



February 28, 2001

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## **Florida Power Corporation Reaches Agreement With Gulfstream Natural Gas System to Serve Hines Power Plant**

HOUSTON – Gulfstream Natural Gas System, L.L.C. and Florida Power Corporation, a Progress Energy company, have announced the execution of an agreement in which Gulfstream will provide firm natural gas transportation service to Florida Power’s recently approved high-efficiency power plant, Hines 2, located at the company’s Hines Energy Complex in Polk County, Fla., and other electric generating plants operated by Florida Power.

“We are very pleased to have reached an agreement to supply one of Florida’s top electric utilities with natural gas transportation on the Gulfstream Natural Gas System,” said Guy Buckley, Gulfstream senior vice president and general manager, business functions. “We look forward to providing Florida Power, and other Florida generators, the reliable, economic transportation services they need to continue implementing their impressive growth strategy.”

“The Gulfstream pipeline is fulfilling a demonstrated need in the state for additional natural gas delivery,” said William Habermeyer Jr., president and CEO of Florida Power Corp. “Having the pipeline in place is integral to our ability to expand the electric generation infrastructure to meet the current and anticipated needs of our growing customer base.”

The initial phase of the Hines Energy Complex, 482 megawatts (MW) of generation, came on line in 1999, and a second phase providing 495 megawatts of additional generation, is planned to begin operation in November 2003.

Gulfstream Natural Gas System, L.L.C. is a joint interstate natural gas pipeline development of Williams (NYSE:WMB) and Duke Energy (NYSE:DUK) scheduled to be placed into service in June 2002. The proposed 753-mile pipeline is designed to extend from Mississippi and Alabama across the Gulf of Mexico to serve the state of Florida. It is designed primarily to serve Florida utilities and power-generation facilities that will use high-efficiency natural gas turbines to meet the demand for electric energy which is expected to increase 25 percent by 2007.

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More information about the Gulfstream Natural Gas System is available by visiting the project web site at [www.gulfstreamgas.com](http://www.gulfstreamgas.com).

Duke Energy, a diversified multinational energy company, creates value for customers and shareholders through an integrated network of energy assets and expertise. Duke Energy manages a dynamic portfolio of natural gas and electric supply, delivery and trading businesses – generating revenues of more than \$49 billion in 2000. Duke Energy, headquartered in Charlotte, N.C., is a Fortune 100 company traded on the New York Stock Exchange under the symbol DUK. More information about the company is available on the Internet at: [www.duke-energy.com](http://www.duke-energy.com).

Williams, through its subsidiaries, connects businesses to energy and communications. The company delivers innovative, reliable products and services through its extensive networks of energy-distributing pipelines and high-speed fiber-optic cables. Williams information is available at [www.williams.com](http://www.williams.com).

Florida Power Corp. is one of two major electric utility subsidiaries of Progress Energy, a Fortune 500 diversified holding company headquartered in Raleigh, N.C. Progress Energy is one of the top 10 investor-owned utilities in the United States with more than 19,000 megawatts of capacity and \$7 billion in annual revenues. The company's diverse portfolio includes two major electric utility companies, Florida Power and CP&L in the Carolinas, as well as NCNG, SRS, Progress Telecom and Energy Ventures, an organization created to manage wholesale energy marketing and trading, merchant generation, fuel properties, as well as barge and rail subsidiaries. These companies serve 2.8 million customers across the Southeast, providing electricity, natural gas, energy services and broadband capacity. For more information about Progress Energy, visit the company's Web site at [www.progress-energy.com](http://www.progress-energy.com).

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