

Progress Energy and North Carolina's electric cooperatives sign contract for power

20-year agreement to begin in 2013

RALEIGH, N.C. (January 19, 2009) -- Progress Energy Carolinas (PEC) and the NC Electric Membership Corporation (NCEMC), the power supply organization for a majority of the state's electric cooperatives, have signed a contract for PEC to supply power to NCEMC for a 20-year period beginning in 2013.

PEC has supplied a portion of NCEMC's load requirements located in PEC's control area for more than 50 years. Under the new agreement, by the end of the contract term PEC will supply the majority of NCEMC's load within the PEC control area, or approximately 2,750 megawatts. The contract is the result of NCEMC's request for proposals for power supply resources issued in October 2007.

"We're happy to be able to serve the needs and growth of North Carolina's cooperatives," said Lloyd Yates, president and CEO of PEC. "Having a long-term contract like this one will help both companies plan for the future."

"We're pleased to continue our long-term relationship with Progress Energy that assists us with providing our member cooperatives with reliable and affordable energy," said Rick Thomas, CEO of NCEMC.

PEC will account for the added load when it files its next integrated resource plan with the North Carolina Utilities Commission. This agreement will allow both companies to optimize their system and resource planning.

North Carolina's electric cooperatives provide energy to 2.5 million people in 93 of 100 counties, primarily in rural parts of the state. For more information about the cooperatives, visit www.ncelectriccooperatives.com.