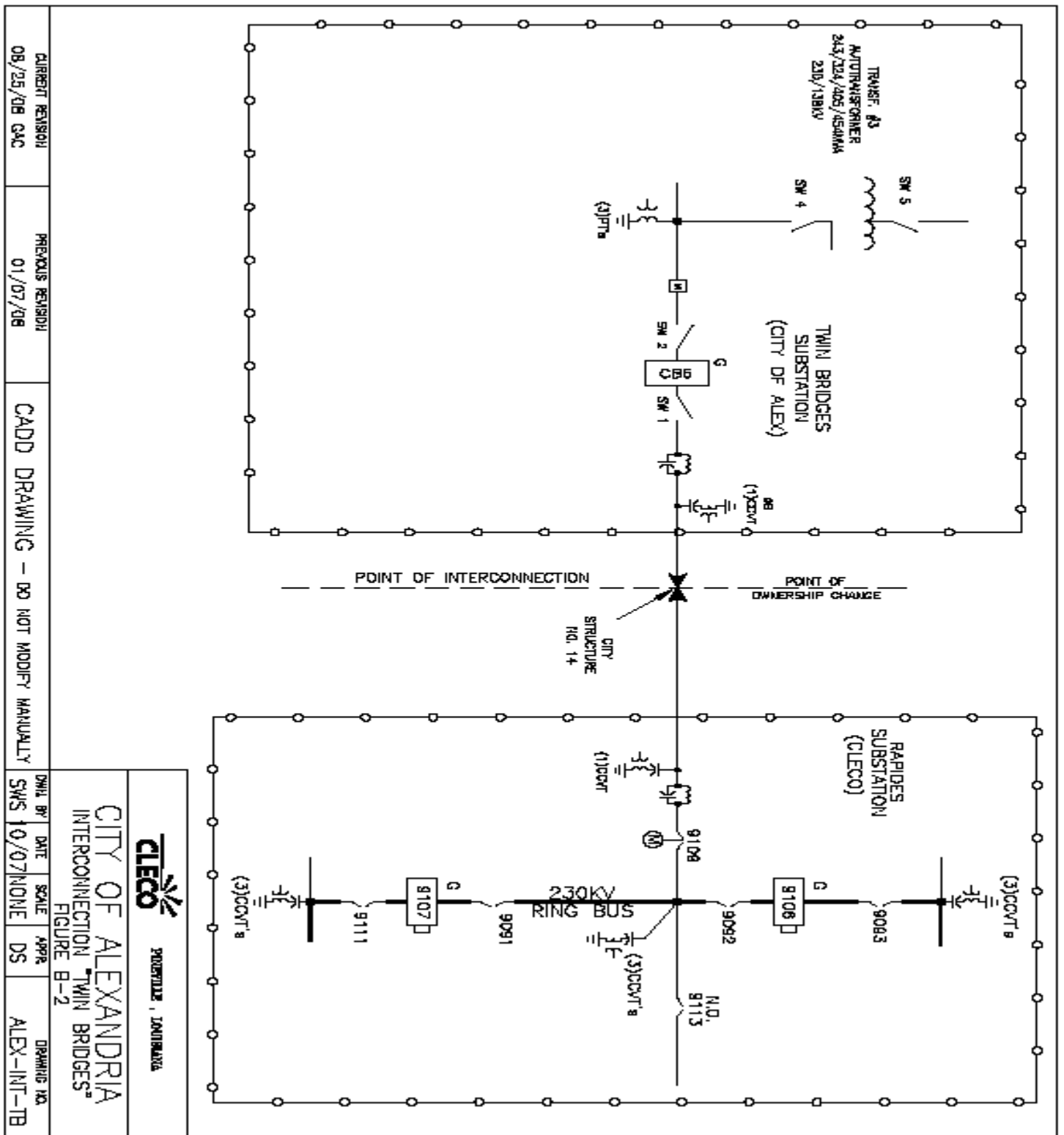


Figure B-2