

CLECO CORP
Form DEF 14A
March 17, 2004

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934

Filed by the Registrant

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Check the appropriate box:

Preliminary Proxy Statement

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Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-12

Cleco Corporation

(Name of Registrant as Specified In Its Charter)

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**Proxy Statement
and
Notice of
Annual Meeting
of Shareholders
to be held on
April 23, 2004

March 18, 2004**

CLECO CORPORATION

2030 Donahue Ferry Road

Pineville, Louisiana 71360-5226

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

TIME	9:00 a.m., Central time, on Friday, April 23, 2004
PLACE	Louisiana Convention Centre 2225 N. MacArthur Drive Alexandria, Louisiana 71303
ITEMS OF BUSINESS	(1) To elect four directors who will each serve a three-year term expiring in 2007. (2) To transact any other business that may properly come before the annual meeting or any adjournments or postponements thereof.
RECORD DATE	You can vote if you are a shareholder of record as of the close of business on February 23, 2004.
ANNUAL REPORT	Our 2003 Annual Report, which is not a part of the proxy soliciting material, is enclosed.
PROXY VOTING	It is important that your shares be represented and voted at the annual meeting. Please mark, sign, date, and promptly return the enclosed proxy card in the postage-paid envelope, or vote through the Internet as described in the enclosed proxy card. Any proxy may be revoked at any time prior to its exercise at the annual meeting.

Judy P. Miller
Corporate Secretary

March 18, 2004

PROXY STATEMENT

CLECO CORPORATION

ANNUAL MEETING OF SHAREHOLDERS

TO BE HELD ON APRIL 23, 2004

Cleco Corporation is furnishing you this proxy statement because you are a holder of Cleco common stock or preferred stock. The Cleco board of directors is soliciting proxies for use at the Cleco annual meeting of shareholders and at any adjournments or postponements of the annual meeting. The annual meeting will be held at 9:00 a.m., Central time, on Friday, April 23, 2004, at the Louisiana Convention Centre, 2225 N. MacArthur Drive, Alexandria, Louisiana 71303 (please see the map included as Appendix A). The voting stock of Cleco consists of shares of common stock and preferred stock, with each share of common stock and preferred stock entitling its owner to one vote. The holders of common stock and preferred stock vote together as a single class, except in the election of directors, where holders of common stock can cumulate their votes. At the annual meeting, holders of record of Cleco voting stock at the close of business on February 23, 2004 will be entitled to vote upon proposals relating to:

the election of four directors who will each serve until the annual meeting in 2007; and

any other business that may properly come before the meeting.

The board of directors recommends that you vote FOR the election of the four nominees for director.

This proxy statement and the accompanying proxy card are first being mailed on or about March 18, 2004 to record shareholders of Cleco as of February 23, 2004.

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INTRODUCTION

General

This is the proxy statement of Cleco Corporation. Unless the context clearly indicates otherwise or unless otherwise noted, all references in this proxy statement to "Cleco" mean Cleco Corporation.

Proxy Solicitation

The enclosed proxy is solicited on behalf of the Cleco board of directors to be voted at the annual meeting. The management of Cleco will solicit proxies by mail, telephone, facsimile, the Internet or overnight delivery. Proxies also may be solicited in advertisements and in person by Cleco officers and employees. Cleco has hired Morrow & Company, Inc. to assist in the solicitation of proxies. Morrow's fee is approximately \$7,500 plus expenses. Other than Morrow, no specially engaged solicitors will be retained to solicit proxies. Cleco is responsible for the payment of all expenses of the solicitation, including the cost of preparing and mailing this proxy statement and the reimbursement of brokerage firms and other nominees for their reasonable expenses in forwarding proxy material to beneficial owners of Cleco voting stock.

All duly executed proxies will be voted in accordance with their instructions. If no instructions are in an executed proxy, the shares represented by such proxy will be voted at the annual meeting or any adjournments or postponements thereof **FOR** the proposal and, in the discretion of the persons named in the proxy, on any other business that may properly come before the annual meeting. Management is not aware of any other matters that are likely to be brought before the annual meeting.

Cleco's principal executive offices are located at 2030 Donahue Ferry Road, Pineville, Louisiana 71360-5226, and Cleco's telephone number is (318) 484-7400.

Record Date and Voting Rights

Holders of record of outstanding voting stock as of the close of business on February 23, 2004 are entitled to receive notice of and to vote at the annual meeting. As of February 23, 2004, there were 47,031,136 shares of Cleco common stock outstanding and 255,457 shares of Cleco preferred stock outstanding. As of February 23, 2004, all officers and directors of Cleco, as a group, beneficially owned 3.4% of the outstanding shares of Cleco common stock and 20.8% of the outstanding shares of Cleco preferred stock.

This proxy provides you with the opportunity to specify your approval or disapproval of, or abstention with respect to, the proposal to elect four directors to serve until the 2007 annual meeting of shareholders.

Generally, under Louisiana law and Cleco's Amended and Restated Articles of Incorporation and Bylaws, an abstention by a shareholder who is either present in person at the annual meeting or represented by proxy is not a vote cast and is counted neither for nor against the matter subject to the abstention. Broker non-votes on matters are treated as shares as to which voting power has been withheld by the beneficial holders of

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those shares and, therefore, as shares not entitled to vote. Under Louisiana law and the Cleco Bylaws, a quorum is based upon the number of outstanding shares of voting stock, including shares relating to abstentions.

Election of directors is by plurality of the voting stock, with each holder of Cleco common stock being able to cast as many votes as equal the number of such holder's shares of common stock multiplied by the number of directors to be elected. Each holder of Cleco common stock may cumulate all or any part of these votes for one or more of the nominees.

The proxy enclosed for record holders of voting stock is for the number of shares registered in your name with Cleco, together with any additional full shares held in your name in Cleco's Dividend Reinvestment Plan, or DRIP.

If you are an employee of Cleco and participate in the Cleco Savings and Investment Plan, you may vote the number of shares of Cleco common stock equivalent to your interest in the Cleco common stock fund as of the close of business on February 23, 2004, the record date for the annual meeting. You also may vote the number of shares of Cleco preferred stock allocated to your account under the plan as of the record date for the annual meeting. Additionally, if you are an employee of Cleco and participate in the Cleco Employee Stock Purchase Plan, you may vote the number of shares of Cleco common stock purchased with your payroll deductions as of the record date. In any case, complete and return the proxy card being mailed with this proxy statement. The trustee under the Savings and Investment Plan and/or the custodian under the Employee Stock Purchase Plan will vote the shares allocated to your account(s) according to your instructions. If you do not send instructions within the time required, the share equivalents credited to your account(s) will not be voted.

Please call Cleco's Office of Shareholder Assistance at 1-800-253-2652 with any questions relating to the proposal to be considered at the annual meeting.

Execution and Revocation of Your Proxy

Shares represented by proxies properly signed and returned will be voted at the annual meeting in accordance with the shareholder's specifications. If a proxy is signed but no voting specification is made, then the shares represented by the proxy will be voted **FOR** the election of the four nominees for director, and in accordance with the recommendations of the Cleco board of directors on any other proposals that may properly come before the annual meeting.

A shareholder who gives a proxy may revoke it at any time before the proxy is voted at the annual meeting. To revoke a proxy, a written instrument signed in the same manner as the proxy must be delivered to the corporate secretary of Cleco at or before the annual meeting. Also, a shareholder who attends the annual meeting in person may vote by ballot at the meeting, thereby canceling his or her proxy.

PROPOSAL ELECTION OF FOUR CLASS I DIRECTORS

Cleco's Bylaws provide for the division of Cleco's board of directors into three classes, Class I, Class II and Class III, with each class consisting, as nearly as possible, of one-third of the number of directors constituting the whole board. Cleco's board of directors currently has a total of 11 directors: four are in Class I, four are in Class II, and three are in Class III. The term of each directorship is three years. The terms of the three classes are staggered in a manner so that only one class is elected by the shareholders annually. The four Class I director positions are proposed for election this year to serve as members of Cleco's board of directors until the annual meeting of shareholders in 2007, or until their successors are elected and qualified.

The persons named in the accompanying proxy may act with discretionary authority to cumulate the votes attributable to shares of Cleco common stock represented by the proxy and to vote for other nominees upon the unavailability of a named nominee, although management is not aware of any circumstance likely to render any of the named nominees unavailable for election. Unless a shareholder specifies otherwise, the persons named in the accompanying proxy intend to vote in favor of the nominees listed below. The four persons who receive the most votes cast will be elected as directors.

All of the nominees listed below currently serve as directors of Cleco. Directors who are members of Classes II and III, who are continuing as directors at this time and whose terms of office expire in 2005 and 2006, respectively, are named below following the information concerning the four nominees for election as Class I directors.

Cleco's board of directors has unanimously approved the nomination of the four nominees for Class I director and recommends that you vote **FOR** the election of the four nominees for Class I director.

Below is information concerning the four nominees for election as Class I directors at the annual meeting, as well as the continuing Class II and Class III directors, including the business experience of each during the past five years.

Class I Directors (nominees to be elected at the 2004 annual meeting; terms of office expire in 2007)

Sherian G. Cadoria has served as president of Cadoria Speaker and Consultancy Service for more than five years. She retired as Brigadier General of the United States Army after a 29-year military career. Ms. Cadoria, who is 64 years old, has been a director of Cleco since 1993 and is a member of the Compensation Committee.

Richard B. Crowell has been engaged in the practice of law for more than five years as a member of the law firm of Crowell & Owens. Mr. Crowell, who is 65 years old, has been a director of Cleco since 1997 and is a member of the Audit Committee. He is also a director of Whitney Holding Corporation and Whitney National Bank.

David M. Eppler has served as chief executive officer of Cleco since 2000, as president since 1999 and as a director since 1998; he served as chief operating officer from 1997 until 2000, as executive vice president from 1997 until 1999, as vice president of power supply and energy transmission from 1995 to 1997 and as vice president of finance and chief financial officer from 1993 to 1995. Prior to that time, Mr. Eppler had served as vice president of finance and rates and as treasurer. Since 2001, Mr. Eppler also has served as a manager of Perryville Energy Holdings LLC, a subsidiary of Cleco that filed a voluntary Chapter 11 bankruptcy petition in January 2004 in connection with the proposed sale of Perryville Energy Partners, L.L.C.'s power plant to a subsidiary of Entergy Corporation. Mr. Eppler, who is 53 years old, joined Cleco in 1981. Mr. Eppler is a member of the Executive Committee.

W. Larry Westbrook, who is retired, was employed by Southern Company as its chief financial officer and senior risk officer from 1986 to 2001, and was responsible for finance, accounting, tax, risk management and investor relations. Mr. Westbrook returned to Mirant Corporation, a subsidiary of

Southern Company at that time, in 2002 and served in a consulting role as senior vice president and interim principal accounting officer until March 2003. In July 2003, Mirant Corporation and certain of its subsidiaries filed for protection under Chapter 11 of the U.S. Bankruptcy Code. Mr. Westbrook, who is 65 years old, was elected a director by the board of directors in July 2003 and is chairman of the Audit Committee. He is also a director of Northside Hospital, Atlanta, GA, and serves on the advisory board of the Goizueta School of Business at Emory University.

Class II Directors (terms of office expire in 2005)

William L. Marks is a director of and has been chairman and chief executive officer of Whitney Holding Corporation and Whitney National Bank for more than five years. Mr. Marks, who is 61 years old, has been a director of Cleco since 2001 and is a member of the Compensation Committee. He is also a director of Adtran, Inc. and serves on the board of trustees of Wake Forest University.

Ray B. Nesbitt, who is retired, was employed by Exxon Chemical Company as president for more than five years before retiring in 1998. Mr. Nesbitt, who is 70 years old, has been a director of Cleco since 2001 and is a member of the Audit Committee. He is also a director of Hibernia Corporation, Hibernia National Bank and Vermilion Corporation.

Robert T. Ratcliff, Sr. has been chairman, president and chief executive officer of Ratcliff Construction Company, a company primarily engaged in the design and construction of industrial, commercial and governmental facilities, for more than five years. Mr. Ratcliff, who is 61 years old, has been a director of Cleco since 1993 and is a member of the Audit, Executive, Nominating/Governance and Qualified Legal Compliance Committees. He is also a director of Hibernia Corporation and Hibernia National Bank.

William H. Walker, Jr. is president and a director of Howard Weil, Inc., an investment banking firm, and has served in such positions for more than five years. Mr. Walker, who is 58 years old, has been a director of Cleco since 1996 and is chairman of the Compensation Committee and a member of the Executive, Nominating/Governance, and Qualified Legal Compliance Committees.

Class III Directors (terms of office expire in 2006)

J. Patrick Garrett, who is retired, was employed by Windsor Food Company Ltd., a privately held company engaged in the food processing business, where he served as president and chief executive officer from 1995 until 1999. Mr. Garrett, who is 60 years old, has been a director of Cleco since 1981. Mr. Garrett is chairman of the board of directors, chairman of the Executive, Nominating/Governance, and Qualified Legal Compliance Committees and a member of the Compensation Committee. Mr. Garrett also presides over executive sessions of non-management directors.

F. Ben James, Jr. has been president of James Investments, Inc., a company primarily engaged in real estate development and international marketing, for more than five years. Mr. James, who is 68 years old, has been a director of Cleco since 1986 and is a member of the Audit, Executive, Nominating/Governance and Qualified Legal Compliance Committees.

Elton R. King, who is retired, was employed as president and chief executive officer of Visual Networks, Inc. from June 2001 until August 2002 and also served as a member of its board of directors during that time. Mr. King retired from BellSouth Telecommunications, Inc. in 1999, where he had been employed for more than five years, serving most recently as the president of its network and carrier services group. Mr. King, who is 57 years old, has been a director of Cleco since 1999 and is a member of the Compensation Committee. He is also a director of Hibernia Corporation and Hibernia National Bank.

Independence and Organization of the Board of Directors

Cleco's board of directors has delegated some of its authority to five committees. These are the Executive Committee, the Audit Committee, the Compensation Committee, the Nominating/Governance Committee and the Qualified Legal Compliance Committee. The members of those committees are identified, as appropriate, under Class I Directors, Class II Directors and Class III Directors above. In accordance with current listing standards of the New York Stock Exchange (NYSE), Cleco's board of directors has adopted categorical standards to assist it in making determinations of director independence that are required by the NYSE. These categorical standards are included as Appendix B to this proxy statement. The board of directors has determined that all of its directors, except Mr. Eppler, who is chief executive officer of Cleco, meet the categorical standards and are independent within the meaning of the current listing standards of the NYSE.

The Executive Committee exercises all powers of the board of directors, as defined and limited by Cleco's Bylaws, between meetings of the full board whenever it is not desirable or practical to conduct a meeting of the full board. The Executive Committee operates under a written charter adopted by the board of directors in January 2003 and revised in January 2004, a copy of which is included as Appendix C to this proxy statement. The Executive Committee held five meetings during 2003.

The Audit Committee selects the independent auditors of Cleco, reviews the scope of audits, reviews and recommends to Cleco's board of directors financial reporting and accounting practices, and reviews Cleco's procedures for internal auditing and the adequacy of its system of internal accounting controls. The Audit Committee operates under a written charter adopted by the board of directors in April 2000 and revised in January 2004, a copy of which is included as Appendix D to this proxy statement. The Audit Committee held five meetings during 2003.

The Compensation Committee approves, or in some cases recommends to Cleco's board of directors, remuneration arrangements and compensation plans involving Cleco's officers and employees and administers the annual incentive compensation program and the granting of stock options, restricted stock and other awards to eligible employees under the long-term incentive plan. The Compensation Committee operates under a written charter adopted by the board of directors in January 2003 and revised in January 2004, a copy of which is included as Appendix E to this proxy statement. The Compensation Committee held two meetings in 2003.

The Nominating/Governance Committee considers and makes recommendations to the board of directors with respect to the size and composition of the board, potential candidates for membership on the board, compensation of directors, the effectiveness, structure and operation of the board and changes to Cleco's Corporate Governance Guidelines. The Nominating/Governance Committee operates under a written charter adopted by the board of directors in January 2003 and revised in January 2004, a copy of which is included as Appendix F to this proxy statement. The Nominating/Governance Committee held five meetings in 2003.

The Qualified Legal Compliance Committee was formed in October 2003 to receive, consider and take action with respect to any report made by an attorney of evidence of a material violation of federal or state securities law, a material breach of fiduciary duty arising under federal or state law or similar material violation of any federal or state law, in each case by Cleco or by any officer, director, employee or agent of Cleco. Each board member who serves as a member of the Nominating/Governance Committee also serves as a member of the Qualified Legal Compliance Committee. If at any time the Nominating/Governance Committee does not include a member of Cleco's Audit Committee, the then-current chairman of the Audit Committee also shall be a member of the Qualified Legal Compliance Committee. The Qualified Legal Compliance Committee operates under a written charter adopted by the board of directors in October 2003, a copy of which is included as Appendix G to this proxy statement. The Qualified Legal Compliance Committee held no meetings in 2003.

Cleco's board of directors held four regular meetings and five special meetings, two of which were formal telephone meetings, during 2003. In each month when a formal meeting is not held, members of Cleco's board of

directors hold informal telephone conference meetings, are provided with written reports regarding the operations of Cleco, and also are consulted informally from time to time with respect to pending business. When necessary, special meetings, including formal telephone meetings, are called as official board meetings to deal with specific action items. Cleco's Corporate Governance Guidelines provide that executive sessions of non-management directors will be regularly scheduled at the conclusion of all official in-person meetings of the board and its committees, although non-management directors may meet in executive session at any time. During 2003, all directors attended at least 75% of the total number of formal meetings of Cleco's board of directors and of the committees of Cleco's board of directors on which such directors served. Directors also are expected to attend each annual meeting of shareholders. The 2003 annual meeting of shareholders was attended by all ten directors serving at that time.

During 2003, all members of Cleco's board of directors served as members of the board of managers of Cleco Power LLC, Cleco's wholly owned utility subsidiary.

Director Nomination Process

Recently, the board of directors amended Cleco's Corporate Governance Guidelines to formalize the method of selecting director nominees. Cleco also has recently amended its Corporate Governance Guidelines to provide for annual evaluations of the board and the board committees as a whole. Beginning in 2004 in connection with these evaluations, Cleco's board of directors will identify, and the Nominating/Governance Committee will compile, attributes of the board's incumbent members believed to contribute to the work of the board and its committees, including leadership, accomplishments, skills, diversity, integrity and commitment to board duties. When a position on the board of directors becomes vacant, or if the number of the members on the board of directors is being increased, the Nominating/Governance Committee will review these attributes of the incumbent board members and determine the attributes that, if possessed by the new board member, would likely result in the most significant contribution to the board of directors. Persons recommended to the Nominating/Governance Committee for consideration as nominees for a vacant or new board position will then be evaluated with respect to the attributes determined by the committee to be optimal for the vacant or new position. Following the evaluation, which may involve interviews or other procedures the Nominating/Governance Committee deems appropriate, the committee will make a recommendation to the board of directors regarding a candidate to either be nominated at the next annual meeting of shareholders or elected by the board between such meetings.

Recommendations for potential nominees may come from any source, including members of the board of directors, shareholders, self-recommendations, members of the communities Cleco serves or search firms. All persons recommended for a vacant or new board position will be given equal consideration regardless of the source of the recommendation.

As noted earlier, Mr. Westbrook was elected by the board of directors in 2003 to fill a newly created board vacancy and has not been previously elected by the shareholders of Cleco. Mr. Westbrook was initially identified as a potential candidate for the vacant board seat by Hotard & Associates, Executive Search Consultants. Cleco's Nominating/Governance Committee did not receive any nominees for election as director at the 2004 annual meeting of shareholders from a shareholder or group of shareholders who individually, or in the aggregate, beneficially owned more than 5% of Cleco's voting common stock for at least one year.

Any person wishing to make a recommendation for a person to be considered by the Nominating/Governance Committee pursuant to the process described above as a potential nominee to the board of directors should direct the recommendation to the chairman of the Nominating/Governance Committee in care of Cleco's corporate secretary. However, Cleco is not obligated to nominate any nominee that is recommended to the Nominating/Governance Committee following these processes. Separately, Cleco's Bylaws contain certain provisions concerning nomination of a director by a shareholder, which are described below under the caption "Proposals by Shareholders."

Communications with the Board of Directors

The Corporate Governance Guidelines also were amended to provide for communications with the board of directors by shareholders and other interested persons. In order that shareholders, employees and other interested persons may make their concerns known to the board, Cleco has established a procedure for communications with the board through the non-management chairman of the board. The procedure is intended to provide a method for confidential communication while at the same time protecting the privacy of the members of the board. Any shareholder or other interested person wishing to communicate with the board of directors, or the non-management members of the board may do so by addressing such communication as follows:

Chairman of the Board of Directors
c/o Corporate Secretary
Cleco Corporation
P. O. Box 5000
Pineville, LA 71361-5000

Upon receipt, Cleco's corporate secretary will forward the communication, unopened, directly to the non-management chairman of the board. The chairman of the board will, upon review of the communication, make a determination as to whether it should be brought to the attention of the other non-management members and/or the management member of the board of directors and whether any response should be made to the person sending the communication, unless the communication was made anonymously.

Compensation of the Board of Directors

Directors who are Cleco employees receive no additional compensation for serving as a director. In 2003, compensation for non-management directors included annual retainer and meeting fees, stock options, restricted stock awards, and insurance benefits under a group accidental death and dismemberment plan.

During 2003, each non-management director received an annual retainer of \$20,000; an additional annual fee of \$3,000 if the director was a chairman of a committee; \$1,000 for each day of in-person meeting attendance at a board or committee meeting; and \$500 for each day of telephone conference meeting attendance at a board or committee meeting including the informal meetings described above. In July 2003, an evaluation of director compensation yielded a recommendation, subsequently approved by the board of directors, to increase the fee of the chairman of the Audit Committee to \$7,500 to reflect the increased responsibilities of this position as a result of the Sarbanes-Oxley Act of 2002. Mr. Garrett was elected chairman of Cleco's board of directors effective October 1, 2003. As chairman, Mr. Garrett will receive an additional annual retainer of \$65,000. The increase in the compensation of the Audit Committee chairman was effective in October 2003, as was the retainer payment for the chairman of the board. Annual retainer and meeting fees are paid, at the election of each director, in the form of cash, Cleco common stock or a combination of both cash and stock. Cleco reimburses directors for travel and related expenses incurred for attending meetings of Cleco's board of directors and board committees. During 2003, all non-management directors served the entire year, except for Mr. Westbrook, who was elected a director on July 25, 2003.

At the beginning of his or her three-year term, each non-management director receives a grant of options to purchase 5,000 shares of Cleco common stock. Each grant is immediately exercisable, has a ten-year exercise period and an exercise price equal to the fair market value of Cleco common stock on the date of grant. If a director's initial term is less than three years, the grant is prorated. During 2003, Mr. Garrett, Mr. James and Mr. King each received a grant of options to purchase 5,000 shares of Cleco common stock. During 2003, Mr. Westbrook was granted options to purchase 3,750 shares of Cleco common stock in connection with his election to Cleco's board of directors. During 2003, each non-management director also received an annual grant of options to purchase 2,500 shares of Cleco common stock, subject to the same terms and conditions as the term grant, and an annual restricted stock award of 250 shares of Cleco common stock. Directors were not required to

provide any consideration in exchange for the restricted stock award. Restrictions on the stock subject to the award lapse after a three-year period measured from the date of the award, and the stock cannot be sold or transferred during the three-year period.

Restricted stock awards also were made to each non-management director upon his or her initial election to the board. The amount of the award was equal to the number of shares necessary to increase ownership of Cleco common stock to 1,000 shares. The purchase price was the fair market value of Cleco common stock on the date of the award. The stock cannot be sold or transferred until the shares have been paid, in full, by the application of a portion of the director's annual retainer. During 2003, no directors received such restricted stock awards. In December 2003, the long-term incentive plan was amended to eliminate potential perceived conflicts with the Sarbanes-Oxley Act of 2002.

A non-management director may elect to participate in a deferred compensation plan and defer the receipt of all or part of his or her fees, whether payable in cash or Cleco common stock, and option gain. Benefits are equal to the amount credited to each director's individual account based on compensation deferred plus applicable investment returns. Accounts are payable when a director ceases to serve on the board or attains a specified age. Cleco also provides its non-management directors with \$200,000 of life insurance and permanent total disability coverage under a group accidental death and dismemberment plan maintained by Cleco Power LLC, a wholly owned subsidiary of Cleco.

Interests of the Board of Directors

In 2003, no non-management member of Cleco's board performed services for or received compensation from Cleco or its affiliates except for those services relating to his or her duty as a member of Cleco's board.

SECURITY OWNERSHIP OF DIRECTORS AND MANAGEMENT

The following table describes the Cleco common stock and Cleco preferred stock beneficially owned by Cleco directors and nominees, the executive officers named in the Summary Compensation Table below and the directors and executive officers as a group. Shares of stock are beneficially owned by a person if the person directly or indirectly has or shares the power to vote or dispose of the shares, regardless of whether the person has any economic interest in the shares. A person also beneficially owns shares as to which the person has the right to acquire beneficial ownership within 60 days, as in the case of the stock options set forth under the Options Exercisable Within 60 Days column in the following table.

All information in the table is as of February 1, 2004 and is based upon information supplied by the directors and officers. Unless otherwise indicated in the footnotes and subject to community property laws where applicable, each of the shareholders named in the table has sole voting and investment power with respect to the shares indicated as beneficially owned.

	Amount and Nature of Beneficial Ownership of Common Stock			Amount and Nature of Beneficial Ownership of Preferred Stock		
	Direct ⁽¹⁾	Options Exercisable Within 60 Days ⁽²⁾	Other ⁽³⁾	Percent of Class	Number of Shares ⁽⁴⁾	Percent of Class
Directors and Nominees						
Sherian G. Cadoria	2,750	17,500	0	*	0	*
Richard B. Crowell	72,775	10,000	126,745 ⁽⁵⁾	*	0	*
J. Patrick Garrett	52,435	20,834	0	*	0	*
F. Ben James, Jr.	10,750	20,834	0	*	0	*
Elton R. King	7,980	18,056	0	*	0	*
William L. Marks	12,750	14,167	0	*	0	*
Ray B. Nesbitt	4,750	14,167	0	*	0	*
Robert T. Ratcliff, Sr.	5,861	19,168	0	*	0	*
William H. Walker, Jr.	76,056	19,168	0	*	0	*
W. Larry Westbrook	2,339	3,750	0	*	0	*
Named Executive Officers						
David M. Eppler ⁽⁶⁾	94,559	96,000	8,150	*	849	*
Dilek Samil	27,139	0	512	*	53	*
Samuel H. Charlton III	23,315	0	862	*	90	*
Catherine C. Powell	29,768	45,467	5,453	*	568	*
R. O. Neal Chadwick, Jr.	12,246	1,667	1,453	*	151	*
All directors, nominees and executive officers as a group (26 persons, including those listed above)	566,555	398,513	638,120 ⁽⁷⁾	3.4%	53,128 ⁽⁷⁾	21.0%

* Less than 1% of the outstanding stock of the class.

- (1) Direct represents shares as to which each named individual has sole voting or dispositive power, including shares of Cleco common stock allocated under the Savings and Investment Plan and shares of common stock granted as restricted stock awards under Cleco's long-term incentive plans. Mr. Charlton holds 4,380 common shares under the Savings and Investment Plan. The other executive officers included in the amount shown for all directors, nominees and executive officers as a group hold 7,173 common shares under the Savings and Investment Plan. Shares of stock awarded under Cleco's long-term incentive plans that were restricted as of February 1, 2004 were held by

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the persons in the table above as follows: Mr. Eppler, 58,762; Ms. Samil, 21,321; Mr. Charlton, 15,704; Ms. Powell, 15,404; Mr. Chadwick, 12,246; and the other executive officers included in the amount shown for all directors, nominees and executive officers as a group, 96,959.

- (2) Options Exercisable Within 60 Days reflects the number of shares that could be purchased by exercise of options at February 1, 2004 or within 60 days thereafter under Cleco's long-term incentive plans.
- (3) Other represents the number of shares of common stock as to which the named individuals share voting and dispositive power with another person and also represents the equivalent common stock shares convertible from the preferred stock in the Savings and Investment Plan.
- (4) Number of Shares represents the number of shares of Cleco preferred stock allocated under the Savings and Investment Plan that are convertible into Cleco common stock.
- (5) Includes 126,745 shares owned by members of Mr. Crowell's family and family trusts, for which beneficial ownership is disclaimed.
- (6) Mr. Eppler is also a director of Cleco.
- (7) The Savings and Investment Plan holds Cleco preferred stock that is convertible, at any time, into shares of Cleco common stock; 47,908 shares of Cleco preferred stock, convertible into 459,917 shares of Cleco common stock (1.0% of such common stock), have not yet been allocated to accounts of participants in the plan. Executive officers of Cleco serve with other Cleco employees as the administrators of the plan and make voting decisions with respect to the unallocated shares. Such shares have been included only once in calculating the beneficial ownership of all officers and directors as a group.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS

The following table sets forth as of December 31, 2003, each person known to Cleco who is the beneficial owner of more than 5% of the outstanding shares of any class of Cleco's voting securities.

<u>Title of Class</u>	<u>Name and Address of Beneficial Owner</u>	<u>Amount and Nature of Beneficial Ownership</u>	<u>Percent of Class</u>
Preferred Stock	JPMorgan Chase Bank Trustee of Cleco's Savings and Investment Plan 3 Metro Tech Center, 6th Floor, Brooklyn, NY 11245	242,950 ⁽¹⁾	95.9%
Common Stock	T. Rowe Price Associates, Inc. 100 E. Pratt Street Baltimore, MD 21202	2,545,850 ⁽²⁾	5.3%

- (1) Based upon information contained in Cleco's records and those of Cleco's transfer agent. The 242,950 shares are held by JPMorgan Chase Bank, as successor trustee of the Savings and Investment Plan. The 242,950 shares are convertible into 2,332,320 shares of Cleco common stock, subject to antidilution adjustment, or approximately 5.0% of the common stock outstanding as of December 31, 2003. Participants in the Savings and Investment Plan have voting rights for shares of Cleco preferred stock allocated to their accounts. The trustee is required to vote unallocated shares in accordance with instructions received from the plan administrator of the Savings and Investment Plan. The trustee also holds 984,259 shares of Cleco common stock, which are allocated to the accounts of individual plan participants. The trustee may vote shares of common stock allocated to a participant's account only in accordance with instructions received from the participant. The combined holdings of the trustee under the Savings and Investment Plan, on an as-converted basis with regard to the Cleco preferred stock, are 3,316,579 shares, or 7.1%, of the outstanding shares of Cleco common stock as of December 31, 2003.
- (2) As of December 31, 2003, based solely on a Schedule 13G filed with the Securities and Exchange Commission (SEC). These securities are owned by various individual and institutional investors for which T. Rowe Price Associates, Inc. serves as investment adviser with power to direct investments and/or sole power to vote the securities. For purposes of the reporting requirements of the Securities Exchange Act of 1934, T. Rowe Price Associates is deemed to be a beneficial owner of such securities; however, T. Rowe Price Associates expressly disclaims that it is, in fact, the beneficial owner of such securities.

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Securities Exchange Act of 1934, as amended, requires Cleco's executive officers and directors, and persons who beneficially own more than 10% of a registered class of Cleco's equity securities, to file with the SEC and the NYSE initial reports of ownership and reports of changes in ownership of Cleco's equity securities. To Cleco's knowledge, based solely on review of the copies of such reports furnished to Cleco, for the fiscal year ended December 31, 2003, all Section 16(a) filing requirements applicable to its executive officers, directors and greater-than-10% shareholders were satisfied.

EXECUTIVE COMPENSATION

General

The Summary Compensation Table below sets forth individual compensation information for the chief executive officer and the four other most highly paid executive officers of Cleco and certain affiliates for services rendered in all capacities to Cleco and its affiliates during the fiscal years ended December 31, 2003, December 31, 2002 and December 31, 2001.

Summary Compensation Table

Name and Principal Position	Year	Salary	Bonus ⁽¹⁾	Other Annual Compensation ⁽²⁾	Long-Term Compensation		All Other Compensation ⁽⁴⁾
					Number of Securities Underlying Options	LTIP Payouts ⁽³⁾	
David M. Eppler President and Chief Executive Officer Cleco Corporation	2003	\$ 415,000		\$ 41,558	5,700		\$ 8,330
	2002	410,385	\$ 159,360	33,305	10,000		8,004
	2001	369,232	224,400	25,849	50,000	\$ 347,020	7,197
Dilek Samil ⁽⁵⁾ Senior Vice President Finance and Chief Financial Officer Cleco Corporation	2003	\$ 228,077	\$ 22,500	\$ 14,441	1,840		\$ 3,545
	2002	223,269	68,554	10,043			29,844
	2001	47,654	99,523	1,980	9,000	\$ 147,989	35,689
Samuel H. Charlton III Senior Vice President and Chief Operating Officer Cleco Midstream Resources LLC	2003	\$ 218,000		\$ 11,867			\$ 7,692
	2002	215,924	\$ 33,485	9,939			7,260
	2001	197,917	78,178	6,301	7,000		
Catherine C. Powell Senior Vice President Corporate Services Cleco Corporation	2003	\$ 190,000		\$ 11,662			\$ 6,577
	2002	188,385	\$ 58,957	10,466			7,539
	2001	174,158	83,412	9,441	6,000	\$ 154,096	7,005
R. O. Neal Chadwick, Jr. Senior Vice President General Counsel Cleco Corporation	2003	\$ 188,661		\$ 7,277	2,600		\$ 8,018
	2002	158,366	\$ 27,929	2,505	3,000		7,418
	2001	136,065	32,584	920	1,500		6,169

(1) The Bonus column includes cash awards that are payable or have been paid to executive officers for the following:

An annual incentive compensation program under which participants may receive incentive compensation determined by the performance of Cleco and the individual participants, but no such awards were paid for calendar year 2003; and

Merit lump-sum payments received by certain named executive officers.

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- (2) For 2003, 2002, and 2001, the Other Annual Compensation column includes dividends paid on restricted stock awards under Cleco's long-term incentive plans. Dividends on restricted stock are paid quarterly and at the same rate as dividends on Cleco common stock.

- (3) Restricted stock awards granted under Cleco's long-term incentive plans are reported under the Long-Term Incentive Plan Awards in 2003 table below. The number and value of the aggregate restricted stock holdings at December 31, 2003 for each of the named executive officers were as follows:

Mr. Eppler 46,175 shares with a value of \$830,227;

Ms. Samil 16,045 shares with a value of \$288,489;

Mr. Charlton 13,185 shares with a value of \$237,066;

Ms. Powell 12,958 shares with a value of \$232,985; and

Mr. Chadwick 8,085 shares with a value of \$145,368.

The LTIP Payouts column includes the value of restricted stock and opportunity shares granted or awarded under Cleco's long-term incentive plans that vested in the following years and the related tax gross-up amounts:

2003 relating to the performance period January 1, 2001 to December 31, 2003;

2002 relating to the performance period January 1, 2000 to December 31, 2002; and

2001 relating to the performance period January 1, 1999 to December 31, 2001.

- (4) The All Other Compensation column includes the following:

Amounts contributed or accrued by Cleco under the Savings and Investment Plan on behalf of the named executive officers as follows:

	<u>2001</u>	<u>2002</u>	<u>2003</u>
Mr. Eppler	\$ 6,800	\$ 7,607	\$ 8,000
Ms. Samil	646	4,639	3,407
Mr. Charlton	0	6,383	6,882
Ms. Powell	6,800	7,334	6,439
Mr. Chadwick	6,084	7,333	8,000

Term life insurance premiums paid for the benefit of the named executive officers as follows:

	<u>2001</u>	<u>2002</u>	<u>2003</u>
Mr. Eppler	\$ 397	\$ 397	\$ 330
Ms. Samil	43	205	138
Mr. Charlton	0	877	810
Ms. Powell	205	205	138

Ms. Samil received a relocation bonus of \$35,000 in 2001 and a sign-on bonus of \$25,000 in 2002.

(5) Ms. Samil joined Cleco in October 2001.

Stock Option Plans

Options to purchase shares of Cleco common stock are outstanding under two plans. The first plan is the 1990 Long-Term Incentive Compensation Plan adopted and maintained by Cleco Power LLC, a wholly owned subsidiary of Cleco. An aggregate of 1,600,000 shares of Cleco common stock was reserved for issuance under the 1990 plan. The 1990 plan expired on January 1, 2000, and no additional grants can be made under the 1990 plan. As of December 31, 2003, grants of stock options representing 715,194 shares of Cleco common stock were outstanding under the 1990 plan.

Under the 2000 Long-Term Incentive Compensation Plan (Long-Term Incentive Plan), certain officers, employees and non-management directors of Cleco may receive restricted stock, stock options, phantom stock, stock appreciation rights and certain other awards. An aggregate of 1,600,000 shares of Cleco common stock has been reserved for issuance under the Long-Term Incentive Plan. As of December 31, 2003, grants of stock options representing 539,469 shares of Cleco common stock were outstanding.

Option Grants

The table below sets forth, for each of the five persons listed in the Summary Compensation Table, the following information concerning non-qualified stock options granted during 2003:

The number of shares of Cleco common stock underlying options granted during 2003;

The portion such grants represent of the total number of options granted to Cleco employees in 2003, expressed as a percentage;

The per share exercise price and expiration date of the options; and

The potential realizable value of each grant of options, assuming that the market price of Cleco common stock appreciates from the date of grant to the end of the option term at a 5% and 10% compound annual rate.

Option Grants in 2003

Name	Number of Securities Underlying Options Granted ⁽¹⁾	% of Total Options Granted to Employees in 2003	Exercise Price (\$/Share)	Expiration Date	Potential Realizable Value at Assumed Annual Rates of Stock Price Appreciation for Option Term	
					5% ⁽²⁾	10% ⁽²⁾
David M. Eppler	5,700	25.3%	\$ 16.25	07/25/13	\$ 58,251	\$ 147,620
Dilek Samil	1,840	8.2%	\$ 16.25	07/25/13	18,804	47,653
Samuel H. Charlton III	0					
Catherine C. Powell	0					
R. O Neal Chadwick, Jr.	2,600	11.5%	\$ 16.25	07/25/13	26,571	67,336

- (1) The options vest in one-third increments per year beginning on the third anniversary of the date of grant, so long as the executive remains a Cleco employee. All options immediately vest upon the occurrence of a change in control as defined in the Long-Term Incentive Plan. A change in control generally is deemed to have occurred in accordance with the events described in this proxy statement under Employment Agreements and Change in Control below.
- (2) These columns illustrate the gains that could be realized if the market price of Cleco common stock appreciates at a 5% or 10% compound annual rate. These growth rates are arbitrary rates specified by the SEC, not Cleco's predictions.

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The table below lists, for each of the persons in the Summary Compensation Table, the total number of exercisable and unexercisable options held on December 31, 2003. There were no options exercised by these persons during 2003.

2003 Year-End Option Values

Name	Number of Securities Underlying Unexercised Options at December 31, 2003		Value of Unexercised In-the-Money Options at December 31, 2003 ⁽¹⁾	
	Exercisable	Unexercisable	Exercisable	Unexercisable
David M. Eppler	96,000	113,700	\$ 29,680	\$ 24,701
Dilek Samil	0	10,840	0	3,183
Samuel H. Charlton III	0	43,000	0	3,990
Catherine C. Powell	45,467	28,733	10,141	5,070
R. O Neal Chadwick, Jr.	1,667	10,433	0	4,498

(1) The closing price of Cleco common stock at December 31, 2003 was \$17.98.

Long-Term Incentive Plan

The following table describes restricted stock grants made January 1, 2003 under the Long-Term Incentive Plan.

Restricted stock grants are made in a target amount that is subject to forfeiture, in whole or in part, if specified performance goals are not attained during a designated three-year performance cycle. The number of shares granted is listed in the **Number of Shares** column. During the performance cycle, the recipient of the grant is the record owner of these securities and, as such, is entitled to vote the shares and receive dividends. The recipient cannot sell, pledge or otherwise transfer the shares during the cycle, except as provided for in the Long-Term Incentive Plan. Restricted stock is awarded at the end of the performance cycle but is subject to an additional three-year holding period before it can be sold or otherwise transferred.

The amounts listed in the **Number of Threshold Shares** column represent the restricted stock grants that will vest if only the threshold goals are attained during the performance cycle. The amounts listed in the **Number of Target Shares** column represent the restricted stock grants that will vest if the target levels of performance goals are attained during the performance cycle. No portion of the restricted stock grants will vest if comparative shareholder return (defined as the Cleco common stock price appreciation plus dividends paid during the performance cycle) is less than the pre-established performance level of the 40th percentile. Once the performance level is determined, the vesting schedule for restricted stock grants is as follows:

No awards will vest if Cleco's performance on growth in net income and return on investment is less than 75% of plan.

Threshold performance on both factors provides a 30% award payout.

Target performance on both factors at 100% of plan provides 100% award payout.

Restricted stock vesting for performance above the threshold level and below the target level is prorated.

The amounts listed under the **Number of Maximum Shares** column represent the number of performance-based restricted stock grants that vest at the target level and the number of performance-based **opportunity shares** that will vest between the target and maximum levels established by the Compensation Committee. Opportunity shares are phantom shares that are awarded in connection with a restricted stock grant. The award of phantom shares does not entitle the recipient to the rights of a shareholder until the issuance of Cleco common stock at the end of the performance cycle. The phantom shares vest based on performance above target levels for growth in net income and return on investment. The vesting or payout schedule for the **opportunity shares** included in this column, based on Cleco's performance on growth in net income and return on investment, is as follows:

No awards of **opportunity shares** vest if Cleco's performance is at or below 100% of plan for growth in net income and return on investment.

Maximum performance provides 100% **opportunity shares** award payout, which is equal to 100% of the number of target shares of restricted stock, at 125% of plan for growth in net income and 130% of plan for return on investment.

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The number of phantom or opportunity shares vested for performance above the target level and below the maximum level is prorated. Cleco common stock issued in satisfaction of an opportunity share is subject to a three-year holding period.

Long-Term Incentive Plan Awards in 2003

Name	Number of Shares	Performance or Other Period until Maturation or Payout		Estimated Future Payouts		
				Number of Threshold Shares	Number of Target Shares	Number of Maximum Shares
David M. Eppler	21,645	1/1/2003	12/31/2005	6,494	21,645	43,290
Dilek Samil	7,824	1/1/2003	12/31/2005	2,348	7,824	15,648
Samuel H. Charlton III	6,064	1/1/2003	12/31/2005	1,820	6,064	12,128
Catherine C. Powell	5,946	1/1/2003	12/31/2005	1,784	5,946	11,892
R. O Neal Chadwick, Jr.	5,286	1/1/2003	12/31/2005	1,586	5,286	10,572

Retirement Plans

Cleco's executive officers are participants in the Savings and Investment Plan, the Pension Plan and a Supplemental Executive Retirement Plan, or SERP, all of which are maintained by Cleco Power LLC. Contributions made in 2003 to the Savings and Investment Plan for the benefit of the named executive officers are listed in the Summary Compensation Table.

Pension Plan

The Pension Plan generally covers employees of Cleco who have attained age 21 and completed one year of service. The monthly benefit payable under the Pension Plan at the normal retirement age of 65 is an amount determined with reference to a participant's compensation base and years of service (not to exceed 35 years) at termination of employment. A participant's compensation base is calculated by averaging compensation paid during the highest successive five completed calendar years during the ten years prior to termination of employment. Compensation is determined taking into account the salaries and bonuses reflected in the Salary and Bonus columns of the Summary Compensation Table. However, the compensation that may be taken into account under the Pension Plan is subject to an annual limit under the Internal Revenue Code (the Code), which in 2003 was \$200,000. Benefits under the Pension Plan are fully vested upon the completion of five years of service. The maximum annual benefit payable under the Pension Plan for employees who retired in 2003 is the lesser of \$160,000, a limitation imposed by the Code, or 100% of average compensation, as defined in the Code. Payments from the Pension Plan are not reduced for Social Security benefits.

As of December 31, 2003, the following individuals had the following years of service credited under the Pension Plan:

Mr. Eppler	22 years
Ms. Samil	2 years
Mr. Charlton	2 years
Ms. Powell	12 years
Mr. Chadwick	3 years

SERP

Cleco Power LLC maintains a supplemental executive retirement plan, or SERP, for the benefit of key executives of Cleco and its affiliates when designated by the Compensation Committee. The SERP benefit is a percentage of each participant's eligible compensation, reduced by any amount payable from the Pension Plan. Under the SERP, eligible compensation is based upon the sum of the highest annual salary paid during the five years prior to termination of employment and the average of the three highest annual incentive compensation plan awards paid to the participant during the preceding 60 months. In the event of a change in control, Cleco will make a contribution to a rabbi trust to fund the benefit obligation.

As of December 31, 2003, the chief executive officer and the four other most highly compensated executive officers of Cleco participated in the SERP. The following table illustrates the combined estimated annual benefit payable from both the Pension Plan and the SERP at age 65 to persons at specified compensation levels. Benefits are computed on a joint and 100% survivor annuity basis.

Final Total Compensation	Years of Service at Retirement				
	15	20	25	30	35
\$125,000	\$ 81,250	\$ 81,250	\$ 81,250	\$ 81,250	\$ 81,250
150,000	97,500	97,500	97,500	97,500	97,500
175,000	113,750	113,750	113,750	113,750	113,750
200,000	130,000	130,000	130,000	130,000	130,000
225,000	146,250	146,250	146,250	146,250	146,250
250,000	162,500	162,500	162,500	162,500	162,500
300,000	195,000	195,000	195,000	195,000	195,000
400,000	260,000	260,000	260,000	260,000	260,000
450,000	292,500	292,500	292,500	292,500	292,500
500,000	325,000	325,000	325,000	325,000	325,000

Other

Mr. Eppler, Ms. Samil, Mr. Charlton, Ms. Powell and Mr. Chadwick may elect to participate in a deferred compensation plan and defer the receipt of all or part of salary, bonus and option gain. Benefits are equal to the amount credited to each executive's individual account based on compensation deferred plus applicable investment returns and generally are payable when an executive retires or attains a specified age.

Employment Agreements and Change in Control

Cleco has executive employment agreements with Mr. Eppler, Ms. Samil, Mr. Charlton, Ms. Powell and Mr. Chadwick and other executive officers and general managers of Cleco. Each agreement provides generally for the payment of a minimum annual salary, participation in all Cleco benefit plans and programs applicable to Cleco's executive officers and reimbursement of employment-related expenses incurred during the term of employment. Under the agreements, the 2004 base salaries for the individuals named in the Summary Compensation Table are as follows:

Mr. Eppler	\$425,000
Ms. Samil	\$245,000
Mr. Charlton	\$218,000
Ms. Powell	\$190,000
Mr. Chadwick	\$200,000

Each agreement provides for an initial three-year term that renews annually for one additional year, unless either Cleco or the executive officer gives notice prior to renewal that such officer's term of employment will not be extended. The agreements also generally require, among other things, the executives not to disclose confidential information related to