

Progress in business

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A newsletter published by Progress Energy for our business customers in Florida

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Reliability... for today and tomorrow

Reliable energy is important to all of us. As a business owner, you know that reliable power is critical to keeping your equipment running and your customers satisfied.

Providing the reliable power you need for your business to succeed is a responsibility Progress Energy takes very seriously. That's why we're putting our experience and expertise to work now, planning for the needs of our growing communities, and ensuring that the reliability we deliver today is only the beginning of what we offer tomorrow.

Growing population, growing demand

Here in Florida, we see growth all around us. In fact, our population has grown by 82 percent since 1980 and is expected to keep growing significantly.

At the same time, we are all more dependent upon electricity than ever. Businesses today need their facilities and computers to be up and running 24/7. This rise in usage combined with customer growth is creating a significant increase in demand.

To meet these increases, Progress Energy is taking steps today to ensure adequate power supply for the future. We're doing this now so you can be certain of always having the reliable power your business needs to succeed in our growing region.

The power of fuel diversity

As we plan, our priority is to provide energy that's dependable, cost-effective and environmentally sound.

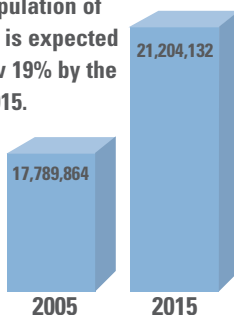
Currently, we generate electricity using a diverse mix of fuels such as coal, nuclear, natural gas and oil.

As we move forward, we will look for new ways to increase our fuel diversity. This will allow us to avoid dependency on any single source of fuel, which will help protect us from the volatility of individual fuel markets and keep rates more stable for our customers.

Committed to customers

Right now, we are looking at all options, weighing many factors as we assess the best ways to meet rising demand. It's all part of our relentless commitment to our customers, today and every day into the future.

The population of Florida is expected to grow 19% by the year 2015.

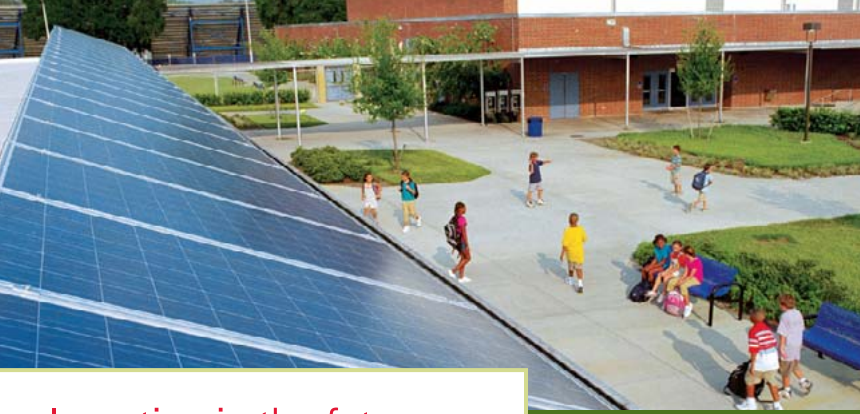


Source: U.S. Census Bureau



Progress Energy

People. Performance. Excellence.



Investing in the future

At Progress Energy, we are investing in alternative energy research and development today to find feasible, cost-effective and environmentally sound options that will benefit all of us in the future.

Hydrogen fuel cells: Progress Energy is involved in several projects exploring the feasibility of hydrogen fuel cells, including a \$1 million investment in a company seeking to bring existing hydrogen fuel-cell applications to industrial, commercial and consumer markets.

Hydrogen fuel cell vehicles and fueling stations: In partnership with Ford Motor Company and the Florida Department of Environmental Protection, Progress Energy is piloting hydrogen fuel cell vehicles. The company has also invested in two hydrogen fueling stations.

Solar power: We are involved in several projects that use photovoltaic systems to convert sunlight into electricity, including school-based programs that provide both educational opportunities and electricity.

Sustainable systems: We recently partnered with the Florida Department of Environmental Protection to bring together hydrogen fuel cell and photovoltaic technologies into a sustainable system for a wildlife park.

Biomass: Co-firing biomass (plant or animal waste) at our plants is an option we are currently investigating, including a scheduled trial in 2006.

Exploring alternative energy sources is a major part of our overall mission of assessing every option for the future. It's how we're going to keep bringing your business the reliable power it needs at the most cost-effective rates possible – no matter what the future brings.

Streetlight outage reporting

Adequate outdoor lighting is critical for your customers and your business.

To report an outage, visit **progress-energy.com/streetlightrepair**.

Or call **1.800.228.8485** and press 5.

Be prepared to provide the following:

- Specific directions with location or street address nearest the light. Be as detailed as possible.
- If applicable, please provide the closest physical building/premise address. For example, the light "in front of 3000 4th St. N and 30th Ave. N."

Be sure to leave contact information, including your phone number. We will resolve the outage as quickly as possible.

A well-lit building is good for business, making your facility safer, more attractive and easier for customers to find.

Diverse suppliers, many benefits



Successful and diverse businesses have a positive impact on the economy, bringing in more jobs, more options and ultimately more chances for everyone in the community to succeed.

Progress Energy is an industry leader in creating opportunities for diverse companies to work with us. Our Supplier Diversity Program aims to develop and increase the utilization of certified minority-, veteran- and woman-owned businesses for the products and services the company procures. Acceptance into the program is the first step to becoming one of our suppliers.

To apply, visit:

progress-energy.com/supplierdiversity.

You will also need to provide supporting documentation or certification to confirm your status.

Our Business Services Team

We want your business to have the tools to succeed. That's why we created our Business Services Team, a specialized group trained to meet the unique needs of business customers like you. With our help, you can more effectively manage:

Your service:

- Start, stop service
- Check status of work request

Your bill:

- Bank draft
- E-bill
- Electronic payment

Your energy use:

- Review usage history
- Evaluate rate options
- Assess efficiency options
- Sign up for a free business energy check

Two ways to get the service your business needs:



progress-energy.com

Available 24 hours a day, our Web site is

always there when you need it. You'll find all the services listed at left, plus helpful links and other resources designed specifically for business customers like you.



1.877.372.8477

Need to talk? Our Business Services Team is prepared to handle

your questions quickly and efficiently during regular business hours.

The 2005 Energy Policy Act: How your business can benefit.

With the 2005 Energy Policy Act (EPACT), you can increase your company's energy efficiency, reduce costs and earn federal tax credits, all at the same time. The act offers incentives for businesses that make certain types of energy-efficient purchases or improvements.

In addition, many of the qualifying options are also eligible for rebates directly from Progress Energy. Since 1991, our business customers have earned almost \$5 million in rebates.

The following are some of the qualifying purchases and improvements under the new act. Most must be implemented between January 2006 and December 31, 2007. For more information on the tax implications for your individual business, please see your personal tax advisor.

- **Hybrid vehicles:** New hybrid gas-electric cars or trucks may qualify for \$250 to \$3,400 in tax credits, depending upon fuel economy and weight of the vehicle.
- **Renewable energy:** Installation of qualified fuel cells and solar equipment: up to 30 percent tax credit; qualified stationary microturbine power plants: up to 10 percent.
- **New home construction:** Eligible contractors may receive tax credits for construction of qualified new energy-efficient

homes saving 50 percent of the EPACT standard. Credit may also apply to manufactured homes meeting Energy Star criteria and saving 30 percent of the EPACT standard.

- **Commercial building:** Facilities that reduce annual energy and power consumption by 50 percent compared to the American Society of Heating, Refrigerating and Air Conditioning Engineers' (ASHRAE) 2001 standard may qualify for a maximum deduction of \$1.80 per square foot.

The information contained in this article is for general purposes only and does not constitute tax advice or the views of Progress Energy. Progress Energy assumes no responsibility with respect to assessing and/or advising the reader as to the individual tax consequences for the reader's particular situation.

Did you know?

Since 1991, our business customers have earned almost \$5 million in rebates for making energy-saving, bill-reducing improvements.

To see what rebates for which you may qualify, call your Business Service team and ask about an audit.

Share your thoughts.

Is this newsletter meeting your needs? Tell us what you think:

- Do you read this newsletter regularly?
- Which articles are most helpful to you?
- What types of information would you like to see more of?

E-mail us at progressinbusiness@pgnmail.com.

We welcome your feedback.