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Cleco Power Acquires 580-Megawatt Acadia Unit From Acadia Power Partners

February 24, 2010: 08:00 AM ET



Cleco Power LLC, a subsidiary of Cleco Corp. (NYSE: CNL), today announced the completion of its Acadia Power Station Unit 1 acquisition, valued at approximately \$304 million.

The acquisition of the 580-megawatt natural gas generating unit and 50 percent of the plant's common assets closed on Feb. 23, 2010, after being authorized by the Louisiana Public Service Commission (LPSC) and the Federal Energy Regulatory Commission (FERC).

In 2007, Cleco Power solicited bids for up to 600 megawatts of intermediate and/or peaking capacity and selected Unit 1, or half of the Acadia plant, as the lowest bid in its request for proposal (RFP) for long-term capacity beginning in 2010.

Acadia Power Partners, LLC (APP) owns the Acadia plant. APP is a 50/50 partnership between a subsidiary of Cleco Midstream Resources LLC, which is a subsidiary of Cleco Corp., and Cajun Gas Energy, L.L.C. (Cajun).

On Feb. 19, 2010, Cleco Corp. entered into a \$150 million aggregate principal amount one-year bank term loan, which matures in 2011. The interest rate for the bank term loan was a one-month London Inter-Bank Offer Rate plus 2.75 percent. The proceeds were used in part to satisfy obligations to affiliates of Cajun.

An independent monitor appointed by the LPSC supervised the entire RFP selection process. The transaction remained under the supervision of the independent monitor, reporting to the LPSC, until it closed.

"Acadia is a state-of-the-art power plant that will be around to meet our customers' power needs for decades," said Mike Madison, president and chief executive officer of Cleco Corp. "With Rodemacher Unit 3, our 600-megawatt solid-fuel unit in service, and this acquisition, Cleco Power's generating fleet has the level of diversity and efficiency we've been working to achieve for the past several years."

Acadia Power Station began commercial operation in 2002. It consists of two, 580-megawatt generating units and is located near Eunice, La.

In a separate transaction announced in October 2009, Entergy Louisiana, LLC, a subsidiary of Entergy Corp., agreed to purchase Unit 2 and 50 percent of the plant's common assets. This transaction is expected to close in late 2010 or early 2011, pending approvals from the LPSC and the FERC.

Cleco Power will take over plant operations for the entire facility, operating Unit 2 on behalf of APP.

Cleco Corp. is a regional energy company headquartered in Pineville, La. It operates a regulated electric utility company that serves about 277,000 customers across Louisiana. Cleco also operates a wholesale energy business with approximately 1,065 megawatts of nameplate generating capacity, which includes Entergy Louisiana's pending acquisition of Acadia Power Station Unit 2. For more information about Cleco, visit www.cleco.com.

This news release contains forward-looking statements. Actual events and results may differ materially from those projected. There are many risks and uncertainties with respect to such forward-looking statements, including the risks and uncertainties more fully described in Cleco's latest Annual Report on Form 10-K and Quarterly Reports on Form 10-Q.

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