

PUBLIC ADVISORY FROM CITY OF ALEXANDRIA, LOUISIANA

Office of the Mayor

February 16, 2010

Alexandria, Louisiana

On February 17, 2010, during the Administration Press Briefing and Update, the Administration will outline the activities associated with certifying the value of the wholesale electric energy supply agreement and proposed Cleco litigation settlement—following the dictates of the most recent Council resolution on the subject. The Administration will publish a detailed outline of the dissemination of information as well as opportunities for public question and comment. The Administration will answer questions and respond to comments, Friday, February 19, 2010, during a televised certification process with top staff.

On February 17, 2010, the documents attached to this informational piece will be discussed in detail. On Friday, February 19, 2010, the Administration will conduct a formal process at which time the Administration will conclude by certifying whether the documents comport with the City's goals as outlined by Council ordinances and resolutions.

Only after these discussions, and any follow-up on Monday, February 22, 2010, would the Administration consider presenting the agreements for final adoption and execution by the Mayor.

Thus far, the Administration seeks a settlement with a clearly-established value consistent with the original Memorandum of Understanding; full and unconditional control of the D.G. Hunter Electric Generating Station; a shorter term (enabling the City to continue C.U.R.E. recommendations toward self-sufficiency); and the ability to directly return value to ratepayers for any established ratepayer losses and indirectly return to the ratepayers the entirety of the value of lost revenue to enterprise funds. The Administration will propose alternatives, in the future, on how to protect these funds, and allow public options on the return of value.

The new arrangement must contain extensive and extraordinary review, audit, and challenge rights of all charges on energy provided by Cleco.

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