

CURRENT LINES

FROM YOUR **PROGRESS ENERGY** ACCOUNT EXECUTIVE

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Everyone enjoys making plans for summer. But while you're planning that vacation or employee picnic, are you also planning for summer storms?

At Progress Energy, we are. We plan all year for the summer storm season and other potential emergencies. We've taken the lessons learned from the past several years of devastating storms and applied them to strengthen our equipment and our process for repairing outages quickly. It's all part of our commitment to delivering the reliable power you need during storm season and throughout the year.

We encourage you to be equally prepared. In this issue of CurrentLines, we offer tips on how to create or update your business' emergency preparation plan. We also share some of the successful plans created by other local businesses.

Our Q and A section features David McDonald, director of Distribution Asset Management, describing Progress Energy's emergency preparation planning and all our efforts to ensure you have the safest, most reliable power possible. If you have questions about our preparations, or about how we can help you develop or refine your own emergency plan, just call.

Your Account Executive

Stay Tuned In

Storm Web site
progress-energy.com/storm

CIG Customer
Service Center
877.342.5372

Outage Line
800.228.8485

Weathering the Storm: Emergency Planning For Your Business.

With all the day-to-day challenges of keeping a business running, who has time to plan for emergencies that might never occur?

But in your business, as in ours, planning for emergencies and contingencies is as critical to overall success as keeping the production line running or the warehouse filled.

At Progress Energy, we constantly evaluate our risk factors and make improvements in equipment and processes to ensure we're able to deliver safe, reliable, high-quality power. We frequently update and rehearse our storm preparation plans so that when the worst does happen, we're ready to restore power as quickly as possible.

If your business does not yet have a comprehensive emergency plan, you should start with a careful review of your

history and risk factors. Next, create mitigation and response plans. On the back page, you'll find a checklist that can help you get started.

If your business already has a plan in place, be sure to review it frequently and update as necessary. Schedule regular drills to make sure all employees know and understand the role they would play in an emergency. Having a plan in place is the best way to mitigate risks, which will enable you to focus on the daily business of running your business.

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 **Progress Energy**
People. Performance. Excellence.

In Your World

How Local Businesses Prepare for Emergencies

“It’s important to have upper management involved in the creation of the plan, and to bring in people from across the organization.”

— David Schirm

“What’s the worst that can happen?” It’s a question many businesses like yours have asked themselves as they create an emergency preparation plan.

“Hope for the best. Prepare for the worst,” said Keith Fogarty, division director of Maintenance, city of Dunedin. “And start by figuring out what the worst would be.”

This requires studying such factors as geography, weather patterns, historical data and situations faced by businesses like yours. Obviously, here in Florida, some of the biggest risks facing every business are hurricanes and thunderstorms.

Once a business has identified its areas of greatest vulnerability, it can begin creating an effective emergency preparation plan. “It’s important to have upper management involved in the creation of the plan, and to bring in people from across the organization,” said David Schirm, assistant vice president, Business Continuity Planning at Raymond James. “That way your plan will represent everyone’s needs — and have everyone’s support.”

One of the first things a plan is meant to protect is the facility itself, as well as product, supplies and critical data. Often this requires backup power plans. “Our product is perishable,” said Ed Coryn, president of Dairy-Mix, Inc. “Without adequate refrigeration, everything we produce is ruined. That’s why it made sense for us to buy our own generators.” The city of Dunedin recently bought eight 125-kilowatt generators for the city, ensuring that critical infrastructure such as water, sewer and city facilities can be maintained even during an emergency.

But for some business situations, even backup generators are not enough. Raymond James has 100 percent backup generation capacity and a complete alternative site in the Midwest where their associates can be relocated in an emergency.

Sometimes retrofitting an older facility is simply cost prohibitive. “Our building is 40 years old,” said Tim Strouse, vice president of Operations, All Children’s Hospital in St. Petersburg. “It made better sense to start over with a facility engineered from the ground up to meet our needs and those of our patients.”

The hospital’s new facility will be finished in 2009 and will reflect lessons learned from recent storms, such as 100 percent redundancy of power systems and a landing pad that can accommodate military helicopters, such as those used to transport Katrina evacuees.



All Children’s Hospital in St. Petersburg.

Emergency plans must also consider supply needs. Sue Hometchko, vice president, Facility Plant Operations at Raymond James, noted that “we not only have our own storage tank of fuel onsite, we also have a priority contract with our supplier to ensure it’s filled.” All Children’s Hospital has a dedicated

storage facility to hold items such as food, water, chain saws, batteries and communications devices.

The last and most important category emergency plans must address is the protection of employees and others connected to the business. “This often comes down to communications,” said Hometchko. “We have dedicated phone lines to update our building status that allows me to give detailed information to our facilities emergency response team. In addition, we utilize an auto-notification system to keep all associates informed. Good communication takes a lot of the stress out of an emergency situation.”

Now that hurricane season is here once again, it’s a good time for every business to review its emergency planning and preparation. A little time and effort now can make the next several months feel far less stormy.

Staying Current

Q & A with David McDonald

How have the past several years of unusually powerful storms affected Progress Energy's emergency planning?

The past few years have reminded us all how devastating strong hurricanes can be. Most forecasters are predicting another volatile season, and Progress Energy is planning accordingly.

We have taken a close look not only at the lessons we learned during Florida's difficult 2004 season, but also at some of the challenges faced by our fellow utilities during storms such as Katrina and Rita.

From this information, we have significantly enhanced three key areas in our emergency planning system.

- **Estimated time of restoration:** We have greatly improved our ability to give you timely, accurate information to help you plan more effectively.
- **Materials and supplies:** We have further strengthened our relationships with vendors to ensure on-time delivery of the materials necessary to restore power quickly and safely.
- **Fuel:** We've developed an even better methodology for fuel procurement before and immediately after a storm.

But we won't stop there. We will continue to assess and refine our emergency response systems — even during hurricanes themselves. Because every time a storm hits, we want to be better prepared than the time before.

When a hurricane is on the way, how does Progress Energy work to protect my business' needs?

Days before predicted landfall, we assess our resources, both in terms of supplies and people. Long before the hurricane comes ashore, we are ready with what we'll need after it passes.

As soon as it is safe, we're ready to assess damage and begin making repairs. Generally speaking, we work in a logical progression from the source of the power to the user. We look for opportunities to restore the largest number of customers first, as well as critical community infrastructure. We work closely with key community leaders and emergency operations centers in our service territory to identify and restore these critical facilities as quickly as possible.

We rehearse this response plan many times during the year, long before hurricane season starts. That way, when the worst does happen, everyone at Progress Energy knows exactly what role he or she plays in getting your power back up and running as soon as possible.

What infrastructure improvements is Progress Energy making to better withstand this year's hurricane season?

Inspecting, assessing and improving our equipment are daily commitments at Progress Energy, throughout the year and in every season. Good maintenance programs are critical to our delivery of safe, affordable and reliable power.

Proper maintenance is especially crucial going into storm season. For this season, we have inspected, in person, every foot of our feeder lines. We've addressed all vegetation issues that we know of, such as overhanging branches and overgrown trees. And we've already replaced most of the poles slated for replacement before the end of the year.

Preparing for and dealing with storms are some of the most challenging things we do here at Progress Energy. But responding quickly and safely on behalf of our customers is also one of the most rewarding. Because we know how critical power is to you and your business. And we're absolutely committed to delivering the most reliable power possible, whatever the weather may bring.

Q & A

David McDonald, director of Distribution Asset Management, discusses Progress Energy's emergency planning.

“Inspecting, assessing and improving our equipment are daily commitments at Progress Energy, throughout the year and in every season.”

— David McDonald

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► Is Your Business Ready?

Preparation

- Protect vital equipment, records and inventory
- Plan for possible evacuation
- Establish communication plans and storm roles
- Create backup security procedures
- Create a storm kit and stockpile critical supplies
- Review storm plans

Response

- Check with us for the latest storm information and power-related alerts
- Implement plans for protection of equipment, records and people
- Unplug appliances until power is resumed

Safety

- Stay away from downed power lines
- Never replace fuses or touch circuit breakers while wet

- Use generators only in outdoor, well-ventilated, dry areas

Recovery

- Ensure employees' safety
- Secure the site
- Inspect for damage
- Protect your business from further damage
- Implement communications plans with employees, suppliers and clients

Mitigation

- Assess the effectiveness of your plan
- Modify as needed for future improvement
- Take steps to prevent or reduce your business' vulnerability

“Planning for emergencies and contingencies is as **critical** to your overall **SUCCESS** as keeping the production line running or the warehouse filled.”

