



## media statement

### **Media Statement from Vincent Dolan, president and chief executive officer of Progress Energy Florida in response to today's PSC decision regarding the company's base rate request**

“We know that there is never a good time to raise rates, but the PSC decision is particularly harmful because it fails to recognize the true costs associated with providing a secure, reliable electricity system. The commission has decided to approve only a fraction of the cost of providing current and future service to customers at the level they expect and deserve. This will have a negative impact on our state's already aging energy infrastructure, and in the long run, the decision will mean a more expensive and less reliable system for Florida customers.

“Since the formation of Progress Energy Florida in 2000, the company has focused its efforts on improving customer reliability and service, reducing the environmental impacts of providing electricity and preparing for the energy future of Florida customers. These successful multi-billion-dollar efforts have been achieved with only a one percent change in base rates over the last 25 years.

“The electric utility business is heavily dependent on the confidence of investors in the abilities of company management and fairness of regulators. Today's result will certainly affect the financial performance of the company, especially given the continued economic decline and associated impact on energy usage. Depending on the market view of this decision and the changing Florida regulatory environment, we may see an increased cost of capital and a reluctance of investors to put capital at risk in the Florida market. Ultimately, projects from storm hardening to clean-air improvements to carbon-free nuclear might be in jeopardy.”

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Progress Energy Florida, a subsidiary of Progress Energy (NYSE: PGN), provides electricity and related services to more than 1.6 million customers in Florida. The company is headquartered in St. Petersburg, Fla., and serves a territory encompassing more than 20,000 square miles, including the cities of St. Petersburg and Clearwater, as well as the Central Florida area surrounding Orlando. Progress Energy Florida is pursuing a balanced approach to meeting the future energy needs of the region. That balance includes increased energy-efficiency programs, investments in renewable energy technologies and a state-of-the-art electricity system. For more information about Progress Energy, visit [www.progress-energy.com](http://www.progress-energy.com).

**Progress Energy Florida, Inc.**

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