

Hiring Employees and Former Employees of the Company's External Auditor Policy

Effective Date: 07/23/2004

PURPOSE:

This policy statement contains the basic guidelines to be followed by company personnel in hiring employees or former employees of the Company's external auditing firm.

POLICY TEXT:

Section 206 of the Sarbanes-Oxley Act of 2002 (the Act) states that an accounting firm cannot perform an audit for a registrant if a chief accounting officer, controller, chief financial officer or any person serving in an equivalent position for the issuer, was employed by that registered independent public accounting firm and participated in any capacity in the audit of that issuer during the one year period preceding the date of the initiation of the audit. This prohibition is detailed in the Code of Federal Regulations (CFR), Title 17, Section 210.2-01(c)(2) and extends coverage from those positions designated above to a person in an accounting or financial reporting oversight role.

To assist the accounting firm in maintaining its independence in auditing Cleco's financial statements, the Audit Committee hereby prohibits the hiring of any employee of the Company's external accounting firm who participated in any capacity in such financial statement audit during the one year period preceding the date of the filing of the Company's Annual Report to the SEC.

In order to monitor this provision, any proposed hiring of any employee or former employee of the independent accounting firm must be reviewed and approved by the Audit Committee. Management will provide to the Committee certification that the prospective employee was not an audit team member of the independent accounting firm which performed the audit of the Company's financial statements during the period prescribed by the Act.