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# Attachment B

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nszon of or interferentent registered bundlő actób	niting firm				<del>-</del>
THIS GUARDS OF DIRECTORS OF FIGHTON PROCHES THE PARTOR AREAS SECRETARY FLORIDA, IN		FIGHT DA DOMES			-
harder the automorphism consolidated	grous: and the accom-	pasying balance			-
wavers of Pioris Power Suspension d/h/s Pro- or Conductor 11, 2004 and 2005, and the relative Resolutions of Hypme, company equity, compress to sted PEF statements of income, common equi-	ed Florida Progress daily income and cas	consolidated the			_
for the for most of the three years in the period framework are the responsibility is to expression	od anded December 1 ity of the respec	L 1004. These	•		-
statements based on our audits. We conducted our audits in accordance with t	he standards of the	Public Company			-
Agramating Oversight Board (United States). T and perform the hudit to obtain reasonable as utitionents are free of material iminatatement	surance about whether . Florida Progress	r the financial and PSF are not			→
required to have, nor were we engaged to control over financial reporting. An audit control over financial reporting as a manual	includes consideration designing sudic	ion of internal procedures that			•
are appropriate in the circumstances, but a opinion on the effectiveness of Florida Prover financial reporting Amostonyly, we exp includes examining, on a test Damis, evid	ompress: and PEF's in-	iorenoi interel An audic also			-
strop super in the financial statements, as used and significant estimates made by man overall financial statument presentation. H	mensing the addount agement, as well as	iny principlem evaluating the			<del>-</del>
resembable busis for our opinion. In the opinion, such financial statements compound, the financial position of Florida.					- •
at Jamestone 11, 2004 and 2001, and the resultant times for each of the three years in the continuity with accounting principles general America.	lre of these operat paried ended Decemb	ions and their or 11, 2004, in			<u>.</u> -
As discussed in Notes t and 60 to the finance Progress and PRF adopted Statement of Finance					<u>.</u>
/b/ Uniquete & Touche LLP					<del>-</del>
Raiwigh, North Carolina March 7, 7905					<del>-</del>
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## Memo

Date:

6/24/2005

To:

Lynn Deamer, Regulatory Analyst Supervisor- Tellahassee District

Cc:

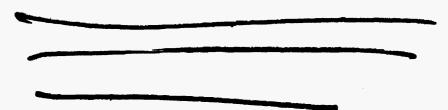
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Gennarro Jackson II, Regulatory Analyst I - Tallahassee District

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Progress Energy Florida, Board of Directors Minutes

This memo serves as a follow-up on the reviewing of the Minutes of the Meeting of the Board of Directors of Progress Energy Florida for year ended December 31, 2004; prepared by Gennamo Jackson II on Tuesday, June 21, 2005. While reviewing the said minutes, the auditor notice two undisclosed proposals presented by shareholders at the Annual Shareholders Meeting. The Company's attorney, Alex Glenn, later informed the audit staff as to the nature of the proposals. The following were proposed at the Annual Shareholders Meeting:



Specified Confidential

Progress Energy Florida

Rate Case

Board of Directors Meeting Minutes (Auditor Notes)

For Period Ended December 31, 2004

Gennarro Jackson II

#### Notes

Period

The appears that Progress Energy Board of Directors Meat on a quarterly basis. The auditor observed there were Three (3) held in the First quarter ((1) January, (2) March), Two (2) held in the Third Quarter (July, September) and Two (2) held in the fourth Quarter (November, December). Total Meetings held in 2004 seven (7).

trangel counder for the months of January, march, July, November and December there was no defined covered period. Minutes from September indicated that is meeting was held for an extended that (September 16-17, 2004)

#### January Mejethings Minutes

Mr. William Cavanaugh III, Chairman and CEO of the Campany, submitted a request to corporate conversance committee that the Company's succession Plan be accelerated to allow him to retire as soon as he meets the normal retirement age. The Board approved and as of January 20, 2004, Mr. Cavanaugh will reach the normal retirement use of 18 years. Retirement Effective March 1, 2004 as CEO and

Sycartico Contidential

May 12, 2004 as Chairman. Mr. McGreher rominated for election to the Board would be included in proxy material to be mailed to shoreholders. Mr. tobert McGreher would also restant into recommended to succeed the second the recommended to succeed the second the sec

The auditor found no Further matters of material Importance state in minus of neeting of material on the adjusted on the board of privators held January 22, 2004.

march 22 7 minuts

March 17, ZOOY Minutes

PEF-RC- 030179

Specifica Contideating



Discussed management's die dividend execommendation and recommended approval to the full Board for the declaration of each dividends on outstanding share of Progress Energy common sharks it recommended sevel, and as well as the declaration for dividends to be poid to Progress Energy from Profess Energy carolines and Floridy Progress.

of not less than \$40.00 per share.

. Dividend of 57/2 cents per share on the fully pased common stret of company be declared payable on May 1, 2004 to Shareholders of record as of April 12, 2004.



- Dividend of 571/2 conts declared payable on August 2, 2004 to
Shareholder as of July 12, 2004

PEF-RC-030180

Eyr door towledge int

The auditor found up further metters of meterial Importance stated in the Manutes of meeting of Board of Directors held and adjourned on merch 17, 2004.

#### may 12, 2004 minutes

- Dividends of 571/2 cents declared payable on August 2, 2004 to shoulders as of July 12, 2004.
- The auditor Fund no further mutters of meterial importance. Stated in the minutes of meeting of found of pirectors held alley as and adjourned on may 12, 2004.

### July 14 2004 montes

- The Company has signed an agreement to supply the city of winter Park, Florida with up to 100 magawatts of power.



"The auditor .....

#### September 16-17, 2004

- Company is requesting a 260 million increase to necessary in zoou

Trivial Lood bridge 50/17/1 615 52

of 57 1/2 cents per shore. at record as at october 11, 2004. It commoded quarterly dividend - Dividends declared payable on november 1, 2004 to shareholders

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.245 record as it Januar 10, 2005.

**bel-***I***C-** 030185

204 the company be declared 1940ble on Leb 1 2005 to sharkbodes - Divided of 57 cents per share on the fully paid central stack Specialized Continuous 65 65 621/05

The auditor ....

PEF-RC- 030183