



Cleco Power LLC
2030 Donahue Ferry Road
Pineville, La 71360

January 29, 2007

To: Potential Bidders

Re: Request for Proposal: Cleco Power 2008 Short-Term RFP

By means of this request for proposal, 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, 2008 to January 1, 2009.

Specifications	Proposals are requested for the following:
Buyer:	Cleco Power LLC.
Capacity:	50 MW up to 350 MW is the preferred and expected range, but Buyer is willing to accept smaller capacity increments. All bid proposals must be stand alone capacity products.
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 Period:	January 1, 2008 to January 1, 2009.
Energy Scheduling:	Specified in attached pricing sheet.
Ancillary Services:	Generation-related ancillary services will be Seller's responsibility. See Cleco Power LLC's FERC Electric Tariff, Second Revised Volume No. 1, Section 1.1, Sections 3.1 – 3.6 and Schedules 2, 3, 4, 5 and 6.
Interruption:	Schedule may be interrupted only by Cleco Power during system emergencies as instructed by the Balancing Authority or Reliability Coordinator.
Energy Price:	See options in attached pricing sheet.
Capacity Charge:	Bid separately for one or more options in attached pricing sheet (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 third-party transmission must 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 are encouraged to submit multiple 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. Central Prevailing Time (CPT) on **June 29, 2007**, 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 a pricing update mechanism up to the contract execution date. The bidder must state whether the bid price 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 bids may not include such a mechanism.

Form of Bids: Proposals shall be signed by a duly authorized 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 no later than 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.

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:

January 29, 2007 Issue request for proposals.

February 19, 2007 5:00 p.m. CPT – Deadline for receipt of 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.

April 16, 2007 Winning bidder(s) notified. Begin negotiations.

May 16, 2007 Complete negotiations and contract execution.

June 1, 2007 Cleco Power files for certification of PPA(s) with Louisiana Public Service Commission (LPSC).

June 15, 2007 Expected date of Cleco network transmission approval.

Cleco Power reserves the right to reject any or all 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 must be labeled "Cleco Power 2008 Short-Term RFP." Please direct all inquiries and responses 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 2008 Resources

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

Capacity and Energy Products	Guaranteed Availability %	Delivery Time Frame	MW Volume of Product Offered	Capacity Price (\$ /kW-month)	Fixed Price Energy (\$ /MWh)	Heat Rate Pricing (Btu/kWh)	Additional or Other Pricing Structure
Product A: 100 MW Maximum 50-100 MW Base Load Product (7x24) Unit Contingent		January 1, 2008 to January 1, 2009					
Product B: 100 MW Maximum 50-100 MW Base Load Product (7x24) Unit Contingent		May 1, 2008 to October 1, 2008					
Product C: 150 MW Maximum 50-150 MW Must Take 8 hour minimum		May 1, 2008 to October 1, 2008					
Product D: 150 MW Maximum 50-150 MW Next Day Call Option 8 Hour Minimum		January 1, 2008 to January 1, 2009					
Product E: 150 MW Max 50-150 MW Next Day Call Option 8 Hour Minimum		May 1, 2008 to October 1, 2008					
Product F: 49 MW Max Bidder must clearly define product characteristics		January 1, 2008 to January 1, 2009					
Product G: 49 MW Max Bidder must clearly define product characteristics		May 1, 2008 to October 1, 2008					

Notes:

1. Please submit mutually exclusive bids on separate pages. Example: A bidder submits a bid with Product D, an 8-hour next day call option, and Product E, an 8-hour next day call option for the period May to October. 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.
2. Daily call made by 8:30 a.m. CPT for next day call options, excluding weekends and holidays.
3. 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.
4. Generating plant, or system, from which capacity is offered must qualify as a capacity resource for Southwest Power Pool Capacity Margin Criteria.