

# CURRENT LINES

FROM YOUR **PROGRESS ENERGY** ACCOUNT EXECUTIVE

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Our businesses are fortunate to be located in one of the country's fastest-growing areas. But at Progress Energy, we know that to grow with the region, your business needs reliable, affordable power. That's why we're committed to using our expertise to plan for the increasing energy demands of the future.

In this issue of Current Lines, we discuss some of the steps we're taking today to meet tomorrow's energy needs. We'll also look at the ways we can work with businesses like yours to help you manage and meet the demands you face in our growing economy.

We've included some answers to your questions about the impact of growth and additional demand on the electric system from Laura Boisvert, vice president of our South Central Region.

As your account executive, I am committed to helping your business meet the challenges of growth and take full advantage of opportunities it brings. For more information about the many ways we can help your business succeed, please contact me.

Your Account Executive

## Did You Know?

**The Census Bureau projects that between 2015 and 2020, Florida will become the nation's third most populous state.**

## As Our Population Grows, So Does Energy Usage

Our sunny weather, friendly tax policies and high quality of life mean one thing for Florida: more people. As one of the fastest-growing states in the nation, Florida is busy preparing for even bigger and better times ahead. This rapid growth is reflected in more homes and businesses – and definitely more energy usage.

### Energy Demand at All-Time High

Population growth is just part of the rise in demand. We are also increasingly dependent on electricity. Businesses and industries use more sophisticated technologies, automation and other high-tech equipment than ever – and all of that equipment must be up and running 24/7. In our homes, we use 30 percent more

electricity than we did 20 years ago. This rise in usage, combined with population growth, is driving energy demand higher than ever.

### Finding a Balanced Solution

Providing tomorrow's customers with the same reliable energy we deliver to today's customers takes long-range planning and a balanced approach to preparing for the future. At Progress Energy, we are weighing all options as we look for the best, energy solution for our region, our customers

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In Your World

## Cellynne Corporation: Growing Smarter

“By working with Progress Energy, we’ve been able to be proactive – rather than reactive – about our growing energy needs.”

– Kurt Schulze

### Quick Facts:

**8,000**

Amount of horsepower used during Cellynne’s manufacturing process

**90,000**

Increase in square footage with recent expansion

**5 Megawatts**

Estimated increase in electric demand with new paper machine

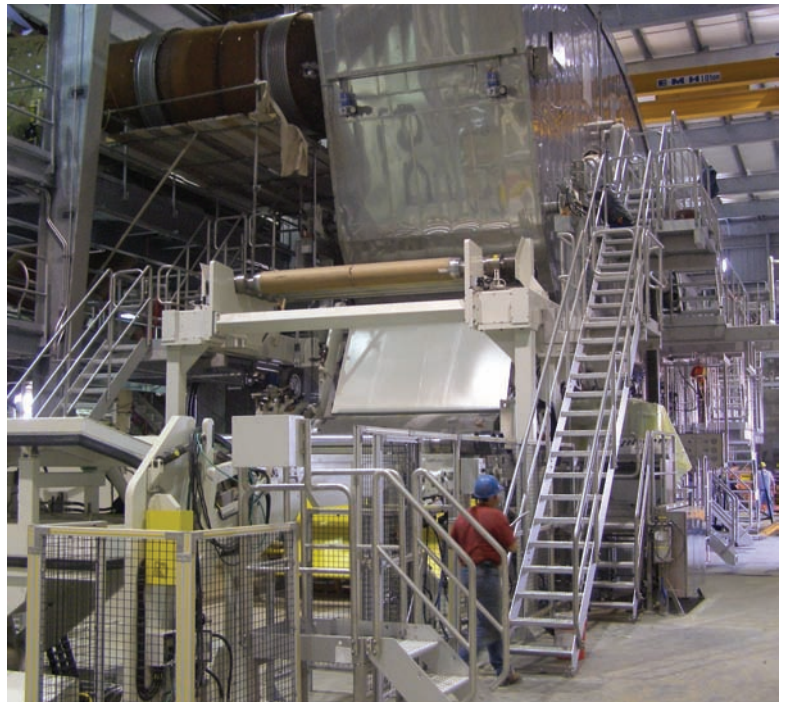
Over the last 15 years, Cellynne Corporation, a paper converter and manufacturer based in Haines City, has become one of the fastest-growing independent converters in North America. Widely recognized for its innovative products and profitable growth, Cellynne specializes in the conversion of jumbo paper rolls into smaller, more commercially usable paper products, which include kitchen paper towels, facial tissue, bathroom tissue and napkins.

General Manager Kurt Schulze says that Cellynne’s growth is all part of a bigger plan the company’s been working toward since day one. “We always knew we wanted to grow and expand. It’s actually one of the main reasons we chose to locate our headquarters in Haines City,” said Schulze. Affordable and available land, an exceptional highway system and proximity to Miami, Atlanta and other southeastern markets also added to the allure of Polk County, according to Schulze.

Integral to Cellynne’s plan for expansion was its partnership with Progress Energy. In 2004, Progress Energy met with Cellynne to plan for the company’s increasing power needs. We determined that the best solution would be an onsite substation. This spring, when Cellynne’s new paper machine – a piece of equipment Schulze describes as a “real workhorse” – goes online, the substation will ensure Cellynne has the energy resources to operate efficiently and meet the increased workload.

By centralizing the plant’s power supply with the substation, Cellynne is now better protected, better prepared and, ultimately, will be more productive.

By carefully considering the incredible energy demands its expansion would require, Cellynne has been able to not only grow, but also grow smarter. Schulze said that partnering with Progress Energy to plan for the company’s expansion has allowed



*Cellynne’s new state-of-the-art tissue machine.*

Cellynne to feel more secure about what could have been a risky move. Said Schulze, “By working with Progress Energy, we’ve been able to be proactive – rather than reactive – about our growing energy needs.” And as a result of its organized plan for growth, Cellynne is now stronger, healthier and better positioned than ever for the future.

## Staying Current

# Q & A with Laura Boisvert

### What kind of growth are you seeing in the south central Florida region?

To say our area is growing is an understatement. Our south central region represents almost half the growth in our Florida service area. Last year we gained over 20,000 new customers. And 2006 is already turning out to be our busiest year ever. Population projections from the University of Florida's Bureau of Economic and Business Research predict that by 2050, greater Central Florida will grow by 4 million people.

### How are our communities being affected by this rapid growth?

As the result of more people choosing to live closer to where they work, there has been a significant increase in large Planned Urban Developments (PUDs) such as Horizon West in Orange County and Solivita in Osceola and Polk counties. Designed as traditional subdivisions integrated with commercial development such as schools, restaurants, gas stations and banks, these new economic centers are now home to thousands of Central Floridians.

In addition, new expressways are providing more options to support our region's growth by making rural areas much more accessible. The construction and expansion of the western beltway (Highway 429) has created a new tie between Highway 50, the Turnpike and Interstate 4, which better serves the significant new development in the southwest portion of Central Florida.

### How is the growth affecting your commercial customers?

Businesses and industries throughout the region are benefiting from the increase in customers. For example, Sea World is continuing to expand. On the

heels of the success of Discovery Cove, Sea World is planning a new water park expansion, which is scheduled to open in 2008. In addition, Bonnet Creek Resorts will add thousands of new hotel rooms to accommodate Central Florida's increased number of visitors.

Innovation Way, a strategic land-use and economic development district in Southeast Orlando, is expected to become a critical technology corridor. The new growth spurred by its development will complement our existing business community and bring many high-paying jobs to our region, resulting in an increased demand for housing and support businesses.

### How is Progress Energy preparing to meet this growing demand for energy?

Each year, we rigorously review both our short- and long-term forecasts and plans to ensure the necessary infrastructure will be in place, whether through upgrades or new infrastructure, to meet the future requirements of our customers. As part of that planning, we just broke ground on our fourth combined-cycle generating unit at our Hines Energy Complex in Polk County, which will add an additional 500 megawatts of generating capacity. In addition, we'll continue to evaluate this region's growing energy demand and use a mix of fuel sources to provide reliable and affordable energy. These efforts are part of our commitment to customers to ensure that reliable electricity will always be there when they need it.

## Q and A

**Laura Boisvert,  
VP of South  
Central Region,  
discusses the  
impact of  
growth on our  
community.**

**“Our south  
central region  
represents almost  
half the growth  
in our Florida  
service area.”**

– Laura Boisvert

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### Reliability: Now and in the Future

Maintaining a balance of energy sources will allow us to continue delivering reliable energy far into the future. That's why we constantly seek a diverse mix of power plants and fuels, including coal, nuclear, natural gas, oil, renewables and alternative energy sources. This leads to more reliable supplies and stable prices, combined with

less dependence on imported energy.

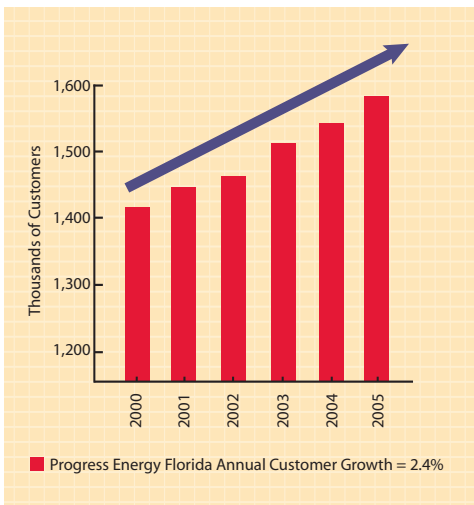
In addition to fuel diversity, conservation and energy-efficiency programs will continue to be important parts of our overall plan. We encourage our customers to learn all they can about how to use energy wisely.

However, the growth that we are experiencing – and the growth we anticipate – will require new resources in addition to increased efficiency. So we are beginning the long process now of planning for new power generation to ensure we have the capacity in place when and where it's needed.

By planning ahead and using all of our expertise and experience, we're making certain we can continue to provide reliable, affordable power for our customers – both today and tomorrow.

Our commitment to providing reliable, affordable power means that we must not only look at meeting our current demands, but must also consider how our customers' needs will continue to increase.

▶ and the environment we all share. As we look toward the future, and the potential of another 300,000 customers in our Florida service territory over the next 10 years, our priority is to provide energy that's as dependable, cost effective and environmentally sound as possible.



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