

**APPENDIX 5 to LGIP
OPTIONAL INTERCONNECTION STUDY AGREEMENT**

THIS AGREEMENT is made and entered into this ____ day of _____, 20____ by and between _____, a _____ organized and existing under the laws of the State of _____, ("Interconnection Customer,") and Cleco Power LLC a limited liability company existing under the laws of the State of Louisiana, ("Transmission Provider "). Interconnection Customer and Transmission Provider each may be referred to as a "Party," or collectively as the "Parties."

RECITALS

WHEREAS, Interconnection Customer is proposing to develop a Large Generating Facility or generating capacity addition to an existing Generating Facility consistent with the Interconnection Request submitted by Interconnection Customer dated _____;

WHEREAS, Interconnection Customer is proposing to establish an interconnection with the Transmission System; and

WHEREAS, Interconnection Customer has submitted to Transmission Provider an Interconnection Request; and

WHEREAS, on or after the date when Interconnection Customer receives the Interconnection System Impact Study results, Interconnection Customer has further requested that Transmission Provider prepare an Optional Interconnection Study;

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein the Parties agree as follows:

- 1.0 When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated in the Transmission Provider's FERC-approved LGIP.
- 2.0 Interconnection Customer elects and Transmission Provider shall cause an Optional Interconnection Study consistent with Section 10.0 of this LGIP to be performed in accordance with the Tariff.
- 3.0 The scope of the Optional Interconnection Study shall be subject to the assumptions set forth in Attachment A to this Agreement.
- 4.0 The Optional Interconnection Study shall be performed solely for informational purposes.
- 5.0 The Optional Interconnection Study report shall provide a sensitivity analysis based on the assumptions specified by Interconnection Customer in Attachment A to this Agreement. The Optional Interconnection Study will identify

Transmission Provider's Interconnection Facilities and the Network Upgrades, and the estimated cost thereof, which may be required to provide transmission service or interconnection service based upon the assumptions specified by Interconnection Customer in Attachment A.

- 6.0 Interconnection Customer shall provide a deposit of \$10,000 for the performance of the Optional Interconnection Study. Transmission Provider's good faith estimate for the time of completion of the Optional Interconnection Study is [insert date].

Upon receipt of the Optional Interconnection Study, Transmission Provider shall charge and Interconnection Customer shall, within thirty (30) days of receipt of an invoice, pay the actual costs of the Optional Interconnection Study.

Any difference between the deposit and the actual cost of the study shall be paid by or refunded to Interconnection Customer, as appropriate.

- 7.0 Miscellaneous.

- 7.1 Disclaimers.

7.1.1 Equipment Release. Transmission Provider's Optional Interconnection Study shall not be construed as confirming or endorsing the design, or as any warranty of safety, durability, reliability, or suitability of Interconnection Customer's equipment or installation thereof for any use, including the use intended by Interconnection Customer, and Interconnection Customer agrees to release and hold Transmission Provider harmless for any claims or demands arising out of or relating to Interconnection Customer's use of the Optional Interconnection Study.

- 7.2 Indemnity, Consequential Damages and Insurance.

7.2.1 Indemnity. The Parties to this agreement shall indemnify, defend and hold the other Party harmless from any and all damages, demands, claims, causes of action, including claims or actions relating to injury to or death of any person, or damage to property, costs and expenses, court costs, attorneys fees, or any other form of loss by or to third parties, arising out of or resulting from the Indemnifying Party's performance of its obligations under this agreement, when due to the Indemnifying Party's negligent acts or omissions, strict liability, or fault, except in cases that also involve the gross negligence or intentional wrongdoing of the Indemnified Party.

7.2.1.1 Indemnified Person. If an Indemnified Person is entitled to indemnification under this Article 7.2 as a result of a claim by a third party, and the Indemnifying Party fails, after notice and reasonable opportunity to proceed under Article 7.2.1, to assume the defense of such claim, such Indemnified

Person may at the expense of the Indemnifying Party contest, settle or consent to the entry of any judgment with respect to, or pay in full, such claim.

7.2.1.2 Indemnifying Party. If an Indemnifying Party is obligated to indemnify and hold an Indemnified Person harmless under this Article 7.2, the amount owing to the Indemnified Person shall be the amount of such Indemnified Person's actual Loss, not of any insurance or other recovery.

7.2.1.3 Indemnity Procedures. Promptly after receipt by an Indemnified Person of any claim or notice of the commencement of any action or administrative or legal proceeding or investigation as to which the indemnity provided for in Article 7.2.1 may apply, the Indemnified Person shall notify the Indemnifying Party of such fact. Any failure of or delay in such notification shall not affect a Party's indemnification obligation unless such failure or delay is materially prejudicial to the Indemnifying Party.

The Indemnifying Party shall have the right to assume the defense thereof with counsel designated by such Indemnifying Party and reasonably satisfactory to the Indemnified Person. If the defendants in any such action include one or more Indemnified Persons and the Indemnifying Party and if the Indemnified Person reasonably concludes that there may be legal defenses available to it and/or other Indemnified Persons which are different from or additional to those available to the Indemnifying Party, the Indemnified Person shall have the right to select separate counsel to assert such legal defenses and to otherwise participate in the defense of such action on its own behalf. In such instances, the Indemnifying Party shall only be required to pay the fees and expenses of one additional attorney to represent an Indemnified Person or Indemnified Persons having such differing or additional legal defenses.

The Indemnified Person shall be entitled, at its expense, to participate in any such action, suit or proceeding, the defense of which has been assumed by the Indemnifying Party. Notwithstanding the foregoing, the Indemnifying Party (i) shall not be entitled to assume and control the defense of any such action, suit or proceedings if and to the extent that, in the opinion of the Indemnified Person and its counsel, such action, suit or proceeding involves the potential imposition of criminal liability on the Indemnified Person, or there exists a conflict or adversity of interest between the indemnified Person and the Indemnifying Party, in such event the Indemnifying Party shall pay the reasonable expenses of the Indemnified Person, and (ii) shall not settle or consent to the entry of any judgment in any action, suit or proceeding without the consent of the Indemnified Person, which shall not be reasonably withheld, conditioned or delayed.

7.2.2 Consequential Damages. Other than the Liquidated Damages heretofore described, 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.

7.2.3 Insurance. Each party shall, at its own expense, maintain in force throughout the period of this agreement, and until released by the other Party, the following minimum insurance coverages, with insurers authorized to do business in the state where the Point of Interconnection is located:

7.2.3.1 Employers' Liability and Workers' Compensation Insurance providing statutory benefits in accordance with the laws and regulations of the state in which the Point of Interconnection is located.

7.2.3.2 Commercial General Liability Insurance including premises and operations, personal injury, broad form property damage, broad form blanket contractual liability coverage (including coverage for the contractual indemnification) products and completed operations coverage, coverage for explosion, collapse and underground hazards, independent contractors coverage, coverage for pollution to the extent normally available and punitive damages to the extent normally available and a cross liability endorsement, with minimum limits of One Million Dollars (\$1,000,000) per occurrence/One Million Dollars (\$1,000,000) aggregate combined single limit for personal injury, bodily injury, including death and property damage.

7.2.3.3 Comprehensive Automobile Liability Insurance for coverage of owned and non-owned and hired vehicles, trailers or semi-trailers designed for travel on public roads, with a minimum, combined single limit of One Million Dollars (\$1,000,000) per occurrence for bodily injury, including death, and property damage.

7.2.3.4 Excess Public Liability Insurance over and above the Employers' Liability Commercial General Liability and Comprehensive Automobile Liability Insurance coverage, with a minimum combined single limit of Twenty Million Dollars (\$20,000,000) per occurrence/Twenty Million Dollars (\$20,000,000) aggregate.

7.2.3.5 The Commercial General Liability Insurance, Comprehensive Automobile Insurance and Excess Public Liability Insurance policies shall name the other Party, its parent, associated and Affiliate companies and their respective directors, officers, agents, servants and employees ("Other Party Group") as additional insured. All policies

shall contain provisions whereby the insurers waive all rights of subrogation in accordance with the provisions of this agreement against the Other Party Group and provide thirty (30) days advance written notice to the Other Party Group prior to anniversary date of cancellation or any material change in coverage or condition.

7.2.3.6 The Commercial General Liability Insurance, Comprehensive Automobile Liability Insurance and Excess Public Liability Insurance policies shall contain provisions that specify that the policies are primary and shall apply to such extent without consideration for other policies separately carried and shall state that each insured is provided coverage as though a separate policy had been issued to each, except the insurer's liability shall not be increased beyond the amount for which the insurer would have been liable had only one insured been covered. Each Party shall be responsible for its respective deductibles or retentions.

7.2.3.7 The Commercial General Liability Insurance, Comprehensive Automobile Liability Insurance and Excess Public Liability Insurance policies, if written on a Claims First Made Basis, shall be maintained in full force and effect for two (2) years after termination of this agreement, which coverage may be in the form of tail coverage or extended reporting period coverage if agreed by the Parties.

7.2.3.8 The requirements contained herein as to the types and limits of all insurance to be maintained by the Parties are not intended to and shall not in any manner, limit or qualify the liabilities and obligations assumed by the Parties under this agreement.

7.2.3.9 Within ten (10) days following execution of this agreement, and as soon as practicable after the end of each fiscal year or at the renewal of the insurance policy and in any event within ninety (90) days thereafter, each Party shall provide certification of all insurance required in this agreement, executed by each insurer or by an authorized representative of each insurer.

7.2.3.10 Notwithstanding the foregoing, each Party may self-insure to meet the minimum insurance requirements of Articles 7.2.3.2 through 7.2.3.8 to the extent it maintains a self-insurance program; provided that, such Party's senior secured debt is rated at investment grade, or better, by Standard & Poors and its self-insurance program meets the minimum insurance requirements of Articles 7.2.3.2 through 7.2.3.8. For any period of time that a Party's senior secured debt is unrated by Standard & Poors or is rated at less than investment grade by Standard & Poors, such Party shall comply with the insurance requirements applicable to it under Articles 7.2.3.2 through 7.2.3.9. In the event that a Party is permitted to self-insure pursuant to this

article, it shall notify the other Party that it meets the requirements to self-insure and that its self-insurance program meets the minimum insurance requirements in a manner consistent with that specified in Article 7.2.3.9.

7.2.3.11 The Parties agree to report to each other in writing as soon as practical, all accidents or occurrences resulting in injuries to any person, including death, and any property damage arising out of this agreement.

- 7.3 Governing Law. This Optional Interconnection Study Agreement shall be governed by and construed in accordance with the laws of the State where the Point of Interconnection is located, without regard to its conflict of law principles. The Parties hereby submit to the exclusive jurisdiction of the state or federal courts situated in the States of Louisiana and the state where the Point of Interconnection is located for purposes of any suit or action arising out of this Optional Interconnection Study Agreement. Nothing contained in this Section 7.3 shall be construed to impair the jurisdiction of the Commission.
- 7.4 Waiver. The failure of either Party to insist upon strict performance of any of the terms and conditions of this Optional Interconnection Study Agreement, or to exercise or delay the exercise of any rights or remedies provided by this Optional Interconnection Study Agreement or by law, shall not release the other Party from any of the responsibilities or obligations imposed by law or by this Optional Interconnection Study Agreement, and shall not be deemed a waiver of any right of the other Party to insist upon strict performance of this Optional Interconnection Study Agreement.
- 7.5 Amendment. This Optional Interconnection Study Agreement constitutes the entire agreement between the Parties hereto with reference to the subject matter hereof, and no change or modification as to any of the provisions hereof shall be binding on either Party unless reduced to writing and approved by a duly authorized representative of Interconnection Customer and the President or a Vice President of Transmission Provider.
- 7.6 Assignment. This Optional Interconnection Study Agreement shall not be assigned by Interconnection Customer without the prior written consent of Transmission Provider, not to be unreasonably withheld, conditioned, or delayed. This Optional Interconnection Study Agreement, and the rights and obligations hereof, shall be binding upon and shall inure to the benefit of the successors and assigns of the parties hereto.
- 7.7 Execution. This Optional Interconnection Study Agreement may be executed in two or more counterparts, each of which is deemed an original, but all constitute one and the same instrument.

7.8 Captions. All indexes, titles, subject headings, section titles and similar items are provided for the purpose of reference and convenience and are not intended to be inclusive, definitive, or to affect the meaning of the contents or scope of this Agreement.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed by their duly authorized officers or agents on the day and year first above written.

Cleco Power LLC

By: _____

Title: _____

Date: _____

[Insert name of Interconnection Customer]

By: _____

Title: _____

Date: _____

Attachment A
Appendix 5
Optional Interconnection
Study Agreement

ASSUMPTIONS USED IN CONDUCTING
THE OPTIONAL INTERCONNECTION STUDY

[To be completed by Interconnection Customer
consistent with Section 10 of the LGIP.]