

CLECO	Theme	AAE
Customers won't notice because purchase is behind the scenes.	Significance of Takeover	An unprecedented bad deal in Louisiana that will fundamentally change Cleco, take ?\$M per year out of Louisiana's state coffers, and set the utility up to be sold every 10 years
Williamson was hired for his skill in transactional management	Cleco Board hired Williamson to sell	Williamson was hired to sell Cleco. To make Cleco more valuable to sell, he doubled rates in just 5 years. He is grossly overcompensated and will leave with \$29M golden parachute.
Status Quo, no more no less for 5 years	Charitable / Economic Development Contributions Are the Same But Should be More	Will cut all programs after 5 years
Status quo for 5 years	Employee / Service Cuts	Will cut programs after 5 years
Customer rate credits of \$6.5 million per year over 10 years for a total savings of \$65 million	Customers Get Risk, Paltry Benefits	1% of revenue doesn't even touch the highest costs that CLECO customers pay. vs. \$435 million to shareholders and additional \$47mil to executives.
Status Quo for 10 years	HQ in Pineville	Pineville would remain Cleco HQ if the sale fails! *The new owners can move anytime they want to. Their commitment is that they can move with only 18 month notice and PSC approval, which is legally unenforceable.
Four board members will be from LA, including chair & CEO, with no enhanced governance rights for LA resident directors.	LA Board Members Are Appointed by Macquarie	There is little reason to believe this would protect the interests of residents because the board members would still be selected by the new owners, whose priorities are not locally focused. The board members are still accountable for meeting parent company's financial expectations and would likely be replaced if they do not.
Debt is not secured against utility assets.	Leveraged buyout	Shareholders would receive \$435 million payout while saddling customers with \$2.8 billion in new debt, secured "by a pledge of the stock of Cleco Power."
The Macquarie fund, that would be majority owner of Cleco, has an investment timeline of between 10 and 14 years. Some stakeholders are concerned about this and wonder what happens when the fund sells its stake in Cleco. Any future changes in control would require LPSC approval.	Macquarie sells Cleco after 10 years, all promises moot	If Cleco is a good deal, why not keep the company?

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They have addressed all points raised by LPSC staff. Almost all regulatory approvals are complete - LPSC is the last one	Regulatory Approval	There is recent precedent of PSC's rejecting deals that are bad for the community. LPSC would be in good company rejecting this deal, which is by far the worst proposed deal in LA's history.
The enhanced commitments reflect support Cleco has & will receive from investor groups.	Foreign Ownership	Military bases serviced by a foreign utility.
Debt is a good thing. Cleco Corporate has too much money.	Bad Credit Rating	Cleco's credit will go down. Borrowing money for storm repair and other needs will be more expensive.
Assurances that the LPSC will have the information it needs to regulate CLECO Power, as well as additional oversight of CLECO Corporation and the enforcement rights over these commitments. Tighter restrictions on changes in control or transfers of interest by the investor group requiring prior LPSC approval.	Commission Oversight	If there were changes in control, whether LPSC approves or not, it would indicate there is no long-term vested interest in seeing Cleco Power flourish.
Everyone does it. We call it top tier tax strategy.	Tax loopholes and loss of tax income	There has been \$45 million of tax revenue collected from customers that is not going back to the state because of foreign ownership loopholes.
It's in the investors' best interests to add long-term value to the company. The management has to keep customers, employees and regulators happy, "otherwise, the investment strategy doesn't work."	Who Benefits?	The deal only benefits the Board and shareholders with major payouts but has no reduction of risk, no improvement of service, and no cost reduction for customers.
Investors understand the utility industry and have proven record of successful operations as owners of other utilities.	Questionable track record	Macquarie buys successful companies, loads them with debt, raises rates, then sells after 10 years.
Status Quo	5 year Service Quality Plan	The LPSC is making Cleco do this in an unrelated process.
	Other mergers in Louisiana have brought substantial benefits, this deal has not	Good deals reduce risk for customers, improve quality of service and significantly lower costs for customers and this proposed deal does not accomplish any of these.
This will be a "seamless transition" and no one will notice.	Maquarie's "Commitments" and "Assurances"	Majority of the commitments are status quo, but they have already covered their bases in the language on their releases and thus are largely not legally enforceable.
The LPSC will still have regulatory authority	Shell Games	After the sale there will be 4 different Clecos, Cleco Partners owns Cleco Group owns Cleco Corporate owns Cleco Power. Cleco Partners is registered in Delaware, a known tax shelter state