



Reliable. Resilient. **Ready for the future.**

**CLECO CORPORATION**  
**44<sup>th</sup> EEI Financial Conference**

**Nov. 3, 2009**



# Forward-Looking Statements

**This presentation contains forward-looking statements about future results and circumstances with respect to which there are many risks and uncertainties. Although the company believes that expectations reflected in such forward-looking statements are based on reasonable assumptions, we can give no assurances that these expectations will prove to be correct or that other benefits anticipated in the forward-looking statements will be achieved. For a discussion of risk factors and other factors that may cause the company's actual results to differ materially from those contemplated in its forward-looking statements, please refer to the company's filings with the SEC, including its 2008 Annual Report on Form 10-K and its most recent Quarterly Report on Form 10-Q.**

# Corporate Structure

Cleco Corporation  
(Holding Company)

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graph TD; A["Cleco Corporation (Holding Company)"] --- B["(Primary Subsidiaries)"]; B --- C["Cleco Power (Regulated Electric Utility)"]; B --- D["Cleco Midstream (Wholesale Energy Business)"]
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(Primary Subsidiaries)

Cleco Power

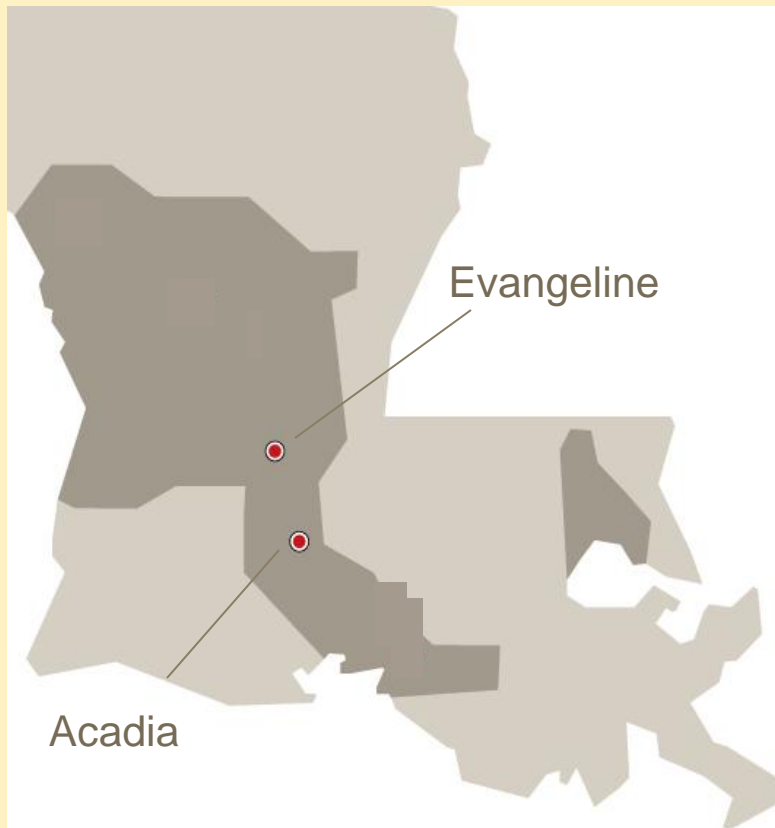
Regulated  
Electric Utility

Cleco Midstream

Wholesale  
Energy Business

# Midstream Wholesale Energy Business Overview

**STRATEGY:** Reduce market risk, extract value through long-term contracts and/or sale of assets



## Profile:

Two highly efficient, combined-cycle natural gas power plants:

- Evangeline (100% ownership):
  - ❖ 775 MWs
  - ❖ Output tolled to JP Morgan through 2020
- Acadia (50% owned with Cajun Gas Energy):
  - ❖ Two, 580-MW units
  - ❖ Transactions pending – 1,160 MWs

# Maximizing the VALUE OF ACADIA

## Pending Transactions

### APP/Cleco Power

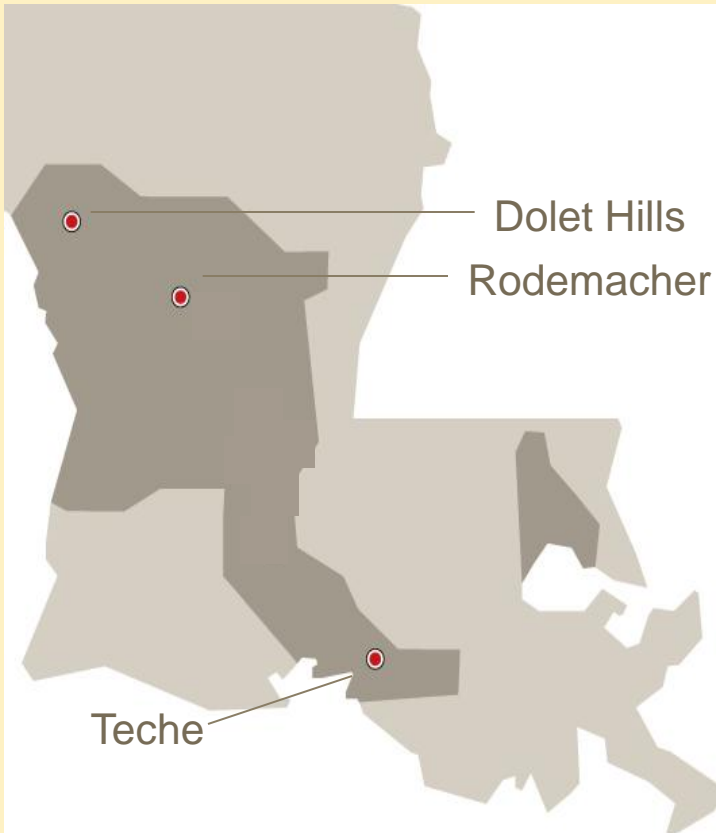
- Cleco Power to acquire 580 MWs (Power Block 1)
- Acquisition will fill Cleco Power capacity shortfall
- Cleco Power to assume operating responsibility
- Transaction valued at approximately \$300 million
- Awaiting final approval from LPSC and FERC
- Closing expected in the first quarter of 2010

### APP/Entergy Louisiana

- Entergy Louisiana to acquire 580 MWs (Power Block 2)
- Definitive agreements executed on Oct. 30
- Regulatory filings to be made with LPSC in mid-November, with FERC in early 2010
- Closing expected late 2010

# Regulated Electric Utility Business Overview

**STRATEGY:** Grow through regulated investments that benefit customers and shareholders



## Profile:

- ❖ Generation, transmission and distribution assets
- ❖ 276,000 customers in 23 parishes

## Strengths/Attributes:

- ❖ Reliable service
- ❖ High customer satisfaction

## Strategic Objectives:

- ❖ Diversify fuel sources/build balanced portfolio
- ❖ Reduce dependence on external power sources
- ❖ Pursue reliability projects
- ❖ Pursue renewable projects

# Rate case approval marks beginning of NEW ERA at CLECO

- Regulators unanimously approved rate case Oct. 14, 2009
- New rates effective day after Rodemacher 3 begins commercial operation
- Target return on equity of 10.7%
  - ❖ 100% of earnings between 10.7% and 11.3% retained
  - ❖ 40% of earnings between 11.3% and 12.3% retained
  - ❖ All earnings over 12.3% returned to customers
- 51% equity balance

# Rate case approval marks beginning of NEW ERA at CLECO (cont.)

- Formula rate plan
  - ❖ Term of four years
  - ❖ Future large capital projects
    - Acadiana Load Pocket (ALP) transmission project
    - 50% acquisition of Acadia as a result of 2007 long-term RFP
- Unique because long-term fuel savings from Rodemacher 3 and return of customer-supplied financing should offset base rate increase and reduce average customer's bill

# Rodemacher 3 expected to be COMPLETE BY YEAR END

## Technical Highlights:

- 600-MW solid-fuel unit
- Circulating fluidized-bed technology
- Petroleum coke primary fuel source
- Capable of burning biomass
- Positive impact on Louisiana's economy

## Financial Highlights:

- \$1 billion rate base investment
- \$971 million in expenditures (including AFUDC) as of Sept. 30, 2009

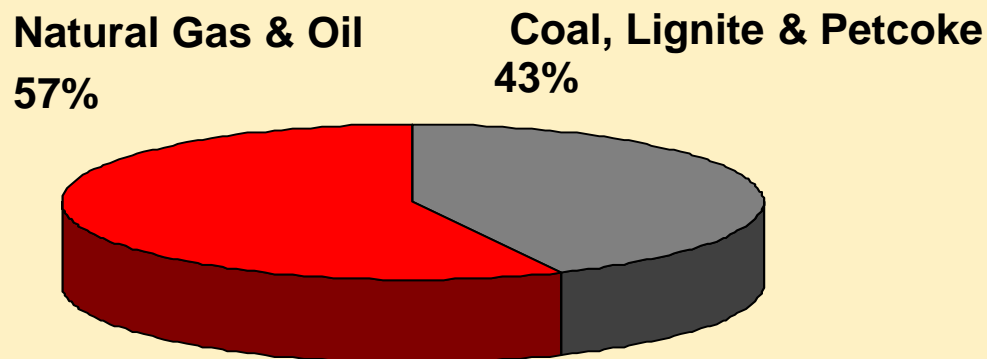
Rodemacher Power Station with Unit 3



# Cleco will have one of the region's most COMPETITIVE GENERATION PORTFOLIOS

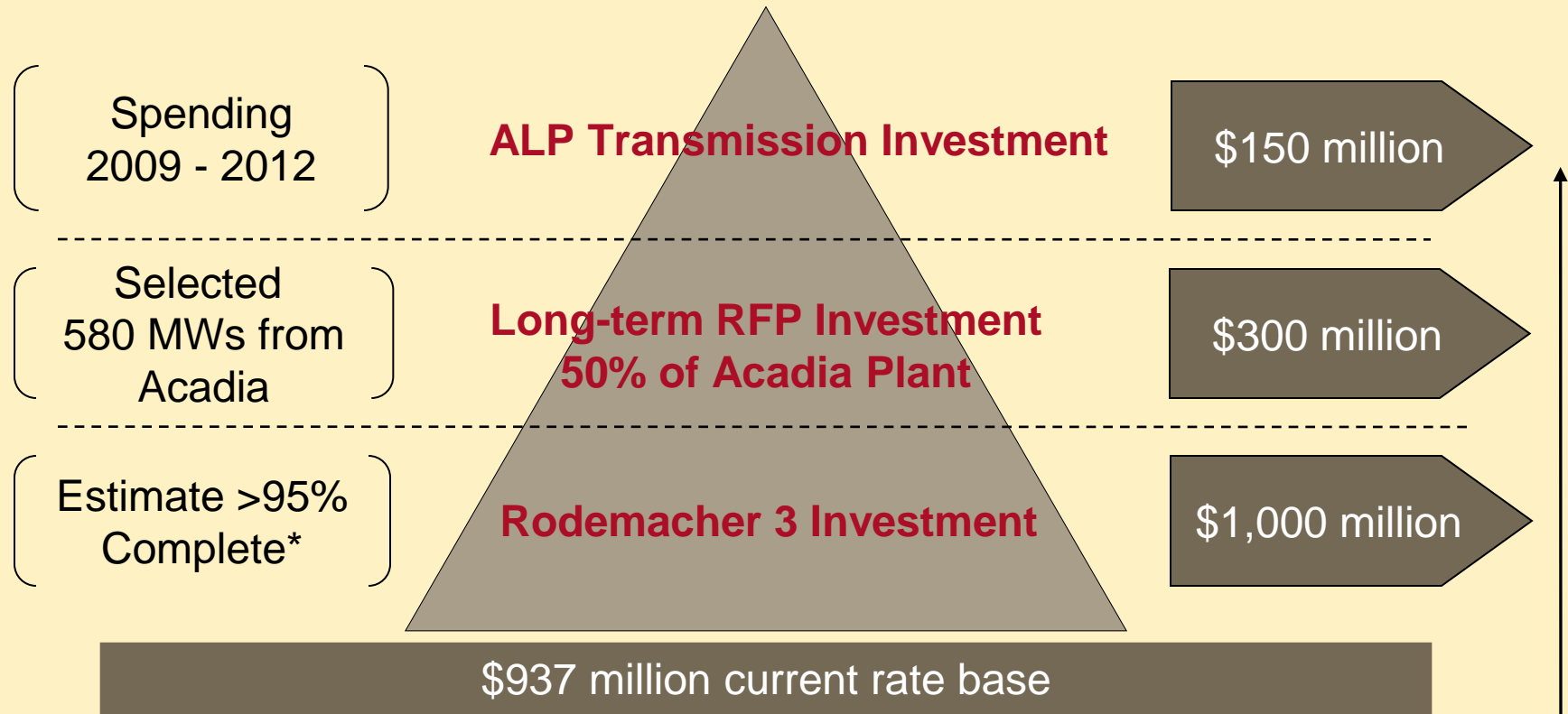
## Capacity Mix

2010 Estimate<sup>1</sup>



<sup>1</sup>Based on owned capacity of approximately 2,539 MWs. Data includes capacity from Rodemacher 3 (600 MWs) and the pending acquisition of Acadia (580 MWs).

# Executing investment growth INITIATIVES IN OUR REGULATED UTILITY



\*As of September 2009, Shaw estimates construction is more than 95% complete.

# Transmission project is NEXT MAJOR INVESTMENT

## Project Description:

Upgrade transmission in south Louisiana service territory

Total project estimated at \$200 million

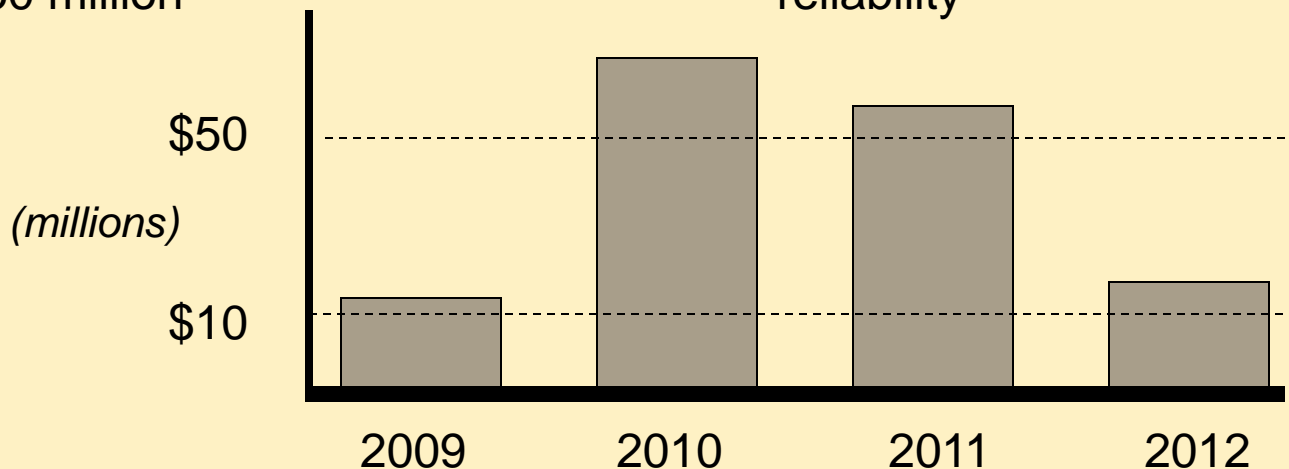
Cleco's investment roughly \$150 million

## Project Need and Approvals:

No regional transmission organization

Transmission constraints are an ongoing problem

LPSC and SPP have approved based on need to improve electric service reliability



# Cleco has **STRONG LIQUIDITY POSITION**

	<b>Total Liquidity (as of Sept. 30, 2009) (millions)</b>
Cash and Cash Equivalents:	\$ 49
Credit Facility Available - Cleco Corporation:	\$ 17
Credit Facility Available - Cleco Power:	\$240
	<b>\$306</b>

# SMART financing plan based on Cleco's CONSERVATIVE RISK PROFILE

- Commitment to maintain our investment grade rating
- Target a balanced capital structure at Cleco Power
- Utilize cash flow from current investments for future incremental equity infusions
- Currently, no need to access the equity markets

# Cleco has long history of **PAYING** **DIVIDENDS**

- Stable and predictable cash flows from regulated operations support Cleco's ability to pay a consistent dividend
- Current dividend yield of 3.5%\* reflecting annual dividend of \$0.90/share

\*As of Oct. 20, 2009

# Cleco's story: WE'RE A LEADING LOUISIANA UTILITY

- Major growth is through our utility
  - ❖ Rodemacher 3
  - ❖ Increased rate base
  - ❖ 580 MWs of additional efficient generating capacity
  - ❖ ALP transmission project
- Future cash flow offers long-term growth
- Experienced management team
- Strong regulatory relationships
- Long record of providing solid returns to shareholders
- Investment grade credit rating