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November 9, 2001

**-VIA FEDERAL EXPRESS-**

Blanca S. Bayó, Director  
Records and Reporting  
Florida Public Service Commission  
4075 Esplanade Way, Room 110  
Tallahassee, Florida 32399-0850

**John T. Butler, P.A.**  
305.577.2939  
jbutler@steelhector.com

**Re: Motion for Protective Order  
CONFIDENTIAL INFORMATION  
Docket No. 001148-EI**

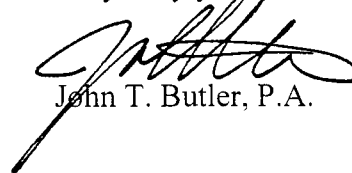
Dear Ms. Bayó:

Enclosed for filing on behalf of Florida Power & Light Company in Docket No. 001148-EI are the original and seven copies of Florida Power & Light Company's Motion For Protective Order Regarding the South Florida Hospital and Healthcare Association's First Set of Interrogatories and Request to Produce, together with a diskette containing the electronic version of same. The enclosed diskette is HD density, the operating system is Windows 98, and the word processing software in which the document appears is Word 97. Please note that the original copy of the motion has an Attachment A which contains **CONFIDENTIAL INFORMATION**. Therefore, FPL is filing the original motion in a separate envelope stamped **CONFIDENTIAL**. The remaining copies of the motion do not contain Attachment A or any other confidential information.

In its motion FPL seeks confidential classification of the confidential information in Attachment A, which is responsive to the South Florida Hospital and Healthcare Association's First Set of Interrogatories and Request to Produce. FPL also seeks a ruling on procedures for parties to follow so that the confidential information is protected.

If there are any questions regarding this transmittal, please contact me at 305-577-2939.

Very truly yours,



John T. Butler, P.A.

enc.  
cc: Counsel for Parties of Record

DOCUMENT NUMBER-DATE  
14329 NOV 13 2001

**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

<b>In re: Review of the retail rates of Florida Power &amp; Light Company.</b>	) ) ) ) <hr style="width: 100%;"/>	<b>Docket No. 001148-EI Dated: November 9, 2001</b>
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**FLORIDA POWER & LIGHT COMPANY'S  
MOTION FOR PROTECTIVE ORDER REGARDING  
SOUTH FLORIDA HOSPITAL AND HEALTHCARE ASSOCIATION'S  
FIRST SET OF INTERROGATORIES AND REQUEST FOR DOCUMENTS**

Pursuant to Florida Administrative Code Rule 25-22.006(6) and Section 366.093, Florida Statutes (2000), Florida Power & Light Company ("FPL") moves that the Commission issue a protective order (1) finding that the information requested in the South Florida Hospital and Healthcare Association's First Set of Interrogatories and Request to Produce (the "SFHHA Request") and identified in Appendix A hereto (the "Confidential Information") is proprietary confidential business information, (2) limiting parties' use and reproduction of the Confidential Information as more fully set forth herein, (3) requiring that the Confidential Information be returned to FPL after the close of this proceeding if not admitted into the record, and (4) finding that, if any of the Confidential Information is admitted into the record in this proceeding, FPL has shown good cause for the Confidential Information to continue to be classified as confidential for a period of 18 months. As grounds for this motion, FPL states:

1. On October 10, 2001, the SFHHA Request was submitted to FPL. The Confidential Information is responsive to portions of the SFHHA Request. FPL is prepared to permit inspection and copying of the Confidential Information by the SFHHA, but only if the Confidential Information is protected from public disclosure as permitted by Rule 25-22.006(6) and Section 366.093.

2. The Confidential Information falls into three categories: (a) reports provided to FPL by Cambridge Energy Research Associates, Inc. (the “CERA Reports”), and (b) information on projections about the financial performance of FPL and its parent and affiliates (the “Financial Projections”). The bases for confidential classification of these two categories of Confidential Information are discussed separately below.

**CERA Reports.**

3. CERA is an international research firm and provider of strategic information, from which FPL licenses information to assist it in analyzing the utility industry. FPL entered into an Enterprise License Agreement with CERA on October 13, 2000 (the “ELA”), pursuant to which CERA provides such information for FPL’s use. The CERA Reports were provided to FPL pursuant to the ELA. Section 6.2 of the ELA requires FPL, among other things “not [to] intentionally disclose or provide CERA Content to any other party.” The CERA Reports are “CERA Content” as that term is defined in the ELA. CERA Content is CERA’s proprietary work product, which CERA is in the business of selling to customers such as FPL. CERA’s ability to sell CERA Content would be drastically undermined, and perhaps completely lost, if the CERA Content became publicly available. Therefore, CERA routinely requires customers such as FPL to agree not to disclose CERA Content, pursuant to confidentiality provisions such as Section 6.2 of the ELA. FPL treats the CERA Reports as private and has not publicly disclosed them or the information contained therein.

4. FPL has confirmed that, notwithstanding the prohibition on disclosure in Section 6.2, CERA is willing to have FPL disclose the CERA Reports in response to the SFHHA Request, and for the SFHHA and other parties to this docket to use the CERA Reports in this proceeding, provided that the Commission enters a protective order (a) classifying the

Confidential Information in the CERA Reports as proprietary confidential business information exempt from public-records disclosure pursuant to Rule 25-22.006(6) and Section 366.093; and (b) requiring all parties to which the CERA Reports are disclosed to limit their use of the Confidential Information in the CERA Reports to this proceeding and to limit further disclosure of such Confidential Information to their employees, consultants and counsel who have a need to know the Confidential Information in the CERA Reports in connection with their participation in this proceeding and who will be bound to the same limitations on the use and disclosure of the Confidential Information.

5. The entire substantive contents of the CERA Reports constitute CERA Content that is subject to the ELA's confidentiality requirements. It is impossible to limit the designation of confidential information in the CERA Reports to particular statistics or statements and still provide adequate protection for CERA's proprietary business information, because the overall purpose of the CERA Reports is to organize, summarize, analyze and comment upon utility-industry information. Even without specific statistics, the comments and conclusions in the CERA Reports provide valuable information that was developed by, and is proprietary to, CERA. Therefore, in Appendix A FPL has highlighted as Confidential Information all substantive portions of the CERA Reports, except for their titles and tables of content. FPL requests the Commission to classify all of the highlighted information as confidential pursuant to Rule 25-22.006(6) and Section 366.093, because it constitutes a trade secret of CERA (*see* Section 366.093(3)(a)) and it relates to CERA's competitive interests, the disclosure of which would impair CERA's competitive business (*see* Section 366.093(3)(e)).

## **Financial Projections.**

6. FPL prepares projections of financial and other information about FPL and its parent and affiliates (“Financial Projections”). Some of these Financial Projections may be presented to ratings agencies, but FPL does not generally make Financial Projections available to the public. In recent years, the United States Securities and Exchange Commission (“SEC”) has adopted increasingly stringent rules and procedures about selective disclosure of projected information on public companies. FPL and FPL Group are public companies subject to those restrictions. Production of previously undisclosed Financial Projections in response to the SFHHA Request arguably would be selective disclosure of the projections, which could trigger requirements for general disclosure and updating of the disclosed projections. Those general disclosure and updating requirements, if applicable, would be extremely burdensome, inconsistent with FPL’s and FPL Group’s policies on financial projections and disclosure, and harmful to FPL’s and FPL Group’s business operations because of the disruption to the disclosure process established by FPL and FPL Group to comply with federal securities laws and regulations. FPL treats its Financial Projections as private and, except for restricted disclosure of such information to rating agencies, has not publicly disclosed that information.

7. FPL believes that it could properly disclose Financial Projections in response to the SFHHA Request on similar terms to those described above for the CERA Reports. Accordingly, FPL asks that the Commission enter a protective order (a) classifying the Financial Projections as proprietary confidential business information exempt from public-records disclosure pursuant to Rule 25-22.006(6) and Section 366.093; and (b) requiring all parties to which the Financial Projections may be disclosed to limit their use of the Financial Projections to this proceeding and to limit further disclosure of the Financial Projections to their employees,

consultants and counsel who have a need to know the Financial Projections in connection with their participation in this proceeding and who will be bound to the same limitations on the use and disclosure of the Financial Projections.

8. FPL has highlighted on the copies of the Financial Projections in Attachment A the projection information for which disclosure would be inconsistent with FPL's and FPL Group's disclosure policies that are maintained to ensure compliance with federal securities laws and regulations. FPL requests the Commission to classify the highlighted information as confidential pursuant to Rule 25-22.006(6) and Section 366.093, because disclosure without such classification could expose FPL and FPL Group to obligations of general disclosure and updating under the SEC's rules and procedures, which would disrupt the disclosure process established by FPL and FPL Group to comply with federal securities laws and regulations. Responding to such disruptions would be costly and time-consuming, to the harm of FPL's and FPL Group's business operations (*see* Section 366.093(3)).

9. To satisfy the requirements of Rule 25-22.006, FPL has prepared three Attachments to this motion. Attachment A is a copy of the CERA Reports and the Financial Projections with all the confidential information highlighted. Only the original copy of this motion contains an Attachment A; the remaining copies served upon the Commission and the parties do not contain a copy of Attachment A. Attachment B is a copy of the CERA Reports and the Financial Projections with the confidential information redacted. Please note that, in both Attachments A and B, some of the page numbering in the CERA Reports is not sequential. The copies of the CERA Reports in Attachments A and B are complete as received by FPL. Attachment C is a line-by-line justification of the confidential status of the confidential information. Please note that the justification for classification of all Confidential Information in

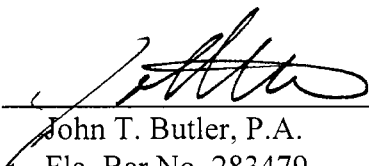
the CERA Reports is as stated in Paragraph 5 above, and the justification for classification of all the Confidential Information in Financial Projections is as stated in Paragraph 8 above.

WHEREFORE, FPL respectfully moves the Commission to (a) rule that the Confidential Information identified in Appendix A be given confidential classification by the Commission and be exempt from public disclosure, and (b) issue a protective order that requires (i) all parties to which the Confidential Information is disclosed to limit their use of such Confidential Information to this proceeding and to limit further disclosure of such Confidential Information to their employees, consultants and counsel who have a need to know the Confidential Information in connection with their participation in this proceeding and who will be bound to the same limitations on the use and disclosure of the Confidential Information, (ii) that the Confidential Information be returned to FPL after the close of this proceeding if not admitted into the record, and (iii) if the Confidential Information is admitted into the record in this proceeding, finds that FPL has shown good cause for such Confidential Information to continue to be classified as confidential for 18 months from the original classification.

Respectfully submitted,

R. Wade Litchfield, Esq.  
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Florida Power & Light Company  
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Juno Beach, Florida 33408-0420  
Telephone: 561-691-7101

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Telephone: 305-577-2939

By:   
John T. Butler, P.A.  
Fla. Bar No. 283479

**CERTIFICATE OF SERVICE**

**I HEREBY CERTIFY** that a true and correct copy of Florida Power & Light Company's Florida Power & Light Company's Motion for Protective Order Regarding the South Florida Hospital and Healthcare Association's First Set of Interrogatories and Request to Produce has been furnished by overnight delivery (\*) or United States Mail this 9th day of November, 2001, to the following:

Robert V. Elias, Esq.\*  
Legal Division  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Room 370  
Tallahassee, FL 32399-0850

Florida Industrial Power Users Group  
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McWhirter Reeves  
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Tallahassee, Florida 32301

By: 

John T. Butler, P.A.



**ATTACHMENT A**

**CONFIDENTIAL**

**Highlighted and Unredacted  
Confidential Information  
(Included Only With Original)**

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## **ATTACHMENT B**

**Confidential Information Redacted**

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## **CERA REPORTS**

[www.cera.com](http://www.cera.com)

**WATCH** NORTH AMERICAN<sup>®</sup>  
ELECTRIC POWER



SPRING 2001

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# Change Ahead: Power Markets Reaching Inflection Point



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For clients with access to [www.cera.com](http://www.cera.com),  
additional features related to this report are available online:

- Downloadable data (Excel file format)
  - Author biographies
  - Downloadable, full-color graphics
  - Adobe PDF version of complete report
-

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**CONTENTS**

- Overview
  - Accelerating Pace of Change
  - Demand—Soft Landing or Recession?
  - Supply—The Untimely Arrival of New Power Plants
  - Power Prices—Misalignment of Forward Prices and Market Fundamentals
  - Financial Performance: Fast-changing Valuation Derailing Mergers
- 

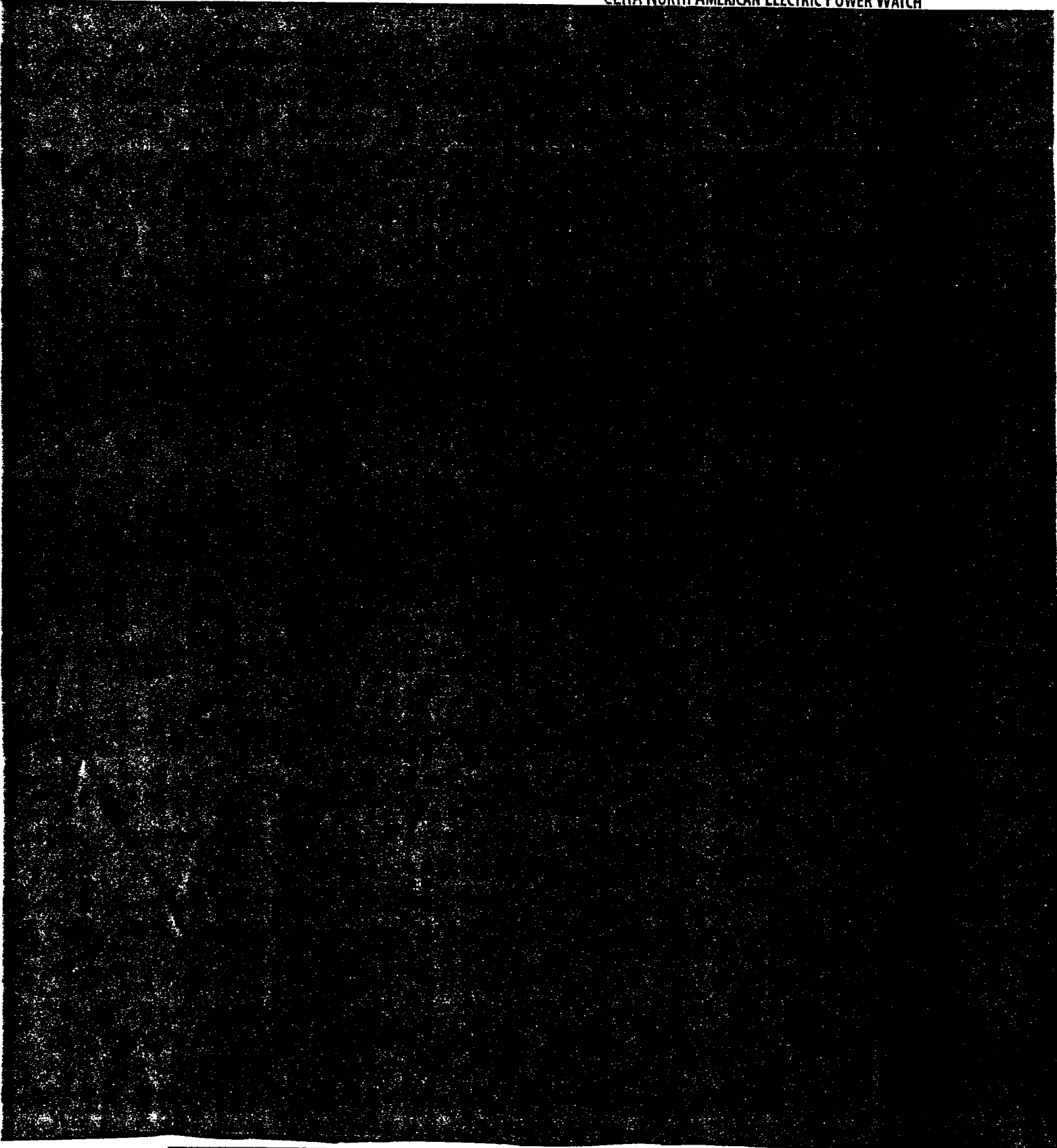
CERA's *North American Electric Power Watch* provides timely strategic information and analysis on the future of the electric utility business—including markets, regulation, industry structure, competitive forces, and fuel issues. It is provided as part of the North American Electric Power Retainer Advisory Service. For more information, please contact Peter Augustini at +1 617 497 6446.

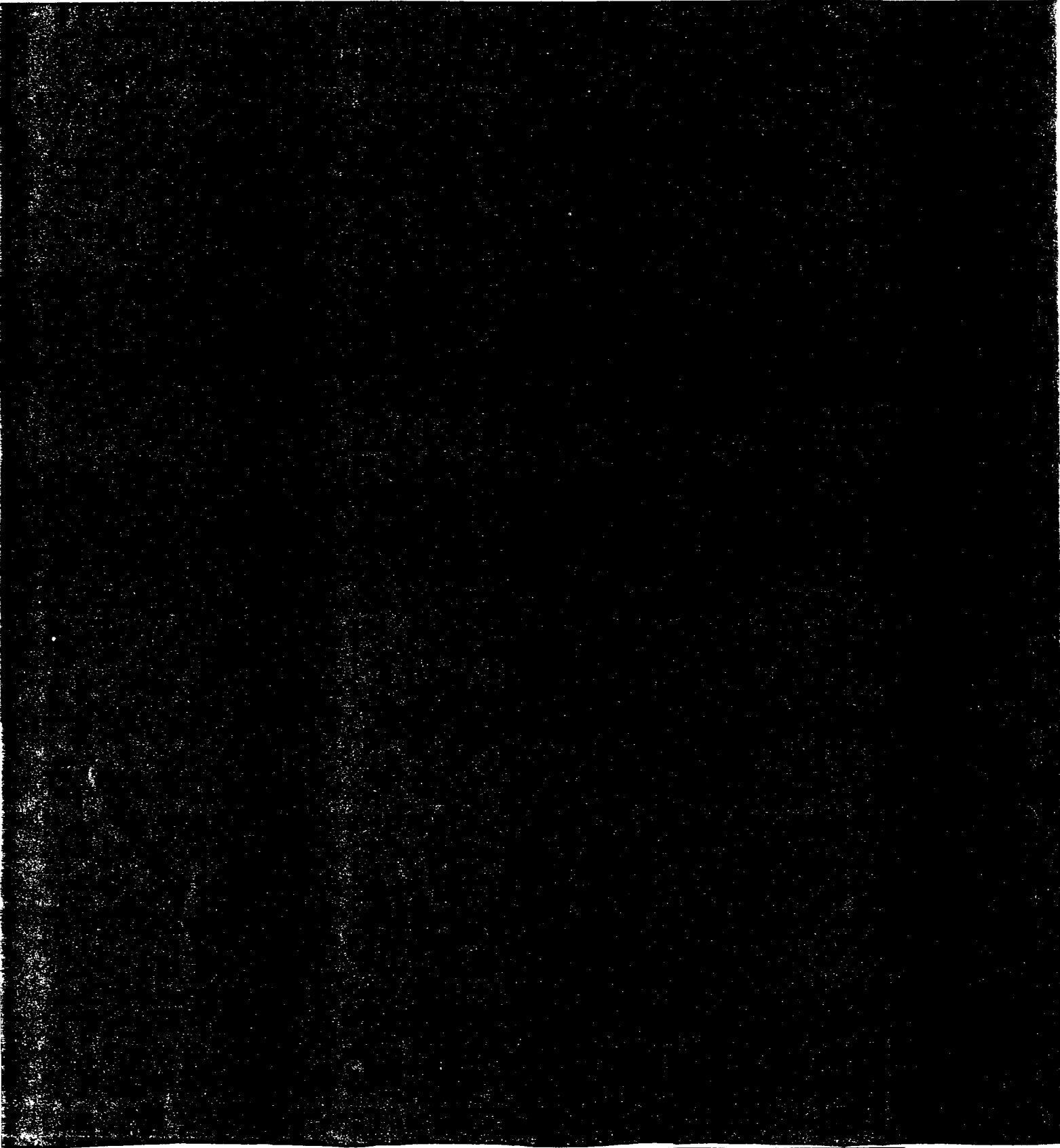
The Spring issue of the *North American Electric Power Watch* was prepared on May 11, 2001.

Jone-Lin Wang, CERA Associate Director, is based in Washington, DC, and Lawrence J. Makovich, CERA Senior Director, is based in Cambridge.

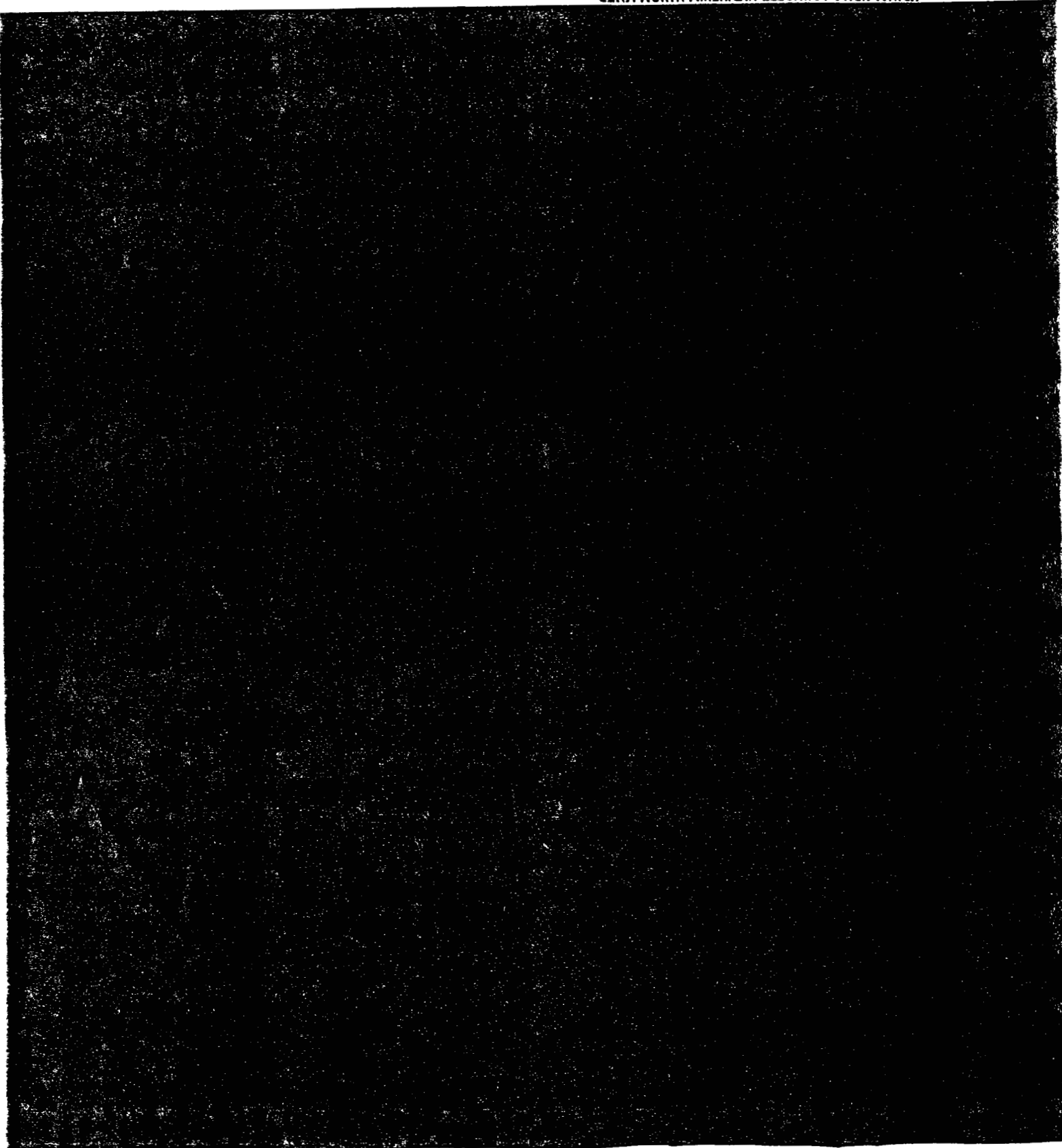
Joseph Sannicandro, Daniel D. Mahoney, Michael Zenker, and Sharon Reishus contributed to this issue of the *North American Electric Power Watch*. Brian Forsgren and John Villali provided input to the market and financial analysis.

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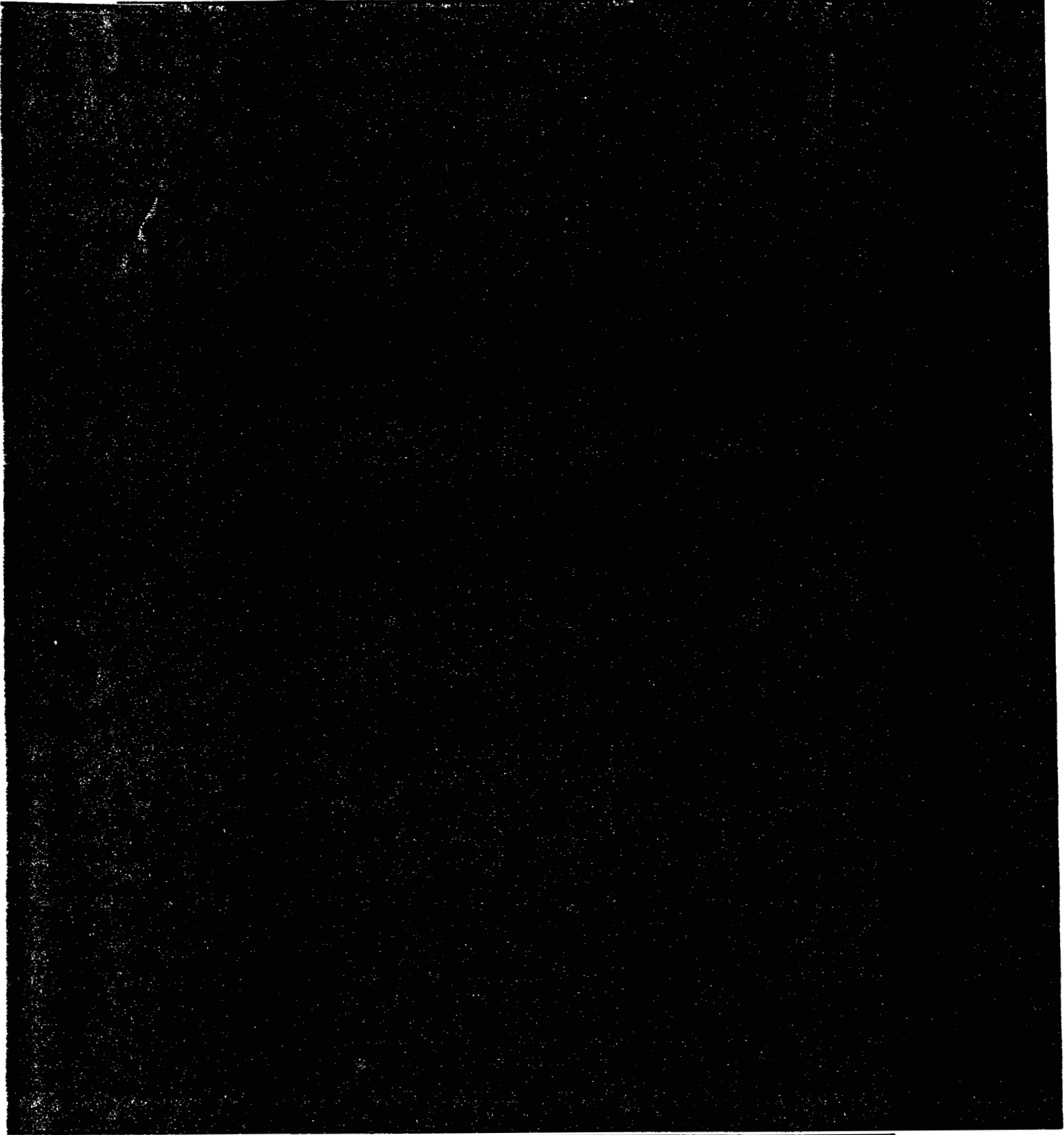


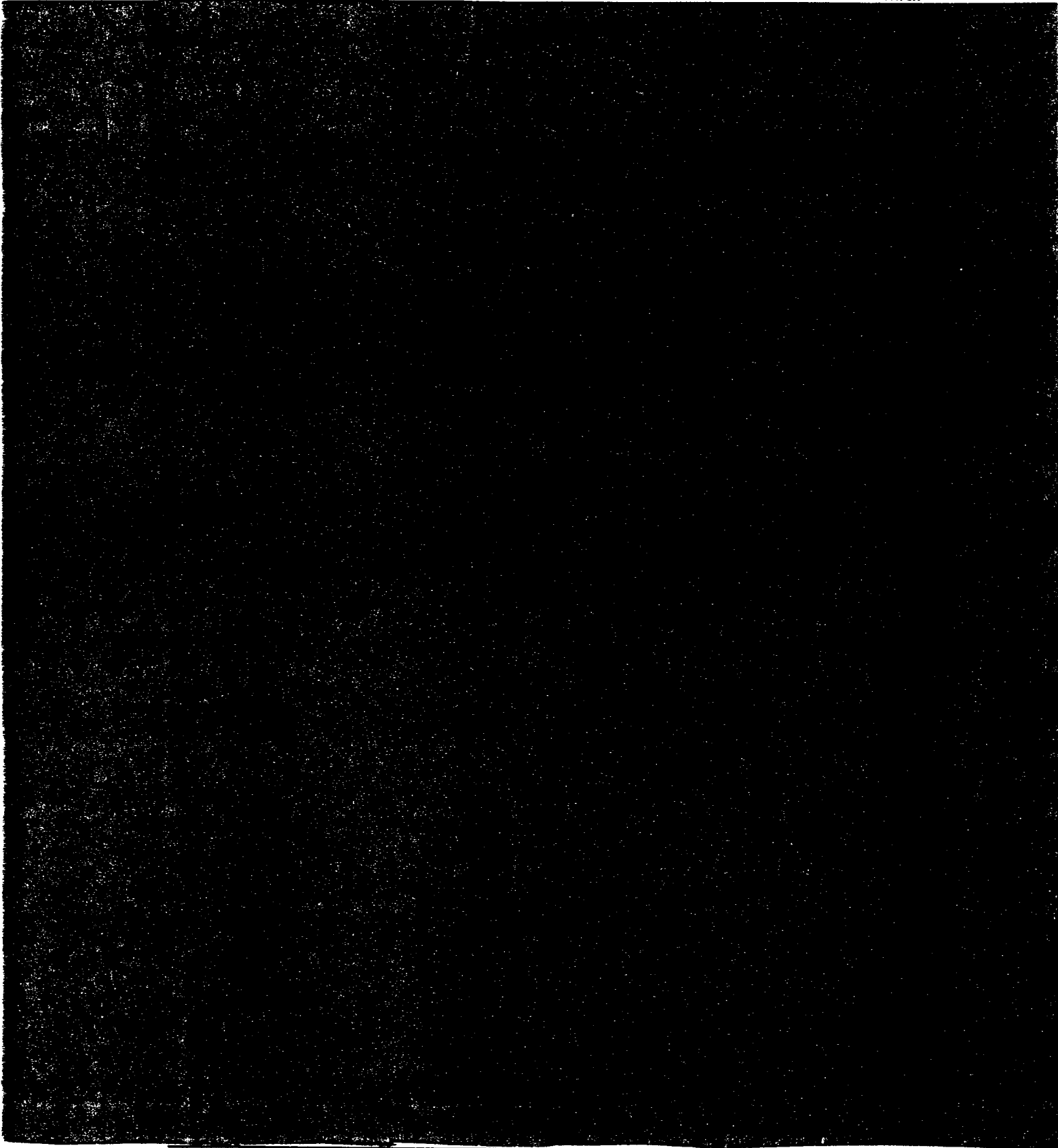




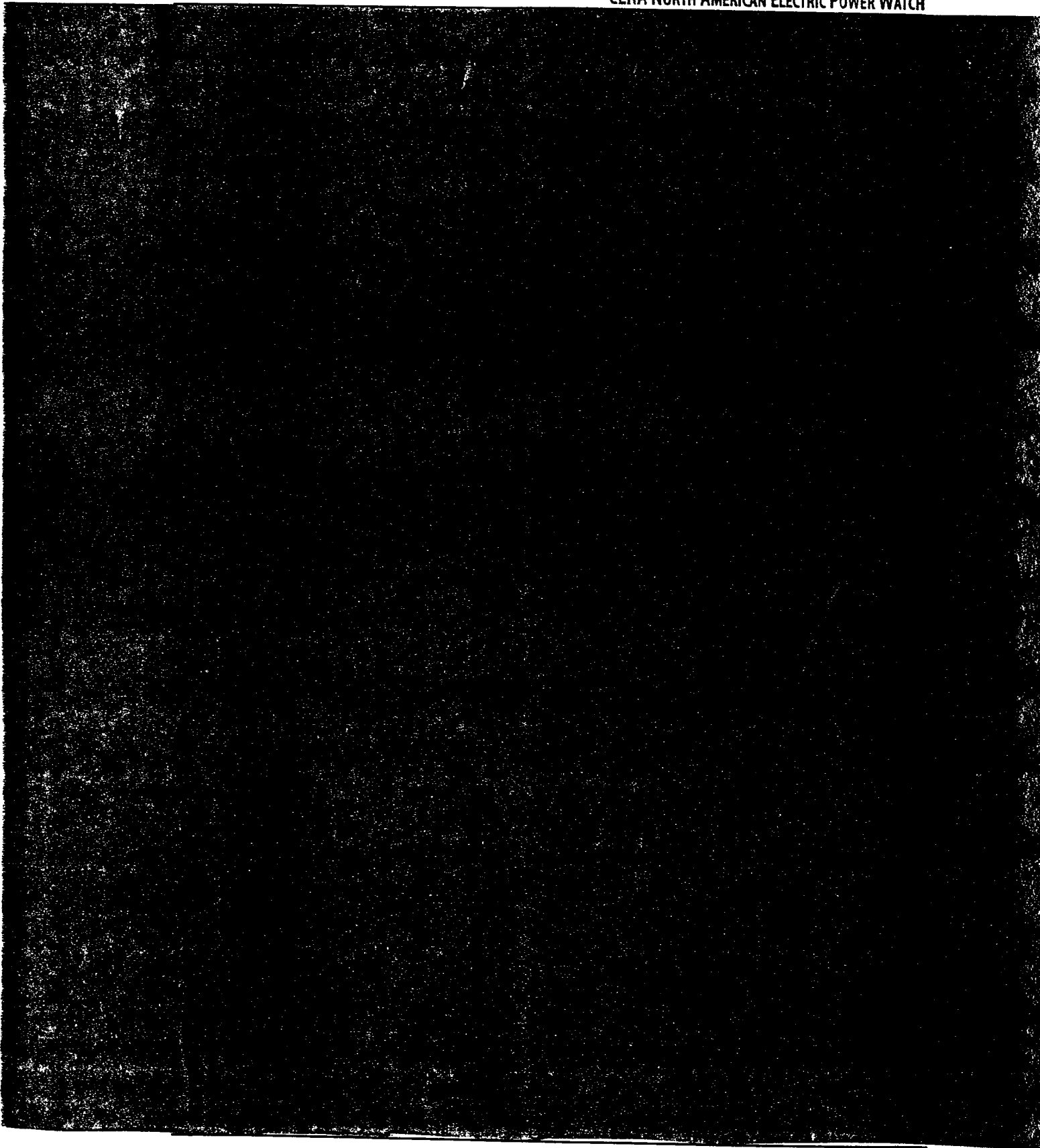


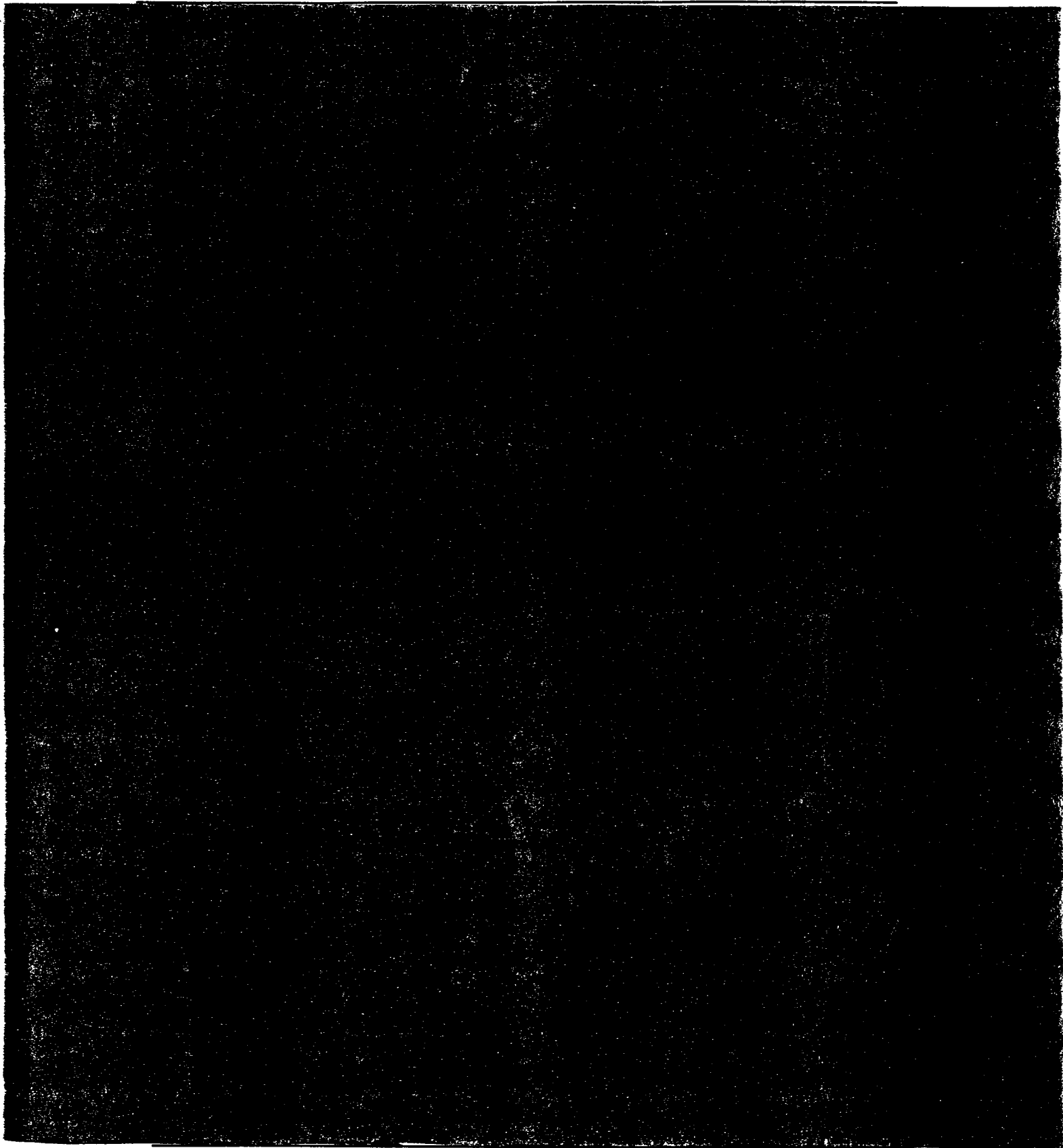




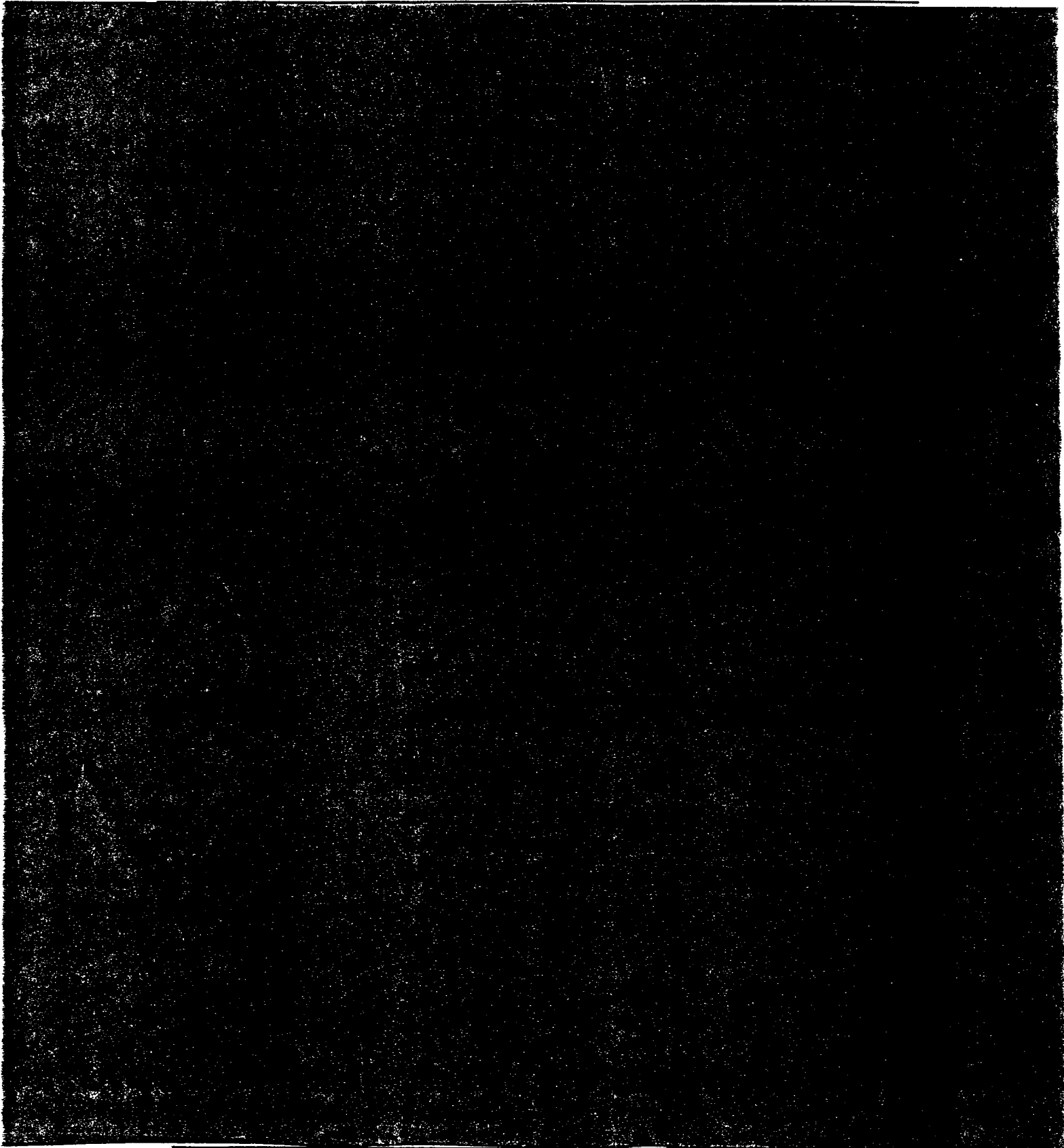


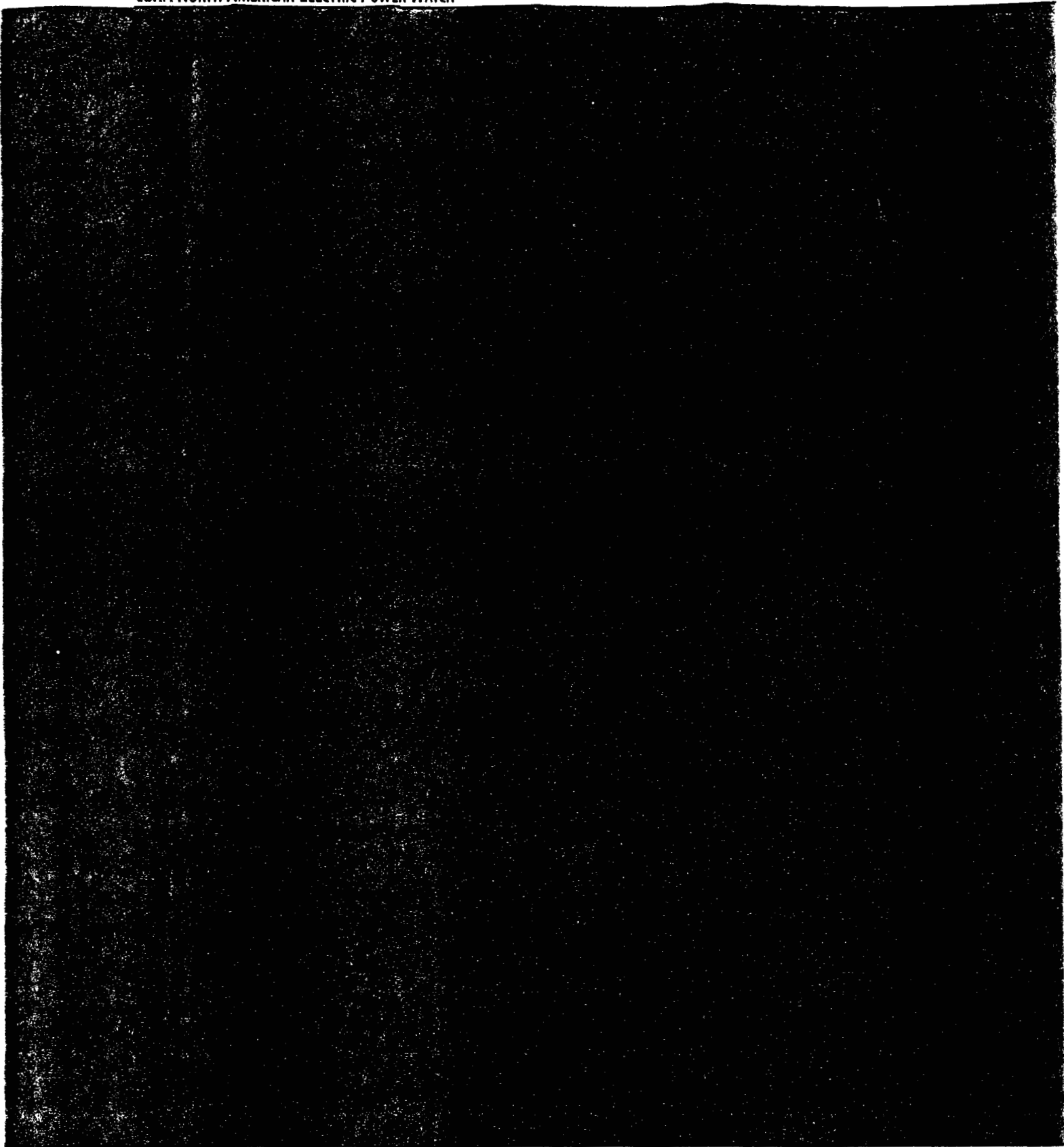




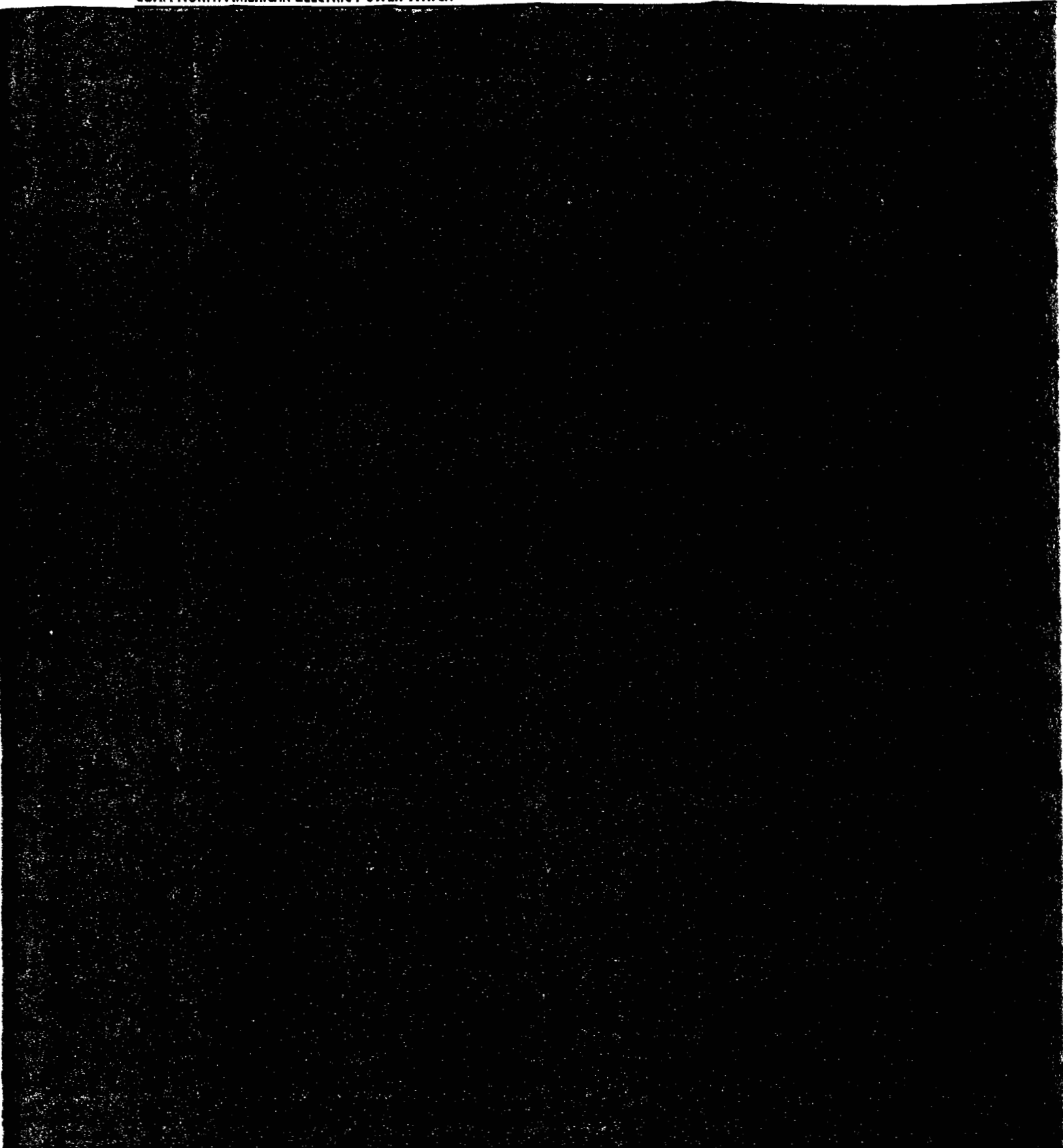




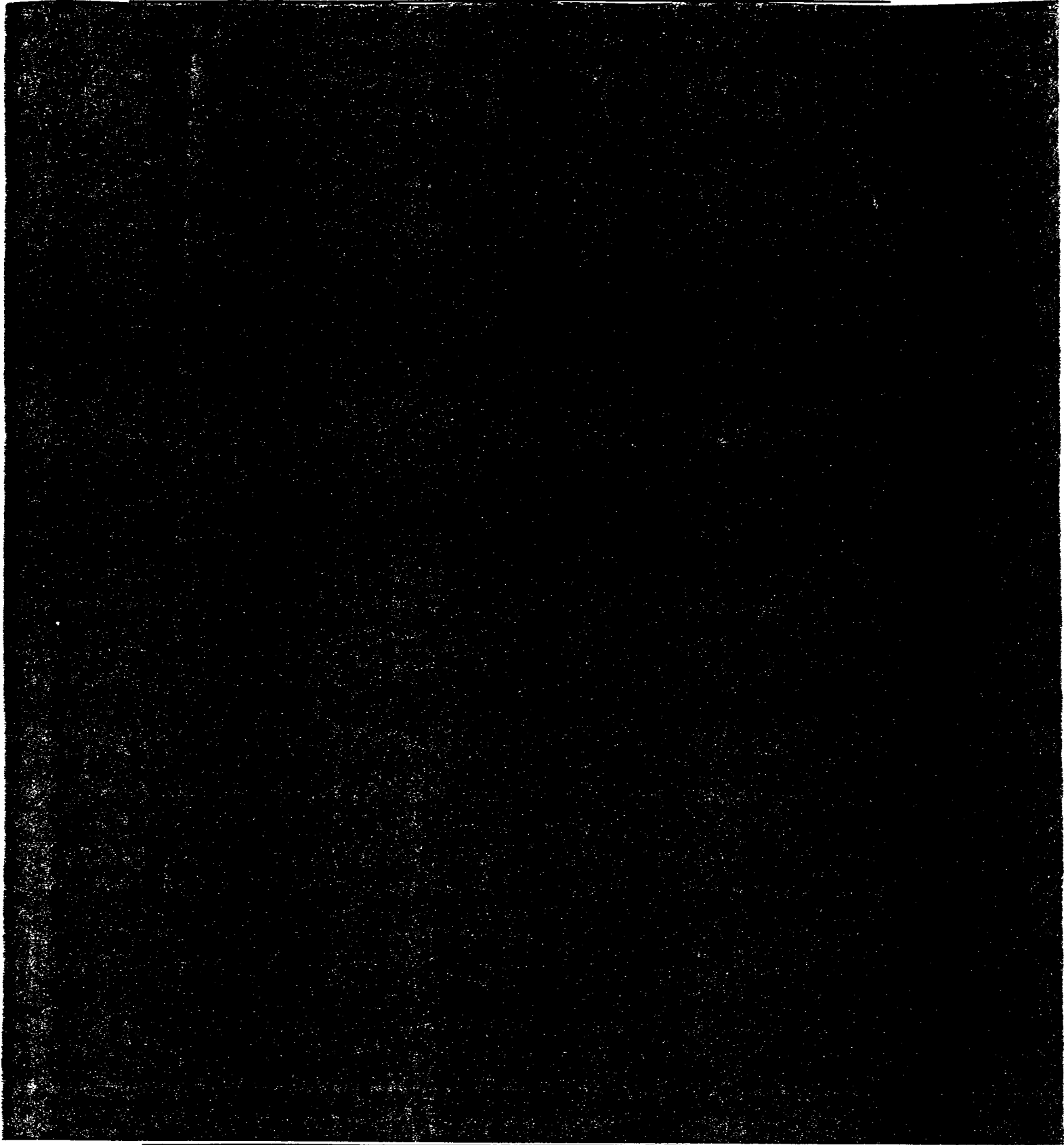


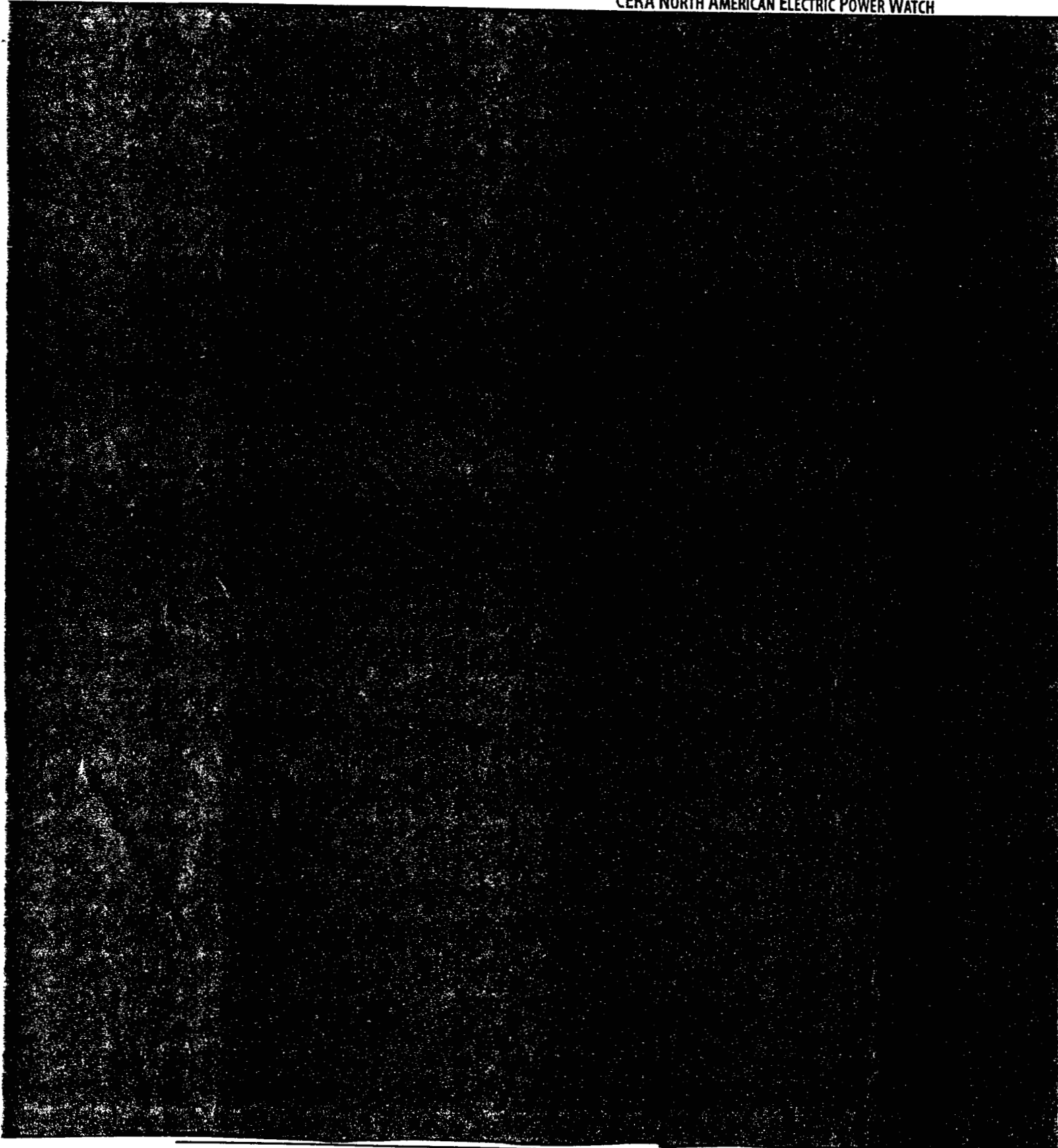


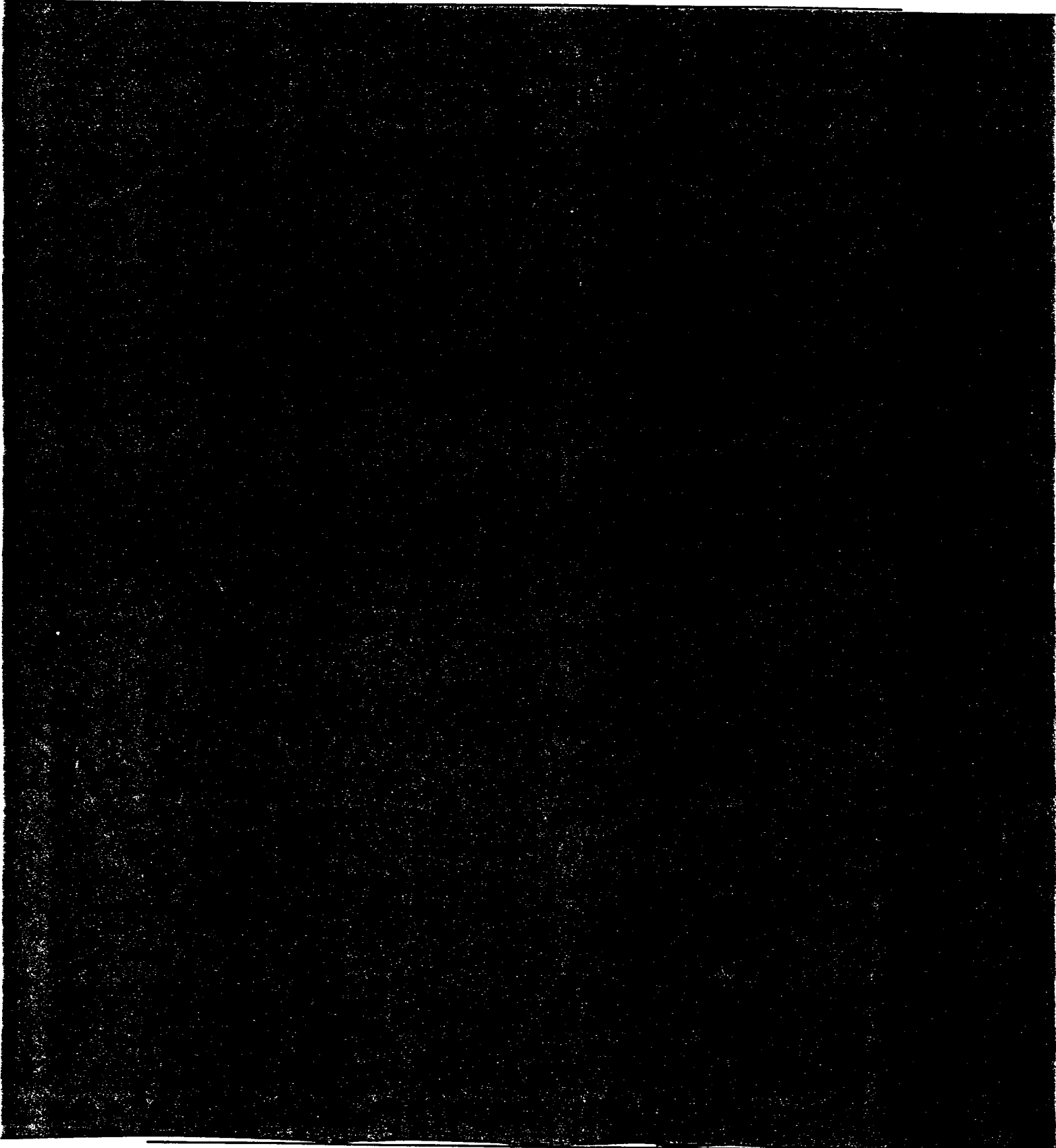


















# CERA

EXECUTIVE ROUNDTABLES

AUTUMN 2000



North American  
Electric Power

Las Vegas

Registration

Agenda

Registration

Agenda

Registration

Agenda

October 11, 2000

*Insight into the energy future...*<sup>TM</sup>



## NORTH AMERICAN ELECTRIC POWER ROUNDTABLE

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Please wear your name badge during the CERA event.

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*North American Power Industry Outlook*

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## MEETING AGENDA

### NORTH AMERICAN ELECTRIC POWER ROUNDTABLE

October 11, 2000 • Las Vegas

Chairman: Lawrence J. Makovich, Senior Director, Electric Power

- 8:00 – 8:30 A.M.                      Registration and Continental Breakfast
- 8:30 – 10:00 A.M.                    **North American Power Industry Outlook**  
Lawrence J. Makovich, Senior Director, Electric Power  
Jone-Lin Wang, Associate Director, North American Electric Power
- 10:00 – 10:30 A.M.                  Coffee Break
- 10:30 A.M. – 12:30 P.M.            **Real Options: The Gap Between Theory and Application**  
Sharon Reishus, Associate Director, North American Electric Power  
Benjamin Leyre, Research Associate, North American Electric Power
- Regulatory Backlash: One Step Forward, Two Steps Back?**  
Lawrence J. Makovich, Senior Director, Electric Power
- 12:30 – 1:30 P.M.                    Luncheon
- 1:30 P.M.                                Roundtable Adjournment

**Please join us for an informal reception and buffet dinner from 6:00 to 8:00 p.m., October 11**

## SPEAKER BIOGRAPHIES

**Lawrence J. Makovich**, CERA Senior Director, is an expert on electricity markets, regulation, economics, and strategy. He is Research Director for CERA's Global Power Forum and CERA's North American Electric Power Service. He has done extensive analysis of power plant repowering, stranded assets, demand trends, and regional price scenarios and strategies. He also directs CERA's North American Electric Power Watch. Dr. Makovich advises clients on the changing dynamics of the North American power business and has applied scenario planning to electric industry restructuring. He has addressed numerous industry conferences and is the author of several reports and articles on the future of the electric power business. Prior to joining CERA, Dr. Makovich was Senior Electricity Economist at DRI/McGraw Hill, responsible for electricity market analysis and forecasts. He has been a lecturer on managerial economics at Northeastern University's Graduate School of Business. Dr. Makovich holds a BA from Boston College, an MA from the University of Chicago, and a PhD from the University of Massachusetts.

**Sharon M. Reishus**, Associate Director, North American Electric Power, is a specialist in regulatory issues, strategic planning, and quantitative analysis and modeling. Before joining CERA, she was a financial analyst with the Maine Public Utilities Commission where she considered issues of economics, incentive regulation, and deregulation of the electric industry. Previously she was a resource planning analyst with the Central Maine Power Company and helped evaluate and develop the utility's business plan and long-term energy resource options. She also worked in The White House as a Situation Room Duty Officer and for the Central Intelligence Agency, analyzing information related to international events. Ms. Reishus holds an MBA from The Wharton School, University of Pennsylvania, and a BSc from Stanford University.

**Jone-Line Wang**, CERA Associate Director, has expertise in strategic planning, power market structure, and financial analysis of power companies. Prior to joining CERA, Dr. Wang spent 15 years with the Electric Power Research Institute (EPRI) in a variety of positions, most recently as Vice President, Finance and Planning, of ElectricWindow.com, a joint venture between EPRI and SAIC that developed an Internet vertical portal serving the power industry. Previously she was Manager, Corporate Strategic Planning at EPRI, responsible for corporate planning, new business assessment, marketing strategy, and product design and pricing. She was also a research associate at the Council of Economic Planning and Development of the Taiwan government, where she directed a study on energy modeling and emergency planning. Dr. Wang holds a BS from National Taiwan University and a PhD from the University of Southern California.

## SESSION PARTICIPANTS

Peter Augustini  
Director, Business Development  
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Serge Bernard  
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Don Brown  
Director, Merchant Development  
The Williams Companies

Allen R. Broyles  
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Barry Brunelle  
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Terry L. Bundy  
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Margaret Carson  
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Rustyn Sherer  
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Howard Spellman  
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Steve Taub  
Associate Director, North American Electric Power  
Cambridge Energy Research Associates

Alex Telegin  
Senior Gas Trading Analyst  
PG&E Corporation

Alan Thompson  
Senior Analyst  
El Paso Natural Gas Company

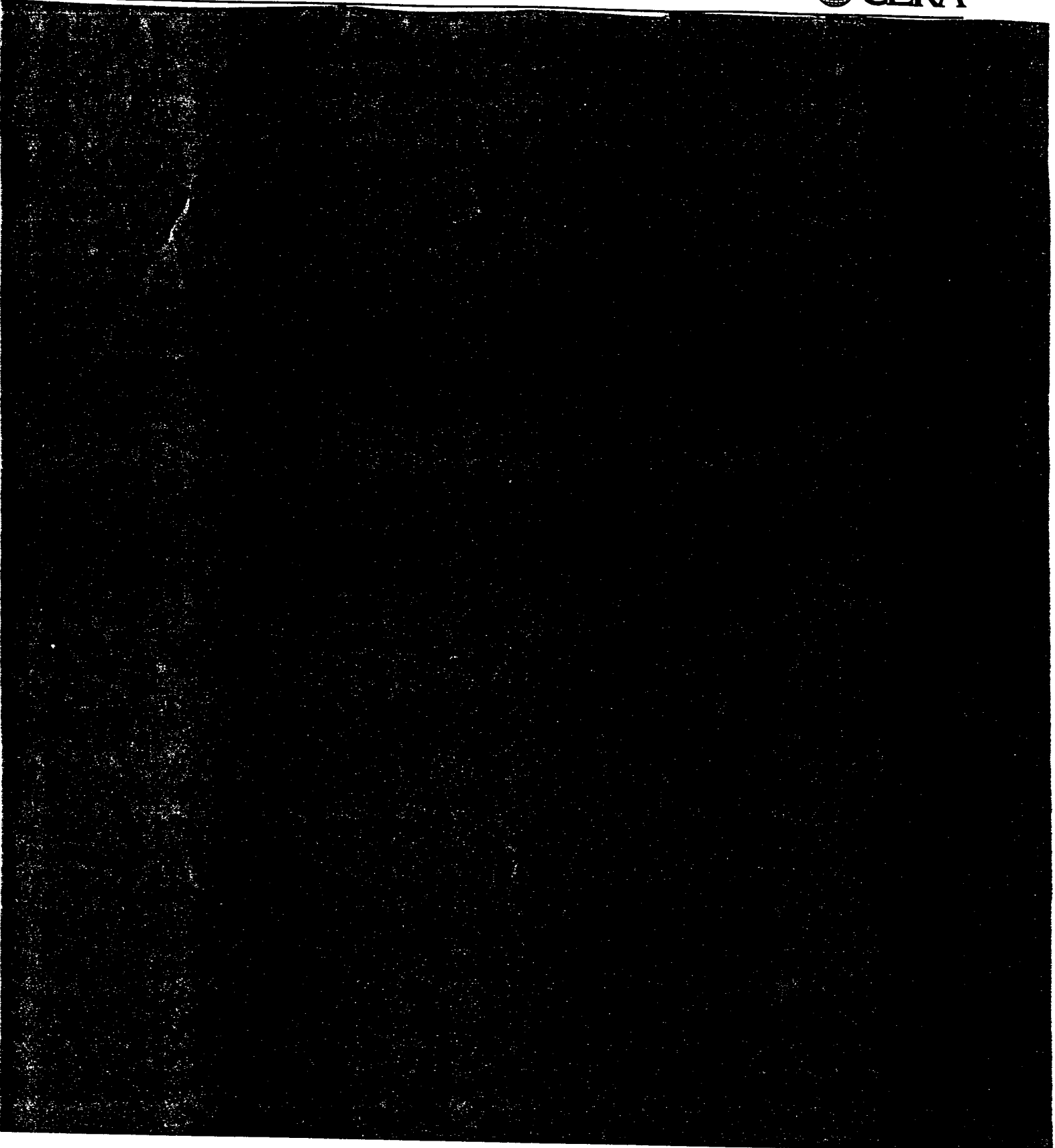
Dean Tuel  
Manager Electricity Origination  
Cargill Inc.

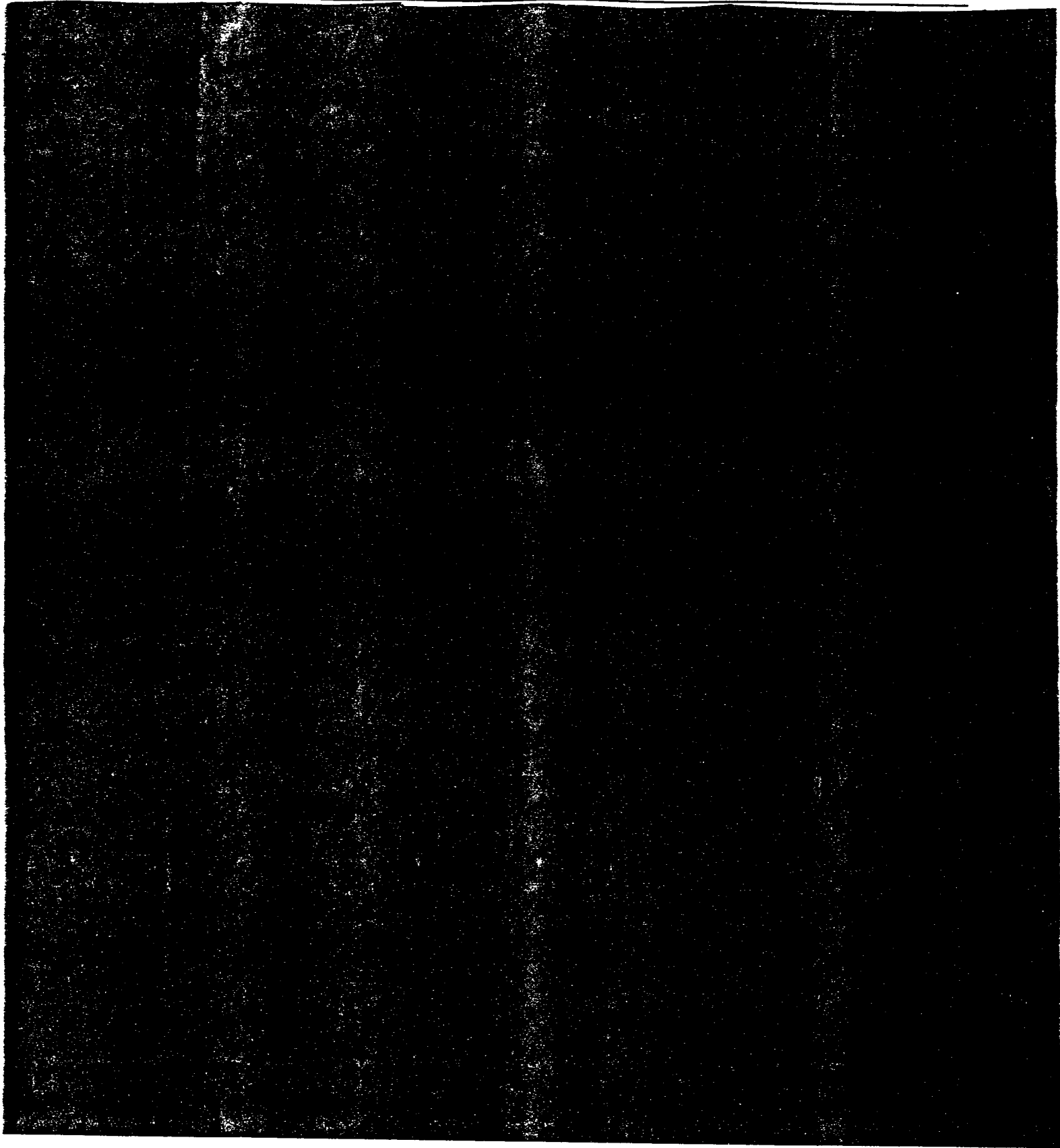
Jone-Lin Wang  
Associate Director, N. American Electric Power  
Cambridge Energy Research Associates

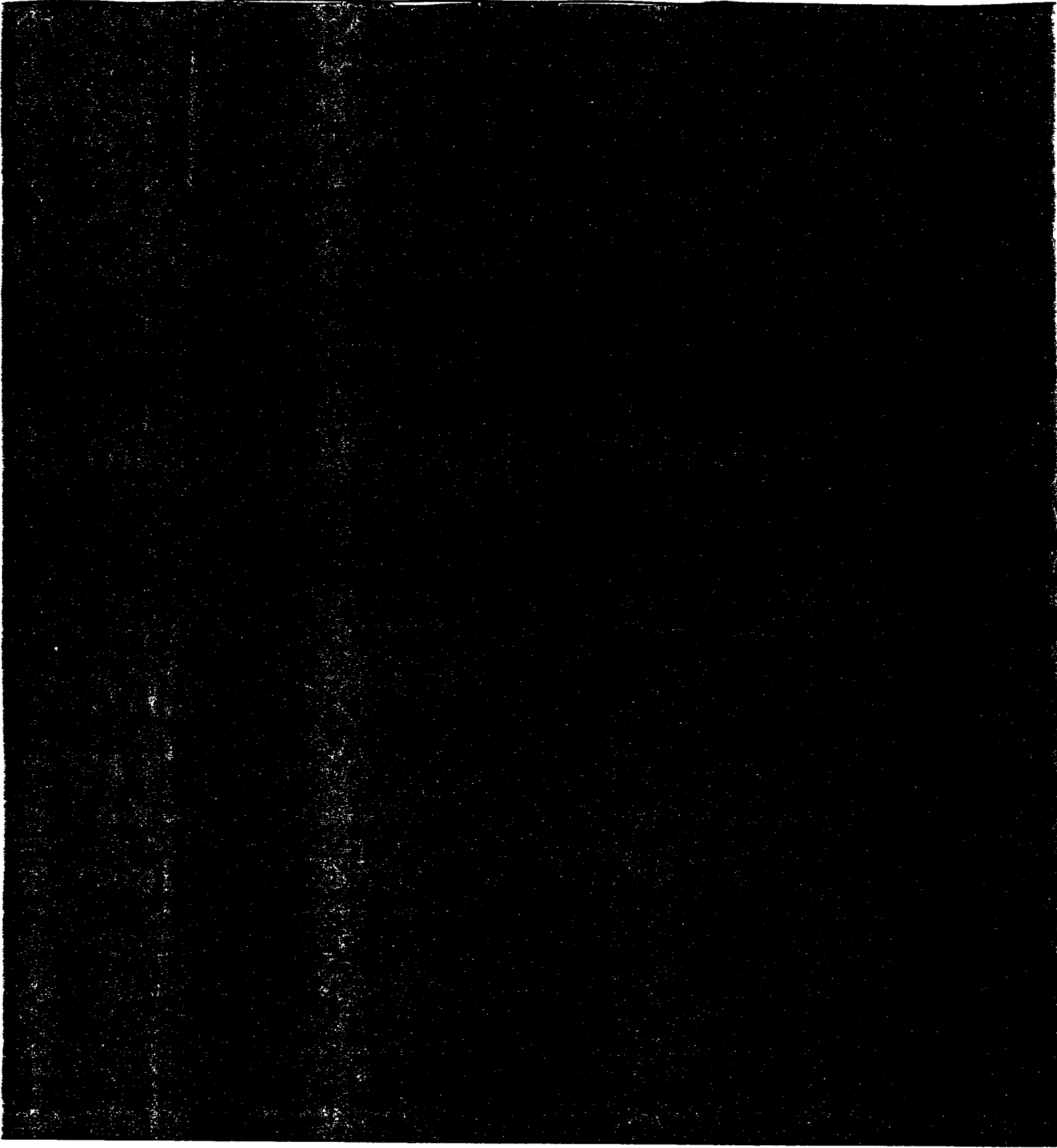
Elaine Wyrick  
Director, Market Development  
Shell Energy Services

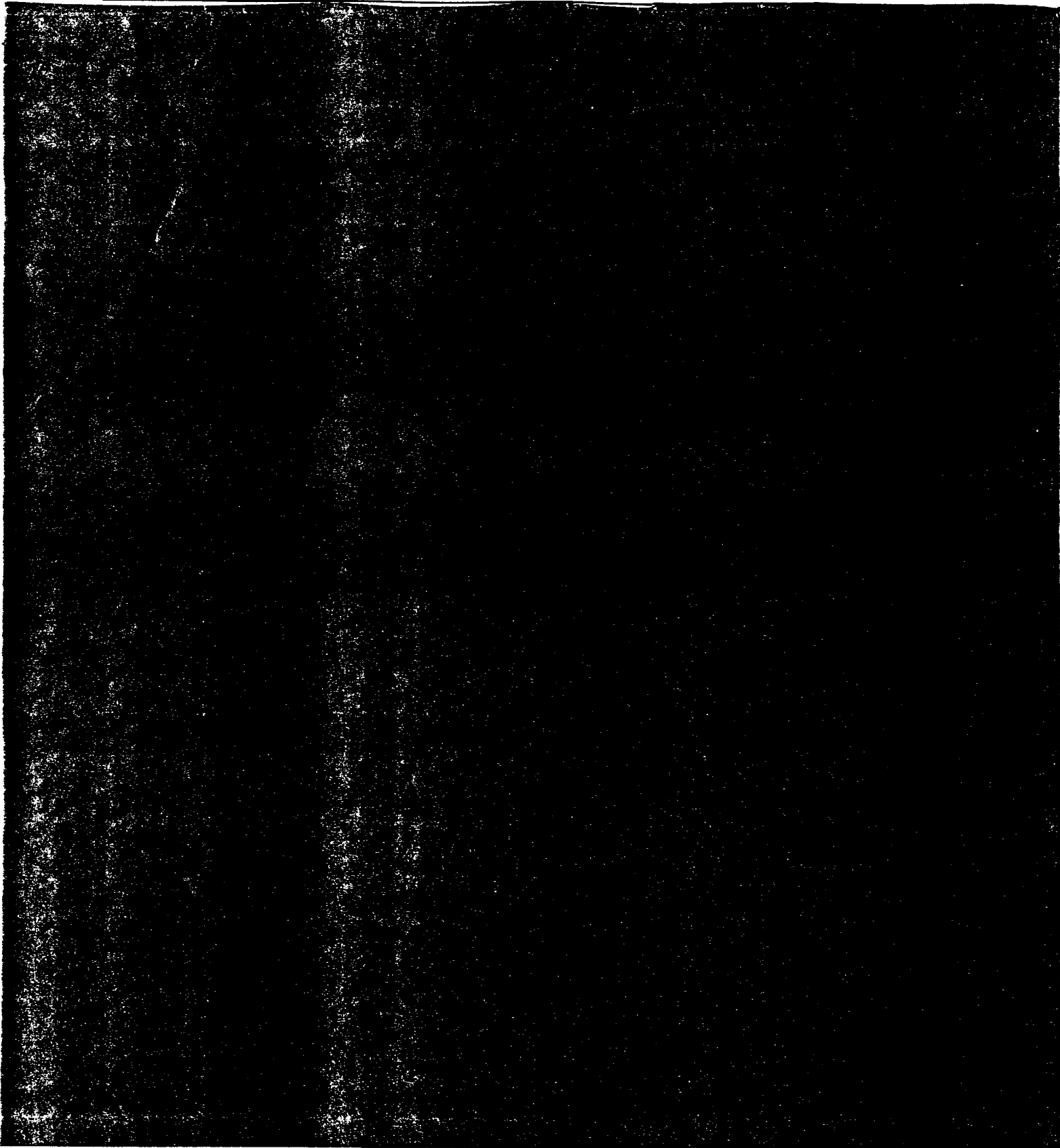
Atsushi Yoshida  
Washington Office Chief Representative  
Electric Power Development Co.

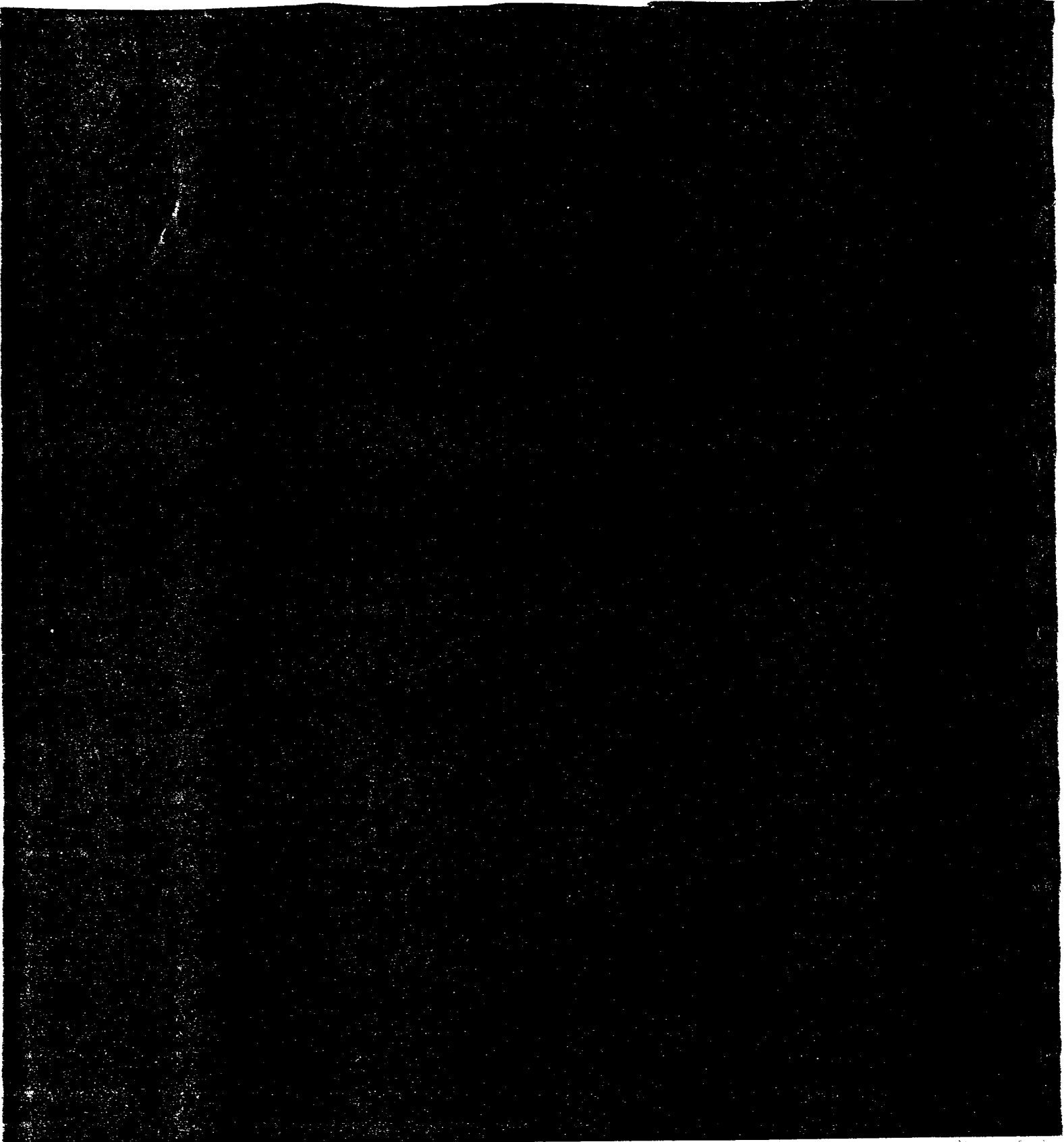
John Yurkanin  
Chief Operating Officer  
California Power Exchange Corporation

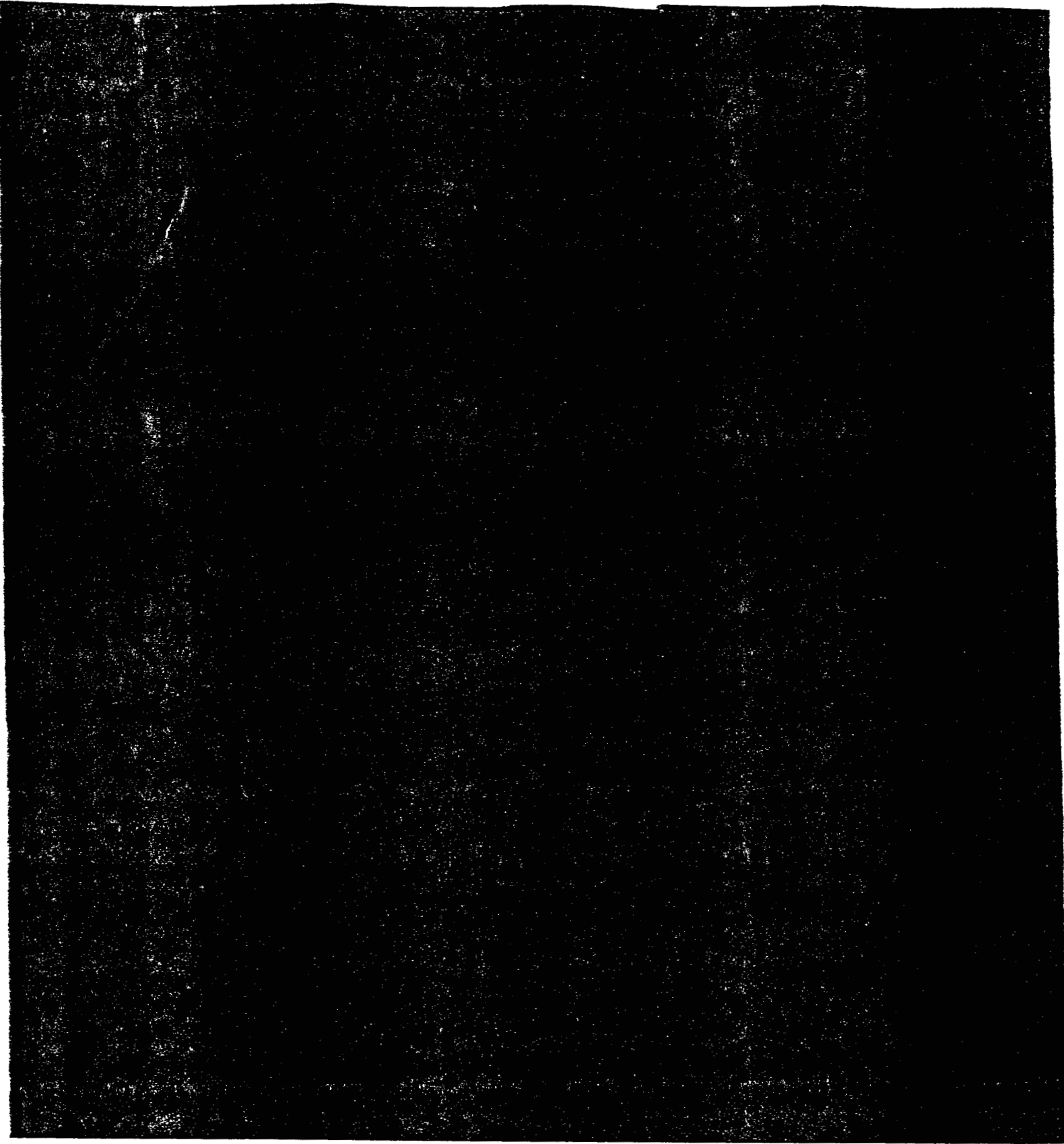




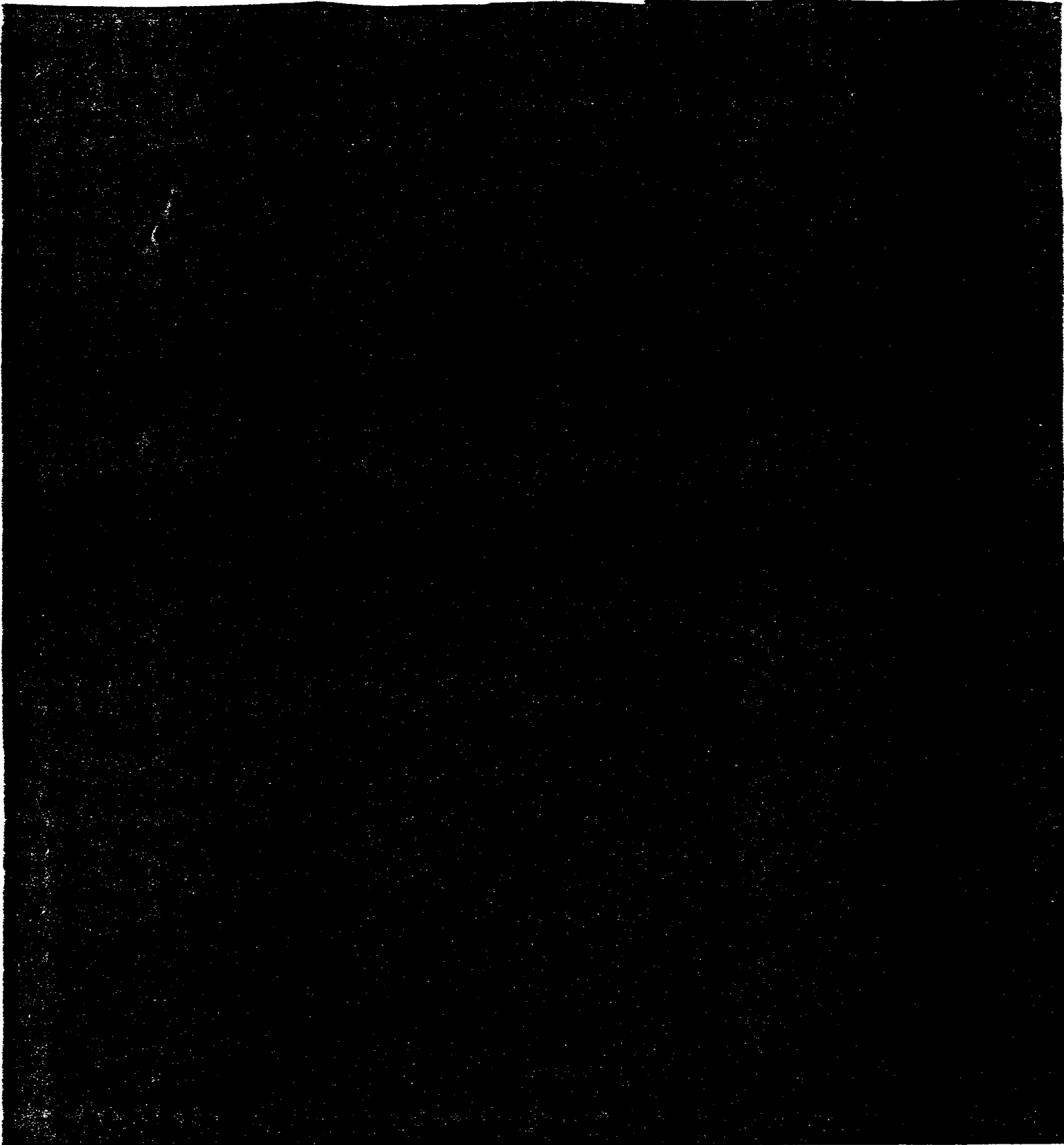




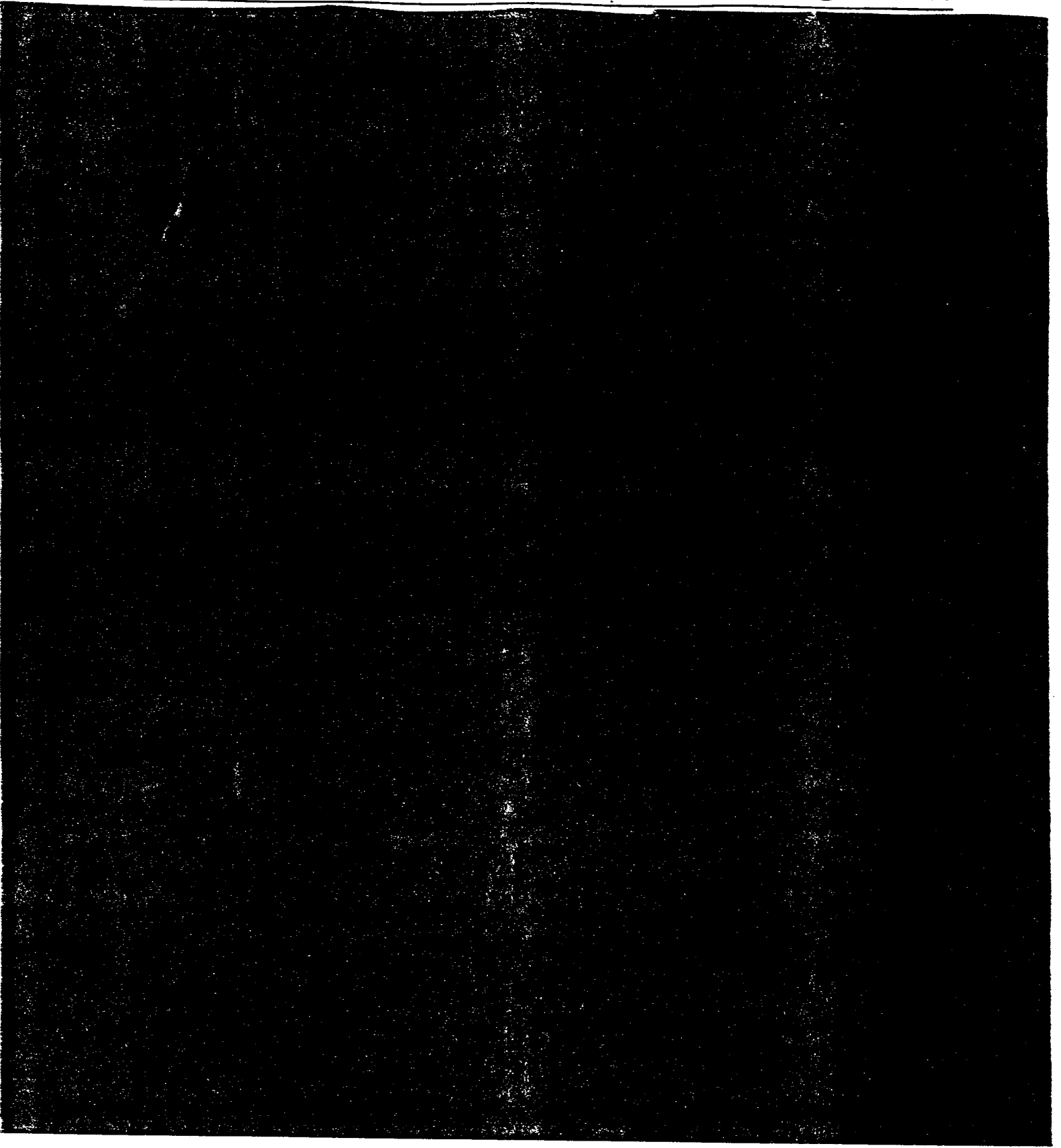


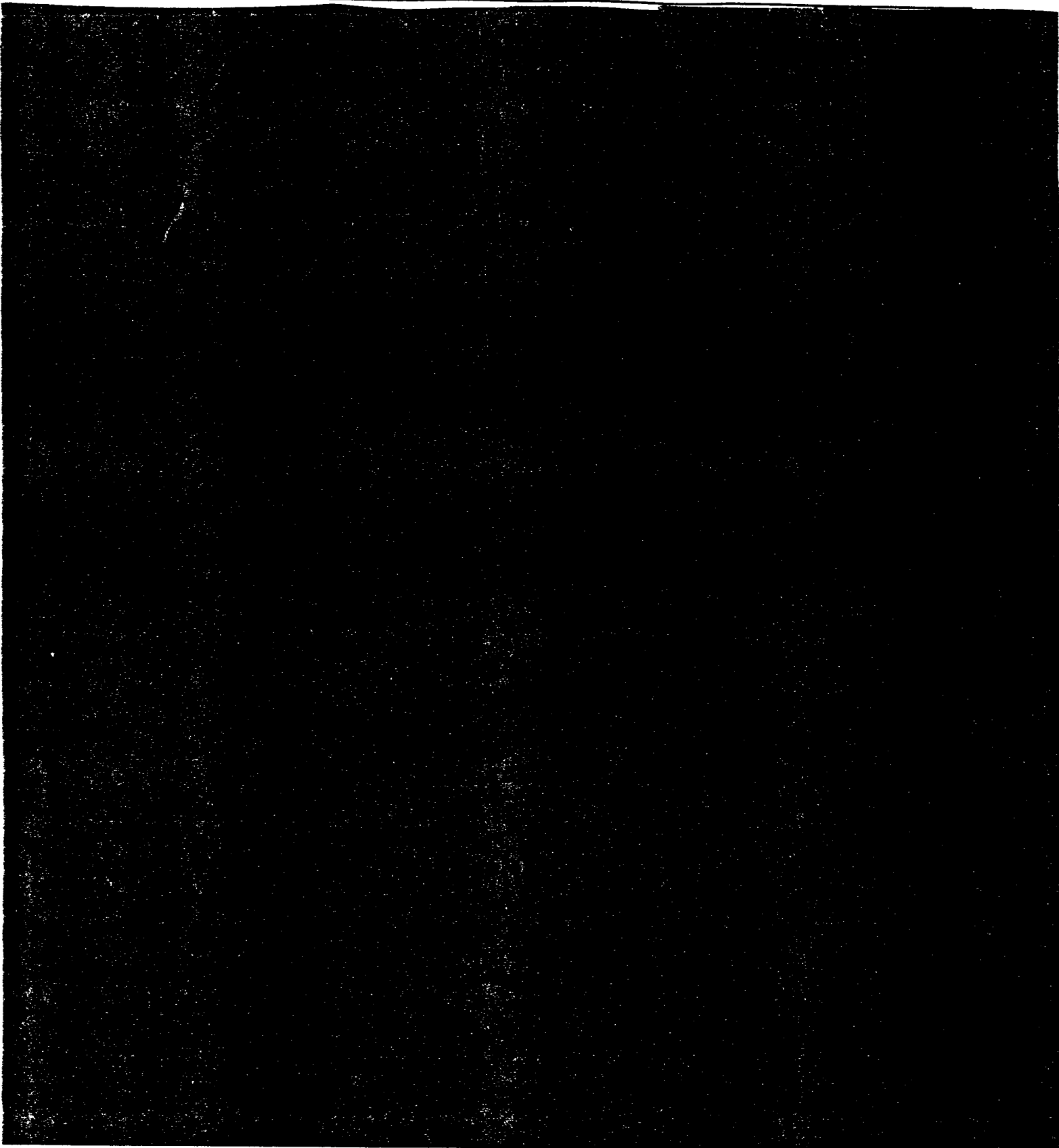


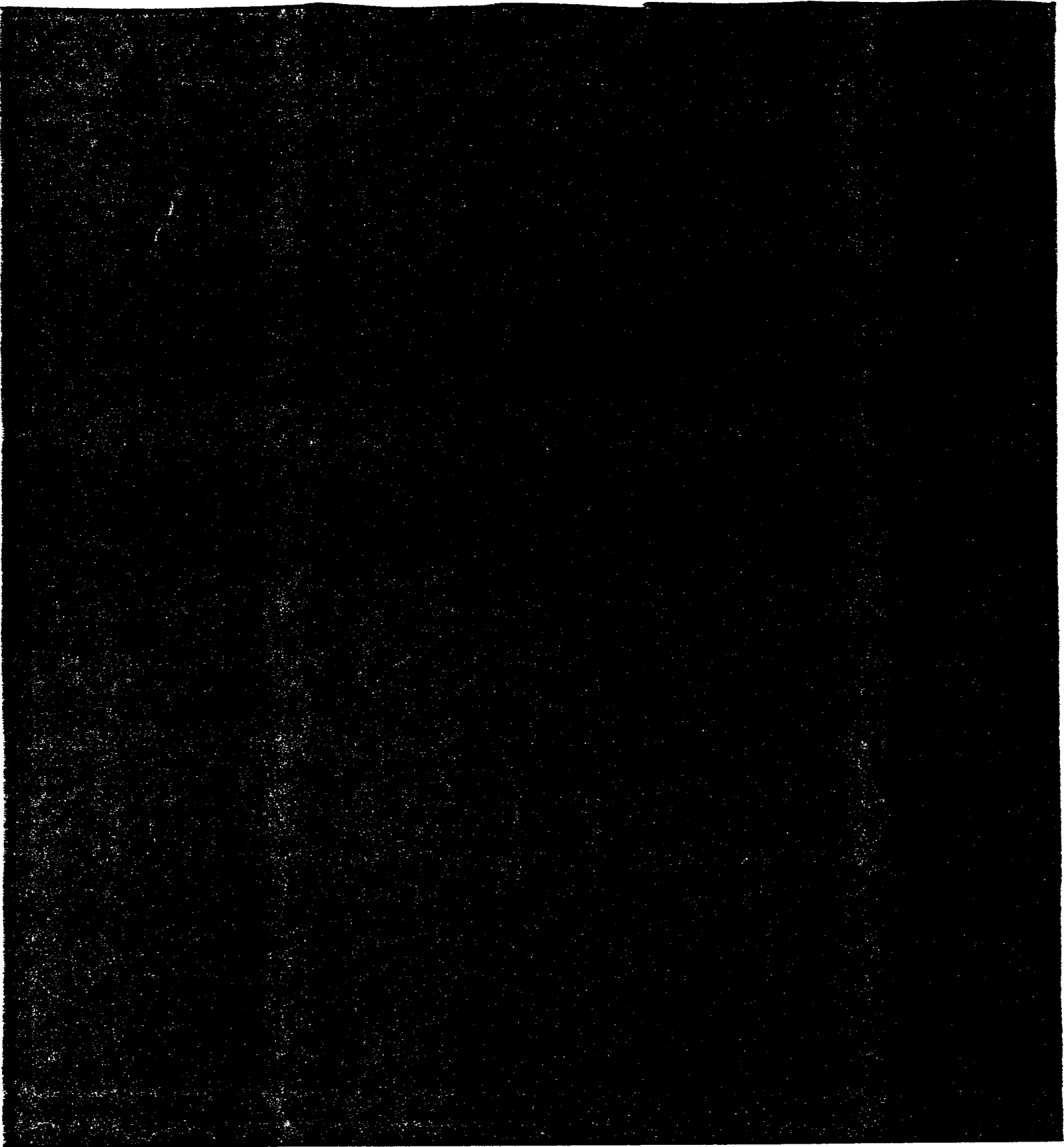
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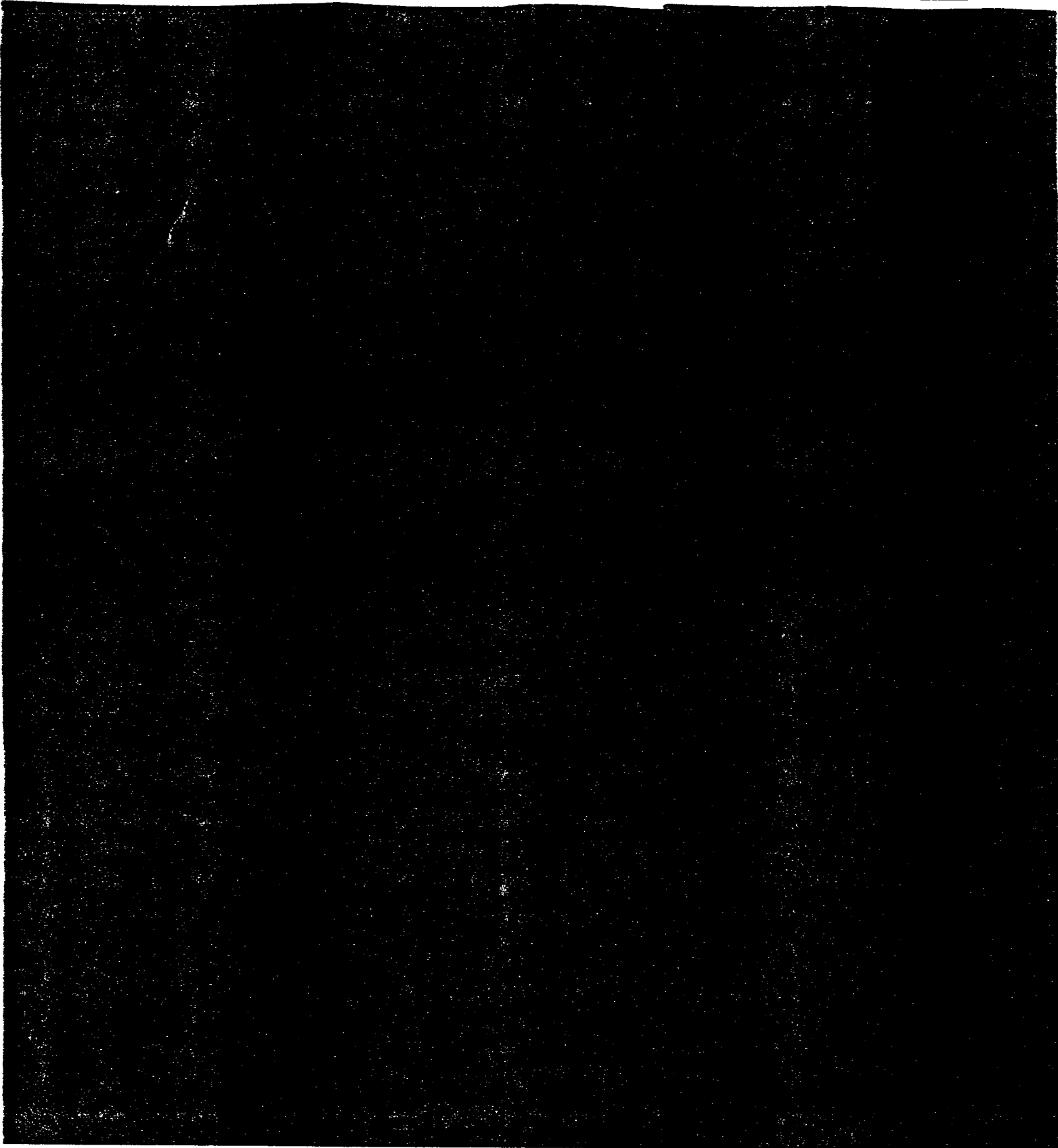


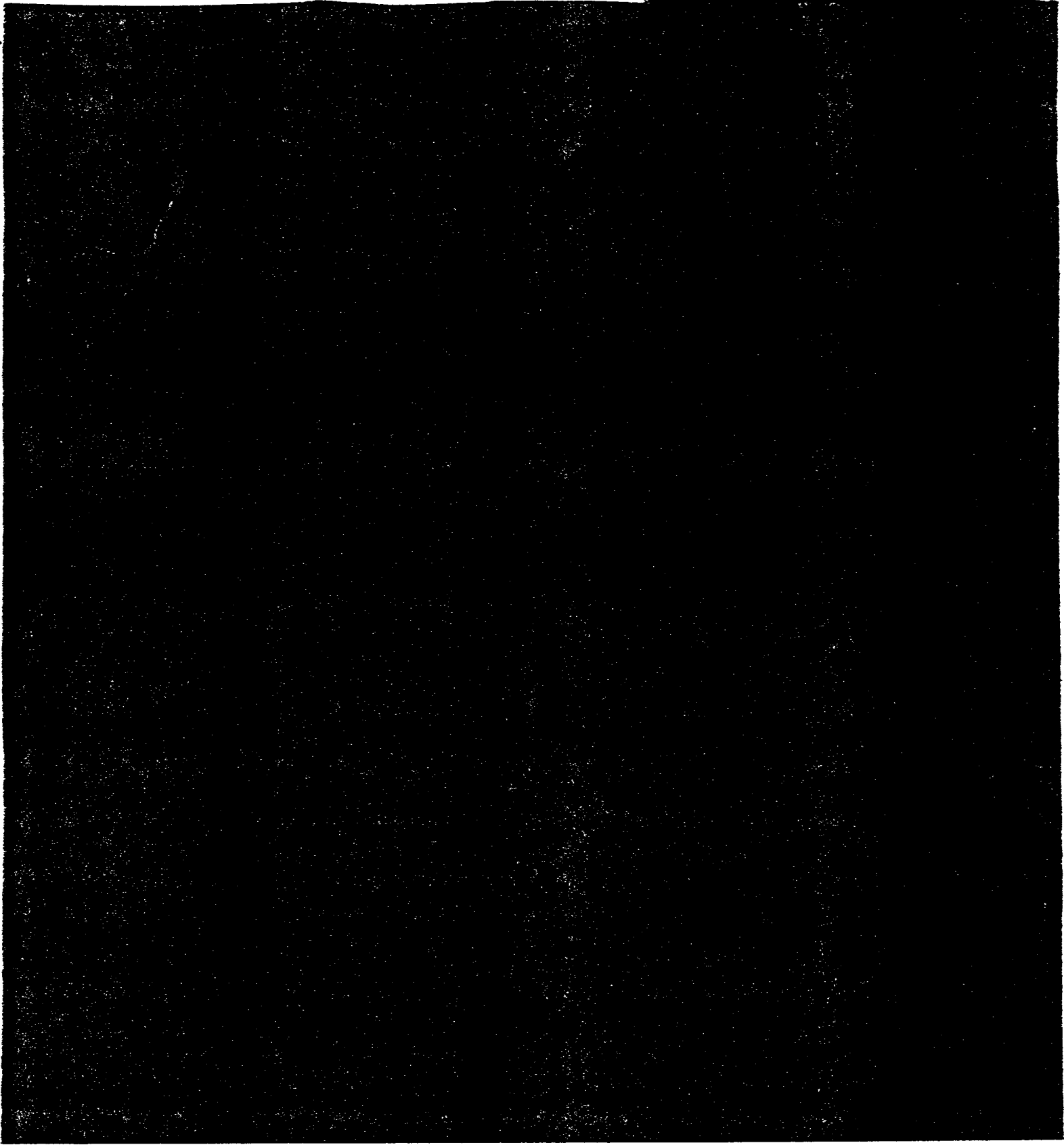


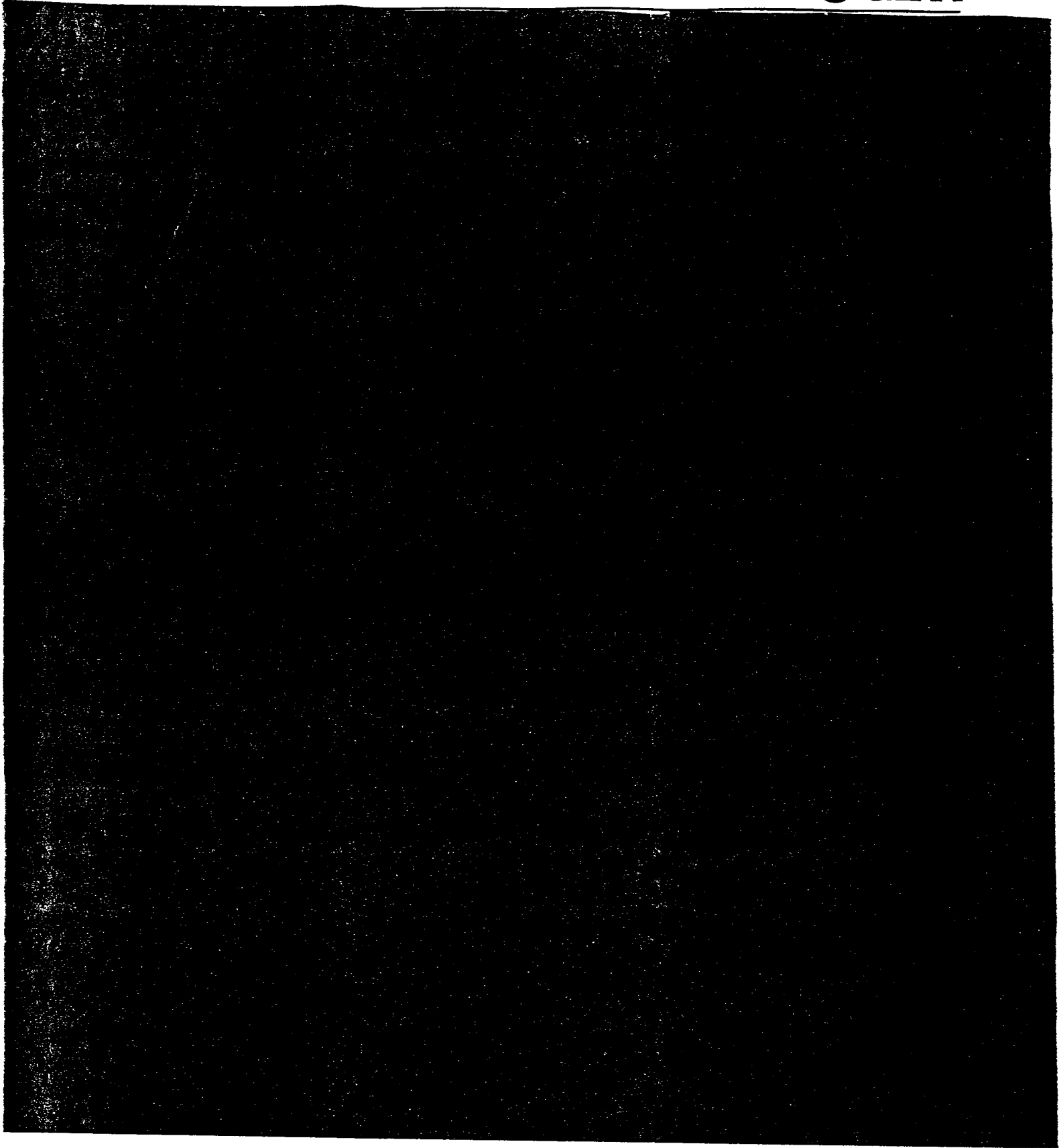


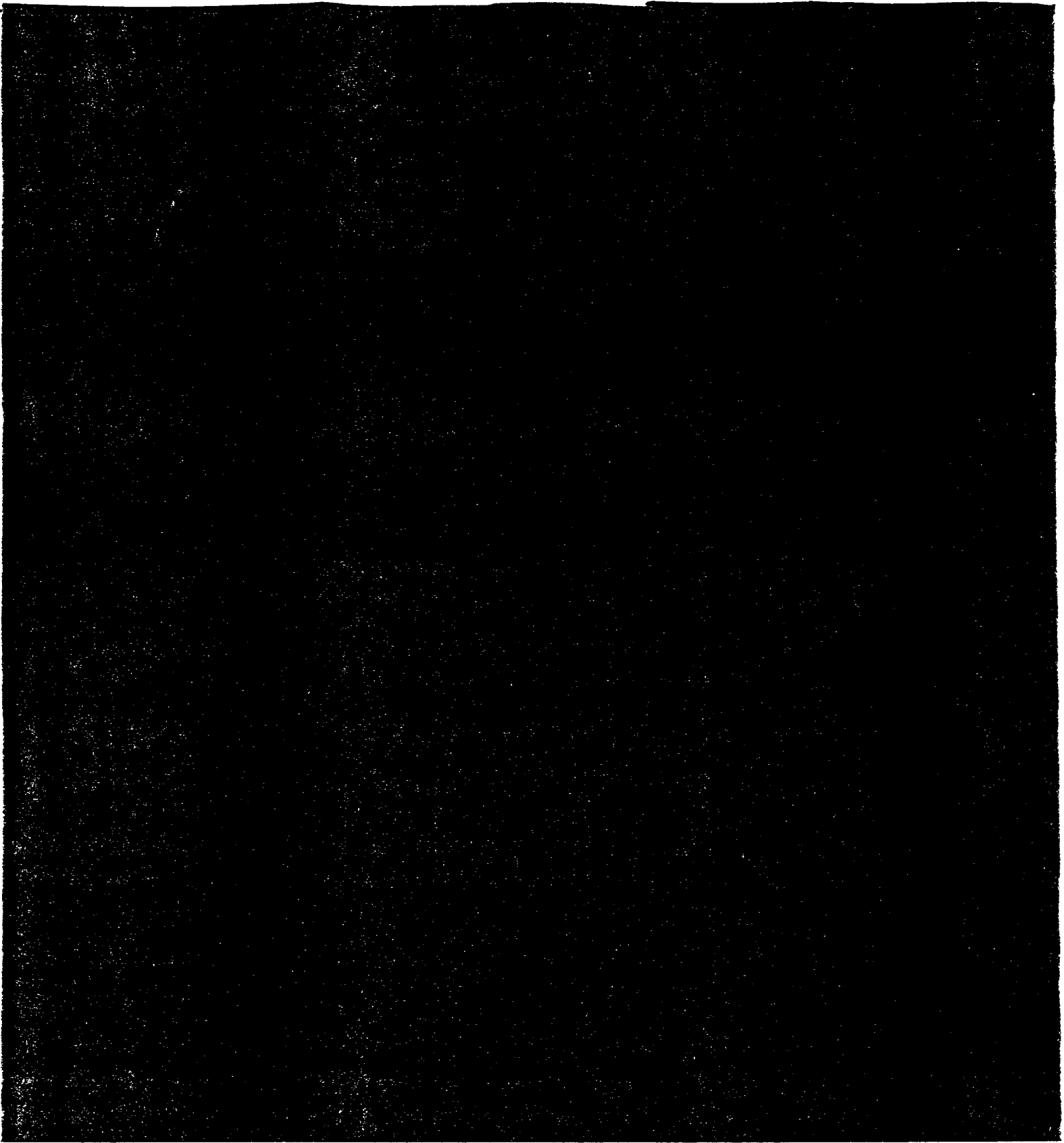


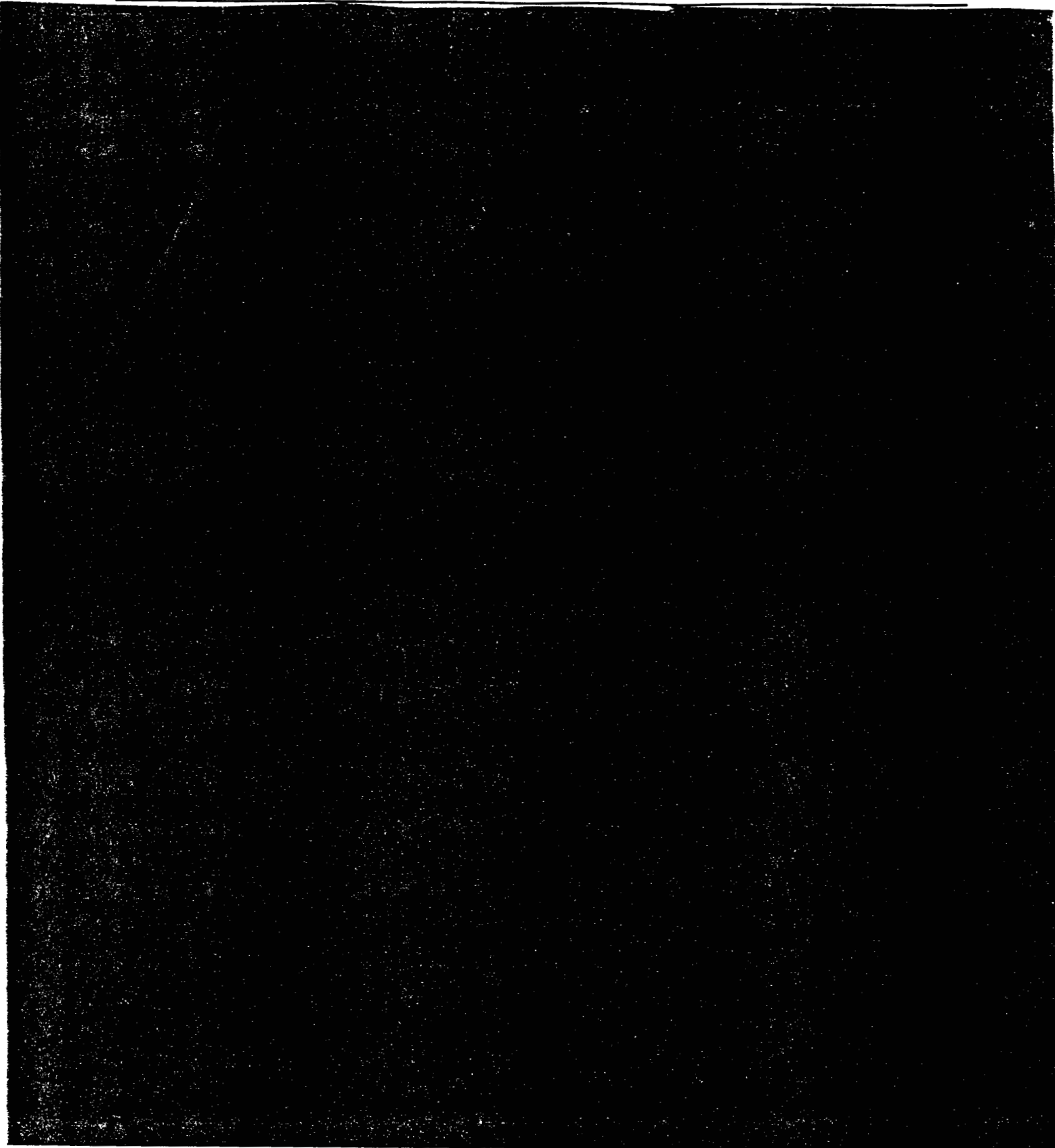




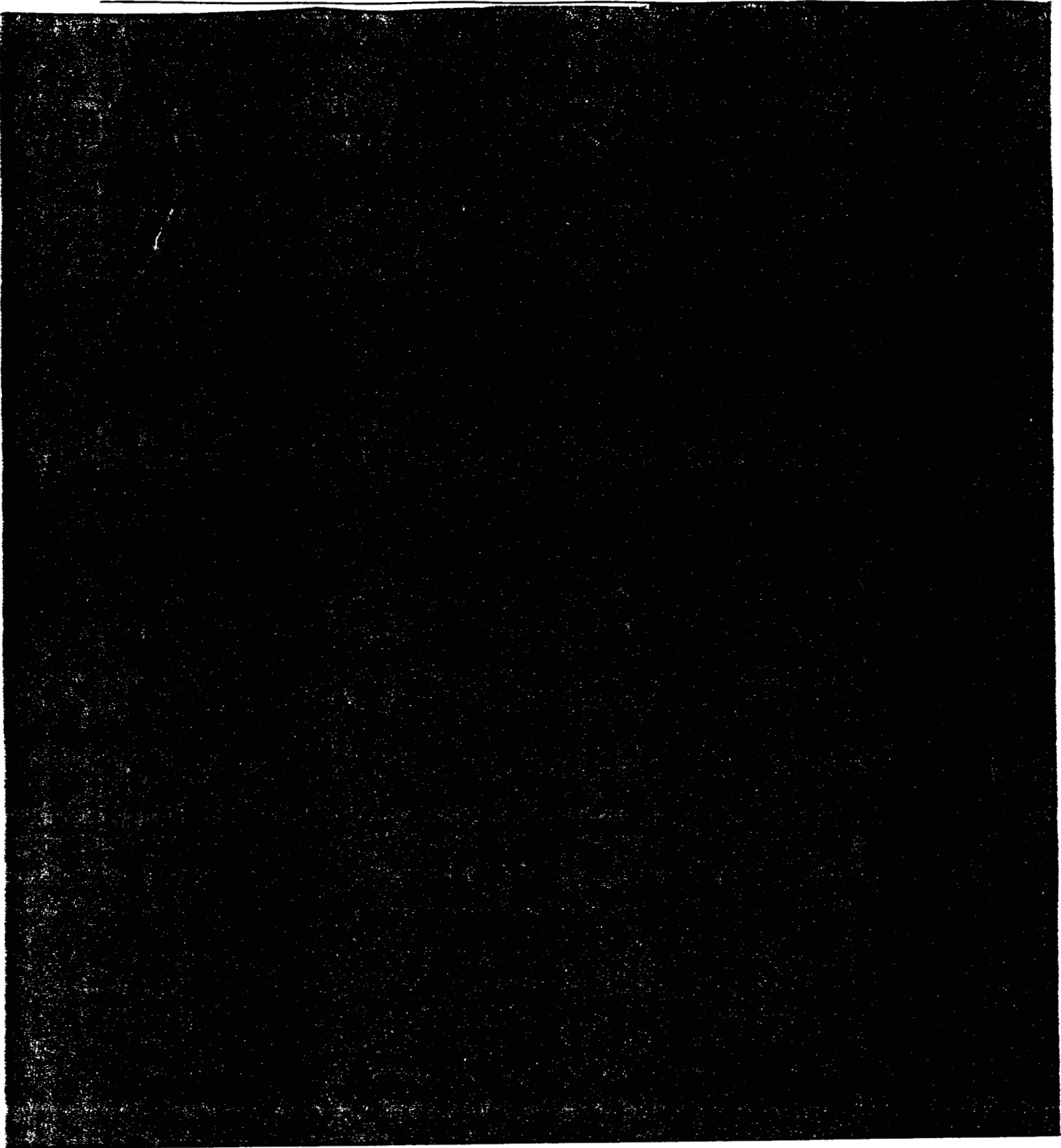


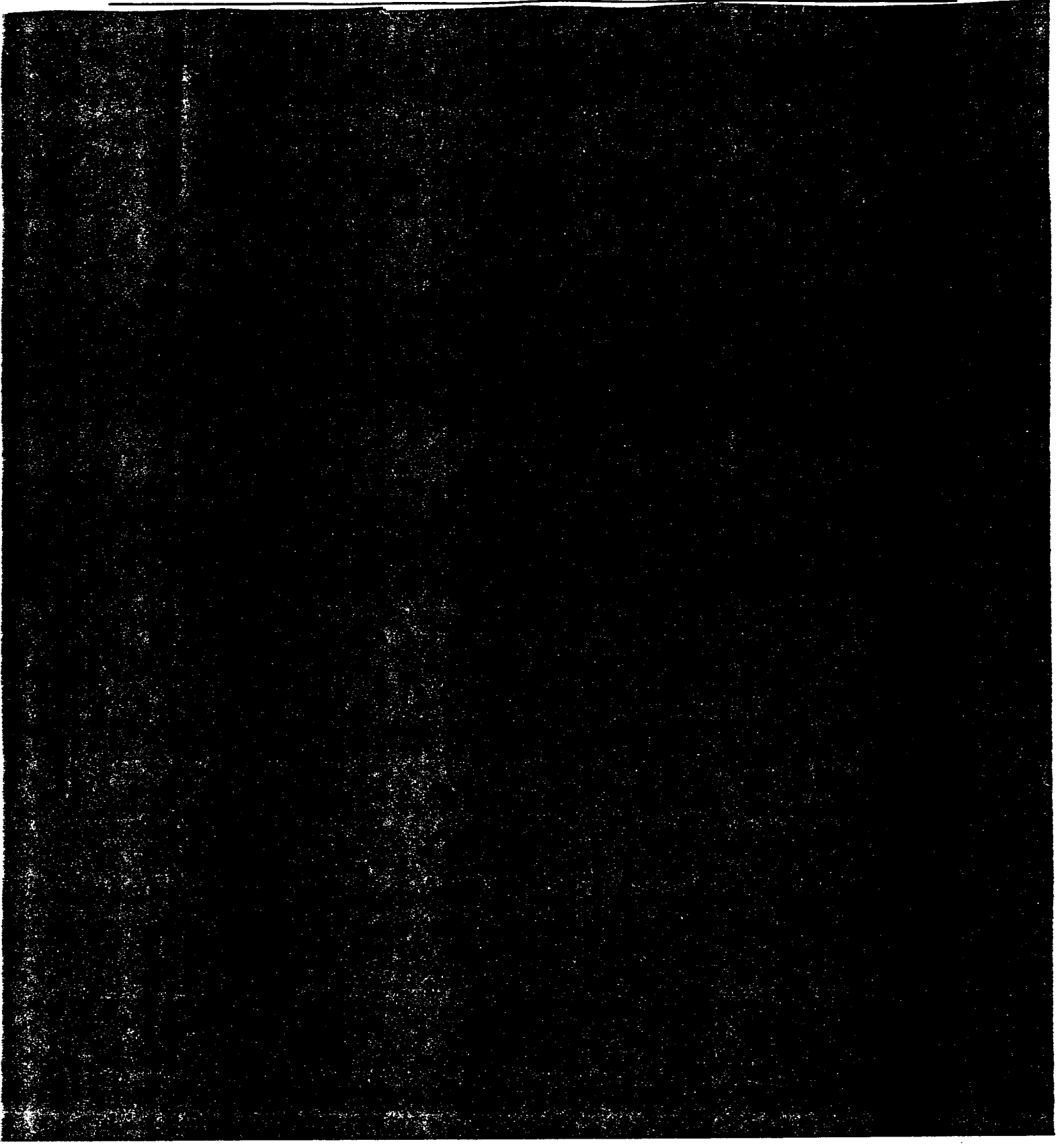


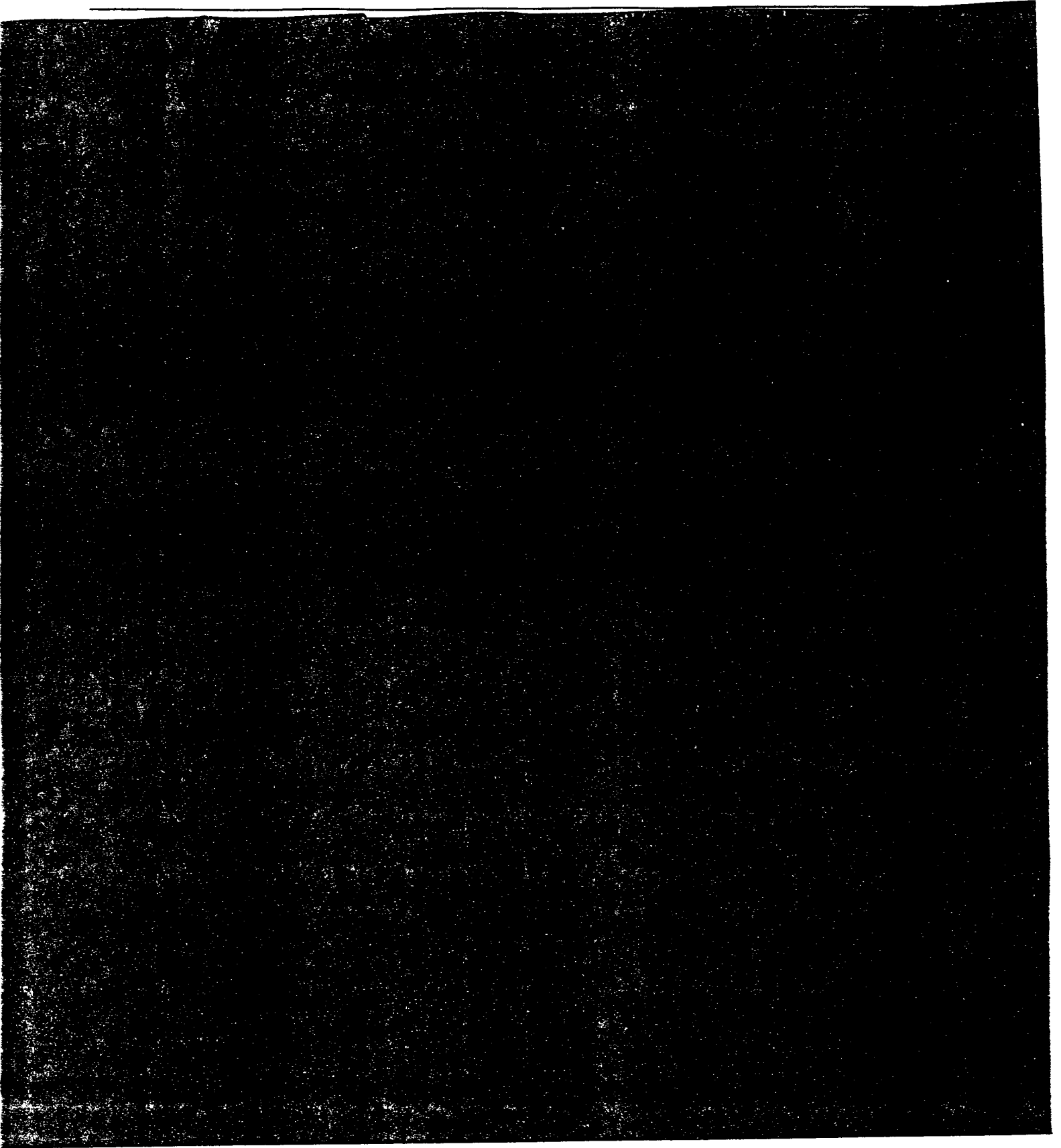












# **FINANCIAL PROJECTIONS**



# Rating Agency Presentation

1999



**1998 Summary**

**Net Income**

Florida Power & Light Company  
 FPL Group Capital & Corporate  
 Total

*(\$ Millions, Except Per Share Amounts)*

<b>1998</b>	<b>1997</b>	<b>Change</b>
\$ 616	\$ 608	\$ 8
48	10	38
<u>\$ 664</u>	<u>\$ 618</u>	<u>\$ 46</u>

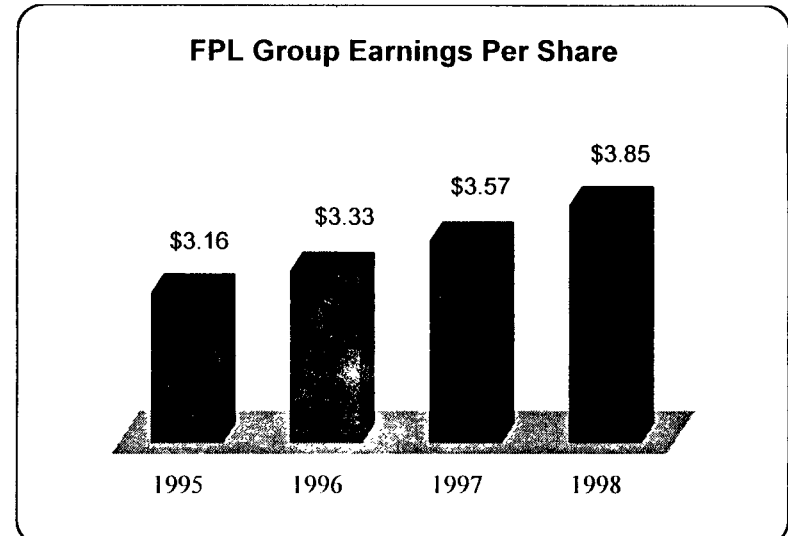
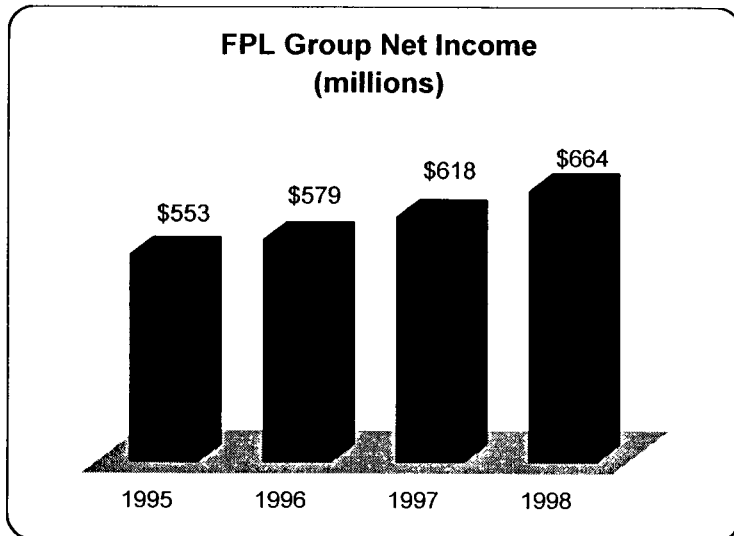
**Earnings Per Share ("EPS")**

Florida Power & Light Company  
 FPL Group Capital & Corporate  
 Total

\$ 3.57	\$ 3.51	\$ 0.06
0.28	0.06	0.22
<u>\$ 3.85</u>	<u>\$ 3.57</u>	<u>\$ 0.28</u>

**Weighted Average Shares Outstanding (millions)**

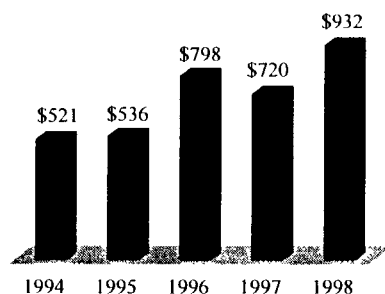
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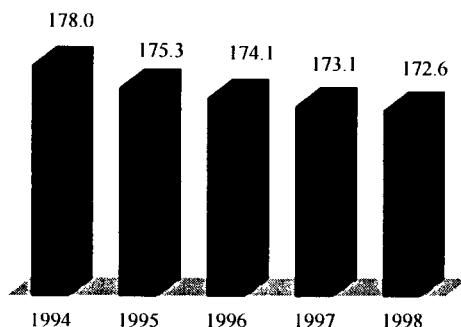


**1998 Summary (cont'd)**

**Discretionary Cash Flow**  
(Millions)



**Average Shares Outstanding**  
(Millions)



- Significant positive cash flow continued for FPL Group for the fifth consecutive year. Over \$3.5 billion of discretionary cash flow has been generated over the last five years.
- In February 1999, FPL Group raised its annual dividend by 4% to \$2.08 per share. This increase brings the payout ratio to 54% of 1998 EPS.
- FPL Group retired \$715 million principal amount of long-term debt and preferred stock, including current maturities, during 1998.
- In February 1997, the Board of Directors of FPL Group authorized the purchase of an additional 10 million shares under a new program. Depending on financial and market conditions, the forecast assumes that approximately two million shares will be purchased in 1998.

**Uses of Discretionary Cash**  
(\$ Millions)

	<u>1998</u>	<u>1997</u>	<u>1996</u>
Investment in Energy Related Business	329	291	52
Net debt and preferred stock reduction	408	562	517
Common stock repurchases	62	48	82
Increase (decrease) in cash and cash equivalents	133	(181)	147
<b>Discretionary Cash Flow</b>	<b><u><u>\$932</u></u></b>	<b><u><u>\$720</u></u></b>	<b><u><u>\$798</u></u></b>

**Customer Growth**

- FPL added almost 65,000 customer accounts in 1998, representing an increase of 1.8%.
- Energy sales (excluding interchange sales) were 86,467 million kwh, a 6.8% increase over 1997 and reflective of increased customers, higher usage and abnormally hot weather conditions.

**Cost Control**

- FPL lowered per kilowatt operations and maintenance cost for the eighth consecutive year in 1998 to a level one third lower than they were in 1990.
- It is expected that the downward trend in operating costs per kwh will continue in the future, however at a slower rate.

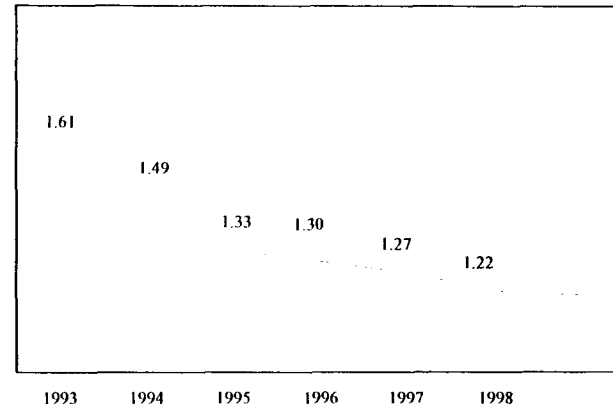
**Availability / Performance**

- Fossil plant availability reached 93.7% in 1998 and nuclear plant availability was 93.1% - record levels for FPL and among the best in the industry.
- Turkey Point became the first U.S. nuclear plant to receive three consecutive "superior" performance ratings from the Nuclear Regulatory Commission (NRC). St. Lucie was recognized by the NRC for improved performance.
- Turkey Point earned the top ranking and St Lucie ranked number 3 out of 36 multiple-unit nuclear sites in the nation based on the World Association of Nuclear Operators (WANO) index.

**Customer Care**

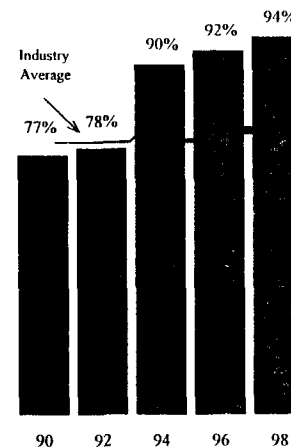
- FPL reduced service unavailability (the total annual outage time in minutes per customer per year) from 137 minutes in 1997 to 100 minutes in 1998, significantly better than the industry average of 170 minutes.

**Aggressive Cost Reduction  
O&M Expenses\*  
(cents per kwh)**

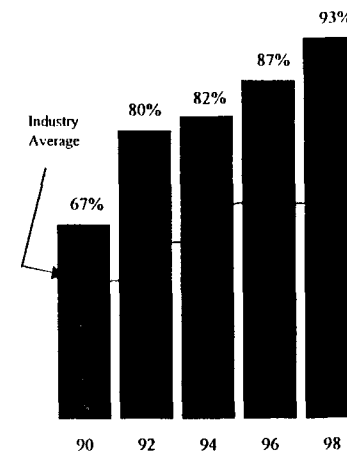


\* Excludes fuel, purchased power and conservation expenses.

**Fossil Availability**



**Nuclear Availability**





	Actual	Forecast					Average
	1998	1999	2000	2001	2002	2003	Growth Rate 1999-2003
<b>Customers and Sales:</b>							
Average Customer Accounts (thousands)	3,680						
Energy Sales (million kwh) <sup>[1]</sup>	86,467						
<b>System Capacity (mw)<sup>[2]</sup>:</b>							
	Actual	Forecast					
	1998	1999	2000	2001	2002	2003	
Company Plants <sup>[3]</sup>	16,326	16,528	16,569	16,790	17,717	18,685	
Purchased Power	2,183	2,232	2,188	2,188	2,179	2,179	
Total Capacity	<u>18,509</u>	<u>18,760</u>	<u>18,757</u>	<u>18,978</u>	<u>19,896</u>	<u>20,864</u>	
Summer Peak Load	17,897	17,371	17,670	17,865	18,129	18,469	
Demand Side Management	1,936	1,277	1,412	1,516	1,595	1,672	
Firm Summer Peak	<u>15,961</u>	<u>16,094</u>	<u>16,258</u>	<u>16,349</u>	<u>16,534</u>	<u>16,797</u>	
<b>Reserve Margin (%)</b>	10	17	15	16	20	24	

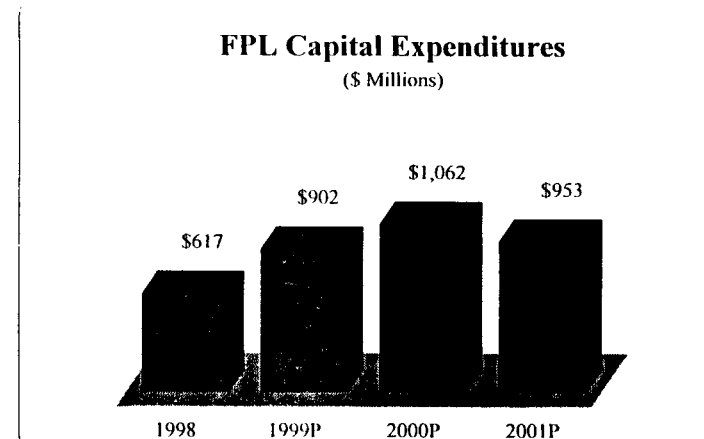
- FPL will meet future growth by expanding its system capacity by about 3,530 MW or about 19% over the next ten years. Plans call for adding 926 MW by repowering the Ft. Myers plant by 2002, followed by an additional 1,170 MW with the Sanford repowering by 2003. Three new gas combined-cycle units are planned for the second half of the decade, two at the Martin site and a third at a site to be selected.

<sup>[1]</sup> Excludes interchange power sales.

<sup>[2]</sup> Forecasted system capacity reflects the capacity projected to be in service by June in order to meet summer peak load. Projected peak load includes effect of existing energy conservation. Demand side management includes load management, load control and incremental energy conservation.

<sup>[3]</sup> Based on net peaking capability.

- FPL's capital expenditures for the 1999-2001 period are expected to be approximately \$2.9 billion. Capital expenditures in 1999 are expected to rise due to the initial phases of the Ft. Myers and Sanford Plant repowerings and increased spending to enhance distribution system reliability.
- Capital expenditures in 2000 and 2001 reflect the ongoing repowering of the Ft. Myers and Sanford plants. The repowerings are scheduled to be complete by 2002 and 2003, respectively, and will more than double the plants' capacity.



**Capital Expenditures (\$ Millions)**

Generation	
Transmission	
Distribution	
General	
<b>Total Capital Expenditures</b>	
Long-Term Debt Maturities and Sinking Fund Requirements	
<b>Total Capital Requirements</b>	

Actual 1998	Projected		
	1999	2000	2001
\$ 50			
47			
370			
150			
617	902	1,062	953
180			
<b>\$ 797</b>	<b>\$ 1,132</b>	<b>\$ 1,187</b>	<b>\$ 953</b>

**Rate Reduction**

- On March 16, 1999, the Florida Public Service Commission (FPSC) approved an agreement regarding FPL's retail base rates, authorized regulatory return on equity (ROE), capital structure and other matters. The agreement has a three-year term, beginning thirty days following the date of FPSC approval.
- The agreement provides for a \$350 million reduction in annual retail base rate revenues allocated to all customers on a cents-per-kilowatt-hour basis. Additionally, the agreement sets forth a revenue sharing mechanism for each of the three years covered by the agreement, whereby retail base rate revenues in excess of a stated threshold will be shared with customers on the basis of two-thirds refunded to customers and one-third retained by FPL. Retail base rate revenues in excess of a second threshold will be refunded 100% to customers.

The thresholds for the three years are as follows:

	<u>First</u> <u>Twelve</u> <u>Months</u>	<u>Second</u> <u>Twelve</u> <u>Months</u>	<u>Third</u> <u>Twelve</u> <u>Months</u>
	(Millions of Dollars)		
Threshold to refund 2/3 to customers	\$3,400	\$3,450	\$3,500
Threshold to refund 100% to customers	\$3,556	\$3,606	\$3,656

**Rate Reduction** cont'd...

- In addition to the revenue reductions, the agreement lowers FPL's authorized ROE range to 10% to 12% (down from the current 11% to 13%). During the term of the agreement, the achieved ROE may, from time to time, be outside the authorized range and the sharing mechanism described above is intended to be the appropriate and exclusive mechanism to address that circumstance.
- The agreement provides an incentive to FPL to control costs as the benefit of cost reductions flow through to the shareholder.
- The agreement establishes a cap on FPL's adjusted equity ratio of 55.83%. The adjusted equity ratio reflects a discounted amount for off-balance sheet obligations under certain long-term purchase power contracts.
- The agreement also includes an allowance for special depreciation of up to \$100 million at FPL's discretion, in each year of the three-year agreement period to be applied to nuclear and fossil generating assets. The current special amortization program will be terminated when the new agreement becomes effective.
- Finally, included in the agreement are provisions which limit depreciation rates and accruals for nuclear decommissioning and fossil dismantlement cost to currently approved levels and limit amounts recoverable under the environmental cost recovery clause during the three-year term of the agreement.
- The agreement states that Public Counsel, FIPUG and the Coalition for Equitable Rates will neither seek nor support any additional base rate reductions during the three-year term of the agreement unless such reduction is initiated by FPL. Further, FPL agreed to not petition for any base rate increases that would take effect during the three-year of the agreement.

**Florida Legislation**

- The 1999 Session of the Florida Legislature adjourned on April 30th. No actions were taken in this session regarding deregulation.

**Duke / New Smyrna Merchant Plant**

- On March 4, 1999, the FPSC approved construction of the state's first merchant plant, a 514-megawatt facility near New Smyrna Beach. The plant still needs to seek approval from the Florida Department of Environmental Protection before a final decision is made by the governor and Florida's cabinet (acting as the Florida Power Plant Siting Board).
- FPL has appealed the FPSC's decision. The Company believes such plants are not legal in Florida under the current law, and that the FPSC must abide by the law accordingly.
- The Company has opposed the merchant plant for the following reasons:
  - Duke's proposal circumvents state policy. Florida laws are intended to protect residents from speculative power plants. State policy should preserve Florida's natural resources by allowing construction of only those power plants that are necessary to serve the people of Florida.
  - Under state laws governing power plants, no utility in Florida would be allowed to build this plant because it exceeds any demonstrated need for electricity.
- The Florida Power Plant Siting Board recently voted 7-0 to delay addressing the matter until the Florida Supreme Court has heard the appeal and issued a decision. There are no time constraints on the Court governing by which time they must act. Oral arguments are expected in the fourth quarter of this year.

	<u>Actual</u>	<u>Projected</u>		
	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>
<b>Cash Generated</b>				
Cash Flow from Operations	\$ 1,703			
Capital Expenditures	(617)			
Dividends to FPL Group	(625)			
Other	(80)			
Total Generated / (Used)	<u>381</u>			
<b>Financing Plan</b>				
Issuance of Long-Term Debt	197			
Retirements of Long-Term Debt and Preferred Stock	(389)			
Change in Cash/Short-Term Debt	(189)			
Total Financing	<u>\$ (381)</u>			
<b>Cash / (Short-Term Debt) Balance</b>	<b>\$ 152</b>			

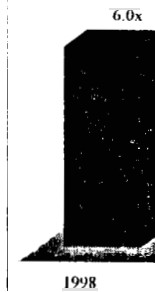
• Cash Flows from Operations are forecasted to decrease in 1999 due to the rate reduction which began April 15, 1999. The decrease in operating cash flows from the rate reduction was offset by lower deferred tax debits and forecasted fuel overrecoveries in 1999 which will reverse in 2000.

	Actual	Projected		
	1998	1999	2000	2001
<b>Capital Structure:</b>				
Debt (Including Commercial Paper)	\$ 2,421			
Preferred	226			
Equity	4,803			
Total	<u>\$ 7,450</u>			
<b>Capitalization Ratios:</b>				
Debt (Including Commercial Paper)	32.5%			
Preferred	3.0%			
Equity	64.5%			
Total	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>
Funds From Operations (FFO)	\$ 1,638			
Cash Paid for Interest	\$ 181			
Average Total Debt	\$ 2,511			
<b>FFO Interest Coverage</b>	10.0x			
<b>FFO / Average Total Debt</b>	65.2%			
Pre-tax Income	979			
Interest Expense	196			
<b>Pre-tax Interest Coverage</b>	6.0x			
<b>Net Cash Flow to Capital Expenditures</b>	170%			

**Debt Ratio**



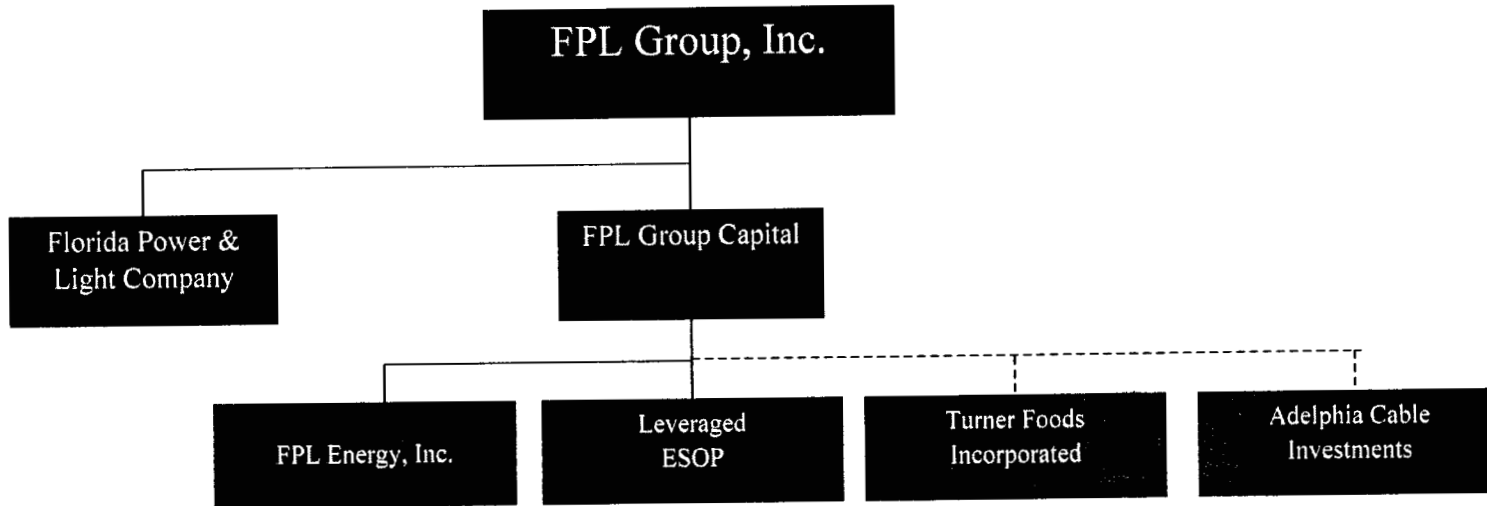
**Pre-Tax Interest Coverage**





## FPL Group Corporate Structure

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• In late 1998, Turner Foods was sold, for \$135 million in cash and a potential earn out over 3 years of \$15 million, to Consolidated Citrus LP, a partnership formed by King Ranch, Inc. - running W Citrus and Collier Enterprises. Turner was the last non-energy operating subsidiary owned by FPL Group. The sale did not affect earnings.

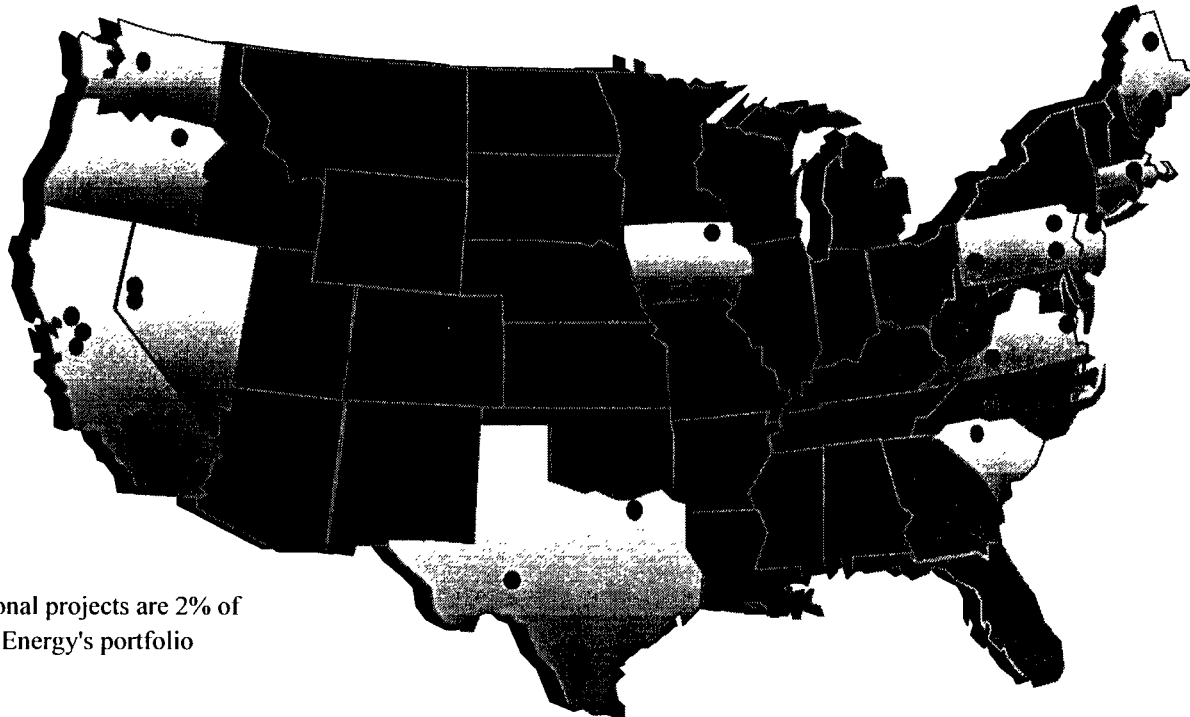
• In April 1999, FPL Energy completed the purchase of Central Maine Power Company's non-nuclear generating assets for \$846 million. Due to major federal rule changes regarding access to the transmission grid in New England, as well as other factors such as an increase in new generation plans announced for the area, FPL Energy anticipates recording an after-tax asset impairment charge of approximately \$106 million in the second quarter of 1999.





## Regional Focus (net MW in operation or under construction May 1999)

Total Portfolio:  
4,309 net MW



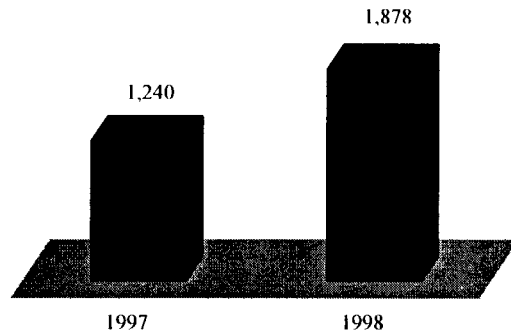
**Geographic Interest**  
ERCOT  
Northwest  
NEPOOL  
PJM

International projects are 2% of  
FPL Energy's portfolio



**FPL Energy Project Activity**

**Net Megawatts In Operation at Year-End**



**Under Construction/Development**

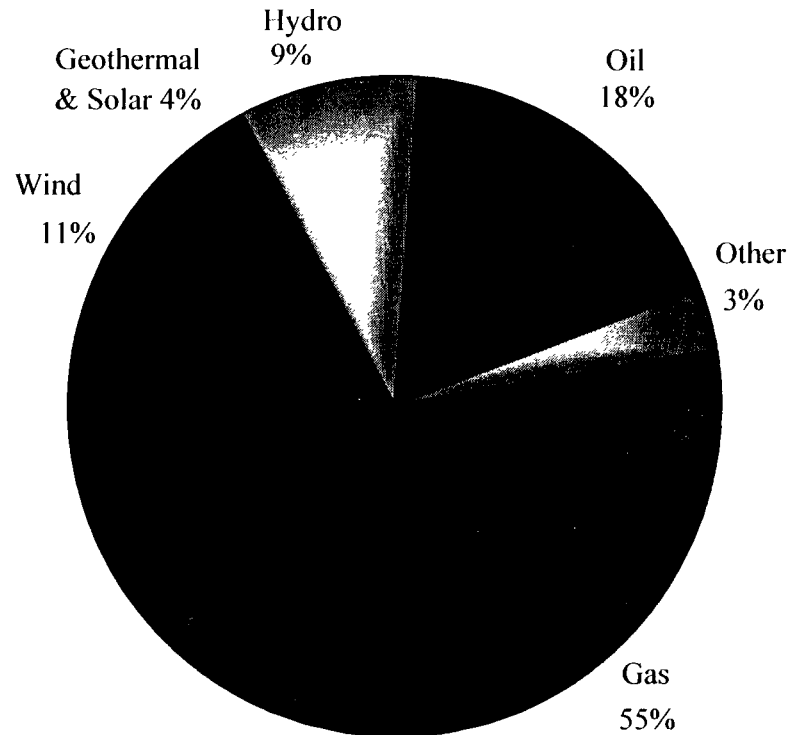
Location	Energy Source	Net MW	Expected In-Service
Texas, Iowa	Wind	117	Mid 1999
Texas	Gas	990	Mid 2000
Washington	Gas	248	Early 2001
<b>TOTAL</b>		<u><u>1,355</u></u>	

**Current Projects**

- In January 1999, FPL Energy announced plans to construct a 248 MW gas-fired merchant plant near Seattle, which will be completed in 2001.
- In February 1999, FPL Energy acquired the rights to build, own and operate a 1000 MW gas-fired plant in Texas. Construction is currently underway with operations scheduled to begin in mid-2000 (a 1% limited partner interest was retained by the former owners).
- In April 1999, FPL Energy completed the acquisition of the non-nuclear generating assets of Central Maine Power Company. The facilities consist of hydro, fossil and biomass plants with a combined capacity of 1,185 MW.
- FPL Energy will also complete the construction of wind energy projects in mid-1999 in Texas and Iowa, adding more than 100 MW to the portfolio.

## Generation by Energy Source

(net Megawatts in operation or under construction)



Currently, more than 80% of FPL Energy's capacity is clean energy, including natural gas, wind, hydro, geothermal, solar and biomass.



**FPL Group Capital Cash Generation and Financing Plan (\$ millions)**

	<u>Actual</u>	<u>Projected</u>		
	<u>1998</u>	<u>1999<sup>1)</sup></u>	<u>2000</u>	<u>2001</u>
<b>Cash Generated (\$ Millions)</b>				
Net Income Available to FPL Group, Inc.	\$ 68			
Depreciation and Amortization	35			
Deferred Income Taxes	(29)			
Partnership & Joint Equity Earnings	(39)			
Partnerships & J.V. Dividends	112			
Other	(27)			
Cash Flow From Operations	\$ 120			
Independent Power Investments	(329)			
Proceeds from sale of Assets & Investments	135			
Other	(12)			
Cash Generation	\$ (86)			
<b>Financing Plan</b>				
Increase in Long-term Debt	146			
Reduction in Long - Term Debt	(338)			
Contributions from FPL Group	249			
Change in Cash / Short - Term Debt	29			
Total Financing	\$ 86			
<b>Net Cash / (Short-Term Debt) Balance</b>	<b>\$ (80)</b>			

• **The financing plan assumes:**

- 1) The issuance of \$400 million of Group Capital debentures in June, 1999 to finance a portion of the purchase of the non-nuclear generating assets of Central Maine Power Company.

<sup>1)</sup>Excludes the impact of the sale of Adelpia Communications shares, the sale of FPL Group Capital's interest in Olympus Communications LP and the impairment related to the purchase of assets of Central Maine Power Company.

	Actual	Projected		
	1998	1999	2000	2001
<b>Capital Structure (including CP)</b>				
Debt	\$ 395			
Equity	749			
Total	\$ 1,144			
Debt	34.5%			
Equity	65.5%			
Total	100.0%	100.0%	100.0%	100.0%
<b>Capital Structure (recourse only)</b>				
Recourse Debt	\$ 267			
Equity	749			
Total	\$ 1,016			
Debt	26.3%			
Equity	73.7%			
Total	100.0%			

**Debt Ratio  
(Total Debt)**



**Debt Ratio  
(Recourse Debt)**





*Financial Indicators (\$ millions)*

	Actual			
	1998	1999 <sup>(1)</sup>	2000	2001
<b>Funds From Operations (FFO)</b>				
Net Income	\$ 68			
Depreciation	35			
Deferred Taxes	(29)			
Equity in J.V. and Partnership Earnings	(39)			
J.V. & Partnership Dividends	112			
(Gain)/Loss on Sale of Investments	29			
Loss on Interest Rate Swaps/Locks	61			
Loss on Asset Impairment	--			
Other	(56)			
Funds From Operations	<u>\$ 181</u>			
<b>Cash Paid for Interest</b>				
Total Debt	\$ 66			
Recourse Debt	\$ 18			
<b>Average Debt</b>				
Total Debt	\$ 518			
Recourse Debt	\$ 223			
<b>FFO Interest Coverage</b>				
Total Debt	3.7x			
Recourse Debt	14.0x			
<b>FFO / Average Total Debt</b>				
Total Debt	34.8%			
Recourse Debt	77.3%			
<b>Pre-tax Interest Coverage</b>				
Pre-tax Income	\$ 7			
Interest Expense <sup>(2)</sup>	\$ 65			
Pre-tax Interest Coverage	2.0x			

<sup>(1)</sup> Excludes the impact of the sale of Adelpia Communications shares, the sale of FPL Group Capital's interest in Olympus Communications LP and the impairment related to the purchase of assets of Central Maine Power Company.

<sup>(2)</sup> Excludes \$61 loss on interest rate swap and lock agreements in 1998.



**Consolidated Cash Generation and Liquidity**

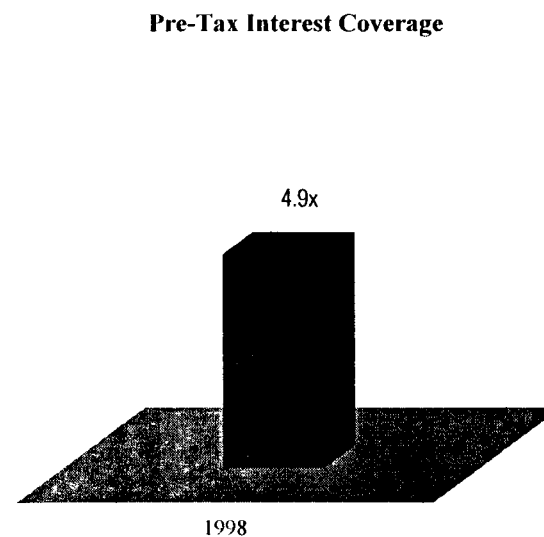
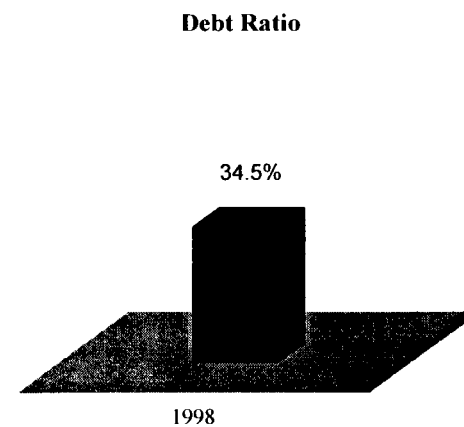
	Actual	Forecast		
	1998	1999	2000	2001
<b>Cash Generated (\$ Millions)</b>				
Net Income	\$ 664			
Depreciation and Amortization	1,284			
Other	(205)			
Cash Flow From Operations	1,743			
Less:				
Capital Expenditures - FPL	(617)			
Dividends Paid	(345)			
Other	151			
Discretionary Cash Flow	\$ 932			
<b>Investment in Energy Related Projects</b>	\$ (329)			
<b>Financing Plan</b>				
FPL Group Common Equity	(62)			
Increase in Long-Term Debt	343			
Retirements of Long-Term Debt and Preferred Stock	(727)			
Change in Cash / Short-Term Debt and Other	(157)			
Total Financing	(603)			
Total Uses of Discretionary Cash Flow	\$ (932)			
<b>Cash / (Short-Term Debt) Net Position</b>	\$ 77			

- FPL currently has \$890 million of committed bank lines. FPL Group Capital currently has \$1,543 million in committed lines.



*Financial Indicators (\$ millions)*

	Actual	Projected		
	1998	1999	2000	2001
<b>SEC Return on Equity</b>	13.3%			
<b>Capitalization Ratios:</b>				
Debt (Including Commercial Paper)	34.5%			
Preferred	2.8%			
Equity	62.7%			
<b>Funds From Operations (FFO)</b>				
Net Income	\$ 664			
Depreciation (excluding Decommissioning)	1,190			
Deferred Taxes	(237)			
Deferred Revenues & Expenses	68			
Joint Venture/Partnership Equity Earnings	(39)			
Joint Venture/Partnership Dividends	112			
Loss on Interest Rate Swaps/Locks	61			
Other	2			
Funds From Operations	<u>\$ 1,821</u>			
Cash Paid for Interest <sup>(1)</sup>	\$ 247			
Average Total Debt	\$ 2,816			
<b>FFO Interest Coverage</b>	8.4x			
<b>FFO / Average Total Debt</b>	64.7%			
Pre-tax Income	\$ 968			
Interest Expense <sup>(1)</sup>	\$ 261			
<b>Pre-tax Interest Coverage</b>	4.9x			
<b>Net Cash Flow to Capital Expenditures</b>	240%			



<sup>(1)</sup> Excludes \$61 loss on interest rate swap and lock breakage in 1998.





## *Conclusions*

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### **Florida Power & Light Company:**

- Continues to maintain excellent operations
  - Nuclear plants reached 93% availability, significantly higher than industry average
  - Fossil plants achieved an all - time record availability of 94%
- Sales growth projected to exceed 2% per year
- Regulatory uncertainty resolved
  - Lowest electric rates in Florida
  - Incentive to continue cost reductions
  - Allowance for special depreciation at Company's discretion
  - No regulatory assets remaining
  - No pending legislative actions regarding deregulation
- Strong financial position
  - One of the best balance sheets in the industry
  - Cash flow from operations in excess of capital expenditures

### **FPL Energy**

- FPL Energy has developed a strong and diverse investment portfolio
- Continued focus on project control
- Most projects have long-term contracts
- Access to FPL expertise
- Portfolio emphasizes clean energy generation
- Management committed to maximizing project returns within existing portfolio



# **Rating Agency Presentation**

**2000**



**1999 Summary**

**Net Income**

Florida Power & Light Company  
 FPL Group Capital & Corporate  
 Total

*(\$ Millions, Except Per Share Amounts)*

1999	1998	Change
\$ 576	\$ 616	\$ (40)
121	48	73
<u>\$ 697</u>	<u>\$ 664</u>	<u>\$ 33</u>

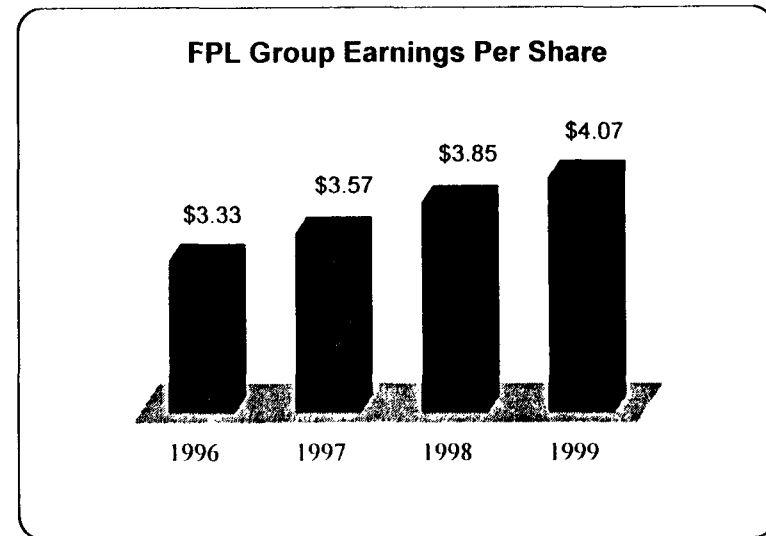
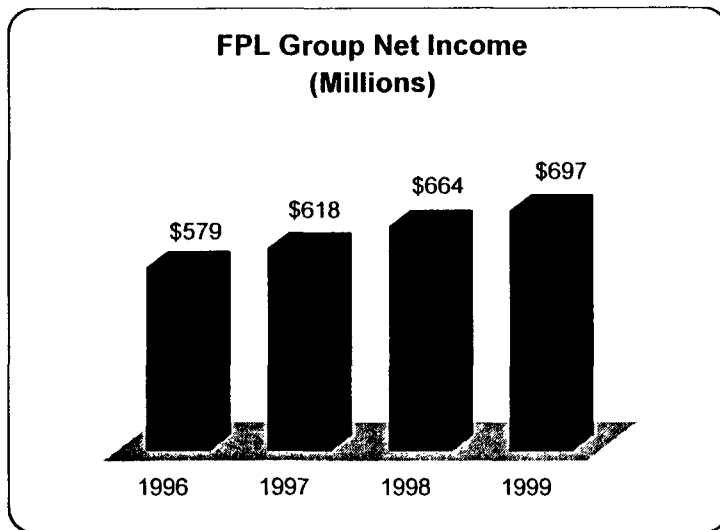
**Earnings Per Share ("EPS")**

Florida Power & Light Company  
 FPL Group Capital & Corporate  
 Total

\$ 3.36	\$ 3.57	\$ (0.21)
0.71	0.28	0.43
<u>\$ 4.07</u>	<u>\$ 3.85</u>	<u>\$ 0.22</u>

**Weighted Average Shares Outstanding (Millions)**

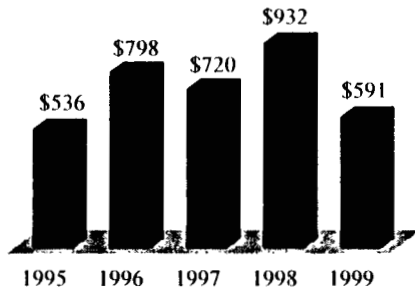
171                      173                      (2)



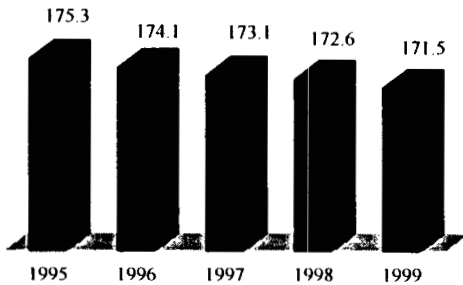


1999 Summary (cont'd)

**Discretionary Cash Flow**  
(Millions)



**Average Shares Outstanding**  
(Millions)



- Significant positive cash flow continued for FPL Group for the sixth consecutive year. Over \$3.6 billion of discretionary cash flow has been generated over the last five years.
- In February 2000, FPL Group raised its annual dividend by 4% to \$2.16 per share. This increase brings the payout ratio to 53% of 1999 EPS.
- FPL Group issued a net of \$1,054 million principal amount of long-term debt, including current maturities, during 1999.
- In February 1997, the Board of Directors of FPL Group authorized the purchase of an additional 10 million shares under a new program. Depending on financial and market conditions, the forecast assumes that approximately one to two million shares will be purchased in 2000.

**Uses of Discretionary Cash**  
(\$ Millions)

	<u>1999</u>	<u>1998</u>	<u>1997</u>
Investment in Energy Related Business	1,555	329	291
Net debt (issuance) reduction	(1,254)	408	562
Common stock repurchases	116	62	48
Increase (decrease) in cash and cash equivalents	174	133	(181)
<b>Discretionary Cash Flow</b>	<b><u>\$591</u></b>	<b><u>\$932</u></b>	<b><u>\$720</u></b>

**Customer Growth**

- FPL added almost 76,000 customer accounts in 1999, representing an increase of 2.1%.
- Energy sales (excluding interchange sales) were 85,390 million kWh, a 1.2% decline over 1998 and reflective of milder weather conditions. This reduction was almost completely offset by the increase in the number of customer accounts.

**Cost Control**

- FPL lowered per kilowatt operations and maintenance cost for the ninth consecutive year in 1999 to a level 36% lower than they were in 1990.
- It is expected that the downward trend in operating costs per kWh will continue in the future, however at a slower rate.

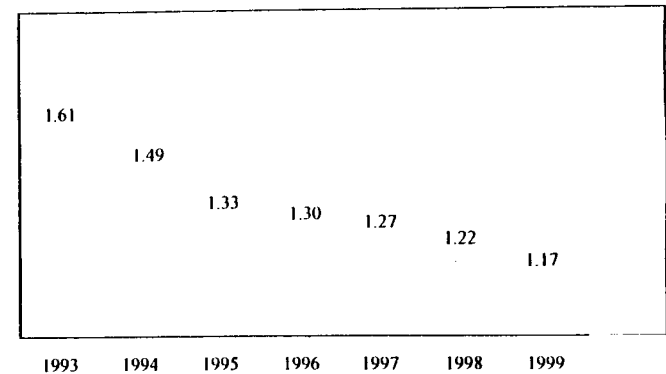
**Availability / Performance**

- Fossil plant performance remained at exceptionally high levels in 1999. Fossil plant availability of 93% was among the best in the nation. Nuclear plant availability climbed to an all-time high of 94%.
- Turkey Point was one of only four plants in the nation, and the only Nuclear Station, to receive Power Magazine's prestigious 1999 Power Plant Award for superior performance and industry leadership.
- Turkey Point and St. Lucie both improved on their 1998 World Association of Nuclear Operators (WANO) index, going from 96.8 to 97.4 and 94.8 to 96.6, respectively. Turkey Point ranked 4th and St. Lucie ranked 7th out of 36 multiple-unit nuclear sites.

**Customer Care**

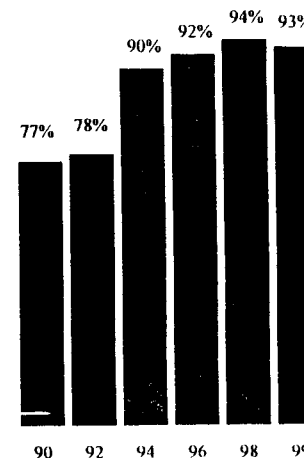
- FPL reduced service unavailability (the total annual outage time in minutes per customer per year) from 100 minutes in 1998 to 75 minutes in 1999. This is well below the national average.

**Aggressive Cost Reduction  
O&M Expenses\*  
(cents per kWh)**

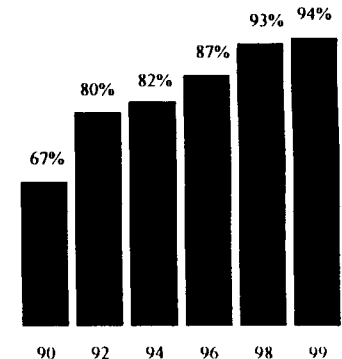


\* Excludes fuel, purchased power and conservation expenses. 1999 excludes non-recurring FMPA settlement

**Fossil Availability**



**Nuclear Availability**



	Actual	Forecast					Average
	1999	2000	2001	2002	2003	2004	Growth Rate 2000-2004
<b>Customers and Sales:</b>							
Average Customer Accounts (thousands)	3,756						
Energy Sales (million kWh) <sup>(1)</sup>	85,390						
<b>System Capacity (mw)<sup>(2)</sup>:</b>							
	Actual	Forecast					
	1999	2000	2001	2002	2003	2004	
Company Plants <sup>(3)</sup>	16,444	16,587	17,799	18,042	19,297	19,297	
Purchased Power	2,205	2,205	2,205	2,196	2,196	2,196	
Total Capacity	<u>18,649</u>	<u>18,792</u>	<u>20,004</u>	<u>20,238</u>	<u>21,493</u>	<u>21,493</u>	
Summer Peak Load	17,615	17,690	17,926	18,282	18,658	19,037	
Demand Side Management	2,069	1,369	1,468	1,547	1,626	1,702	
Firm Summer Peak	<u>15,546</u>	<u>16,321</u>	<u>16,458</u>	<u>16,735</u>	<u>17,032</u>	<u>17,335</u>	
<b>Reserve Margin (%)</b>	14	15	22	21	26	24	

- FPL will meet future growth by expanding its system capacity by about 4,500 MW or about 24% over the next ten years.
- Plans call for adding 860 MW by repowering the Fort Myers plant by 2002, followed by an additional 1,100 MW with the Sanford repowering by 2003.
- Peaking units totaling about 600 MW will be added to the Martin and Fort Myers power plants in 2001 and 2003, respectively.
- Five new gas combined-cycle units are planned for the second half of the decade, two at the Martin site and one per year in 2007, 2008 and 2009 at sites to be selected.

<sup>(1)</sup> Excludes interchange power sales.

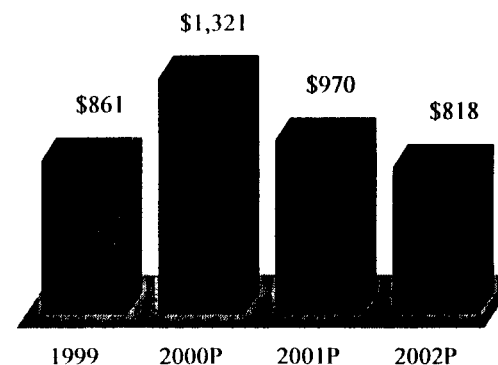
<sup>(2)</sup> Forecasted system capacity reflects the capacity projected to be in service by June in order to meet summer peak load. Projected peak load includes effect of existing energy conservation. Demand side management includes load management, load control and incremental energy conservation.

<sup>(3)</sup> Based on net peaking capability.

**FPL****Capital Expenditures**

- Capital expenditures in 1999 were above prior levels due to initial costs related to the Ft. Myers and Sanford Plant repowerings and increased spending to improve distribution reliability.
- The net book value of FPL's nuclear generation facilities has been reduced from \$762/kw in 1994 to \$447/kw in 1999. Likewise, the net book value of FPL's fossil generation facilities has been reduced from \$203/kw in 1994 to \$132/kw in 1999.
- FPL's capital expenditures for the 2000-2002 period are expected to be approximately \$3.1 billion. Expenditures reflect the ongoing repowering of the Ft. Myers and Sanford plants and the construction of two peaking units. The repowerings are scheduled to be completed by 2002 and 2003, respectively, and will more than double the plants' capacity. 300 MW of peaking capacity will be added to the Martin Power Plant in 2001 and 300 MW of peaking capacity will be added to the repowered Fort Myers site in 2003.

**FPL Capital Expenditures**  
(\$ Millions)

**Capital Expenditures (\$ Millions)**

Generation	
Transmission	
Distribution	
General	
<b>Total Capital Expenditures</b>	
Long-Term Debt Maturities	
<b>Total Capital Requirements</b>	

Actual 1999	Projected		
	2000	2001	2002
\$ 272			
75			
381			
133			
861	1,321	970	818
230			
<b>\$ 1,091</b>	<b>\$ 1,446</b>	<b>\$ 970</b>	<b>\$ 818</b>

**Duke / New Smyrna Merchant Plant**

- On March 4, 1999, the FPSC approved construction of the state's first merchant plant, a 514-megawatt facility near New Smyrna Beach.
- The FPSC's decision was challenged by FPL, Florida Power Corp. and Tampa Electric Co.
- On April 20, 2000, the Florida Supreme Court reversed the FPSC's approval saying the FPSC is not authorized to approve power plants of more than 75 MW for non-utilities.
- In early May, Duke and the FPSC requested the Florida Supreme Court to rehear the case.
- In mid-May, the FPSC voted to put on hold four requests to build merchant power plants until the State Supreme Court resolves appeals regarding the April 20th ruling.

**Florida Legislation**

- A Committee of the Florida legislature voted to establish a commission to review energy policy in the state, but the full legislature did not vote on a bill.

**Energy Study Commission**

- Governor Jeb Bush has signed an executive order creating the Energy 2020 Study Commission. This new commission is charged with proposing an energy plan and strategy for Florida.
- The commission will consist of 17 members including two members appointed by the State Senate and two members appointed by the State House of Representatives. In addition, the Chairman of the Florida Public Service Commission and the Public Counsel will serve in an advisory capacity as non-voting members of the commission.
- Appointments to the commission should be made by July 17 with the first meeting scheduled for September. The commission will then make recommendations to the Legislature and the Governor by December 1, 2001.
- When he announced the creation of the commission, Governor Bush stated, "The Energy 2020 Study Commission provides the framework for an appropriate energy planning process and policy."
- Among the issues the commission will address are:
  - Current and future reliability of electric and natural gas supply
  - Emerging energy supply and delivery options
  - Electrical industry competition
  - Environmental impact of energy supply
  - Energy conservation and
  - Fiscal impacts of energy supply options on taxpayers and energy providers
- FPL is supportive of the Governor's action and would hope to be an active participant in this important study.



**Rate Reduction**

- On March 16, 1999, the Florida Public Service Commission (FPSC) approved a three-year agreement regarding FPL's retail base rates, authorized regulatory return on equity (ROE), capital structure and other matters.
- The agreement sets forth a revenue sharing mechanism for each of the three years covered by the agreement, whereby retail base rate revenues in excess of a stated threshold will be shared with customers on the basis of two-thirds refunded to customers and one-third retained by FPL. Retail base rate revenues in excess of a second threshold will be refunded 100% to customers.

**Transmission**

- In response to FERC rulemaking with regard to transmission ownership, FPL philosophically believes that a TRANSCO makes more sense for Florida.
  - A TRANSCO is a truly independent organization whose focus will be to serve the transmission customers needs.
  - A TRANSCO can act as the RTO for all transmission owners in Florida that choose to transfer operational control of their facilities to the TRANSCO.
  - A TRANSCO has the incentive to:
    - > be cost efficient (a single entity that leases, owns, and/or operates facilities)
    - > improve customer service and expand transmission facilities to meet the customer and market needs
    - > provide reliable service
- A TRANSCO structure provides an effective means to raise capital for construction of new transmission assets to improve system access and system reliability.
- FPL has had discussions and participated in workshops with both FERC and FPSC staff to explore transmission issues and ramifications.

	<u>Actual</u>	<u>Projected</u>		
	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
<b>Cash Generated</b>				
Cash Flow from Operations	\$ 1,484			
Capital Expenditures	(861)			
Dividends to FPL Group	(586)			
Other	(52)			
Total Generated / (Used)	<u>(15)</u>			
<b>Financing Plan</b>				
Issuance of Long-Term Debt	224			
Retirements of Long-Term Debt and Preferred Stock	(455)			
Equity from FPL Group	--			
Change in Cash/Short-Term Debt	246			
Total Financing	<u>\$ 15</u>			
<b>Cash / (Short-Term Debt) Balance</b>	<b>\$ (94)</b>			

• Cash Flows from Operations are forecasted to decrease in 2000 due to the full-year effect of the rate reduction which began April 15, 1999, and the timing of recovery of deferred fuel costs.

	Actual	Projected		
	1999	2000	2001	2002
<b>Capital Structure:</b>				
Debt (Including Commercial Paper)	\$ 2,298			
Preferred	226			
Equity	4,793			
<b>Total</b>	<b>\$ 7,317</b>			
<b>Capitalization Ratios:</b>				
Debt (Including Commercial Paper)	31.4%			
Preferred	3.1%			
Equity	65.5%			
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
Funds From Operations (FFO)	\$ 1,359			
Cash Paid for Interest	\$ 171			
Average Total Debt	\$ 2,360			
<b>FFO Interest Coverage</b>	<b>9.4x</b>			
<b>FFO / Average Total Debt</b>	<b>57.6%</b>			
Pre-tax Income	\$ 918			
Interest Expense	\$ 163			
<b>Pre-Tax Interest Coverage</b>	<b>6.6x</b>			
<b>Net Cash Flow to Capital Expenditures</b>	<b>86.4%</b>			

**Debt Ratio**



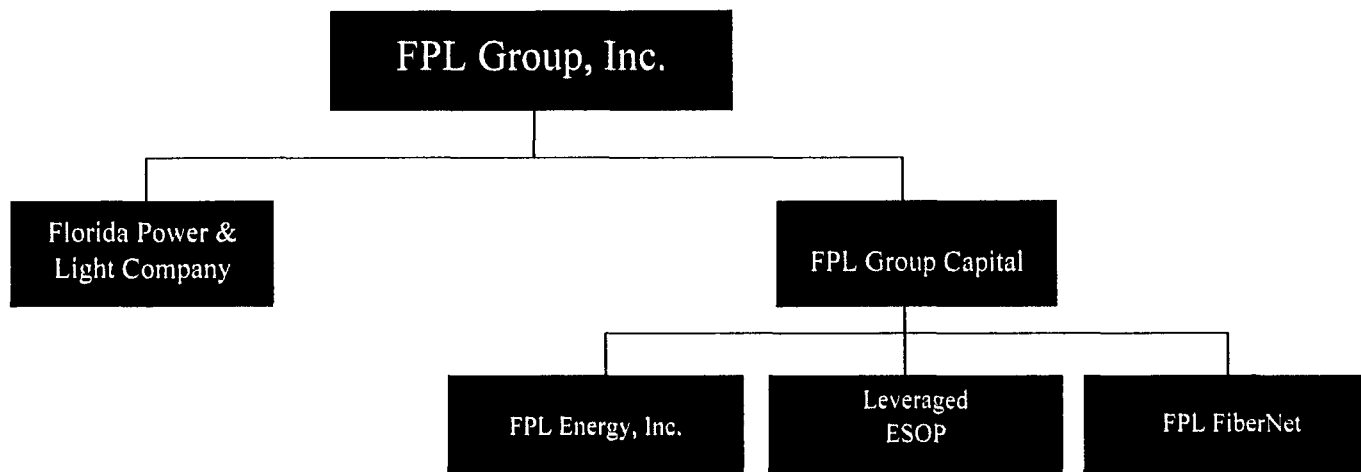
**Pre-Tax Interest Coverage**





## FPL Group Corporate Structure

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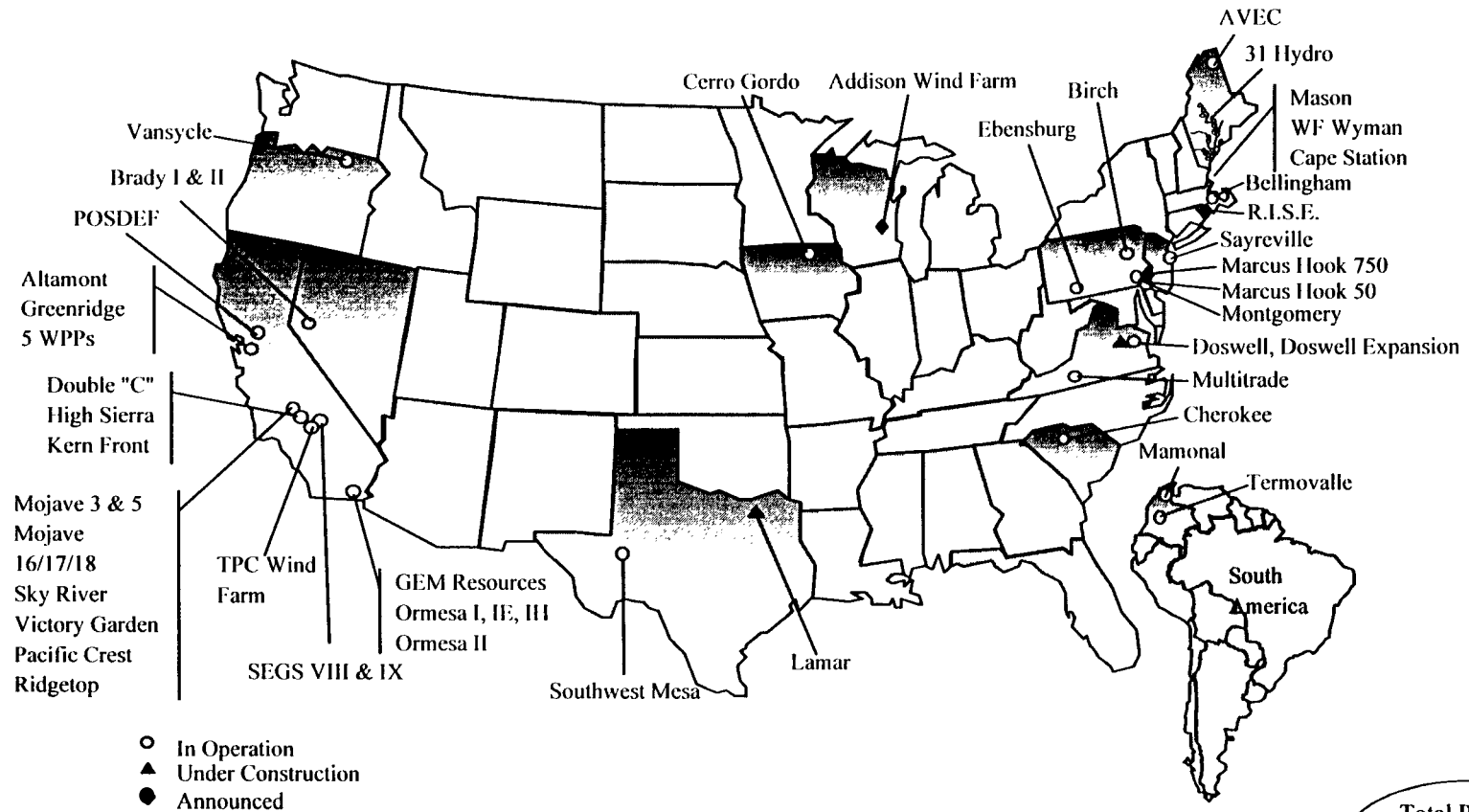
- In 1999, Adelphia Communications paid a total of \$257 million in cash for Adelphia shares held by FPL Group Capital and FPL Group Capital's investment in a Florida cable company.
- At the beginning of 2000, FPL Group formed a new subsidiary, FPL FiberNet LLC. FPL FiberNet acquired an inter-city fiber- network from FPL and is selling fiber-optic network capacity on a wholesale basis to telephone, cable television, Internet service providers and other telecommunications companies in Florida.



**FPL Energy LLC Project Locations**

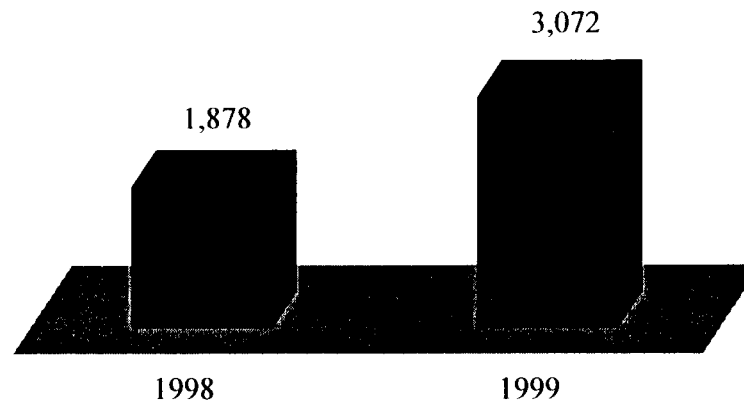
**FPL Energy Generating Facilities  
Regional Focus**

(net MW in operation, under construction or announced)



Total Portfolio  
5,512 net MW

**Net Megawatts In Operation at Year-End**

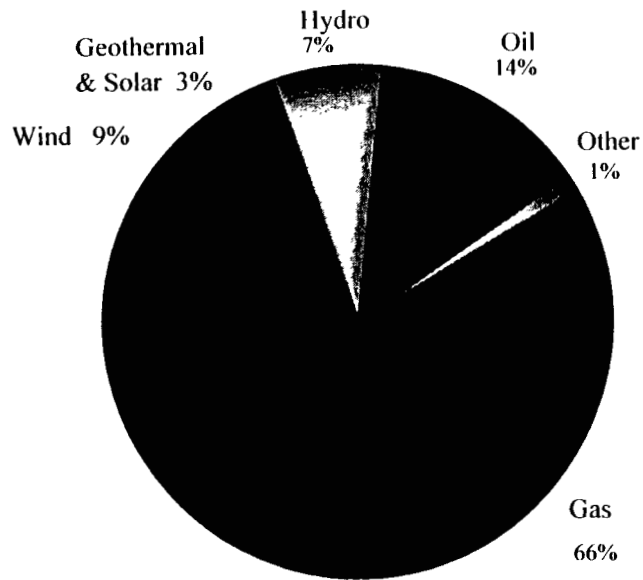


**Current Projects**

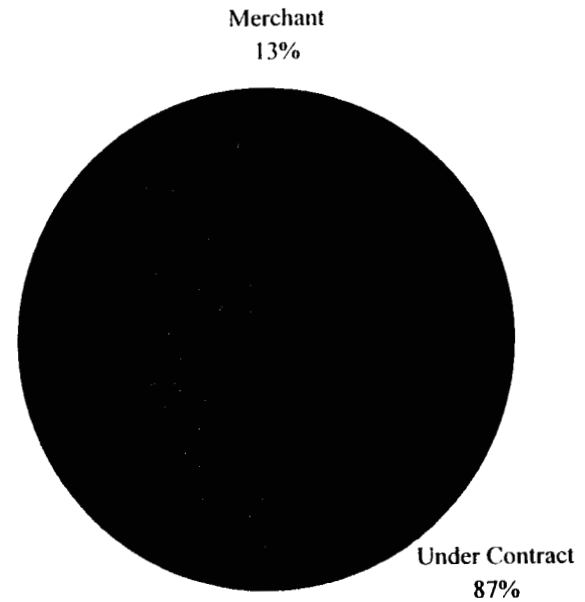
- In July 2000, FPL Energy is expecting to place in commercial operations a 1,000 MW gas fired facility near Paris, Texas.
- FPL Energy also began the construction of a 170 MW gas/oil fired peaking facility at the existing Doswell site. Commercial operation is scheduled to begin in mid-2001.
- FPL Energy plans to construct, own and operate a 500 MW natural gas-fired combined cycle plant in Rhode Island with commercial operations expected in late 2002.
- FPL Energy also has plans to construct, own and operate a 750 MW natural gas-fired combined cycle facility in Marcus Hook, Pennsylvania. Construction of the facility is expected to be completed in the fourth quarter of 2002.

### Generation by Energy Source

(net Megawatts in operation, announced or under construction)



### Percent of Revenue Under Contract 2000





*FPL FiberNet*

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- FPL FiberNet acquired 1,600 route miles of inter-city fiber network from FPL and is selling network capacity to telephone, cable television, Internet, and other telecommunications companies. Approximately 600 additional route miles are being added in 2000. These route miles are being added in metro areas.

	<u>Today</u>
Route Miles	1,600
Fiber Miles	45,000
Metro Miles	25,000
Backbone Miles	20,000

- The Company plans to expand the network to major cities throughout Florida and expects to complete construction of 15 metropolitan networks by 2002.





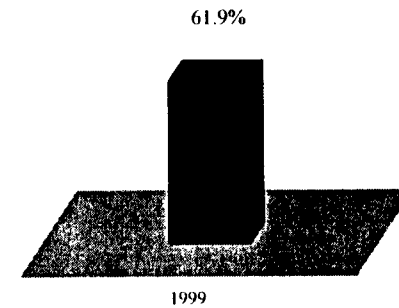
*FPL Group Capital Cash Generation and Financing Plan (\$ millions)*

	Actual	Projected		
	1999	2000	2001	2002
<b>Cash Generated (\$ Millions)</b>				
Net Income Available to FPL Group, Inc.	\$ 138			
Depreciation and Amortization	51			
Deferred Income Taxes	(86)			
Partnership & Joint Equity Earnings	(50)			
Partnerships & J.V. Dividends	75			
Other	3			
Cash Flow From Operations	131			
Independent Power Investments & Other	(1,540)			
Proceeds from sale of Assets & Investments	198			
Other	1			
Cash Generation	\$ (1,210)			
<b>Financing Plan</b>				
Increase in Long-term Debt	1,385			
Reduction in Long - Term Debt	(130)			
Net Contribution from/(Dividend) to FPL Group	127			
Change in Cash / Short - Term Debt	(212)			
Total Financing	\$ 1,170			
<b>Net Cash / (Short-Term Debt) Balance</b>	\$ 131			

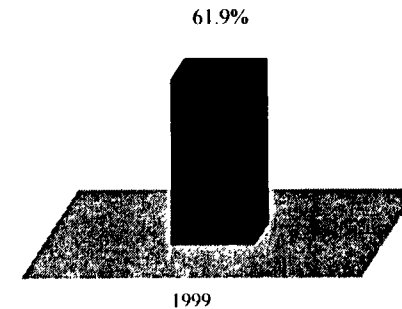
• The financing plan assumes:

	Actual	Projected		
	1999	2000	2001	2002
<b>Capital Structure (including CP)</b>				
Debt	\$ 1,644			
Equity	1,013			
Total	\$ 2,657			
Debt	61.9%			
Equity	38.1%			
Total	100.0%			
<b>Capital Structure (recourse only)</b>				
Recourse Debt	\$ 1,644			
Equity	1,013			
Total	\$ 2,657			
Debt	61.9%			
Equity	38.1%			
Total	100.0%			

**Debt Ratio  
(Total Debt)**



**Debt Ratio  
(Recourse Debt)**





*Financial Indicators (\$ millions)*

	Actual			
	1999	2000	2001	2002
<b>Funds From Operations (FFO)</b>				
Net Income	\$ 138			
Depreciation	51			
Deferred Taxes	(86)			
Equity in J.V. and Partnership Earnings	(50)			
J.V. & Partnership Dividends	75			
Asset Impairment	176			
(Gain)/Loss on Sale of Investments	(274)			
Other	101			
Funds From Operations	<u>\$ 131</u>			
Cash Paid for Interest				
Total Debt	\$ 50			
Recourse Debt	\$ 50			
Average Debt				
Total Debt	\$ 1,020			
Recourse Debt	\$ 1,020			
<b>FFO Interest Coverage</b>				
Total Debt	3.1x			
Recourse Debt	3.1x			
<b>FFO / Average Total Debt</b>				
Total Debt	12.8%			
Recourse Debt	12.8%			
Pre-tax Income	\$ 110			
Interest Expense	\$ 58			
<b>Pre-tax Interest Coverage</b>	2.9x			



## *GE Combustion Turbine Agreement*

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- Two master agreements
  - "F" Technology Combustion Turbines and Centerline Installation \$2.0 Billion
  - Parts, repairs and on-site services \$1.7 Billion
  
- Covers 66 turbines to be delivered between 2000 and 2004. It is projected that 9 turbines will be shipped in 2000, 13 in 2001, 16 in 2002, 14 in 2003, and 14 in 2004.
  
- It is anticipated that approximately one-third of the turbines will be used by Florida Power & Light Company for repowerings at Fort Myers and Sanford and for new peaking units at Martin and Fort Myers. The remaining turbines will be used by FPL Energy.
  
- The Company makes a 5% pre-payment for the turbines two-years in advance. There are no termination payments applicable on the first 22 turbines. On the remaining 44 turbines, termination payments begin at 2.5% for termination 25 months before shipping and increase to 34.0% for a termination one-month before shipping.



**Consolidated Cash Generation and Liquidity**

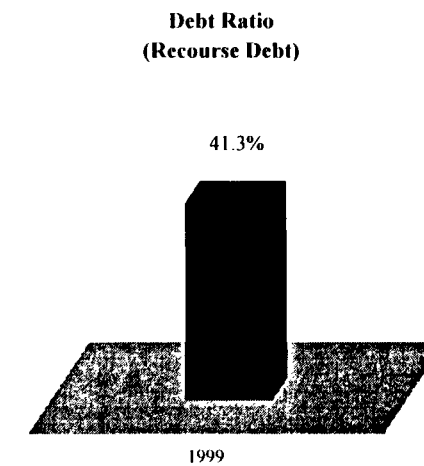
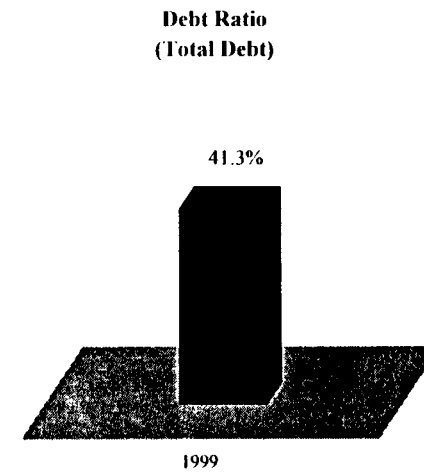
	Actual	Forecast		
	1999	2000	2001	2002
<b>Cash Generated (\$ Millions)</b>				
Net Income	\$ 697			
Depreciation and Amortization	1,040			
Increase/(Decrease) in Deferred Income Taxes	(198)			
Other	24			
Cash Flow From Operations	1,563			
Less:				
Capital Expenditures - FPL	(861)			
Dividends Paid	(355)			
Other	244			
Discretionary Cash Flow	\$ 591			
<b>Independent Power Investments &amp; Other</b>	\$ (1,555)			
<b>Financing Plan</b>				
FPL Group Common Equity	(116)			
Increase in Long-Term Debt	1,609			
Retirements of Long-Term Debt and Preferred Stock	(584)			
Change in Cash / Short-Term Debt and Other	55			
Total Financing	964			
Total Uses of Discretionary Cash Flow	\$ (591)			
<b>Cash / (Short-Term Debt) Net Position</b>	\$ 22			

- FPL currently has \$1.2 billion of committed bank lines. FPL Group Capital currently has \$1.5 billion in committed bank lines.



*Financial Indicators (\$ millions)*

	Actual	Projected		
	1999	2000	2001	# 2002
<b>Capital Structure (including CP)</b>				
Debt	\$ 3,943			
Preferred	226			
Equity	5,370			
Total	<u>\$ 9,539</u>			
Debt	41.3%			
Preferred	2.4%			
Equity	56.3%			
Total	<u>100.0%</u>			
<b>Capital Structure (recourse only)</b>				
Recourse Debt	\$ 3,943			
Preferred	226			
Equity	5,370			
Total	<u>\$ 9,539</u>			
Debt	41.3%			
Preferred	2.4%			
Equity	56.3%			
Total	<u>100.0%</u>			





**Financial Indicators (\$ millions)**

	Actual	Projected		
	1999	2000	2001	2002
<b>Funds From Operations (FFO)</b>				
Net Income	\$ 697			
Depreciation	955			
Deferred Taxes	(198)			
Equity in J.V. and Partnership Earnings	(50)			
J.V. & Partnership Dividends	75			
Asset Impairment	176			
(Gain)/Loss on Sale of Investments	(274)			
Other	117			
<b>Funds From Operations</b>	<b>\$ 1,498</b>			
<b>Cash Paid for Interest</b>				
Total Debt	\$ 221			
Recourse Debt	\$ 221			
<b>Interest Expense</b>				
Total Debt	\$ 222			
Recourse Debt	\$ 222			
<b>Average Debt</b>				
Total Debt	\$ 3,379			
Recourse Debt	\$ 3,379			
<b>FFO Interest Coverage</b>				
Total Debt	7.7x			
Recourse Debt	7.7x			
<b>FFO / Average Total Debt</b>				
Total Debt	44.3%			
Recourse Debt	44.3%			
<b>Pre-tax Income</b>				
Pre-tax Income	\$ 1,020			
Interest Expense	\$ 222			
<b>Pre-tax Interest Coverage</b>				
Pre-tax Interest Coverage	5.6x			
<b>Net Cash Flow to Capital Expenditures</b>				
Net Cash Flow to Capital Expenditures	47.6%			



## *Conclusions*

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### **Florida Power & Light Company:**

- Continues to maintain excellent operations; both nuclear and fossil plants running at near record levels.
- Sales growth projected to exceed 3% per year.
- Regulatory uncertainty resolved:
  - Lowest electric rates in Florida.
  - Incentive to continue cost reductions.
  - Allowance for special depreciation at Company's discretion.
  - Favorable Florida Supreme Court ruling on Merchant Plants.
- Strong financial position:
  - One of the best balance sheets in the industry.
  - Cash flow from operations in excess of capital expenditures.
- Book value of nuclear and fossil plants has been reduced substantially.

### **FPL Energy**

- FPL Energy has developed a strong and diverse investment portfolio.
- Continued focus on project control.
- Over 87% of project revenues derived from contracts.
- Access to FPL expertise.
- Management committed to maximizing project returns within existing portfolio.
- Disciplined investment approach.

### **FPL FiberNet**

- Acquired FPL's existing long-haul inter-city fiber network.
- Construction of metropolitan networks in 15 major cities in Florida by 2002.
- Signed and negotiated contracts represent only 6% of the fiber capacity.





# **Rating Agency Presentation**

**2001**



2000 Summary

**Net Income**

Florida Power & Light Company  
 FPL Group Capital & Corporate  
 Total

*(\$ millions, Except Per Share Amounts)*

2000	1999	Change
\$ 607	\$ 576	31
97	121	(24)
<u>\$ 704</u>	<u>\$ 697</u>	<u>\$ 7</u>

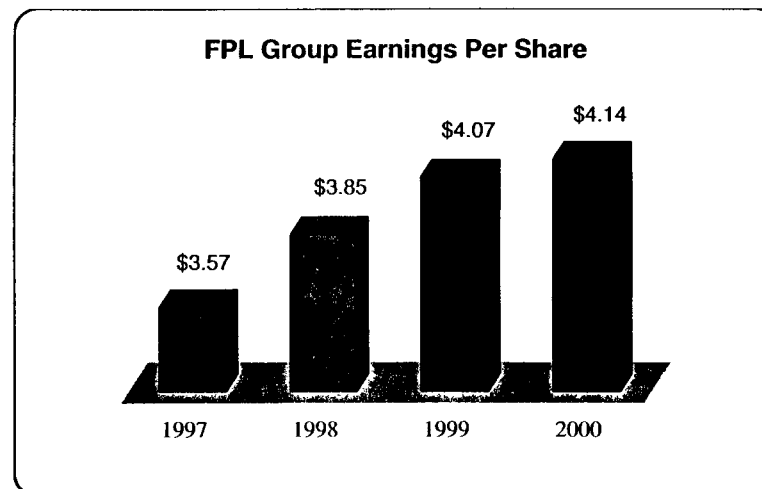
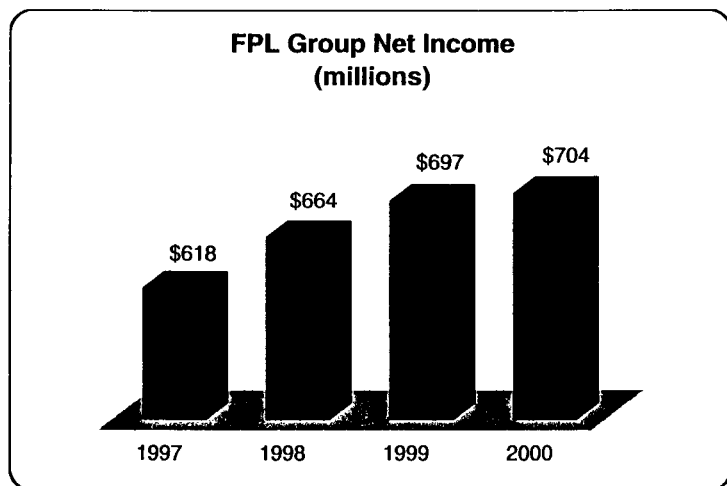
**Earnings Per Share ("EPS")**

Florida Power & Light Company  
 FPL Group Capital & Corporate  
 Total

\$ 3.57	\$ 3.36	0.21
0.57	0.71	(0.14)
<u>\$ 4.14</u>	<u>\$ 4.07</u>	<u>\$ 0.07</u>

**Weighted Average Shares Outstanding (millions)**

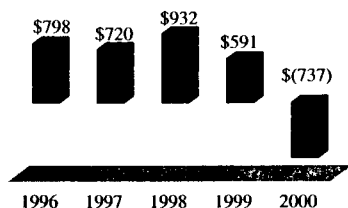
170                      171                      (1)





2000 Summary (cont'd)

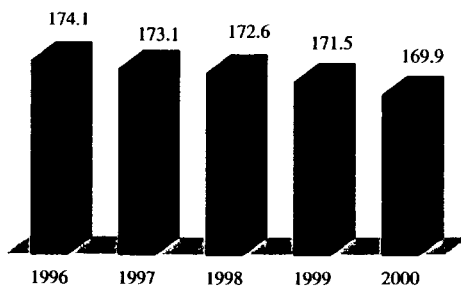
**Discretionary Cash Flow**  
(\$ millions)



- In February 2001, FPL Group raised its annual dividend by 4% to \$2.24 per share. This increase brings the payout ratio to 54% of 2000 EPS.
- FPL Group issued a net of \$440 million principal amount of long-term debt during 2000.

The decrease in discretionary cash flows in 2000 is attributable to increased capital expenditures at FPL for the Ft. Myers and Sanford re-powering projects. High fuel costs and the payment to settle certain purchase power obligations have also significantly contributed to the decline in discretionary cash flows in 2000.

**Average Shares Outstanding**  
(millions)



**Uses of Discretionary Cash**  
(\$ Millions)

	<u>2000</u>	<u>1999</u>	<u>1998</u>
Investment in Energy Related Business	507	1,540	329
Other Investments	(89)	(15)	-
Net debt (issuance) reduction	(1,251)	(1,254)	408
Common stock repurchases	150	116	62
Increase (decrease) in cash and cash equivalents	(232)	174	133
<b>Discretionary Cash Flow</b>	<u><u>(\$737)</u></u>	<u><u>\$591</u></u>	<u><u>932</u></u>

**Customer Growth**

- FPL added almost 92,000 customer accounts in 2000, representing an increase of 2.5%.
- Energy sales (excluding interchange sales) were 89,100 million kWh, a 4.4% increase over 1999.

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- FPL lowered per kilowatt operations and maintenance cost for the tenth consecutive year in 2000 to a level 40% lower than they were in 1990.

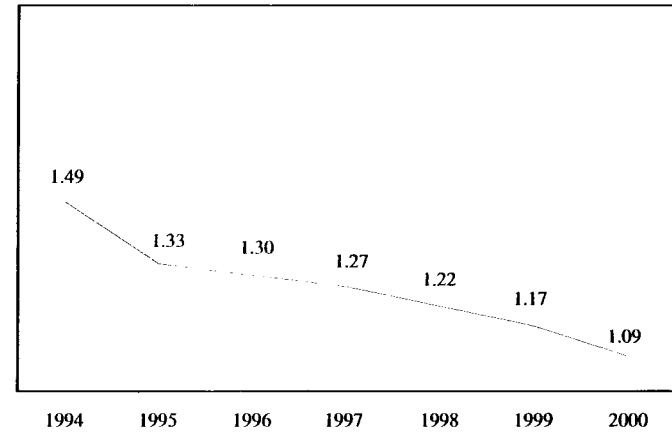
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**Customer Care**

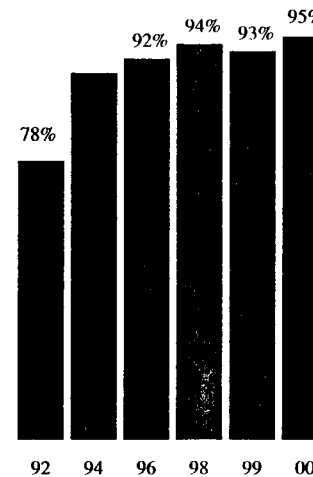
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**Aggressive Cost Reduction  
O&M Expenses\*  
(cents per kWh)**

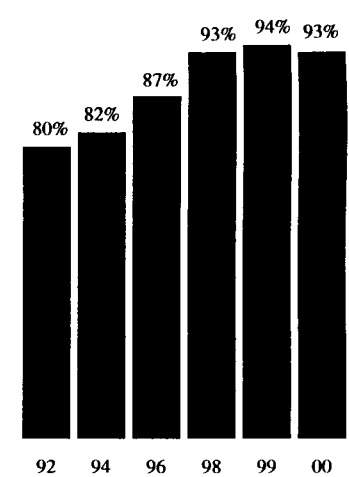


\* Excludes fuel, purchased power and conservation expenses. 1999 excludes non-recurring FMPA settlement.

**Fossil Availability**



**Nuclear Availability**



	Actual	Forecast					Average
	2000	2001	2002	2003	2004	2005	Growth Rate 2001-2005
<b>Customers and Sales:</b>							
Average Customer Accounts (thousands)	3,848						
Energy Sales (million kWh) <sup>(1)</sup>	89,100						
	Actual	Forecast					
	2000	2001	2002	2003	2004	2005	
<b>System Capacity (mw)<sup>(2)</sup>:</b>							
Company Plants <sup>(3)</sup>	16,864	17,704	17,915	19,170	19,170	20,762	
Purchased Power	2,205	2,395	3,165	3,165	3,165	2,180	
Total Capacity	<u>19,069</u>	<u>20,099</u>	<u>21,080</u>	<u>22,335</u>	<u>22,335</u>	<u>22,942</u>	
Summer Peak Load	17,808	18,150	18,801	19,507	19,964	20,433	
Demand Side Management	2,281	1,406	1,485	1,560	1,639	1,718	
Firm Summer Peak	<u>15,527</u>	<u>16,744</u>	<u>17,316</u>	<u>17,947</u>	<u>18,325</u>	<u>18,715</u>	
<b>Reserve Margin (%)</b>	13	20	22	24	22	23	

- FPL will meet future growth by expanding its system capacity by 6,300 MW or about 31% over the next ten years.
- Plans call for adding 900 MW by repowering the Fort Myers plant by 2002, followed by an additional 1,150 MW with the Sanford repowering by 2003.
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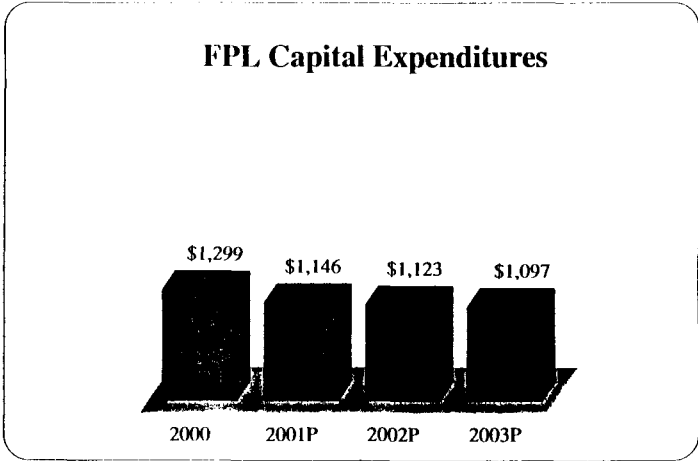
<sup>(3)</sup> Based on net peaking capability.



**FPL**

**Capital Expenditures (\$ millions)**

- Capital expenditures in 2000 were above prior levels due to initial costs related to the Ft. Myers and Sanford Plant repowerings and increased spending to improve distribution reliability.
- FPL's capital expenditures for the 2001-2003 period are expected to be approximately \$3.4 billion. Expenditures reflect the ongoing repowering of the Ft. Myers and Sanford plants and the construction of two peaking units. The repowerings are scheduled to be complete by 2002 and 2003, respectively, and will more than double the plants' capacity. 300 MW of peaking capacity will be added to Martin Power Plant in 2001 and 300 MW of peaking capacity will be added to the repowered Fort Myers site in 2003.
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**Capital Expenditures**

Generation  
Transmission  
Distribution  
General

**Total Capital Expenditures**  
Long-Term Debt Maturities  
**Total Capital Requirements**

Actual 2000	Projected		
	2001	2002	2003
\$ 608			
106			
445			
140			
1,299	1,146	1,123	1,097
125	--	--	170
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  - The commission report proposes a transition period to ensure customers benefit from an orderly move to a competitive market.
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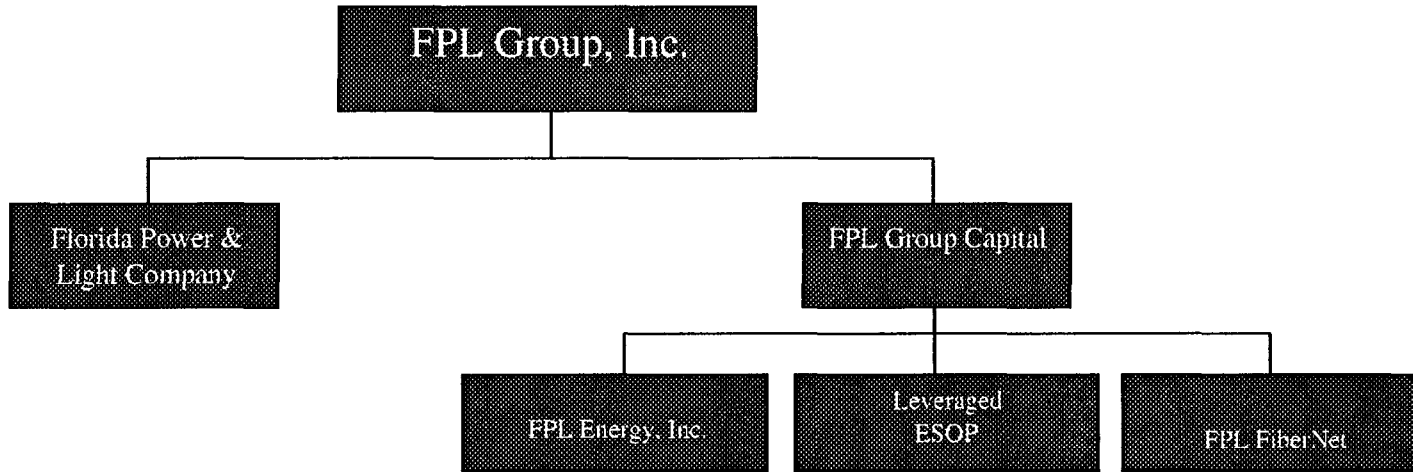
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*FPL Group Corporate Structure*

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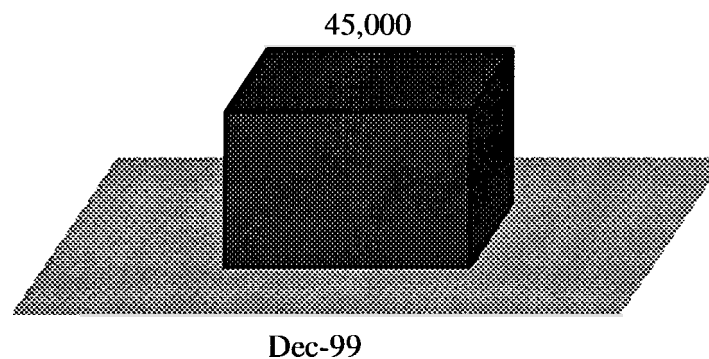


- In 1999, Adelphia Communications paid a total of \$257 million in cash for Adelphia shares held by FPL Group Capital and FPL Group Capital's investment in a Florida cable company.
- At the beginning of 2000, FPL Group launched a new subsidiary, FPL FiberNet LLC, to sell fiber-optic network capacity on a wholesale basis to telephone, cable television, Internet service providers and other telecommunications companies in Florida.



## Expansion at FPL FiberNet

### Fiber Miles

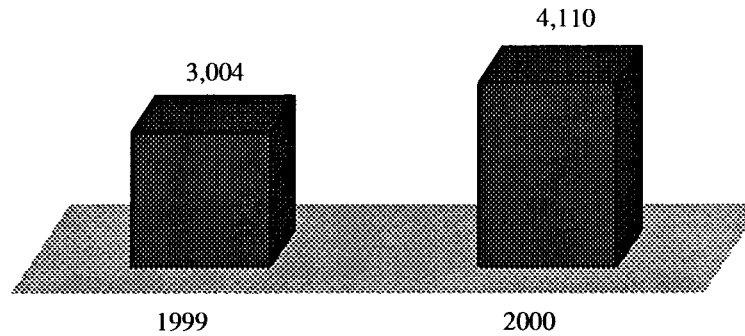


FPL FiberNet provides fiber-optic services and fiber-optic cable to businesses that include cable television, Internet service providers, wireless communications and telecommunications. FiberNet primarily sells dark fiber under long-term contracts.

Beginning with a 1,600-mile fiber optic backbone network, FPL FiberNet has completed construction of metropolitan fiber-optic networks in Mian Fort Lauderdale, Orlando, West Palm Beach, Boca Raton and Tampa. It is the second largest metropolitan area network fiber provider in the United States. Total fiber miles by the end of 2001 are projected to exceed 250,000 miles.

FPL FiberNet, which is an unregulated subsidiary of FPL Group Capital, was profitable in its first year of operation, contributing about four cents to earnings per share. FiberNet is expected to grow rapidly and continue to modestly enhance overall earnings and the value of the company.

**Net Megawatts In Operation at Year-End**



<b>Project</b>	<b>Location</b>	<b>Fuel</b>	<b>Net MW</b>	<b>In-Service Date</b>
Doswell	VA	Gas	171 mw	June 2001
Monfort	WI	Wind	30mw	June 2001
Woodward Mtn.	TX	Wind	160mw	Late 2001
Stateline	WA/OR	Wind	300mw	Late 2001
King Mountain	TX	Wind	278mw	Late 2001
Gray County	KS	Wind	110mw	Late 2001
RISE (P)	RI	Gas	535mw	Mid - 2002
Bastrop	TX	Gas	268mw	Mid - 2002
Blythe	CA	Gas	520mw	Late 2002
Calhoun	AL	Gas	668mw	Mid - 2003
Forney	TX	Gas	1,700mw	Mid - 2003
Marcus Hook	PA	Gas	744mw	Late 2003

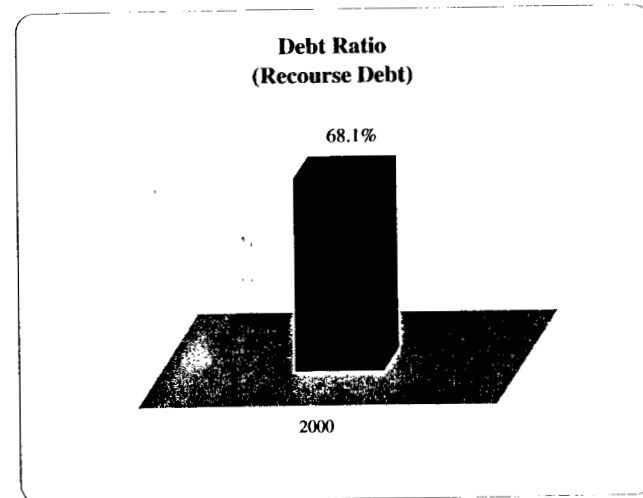
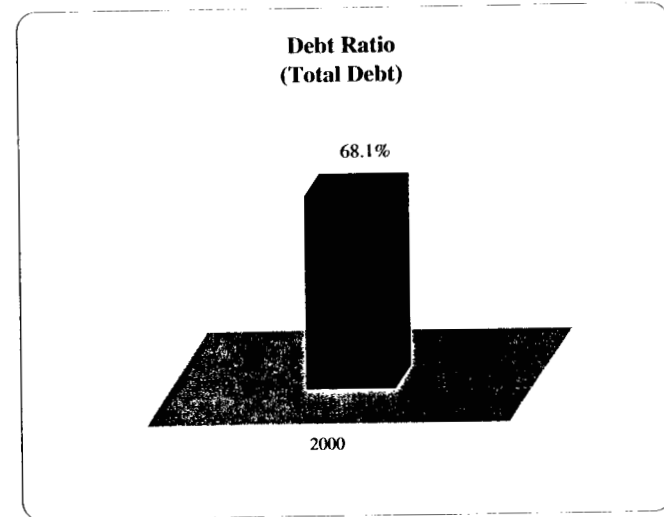


**FPL Group Capital Cash Generation and Financing Plan (\$ millions)**

	<u>Actual</u> <u>2000</u>	<u>2001</u>	<u>Projected</u> <u>2002</u>	<u>2003</u>
<b>Cash Generated</b>				
Net Income Available to FPL Group, Inc.	\$ 118			
Depreciation and Amortization	57			
Deferred Income Taxes	30			
Partnership & Joint Equity Earnings	(45)			
Partnerships & J.V. Dividends	80			
Other	(82)			
Cash Flow From Operations	\$ 158			
Independent Power Investments	(507)			
FPL FiberNet Investments	(89)			
Other	55			
Cash Generation	\$ (383)			
<b>Financing Plan</b>				
Increase in Group Capital Debentures	--			
Reduction in Group Capital Debentures	--			
Non-recourse Project Debt/"Equity Like" Security Issuance	--			
Non-recourse Project Debt Repayment	--			
Increase/Decrease Non-recourse Construction Facility	--			
Net Contribution from/(Dividend) to FPL Group	(296)			
Change in Cash / Short - Term Debt	27			
Total Financing	\$ (269)			
<b>Net Cash / (Short-Term Debt) Balance</b>	<b>\$ (548)</b>			

**The financing plan assumes:**

	Actual 2000	Projected
<b>Capital Structure (including CP)</b>		
Debt	\$ 1,998	
Equity	935	
Total	<u>\$ 2,933</u>	
Debt	68.1%	
Equity	31.9%	
Total	<u>100.0%</u>	
<b>Capital Structure (recourse only)</b>		
Recourse Debt	\$ 1,998	
Equity	935	
Total	<u>\$ 2,933</u>	
Debt	68.1%	
Equity	31.9%	
Total	<u>100.0%</u>	





# **Rating Agency Presentation**

**2001**



2000 Summary

**Net Income**

Florida Power & Light Company  
 FPL Group Capital & Corporate  
 Total

*(\$ millions, Except Per Share Amounts)*

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\$ 607	\$ 576	31
97	121	(24)
<u>\$ 704</u>	<u>\$ 697</u>	<u>\$ 7</u>

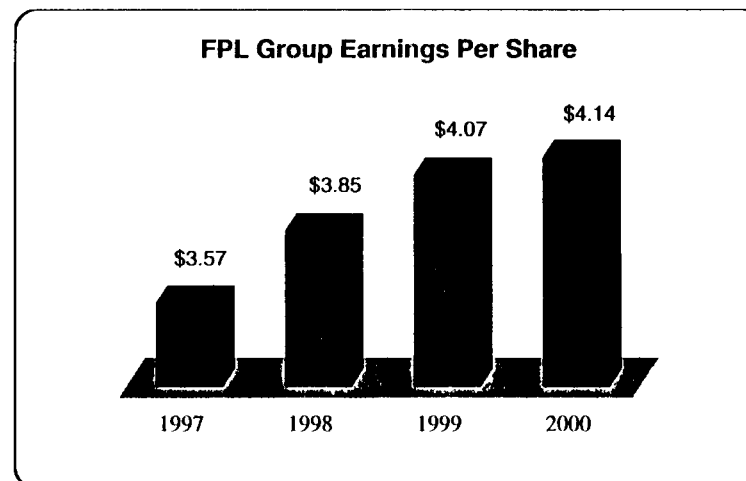
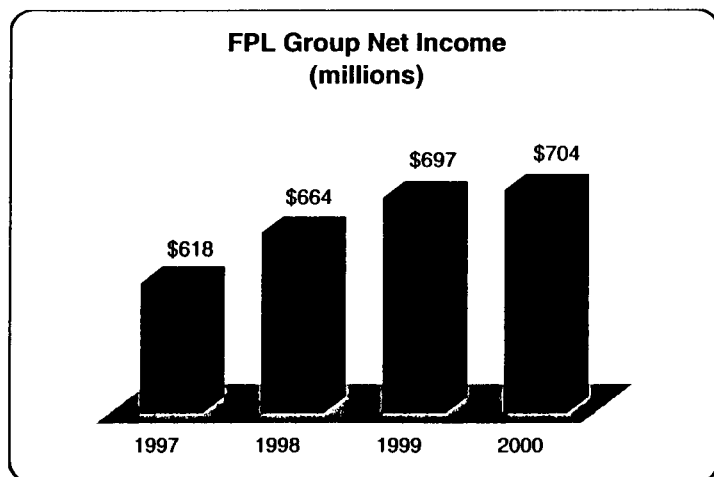
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**Weighted Average Shares Outstanding (millions)**

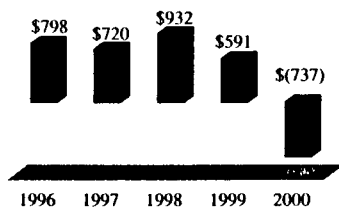
170	171	(1)
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2000 Summary (cont'd)

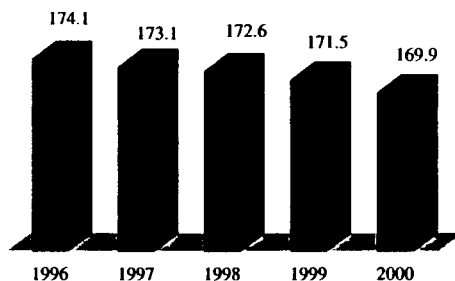
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**Average Shares Outstanding**  
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**Uses of Discretionary Cash**  
(\$ Millions)

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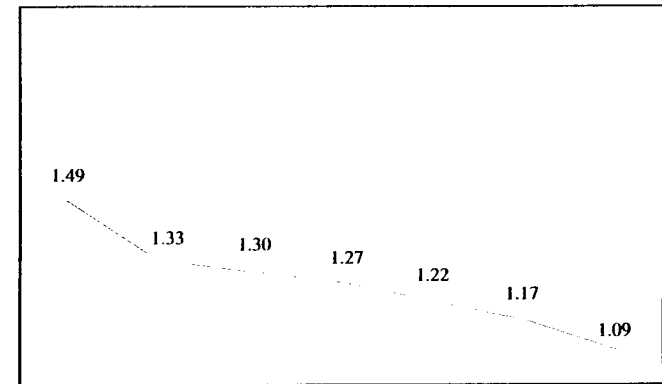
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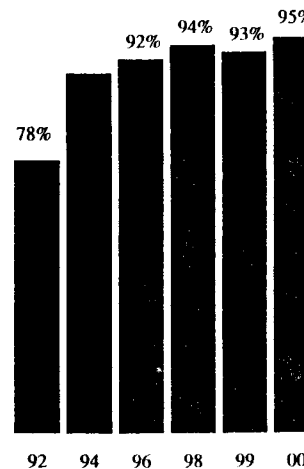
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O&M Expenses\***  
(cents per kWh)

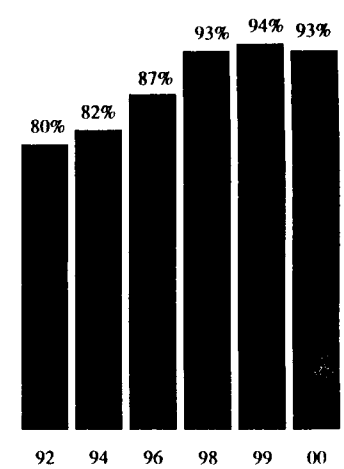


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**Fossil Availability**



**Nuclear Availability**





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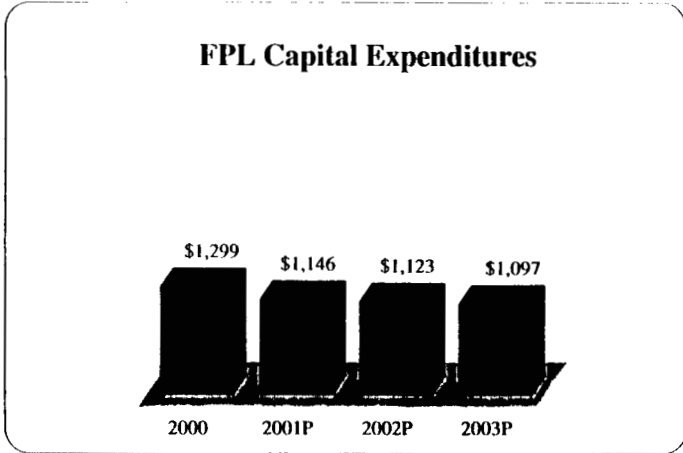
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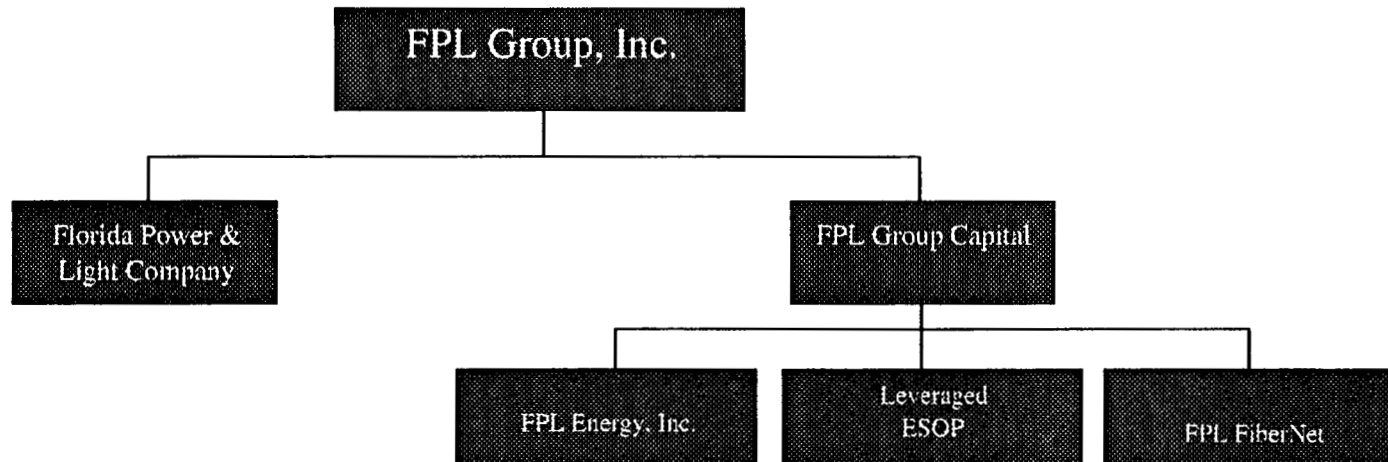
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- Recently, the PSC has questioned whether the formation of GridFlorida will be cost beneficial to customers. As such, we have suspended further activity on GridFlorida until we get further resolution from the PSC and FERC.



*FPL Group Corporate Structure*

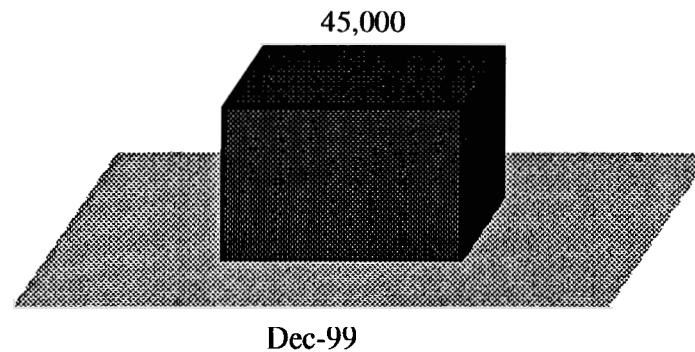
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- In 1999, Adelphia Communications paid a total of \$257 million in cash for Adelphia shares held by FPL Group Capital and FPL Group Capital's investment in a Florida cable company.
- At the beginning of 2000, FPL Group launched a new subsidiary, FPL FiberNet LLC, to sell fiber-optic network capacity on a wholesale basis to telephone, cable television, Internet service providers and other telecommunications companies in Florida.

## Expansion at FPL FiberNet

### Fiber Miles

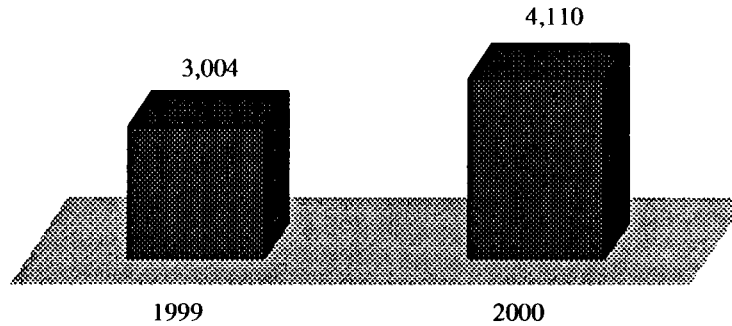


FPL FiberNet provides fiber-optic services and fiber-optic cable to businesses that include cable television, Internet service providers, wireless communications and telecommunications. FiberNet primarily sells dark fiber under long-term contracts.

Beginning with a 1,600-mile fiber optic backbone network, FPL FiberNet has completed construction of metropolitan fiber-optic networks in Miami, Fort Lauderdale, Orlando, West Palm Beach, Boca Raton and Tampa. It is the second largest metropolitan area network fiber provider in the United States. Total fiber miles by the end of 2001 are projected to exceed 250,000 miles.

FPL FiberNet, which is an unregulated subsidiary of FPL Group Capital, was profitable in its first year of operation, contributing about four cents to earnings per share. FiberNet is expected to grow rapidly and continue to modestly enhance overall earnings and the value of the company.

**Net Megawatts In Operation at Year-End**



<b>Project</b>	<b>Location</b>	<b>Fuel</b>	<b>Net MW</b>	<b>In-Service Date</b>
Doswell	VA	Gas	171 mw	June 2001
Monfort	WI	Wind	30mw	June 2001
Woodward Mtn.	TX	Wind	160mw	Late 2001
Stateline	WA/OR	Wind	300mw	Late 2001
King Mountain	TX	Wind	278mw	Late 2001
Gray County	KS	Wind	110mw	Late 2001
RISE (P)	RI	Gas	535mw	Mid - 2002
Bastrop	TX	Gas	268mw	Mid - 2002
Blythe	CA	Gas	520mw	Late 2002
Calhoun	AL	Gas	668mw	Mid - 2003
Forney	TX	Gas	1,700mw	Mid - 2003
Marcus Hook	PA	Gas	744mw	Late 2003

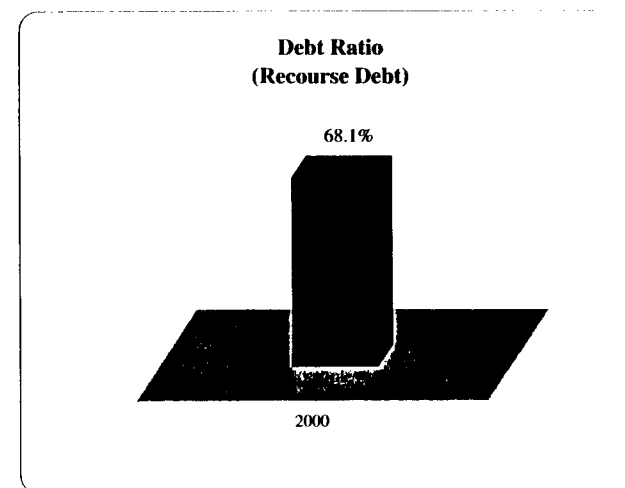
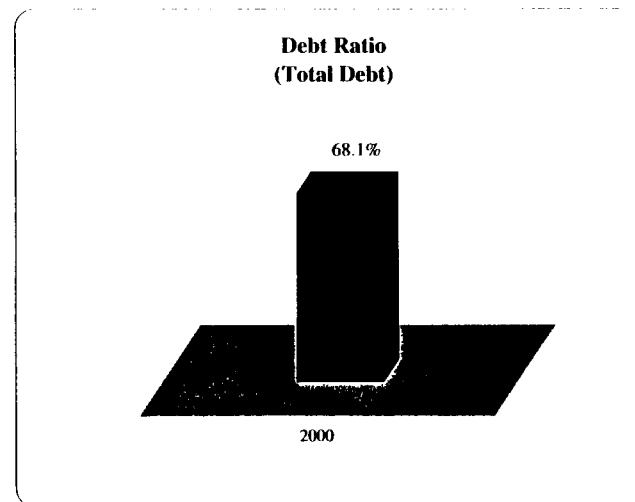


*FPL Group Capital Cash Generation and Financing Plan (\$ millions)*

	Actual	Projected		
	2000	2001	2002	2003
<b>Cash Generated</b>				
Net Income Available to FPL Group, Inc.	\$ 118			
Depreciation and Amortization	57			
Deferred Income Taxes	30			
Partnership & Joint Equity Earnings	(45)			
Partnerships & J.V. Dividends	80			
Other	(82)			
Cash Flow From Operations	\$ 158			
Independent Power Investments	(507)			
FPL FiberNet Investments	(89)			
Other	55			
Cash Generation	\$ (383)			
<b>Financing Plan</b>				
Increase in Group Capital Debentures	--			
Reduction in Group Capital Debentures	--			
Non-recourse Project Debt/"Equity Like" Security Issuance	--			
Non-recourse Project Debt Repayment	--			
Increase/Decrease Non-recourse Construction Facility	--			
Net Contribution from/(Dividend) to FPL Group	(296)			
Change in Cash / Short - Term Debt	27			
Total Financing	\$ (269)			
Net Cash / (Short-Term Debt) Balance	\$ (548)			

The financing plan assumes:

	Actual 2000	Projected
<b>Capital Structure (including CP)</b>		
Debt	\$ 1,998	
Equity	935	
Total	<u>\$ 2,933</u>	
Debt	68.1%	
Equity	31.9%	
Total	<u>100.0%</u>	
<b>Capital Structure (recourse only)</b>		
Recourse Debt	\$ 1,998	
Equity	935	
Total	<u>\$ 2,933</u>	
Debt	68.1%	
Equity	31.9%	
Total	<u>100.0%</u>	





**Florida Power Light Company**  
**2002 Plan/Forecast - Rate Case**  
**(\$ 000)**

	Year 2002	Year 2003
<b>Florida Power &amp; Light</b>		
<b>Revenues</b>		
Total Base Revenue	3,698,694	3,831,746
Revenue refund accrual	(44,060)	
Total retail fuel	2,699,352	
Wholesale Fuel	29,828	
Conservation	80,995	
Environmental	6,140	
Total capacity	590,917	
Deferred	23,705	
Franchise	306,291	
Supplemental GRT	69,253	
Interchange (base only)	7,495	
Non-Electric	110,443	
Total Revenues	<u>7,579,053</u>	
<b>Expenses</b>		
Nuclear Fuel	105,037	
Fossil Fuel	2,040,303	
Additional required generation	(3)	
Purchased Power Energy	401,312	
Total Fuel	<u>2,546,650</u>	
Purchased Power Capacity	565,272	
Fuel Clause Depreciation	3,870	
Total Recoverable	<u>3,115,792</u>	
Deferred Fuel & Capacity	115,817	
Total Non Recoverable	<u>73,281</u>	
Total Fuel	<u>3,304,890</u>	
Base O&M	1,137,584	
Clause O&M	69,090	
Deferred ECCR & ECRC expenses	<u>(2,206)</u>	
Total O&M	1,204,468	
Merger Expenses		
Franchise, GRT, RAF	486,191	
Property & Other Taxes	216,844	
Income tax expense	437,165	
Depreciation	971,175	
Gains & losses on disp of utility prop	<u>(666)</u>	
Total Expenses	6,620,067	
Operating Income	<u>958,986</u>	

**Florida Power Light Company**  
**Income Statement**  
**Base case filed with sales change**  
**(\$ 000)**

	Year 2002	Year 2003
<b>Florida Power &amp; Light</b>		
<b>Revenues</b>		
Total Base Revenue	3,590,469	3,727,906
Revenue refund accrual	(34,827)	
Total retail fuel	2,587,380	
Wholesale Fuel	28,465	
Conservation	80,995	
Environmental	6,115	
Total capacity	590,917	
Deferred	23,505	
Franchise	296,641	
Supplemental GRT	67,071	
Interchange (base only)	7,495	
Non-Electric	110,443	
Total Revenues	<u>7,354,668</u>	
<b>Expenses</b>		
Nuclear Fuel	105,037	
Fossil Fuel	2,040,303	
Additional required generation	(111,571)	
Purchased Power Energy	401,312	
Total Fuel	<u>2,435,082</u>	
Purchased Power Capacity	565,272	
Fuel Clause Depreciation	3,870	
Total Recoverable	<u>3,004,224</u>	
Deferred Fuel & Capacity	115,810	
Total Non Recoverable	<u>73,281</u>	
Total Fuel	<u>3,193,315</u>	
Base O&M	1,137,584	
Clause O&M	69,090	
Deferred ECCR & ECRC expenses	(2,232)	
Total O&M	<u>1,204,443</u>	
Merger Expenses		
Franchise, GRT, RAF	470,872	
Property & Other Taxes	216,844	
Income tax expense	399,770	
Depreciation	971,175	
Gains & losses on disp of utility prop	(666)	
Total Expenses	<u>6,455,752</u>	
<b>Operating Income</b>	<b>898,917</b>	

**Florida Power Light Company**  
**Revised Forecast (with sales reduction other changes)**  
**(\$ 000)**

	Year 2002	Year 2003
<b>Florida Power &amp; Light</b>		
<b>Revenues</b>		
Total Base Revenue	3,590,469	3,727,996
Revenue refund accrual	(34,827)	
Total retail fuel	2,748,628	
Wholesale Fuel	28,465	
Conservation	80,995	
Environmental	6,115	
Total capacity	590,917	
Deferred	8,097	
Franchise	303,772	
Supplemental GRT	68,683	
Interchange (base only)	7,495	
Non-Electric	110,443	
Total Revenues	<u>7,509,253</u>	
<b>Expenses</b>		
Nuclear Fuel	105,037	
Fossil Fuel	2,040,303	
Additional required generation	(111,571)	
Purchased Power Energy	401,312	
Total Fuel	<u>2,435,082</u>	
Purchased Power Capacity	565,272	
Fuel Clause Depreciation	3,870	
Total Recoverable	<u>3,004,224</u>	
Deferred Fuel & Capacity	254,648	
Total Non Recoverable	<u>73,281</u>	
Total Fuel	<u>3,332,153</u>	
Base O&M	1,160,224	
Clause O&M	70,950	
Deferred ECCR & ECRC expenses	(2,232)	
Total O&M	<u>1,228,943</u>	
Merger Expenses		
Franchise, GRT, RAF	482,193	
Property & Other Taxes	216,844	
Income tax expense	392,574	
Depreciation	969,978	
Gains & losses on disp of utility prop	(666)	
Total Expenses	<u>6,622,018</u>	
<b>Operating Income</b>	<b>887,235</b>	

# **ATTACHMENT C**

**Line-By-Line Justification for  
Classification of Confidential Information**

## ATTACHMENT C

**Florida Power & Light Company**  
**Line-By-Line Confidentiality Justification**  
**South Florida Hospital and Healthcare Association**  
**First Set of Interrogatories and Request for Documents**

CERA Reports

<b>Document Title</b>	<b>Page Number</b>	<b>Line Description</b>	<b>Justification</b>
<b>North American Electric Power Watch Spring 2001 - Change Ahead: Power Markets Reaching Inflection Point</b>	1	Overview discussion	Trade secret of CERA ( <i>see</i> Section 366.093(3)(a)); relates to CERA's competitive interests, the disclosure of which would impair CERA's competitive business ( <i>see</i> Section 366.093(3)(e))
Same	3	All	same
Same	4	All	same
Same	5	All	same
Same	6	All	same
Same	7	All	same
Same	8	All	same
Same	9	All	same
Same	10	All	same
Same	11	All	same
Same	12	All	same
Same	13	All	same
Same	14	All	same
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Same	16	All	same
Same	17	All	same
Same	18	All	same
Same	19	All	same
Same	20	All	same
Same	21	All	same
Same	22	All	same

<b>Document Title</b>	<b>Page Number</b>	<b>Line Description</b>	<b>Justification</b>
<b>North American Electric Power: Executive Roundtables - Insight into the energy future</b>	11	All	Trade secret of CERA ( <i>see</i> Section 366.093(3)(a)); relates to CERA's competitive interests, the disclosure of which would impair CERA's competitive business ( <i>see</i> Section 366.093(3)(e))
Same	12	All	same
Same	13	All	same
Same	14	All	same
Same	15	All	same
Same	16	All	same
Same	17	All	same
Same	18	All	same
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<b>Document Title</b>	<b>Page Number</b>	<b>Line Description</b>	<b>Justification</b>
Same	45	All	same
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Same	76	All	same

Financial Projections

<b>Document Title</b>	<b>Page Number</b>	<b>Line Description</b>	<b>Justification</b>
<b>1999 FPL Group Rating Agency Presentation</b>	3	Entry for year 1999 on the "Aggressive Cost Reduction O&M Expenses (cents per kwh)" chart	Disruption of FPL's and FPL Group's process for complying with federal securities laws, resulting in harm to FPL's and FPL Group's business operations ( <i>see</i> Section 366.093(3))

Document Title	Page Number	Line Description	Justification
Same	4	Forecast 1999-2003 and Average Growth Rate 1999-2003 values for <b>Customers and Sales</b> : Average Customer Accounts (thousands) Energy Sales (million kwh)	same
Same	5	Projected 1999-2001 values for <b>Capital Expenditures</b> : Generation, Transmission, Distribution, General, Long-Term Debt Maturities and Sinking Fund Requirements.	same
Same	9	1999-2001 projected values for <b>FPL Cash Generation and Financing Plan</b>	same
Same	10	1. 1999-2001 projected values for <b>Financial Indicators</b> . 2. 1999-2001 projected values on the "Debt Ratio" and "Pre-Tax Interest Coverage" bar charts.	same
Same	11	Middle paragraph regarding divestiture of communications company by FPL Group Capital.	same
Same	13	1999-2001 projected values on the "Net Megawatts in Operation at Year-End" bar chart	same
Same	15	1. 1999-2001 projected values for <b>FPL Group Capital Cash Generation and Financing Plans</b> . 2. Items 2 and 3 under the heading " <b>The financing plan assumes:</b> "	same
Same	16	1. 1999-2001 projected values for <b>Financial Indicators</b> . 2. 1999-2001 projected values on the "Debt Ratio (Total Debt)" and "Debt Ratio	same

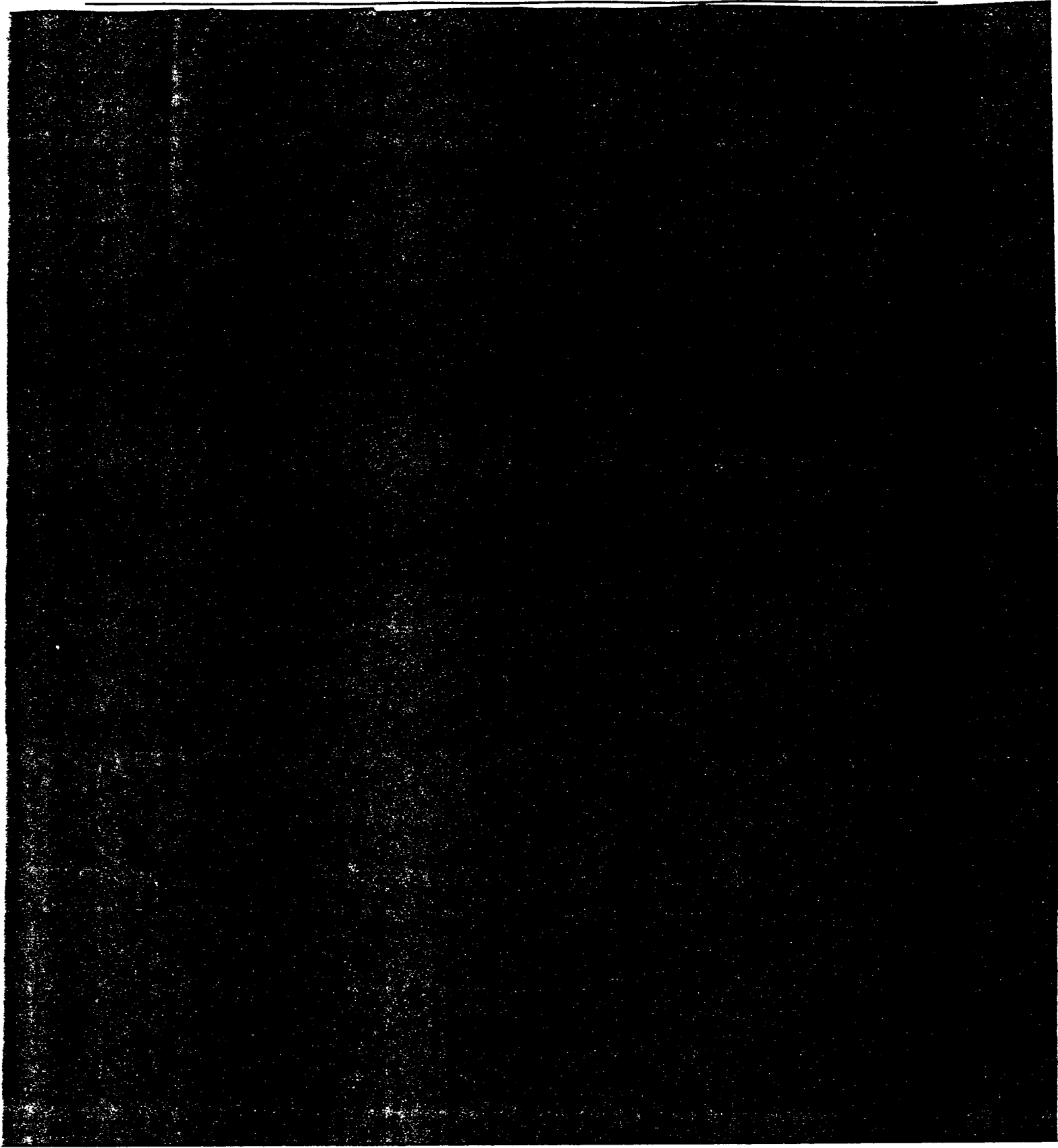


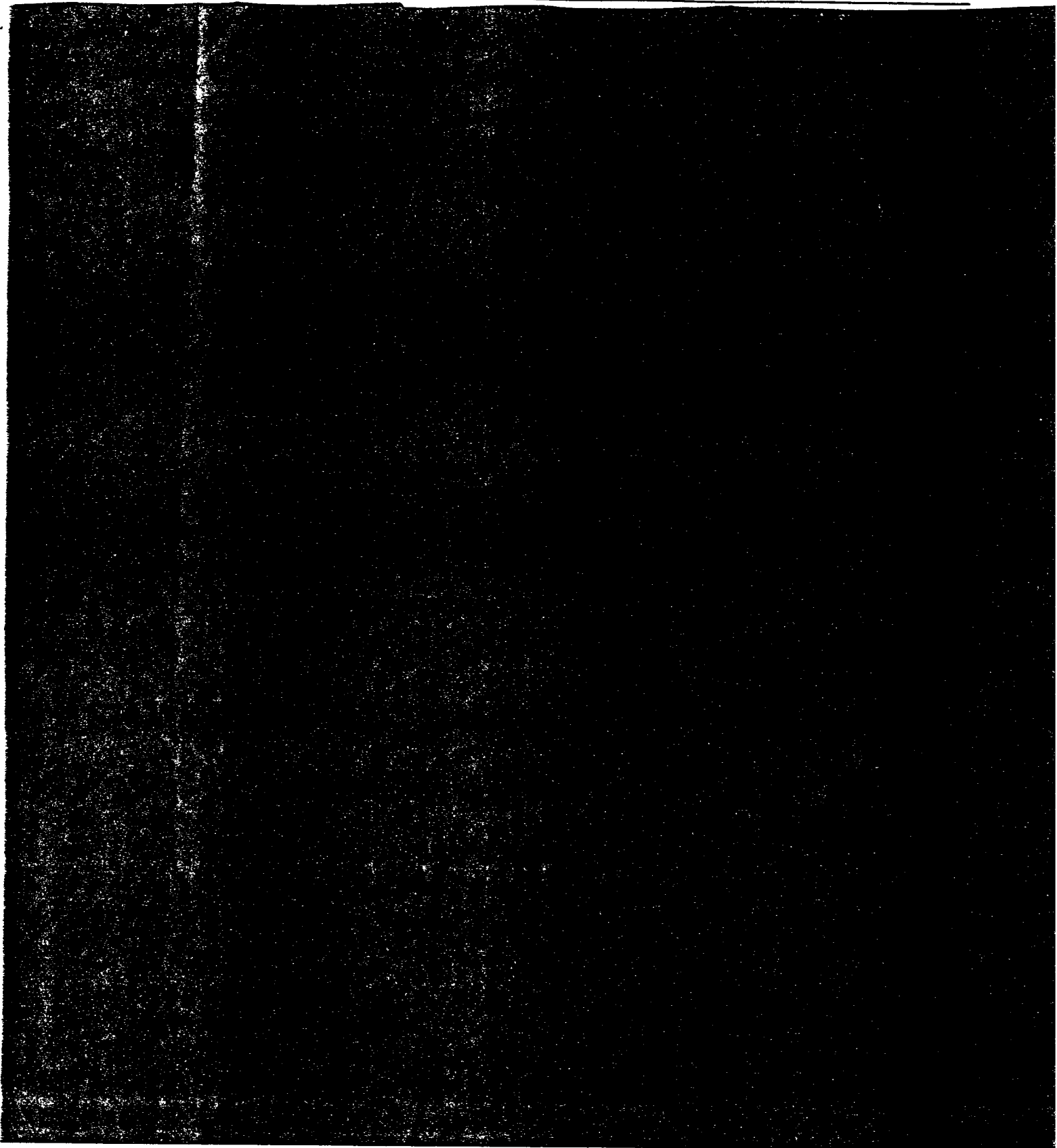
Document Title	Page Number	Line Description	Justification
		(Recourse Debt)" bar charts	
Same	17	1. 1999-2001 values for <b>Financial Indicators</b> . 2. 1999-2001 projected values on the "FFO Interest Coverage" and "FFO/Average Debt" bar charts	same
Same	18	1999-2001 forecast values for <b>Consolidated Cash Generation and Liquidity</b>	same
Same	19	1. 1999-2001 projected values for <b>Financial Indicators</b> . 2. 1999-2001 projected values on the "Debt Ratio" and "Pre-Tax Interest Coverage" bar charts.	same
<b>2000 FPL Group Rating Agency Presentation</b>	3	Entry for year 2000 on the "Aggressive Cost Reduction O&M Expenses (cents per kwh)" chart	Disruption of FPL's and FPL Group's process for complying with federal securities laws, resulting in harm to FPL's and FPL Group's business operations ( <i>see</i> Section 366.093(3))
Same	4	Forecast 2000-2004 and Average Growth Rate 2000-2004 values for <b>Customers and Sales</b> : Average Customer Accounts (thousands); Energy Sales (million kwh)	same
Same	5	2000-2002 projected values for <b>Capital Expenditures</b> : Generation, Transmission, Distribution, General; Long-Term Debt Maturities.	same
Same	8	2000-2002 projected values for <b>FPL Cash Generation and Financing Plans</b> .	same
Same	9	1. 2000-2002 projected values for <b>Financial Indicators</b> .	same

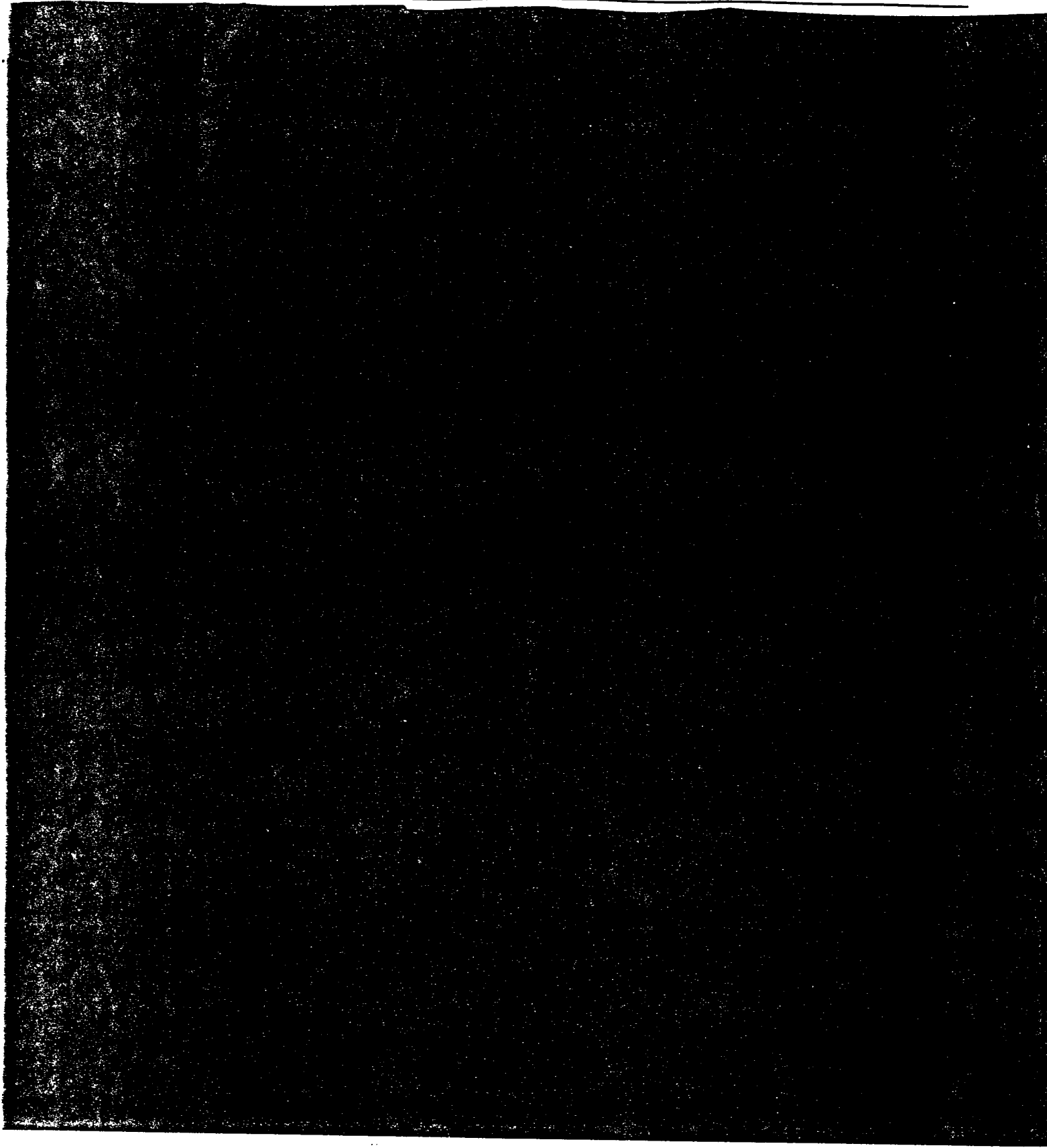
Document Title	Page Number	Line Description	Justification
		2. 2000-2002 projected values on the "Debt Ratio" and "Pre-Tax Interest Coverage" bar charts.	
Same	12	2000-2002 projected values on the "Net Megawatts In Operation at Year-End" bar chart	same
Same	14	1. Estimated year end 2000 route mile values. 2. Second, third and fourth bullet paragraphs	same
Same	15	1. 2000-2002 projected values for <b>FPL Group Capital Cash Generation and Financing Plan.</b> 2. Sentence following " <b>The financing plan assumes:</b> "	same
Same	16	1. 2000-2002 projected values for <b>Financial Indicators.</b> 2. 2000-2002 projected values on the "Debt Ratio (Total Debt)" and "Debt Ratio (Recourse Debt)" bar charts.	same
Same	17	1. 2000-2002 values for <b>Financial Indicators.</b> 2. 2000-2002 projected values on the "FFO Interest Coverage" and "FFO/Average Debt" bar charts.	same
Same	19	2000-2002 forecast values for <b>Consolidated Cash Generation and Liquidity.</b>	same
Same	20	1. 2000-2002 projected values for <b>Financial Indicators.</b> 2. 2000-2002 projected values for "Debt Ratio (Total Debt)" and "Debt Ratio (Recourse Debt)" bar charts.	same
Same	21	1. 2000-2002 projected values	

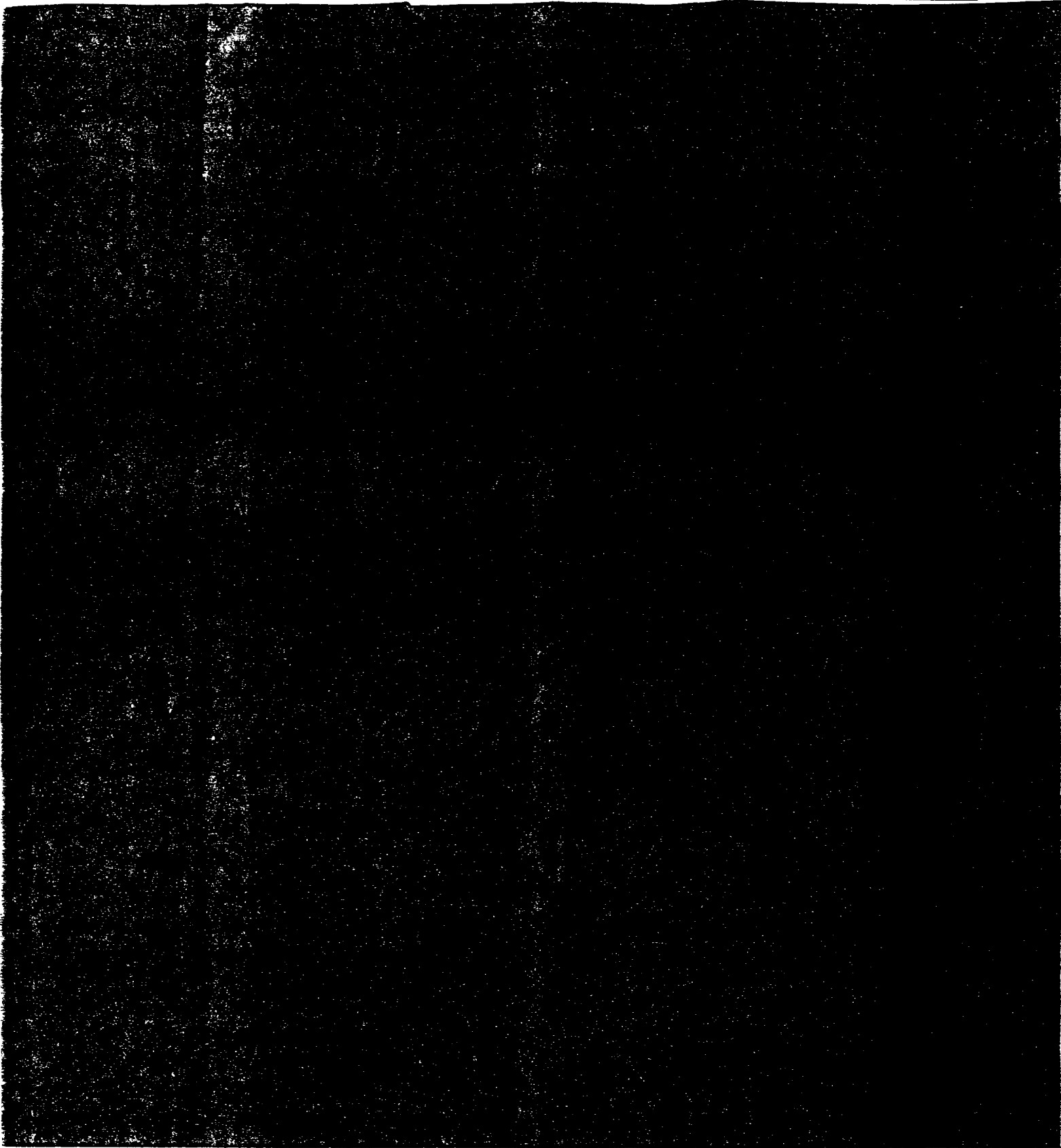
Document Title	Page Number	Line Description	Justification
		for <b>Financial Indicators</b> . 2. 2000-2002 projected values on the "FFO Interest Coverage" and "FFO/Average Total Debt" bar charts.	
<b>2001 FPL Group Rating Agency Presentation</b>	4	Forecast 2001-2005 and Forecast Average Growth Rate 2001-2005 values for <b>Customers and Sales:</b> Average Customer Accounts (thousands); Energy Sales (million kwh)	Disruption of FPL's and FPL Group's process for complying with federal securities laws, resulting in harm to FPL's and FPL Group's business operations ( <i>see</i> Section 366.093(3))
Same	5	2001-2003 projected values for <b>Capital Expenditures:</b> Generation, Transmission, Distribution, General	same
Same	8	Values for December 2000, June 2001, December 2001 on the "Fiber Miles" bar chart.	same
Same	9	1. 2001-2003 projected values on the "Net Megawatts In Operation at Year-End" bar chart. 2. Values for the next-to-last listed project. 3. Net MW value for <b>Total Announced Projects.</b>	same
Same	10	1. 2001-2003 projected values for <b>FPL Group Capital Cash Generation and Financing Plan.</b> 2. Narrative information following " <b>The financing plan assumes:</b> "	same
Same	11	1. 2001-2003 projected values for <b>Financial Indicators.</b> 2. 2001-2003 projected values on the "Debt Ratio (Total Debt)" and "Debt Ratio	same

Document Title	Page Number	Line Description	Justification
		(Recourse Debt)" bar charts.	
<b>Florida Power Light Company 2002 Plan/Forecast - Rate Case</b>		All Year 2003 values with the exception of Total Base Revenue.	Disruption of FPL's and FPL Group's process for complying with federal securities laws, resulting in harm to FPL's and FPL Group's business operations ( <i>see</i> Section 366.093(3))
<b>Florida Power Light Company Income Statement Base Case filed with sales change</b>		All Year 2003 values with the exception of Total Base Revenue.	Disruption of FPL's and FPL Group's process for complying with federal securities laws, resulting in harm to FPL's and FPL Group's business operations ( <i>see</i> Section 366.093(3))
<b>Florida Power Light Company Revised Forecast (with sales reduction other changes)</b>		All Year 2003 values with the exception of Total Base Revenue.	Disruption of FPL's and FPL Group's process for complying with federal securities laws, resulting in harm to FPL's and FPL Group's business operations ( <i>see</i> Section 366.093(3))

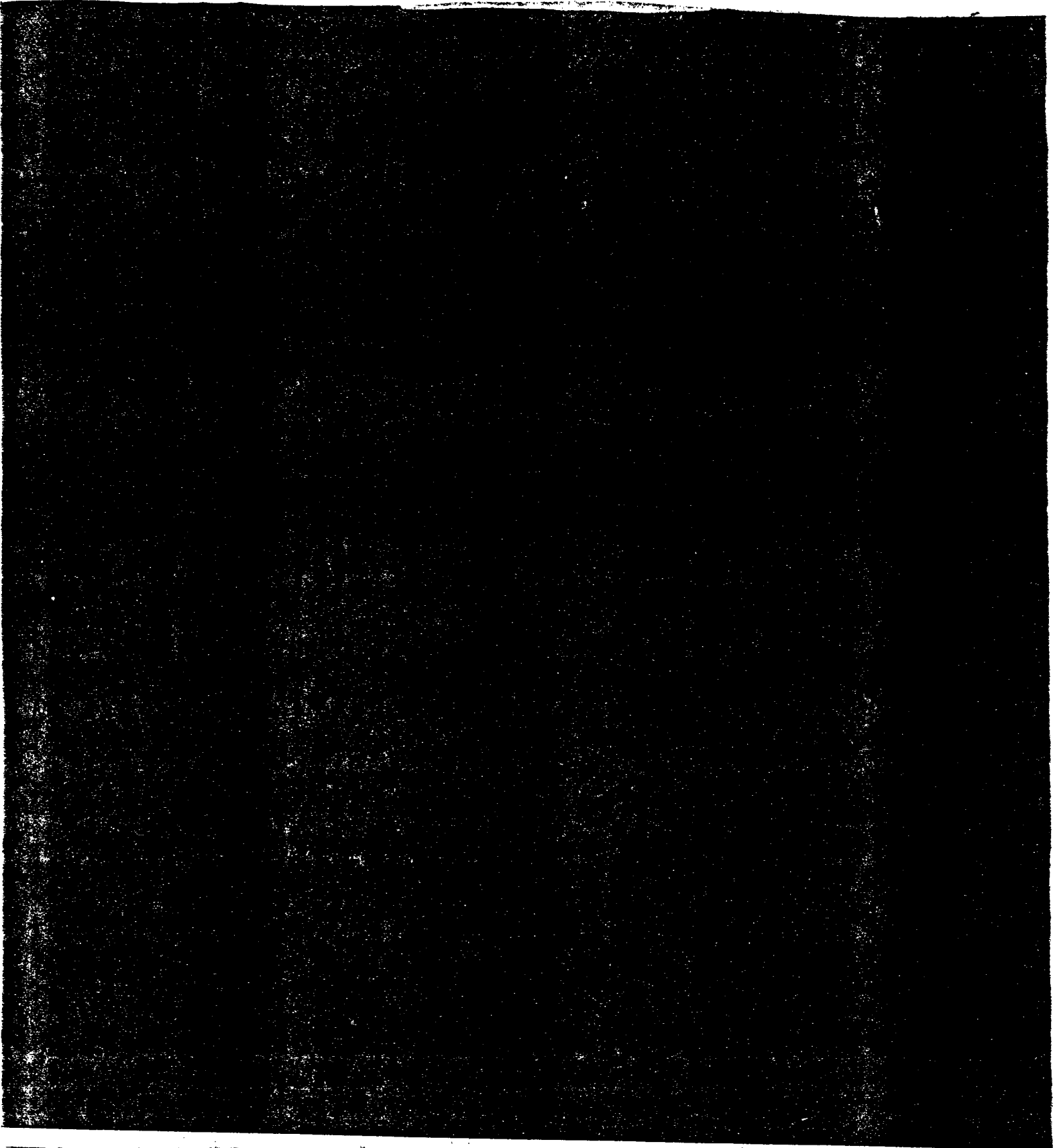


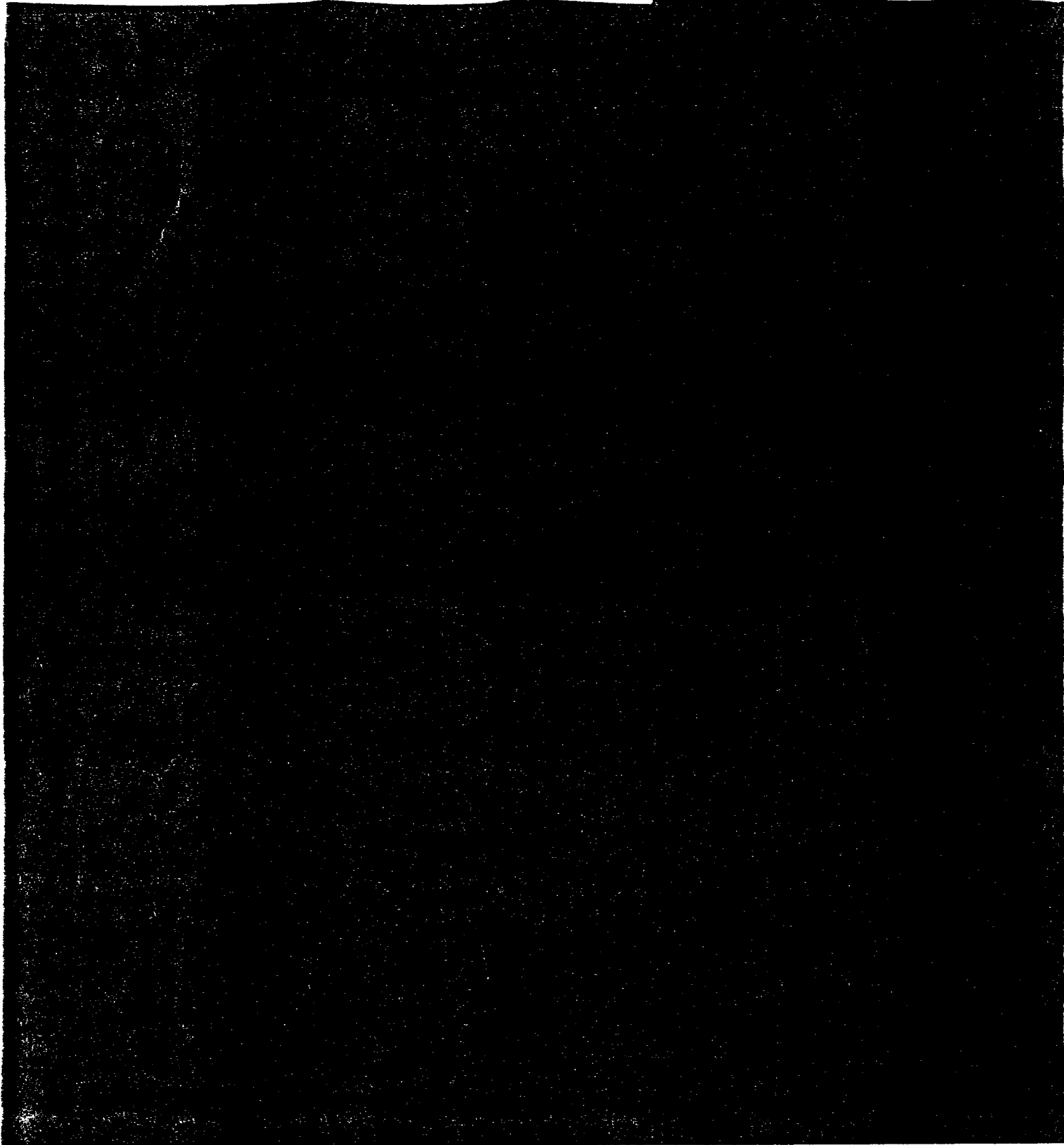


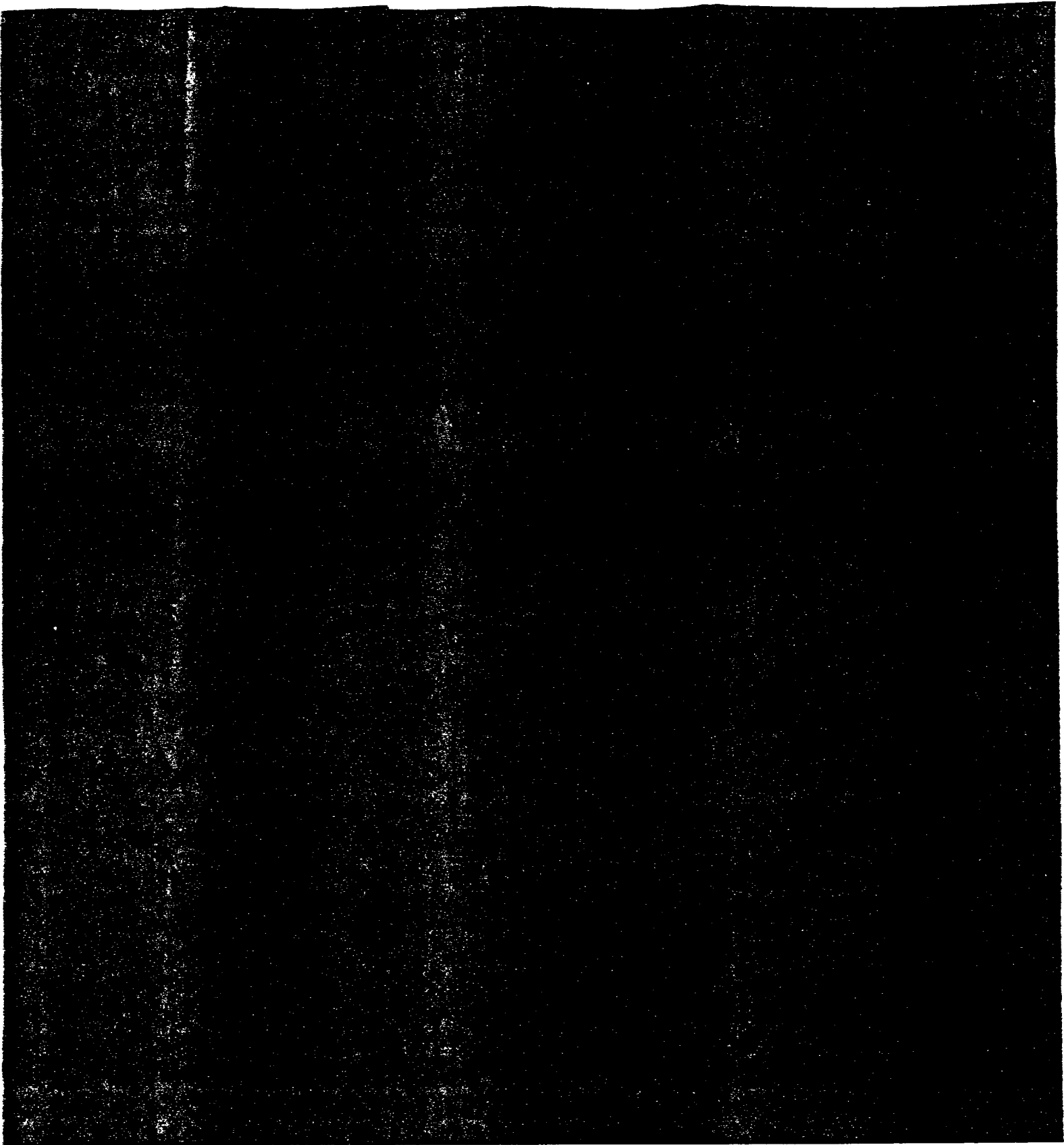


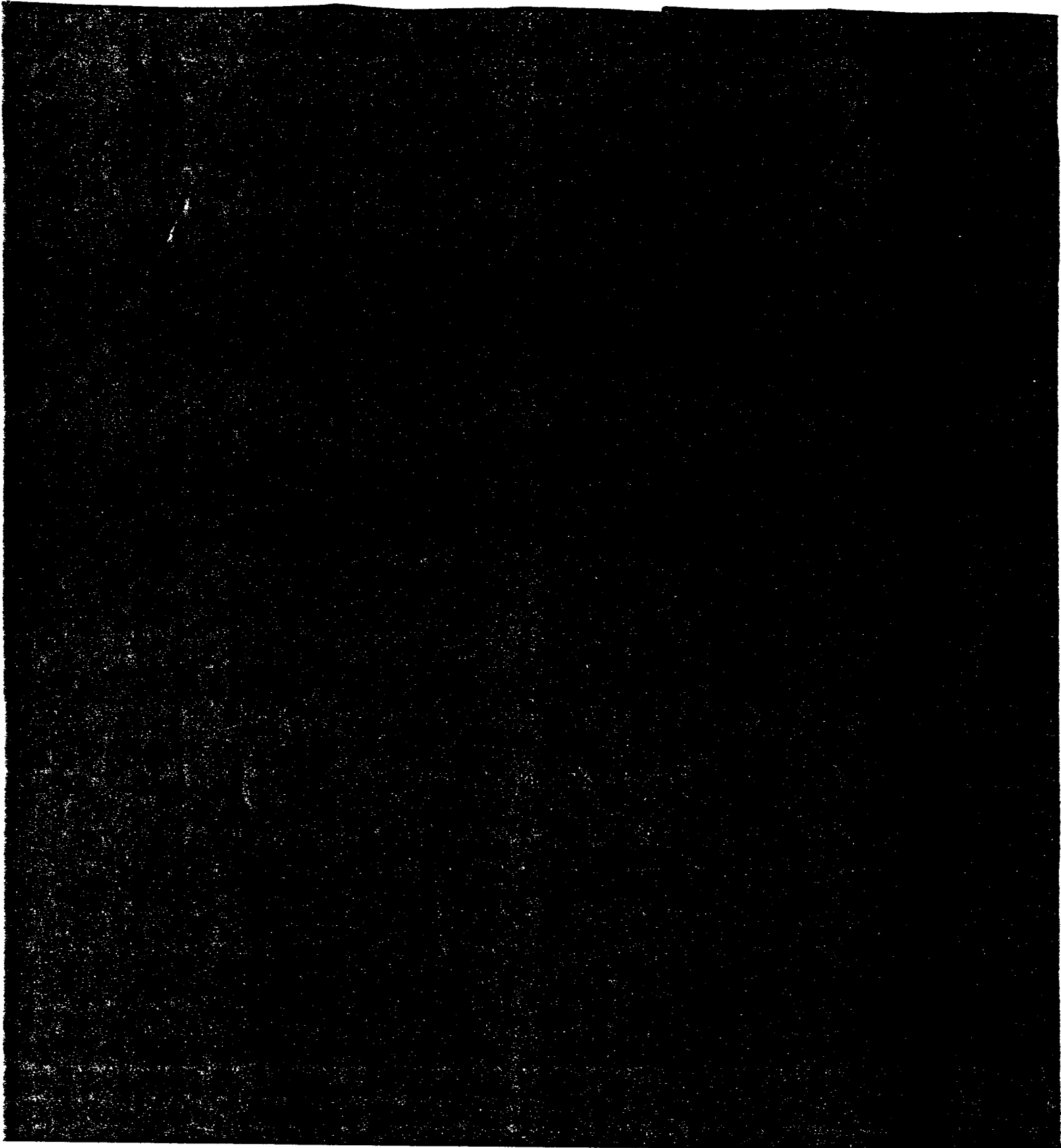




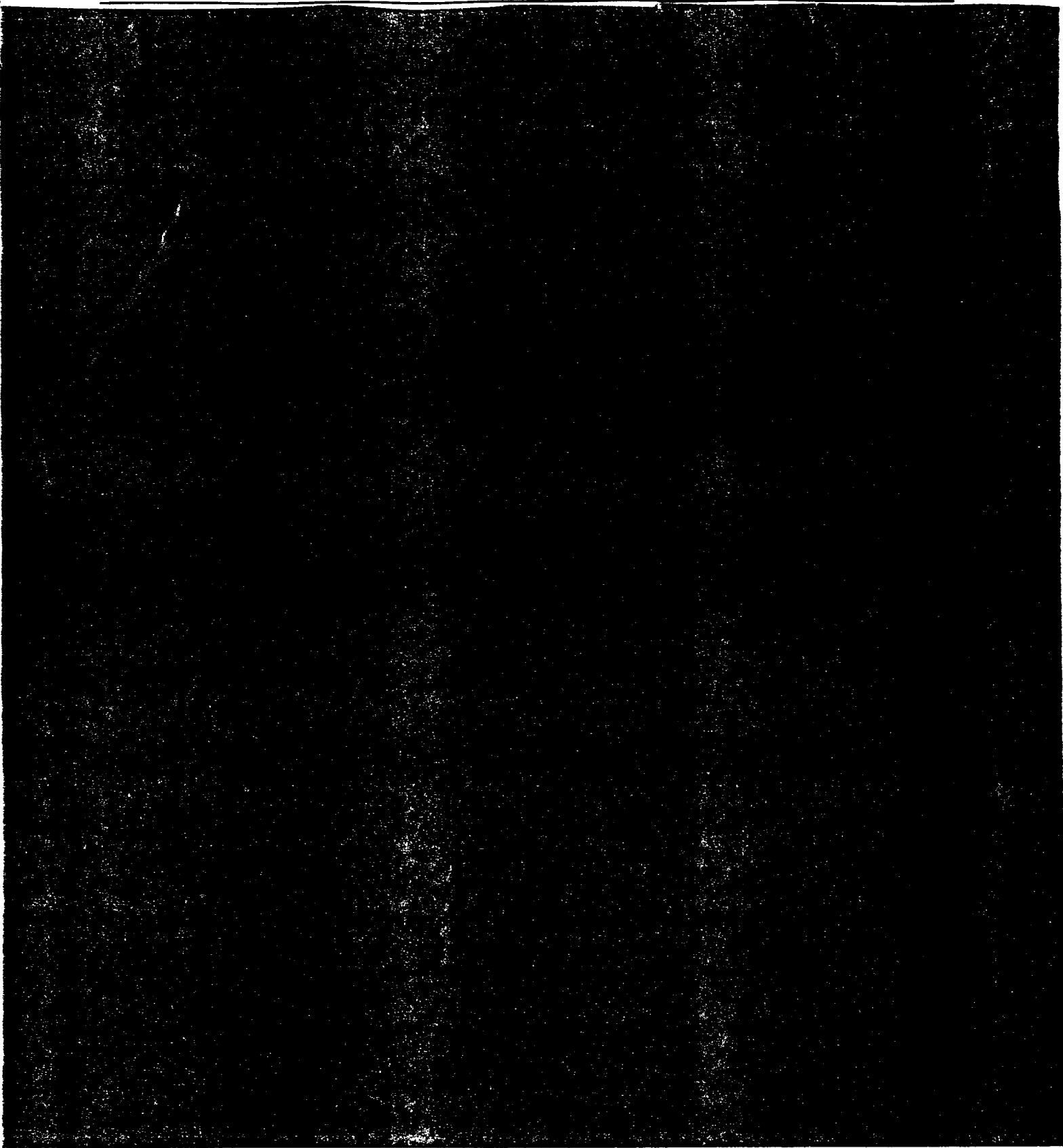


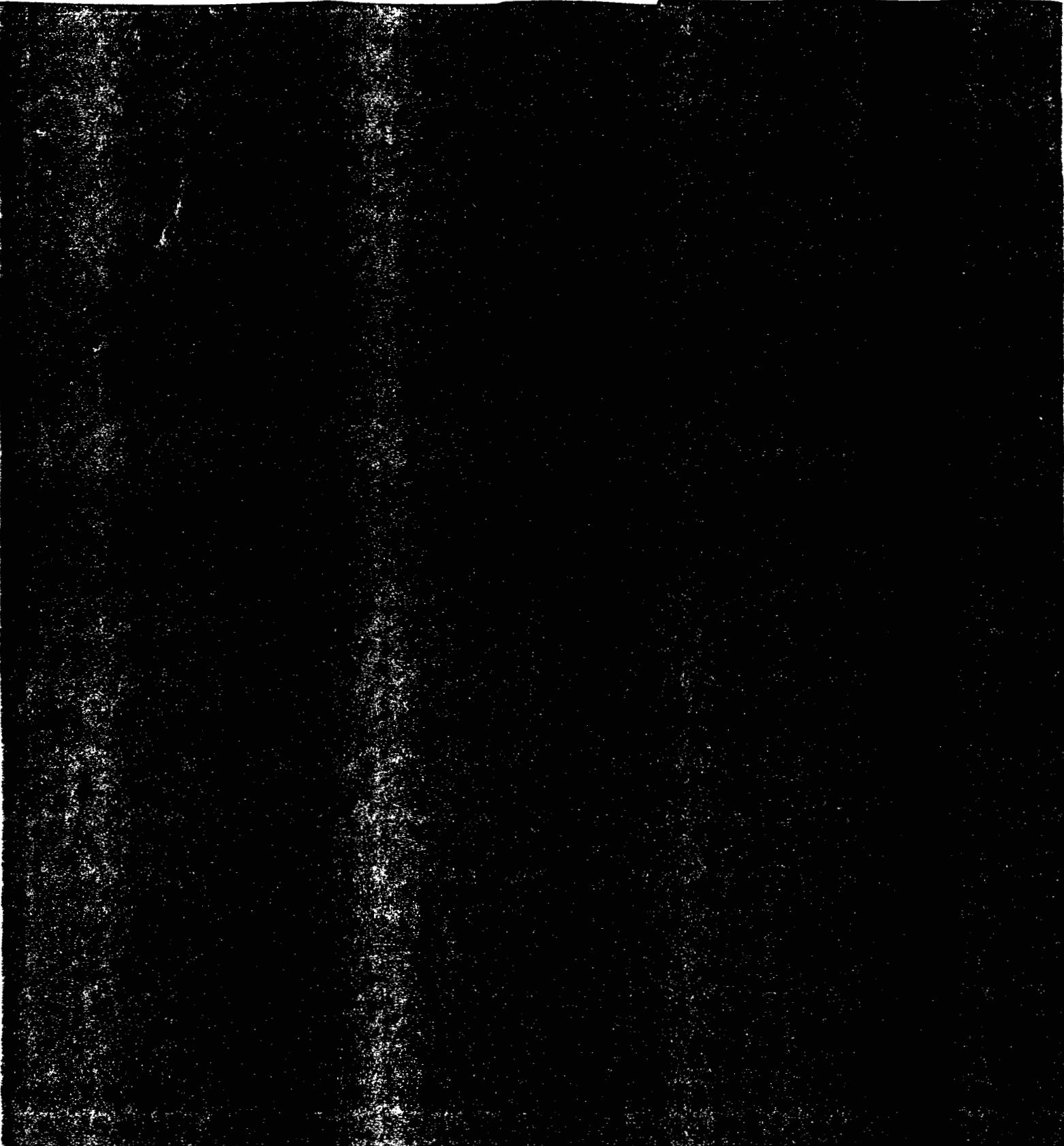


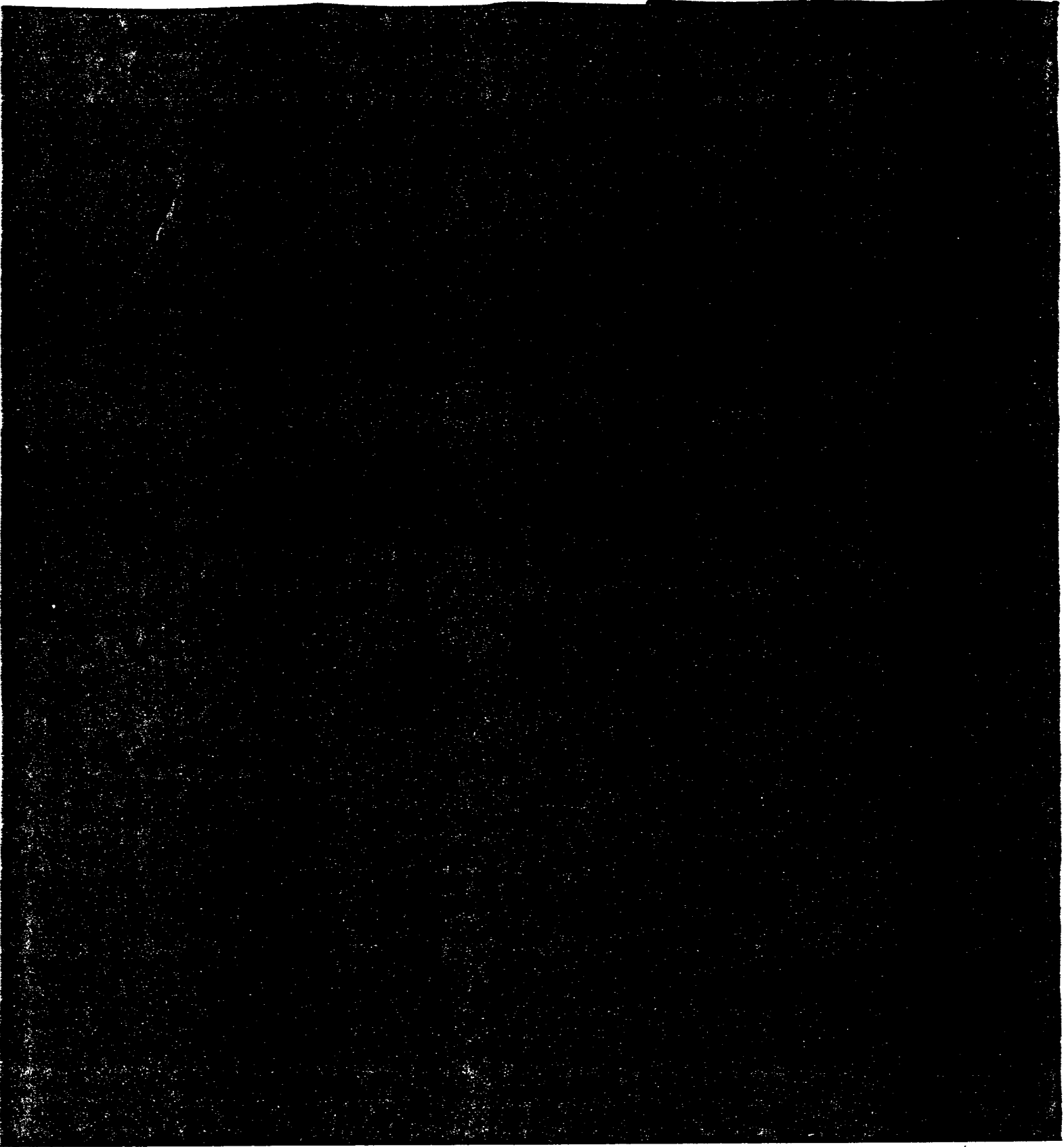




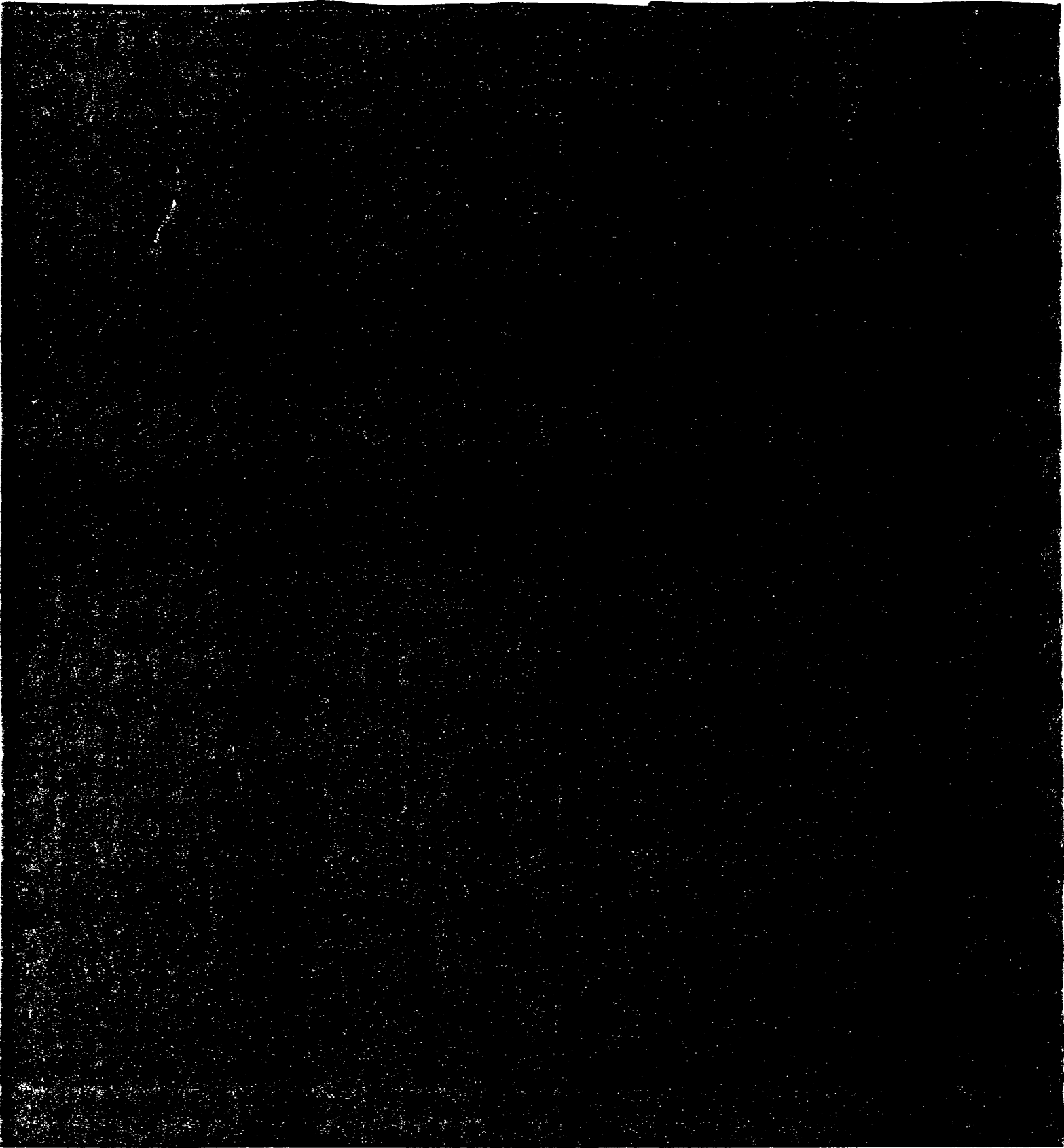
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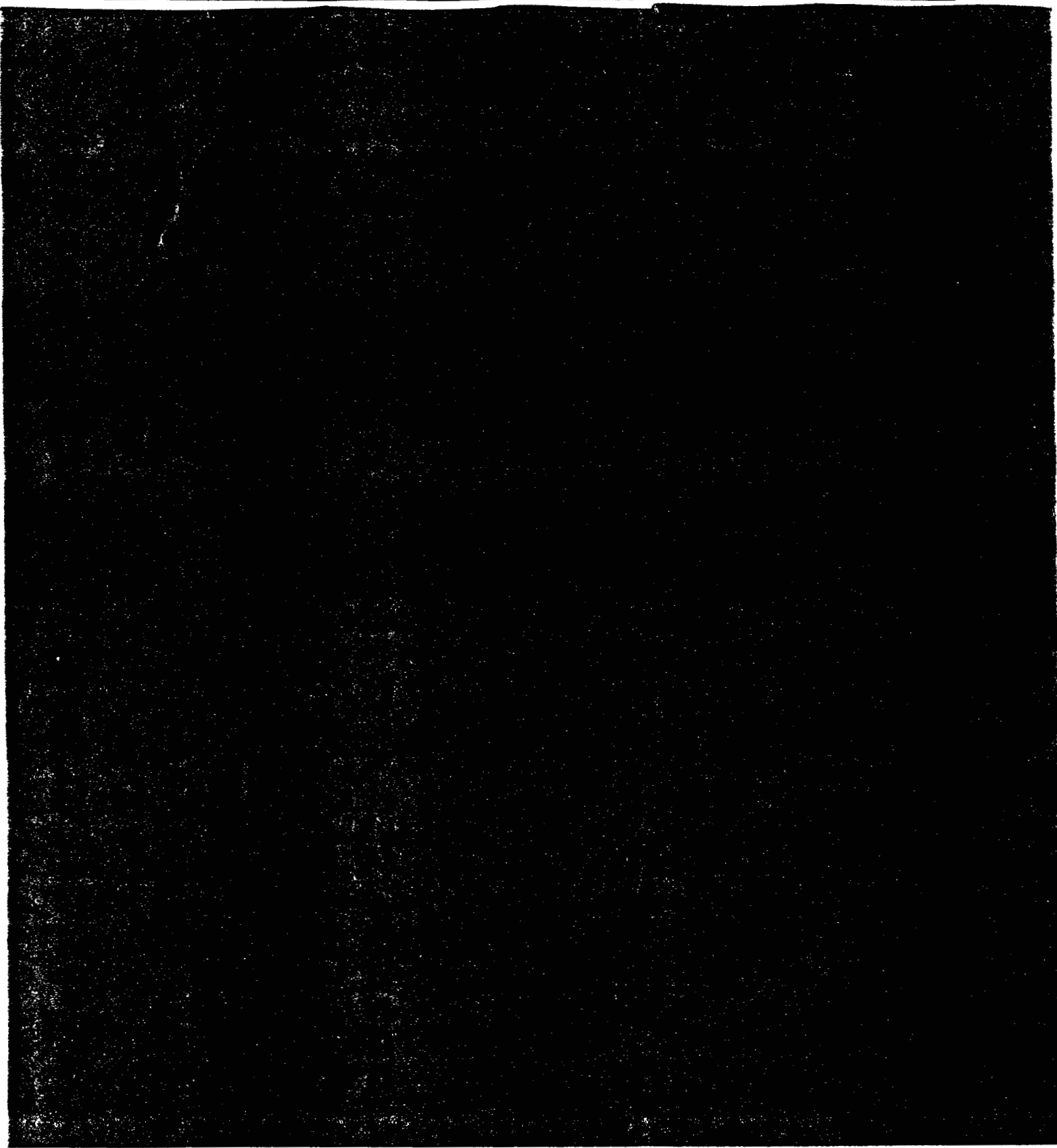


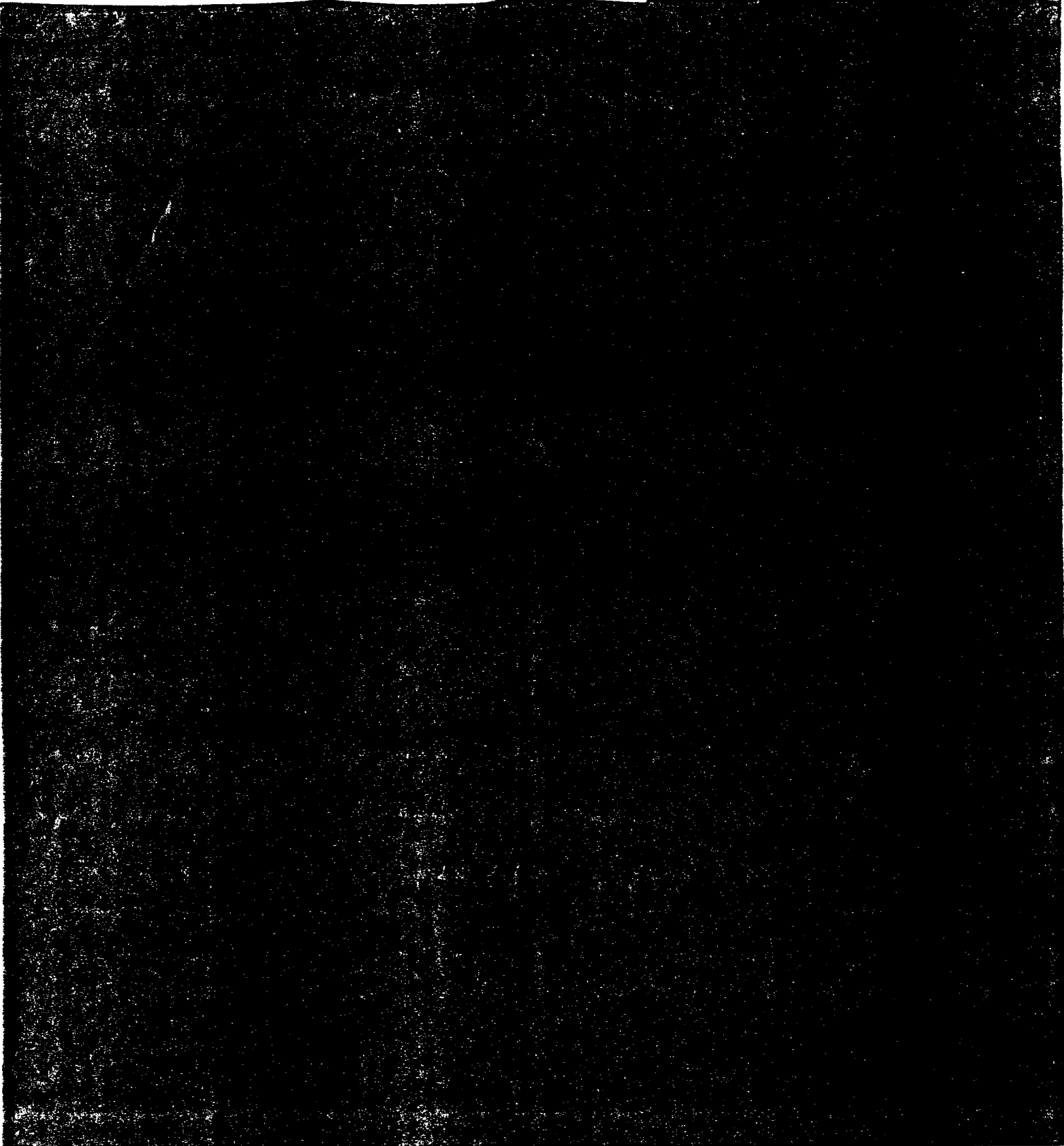


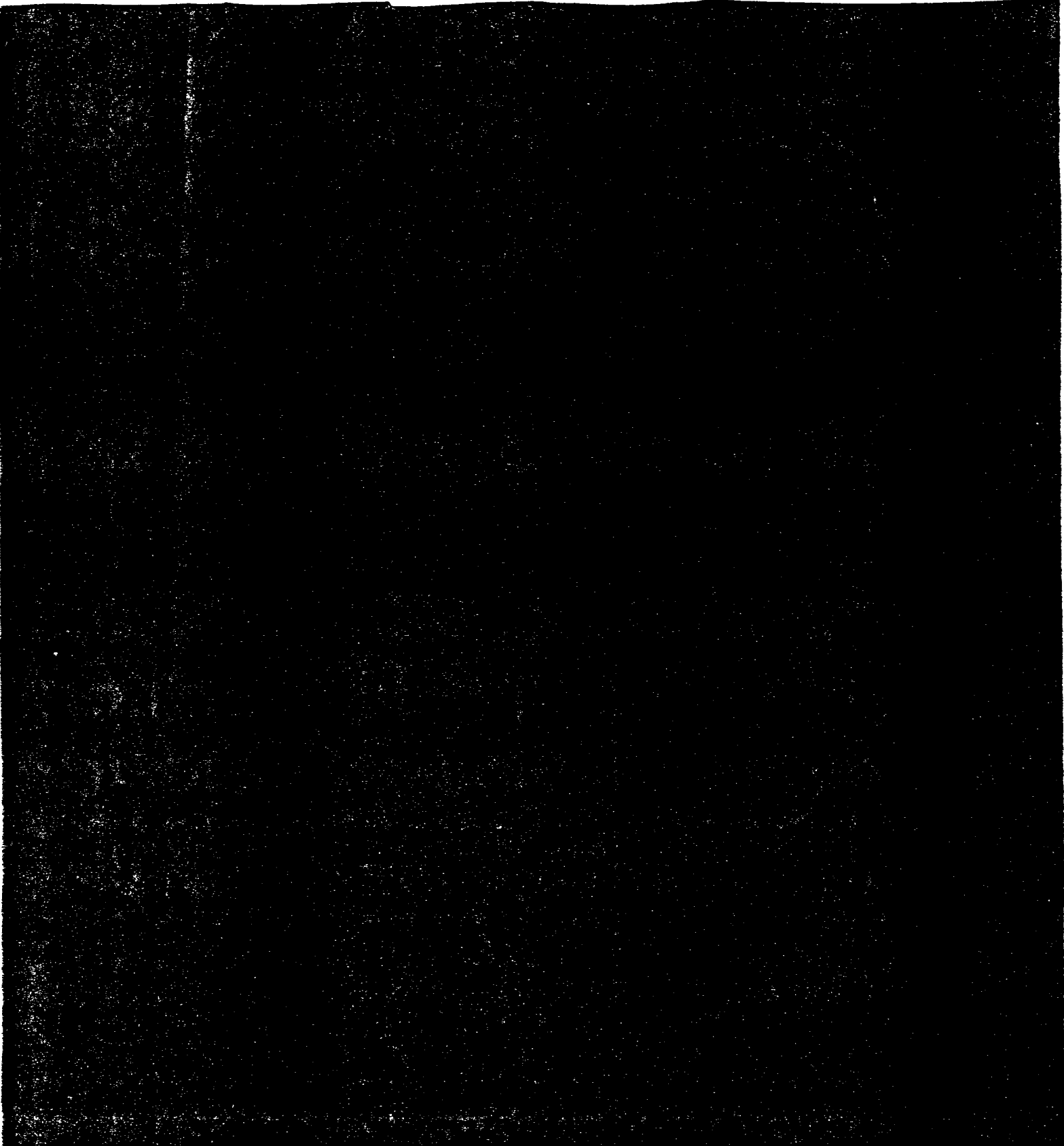
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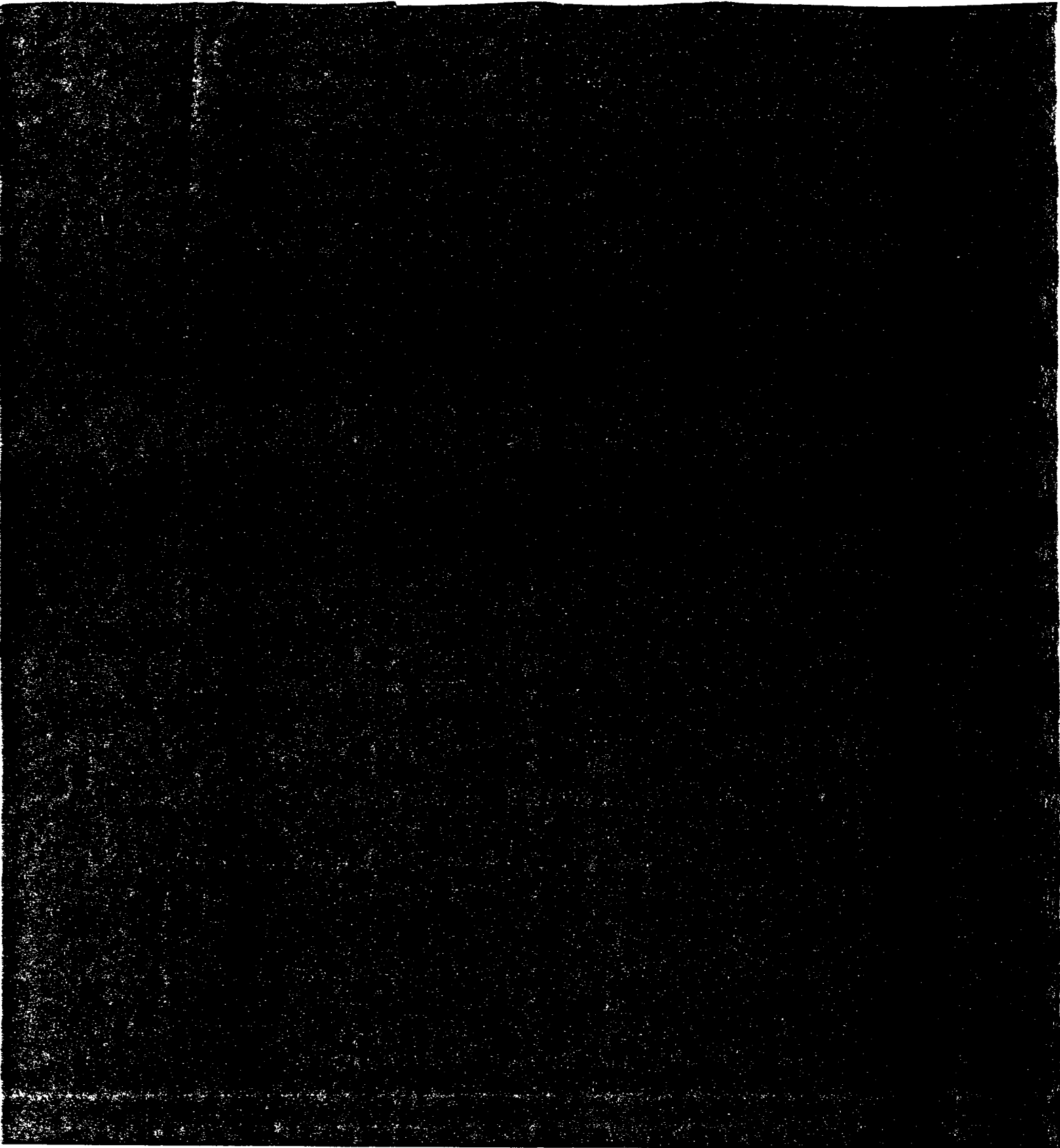


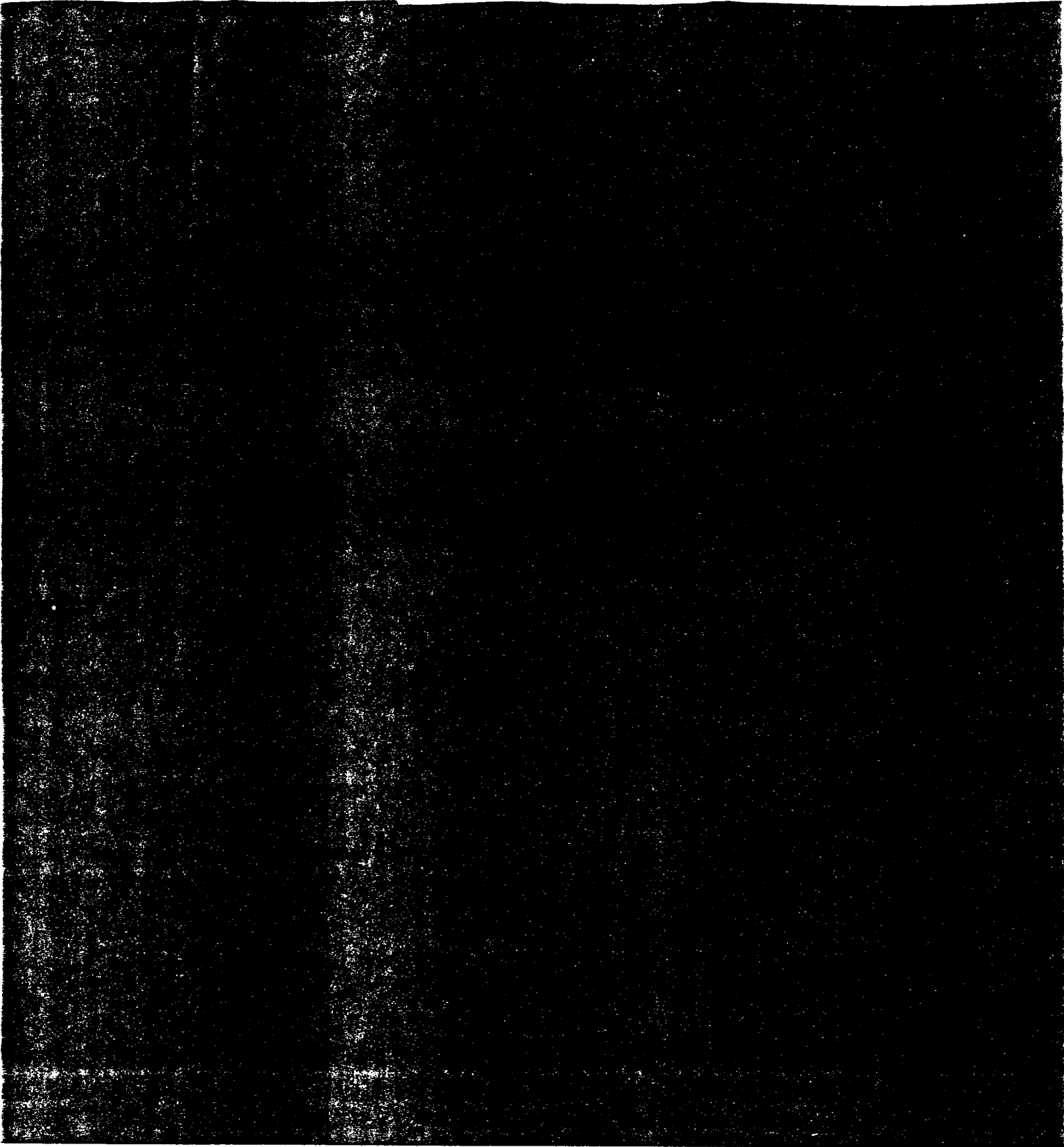


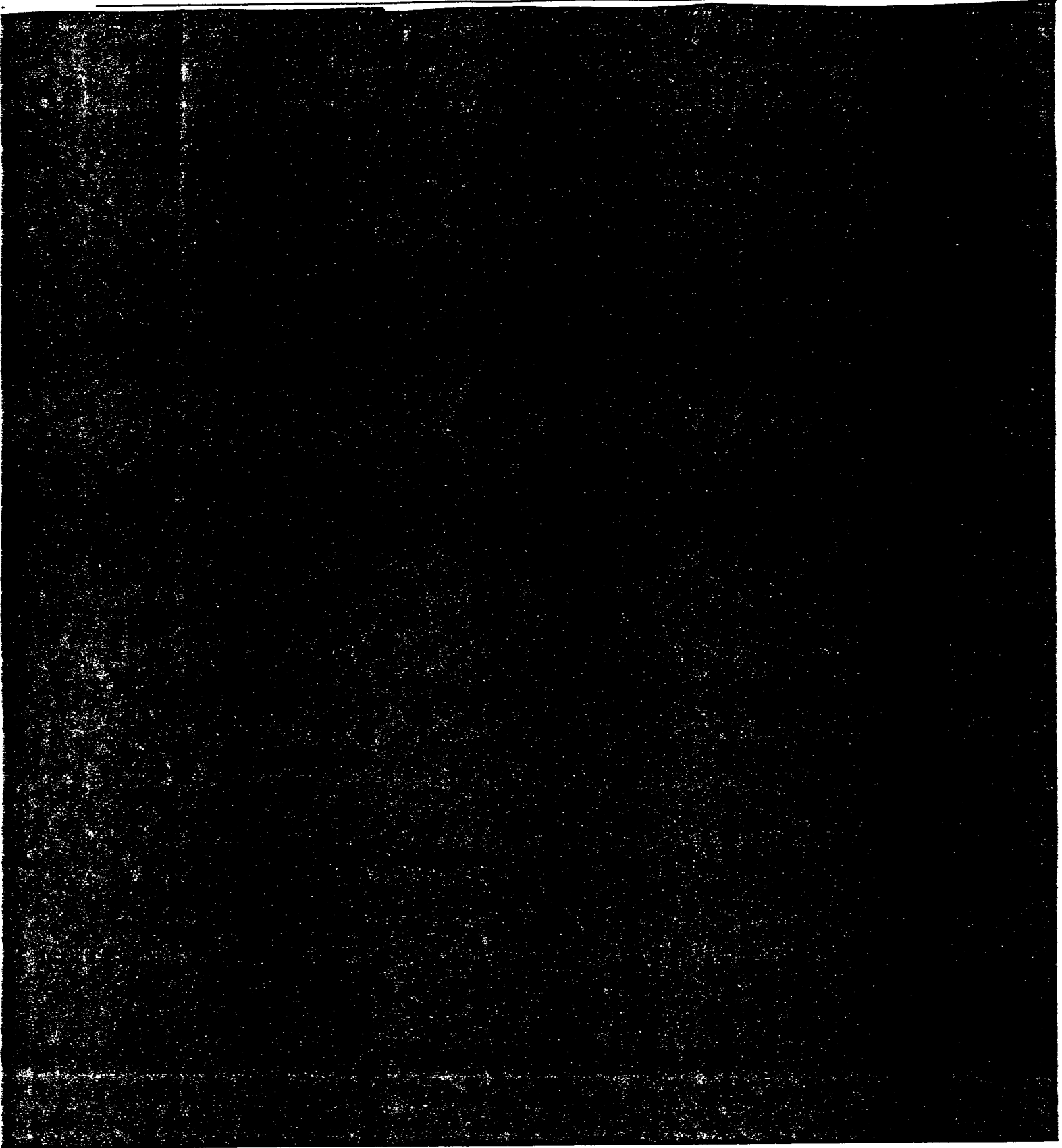


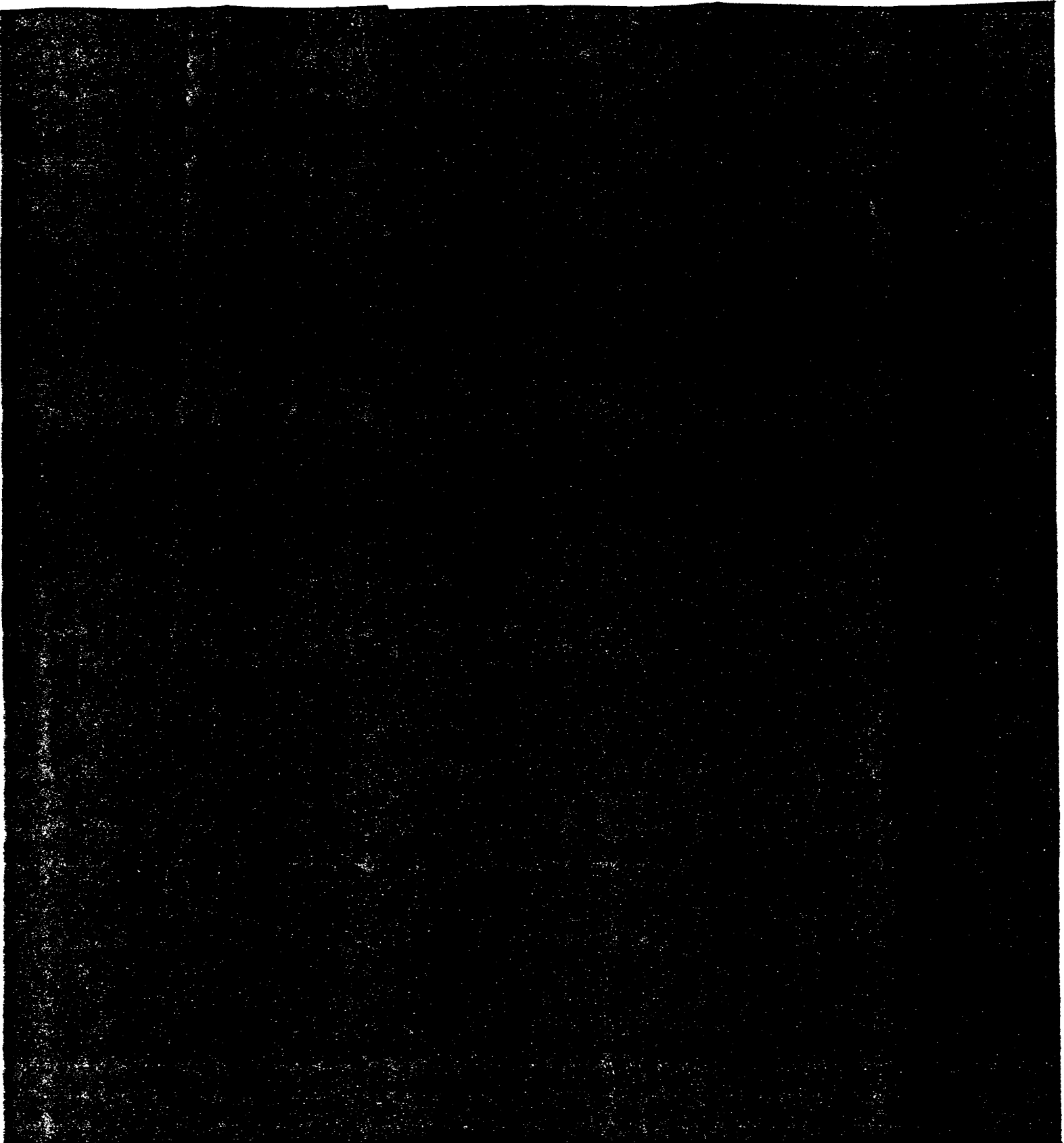


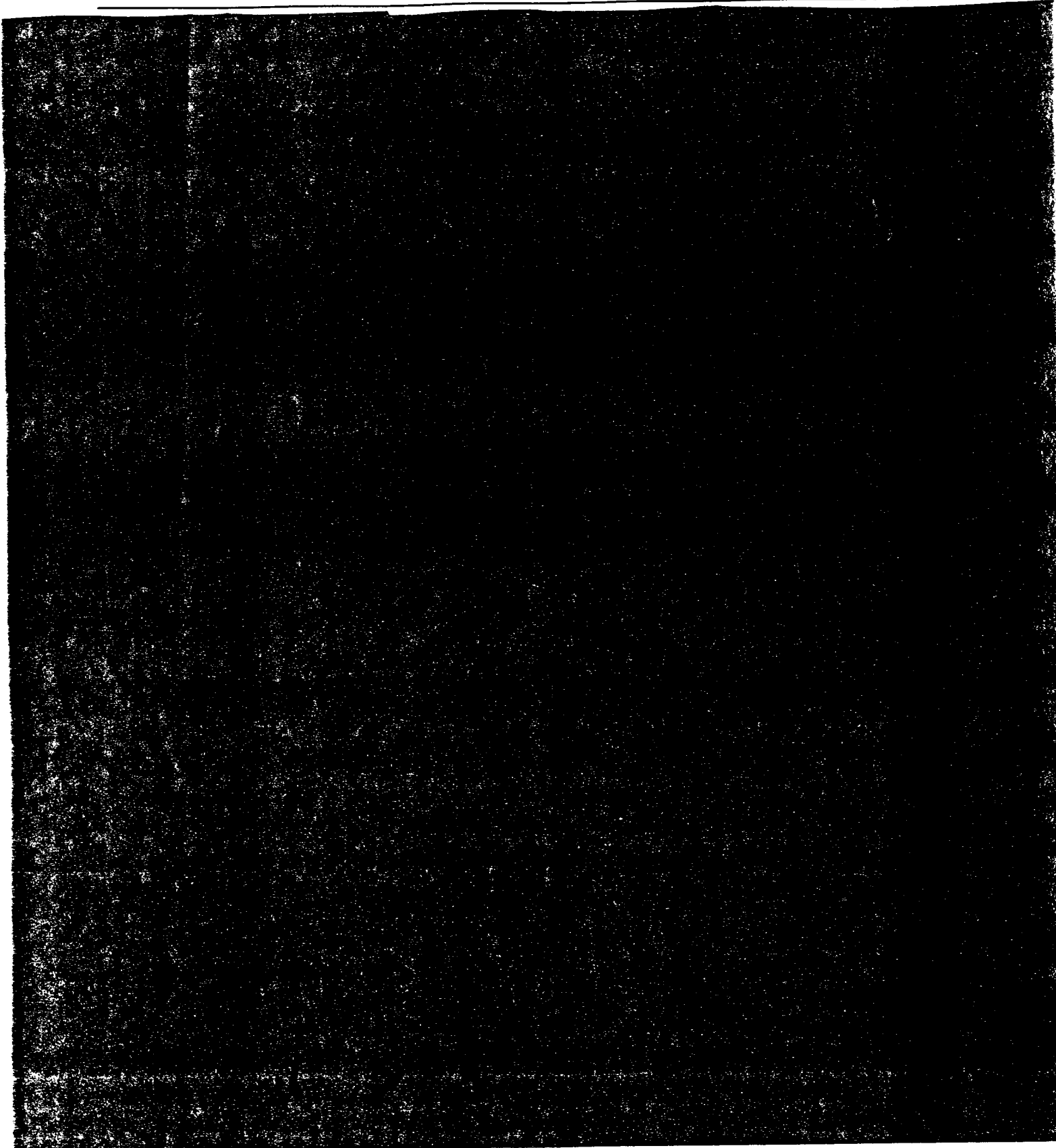
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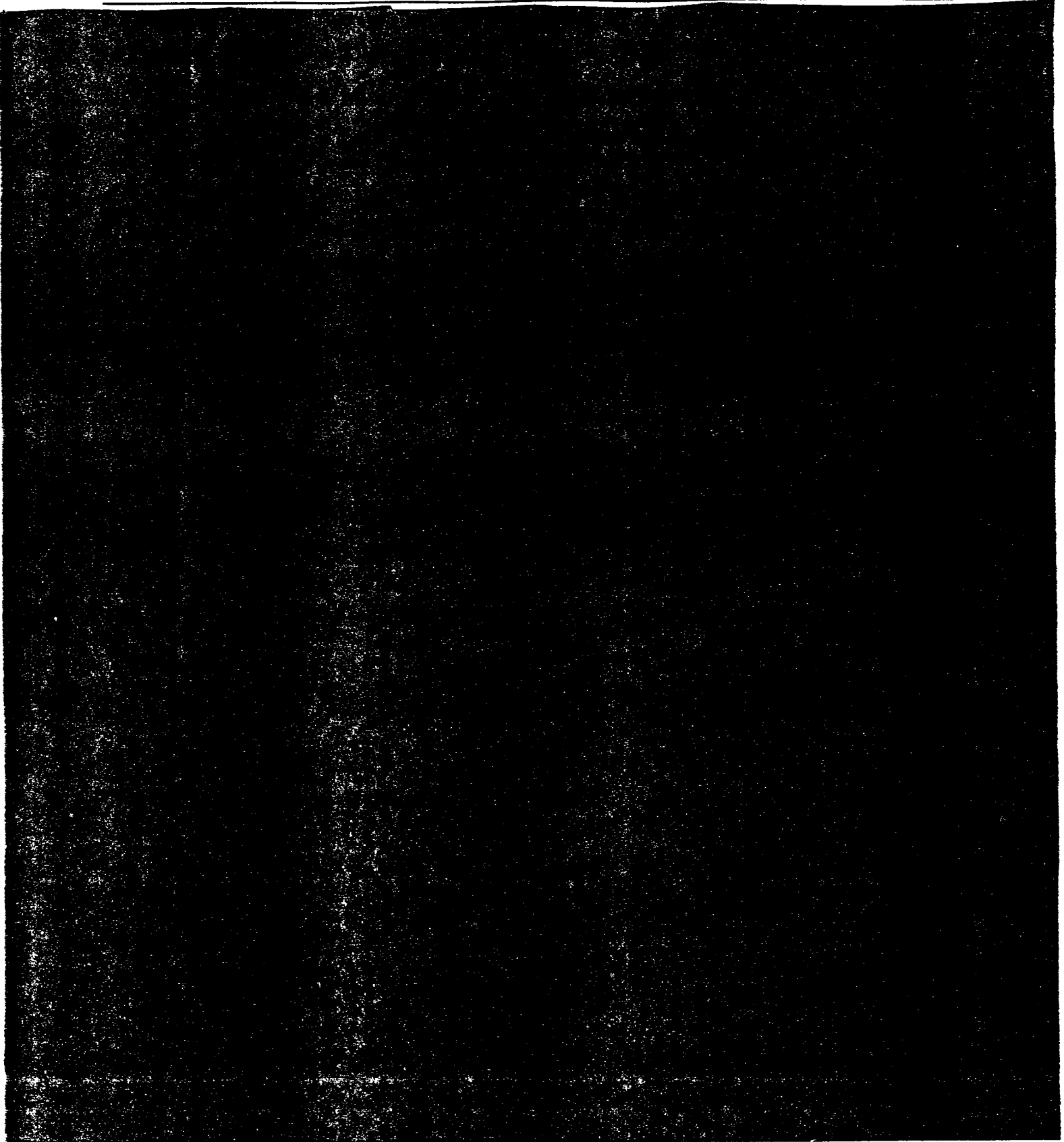


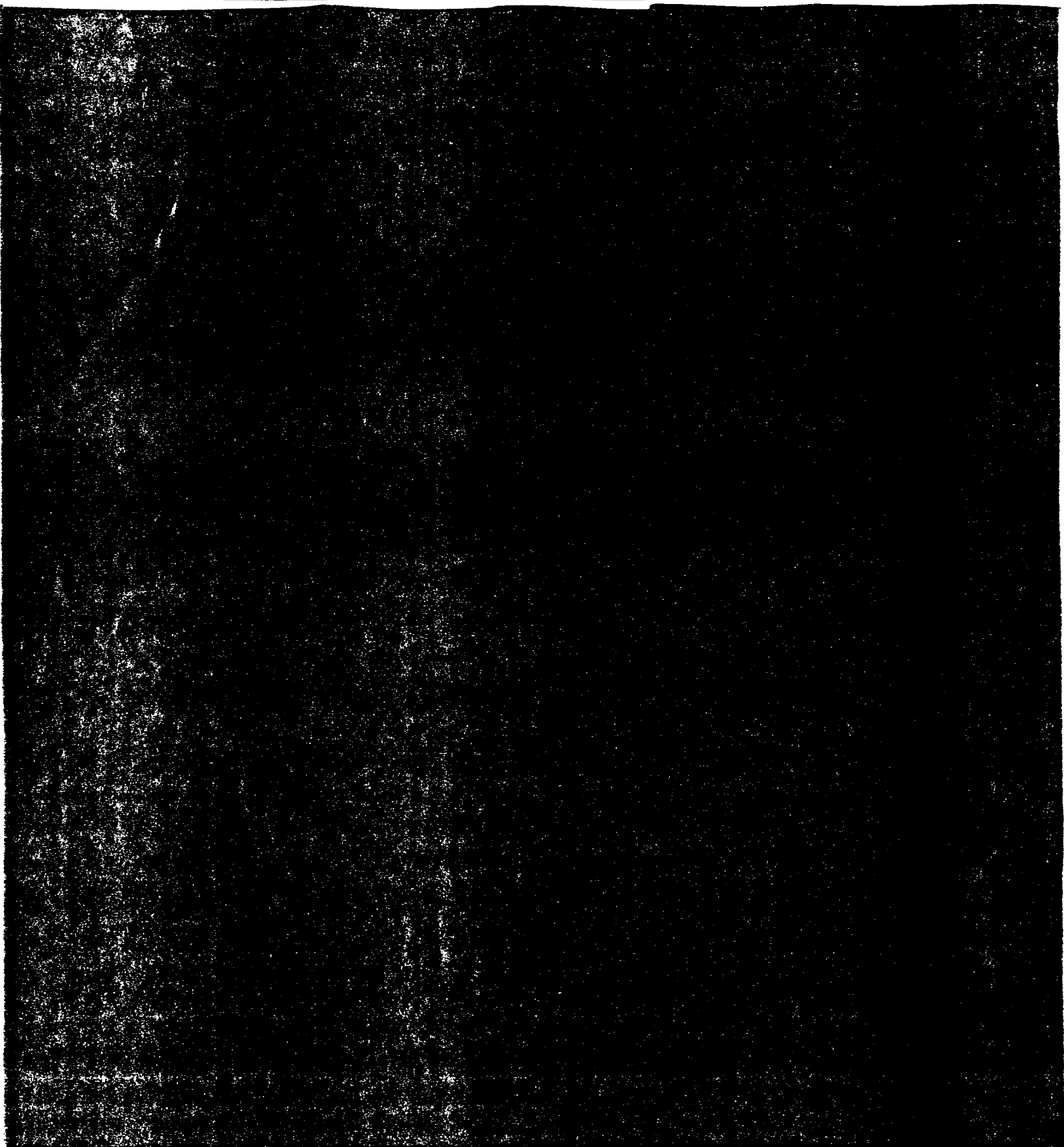


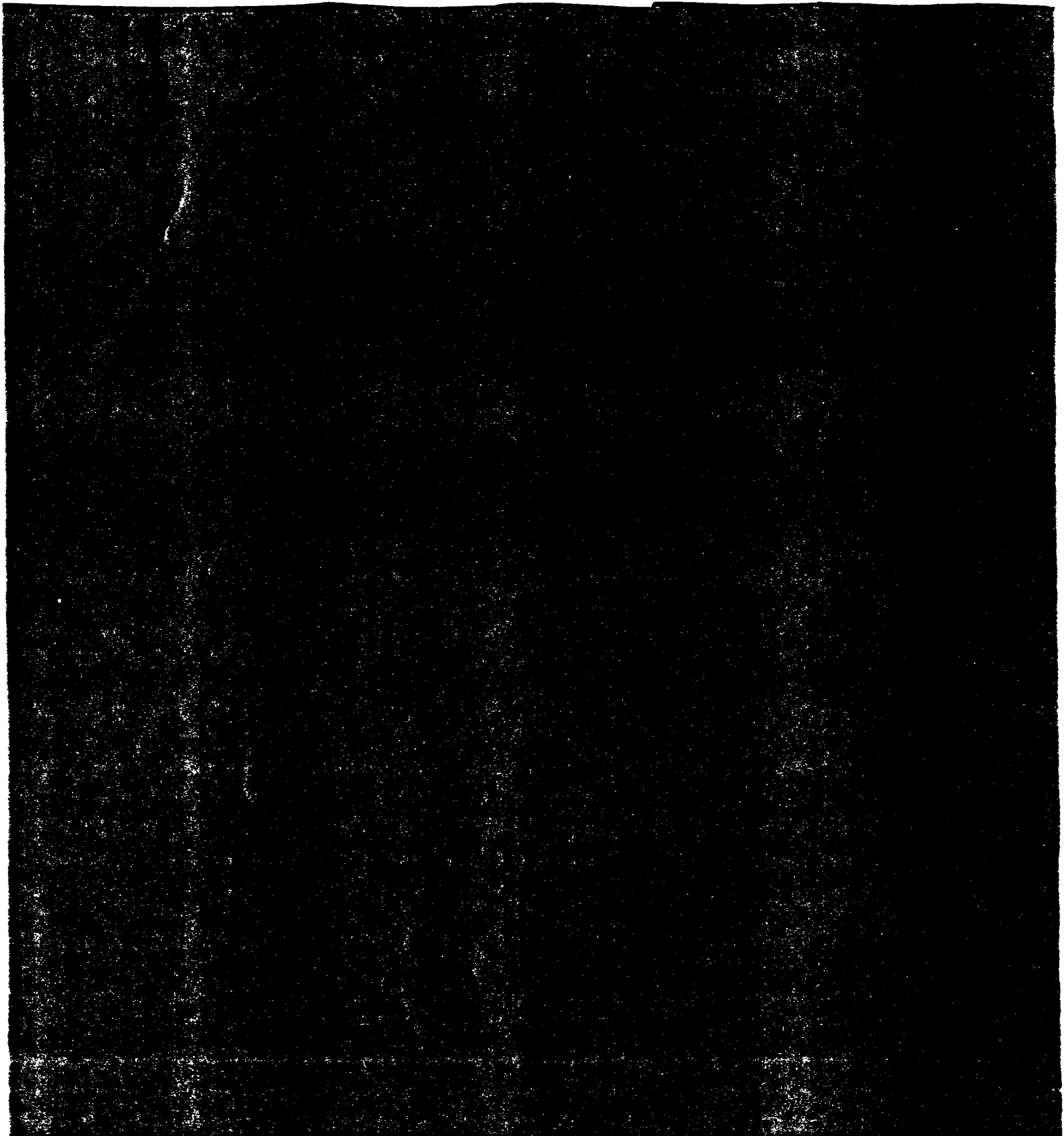


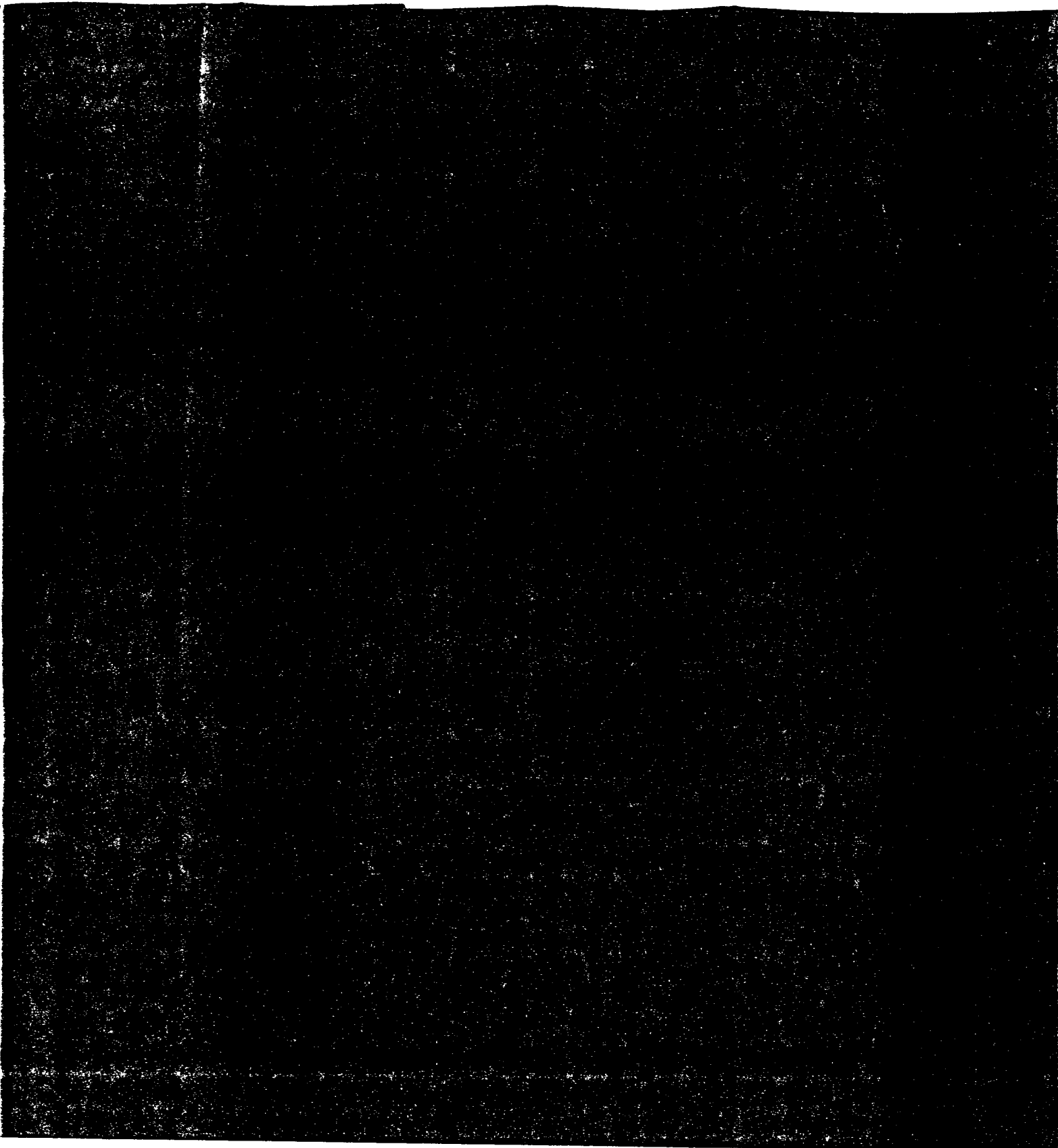












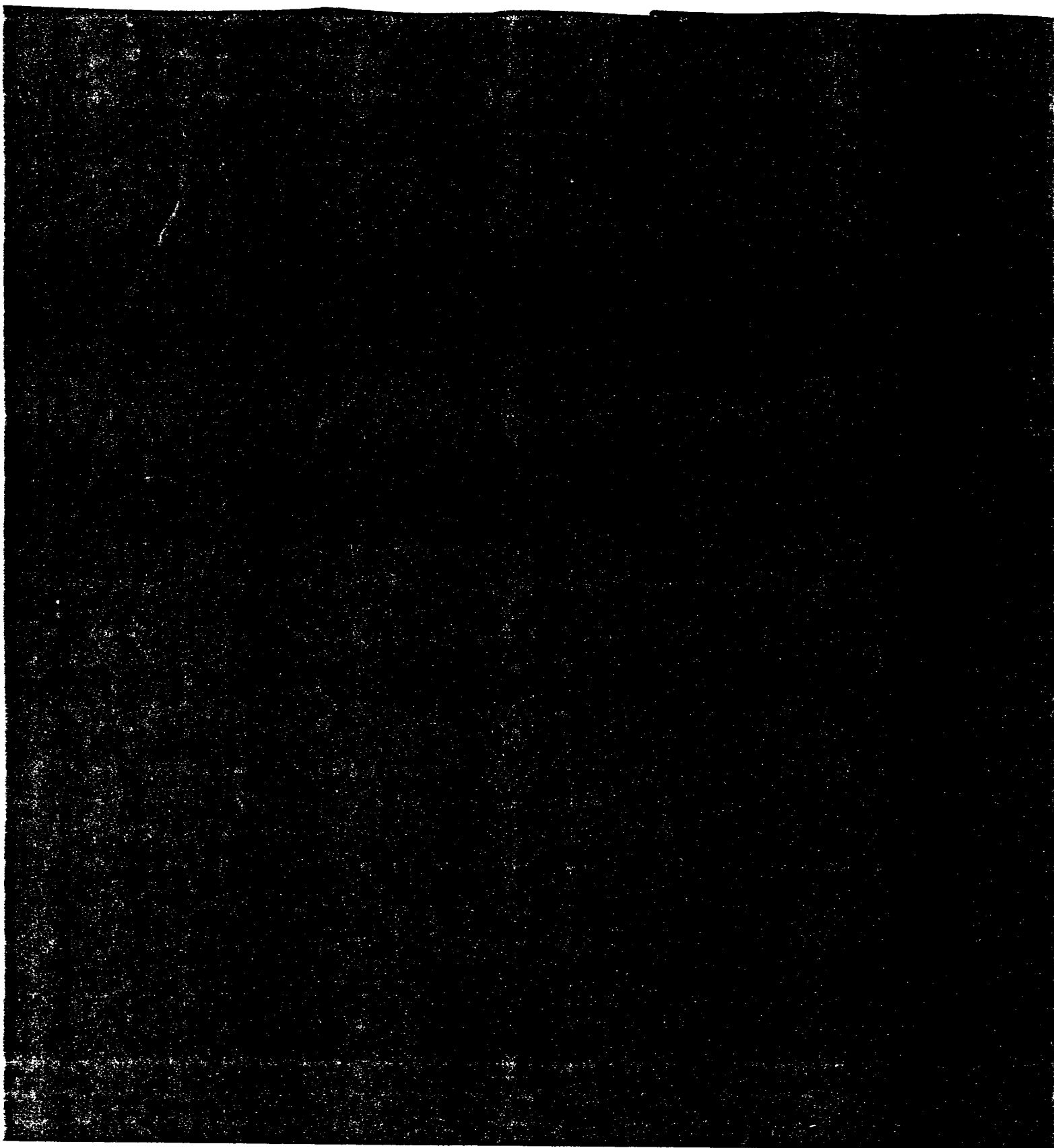
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*Real Options: The Gap Between Theory and Application*

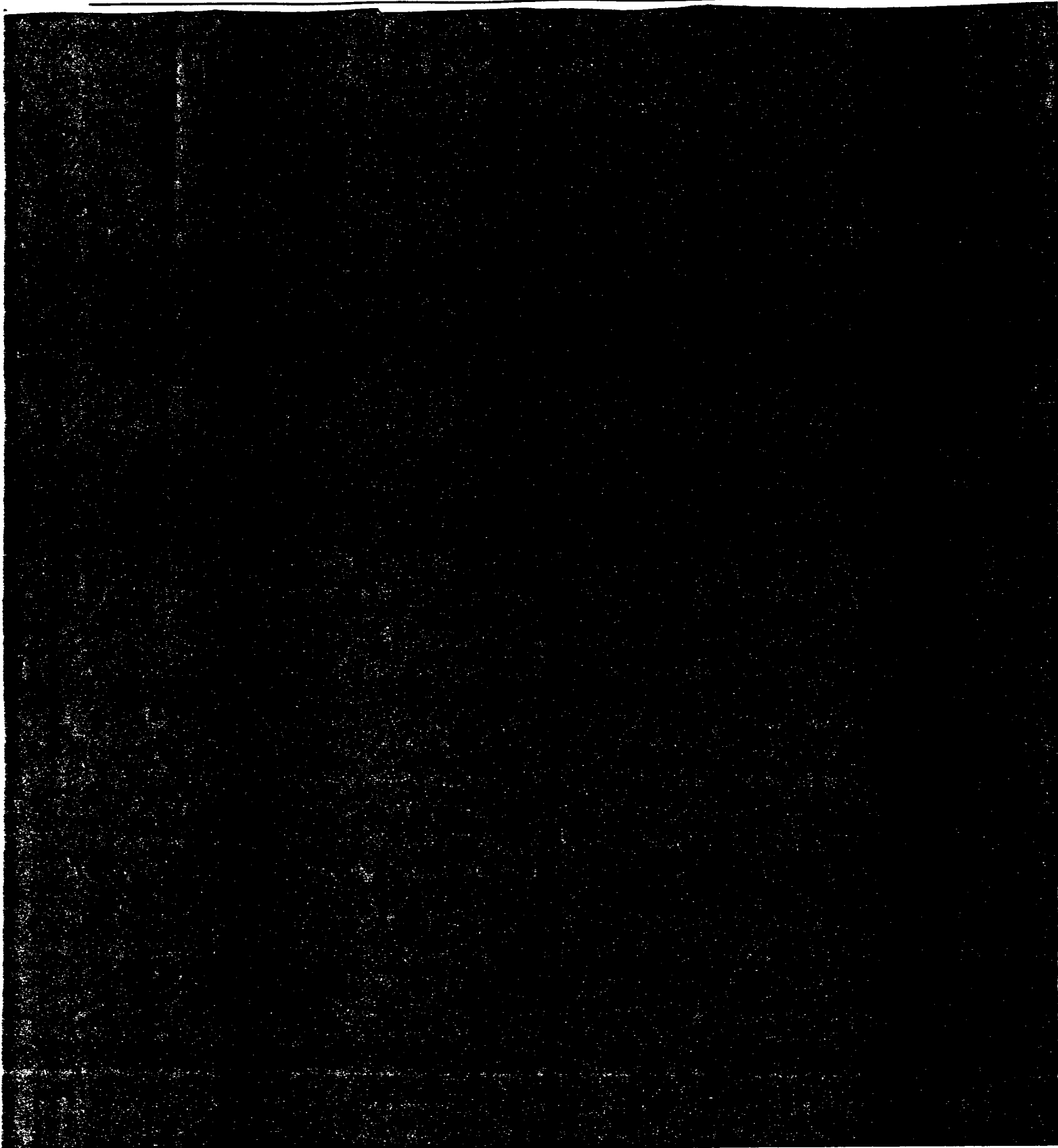
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*“Beware (of) geeks bearing gifts.”*

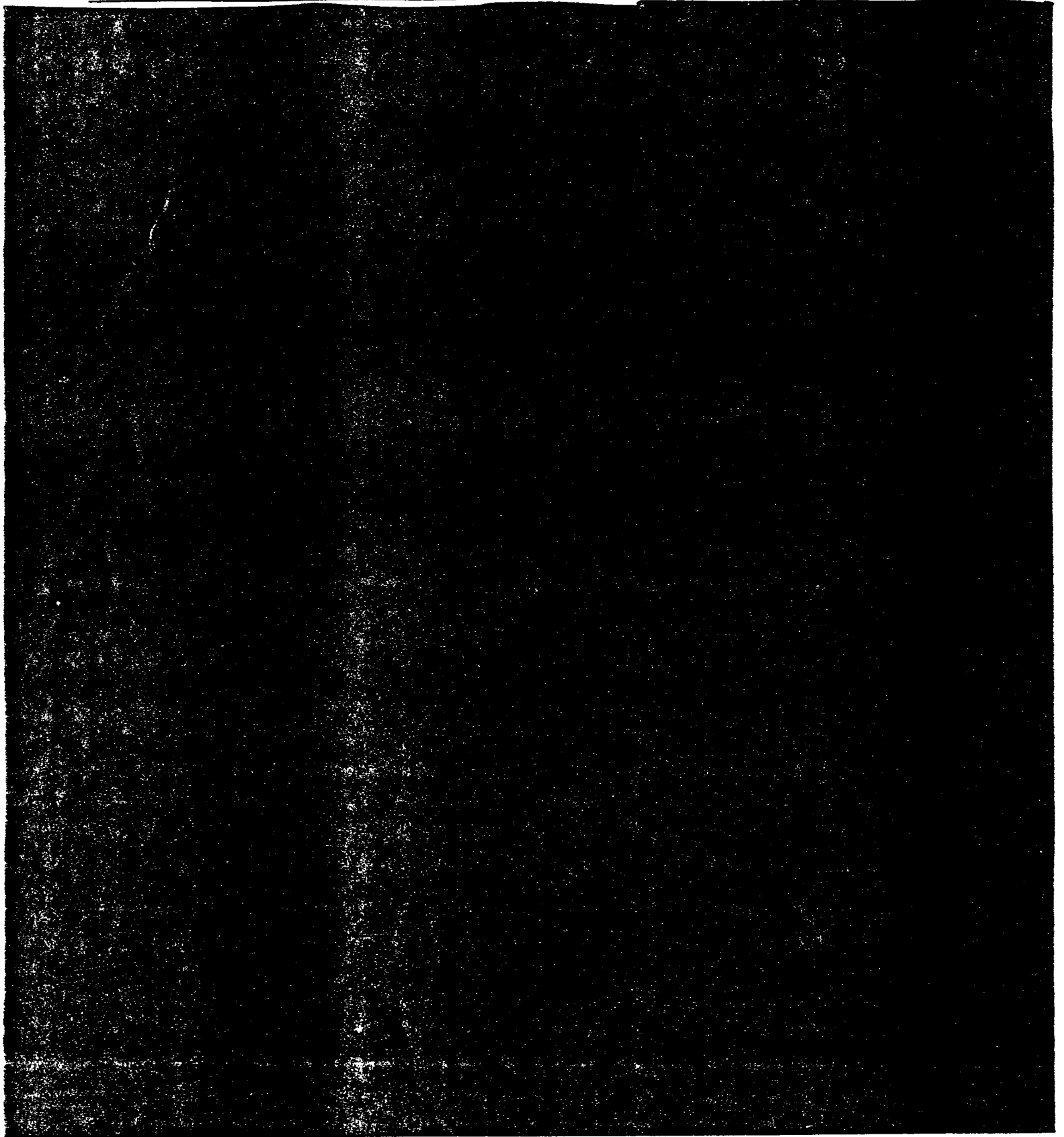
—Stephen Harper, Bankers Trust

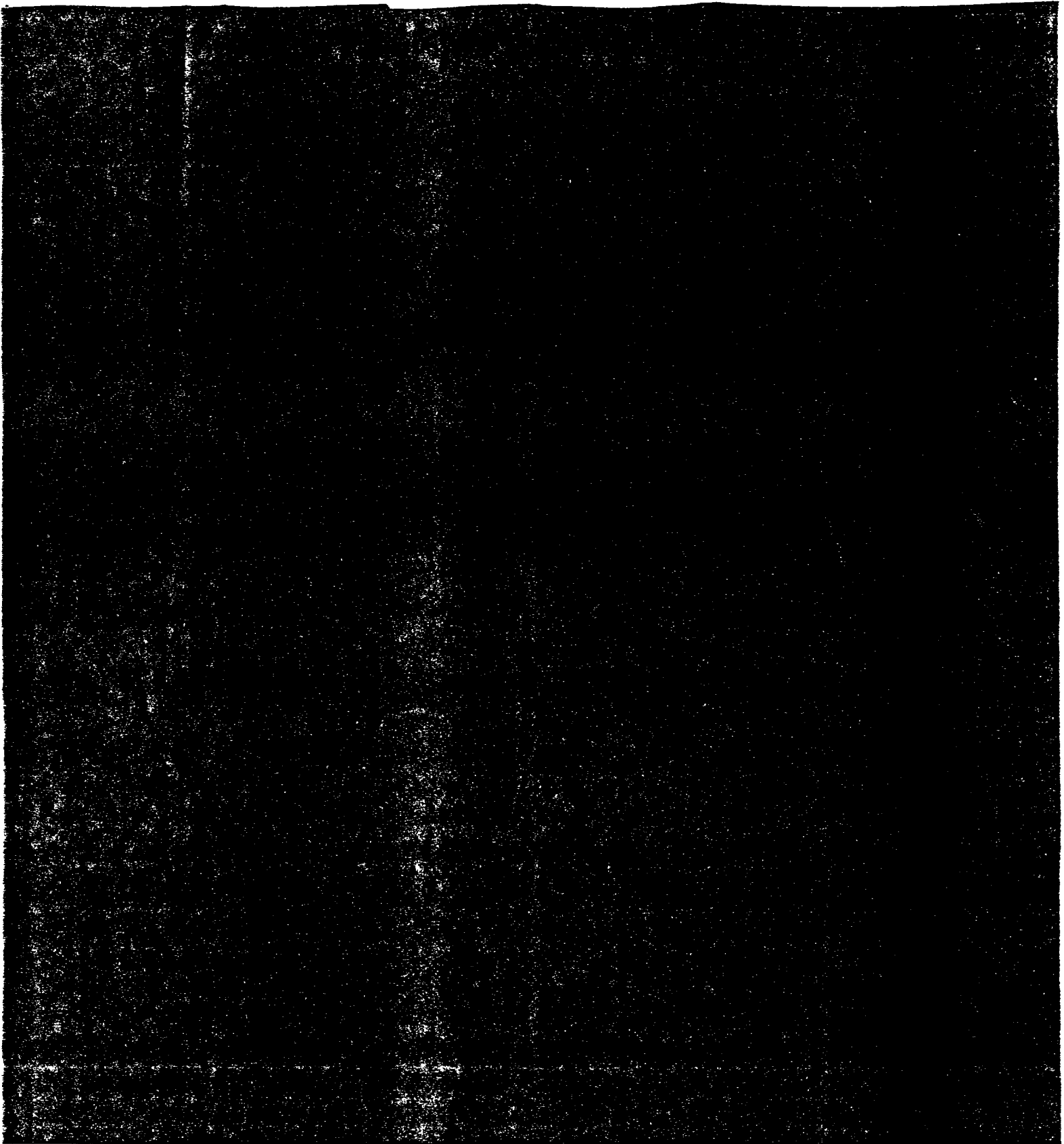


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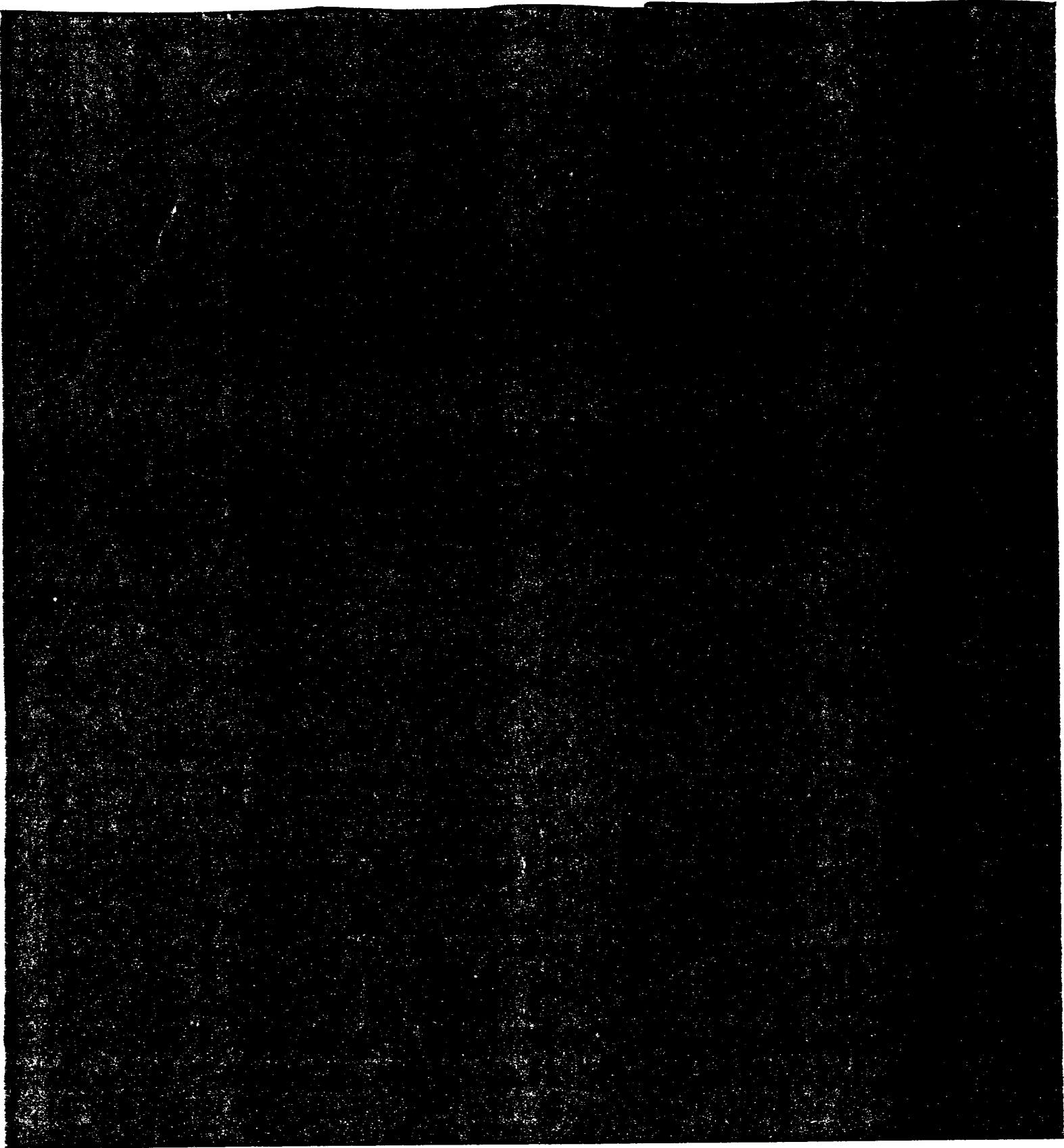


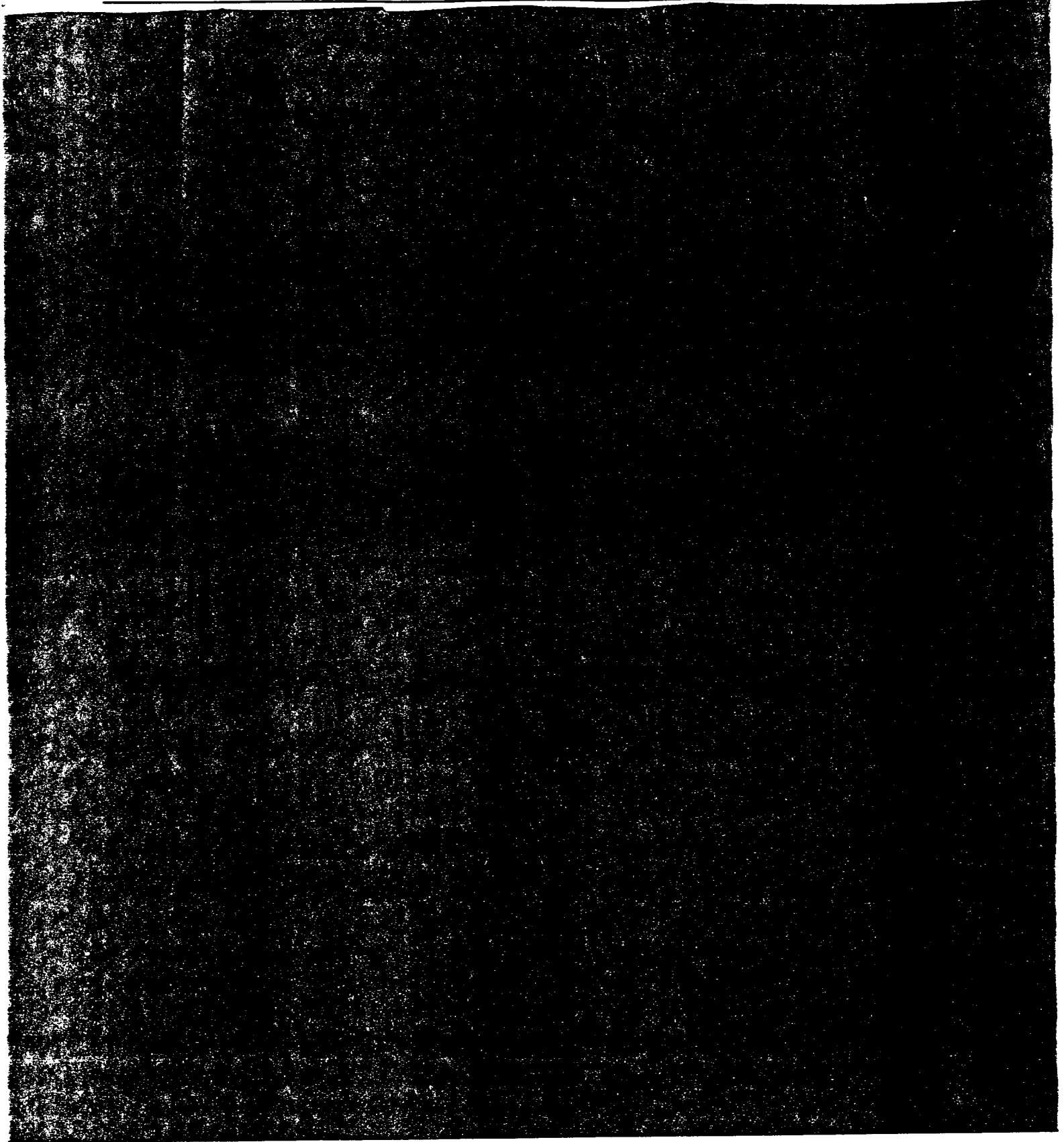


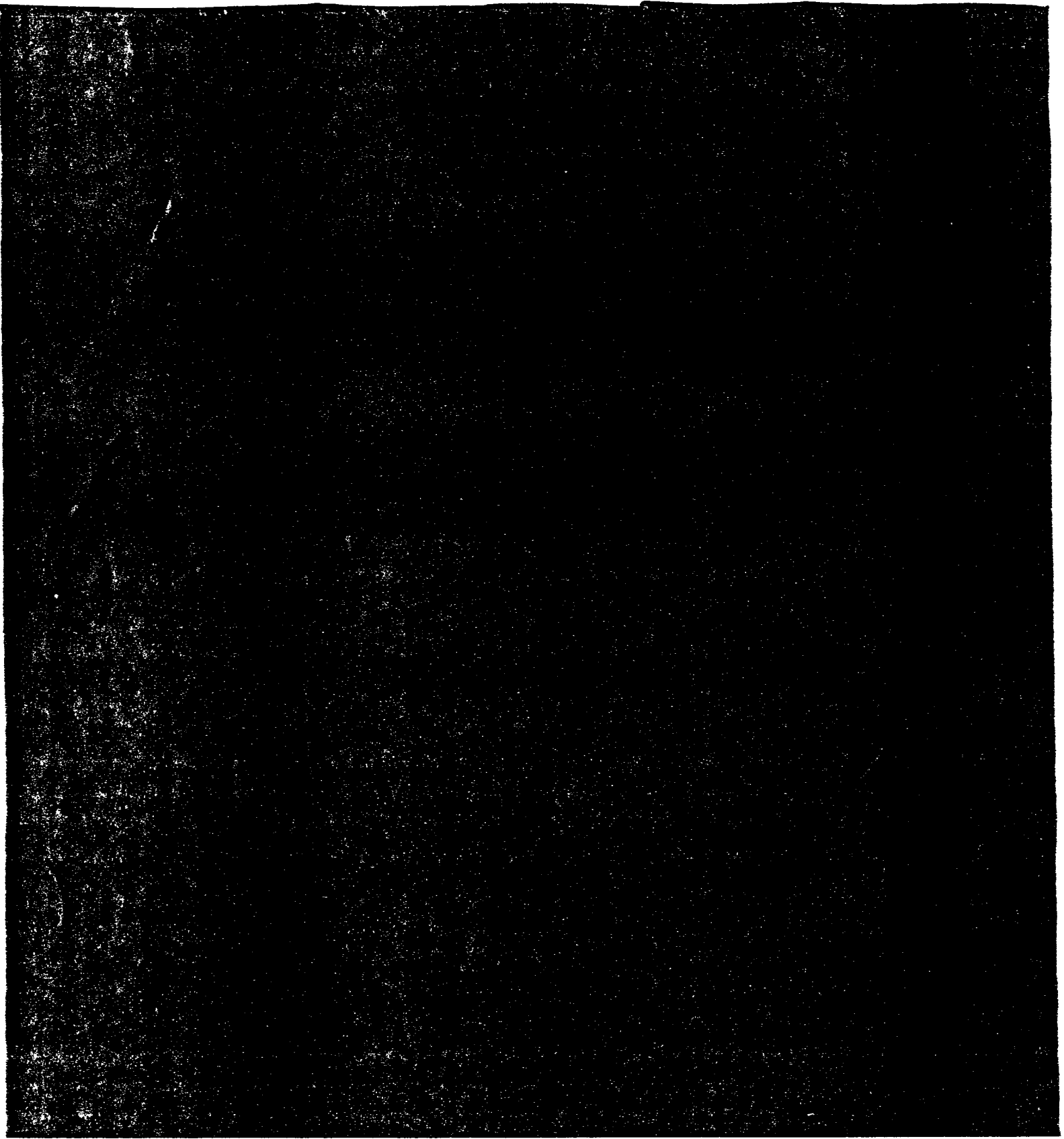


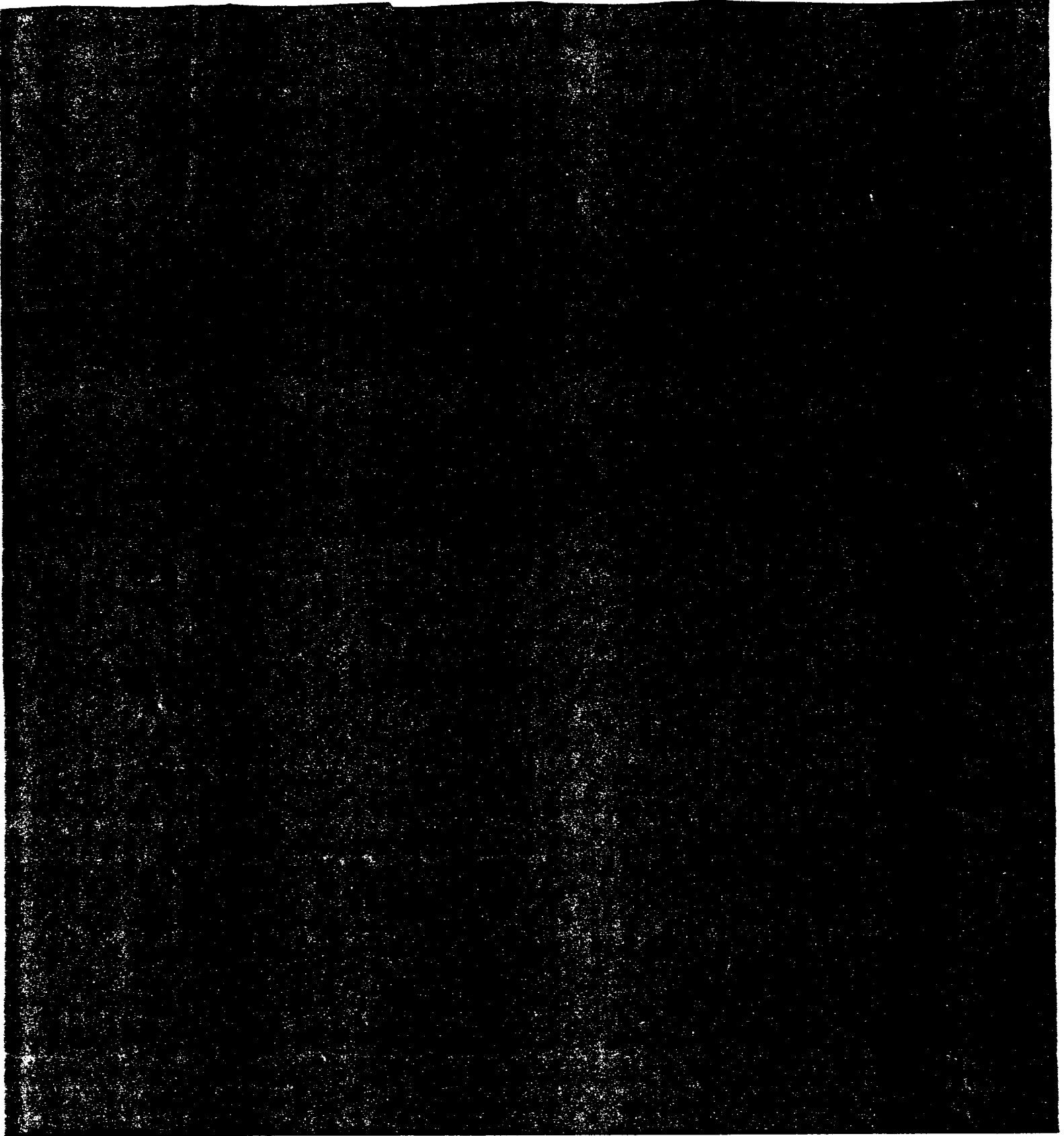


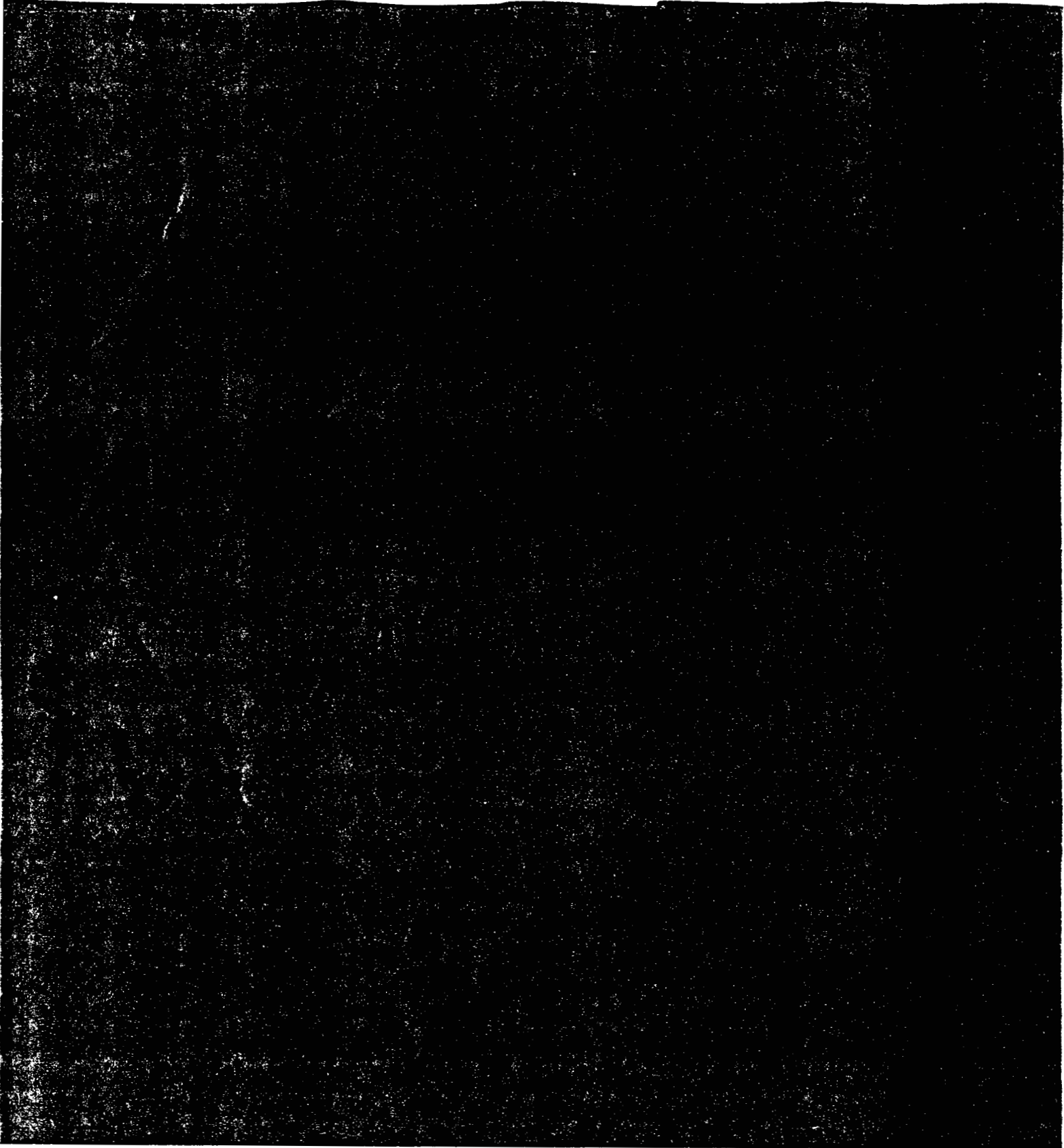
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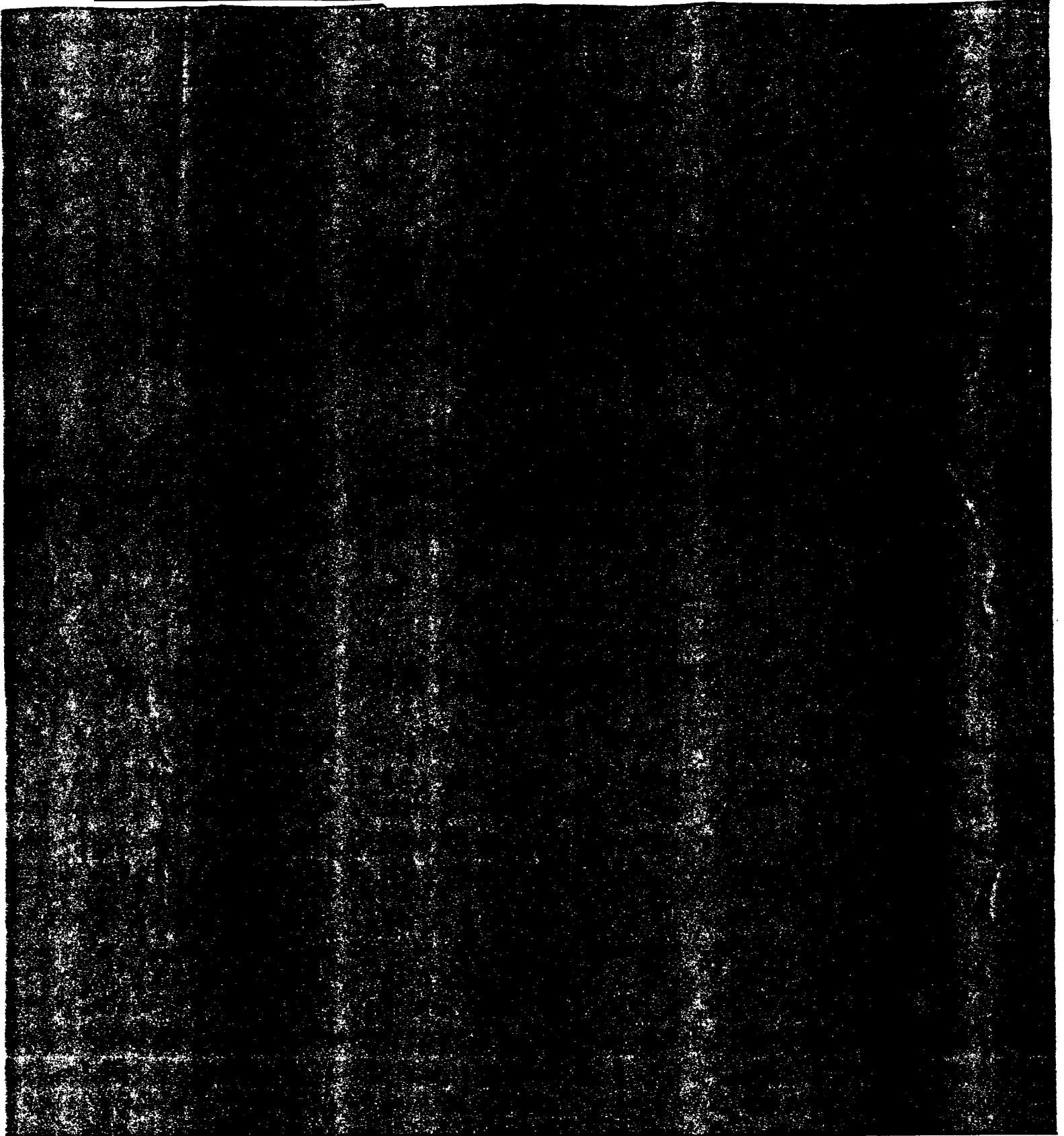




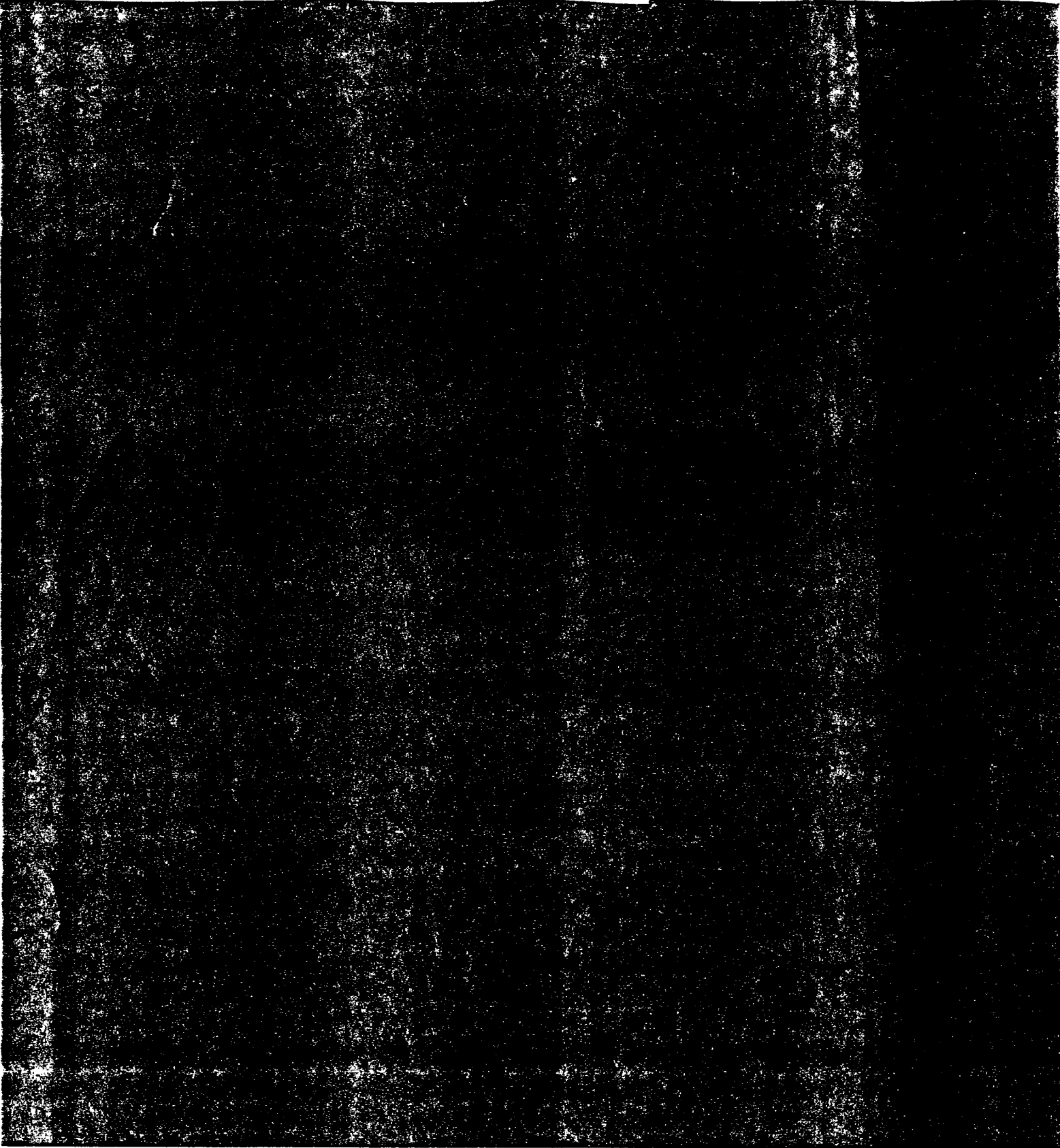


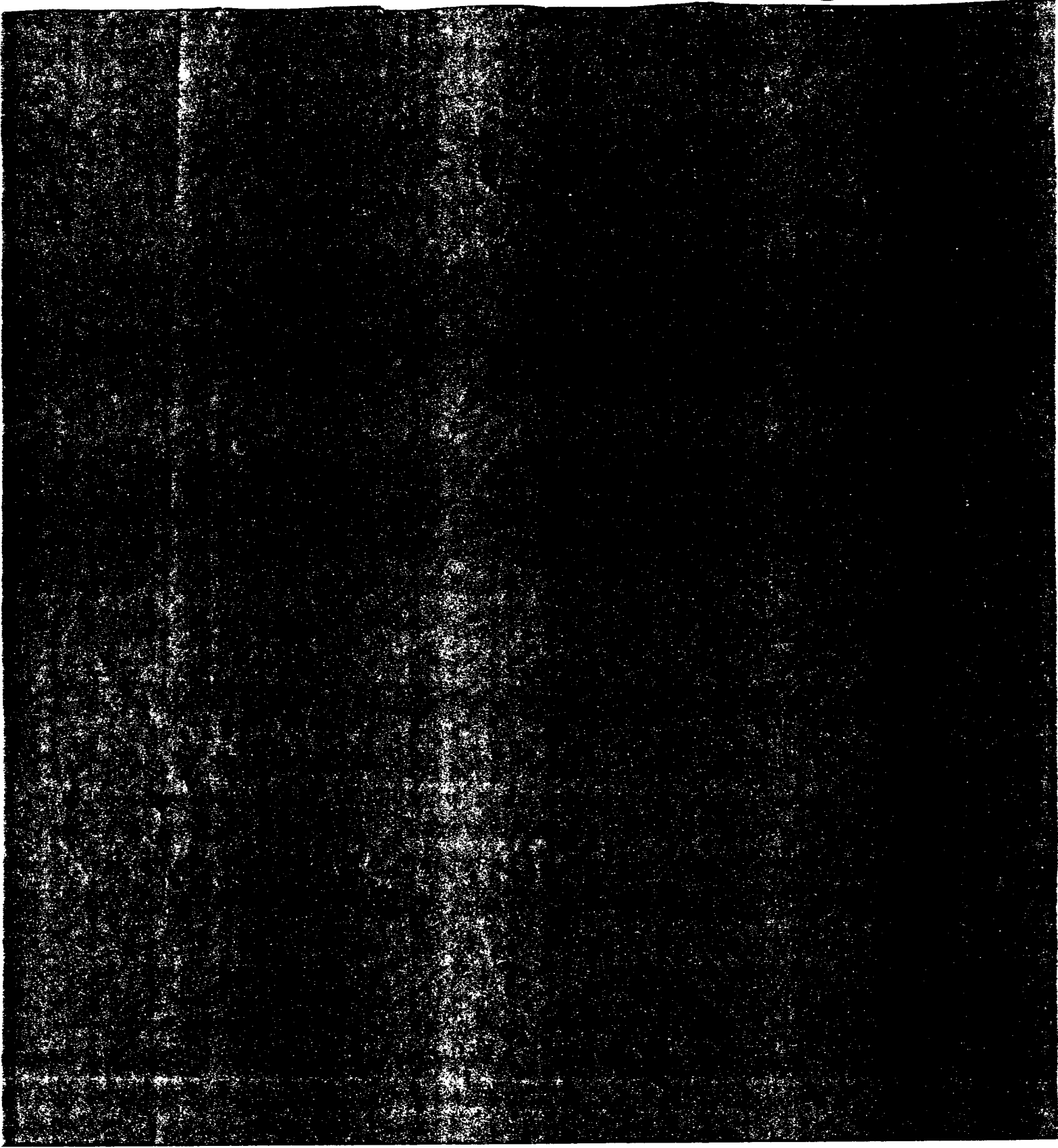


*[Faint, illegible text]*





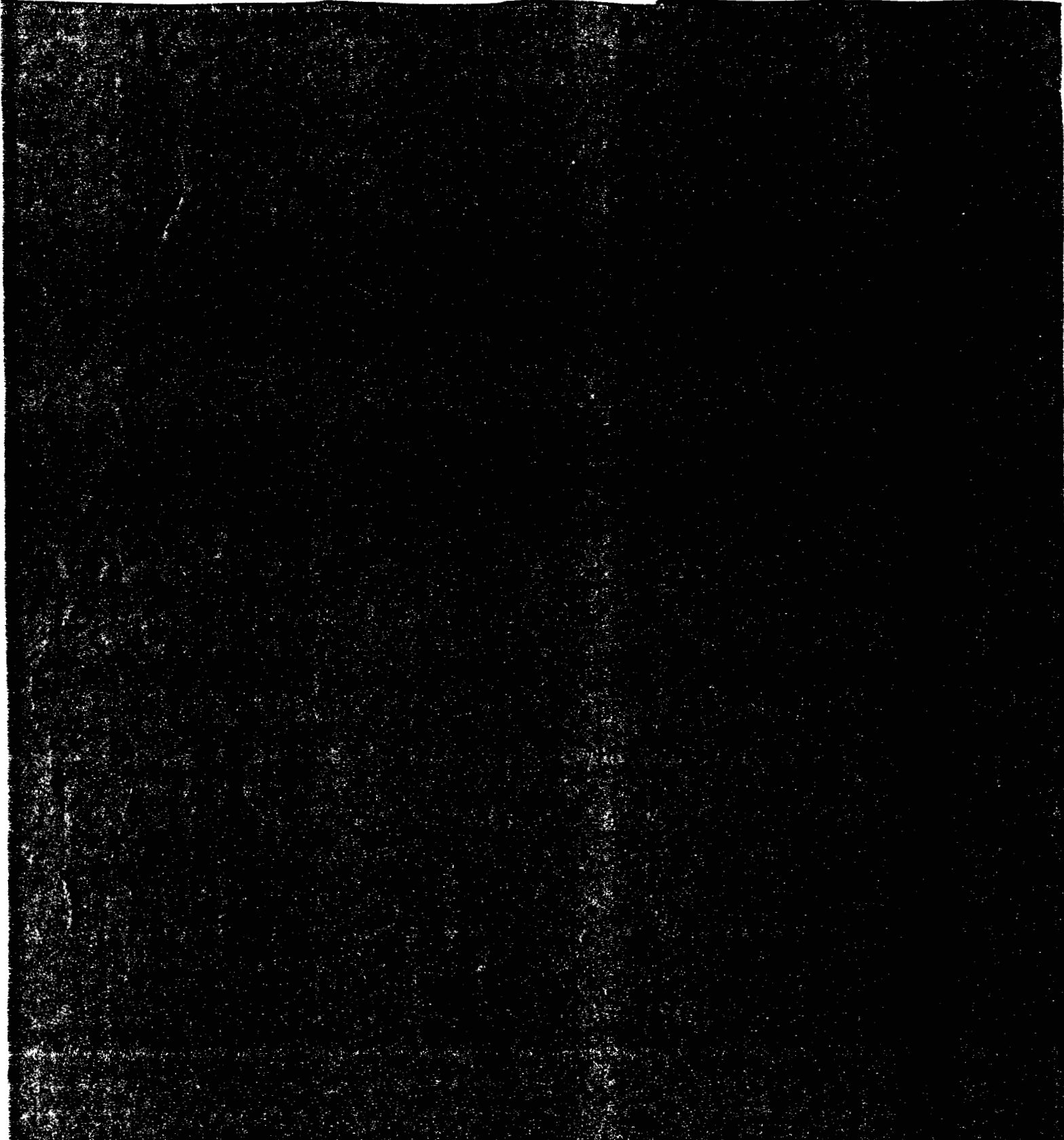


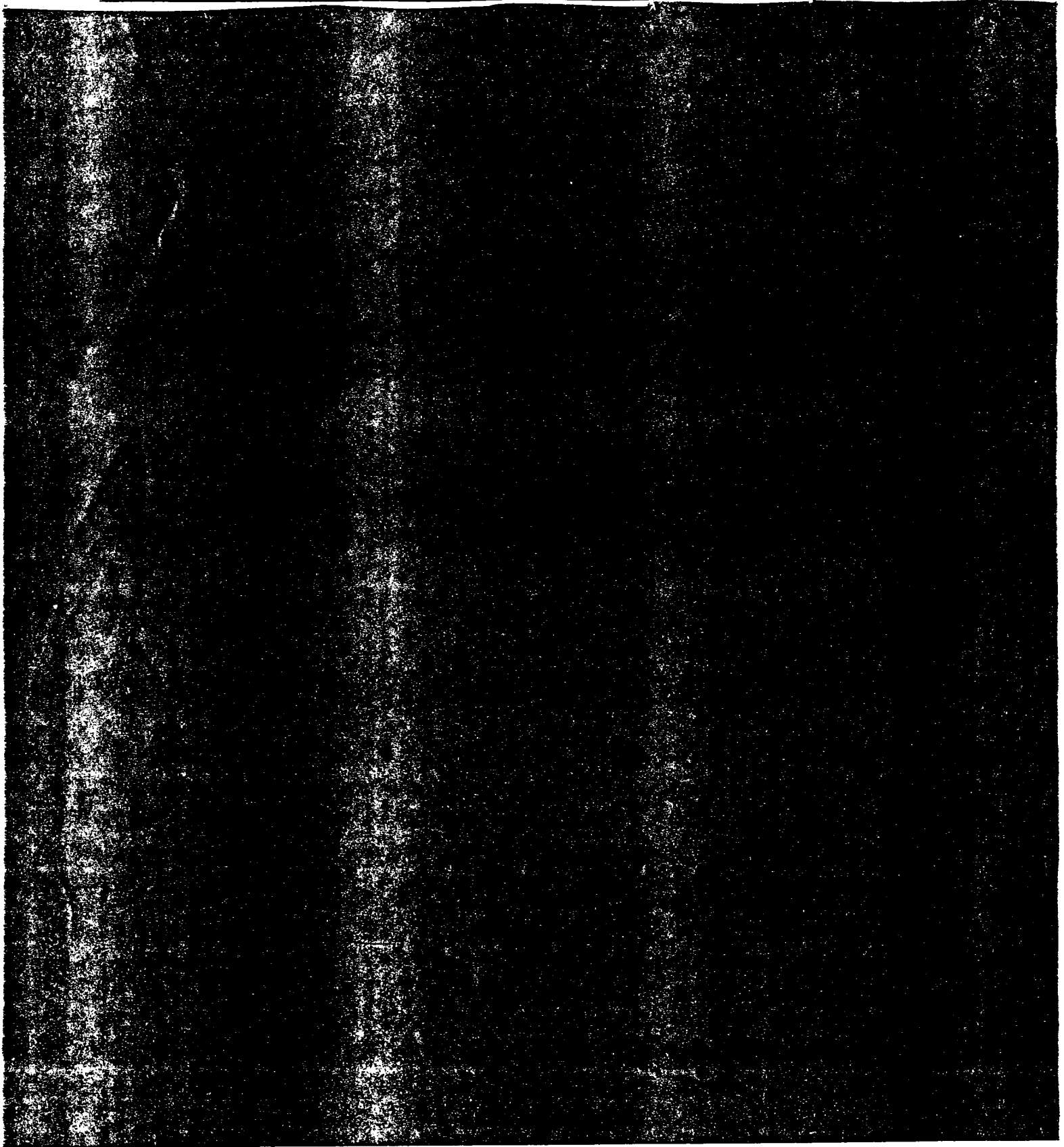


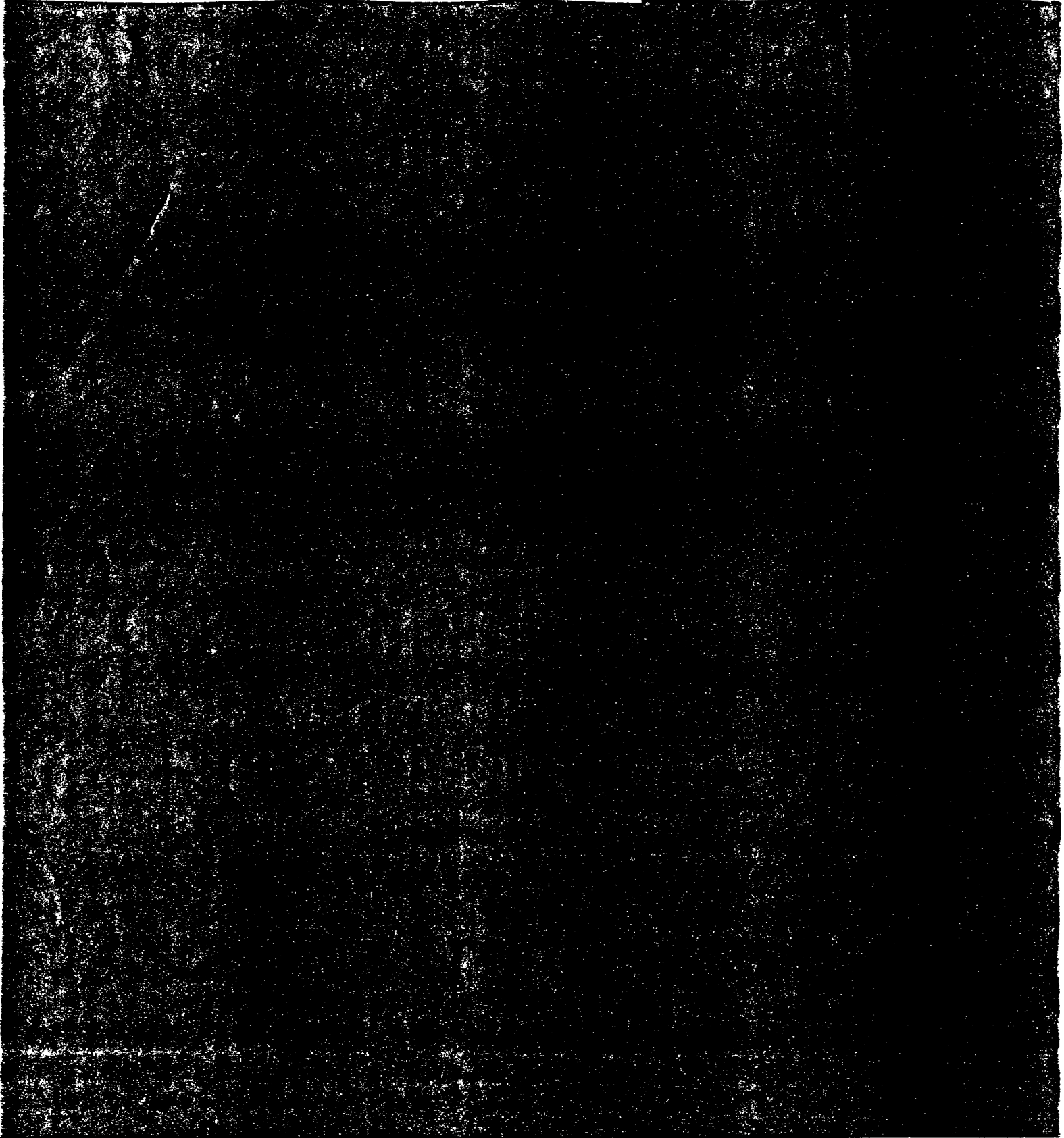
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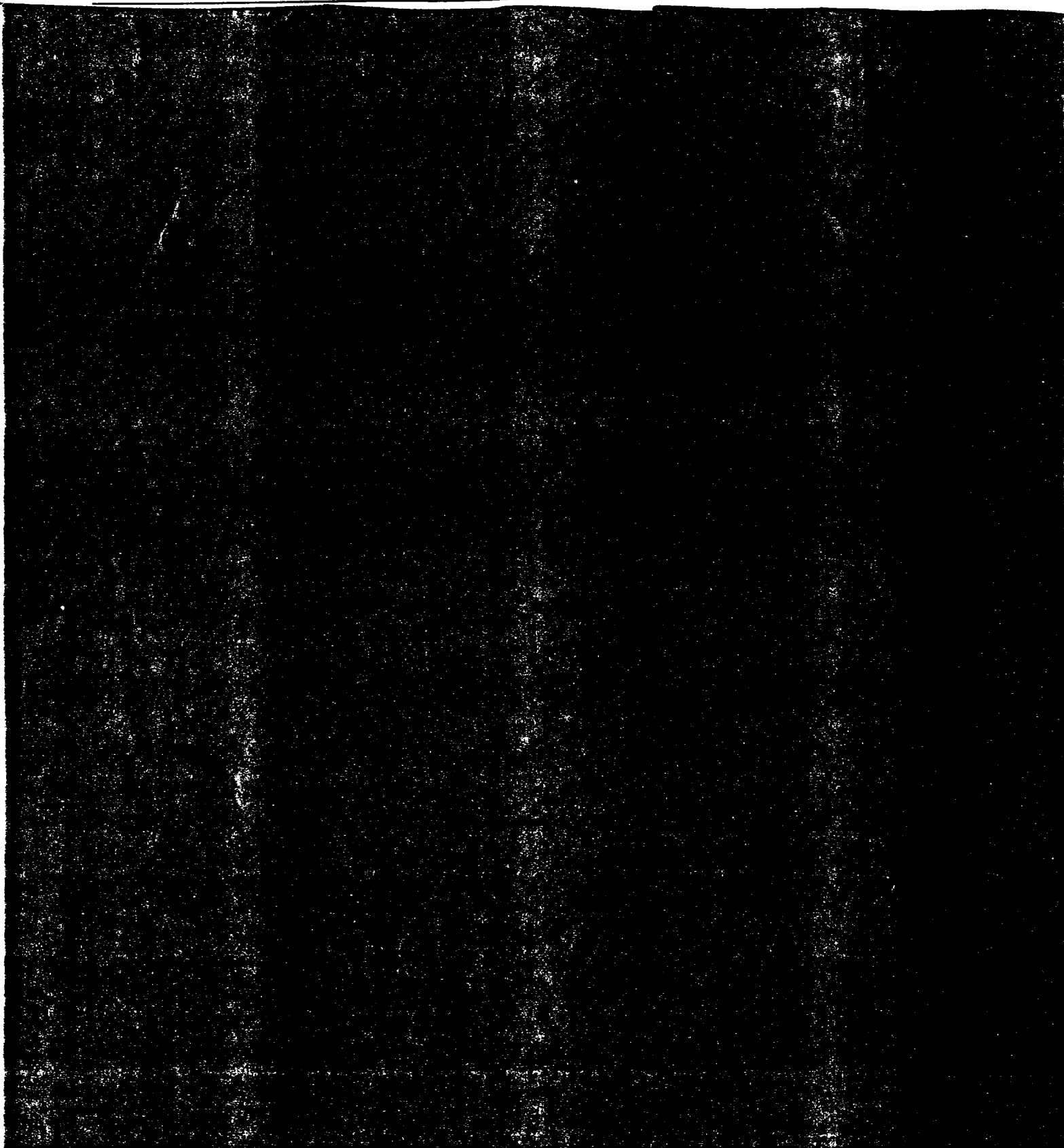
*Regulatory Backlash: One Step Forward, Two Steps Back?*

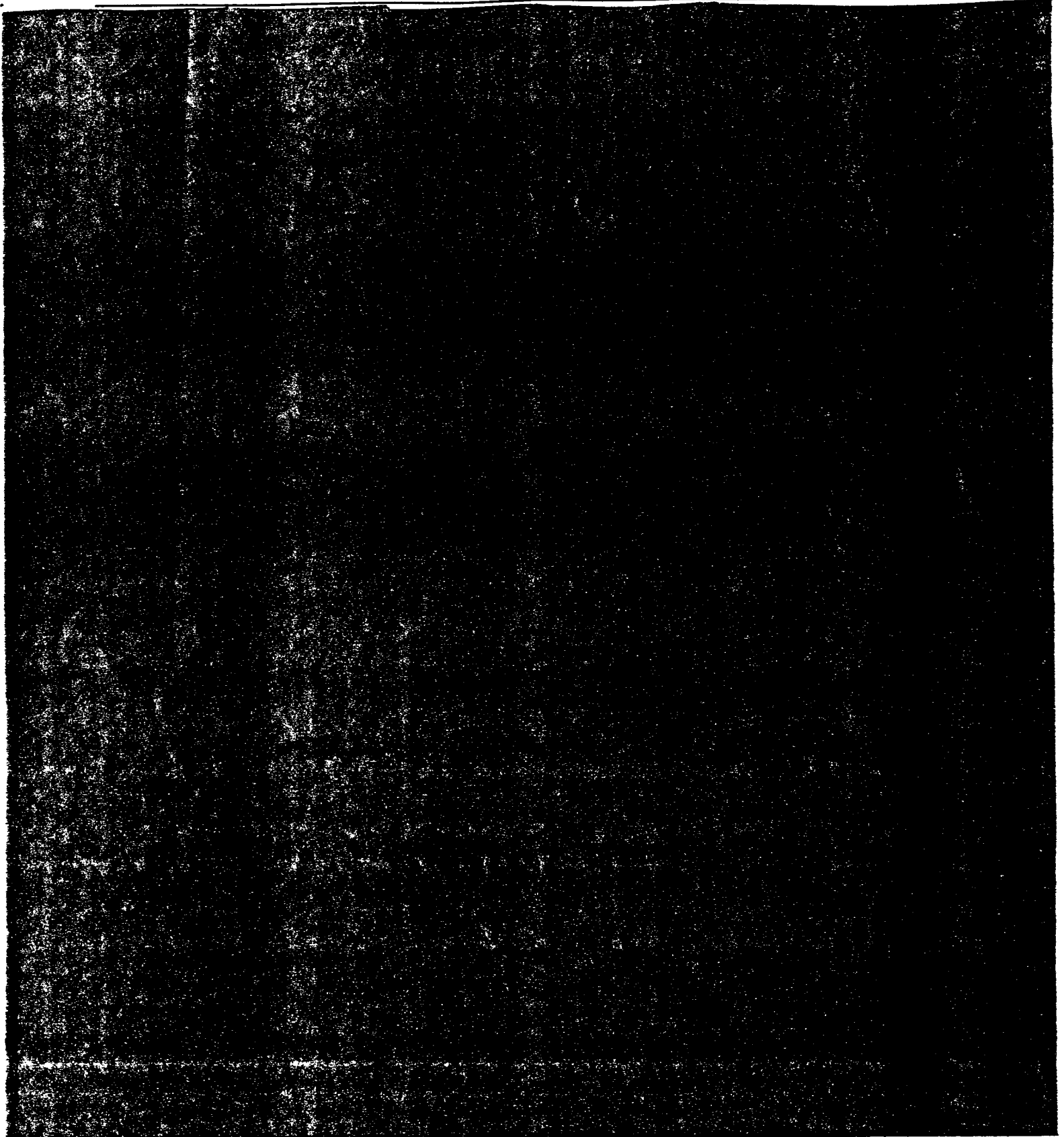
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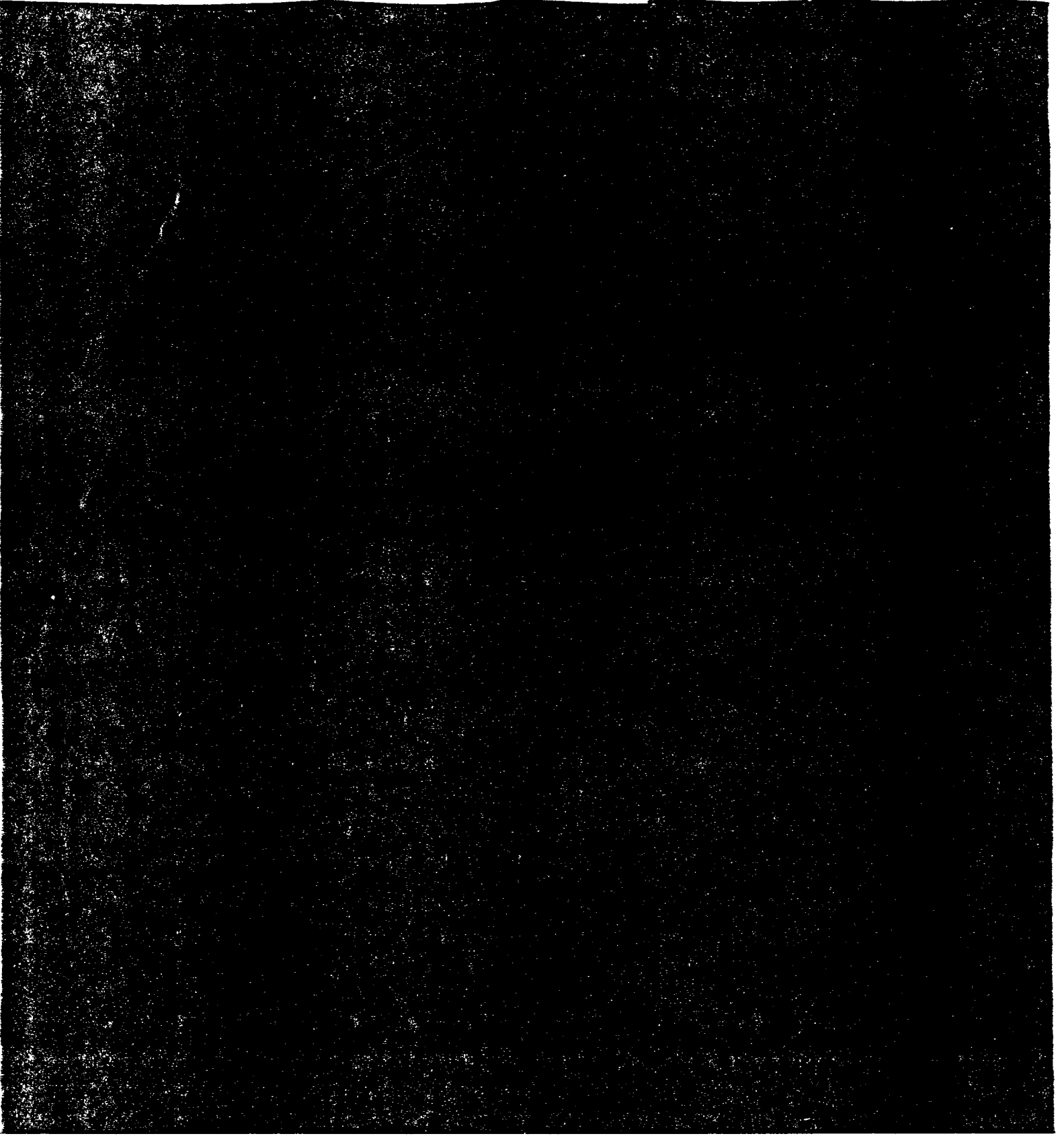












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*Upcoming CERA Events*

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## 2000-01 CERA EVENT DATES

Date	Product Line/Event Type	City	Hotel
<b>OCTOBER 2000</b>			
October 17	Forum for IT Strategy Workshop	London	Westbury Hotel
October 17	Climate Change Roundtable	London	Westbury Hotel
October 18	World Oil Roundtable Refined Products Roundtable	London	Westbury Hotel
October 19	Energy and e-Business Roundtable Climate Change Roundtable	London	Westbury Hotel
October 20	European Gas Roundtable European Power Roundtable	London	Institute of Directors
October 23	Eurasia Energy Roundtable	London	Institute of Directors
<b>NOVEMBER 2000</b>			
November 1-3	Distributed Energy Forum	Barcelona	Le Meridien
November 1	Western Energy Roundtable North American Natural Gas Roundtable North American Electric Power Roundtable	Houston	Four Seasons
November 2	North American Natural Gas Roundtable Climate Change Roundtable Asia Pacific Roundtable	Houston	Four Seasons
November 2	Latin America Luncheon	Houston	Four Seasons
November 6	Forum for IT Strategy	Houston	The Warwick
November 7	World Oil Roundtable Refined Products Roundtable Energy and e-Business Roundtable	Houston	The Warwick
November 8	Latin America Roundtable	Rio de Janeiro	Rio Atlantica Hotel
November 9	North American Power Roundtable	Detroit	Ritz Carlton
November 29	World Oil Roundtable Refined Products Roundtable	Calgary	Hyatt Regency
November 29	European Gas Roundtable European Power Roundtable	Oslo	Hotel Continental
<b>DECEMBER 2000</b>			

*Please note: Dates and locations of events are subject to change.  
Eligibility is determined by service level. For more information about eligibility,  
please contact CERA Registration via telephone: +1 617 497 6447 ext. 800;  
fax: +1 617 498 9176; or e-mail: register@cera.com*



## 2000-01 CERA EVENT DATES

Date	Product Line/Event Type	City	Hotel
December 11-13	Global Power Summit	Pebble Beach	Inn at Spanish Bay
<b>FEBRUARY 2001</b>			
February 12-16	CERAAweek 2001	Houston	Westin Galleria
<b>MAY 2001</b>			
May 7-9	Energy and e-Business Summit	London	TBA
<b>JUNE 2001</b>			
June 19-22	Istanbul Conference	Istanbul	Conrad International Hotel

*Please note: Dates and locations of events are subject to change.  
Eligibility is determined by service level. For more information about eligibility,  
please contact CERA Registration via telephone: +1 617 497 6447 ext. 800;  
fax: +1 617 498 9176; or e-mail: [register@cera.com](mailto:register@cera.com)*



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