



News Release

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Progress Energy Subsidiary Provides Santee Cooper with Peaking Capacity

The Energy Authority Facilitates Two-and-a-half year deal

JACKSONVILLE, Fla., — The Energy Authority Inc. (TEA) and Progress Ventures Inc. (PVI), a subsidiary of Progress Energy [NYSE:PGN], have executed a long-term contract to provide 175-megawatts of peaking capacity to Santee Cooper. The deal helps Santee Cooper cover peaking capacity requirements resulting from anticipated load growth until its newest coal-fired unit is available for commercial operation on Jan. 1, 2007. The agreement gives Santee Cooper a reliable and efficient source of electricity when necessary, thereby reducing the likelihood of having to purchase electricity from the spot market.

According to the contract, if Santee Cooper determines its peak demand requires purchasing additional power, TEA will buy power from PVI and sell it to Santee Cooper at a specified rate. Santee Cooper will pay a small monthly reservation fee to keep the capacity available, and will incur charges for electricity only as it is called upon.

“TEA’s bid process was competitive and Santee Cooper is pleased with the results. Progress Ventures was able to provide the flexibility we need in a peaking product, which is a key component to meeting our capacity requirements over the next two and a half years,” said Sylleste Davis, manager of wholesale markets at Santee Cooper.

“We appreciate every opportunity to leverage our market presence in order to help one of our Members,” said Bob Moye, vice president of trading at The Energy Authority.

“We are pleased to provide peaking capacity to Santee Cooper,” said Tom Kilgore, group president of Progress Ventures. “We continue to have good results contracting our competitive

generation fleet. This agreement is another step toward meeting our goal of keeping 75 percent of our plants under contract.”

About Progress Energy

Progress Energy (NYSE: PGN), headquartered in Raleigh, N.C., is a Fortune 250 diversified energy company with more than 24,000 megawatts of generation capacity and \$9 billion in annual revenues. The company’s holdings include two electric utilities serving more than 2.8 million customers in North Carolina, South Carolina and Florida. Progress Energy also includes nonregulated operations covering competitive generation, energy marketing, natural gas production, fuel extraction, rail services and broadband capacity. For more information about Progress Energy, visit the company’s Web site at <http://www.progress-energy.com>.

About The Energy Authority

The Energy Authority is a non-profit energy marketing organization formed for public power, by public power. The company provides comprehensive resource management and optimization services to publicly-owned utilities, including trading and marketing physical power and natural gas, energy risk assessment and management services, credit risk management, contract management, back-office services and more. For more information about The Energy Authority visit the company’s Web site at <http://www.teainc.org>.

About Santee Cooper

Santee Cooper is South Carolina’s state-owned electric and water utility. Based on generation, Santee Cooper is the nation’s fourth largest publicly owned electric utility among state, municipal, and district systems. The utility is the source of power for the state’s 20 electric cooperatives serving 625,000 customers throughout South Carolina. Santee Cooper also serves 138,000 residential and commercial customers in Berkeley, Georgetown, and Horry counties. For more information about Santee Cooper, visit the company’s Web site at <http://www.santecooper.com>.

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