



Cleco Power LLC
2030 Donahue Ferry Road
Pineville, La 71360

February 8, 2006

To: Potential Bidders

Re: Request for Proposal: Cleco Power 2007 Short-Term RFP

By means of this request for proposals, Cleco Power LLC (Cleco Power) is soliciting written offers for the short term (1 year or less) sale and delivery of base load, intermediate, and peaking capacity to Cleco Power during the period, January 1, 2007 to January 1, 2008.

Specifications	Proposals are requested for the following:
Buyer:	Cleco Power LLC.
Capacity:	50 MW up to 450 MW in two tiers. Tier one capacity products must be stand alone capacity products. Tier 2 capacity products represent a capacity amount above and beyond the anticipated capacity requirement of Cleco Power. Cleco Power reserves the right to select a tier one capacity product without the associated tier two capacity product.
Plant/System:	Bidder must specify name and location of plant or system from which capacity and energy is offered. Bidder must provide expected commercial operation date if plant/unit is not in commercial operation at time of bid submission.
Firmness/Availability:	See products specified in the attached pricing sheet.
Delivery Periods:	January 1, 2007 to January 1, 2008.
Energy Scheduling:	Specified in attached pricing sheet.
Ancillary Services:	Generation-related ancillary services will be Seller's responsibility.
Interruption:	Schedule may be interrupted by Cleco Power during system emergencies or as instructed by the Control Area Operator to relieve transmission loading.
Energy Price:	See options in attached pricing sheet.
Capacity Charge:	Bid separately for one or more options in attached pricing (in \$/kW-month).

Delivery Point: Cleco Power's transmission system border. Seller responsible for firm transmission service to Cleco Power's border if offering capacity sourced from outside Cleco Power's Control Area. The cost of such transmission should be included in the bidder's proposal.

Transmission Service Approval: Purchase by Cleco Power will be contingent on firm Cleco network transmission service approval and seller obtaining firm point to point transmission service from outside Cleco Power's control area. Energy must be deliverable to Cleco Power's native load.

Multiple Bids: Bidders may submit alternate products and pricing options, but should submit them as separate bids if they are mutually exclusive.

Binding Content of Bids: All price and non-price provisions of proposals shall be binding and not retractable until 5:00 p.m. CDT on **May 30, 2006**, except in the case of a bid that has a fixed price for energy. In the case of a fixed price bid, the bidder may propose revisions up to the contract execution date. The bidder must state whether the bid is to be adjusted, the method of adjustment, the referenced price index for purpose of the adjustment, and a numerical example illustrating the mechanics of the adjustment. Gas indexed heat rate pricing is not subject to revision.

Form of Bids: Proposals shall be signed by an officer of the bidder and represent that he or she is authorized to submit the proposal in binding form. Proposals shall be submitted in hard copy and electronic form. The hard copy may be submitted the business day following the deadline provided the electronic form is submitted by the proposal deadline.

Form of Agreement: A reference purchase power agreement will be made available on the Cleco Corporation website at <http://www.cleco.com>. The reference contract is provided as being indicative of the types of contracts that Cleco Power has entered into recently, and is not necessarily the final form of agreement for this proposal.

Bidders are encouraged to provide bids for all options specified. Bid quantities as small as 50 MWs will be considered.

No bid fees are required to participate in this request for proposal. Expenses incurred by parties responding to this request, and negotiating an agreement (if applicable) shall be the sole responsibility of the responding party.

Target Schedule:

February 8 - Issue request for proposals.

March 1 - 5:00 p.m. CDT – Deadline for receiving written proposals. Proposals received after the deadline will not be considered. Bids based on units not directly connected to the Cleco Power control area must include evidence that a transmission system impact study (SIS) was requested from all non-Cleco Power

transmission owners' systems necessary to deliver firm power on a firm transmission path to Cleco Power's control area. The bid must include the executed SIS agreement or the request for the SIS itself.

- March 24 - Winning bidder(s) notified. Begin negotiations.
- April 14 - Complete negotiations and contract execution.
- May 5 - Cleco Power files for certification of PPA(s) with Louisiana Public Service Commission (LPSC).
- June 1 - Expected date of Cleco network transmission approval.

Cleco Power reserves the right to reject any bids for any reason whatsoever and to enter into negotiations with any party for the purpose of purchasing capacity. The transaction is contingent upon negotiating a definitive written agreement between Buyer and Seller; obtaining all necessary corporate and governmental approvals, including certification by the LPSC on terms and conditions acceptable to Cleco Power.

Responses shall be marked Cleco Power 2007 Short-Term RFP. All inquiries and responses shall be directed to:

Richard Sharp
2030 Donahue Ferry Rd
Pineville, La 71360 (Private Delivery)
Or
P.O. Box 5000
Pineville, La 71361-5000 (U.S. Mail)
Tel: 318-484-7755
Fax: 318-484-7685
Email: richard.sharp@cleco.com

Yours truly,
Shane Hilton
General Manager, Retail Operations

Pricing Sheet for 2007 Resources

Pricing Options: (Capacity - \$/kW-month) (Energy - \$/MWh)

Capacity and Energy Products	Tiers Sum of Total MW	Capacity (\$/kW-month)	Fixed Price Energy (\$/MWh)	Heat Rate Pricing (Btu/kWh)	Additional or Other Pricing Structure
Product A: 200 MW Max Base load Product (7x24) Unit Contingent Time Frame January 1, 2007 to January 1, 2008 Guaranteed Availability %	50-200 MW				
Product B: 300 MW Max Base load Product (7x24) Unit Contingent Time Frame June 1, 2007 to October 1, 2007 Guaranteed Availability %	Tier 1: 50-250 MW				
	Tier 2: 50 MW				
Product C: 450 MW Max Must Take 7X16 Minimum Time Frame June 1, 2007 to October 1, 2007 Delivery Start Date: Delivery End Date:	Tier 1: 50-300 MW				
	Tier 2: 50-150 MW				
Product D: 450 MW Max Must Take 7X8 Minimum Time Frame June 1, 2007 to October 1, 2007 Delivery Start Date: Delivery End Date:	Tier 1: 50-300 MW				
	Tier 2: 50-150 MW				
Product E: 450 MW Max Next Day Call Option 16 Hour Minimum Minimum Time Frame June 1, 2007 to October 1, 2007 Delivery Start Date: Delivery End Date:	Tier 1: 50-300 MW				
	Tier 2: 50-150 MW				
Product F: 450 MW Max Next Day Call Option 8 Hour Minimum Minimum Time Frame June 1, 2007 to October 1, 2007 Delivery Start Date: Delivery End Date:	Tier 1: 50-300 MW				
	Tier 2: 50-150 MW				

Notes:

1. Tiers indicate total MW. Example: Product F has a maximum of 450 MW. Bid the first 50-300 MW in tier one. Tier two represents an additional 50-150 MW for a maximum of 450 MW. Tier one may be selected, without tier two.
2. Please submit mutually exclusive bids on separate pages. Example: A bidder submits a bid with Product E, a 16 hour next day call option, and Product F, an 8 hour next day call option. The bidder states that Cleco can select one or the other, but not both of the options. The bidder should submit the bids on separate pages. If Cleco could select both options at the same time, then the bidder should submit them on the same page.
3. Daily call made by 8:30 a.m. CPT for next day call options, excluding weekends and holidays.
4. Energy price for heat rate based pricing is equal to: Heat Rate (in Btu/kWh) multiplied by Gas Daily Henry Hub Daily Index (in \$/MMBtu) and divided by 1,000. Capacity pricing should be in \$/kW-month.
5. Generating plant, or system, from which capacity is offered must qualify as a capacity resource for Southwest Power Pool Capacity Margin Criteria.