JOINT PRICING ZONE REVENUE ALLOCATION AGREEMENT
Between
Cleco Power LLC and City of Alexandria, Louisiana

This Joint Pricing Zone Revenue Allocation Agreement ("Agreement") is made and entered into as of the ___ day of _______________, 2015, by and between Cleco Power LLC (“Cleco”), a limited liability company organized under the laws of the State of Louisiana, and City of Alexandria, Louisiana (“COA”), a municipality existing under the laws of the State of Louisiana and having its principal office and place of business at 915 Third Street, Alexandria, Louisiana; and any successors thereof, which are referred to herein collectively as "Parties" and singularly as "Party."

WITNESSETH:

WHEREAS, Cleco is a transmission owning member of Midcontinent Independent System Operator, Inc. (“MISO”) effective February 22, 2013, and owns certain transmission facilities in the Cleco Zone, and integrated into the MISO RTO on December 19, 2013;

WHEREAS, COA is a transmission-owning member of MISO effective June 1, 2014, and integrated into the MISO RTO on December 19, 2013;

WHEREAS, COA owns certain transmission facilities as identified in Attachment A to this Agreement (“Alexandria Transmission Facilities”), which are located in the Cleco Zone, and which are interconnected with the transmission facilities of Cleco in the Cleco Zone;

WHEREAS, the Alexandria Transmission Facilities are located wholly within the Cleco Zone;

WHEREAS, the revenue requirements for the Alexandria Transmission Facilities are included in the determination of the transmission rates for the Cleco Zone under the terms of the MISO Tariff, as of the date COA completes its evaluation and Attachment O review process with MISO;

WHEREAS, the revenue requirements for the Parties’ transmission facilities are included in the rates for the Cleco Zone under the MISO Tariff;

WHEREAS, MISO collects revenues for a transmission pricing zone and remits those revenues to a single Transmission Owner regardless of the number of Transmission Owners within that transmission pricing zone; and

WHEREAS, MISO distributes all transmission revenues for the Cleco Zone to Cleco as the Designee; and

WHEREAS, the Parties desire in this Agreement to establish the allocation of those revenues and other imputed revenues between the Parties and related rights and obligations;

NOW, THEREFORE, in consideration of the mutual covenants set forth herein, the sufficiency of which is hereby acknowledged, the Parties hereto agree as follows.

ARTICLE I
DEFINITIONS

Capitalized terms used in this Agreement without other definitions will have the meanings set forth below or, if not set forth below, as defined in the MISO Tariff:

Agreement: This Joint Pricing Zone Revenue Allocation Agreement, including any attachments hereto, or amendments thereof.

Allocation Percentage: A Party's share of the Zonal Revenue Requirement, as determined by dividing such Party's Revenue Requirement by the total Zonal Revenue Requirement for the applicable period. The Allocation Percentage shall be subject to adjustment from time to time pursuant to Section 3.1 hereof.

Attachment A: Attachment A to this Agreement.

Attachment O: Attachment O to the MISO Tariff.

Bundled Load: The aggregate usage by customers that purchase electric service as a single service or customers that purchase electric services under a retail tariff rate schedule that includes energy and delivery components, as distinguished from customers that purchase transmission service as a separate service.

Cleco TPZ or Cleco Zone: The Cleco Transmission Pricing Zone designated as Zone 32 of the MISO Tariff, or any successor designation including the Cleco service territory, which currently includes Transmission Facilities owned by the City of Alexandria, Louisiana, and Cleco Power LLC.

COA ATRR (Annual Transmission Revenue Requirements): Value calculated by MISO as part of the COA Attachment O to the MISO Tariff, submitted by COA to MISO, and applicable to the COA Transmission Facilities located in the Cleco TPZ. The total value of the COA ATRR and any assets subsequently acquired by COA that are located in the Cleco transmission zone and identified in Attachment A pursuant to an amendment to this Agreement will be used to determine the COA share of the Cleco TPZ revenue requirement pursuant to this Agreement. The value used for total revenue requirement will be the value found in the "PZ Net RR" column of the blue "MISO" tab in the "Schedule_7_8_9.xlsx" file submitted by MISO to the Transmission Owners. The COA ATRR will be the value of the assets in the Cleco Zone, as found in the ATRR Allocation based on Gross Plant table on the COA tab of the same MISO rate file as identified above.

COA Transmission Facilities: The transmission facilities identified in Attachment A that are owned by COA and located within the Cleco Zone, the revenue with respect to which will be shared pursuant to this Agreement.

Designee: The entity designated as such in Section 2.2 of this Agreement.

Directly Assigned Revenues: The transmission revenues collected by or on behalf of MISO and actually distributed by or on behalf of MISO to the Designee for the Cleco TPZ. Directly Assigned Revenues consist of all revenues collected under MISO Tariff Schedules 7, 8, and 9, including the COA monthly payments to MISO for network service billed by MISO, and actually distributed by MISO to the Cleco TPZ. For the avoidance of doubt, Directly Assigned Revenues do not include any revenues not distributed by MISO to the Designee.

Effective Date: The date identified in Section 4.1.

FERC or Commission: The Federal Energy Regulatory Commission or its successor.

FERC Interest Rate: The interest rate derived by the method specified in the FERC's regulations at 18 C.F.R. § 35.19a, or any successor regulation.

FPA: The Federal Power Act, 16 U.S.C. §§ 791a-825r, as amended by Pub. L. No. 109-58,119 Stat 594 (2005).

Governmental Authority: Any court, tribunal, agency, commission, or similar governing entity having jurisdiction over the applicable Party or subject matter.

Louisiana Public Service Commission or LPSC: The Louisiana Public Service Commission or its successor: La. Const. Art. IV, § 21.

MISO: Midcontinent Independent System Operator, Inc., or its successor.

MISO Tariff: The Open Access Transmission, Energy and Operating Reserve Markets Tariff for the Midcontinent Independent System Operator, Inc. on file with the FERC as MISO FERC Electric Tariff, Fifth Revised Volume No. 1, or any successor tariff.

Revenue Requirement: With respect to a Party, the Annual Transmission Revenue Requirement for such Party's transmission facilities in the Cleco TPZ, as calculated pursuant to the Party's then effective Attachment O.

Revenue Share: Each Party's share of the Directly Assigned Revenues and Zonal Imputed Transmission Charges determined in accordance with Section 3.3 hereof.

Parties: The signatories to this Agreement.

Transmission Owner: A signatory to the MISO Transmission Owners' Agreement that meets the criteria for the term "Owner" set forth therein and that has received approval as such from the MISO Board of Directors.

Zonal Revenue Requirement: The Sum of the Parties' Revenue Requirements plus the Attachment O revenue requirements of any other Transmission Owners in the Cleco Zone.

Zonal Imputed Transmission Charges (“ITC_{Cleco}”): A monthly imputed transmission charge associated with Cleco's Bundled Load for which Cleco is not obligated to pay network transmission service charges under Schedule 9 of the MISO Tariff (ITC_{Cleco}). Cleco will multiply the coincident peak load associated with any such Cleco network load by the rate for monthly network transmission service provided in the Cleco Zone under Schedule 9 of the MISO Tariff.

ARTICLE II
RELATIONSHIP BETWEEN MISO AND THE PARTIES

2.1 Relationship between MISO and the Parties. The Parties recognize that MISO, as the independent system operator of a regional transmission system that operates the facilities in the Cleco Zone and as the MISO Tariff administrator, is obligated to distribute revenues as provided under the MISO Tariff and the Agreement of Transmission Facilities Owners to Organize the Midcontinent Independent System Operator, Inc., a Delaware Non-Stock Corporation.

2.2 Relationship between COA and Cleco. Cleco shall serve as the Designee. As the Designee, Cleco shall allocate and distribute revenues as provided under this Agreement. Cleco's receipt and remittance of COA's Revenue Shares pursuant to this Agreement shall be performed as a collection agent on behalf of COA. Cleco shall not retain any portion of COA's Revenue Share.

ARTICLE III
MONTHLY REIMBURSEMENT

3.1 Monthly Reimbursement Payments.

(a) Payments due from Cleco to COA under this Agreement will be made on a monthly basis to:

City of Alexandria
First Federal Bank of Louisiana
ABA#: 265270345
Acct: City of Alexandria Utility Fund
Acct#: 50738016

(b) The monthly payment to COA shall be calculated in accordance with this Article III.

(c) Cleco will make monthly payments to COA on or before twenty (20) days after receiving the Directly Assigned Revenues from MISO for the applicable month.

3.2 Allocation Percentages. On an annual basis, or as otherwise necessary to reflect changes to the Attachment O template or zonal transmission facilities, the Parties shall update their Attachment O templates. The Parties will notify each other in writing of any change to their respective Attachment O template promptly upon the occurrence of such change. Based on this information, Cleco shall calculate an Allocation Percentage for each Party reflecting that Party's pro rata share of the Zonal Revenue Requirement. Cleco shall provide this calculation, together with all supporting workpapers, to COA within 30 days of a change to the Attachment O template or any other change to a Party's Revenue Requirement.

3.3 Calculation of Revenue Shares.

(a) COA's Revenue Share. To determine COA's Revenue Share of the Directly Assigned Revenues and Zonal Imputed Transmission Charges for any month during the term of this Agreement, Cleco shall multiply COA's Allocation Percentage for such month by the sum of the Directly Assigned Revenues and Zonal Imputed Transmission Charges (ITC_{Cleco}) for such month as follows:

$$\text{COA's Revenue Share} = \text{COA's Allocation Percentage} \times (\text{Directly Assigned Revenue} + ITC_{Cleco})$$

(b) Additional Transmission Owner's Revenue Shares. In the event that a Transmission Owner is added to the Cleco Zone by amendment to MISO Tariff Schedules 7, 8 and 9, the Parties agree to negotiate in good faith any amendments to this Agreement necessary to continue revenue allocations consistent with the principles set forth in Article III of this Agreement.

3.4 COA Transmission Facilities. The COA Transmission Facilities will be included in the development of the Cleco Zone's Revenue Requirement, as a result of COA's submittal of a populated Attachment O to MISO.

3.5 COA Revenue Requirement Adjustments by MISO. To the extent that there is any adjustment to the COA Revenue Requirements, such appropriate credits or surcharges will be recognized in the next payment/billing cycle after adjustment, accompanied with interest calculated at the FERC Interest Rate.

3.6 Data and Records Requirements. Cleco will maintain records substantiating all revenues that it distributes under this Agreement. COA will maintain records substantiating all information it provides to Cleco. The records maintained by all Parties pursuant to this Section 3.6 shall be subject to the audit requirements of Section 8.9, below. The Parties acknowledge that materials in COA's possession are subject to the Louisiana Public Records Act, La. R.S. 44:1, et. seq.

3.7 Billing Errors. The Parties shall disclose any known, identified, or potential billing error(s) within (10) ten business days of the potential error being identified. The Parties agree that any such billing error, once validated, shall be settled retroactively to the start of the error or (12) twelve calendar months from the date Cleco is notified (or notifies the Parties) in writing of the error, whichever is shorter. Interest (calculated at the FERC Interest Rate) shall be applicable to the retroactive payments for billing errors that are settled per the terms of this provision.

ARTICLE IV
TERM AND WITHDRAWAL

4.1 Effective Date. This Agreement shall be effective on the date permitted by FERC, which the Parties shall request be the initial day which the COA Revenue Requirement is included in the Cleco TPZ rates, and this Agreement shall remain in effect, subject to the below provisions of this Article IV, as long as (a) Cleco and COA are both transmission-owning members of MISO with transmission facilities in the Cleco Zone and (b) as long as MISO allocates revenues under Schedules 7, 8, and 9 to Cleco as the Designee. The reimbursement set forth in Article III of this Agreement will commence upon the date that MISO begins issuing payments to Cleco as the Designee.

4.2 Termination. This Agreement will terminate by default at such time as the COA Transmission Facilities depreciate to a zero balance book value, or when COA no longer provides a COA Revenue Requirement.

4.3 Withdrawal from MISO. Upon (60) sixty days prior written notice to the other Party, a Party may withdraw from this Agreement if such Party is withdrawing from MISO, and will no longer be calculating a Revenue Requirement for facilities within the Cleco TPZ. Up to and after its withdrawal, the withdrawing Party will be entitled to receive, or obligated to pay, revenues in accordance with Article III for the period up to its withdrawal. All of the withdrawing Party's other rights and obligations hereunder will terminate upon withdrawal from MISO, subject to financial settlement for the period ending on the date of withdrawal. Nothing in this Agreement shall affect the right of a Party to withdraw from MISO or challenge the other Party's withdrawal from MISO.

4.4 Material Changes to MISO Tariff or MISO Agreement. In the event that the Commission approves a change to the MISO Tariff or the MISO Agreement that has a material adverse effect upon a Party's rights, obligations, costs, risks, and/or liabilities under this Agreement, the Parties shall, upon the request of the adversely affected Party, negotiate in good faith to amend this Agreement as necessary to provide for a just and reasonable allocation of revenues hereunder. If the Parties are unable to reach agreement on an amendment to this Agreement resulting from such a change as provided above, a Party may seek to amend the Agreement in a manner consistent with its rights under the Federal Power Act.

4.5 Rights And Obligations Upon Termination of this Agreement. Upon termination of this Agreement, the Parties' rights and obligations hereunder shall terminate, subject to financial settlement for the period ending on the date of termination.

ARTICLE V
OTHER CHARGES

Except as specifically provided in this Agreement, revenues collected by or on behalf of MISO or distributed by MISO to any Transmission Owner will not be distributed under this Agreement.

ARTICLE VI
AMENDMENT

Except with respect to the rights provided under Sections 4.4 and 8.7, this Agreement may be amended only by a written instrument duly executed by all of the Parties. No modification to any of the provisions herein will be binding on any of the Parties unless approved in writing by all of the Parties.

ARTICLE VII
DISPUTE RESOLUTION

7.1 Dispute Resolution Process. Any dispute or controversy relating to this Agreement shall be referred to one or more designated representative(s) of each affected Party for resolution on an informal basis as promptly as practicable. Any Party may initiate this process by providing written notice of the dispute to the other Parties. In the event that the Parties are unable to resolve the dispute within sixty (60) days, the dispute may be referred to formal alternative dispute resolution processes if mutually agreeable to the Parties. If no satisfactory resolution is reached, the processes set forth in this provision will terminate.

Thereafter, such dispute or controversy may be submitted to any Governmental Authority having jurisdiction under applicable law.

7.2 Reimbursement. Any amounts owed by any Party upon the resolution of a dispute shall be paid within ten (10) days following resolution of that dispute, including interest from the original due date at a rate equal to the FERC Interest Rate, unless otherwise agreed by the Parties.

ARTICLE VIII
MISCELLANEOUS PROVISIONS

8.1 Descriptive Headings. The descriptive headings in this Agreement have been inserted for convenience of reference and shall not affect the construction of this Agreement.

8.2 Governing Law and Venue. This Agreement shall be interpreted and enforced according to the laws of the State of Louisiana, except any such laws that would call for the application of another state's laws, and except to the extent preempted by the laws of the United States of America. Any action arising hereunder that involves questions of state law shall be instituted and litigated in the courts of Louisiana.

8.3 Successors and Assigns. This Agreement shall inure to the benefit of, and be binding upon, the Parties' successors and assigns; provided, however, that no transfer of the ownership of Cleco's transmission system to any other person shall relieve Cleco of any of its obligations under this Agreement as long as Cleco is the Designee. This Agreement may not be assigned by a Party without the prior written consent of the other Parties; provided, however, that a Party may, without the consent of the other Parties, transfer, assign, or delegate its rights, liabilities, and interests in and under this Agreement to an affiliate of that Party. In addition, either Party may, without the consent of the other Parties, transfer assign, or delegate its rights, liabilities, and interests in and under this Agreement to an entity that is being transferred all or a portion of all or substantially all of the Party's transmission facilities within the Cleco Zone, effective upon such transfer or assignment

8.4 Delivery of Notices. Notices required under this Agreement shall be provided to the parties identified in Attachment B to this Agreement. Any notice required under this Agreement will be deemed to have been given upon delivery, if sent by certified mail/return receipt requested or overnight courier.

8.5 Entire Agreement. This Agreement, including any attachments hereto, constitutes the entire agreement among the Parties with respect to the subject matter of this Agreement, and its interpretation shall not be affected by previous or contemporary oral or written representations made by any Party unless such representations are contained in this Agreement.

8.6 Counterparts. This Agreement may be executed in counterparts, all of which will constitute one agreement and will have the same force and effect as an original instrument.

8.7 Section 206 Right. Each Party will retain all rights it may have pursuant to Section 206 of the Federal Power Act.,16 U.S.C. § 824e, amended by Pub. l. No.109-S8,§§ 1285-86,119 Stat. 594,980-81(2005).

8.8 Section 205 Right. During the term of this Agreement, the provisions hereof will not be subject to any changes pursuant to the provisions of Section 205 of the Federal Power Act, 16 U.S.C. § 824d, absent the agreement of all Parties hereto. The standard of review for any changes, other than those expressly provided for herein, will be the "public interest" standard of review set forth in United Gas Pipe Line Co. v. Mobile Gas Service Corp., 350 U.S. 332 (1956) and Federal Power Commission v. Sierra Pacific Power Co., 350 U.S. 348 (1956).

8.9 Audits. The Parties will maintain and retain for six (6) years the books and records needed to substantiate the calculations performed pursuant to Article Ill, and all data substantiating allocation of revenues or costs under this Agreement, unless FERC or LPSC record retention requirements establish a retention requirement longer than 6 years for a Party; if so, the FERC or LPSC retention requirements shall apply. Any Party may conduct, at its own expense, audits of any other Party's books and records that relate to this Agreement. Such audits will be conducted at reasonable, mutually agreed-upon times, and the Parties will cooperate in good faith to effectuate such audits.

8.10 Regulatory Approval. This Agreement is subject to regulatory approval by FERC. In the event that FERC disapproves or refuses to accept this Agreement in whole or in part, this Agreement will cease to be effective, except that the Parties will be obligated to attempt expeditiously and in good faith to negotiate a substitute agreement that addresses the reasons for such refusal or disapproval. In negotiating a substitute agreement, no Party will be required to accept any change that would reasonably be expected to result in a material change to its expected economic outcome under this Agreement.

8.11 Limitations. Nothing contained herein shall be construed to create an association, joint venture, trust, or partnership. Each Party will remain liable for its share of charges or assessments incurred under the MISO Tariff or MISO Transmission Owners' Agreement. This Agreement shall not impart rights enforceable by any person or entity that is not a Party hereto or is not a permitted successor or assignee of a Party bound by this Agreement. This Agreement shall not be construed to create any third-party beneficiary rights of any sort. NO PARTY SHALL BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, SPECIAL, INDIRECT, PUNITIVE, OR EXEMPLARY DAMAGES OF ANY KIND OR NATURE ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT, INCLUDING LOST PROFITS, LOST SALES OR REVENUES, WHETHER BY STATUTE, IN TORT OR CONTRACT.

8.12 Indemnification. Each Party shall indemnify and save each other Party harmless from all damages, losses, claims, costs, legal fees, and/or expenses for injury to or death of any person, or damage to any property, resulting from the operation of facilities controlled by it within the Cleco TPZ, unless caused by the gross negligence or intentional wrongdoing of one of the other Parties.

Cleco Power LLC:

By: ______________________________
Name

____
Title

____
Date

City of Alexandria, Louisiana

By: ______________________________
Name

____
Title

____
Date

Attachment A

Alexandria Transmission Facilities

The following transmission facilities owned by COA are located in the Cleco Transmission Zone and are integrated with the transmission facilities of Cleco in the Cleco Zone. For all of the following facilities, **beginning no later than January 1, 2016**, COA will provide real time information (i.e. for example via ICCP) directly to the Reliability Coordinator (MISO) or Cleco, reliability information including but not limited to status of facilities, MW, MVAR, and kV per the NERC Reliability standards as a transmission owner.

Facility Parish Bayou Rapides 138 kv Rapides Downtown 138 kv Rapides Hunter 138 kv Rapides Prescott 138 kv Rapides Sterkx 138 kv Rapides Bayou Rapides Switch 138 kv Rapides Twin Bridges 230/138 kv Rapides Willow Glen 138 kv Rapides Hunter to Bayou Rapides 138 Rapides Bayou Rapides Switch to Twin Bridges 138 Rapides Bayou Rapides Switch to Prescott 138 Rapides Prescott to Sterkx 138 Rapides Sterkx to Willow Glen 138 Rapides Willow Glen to Downtown 138 Rapides Downtown to Hunter 138 Rapides Rapides to Twin Bridges 128 Rapides Bayou Rapides Switch to Bayou Rapides 138 Rapides

Attachment B

Notice

If to Cleco Power LLC:

Cleco Power LLC
Attn: General Counsel
2030 Donahue Ferry Road
Pineville, Louisiana 71360
318-484-7701

If to City of Alexandria, Louisiana:

Director of Utilities
City of Alexandria
P.O. Box 71
Alexandria, Louisiana 71309
915 Third Street
Alexandria, Louisiana 71301

With copies to:

Mayor of Alexandria
City of Alexandria
P.O. Box 71
Alexandria, Louisiana 71309
915 Third Street
Alexandria, Louisiana 71301

With a copy to:

Alexandria City Attorney
City of Alexandria
P.O. Box 71
Alexandria, Louisiana 71309
915 Third Street
Alexandria, Louisiana 71301