

# Case Study: Red Hat, Inc.

As the world's leading provider of Linux and open source technology, Red Hat has an ever-increasing responsibility to its customers and shareholders. To promote and implement its superior technology, Red Hat's sales and engineering teams must be constantly in contact with its customers.

"Red Hat has customers across the nation and around the world. Our ability to rapidly and efficiently respond to their needs is critical to our customers' success in the enterprise, as well as to maintaining Red Hat's status as the world's most trusted supplier of open source technology," said Paul Santinelli, director of Information Systems and Technology at Red Hat.

When Red Hat recently moved into its new corporate headquarters in Raleigh, N.C., the company determined that its worldwide operations needed reliable power 24x7x365 – even during local emergency conditions such as hurricanes and ice storms. Red Hat turned to its new electric power supplier, Progress Energy, for assistance.

## Progress Energy Proposed its Premier Power Service.

Progress Energy's Premier Power Service is a unique outsourced solution providing backup power. Progress Energy works with customers to tailor a Premier Power solution that best meets the customer's critical needs.

For Red Hat, this solution included a generator and automatic transfer switch that provides backup power to its entire corporate headquarters.

"Progress Energy took care of everything – from installation and commissioning to permitting – for Premier Power Service," said Santinelli. "They also handled real-time monitoring of equipment operation and preventive maintenance and refueling. This service is extremely valuable to ensuring that our networks are constantly up and running."

"Progress Energy's Premier Power Service has proven its value to Red Hat on several occasions. Recently, our quarterly earnings call with investors took place on the same day that Hurricane Isabel passed through North Carolina. Although some of our corporate neighbors were without power, Red Hat was able to have a successful conference call with full power in our facility."

Another example occurred in December 2002. This also was a crucial time for earnings at Red Hat, and central North Carolina was in the midst of its most destructive ice storm in 100 years. Most of Raleigh was without electricity. But Red Hat continued operating full tilt using Premier Power Service supplied by Progress Energy.

"Our employees continued to serve the critical needs of our worldwide customer base, adding significant earnings to our bottom line," said Santinelli. "Some of our employees were without power in their homes for several days. Because of Premier Power Service, Red Hat was able to provide a warm, comfortable shelter for our employees and their families, while continuing to provide reliable, supported technology to our customers around the world."

## About Premier Power Service

To protect your critical systems during times of utility power loss, Progress Energy offers Premier Power Service, a backup power solution with an emphasis on reliability. With equipment owned by Progress Energy, your company remains free from the many obligations of ownership, such as maintenance, repair, permitting and fueling. From design and installation through day-to-day operations, we take care of your backup generation needs for a single monthly fee.

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## Generation and Monitoring

We design your Premier Power system to transfer your critical load as quickly as possible during times of outage. Installations generally include an outside generator and an automatic transfer switch (ATS). Critical loads are segregated on the circuit, with the ATS functioning as the source selector for power. At a minimum, the ATS monitors the incoming utility power and, if it senses a power failure, it signals the backup generator, which will pick up the critical load in 30 seconds or less. Progress Energy typically designs Premier Power sites to store a minimum of 24 hours' fuel. When utility power is restored, the ATS automatically returns the load to the utility source.

## Custom Outsource Solution

Our technical experts review your applications' backup needs and your site requirements to custom-design your Premier Power Service system. We assess the level of power protection your facility needs to remain continuously productive and carefully select equipment to create your integrated system. All construction activities are managed by Progress Energy, including the securing of all necessary emission, fuel, electric and construction permits.

Once your system is up and running, we provide full-time monitoring through our Distributed Generator Control Center (DGCC) which operates 24x7x365. When potential abnormalities and other monitored alarm conditions are detected, the DGCC reports them to on-call personnel for action and escalation as required.

## Procurement and Financial

Because Premier Power Service systems are owned by Progress Energy, your company carries no up-front capital expenses or overhead, maintenance or fuel costs. The service includes repair, replacement and emergency rental of all equipment. Customers may choose five- or 10-year subscription periods, renewable at the end of the term, and payments may be included on your monthly electric bill.

Count on Premier Power Service for solid backup power solutions for your business. Our systems are built with high-quality components, and with our routine maintenance and testing, we offer highly reliable systems that will provide excellent service for many years.