ORIGINAL

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September 17, 2001

John T. Butler, P.A.
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-VIA HAND DELIVERY-

Ms. Blanca S. Bayó
Director of the Commission Clerk and Administrative Services
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

RECEIVED-FPSC
01 SEP 17 PM 4:29
COMMISSION CLERK

Re: Docket No. 001148-EI

Dear Ms. Bayó:

On behalf of Florida Power & Light Company (FPL) and in compliance with Order No. PSC-01-1535-PCO-EI, I am enclosing for filing in the above docket twenty-one (21) copies of the following MFRs: E-13 (part 1 - explanation of development of COS factors only), F-1 through F-14, and F-17. Please note that MFRs being provided for year 2000 historical data are identified on the MFR as "_x_ Historical Test Year."

Please also note that FPL is presently reevaluating its sales forecast, the results of which affect some of the enclosed MFRs as well as many of those to be filed subsequently. In order to comply with the Commission's timetable for filing MFRs, FPL's sales forecast for 2002 was prepared in May 2001, using the best information available at that time (as discussed in MFR F-9). In the past few months, however, the U.S. economy has experienced some unexpected deterioration. In addition, the recent tragedies in New York and Washington may have economic and other consequences that could affect FPL's sales forecast in ways that cannot yet be determined. FPL is continuing to reevaluate its 2002 sales forecast to determine the impact of these national and world events, and will advise the FPSC of any material changes in forecasted data.

In the event that any party in this docket needs to identify the person(s) responsible for a subject covered by the enclosed MFRs, they should contact Steve Romig of FPL at 305-552-4519.

Sincerely,

John T. Butler, P.A.

APP ___
CAF ___
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ECR ___
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RGO ___
SEC 1
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Enclosures
cc: Counsel of record (w/copy of enclosures)

RECEIVED & FILED
RLM
FPSC-BUREAU OF RECORDS

DOCUMENT NUMBER-DATE
11538 SEP 17 01
FPSC-COMMISSION CLERK

2394

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of FPL's MFRs E-13 (part 1 - explanation of development of COS factors only), F-1 through F-14, and F-17 were served by hand delivery (*) or mailed this 17th day of September 2001 to the following:

Robert V. Elias, Esquire*
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By: Charles A Guyton for
John T. Butler, P.A.

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 001148-EI

MINIMUM FILING REQUIREMENTS

FLORIDA POWER & LIGHT COMPANY AND SUBSIDIARIES

SCHEDULE NO. E – 13

7396

SCHEDULE E - 13

COST OF SERVICE STUDY - DEVELOPMENT OF ALLOCATION FACTORS

FLORIDA PUBLIC SERVICE COMMISSION

FLORIDA POWER & LIGHT COMPANY AND SUBSIDIARIES

DOCKET NO. 001148-EI

EXPLANATION: DERIVE EACH ALLOCATION FACTOR USED IN THE COST OF SERVICE STUDY. PROVIDE SUPPORTING DATA AND ANY WORKPAPERS USED IN DERIVING THESE ALLOCATION FACTORS, AND A BRIEF NARRATIVE DESCRIPTION OF THE DEVELOPMENT OF EACH ALLOCATION FACTOR. EXPLANATION DUE ON 9/15, SCHEDULE TO BE FILED ON 10/15.

TYPE OF DATA SHOWN:

____HISTORIC TEST YEAR ENDED ____
_X_PROJECTED TEST YEAR ENDED 12/31/02
____PRIOR YEAR ENDED ____
WITNESS: NA

See Attachment 1 - Explanation of allocation factors used for Jurisdictional Separation and Cost of Service studies.

SUPPORTING SCHEDULES: E-14, F-17

RECAP SCHEDULES: E-5a, E-5b

In compliance with Order No. PSC-01-1535-PCO-EI, issued July 24, 2001, FPL is hereby submitting the explanations of cost allocation factors it plans to use in its 2002 cost of service study to be filed October 15. Following are the definitions of the allocation factors used by FPL.

Name	Description	Explanation
FPL101	Average of the 12 Months CP Demand	The total class contribution to the average of the 12 monthly Coincident Peak (12CP) demands, adjusted for losses.
FPL102	Average 12CP Demand – Excluding FKEC and Key West contracts	The total class contribution to the average of the 12 monthly Coincident Peak (12CP) demands, adjusted for losses, excluding FKEC and Key West contracts.
FPL103	Average 12CP Demand – Adjusted for FKEC and Key West contracts	The total class contribution to the average of the 12 monthly Coincident Peak (12CP) demands, adjusted for both losses, and the increase in cost responsibility of FKEC and Key West contracts.
FPL104	Distribution Group Coincident Peak Demand	The single Group Coincident Peak (GCP) demand, adjusted for losses, for loads at primary and secondary voltage levels.
FPL105	Secondary Group Coincident Peak Demand	The single Group Coincident Peak (GCP) demand, adjusted for losses, for loads at secondary voltage level only.
FPL109	Secondary Customer Non-Coincident Peak Demand	The single customer Non-Coincident Peak (NCP) demand, adjusted for losses, for loads at secondary voltage level only, retail rate classes only.
FPL201	MWH Sales	The total 12 month MWH Sales, adjusted for losses.
FPL202	MWH Sales - Excluding FKEC and Key West contracts	The total 12 month MWH Sales, adjusted for losses, excluding FKEC and Key West contracts.
FPL203	MWH Sales - Adjusted for FKEC and Key West contracts	The total 12 month MWH Sales, adjusted for both losses, and the increase in cost responsibility of FKEC and Key West contracts.
FPL205	Uncollectibles	The 12 month uncollectibles.
FPL206	MWH Sales at Meter	The total 12 month MWH Sales at the meter for retail rate classes.
FPL301	Transmission Customers Pull-offs	The average number of transmission voltage level customers multiplied by the average cost per transmission pull-off for each rate class. Engineering estimates are used to determine the average transmission level pull-off cost.
FPL302	Primary Customers Pull-offs	The average number of primary voltage level customers multiplied by the average primary pull-off cost for each retail rate class. Engineering estimates are used to determine the average primary level pull-off cost.
FPL303	Average Secondary Customers	The average number of secondary voltage level customers for retail rate classes only, excluding all lighting services.
FPL304	Total Meter Costs	The average number of customers per rate class multiplied by the average meter unit cost per rate class, excluding all lighting services.
FPL310	Average Distribution Customers	The average number of primary and secondary voltage level customers for the retail rate classes, excluding street lights and traffic signals.

Name	Description	Explanation
FPL320	Weighted Average Customers – Meter and SSDR Material Cost	The average number of customers per rate class multiplied by the customer weight. Note: The customer weight is calculated by dividing the average meter only material cost for the rate class by the average meter only material cost for the residential rate class. The lighting classes are assumed to have a customer weight equal to residential (which is equal to one).
FPL330	Meter and SSDR Material Costs	The average number of customers per rate class multiplied by the average meter and SSDR material unit cost. The non-metered rate classes are zero.
FPL355	Weighted Average Customers – Material Cost Only	The average number of customers per rate class multiplied by the customer weight. Note: The customer weight is calculated by dividing the average total meter material cost for the rate class by the average total meter material cost for the residential rate class. The lighting classes are assumed to have a customer weight equal to residential (which is equal to one). All classes including OL1 use average customers.
FPL356	Average Customers	The average number of customers for retail rate classes only.
FPL401	Base Revenues	The Base Revenues for the retail rate classes, excluding revenues from clauses.
FPL504	100% Retail	Used for Separation Study, 100% assignment to Retail.
FPL505	100% Resale	Used for Separation Study, 100% assignment to Wholesale.
FPL508	Street Lights and Traffic Signals	The number of lighting fixtures for the street lighting and traffic signal classes.
FPL509	Outdoor Lighting	100% assignment to Outdoor Lighting.

FPL maintains its accounting books and records in compliance with title 18, Part 101, of the Code of Federal Regulations, Part 101. The categorizations of rate base and net operating income (NOI) items described herein are consistent with those contained in Part 101, 18 CFR. The cost of service allocation factors described herein are for base rate items only and exclude clause recoverable items.

Electric Plant In Service

I. Production Plant

A. Jurisdictional Separation

The production system is comprised of Steam Production (plant accounts 310-316), Nuclear Production (plant accounts 320-325), and Other Production (plant accounts 340-346). The wholesale contracts for FKEC and Key West provide for the exclusion of costs associated with nuclear generation. Accordingly, nuclear production plant is assigned allocation factor FPL102 - "Average 12CP Demand – Excluding FKEC and Key West contracts".

The remaining Steam and Other Production plant costs are allocated using allocation factor FPL103 - "Average 12CP Demand – Adjusted for FKEC and Key West contracts". Allocation factor FPL103 includes an adjustment to the wholesale contract rate class for the nuclear capacity not allocated to it with factor FPL102, described above. The use of allocation factors FPL102 and FPL103 is consistent with previous FERC and FPSC rate case filings.

B. FPSC Cost of Service Study

The FPSC jurisdictional production costs are allocated to retail rate classes using the FPSC approved 12 CP and 1/13 methodology. This methodology allocates 12/13 of the costs to demand using allocation factor FPL101 - "Average of the 12 Months CP Demand". The remaining 1/13 of the costs are assigned to energy and allocated to rate classes using allocation factor FPL201 - "MWH Sales". This methodology is being applied to all production costs, including the costs of St. Lucie Unit 2, consistent with all other FPL production plant costs in FPL's last rate case and other FPSC rate proceedings.

II. Transmission Plant – Plant Accounts 350 - 359

A. Jurisdictional Separation

FPL's Transmission Plant is allocated based on allocation factor FPL101 - "Average of the 12 Months CP Demand".

B. FPSC Cost of Service Study

Except for transmission voltage pull-off costs, FPSC jurisdictional transmission costs are allocated to rate classes using the FPSC approved 12 CP and 1/13 methodology.

Transmission voltage pull-off costs are assigned to rate classes using allocation factor FPL301 – "Transmission Customers Pull-offs".

III. Distribution Plant

A. Jurisdictional Separation

All Distribution Plant-in-Service costs, except for Meters (plant account 370), are 100% retail. Meters are allocated to individual customers based on the estimated total installed cost for each type of meter, FPL304 - "Total Meter Costs".

B. FPSC Cost of Service Study

Substations (plant accounts 360 – 362) are allocated to retail rate classes using allocation factor FPL104 - "Distribution Group Coincident Peak Demand".

Poles, Towers, and Fixtures (plant account 364) and Overhead Conductors and Devices (plant account 365) are assigned to primary and secondary voltage levels based on year 2000 cost relationships. Primary voltage level costs, excluding primary pulloffs, are allocated to rate classes using allocation factor FPL104 - "Distribution Group Coincident Peak Demand". Primary pull-off costs are assigned to rate classes using allocation factor FPL302 - "Primary Customers Pull-offs". Secondary voltage level costs are allocated to rate classes using allocation factor FPL105 - "Secondary Group Coincident Peak Demand".

Underground Ducts (plant account 366) and Underground Conductors and Devices (plant account 367) are assigned to primary and secondary voltage levels based on year 2000 cost relationships. Primary voltage level costs are allocated to rate classes using allocation factor FPL104 - "Distribution Group Coincident Peak Demand". Secondary voltage level costs are allocated to rate classes using allocation factor FPL105 - "Secondary Group Coincident Peak Demand".

Line Transformers (plant account 368) costs are assigned to primary and secondary voltage levels based on year 2000 cost relationships. Primary voltage capacitor banks and field voltage regulators are allocated to rate classes using allocation factor FPL104 - "Distribution Group Coincident Peak Demand". Line transformer costs are allocated to rate classes using allocation factor FPL109 - "Secondary Customer Non-Coincident Peak Demand".

Services (plant account 369) are allocated using allocation factor FPL303 - "Average Secondary Customers".

Meters (plant account 370) are allocated to retail rate classes based on the estimated total installed cost for each type of meter, FPL304 - "Total Meter Costs".

Outdoor Lighting (plant account 371) is directly assigned to FPL's Outdoor Lighting rate class (OL-1) using allocation factor FPL509 - "Outdoor Lighting".

Street Lighting and Signal Systems (plant account 373) are assigned to FPL's Street Lighting rate class (SL-1), and Traffic Signal rate class (SL-2) using allocation factor FPL508 - "Street Lights and Traffic Signals".

IV. General and Intangible Plant

A. Jurisdictional Separation

General and intangible plant costs are allocated based on O&M Labor.

B. FPSC Cost of Service Study

General and intangible plant costs are allocated based on O&M Labor.

Accumulated Depreciation

A. Jurisdictional Separation

Accumulated depreciation is allocated to jurisdictions consistent with the allocation of the corresponding Plant-in-Service costs. Investment Tax Credit – Interest Synchronization is allocated based on Gross Plant-in-Service.

B. FPSC Cost of Service Study

Accumulated depreciation is allocated to rate classes consistent with the allocation of the corresponding Plant-in-Service costs. Investment Tax Credit – Interest Synchronization is allocated based on Gross Plant-in-Service.

Construction Work in Progress (CWIP)

A. Jurisdictional Separation

CWIP is allocated in the same manner as the corresponding Plant-in-Service costs

B. FPSC Cost of Service Study

CWIP is allocated in the same manner as the corresponding Plant-in-Service costs.

Future Use Plant

A. Jurisdictional Separation

Future use property is allocated in the same manner as the corresponding Plant-in-Service costs.

B. FPSC Cost of Service Study

Future use property, except for Distribution, is allocated in the same manner as the corresponding Plant-in-Service costs. Distribution future use is allocated to rate classes using allocation factor FPL104 - "Distribution Group Coincident Peak Demand".

Nuclear Fuel

A. Jurisdictional Separation

Nuclear Fuel is allocated to jurisdictions using allocation factor FPL202 - "MWH Sales - Excluding FKEC and Key West contracts".

B. FPSC Cost of Service Study

Nuclear Fuel is allocated to rate classes using factor FPL201 – "MWH Sales".

Working Capital

A. Jurisdictional Separation

Working Capital items are generally allocated based on total operation and maintenance (O&M) expenses and O&M Labor costs for payroll specific items. The following are major exceptions:

Energy related items such as Fuel Stock and Fuel Handling are allocated using allocation factor FPL203 - "MWH Sales - Adjusted for FKEC and Key West contracts". Nuclear Fuel prepayments are allocated using allocation factor FPL202 - "MWH Sales - Excluding FKEC and Key West contracts". Plant related Working Capital items such as Plant Materials and Operating Supplies and Insurance Prepayments are allocated using Gross Plant-in-Service. Working Capital items assigned 100% to retail jurisdiction include Customer Accounts Receivable, Provision for Uncollectible Accounts, Accrued FPSC Unbilled Revenues, FPSC Clause Under/Over-recoveries, and Accrued Retail Refunds and Interest. Working Capital items assigned 100% to wholesale jurisdiction include Accrued FERC Unbilled Revenues, and FERC Fuel Under/Over-recoveries.

B. FPSC Cost of Service Study

Working Capital items are generally allocated based on total O&M and O&M Labor costs for payroll specific items. The following are major exceptions:

Energy related items such as Fuel Stock, Fuel Handling, and Nuclear Fuel Prepayments, are allocated to rate classes using allocation factor FPL201 - "MWH Sales". Plant related Working Capital items such as Plant Materials and Operating Supplies, Insurance Prepayments, and Accumulated Provision for Property Insurance are allocated using Gross Plant-in-Service.

Operating Revenues

I. Sales of Electricity

A. Jurisdictional Separation

All revenues are forecast at the rate class level of detail for wholesale and retail jurisdictions. Retail related revenues, including unbilled revenues, are assigned allocation factor FPL504 – "100% Retail". Wholesale revenues, including unbilled revenues, are assigned allocation factor FPL505 – "100% Resale". Non-Recoverable Interchange Revenues are allocated to jurisdictions using allocation factor FPL103 - "Average 12CP Demand – Adjusted for FKEC and Key West contracts".

B. FPSC Cost of Service Study

Retail base revenues are forecast at the rate class level of detail and form the basis for allocation factor FPL401 - "Base Revenues". FPL401 is used to allocate unbilled revenues and the revenues associated with the 1990 Rate Reduction to retail rate classes. CILC Incentive Offset is also forecast at the retail rate class level.

Provision for Retail Rate Refunds is allocated to retail rate classes using allocation factor FPL206 - "MWH Sales at Meter ". Non-Recoverable Interchange Revenues are allocated to retail rate classes based on allocation factor FPL101 – "Average of the 12 Months CP Demand".

II. Other Operating Revenues

A. Jurisdictional Separation

Revenues assigned 100% to retail jurisdiction (allocation factor FPL504) include Late Payment Charges, Other Electric Revenues – Miscellaneous, and Miscellaneous Service Revenues such as initial connection, reconnection after non-payment, connect/disconnect, returned checks, and current diversion.

Rent from Electric Property is allocated based on Gross Distribution Plant. Other Electric Revenues – Transmission is assigned allocation factor FPL501 - "Average 12 Months Coincident

Peak Demand". Other Electric Revenues – FERC is assigned allocation factor FPL505 – "100% Resale".

B. FPSC Cost of Service Study

The forecast of Late Payment Charges, and Miscellaneous Service Revenues, including initial connection, reconnection after non-payment, connect/disconnect, returned customer checks, and current diversion revenues is allocated to retail rate classes based on historical relationships.

Rent from Electric Property is allocated to retail rate classes based on Gross Plant-in-Service. Other Electric Revenues – Transmission is allocated to retail rate classes using the FPSC approved 12 CP and 1/13 methodology. Other Electric Revenues - Miscellaneous are allocated to retail rate classes based on allocation factor FPL401 – "Base Revenues".

Operating and Maintenance (O&M)

I. Power Production

A. Jurisdictional Separation

The following power production accounts are assigned allocation factor FPL103 - "Average 12CP Demand – Adjusted for FKEC and Key West contracts".

- Steam Power Generation – Accounts 500, 502, 505 through 507 and 511
- Other Power Generation – Accounts 546 and 548 through 554
- Other Power Supply – Accounts 555 through 557

The following power production accounts are assigned allocation factor FPL203 - "MWH Sales - Adjusted for FKEC and Key West contracts".

- Steam Power Generation – Accounts 501, 510, and 512 through 514
- Other Power Generation – Account 547

Nuclear power generation accounts 517, 519, 520, 523, 524, 525, and 529 are assigned allocation factor FPL102 - "Average 12CP Demand – Excluding FKEC and Key West contracts".

Nuclear power generation accounts 518, 528, 530, 531, and 532 are assigned allocation factor FPL202 - "MWH Sales - Excluding FKEC and Key West contracts".

B. FPSC Cost of Service Study.

The following are power production accounts allocated to retail rate classes based on allocation factor FPL101 - "Average of the 12 Months CP Demand".

- Steam Power Generation – Accounts 506, 507 and 511
- Nuclear Power Generation – Accounts 524, 525 and 529
- Other Power Generation – Accounts 546, 548, and 549 through 554
- Other Power Supply Expenses – Accounts 555 (costs not recovered through the capacity cost recovery clause), 556 and 557

The following are power production accounts allocated to retail rate classes based on allocation factor FPL201 - "MWH Sales".

- Steam Power Generation – Accounts 501and 512 through 514
- Nuclear Power Generation – Accounts 518 and 530 through 532
- Other Power Generation Account 547

Labor expenses included in the following power production accounts are allocated to retail rate classes using allocation factor FPL101 - "Average of the 12 Months CP Demand". The remaining non-labor expenses included in these accounts are allocated using allocation factor FPL201 - "MWH Sales".

- Steam Power Generation – Accounts 502 and 505
- Nuclear Power Generation – Accounts 519 and 520

Account 500 is allocated to retail rate classes based on the classification of accounts 501-507. Account 510 is allocated based on the classification of accounts 511-514. Account 517 is allocated based on the classification of accounts 518-525. Account 528 is allocated based on the classification of accounts 529-532.

II. Transmission

A. Jurisdictional Separation

Accounts 560 to 573 are assigned allocation factor FPL101 – "Average of the 12 Months CP Demand".

B. FPSC Cost of Service Study.

Accounts 560 to 573 are allocated to rate classes consistent with the allocation of Transmission Plant-in-Service, plant accounts 350 – 359.

III. Distribution

A. Jurisdictional Separation

Accounts 580, 588, 589, 590, and 598 are allocated to jurisdictions based on total distribution plant in service. Accounts 586, and 597 are assigned allocation factor FPL304 – "Total Meter Costs". All other Distribution expenses are allocated 100% to retail.

B. FPSC Cost of Service Study.

Accounts 582, 591, and 592 are allocated to retail rate classes using allocation factor FPL104 - "Distribution Group Coincident Peak Demand". Accounts 580, 588, 589, and 590 are allocated based on total distribution plant in service. Accounts 586, and 597 are allocated using allocation factor FPL304 – "Total Meter Costs".

Accounts 585, and 596 are allocated to retail rate classes using allocation factor FPL508 – "Street Lights and Traffic Signals". Account 587 is allocated between outdoor lights and other Distribution expenses using historical relationships. Expenses associated with Outdoor lights are directly assigned to the Outdoor Lighting rate class (OL-1). The remaining expenses in Account 587 are assigned allocation factor FPL310 - "Average Distribution Customers".

Account 595 is assigned the same allocation factors as those used for plant account 368 – Line Transformers. The expenses associated with Outdoor Lighting within account 598 are directly assigned to rate class (OL-1). The remaining expenses in account 598 are allocated based on total distribution plant-in-service.

Account 583 is based on the classification of plant accounts 364, 365, and 369-OH. Account 584 is based on plant accounts 366, 367, and 369-UG. Account 593 is based on plant accounts 364, 365, and 369-OH. Account 594 is based on plant accounts 366, 367, and 369-UG.

IV. Customer Accounts and Information

A. Jurisdictional Separation

Accounts 901, 903, and 905 are assigned allocation factor FPL355 - "Weighted Average Customers – Material Cost Only". Accounts 907 through 912 are assigned allocation factor FPL356 – "Average Customers". Account 902 is assigned allocation factor FPL304 - "Total Meter Costs". Account 904 is assigned allocation factor FPL401 - "Base Revenues".

B. FPSC Cost of Service Study.

Accounts 901, 903, and 905 are allocated to retail rate classes based on allocation factor FPL320 – "Weighted Average Customers – Meter and SSDR Material Cost". Accounts 907 through 912 are allocated based on allocation factor FPL356 – "Average Customers". Account 902 is allocated using allocation factor FPL330 - "Meter and SSDR Material Costs". Account 904 is allocated based on allocation factor FPL205 - "Uncollectibles".

V. Administrative and General Expenses

A. Jurisdictional Separation

Accounts 920 through 923, 925, 926, 930, 931, and 935 are allocated to jurisdictions based on O&M Labor. Account 924 is based on gross plant-in-service. Account 928 expenses related to FPSC dockets are assigned 100% to retail while account 928 expenses related to FERC dockets are assigned to resale.

B. FPSC Cost of Service Study.

Accounts 920 through 923, 925, 926, 928, 930, and 931 are allocated to retail rate classes based on O&M Labor. Account 924 is allocated based on Gross Plant-in-Service. Account 935 is allocated based on General Plant-in-Service.

Depreciation Expenses

A. Jurisdictional Separation

Depreciation expense is allocated to jurisdictions in the same manner as Accumulated Depreciation.

B. FPSC Cost of Service Study

Depreciation expense is allocated to rate classes in the same manner as Accumulated Depreciation.

Taxes Other Than Income Taxes

A. Jurisdictional Separation

Property taxes are allocated based on Plant-in-Service. Non-revenue taxes are allocated based on O&M Labor. Revenue taxes are assigned allocation factor FPL401 – "Base Revenues".

B. FPSC Cost of Service Study

Property taxes are allocated based on Plant-in-Service. Non-revenue taxes are allocated based on O&M Labor. Revenue taxes are assigned allocation factor FPL401 – "Base Revenues".

Income Taxes

A. Jurisdictional Separation

Income Taxes are calculated by applying the effective income tax rate to jurisdictional pre-tax book income.

B. FPSC Cost of Service Study

Income Taxes are calculated by applying the effective income tax rate to pre-tax book income for each retail rate class.

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 001148-EI

MINIMUM FILING REQUIREMENTS

FLORIDA POWER & LIGHT COMPANY AND SUBSIDIARIES

SCHEDULE NO. F – 1

SCHEDULE F - 1

ANNUAL AND QUARTERLY REPORTS TO SHAREHOLDERS

FLORIDA PUBLIC SERVICE COMMISSION

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
DOCKET NO. 001148-EI

EXPLANATION: PROVIDE A COPY OF THE MOST RECENT ANNUAL REPORT TO SHAREHOLDERS AND ALL SUBSEQUENT QUARTERLY REPORTS. THE COMPANY SHALL FILE ALL QUARTERLY AND ANNUAL REPORTS AS THEY BECOME AVAILABLE DURING THE PROCEEDING.

TYPE OF DATA SHOWN:

_X_ HISTORIC TEST YEAR ENDED 12/31/00
__ PROJECTED TEST YEAR ENDED _____
___ PRIOR YEAR ENDED ___
WITNESS: NA

FPL GROUP'S 2000 ANNUAL REPORT TO SHAREHOLDERS IS ATTACHED.

FPL GROUP DOES NOT PUBLISH QUARTERLY REPORTS TO SHAREHOLDERS.

7409

SUPPORTING SCHEDULES:

RECAP SCHEDULES:

BEFORE THE
FLORIDA PUBLIC SERVICE
COMMISSION

DOCKET NO. 001148-EI

MINIMUM FILING REQUIREMENTS

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES

SCHEDULE NO. F – 1

SCHEDULE F - 1

ANNUAL AND QUARTERLY REPORTS TO SHAREHOLDERS

FLORIDA PUBLIC SERVICE COMMISSION

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TYPE OF DATA SHOWN:

_X_ HISTORIC TEST YEAR ENDED 12/31/00
___ PROJECTED TEST YEAR ENDED _____
___ PRIOR YEAR ENDED _____
WITNESS: NA

FPL GROUP'S 2000 ANNUAL REPORT TO SHAREHOLDERS IS ATTACHED.

FPL GROUP DOES NOT PUBLISH QUARTERLY REPORTS TO SHAREHOLDERS.

SUPPORTING SCHEDULES:

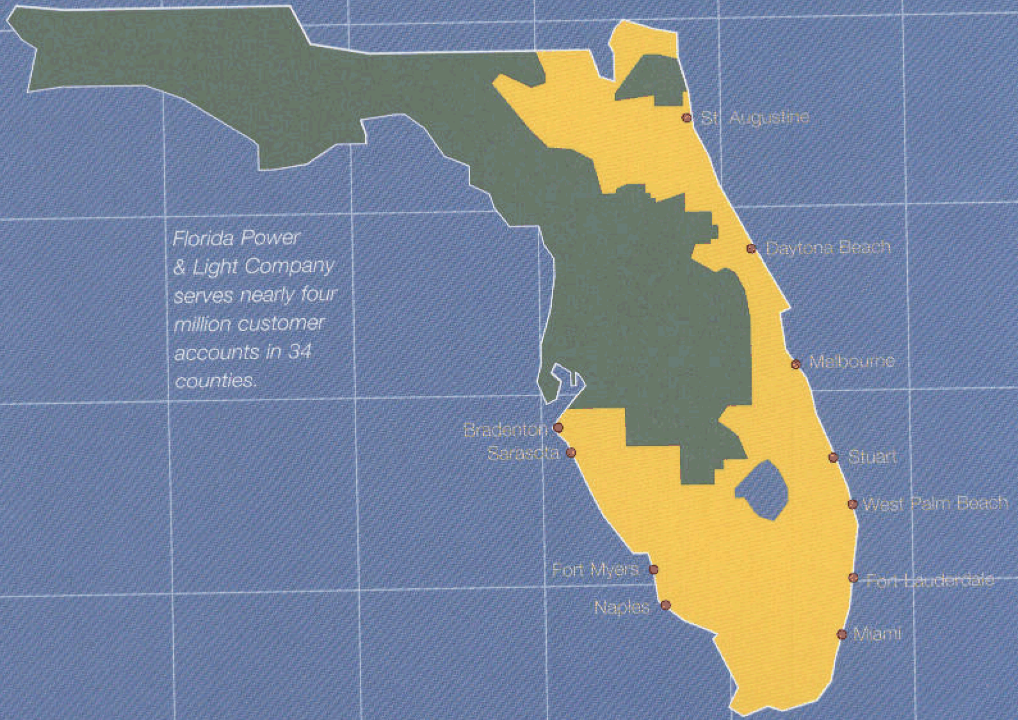
RECAP SCHEDULES:

FPL Group

2000 Annual Report

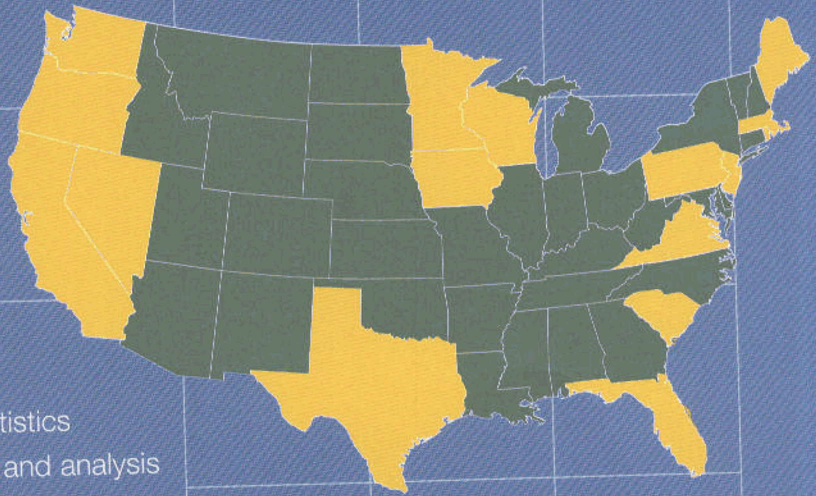
the natural choice

FPL powers Florida



Florida Power & Light Company serves nearly four million customer accounts in 34 counties.

FPL Energy's national presence



Areas in yellow denote sites of FPL Energy projects and offices.

contents

to our shareholders

*Excludes nonrecurring items in 1999 and merger-related expenses in 2000.

2000 was a landmark year for FPL Group. Our core businesses, Florida Power & Light and FPL Energy, produced outstanding operating results, and our new subsidiary, FPL FiberNet, achieved profitability in its first year of operation. This performance enabled us to reach new records of net income and earnings per share, and shareholders were rewarded with exceptionally attractive returns.

Record financial results

- Net income, excluding special charges related to the pending merger, reached an all-time high of $745 million.

financial highlights

For the Years Ended December 31,	2000	1999	% change
Financial Results *(millions, except per share amounts)*			
Operating Revenues	$7,082	$6,438	10.0
Operating Income	$1,240[1]	$920[2]	34.8
Net Income	$745[3]	$681[4]	9.4
Earnings Per Share	$4.38[3]	$3.98[4]	10.1
Cash Flow from Operating Activities	$976	$1,563	(37.6)
Total Assets	$15,300	$13,441	13.8
Common Stock Data			
Average Shares Outstanding *(millions)*	170	171	(0.6)
Dividends Per Share	$2.16	$2.08	3.8
Book Value Per Share	$33.22	$31.47	5.6
Market Price Per Share *(high/low)*	$73 - $36 3/8	$61 15/16 - $41 1/8	
Operating Data			
Energy Sales *(millions kwh)*	100,777	92,446	9.0
FPL Customer Accounts *(average; thousands)*	3,848	3,756	2.4
Employees *(year end)*	10,852	10,717	1.3

(1) Includes effects of merger-related expenses.
(2) Includes effects of impairment loss on Maine assets and settlement of litigation between FPL and FMPA.
(3) Excludes effect of merger-related expenses.
(4) Excludes effects of gain on sale of Adelphia Communications Corporation stock, impairment loss on Maine assets, settlement of litigation between FPL and FMPA and the gain on the redemption of a one-third ownership interest in a cable limited partnership.

profile

FPL Group is one of the nation's largest providers of electricity-related services. Its principal subsidiary, Florida Power & Light Company, serves more than seven million people along the eastern seaboard and the southern portion of Florida. FPL Energy, LLC, FPL Group's unregulated energy generating subsidiary, is a leader in producing electricity from clean and renewable fuels. FPL Energy owns and operates domestic power plants representing more than 4,100 megawatts and has more than 2,700 megawatts of capacity under construction or in late-stage development. FPL FiberNet provides fiber-optic services and fiber-optic cable to businesses within Florida.

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- Earnings per share increased by 10% to a record $4.38.

Shareholder returns

Electric utility stocks fared very well in 2000 compared with the overall stock market, and FPL Group performed substantially better than the industry as a whole. The total return on the company's common stock – dividends plus stock price appreciation – was 74.8%. The return of the Standard & Poor's Electric Companies Index was 53.4%. More importantly, the stock of FPL Group has been a sound long-term investment. Since we began restructuring our company in 1990, the annualized total return to our shareholders has been 15.2%, compared to the 12.3% return for the Standard & Poor's Electric Companies Index.

Major achievements of Florida Power & Light:

The key to FPL's success in recent years has been its ability to lower costs while improving customer service and reliability. Outstanding achievements continued in all of these areas.

- Operations and maintenance costs per kilowatt-hour declined for the tenth consecutive year. Since 1990, we have reduced O&M costs by 40% – from 1.82 cents per kWh to 1.09 cents. What's more, the lower costs have been achieved during a period when the Consumer Price Index has risen nearly 38% and FPL has added more than 700,000 new customers.
- Power plant performance, already among the best in the nation, continued to reach new levels.

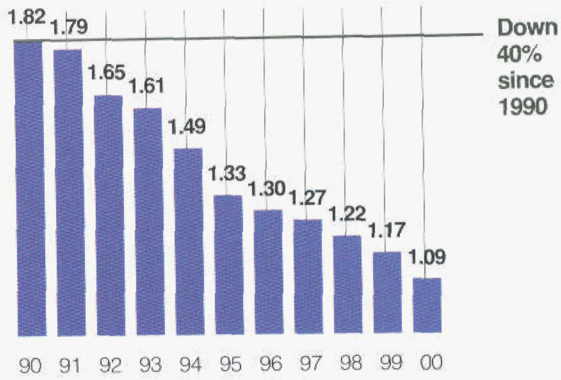
- The 95% "availability factor" of our fossil plants was the highest ever and substantially above the industry average.
- Our nuclear plant availability of 93% was far superior to the industry average. It was less than one percentage point short of the previous year's record, despite an additional scheduled refueling outage.
- Service reliability again improved, and FPL's reliability is within the top 20% of the industry.
- FPL's customer satisfaction surveys, carried out by an independent agency, rewarded us with some of the highest marks for service in the last decade.

Accomplishments of FPL Energy:

FPL Energy, our non-regulated wholesale power business that operates outside Florida, is an industry leader in the use of environmentally friendly fuels. Approximately 80% of its electricity is generated from clean fuels, including natural gas and renewable resources such as wind and solar. It is the largest developer of wind generation in the country and operates the two largest solar plants in the world.

A Decade of O&M Expense Reductions

(cents per kilowatt-hour)



- In 2000 FPL Energy constructed and began operation of a 1,000-megawatt natural gas-fired plant in Texas and purchased a 104-megawatt wind facility in Minnesota. This increased its generating capacity by over one-third – from 3,000 to more than 4,100 megawatts.
- The company now has power plants in operation in 12 states. Additional announced projects aggregating more than 2,700 megawatts are under late-stage development or construction. These projects will further enhance the company's regional portfolios.
- FPL Energy's contributions to earnings, excluding nonrecurring charges and merger-related expenses, increased to $83 million, up 43% from $58 million in 1999. With a solid pipeline of potential projects, we expect FPL Energy's healthy growth to continue.

- In 2000 the company continued installing intra-city, metropolitan fiber networks that are tied together by its inter-city, long distance network. The company currently owns about 2,000 route-miles of long distance and metropolitan fiber network, which represent approximately 122,000 fiber-miles.
- FPL FiberNet is already a profitable business and is well positioned to make a growing contribution to earnings.

Proposed merger terminated

Just prior to the publication of this annual report, we announced the termination of our proposed merger with Entergy Corporation. When the merger was announced in late July, and submitted to shareholders later in the year, we felt that combining our companies would prove beneficial to shareholders and customers alike. However, a number of factors led us recently to conclude that the merger would neither achieve the synergies nor create the shareholder value on which our original agreement was based. Although I am disappointed, this does not diminish in any way our positive outlook for FPL Group's future.

Summary and outlook

We are in a period of rapid change in the electric power industry. Federal legislation was enacted during the early 1990s that opened transmission lines to all competitors and created a new class of wholesale generators. In addition, in recent years many states have restructured their electric power businesses with varying results.

Going forward, the governor of Florida has established a commission to examine the state's energy policy and make recommendations regarding the future structure of the electricity system. Although a full report is not due until December 2001, the commission's initial proposal calls for creating a fully competitive wholesale power market in Florida. Also, we have responded to the Federal Energy Regulatory Commission's request to all utilities and submitted a proposal to create a separate and independent for-profit company known as a "Transco" to operate Florida's electric transmission system.

No one can predict precisely the ultimate industry structure, but over the last ten years we have worked hard to build an organization that will thrive under any set of circumstances. We are confident that under any fair rules, we will be successful and continue to generate value for our shareholders.

James L. Broadhead

James L. Broadhead
Chairman and Chief Executive Officer
April 2, 2001

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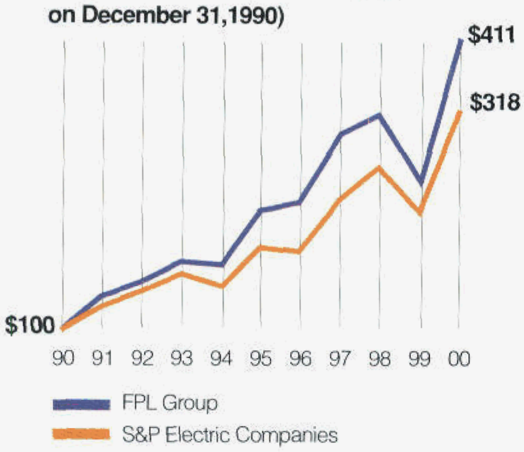
The St. Lucie nuclear plant is home to sea turtles as well as 160 species of birds and 24 species of mammals. Three-quarters of the plant's 1,132-acre site consists of swamps, marshes and beaches that are preserved for area wildlife.

As the electric power industry continues to change, one of the keys to success is how well utilities execute the fundamentals. When it comes to basics, no electric utility has performed better than Florida Power & Light over the past decade.

Since 1990, when the company was restructured, FPL has driven down costs while achieving continuous improvements in virtually every area of its operations. At the same time, it has taken steps to meet the sharply increasing energy demands of a service area that continues to grow at a rapid pace.

FPL's customer base grew by 2.5% in 2000 to more than 3.8 million. More new customers, 92,000, were added than in any year since 1990. In addition, energy usage per customer increased by nearly 2% over the previous year.

Superior Long-Term Investment Performance
(10-year growth of $100 invested on December 31,1990)



Continued cost reduction

In 2000, FPL reduced its operations and maintenance costs per kilowatt-hour for the tenth consecutive year. Since 1990, O&M costs have declined 40% – from 1.82 cents per kilowatt-hour to 1.09 cents. During this time the company added more than 700,000 new customer accounts and increased its generating capacity by 24%.

FPL's cost reduction efforts have resulted in a more efficient and productive organization and enabled the company to hold down the price of its electricity to below the national average.

Performance-driven operations

FPL continues to achieve major improvements in such critical success areas as plant performance, electric reliability, and customer service.

FPL's power plants remain among the nation's top performers. This is important because superior plant performance helps defer the need for additional new generation. It also enables FPL to reliably meet peak energy demands and to sell excess power produced by its plants to other utilities through the company's Energy Marketing and Trading Division, a leading wholesale marketer and trader of electricity, gas and oil. Gains from these energy sales provide savings to FPL customers.

- In 2000 the availability of FPL's fossil plants – the percentage of time they were available to generate power – rose to an all-time high of 95%. This was well above the industry average of 86% and places FPL among the nation's best performers.
- The 93% availability of FPL's nuclear plants was just short of the record high achieved in 1999, despite an additional scheduled refueling outage, and it is substantially better than the most recent nuclear industry average of 84%.
- In addition, the World Association of Nuclear Operators Index, which measures 11 critical areas of operating and safety performance, placed FPL's nuclear facilities in the top quartile of plants nationwide. The WANO rating of 98.1 is the highest FPL has ever received and marks the fourth consecutive year of improvement.

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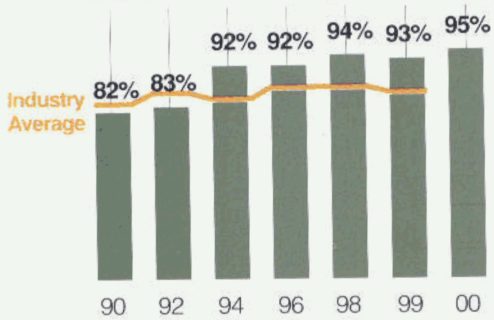
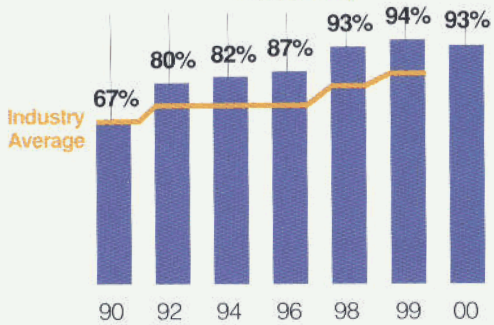
An Industry Leader in Plant Performance

Fossil Plant Availability

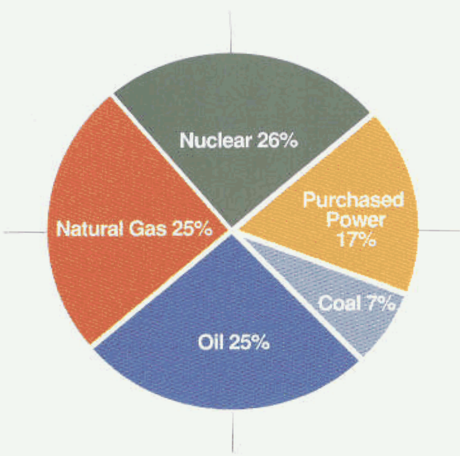


Nuclear Plant Availability



Energy Sources Florida Power & Light Company

(based on kilowatt-hours produced)



FPL utilizes a diverse energy mix that enables it to take advantage of energy price changes. In 2000, nuclear accounted for 26% of the power FPL provided, followed by natural gas at 25%. Oil also accounted for 25%, purchased power 17%, and coal 7%.

During 2000, utility companies nationwide experienced skyrocketing costs for oil and natural gas. The Florida Public Service Commission approved rate adjustments allowing FPL to recover its fuel costs, which the company is spreading over a two-year period to lessen the impact on customers. Continued pressures on oil and natural gas prices forced FPL to request an additional adjustment early in 2001.

FPL's electric reliability, which is rated within the top 20% of the industry, improved for the third straight year.

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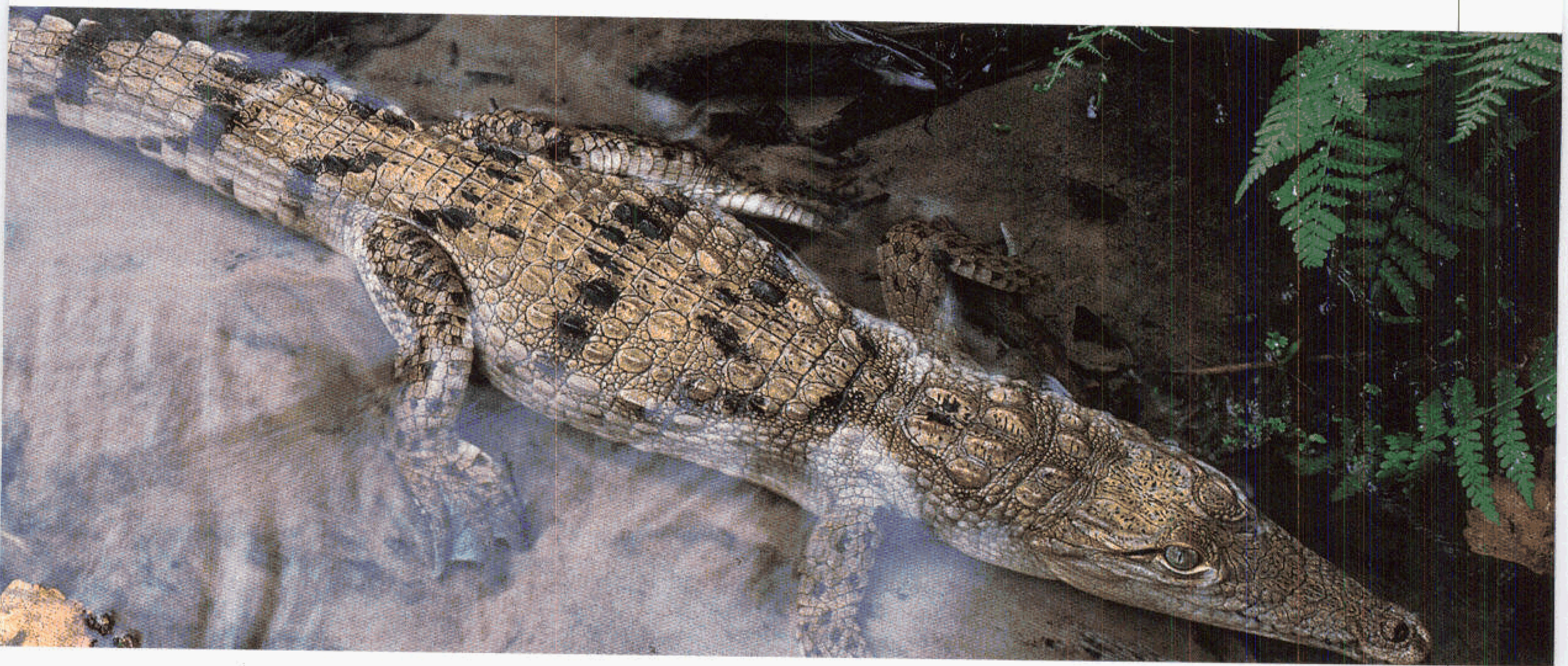


Cooling canals at the Turkey Point power plant are among only three nesting areas in the country for the endangered American crocodile. This unique habitat has attracted world attention on CNN, National Geographic and many other international programs.

As the result of a major initiative launched in 1997, FPL has:

- Reduced the average amount of time its customers are without power by 30%;
- Reduced by 10% the average duration of interruptions; and
- Reduced the frequency of interruptions by 21%.

While improving its reliability, FPL also has taken steps to enhance its communications with customers. A recent independent study found that among the customer call centers of 16 major utilities, FPL ranked number one overall. The company also is utilizing the latest technologies to further improve customer service.

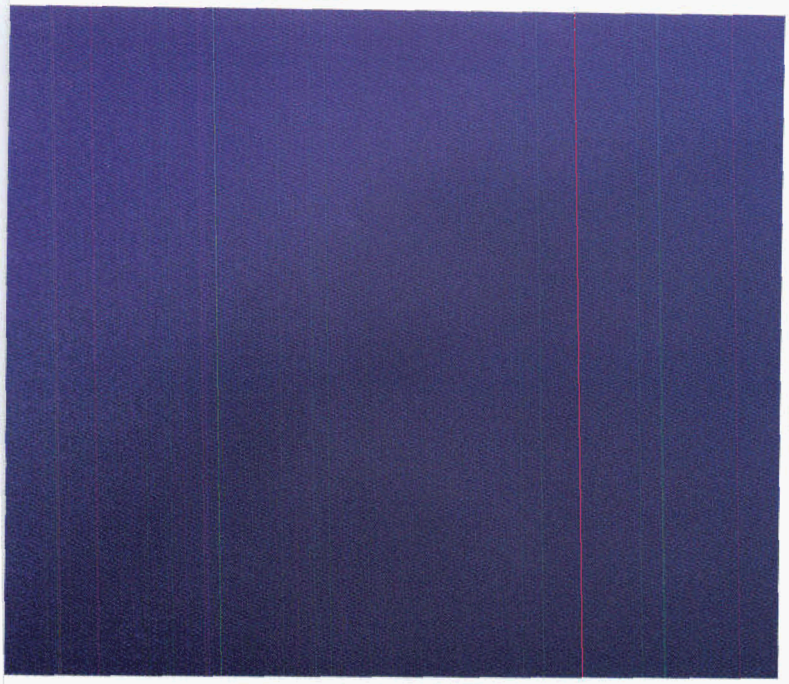
Hundreds of manatees congregate at five FPL power plants during the winter months. As water temperatures decline in winter, these endangered mammals frequently find shelter in the power plants' warm water discharge.

Expanding for the future

To meet the needs of its rapidly growing service territory, FPL plans to add over the next ten years approximately 7,000 megawatts of generating capability – an increase of more than 40%. The additional generation will be fueled by clean-burning natural gas, which will strengthen FPL's standing as one of the most environmentally friendly utilities in the country.

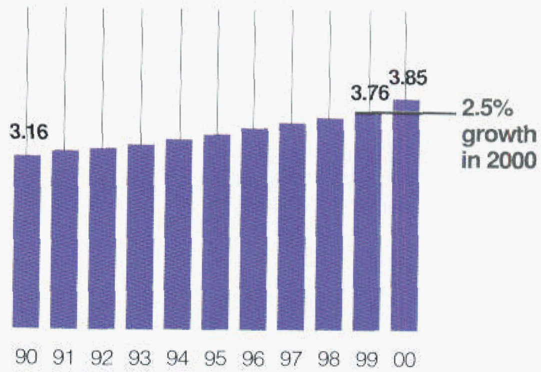
FPL expects approximately 2,700 megawatts of new generation to be available by 2004.

- Approximately 2,000 megawatts will come from "repowering" older oil-burning power plants at Fort Myers and Sanford and converting them to natural gas. The Fort Myers plant already provides the first increments of new generation in the form of "simple cycle" combustion turbines,



FPL Customer Growth Highest in a Decade

(number of customer accounts in millions)



which will ultimately be re-configured as "combined-cycle" units. When the project is completed in 2002, the plant's capacity will nearly triple, while emissions will be reduced. The Sanford plant repowering will more than double its capacity, while reducing emissions as well. Sanford is scheduled for completion by the end of 2002.

- "Peaking" units will provide an additional 600 megawatts of generation. These combustion turbines provide power during short-term periods of peak demand. Two peaking units totaling 300 megawatts are scheduled to be available at the Martin plant site near Lake Okeechobee in 2001. Two similar-sized units will be added at Fort Myers in 2003.

- While FPL is adding new generation, it continues to utilize energy conservation programs to help individual customers reduce their demand for energy and save on their electricity bills. Over the past 20 years, these programs have reduced energy consumption and enabled FPL to avoid building several additional power plants. Attaining FPL's 10-year energy conservation goals, which the Florida Public Service Commission approved in 2000, will eliminate the need for two additional power plants that would otherwise have been part of its expansion program.

Nuclear license extension

Nuclear power has played an important role in FPL's energy mix for nearly three decades – ever since the two nuclear units

The Barley Barber Swamp is a 400-acre natural cypress swamp voluntarily preserved by FPL at the Martin power plant site. Hundreds of wildlife species are protected here. The endangered Florida panther also roams the swamps and hammocks nearby.

at Turkey Point south of Miami began operation in 1972 and 1973.

The Turkey Point nuclear units generate approximately 1,400 megawatts of electricity – enough to provide power for more than 300,000 customers – and are among the lowest-cost generators in the FPL system. In addition, the nuclear units produce no greenhouse emissions.

To ensure that customers continue to receive the economic and environmental benefits provided by Turkey Point, FPL in 2000 submitted an application to the Nuclear Regulatory Commission to extend the plant's operating license an additional 20 years until 2033.

The commission is expected to review the application over the next two to three years before deciding whether to renew the license. The NRC already has extended the licenses for several other nuclear plants.

FPL plans to file a similar application in 2002 to extend the license of the St. Lucie nuclear units on Hutchinson Island.

Proposed changes in Florida

An Energy Study Commission established last year by Florida's governor is studying possible changes in the state's electric system. The commission is expected to make a final report to the governor and legislature in late 2001.

- Although acknowledging that the current electric system has worked well in providing abundant, affordable and reliable power, the commission early in 2001 proposed to create a fully competitive wholesale power market in Florida. Under the commission's proposal there would be a six-year transition period to ensure an orderly move to a competitive market and all generators would compete under the same rules.

At the national level, the Federal Energy Regulatory Commission (FERC) last year strongly recommended to the country's investor-owned utilities that they find ways to create regional transmission organizations. As a result, FPL – together with Florida Power Corporation and Tampa Electric Company – proposed creating a separate and independent for-profit transmission company to operate the electrical transmission system statewide. This so-called "Transco," if approved by the FERC, could be in operation before the end of this year (*see related story on page 14 for additional information*).

#1 in environmental performance

FPL is an environmental leader within the electric industry and considers making the right choices to maintain and preserve Florida's environment an important part of its operations. Last year – in an affirmation of its commitment to the environment – the investment research firm Innovest named FPL number one among 30 leading electric utilities in environmental performance.

FPL's overall emissions are among the lowest in the country, based on the amount of electricity it produces.

More than half of its generation is derived from clean energy sources. In addition, FPL will reduce emissions at two of its older oil-fired plants when they are converted to natural gas. The Fort Myers and Sanford plants will utilize advanced technology that will significantly lower emissions, even though the plants will generate more electricity than before.

FPL also has taken initiatives to protect the native environments surrounding its power plants. As shown by the photos within this report, FPL's efforts have enabled a large number of endangered and threatened species to thrive in their natural habitat.

FPL's commitment to the environment gained wide attention in January 2001 when it made the unusual donation of an island to the U.S. Fish and Wildlife Service. Manatee Island is an 18-acre refuge for migratory and native birds that also serves as a winter landmark for West Indian Manatees seeking the warm waters near the Fort Myers plant. The island is the first addition to the Caloosahatchee National Wildlife Refuge, which was established in 1920 by President Woodrow Wilson as a preserve and breeding ground for native birds.

Proposing a Florida Transco

In recent years the Federal Energy Regulatory Commission has pushed strongly and in some cases mandated a regional approach to the transmission of electricity. The FERC believes this will ensure more open access to the interconnected system of electric lines that are located throughout the country. As a result, a number of investor-owned electric utilities have divested their individual transmission systems in favor of regional transmission organizations.

In 2000, the FERC ordered the country's investor-owned utilities to propose ways to create regional transmission organizations. FPL – together with Florida Power Corporation and Tampa Electric Company – have proposed transferring control of their transmission assets to form what is known within the industry as a Transco.

This would be a separate, for-profit transmission company responsible for operating the electrical transmission lines that run from the power plants to substations throughout peninsular Florida. The electrical distribution lines that carry power directly to homes and businesses would remain with the individual utilities.

The Transco would be a fully independent company, incentive-driven, and organized and governed much like any corporation. FPL would no longer own or operate its transmission system. However, in exchange for title to FPL's transmission assets, it would retain a passive ownership interest in the new company. This interest would enable FPL Group to share in the earnings of the Transco.

If approved, the Transco could be in operation before the end of this year.

FPL Energy

The osprey is a protected species that builds its nests in large trees … or occasionally on utility poles. In the latter case, FPL provides special elevated nesting platforms for the osprey's protection.

FPL Energy is the company's rapidly growing wholesale power business and an industry leader in clean energy production – including renewable energy sources and the use of environmentally friendly fuels. Since 1998, its power plant portfolio has more than doubled to 4,110 megawatts of capacity, with plants in 12 states. In addition, a strong pipeline of development projects should ensure strong and continued growth.

Excluding nonrecurring items and merger-related expenses, FPL Energy's contributions to net income rose 43% in 2000 from $58 million to $83 million. Its contributions to earnings per share increased from 34 cents to 49 cents, an increase of 44%. The growth in earnings

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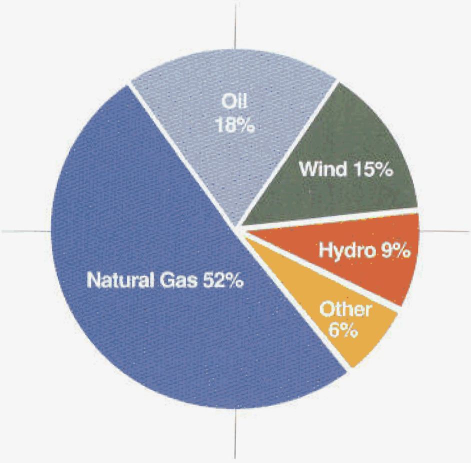
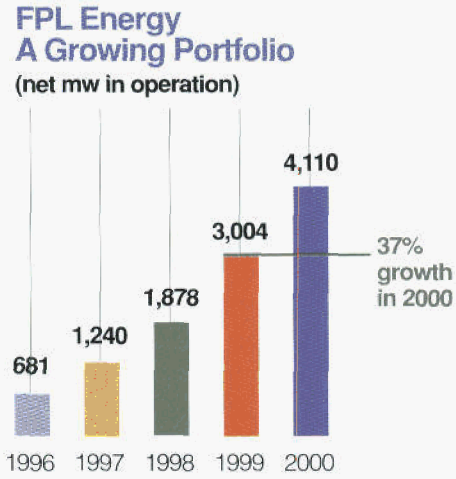
In addition to providing clean, renewable power to homes and businesses, several FPL Energy wind projects sited in the California desert are home to the endangered San Joaquin kit fox.

A Diversified Portfolio
(net mw in operation)



reflects an increase in its portfolio of generation and improved operating performances of existing assets. FPL Energy achieved earnings growth despite the costs of building necessary infrastructure to support its future expansion.

Generating assets in Maine and wind facilities in California were among the FPL Energy operations making strong earnings contributions in 2000.



FPL Energy increased its generation portfolio 37% during 2000 with the construction of a 1,000-megawatt natural gas plant in Lamar, Texas, and the purchase of a 104-megawatt wind facility in southwest Minnesota.

Building capacity

Projects currently under construction or that have been announced will provide FPL Energy with more than 2,700 additional megawatts of generation through 2003.

Natural gas-fired projects totaling more than 2,200 megawatts and their expected completion dates include:

- A peaking unit, totaling 171 megawatts, at the Doswell plant in Virginia, which is already one of the nation's largest independent power facilities (2001);
- A 535-megawatt plant in Johnston, Rhode Island (2002);
- A 536-megawatt facility near Austin, Texas, in which FPL Energy retains 50% ownership (2002);
- A 525-megawatt plant in Bellingham, Massachusetts (2003);
- A 744-megawatt plant in Marcus Hook, Pennsylvania (2003).

Wind projects totaling nearly 500 megawatts include:

- A 300-megawatt wind farm on the Washington/Oregon border (2001);
- A 160-megawatt project in Texas (2001);
- A 25-megawatt facility in Wisconsin (2001).

Focus on clean energy

FPL Energy's primary strategy is to utilize its power generation expertise and energy marketing and trading skills to develop or acquire new projects that emphasize "clean energy."

Natural gas or renewable sources, including wind, solar, hydro and geothermal, provide the fuel for nearly 80% of FPL Energy's generation. The company places a particular emphasis on natural gas-fired and wind-driven generation, areas in which it possesses world-class skills.

- A contract with General Electric for 66 gas turbines through 2004 supports future natural gas projects. Some of the turbines are being used by FPL for its capacity expansion.

State-of-the-art fishways at FPL Energy's hydroelectric facilities in Maine are helping to preserve and restore populations of Atlantic salmon, American shad and river herring in the Saco River.

Wind power is a niche market that has proven to be highly profitable for FPL Energy. The company currently operates wind farms that produce nearly 1,000 megawatts.

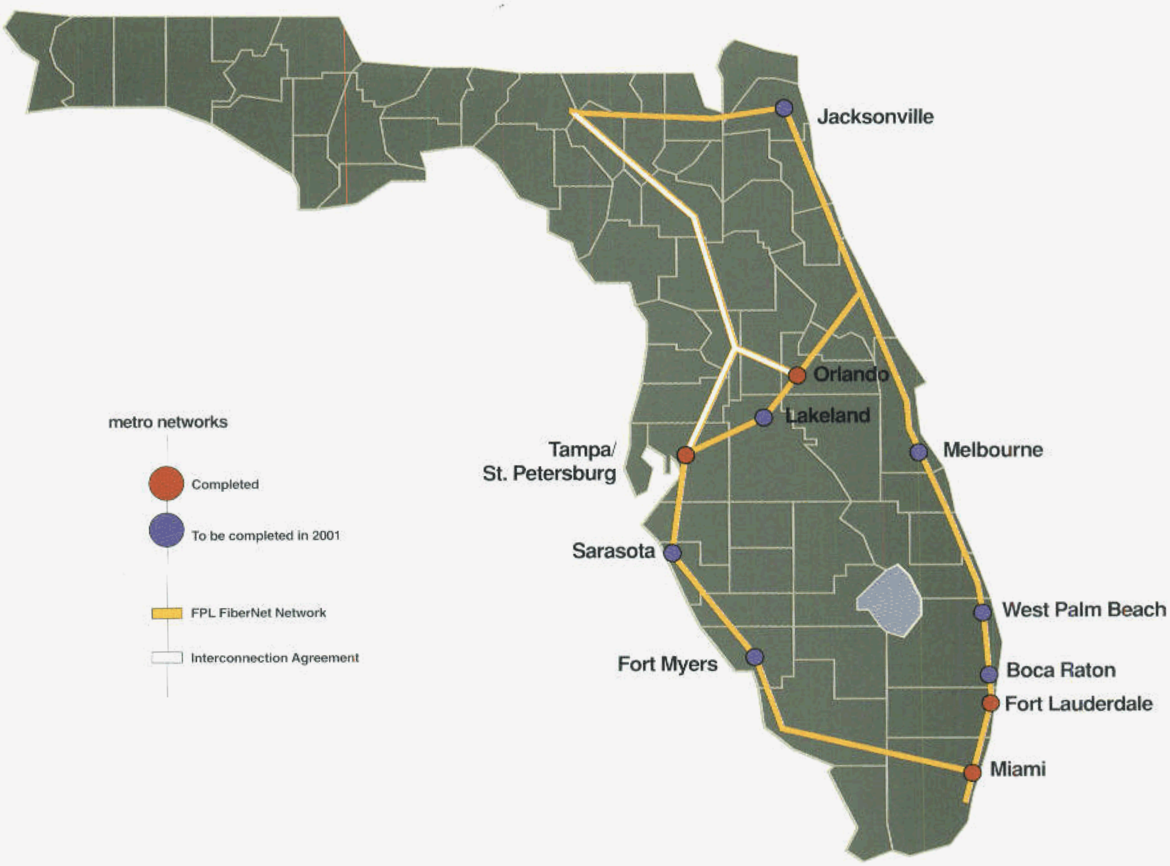
FPL's focus on clean energy offers strong business advantages. Because of its benefits to the environment, the demand for clean energy is growing, and some states are requiring that a portion of their generation come from renewable sources. In addition, clean power provides cost advantages as more stringent emission requirements make it more expensive to generate electricity using fuels such as oil or coal.

FPL FiberNet

FPL FiberNet, a subsidiary of FPL Group formed at the beginning of 2000, was a modest contributor to earnings in its first year of operation. FPL FiberNet provides fiber-optic services and fiber-optic cable to businesses that include cable television, Internet service providers, wireless communications, and telecommunications.

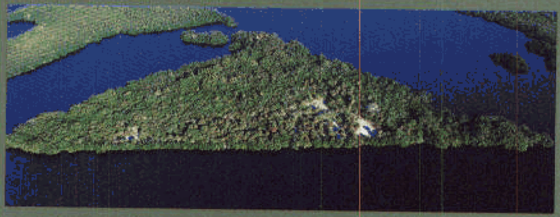
FPL FiberNet owns approximately 2,000 miles of fiber network and plans to add several hundred more miles by 2002. The 2,000 route-miles represent approximately 122,000 fiber-miles. Fiber-optic cable is utilized to send data, voice and video communications and is capable of carrying thousands of times more information than conventional cable.

Expansion at FPL FiberNet



The squirrel treefrog lives near many of our power plants in areas carefully set aside for wildlife protection. The frog is considered to be one of nature's best indicators of a healthy environment.

- The company is expanding its intra-city fiber networks in municipalities throughout Florida.
- FPL FiberNet has completed networks in Miami, Fort Lauderdale, Orlando and Tampa, and is currently constructing fiber networks in Boca Raton, West Palm Beach, St. Petersburg and Jacksonville.
- FPL FiberNet supports a number of initiatives to install Internet nodes in South Florida. This installation, combined with international fiber cables coming into South Florida, will establish the area as an international telecommunications hub.



manatee island: *The lush flora and fauna of Manatee Island, located in the Caloosahatchee River adjacent to the Fort Myers power plant, will continue to be protected with FPL's donation of the 18-acre refuge to the U.S. Fish and Wildlife Service in January 2001. Triangular in shape, the island serves as a unique haven for birds and other species of wildlife. With FPL's donation, Manatee Island becomes the first addition to the Caloosahatchee National Wildlife Refuge, established in 1920.*

financial information

financial and operating statistics

Years Ended December 31,	2000	1999	1998	1997	1996	1995	1990
FPL GROUP, INC. (millions)							
Operating Revenues	$7,082	$6,438	$6,661	$6,369	$6,037	$5,592	$5,075
Operating Expenses	$5,842	$5,518	$5,409	$5,141	$4,866	$4,395	$4,326
Operating Income	$1,240	$920	$1,252	$1,228	$1,171	$1,197	$749
Income from Continuing Operations	$704	$697	$664	$618	$579	$553	$298 (1)
Net Income (Loss)	$704 (2)	$697 (3)	$664	$618	$579	$553	$(391) (4)
Total Assets	$15,300	$13,441	$12,029	$12,449	$12,219	$12,459	$10,802
Long-Term Debt (excluding current maturities)	$3,976	$3,478	$2,347	$2,949	$3,144	$3,377	$3,853
Preferred Stock of FPL with sinking fund requirements (excluding current maturities)	$ —	$ —	$ —	$ —	$42	$50	$166
Energy Sales (kwh)	100,777	92,446	91,041	84,642	80,889	79,756	66,763
FLORIDA POWER & LIGHT COMPANY							
Operating Revenues (millions)	$6,361	$6,057	$6,366	$6,132	$5,986	$5,530	$4,988
Energy Sales (millions of kwh)	91,969	88,067	89,362	82,734	80,889	79,756	66,763
Customer Accounts — Average (thousands)	3,848	3,756	3,680	3,616	3,551	3,489	3,159
Peak Load, Winter (mw 60-minute) (5)	18,219	17,057	16,802	13,047	16,490	18,096	11,868
Peak Load, Summer (mw 60-minute)	17,808	17,615	17,897	16,613	16,064	15,813	13,754
Total Capability (summer peak, mw) (6)	19,069	18,649	18,509	18,715	18,538	18,153	16,074
Reserve Margin (summer peak, %) (6)	13	14	10	20	23	21	19
Net Energy for Load (%):							
Oil	25	25	27	18	18	19	23
Natural Gas	25	25	26	29	29	31	17
Nuclear	26	27	26	25	26	25	24
Net Purchased Power and Interchange	17	16	14	20	20	18	33
Coal	7	7	7	8	7	7	3
Capital Expenditures	$1,299	$924	$617	$551	$474	$669	$1,038
COMMON STOCK DATA							
Average Shares Outstanding (millions)	170	171	173	173	174	175	137
Earnings Per Share of Common Stock: (7)							
Continuing Operations	$4.14	$4.07	$3.85	$3.57	$3.33	$3.16	$2.18 (1)
Net Income (Loss)	$4.14 (2)	$4.07 (3)	$3.85	$3.57	$3.33	$3.16	$(2.86) (4)
Dividends Paid Per Share	$2.16	$2.08	$2.00	$1.92	$1.84	$1.76	$2.34
Book Value Per Share (year end)	$33.22	$31.47	$29.76	$28.03	$26.46	$25.12	$19.63
Market Price Per Share (year end)	$71 3/4	$42 13/16	$61 5/8	$59 3/16	$46	$46 3/8	$29
Market Price Per Share (high-low)	$73-36 3/8	$61 15/16-41 1/8	$72 9/16-56 1/16	$60-42 7/8	$48 1/8-41 1/2	$46 1/2-34	$36 1/2-26 1/8
Number of Shareholders (year end)	45,066	50,215	55,149	60,493	67,580	74,169	69,554

(1) Includes charges for write-down of businesses to be discontinued. Excluding these charges, income and earnings per share from continuing operations would have been $361 million and $2.64, respectively.

(2) Includes merger-related expenses. Excluding these expenses, net income and earnings per share would have been $745 million and $4.38, respectively.

(3) Includes effects of a gain on sale of Adelphia Communications Corporation stock, impairment loss on Maine assets, settlement of litigation between FPL and FMPA and a gain on the redemption of a one-third ownership interest in a cable limited partnership. Excluding these items, net income and earnings per share would have been $681 million and $3.98, respectively.

(4) Includes charges for disposition and write-down of a subsidiary accounted for as discontinued operations.

(5) Winter season includes November and December of the current year and January to March of the following year.

(6) Represents installed capability plus purchased power. Reserve margin is based on peak load net of load management.

(7) Basic and assuming dilution.

management's discussion and analysis of financial condition and results of operations

This discussion should be read in conjunction with the Notes to Consolidated Financial Statements contained herein. In the following discussion, all comparisons are with the corresponding items in the prior year.

MERGER

In July 2000, FPL Group and Entergy announced a proposed merger, which was approved by the shareholders of the respective companies in December 2000. Subsequently, a number of factors led FPL Group to conclude the merger would not achieve the synergies or create the shareholder value originally contemplated when the merger was announced. As a result, on April 1, 2001, FPL Group and Entergy mutually terminated the merger agreement.

In 2000, FPL Group recorded $67 million in merger-related expenses, of which FPL recorded $62 million ($38 million after-tax), FPL Energy recorded $2 million ($1 million after-tax) and Corporate and Other recorded $3 million ($2 million after-tax). Merger-related expenses will continue in 2001, although to a lesser degree. For additional information concerning the merger, see Note 2.

RESULTS OF OPERATIONS

FPL Group's net income and earnings per share in 2000 increased despite a charge for merger-related expenses. This charge reduced net income and earnings per share by $41 million and $0.24, respectively. Net income and earnings per share in 1999 included the net effect of several nonrecurring transactions that resulted in additional net income of $16 million, or $0.09 per share. Excluding the merger-related expenses in 2000 and the nonrecurring items in 1999, FPL Group's net income in 2000 increased 9.4% to $745 million, and earnings per share increased 10.1% to $4.38. The comparable growth rates for 1999 were 2.6% and 3.4%, respectively, excluding the effects of the nonrecurring items in 1999. In 2000, both FPL and FPL Energy contributed to the growth, while in 1999 the growth was primarily attributable to FPL Energy.

FPL — FPL's results for 2000 continued to benefit from customer growth, increased electricity usage per retail customer and lower O&M expenses. The effect of the rate reduction and higher interest charges partly offset these positives. FPL's portion of the merger-related expenses in 2000 reduced net income by $38 million. Results for 1999 also include a nonrecurring charge related to the settlement of litigation that reduced net income by $42 million. FPL's net income, excluding these items in both periods, was $645 million in 2000, up $27 million from 1999. Excluding the litigation settlement in 1999, FPL's slight net income growth in 1999 reflected lower depreciation, customer growth and lower O&M expenses partly offset by the effect of the rate reduction and a decline in electricity usage per retail customer.

FPL's operating revenues consist primarily of revenues from retail base operations, cost recovery clauses and franchise fees. Revenues from retail base operations were $3.5 billion, $3.5 billion and $3.8 billion in 2000, 1999 and 1998, respectively. Revenues from cost recovery clauses and franchise fees represent a pass-through of costs and do not significantly affect net income. Fluctuations in these revenues are primarily driven by changes in energy sales, fuel prices and capacity charges. Due to higher than projected oil and natural gas prices in 2000, the Florida Public Service Commission (FPSC) approved higher per kwh charges effective June 15, 2000. These additional clause revenues resulted in higher operating revenues. Later in the year, the FPSC approved FPL's annual fuel filing for 2001, which included an estimate of under-recovered fuel costs in 2000 of $518 million. FPL will recover the $518 million over a two-year period beginning January 2001, rather than the typical one-year time frame. FPL has also agreed that instead of receiving a return at the commercial paper rate on this unrecovered portion through the fuel and purchased power cost recovery clause (fuel clause), the under-recovery will be included as a rate base regulatory asset over the two-year recovery period. Actual under-recovered fuel costs through December 31, 2000 exceeded the estimates made earlier in the year by $78 million, and in February 2001, FPL requested the FPSC to approve a fuel adjustment increase effective April 2001 to recover the additional $78 million of under-recovered fuel costs. See Note 1 — Regulation.

In 1999, the FPSC approved a three-year agreement among FPL, the State of Florida Office of Public Counsel, The Florida Industrial Power Users Group and The Coalition for Equitable Rates regarding FPL's retail base rates, authorized regulatory return on equity (ROE), capital structure and other matters. The agreement, which became effective April 15, 1999, provides for a $350 million reduction in annual revenues from retail base operations allocated to all customers on a cents-per-kilowatt-hour basis. Additionally, the agreement sets forth a revenue sharing mechanism for each of the twelve month periods covered by the agreement, whereby revenues from retail base operations in excess of a stated threshold are required to be shared on the basis of two-thirds refunded to retail customers and one-third retained by FPL. Revenues from retail base operations in excess of a second threshold are required to be refunded 100% to retail customers.

The refund thresholds are as follows:

(millions) Twelve Months Ended April 14,	2000	2001	2002
66⅔% to customers	$3,400	$3,450	$3,500
100% to customers	$3,556	$3,606	$3,656

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During 2000, FPL accrued approximately $60 million relating to refunds to retail customers compared to $20 million in 1999. Furthermore, FPL refunded in 2000 approximately $23 million, including interest, to retail customers for the first twelve-month period under the rate agreement. At December 31, 2000 and 1999, the accrual for the revenue refund was approximately $57 million and $20 million, respectively.

The earnings effect of the annual revenue reduction was offset by lower special depreciation. The agreement allows 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/or fossil generating assets. Under this new depreciation program, FPL recorded $100 million of special depreciation in the first twelve-month period and $71 million through December 31, 2000 of the second twelve-month period. On a fiscal year basis, FPL recorded approximately $101 million and $70 million of special depreciation in 2000 and 1999, respectively. The new depreciation program replaced a revenue-based special amortization program whereby special amortization in the amount of $63 million and $378 million was recorded in 1999 and 1998, respectively. See Note 1 — Electric Plant, Depreciation and Amortization.

The agreement also lowered FPL's authorized regulatory ROE range to 10% – 12%. During the term of the agreement, the achieved ROE may from time to time be outside the authorized range, and the revenue sharing mechanism described above is specified to be the appropriate and exclusive mechanism to address that circumstance. FPL reported an ROE of 12.2%, 12.1% and 12.6% in 2000, 1999 and 1998, respectively. See Note 1 — Revenues and Rates.

Revenues from retail base operations were flat during 2000. Customer growth of 2.5% and a 1.9% increase in electricity usage per retail customer was almost entirely offset by the effect of the rate reduction.

The decline in retail base revenues in 1999 was largely due to the rate reduction. A 2.8% decline in electricity usage per retail customer, mainly due to milder weather conditions, was almost entirely offset by the 2.0% increase in the number of customer accounts.

FPL's O&M expenses continued to decline in 2000 due to improved productivity. O&M expenses in 1999 also declined as a result of continued cost control efforts partially offset by higher overhaul costs at fossil plants.

Interest charges increased in 2000 reflecting increased debt activity to fund FPL's capital expansion program and under-recovered fuel costs. Lower interest charges in 1999 and 1998 reflect lower average debt balances and the full amortization in 1998 of deferred costs associated with debt reacquired through 1998.

The electric utility industry is facing increasing competitive pressure. FPL currently faces competition from other suppliers of electrical energy to wholesale customers and from alternative energy sources and self-generation for other customer groups, primarily industrial customers. In 2000, operating revenues from wholesale and industrial customers combined represented approximately 4% of FPL's total operating revenues. A number of potential merchant plants have been announced in Florida over the past several years. Five of these announced merchant plants totaling 3,700 megawatts (mw) have presented submissions to seek a determination of need to the FPSC. In March 1999, the FPSC approved one of the petitions for a power plant to be constructed within FPL's service territory. FPL, along with other Florida utilities, appealed the decision to the Florida Supreme Court. In April 2000, the Florida Supreme Court upheld arguments by FPL and other Florida utilities and ruled that under current Florida law the FPSC is not authorized to grant a determination of need for a proposed power plant, the output of which is not fully committed to use by Florida retail customers. In March 2001, the United States Supreme Court denied a petition for certiorari review by one of the petitioners. See Note 1 — Regulation.

In 2000, the Governor of Florida signed an executive order creating the Energy 2020 Study Commission to propose an energy plan and strategy for Florida. The order required that recommendations be made to the legislature and Governor by December 1, 2001. The commission chose to split the energy study between wholesale and retail competition. In January 2001, the commission issued an interim report containing a proposal for restructuring Florida's wholesale market for electricity. The proposal recommends the removal of statutory barriers to entry for merchant plants and, according to the report, provides a transition to a "level playing field" for all generating assets. Under the commission's proposal, investor-owned utilities such as FPL would establish, and transfer their generating assets to, affiliated exempt wholesale generators, which would also construct and operate new generating assets. The investor-owned load-serving utilities, such as FPL, would acquire energy resources through competitive bidding, negotiated contracts or from the short-term (spot) market. Purchases from affiliated exempt wholesale generators would be pursuant to a competitive bidding process. The proposal includes a number of features, including a three-year retail base rate freeze. The proposal may be addressed in the next legislative session which takes place in March through May 2001. In addition, the FERC has jurisdiction over potential changes which could affect competition in wholesale transactions. The commission will now consider recommendations for the retail market.

In 1999, the FERC issued its final order on regional transmission organizations (RTOs). RTOs, under a variety of structures, provide for the independent operation of transmission systems for a given geographic area. The final order establishes guidelines for public utilities to use in considering and/or developing plans to initiate operations of RTOs by December 15, 2001. In October 2000, FPL, together with Florida Power Corporation and Tampa Electric Company, filed a joint proposal to form a fully independent for-profit transmission company that would be responsible for the transmission lines that carry electricity from power plants primarily within the state to substations in Florida. The October filing was supplemented by a December 2000 filing that provided certain operational details of the proposed RTO.

Under the proposed form of RTO, FPL would contribute its transmission assets to an independent transmission company, GridFlorida LLC (GridFlorida) that would own and operate the system. A separate corporation would be formed to own the voting interest in and manage GridFlorida. In return for its transmission assets, FPL would receive a non-voting ownership interest in GridFlorida, which could be exchanged for non-voting stock of the managing corporation. FPL would account for its interest in GridFlorida using the equity method.

FPL Energy — FPL Energy's earnings continue to benefit from the significant expansion of its independent power generation portfolio, which has more than tripled since 1997 to over 4,100 mw at December 31, 2000. In 2000, Lamar Power Partners, a natural gas-fired plant in the Central region became operational and added approximately 1,000 mw to FPL Energy's operating portfolio. In 1999, FPL Energy acquired the Maine assets, which totaled 1,159 mw and in 1998, FPL Energy invested in two natural gas-fired plants in the Northeast, adding 295 mw. In addition, approximately 400 mw of wind projects have been added in the West and Central regions since 1997.

In 2000, FPL Energy's net income also benefited from increased revenues generated by the Maine assets as a result of warmer weather and higher prices in the Northeast during May 2000, and lower O&M expenses at Doswell. In 1999, the effect of a $176 million ($104 million after-tax) impairment loss (see Note 10) and higher administrative expenses to accommodate future growth more than offset the benefits of the growing generation portfolio and improved results from Doswell. FPL Energy's 1998 net income includes the effect of a $35 million ($21 million after-tax) charge for the termination of an interest rate swap agreement, which was partly offset by the receipt of a $31 million ($19 million after-tax) settlement relating to a contract dispute.

Deregulation of the electric utility market presents both opportunities and risks for FPL Energy. Opportunities exist for the selective acquisition of generation assets that are being divested under deregulation plans and for the construction and operation of efficient plants that can sell power in competitive markets. Substantially all of the energy produced in 2000 by FPL Energy's independent power projects was sold through power sales agreements with utilities that expire in 2001-28. As competitive wholesale markets become more accessible to other generators, obtaining power sales agreements will become a progressively more competitive process. FPL Energy expects that as its existing power sales agreements expire, more of the energy produced will be sold through shorter-term contracts and into competitive wholesale markets.

Competitive wholesale markets in the United States continue to evolve and vary by geographic region. Revenues from electricity sales in these markets will vary based on the prices obtainable for energy, capacity and other ancillary services. Some of the factors affecting success in these markets include the ability to operate generating assets efficiently, the price and supply of fuel, transmission constraints, competition from new sources of generation, demand growth and exposure to legal and regulatory changes.

FPL Energy has approximately 540 net mw in California, most of which are wind, solar and geothermal qualifying facilities. The output of these projects is sold predominantly under long-term contracts with California utilities. Increases in natural gas prices and an imbalance between power supply and demand, as well as other factors, have contributed to significant increases in wholesale electricity prices in California. Utilities in California had previously agreed to fixed tariffs to their retail customers, which resulted in significant under-recoveries of wholesale electricity purchase costs. FPL Energy's projects have not received the majority of payments due from California utilities since November 2000. On April 6, 2001, Pacific Gas and Electric Company (PG&E) filed for protection under the U.S. Bankruptcy laws. Earnings from projects that sell to PG&E represent approximately 15% of FPL Energy's earnings from California projects. At December 31, 2000, FPL Energy's net investment in California projects was approximately $250 million. It is impossible to predict what the outcome of the situation in California will be.

Corporate and Other — Beginning in 2000, the corporate and other segment includes FPL FiberNet's operating results. FPL FiberNet was formed in January 2000 to enhance the value of FPL Group's fiber-optic network assets that were originally built to support FPL operations. Accordingly, FPL's existing 1,600 miles of fiber-optic lines were transferred to FPL FiberNet in January 2000. In 1999, net income for the corporate and other segment reflects a $149 million ($96 million after-tax) gain on the sale of an investment in Adelphia Communications Corporation common stock, a $108 million ($66 million after-tax) gain recorded by FPL Group Capital Inc (FPL Group Capital) on the redemption of its one-third interest in a cable limited partnership, costs associated with closing a retail marketing business of $11 million ($7 million after-tax) and the favorable resolution of a prior year state tax matter of $10 million ($7 million after-tax). In 1998, net income for the corporate and other segment reflects a $36 million ($25 million after-tax) loss from the sale of Turner Foods Corporation's assets, the cost of terminating an agreement designed to fix interest rates of $26 million ($16 million after-tax) and adjustments relating to prior years' tax matters, including the resolution of a $30 million audit issue with the Internal Revenue Service.

LIQUIDITY AND CAPITAL RESOURCES

FPL Group's capital requirements consist of expenditures to meet increased electricity usage and customer growth of FPL, investment opportunities at FPL Energy and expansion of FPL FiberNet. Capital expenditures of FPL for the 2001-03 period are expected to be approximately $3.3 billion, including $1.1 billion in 2001. As of December 31, 2000, FPL Energy has commitments totaling approximately $380 million, primarily in connection with the

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development and expansion of independent power projects. Subsidiaries of FPL Group, other than FPL, have guaranteed approximately $810 million of prompt performance payments, lease obligations, purchase and sale of power and fuel agreement obligations, debt service payments and other payments subject to certain contingencies. See Note 13 — Commitments.

Debt maturities of FPL Group's subsidiaries will require cash outflows of approximately $1.0 billion through 2005, including $65 million in 2001. It is anticipated that cash requirements for capital expenditures, energy-related investments and debt maturities in 2001 will be satisfied with internally generated funds and debt issuances. Any internally generated funds not required for capital expenditures and current maturities may be used to reduce outstanding debt or repurchase common stock, or for investment. Any temporary cash needs will be met by short-term bank borrowings. In 2000, FPL had $125 million of first mortgage bonds mature and issued $452 million of variable-rate bonds and $500 million of first mortgage bonds. The proceeds from these issuances were used in 2000 to redeem $278 million of variable-rate bonds, $109 million of first mortgage bonds and to repay FPL's short-term borrowings. In 2001, $65 million was used to redeem $49 million of variable-rate bonds and $16 million of first mortgage bonds. Bank lines of credit currently available to FPL Group and its subsidiaries aggregate $3.0 billion.

During 2000, FPL Group repurchased 2.6 million shares of common stock under its share repurchase programs. Under the $570 million share repurchase program authorized in connection with the merger agreement with Entergy, 1,876,500 shares totaling $116 million have been repurchased through January 31, 2001. See Note 2.

FPL self-insures for damage to certain transmission and distribution properties and maintains a funded storm reserve to reduce the financial impact of storm losses. The balance of the storm fund reserve at December 31, 2000 and 1999 was $229 million and $216 million, respectively. Bank lines of credit of $300 million, included in the $3.0 billion above, are also available if needed to provide cash for storm restoration costs. The FPSC has indicated that it would consider future storm losses in excess of the funded reserve for possible recovery from customers.

FPL's charter and mortgage contain provisions which, under certain conditions, restrict the payment of dividends and the issuance of additional unsecured debt, first mortgage bonds and preferred stock. Given FPL's current financial condition and level of earnings, expected financing activities and dividends are not affected by these limitations.

NEW ACCOUNTING RULE

Effective January 1, 2001, FPL Group adopted Financial Accounting Standards No. (FAS) 133, "Accounting for Derivative Instruments and Hedging Activities," as amended by FAS 138, "Accounting for Certain Derivative Instruments and Certain Hedging Activities." For information concerning the adoption of FAS 133/138, see Note 1 — Accounting for Derivative Instruments and Hedging Activities.

MARKET RISK SENSITIVITY

Substantially all financial instruments and positions held by FPL Group described below are held for purposes other than trading. Market risk is measured as the potential loss in fair value resulting from hypothetical reasonably possible changes in interest rates, equity prices or commodity prices over the next year.

Interest rate risk — The special use funds of FPL include restricted funds set aside to cover the cost of storm damage and for the decommissioning of FPL's nuclear power plants. A portion of these funds is invested in fixed income debt securities carried at their market value of approximately $1.002 billion and $847 million at December 31, 2000 and 1999, respectively. Adjustments to market value result in a corresponding adjustment to the related liability accounts based on current regulatory treatment. Because the funds set aside for storm damage could be needed at any time, the related investments are generally more liquid and, therefore, are less sensitive to changes in interest rates. The nuclear decommissioning funds, in contrast, are generally invested in longer-term securities, as decommissioning activities are not expected to begin until at least 2012. At December 31, 2000 and 1999, other investments include $300 million and $291 million, respectively, of investments that are carried at estimated fair value or cost, which approximates fair value.

The following are estimates of the fair value of long-term debt:

(millions)	2000		1999	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Long-term debt[a]	$4,041	$4,080[b]	$3,603	$3,518[b]

(a) Includes current maturities.
(b) Based on quoted market prices for these or similar issues.

Based upon a hypothetical 10% decrease in interest rates, the net fair value of the net liabilities would increase by approximately $84 million at December 31, 2000.

Equity price risk — Included in the special use funds of FPL are marketable equity securities carried at their market value of approximately $511 million and $573 million at December 31, 2000 and 1999, respectively. A hypothetical 10% decrease in the prices quoted by stock exchanges would result in a $51 million reduction in fair value and corresponding adjustment to the related liability accounts based on current regulatory treatment at December 31, 2000.

Commodity price risk — Energy Marketing & Trading (EMT), a division of FPL, and FPL Energy Power Marketing, Inc. (PMI), a subsidiary of FPL Energy, purchase natural gas and oil to be delivered in the future for use as fuel in the generation of electric power. Generation, to the extent not required for FPL's native load customers or under contract by FPL Energy, is also sold for future delivery by EMT and PMI. To manage the risk inherent in fluctuating commodity prices compared to the committed prices, EMT and PMI enter into commodity-based derivative instruments (primarily swaps and futures) to mitigate this risk. The fair value of the net position in commodity-based derivative instruments at December 31, 2000 was a negative \$11 million. At December 31, 1999, the fair value of these instruments was insignificant. The effect of a hypothetical 40% decrease in the price of natural gas and a hypothetical 25% decrease in the price of oil would be to change the fair value at December 31, 2000 of these instruments to a negative \$32 million.

MANAGEMENT'S REPORT

The management of FPL Group is responsible for the integrity and objectivity of the financial information and representations contained in the consolidated financial statements and other sections of this Annual Report. The consolidated financial statements, which in part are based on informed judgments and estimates made by management, have been prepared in conformity with generally accepted accounting principles applied on a consistent basis.

To aid in carrying out this responsibility, management maintains a system of internal accounting control, which is established after weighing the cost of such controls against the benefits derived. The overall system of internal accounting control, in the opinion of management, provides reasonable assurance that the assets of FPL Group and its subsidiaries are safeguarded and transactions are executed in accordance with management's authorization and are properly recorded for the preparation of financial statements. In addition, management believes the overall system of internal accounting control provides reasonable assurance that material errors or irregularities would be prevented or detected on a timely basis by employees in the normal course of their duties. Due to the inherent limitations of the effectiveness of any system of internal accounting control, management cannot provide absolute assurance that the objectives of internal accounting control will be met. The system of internal accounting control is supported by written policies and guidelines, the selection and training of qualified employees, an organizational structure that provides an appropriate division of responsibility and a program of internal auditing. To further enhance the internal accounting control environment, management has prepared and distributed to all employees a Code of Conduct which states management's policy on conflict of interest and ethical conduct.

FPL Group's independent auditors, Deloitte & Touche LLP, are engaged to express an opinion on FPL Group's financial statements. Their report is based on procedures believed by them to provide a reasonable basis to support such an opinion.

The Board of Directors pursues its oversight responsibility for financial reporting and accounting through its Audit Committee. This Committee, which is comprised entirely of outside directors, meets periodically with management, the internal auditors and the independent auditors to make inquiries as to the manner in which the responsibilities of each are being discharged. The independent auditors and the internal audit staff have free access to the Committee without management's presence to discuss auditing, internal accounting control and financial reporting matters.

INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Shareholders, FPL Group, Inc.:

We have audited the accompanying consolidated balance sheets of FPL Group, Inc. and subsidiaries as of December 31, 2000 and 1999, and the related consolidated statements of income, shareholders' equity, and cash flows for each of the three years in the period ended December 31, 2000. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of FPL Group, Inc. and subsidiaries at December 31, 2000 and 1999, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2000, in conformity with accounting principles generally accepted in the United States of America.

Deloitte & Touche LLP

Deloitte & Touche LLP
Certified Public Accountants

Miami, Florida
February 9, 2001, except for the first paragraph of Note 2, as to which the date is April 2, 2001

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consolidated statements of income

FPL Group, Inc.

Years Ended December 31, (millions, except per share amounts)	2000	1999	1998
OPERATING REVENUES	$7,082	$6,438	$6,661
OPERATING EXPENSES			
Fuel, purchased power and interchange	2,868	2,365	2,244
Other operations and maintenance	1,257	1,253	1,284
Litigation settlement	—	69	—
Merger-related	67	—	—
Depreciation and amortization	1,032	1,040	1,284
Impairment loss on Maine assets	—	176	—
Taxes other than income taxes	618	615	597
Total operating expenses	5,842	5,518	5,409
OPERATING INCOME	1,240	920	1,252
OTHER INCOME (DEDUCTIONS)			
Interest charges	(278)	(222)	(322)
Preferred stock dividends — FPL	(15)	(15)	(15)
Divestiture of cable investments	—	257	—
Other — net	93	80	28
Total other income (deductions) — net	(200)	100	(309)
INCOME BEFORE INCOME TAXES	1,040	1,020	943
INCOME TAXES	336	323	279
NET INCOME	$ 704	$ 697	$ 664
Earnings per share of common stock (basic and assuming dilution)	$4.14	$4.07	$3.85
Dividends per share of common stock	$2.16	$2.08	$2.00
Average number of common shares outstanding	170	171	173

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

consolidated balance sheets

FPL Group, Inc.

December 31, (millions)	2000	1999
PROPERTY, PLANT AND EQUIPMENT		
Electric utility plant in service and other property	$ 19,642	$ 18,474
Nuclear fuel under capital lease — net	127	157
Construction work in progress	1,253	923
Less accumulated depreciation and amortization	(11,088)	(10,290)
Total property, plant and equipment — net	9,934	9,264
CURRENT ASSETS		
Cash and cash equivalents	129	361
Customer receivables, net of allowances of $7 each	637	482
Other receivables	246	61
Materials, supplies and fossil fuel inventory — at average cost	370	343
Deferred clause expenses	337	54
Other	62	72
Total current assets	1,781	1,373
OTHER ASSETS		
Special use funds of FPL	1,497	1,352
Other investments	651	611
Other	1,437	841
Total other assets	3,585	2,804
TOTAL ASSETS	$ 15,300	$ 13,441
CAPITALIZATION		
Common shareholders' equity	$ 5,593	$ 5,370
Preferred stock of FPL without sinking fund requirements	226	226
Long-term debt	3,976	3,478
Total capitalization	9,795	9,074
CURRENT LIABILITIES		
Commercial paper	1,158	339
Current maturities of long-term debt	65	125
Accounts payable	564	407
Customers' deposits	254	284
Accrued interest and taxes	146	182
Deferred clause revenues	70	116
Other	506	417
Total current liabilities	2,763	1,870
OTHER LIABILITIES AND DEFERRED CREDITS		
Accumulated deferred income taxes	1,378	1,079
Deferred regulatory credit — income taxes	107	126
Unamortized investment tax credits	162	184
Storm and property insurance reserve	229	216
Other	866	892
Total other liabilities and deferred credits	2,742	2,497
COMMITMENTS AND CONTINGENCIES		
TOTAL CAPITALIZATION AND LIABILITIES	$ 15,300	$ 13,441

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

consolidated statements of cash flows

FPL Group, Inc.

Years Ended December 31, *(millions)*	2000	1999	1998
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income	$ 704	$ 697	$ 664
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	1,032	1,040	1,284
Increase (decrease) in deferred income taxes and related regulatory credit	283	(198)	(237)
Deferrals under cost recovery clauses	(810)	55	68
Gain on sale of cable investments	—	(257)	—
Impairment loss on Maine assets	—	176	—
Other — net	(233)	50	(36)
Net cash provided by operating activities	976	1,563	1,743
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditures of FPL	(1,299)	(861)	(617)
Independent power investments	(507)	(1,540)	(521)
Return of investment and loan repayments-partnerships and joint ventures	24	57	220
Proceeds from the sale of assets	22	198	135
Other — net	(183)	(26)	(12)
Net cash used in investing activities	(1,943)	(2,172)	(795)
CASH FLOWS FROM FINANCING ACTIVITIES			
Issuance of long-term debt	947	1,609	343
Retirement of long-term debt	(515)	(584)	(727)
Increase (decrease) in short-term debt	819	229	(24)
Repurchases of common stock	(150)	(116)	(62)
Dividends on common stock	(366)	(355)	(345)
Net cash provided by (used in) financing activities	735	783	(815)
Net increase (decrease) in cash and cash equivalents	(232)	174	133
Cash and cash equivalents at beginning of year	361	187	54
Cash and cash equivalents at end of year	$ 129	$ 361	$ 187
Supplemental Disclosures of Cash Flow Information			
Cash paid for interest (net of amount capitalized)	$ 301	$ 221	$ 308
Cash paid for income taxes	$ 160	$ 573	$ 463
Supplemental Schedule of Noncash Investing and Financing Activities			
Additions to capital lease obligations	$ 43	$ 86	$ 34

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

consolidated statements of shareholders' equity

FPL Group, Inc.

(millions)	Common Stock[a] Shares	Aggregate Par Value	Additional Paid-In Capital	Unearned Compensation	Accumulated Other Comprehensive Income (Loss)	Retained Earnings	Common Shareholders' Equity
Balances, December 31, 1997	182	$ 2	$3,302	$(264)	$ 1	$1,804	
Net income	—	—	—	—	—	664	
Repurchases of common stock	(1)	—	(62)	—	—	—	
Dividends on common stock	—	—	—	—	—	(345)	
Earned compensation under ESOP	—	—	13	12	—	—	
Other	—	—	(1)	—	—	—	
Balances, December 31, 1998	181[b]	2	3,252	(252)	1	2,123	
Net income	—	—	—	—	—	697	
Repurchases of common stock	(2)	—	(116)	—	—	—	
Dividends on common stock	—	—	—	—	—	(355)	
Earned compensation under ESOP	—	—	12	14	—	—	
Other comprehensive loss	—	—	—	—	(2)	—	
Other	—	—	—	(6)	—	—	
Balances, December 31, 1999	179[b]	2	3,148	(244)	(1)	2,465	$5,370
Net income	—	—	—	—	—	704	
Repurchases of common stock	(3)	—	(150)	—	—	—	
Dividends on common stock	—	—	—	—	—	(366)	
Earned compensation under ESOP	—	—	12	15	—	—	
Other comprehensive income	—	—	—	—	1	—	
Other	—	—	(2)	9	—	—	
Balances, December 31, 2000	176[b]	$ 2	$3,008	$(220)	$—	$2,803	$5,593

(a) $0.01 par value, authorized — 300,000,000 shares; outstanding 175,766,215 and 178,554,735 at December 31, 2000 and 1999, respectively.

(b) Outstanding and unallocated shares held by the Employee Stock Ownership Plan Trust totaled 7 million, 8 million and 9 million at December 31, 2000, 1999 and 1998, respectively.

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

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notes to consolidated financial statements

Years Ended December 31, 2000, 1999 and 1998

1. SUMMARY OF SIGNIFICANT ACCOUNTING AND REPORTING POLICIES

Basis of Presentation — FPL Group, Inc.'s (FPL Group) operations are conducted primarily through Florida Power & Light Company (FPL) and FPL Energy, LLC (FPL Energy). FPL, a rate-regulated public utility, supplies electric service to approximately 3.8 million customers throughout most of the east and lower west coasts of Florida. FPL Energy invests in independent power projects through both controlled and consolidated entities and non-controlling ownership interests in joint ventures accounted for under the equity method.

The consolidated financial statements of FPL Group include the accounts of its majority-owned and controlled subsidiaries. All significant intercompany balances and transactions have been eliminated in consolidation. Certain amounts included in prior years' consolidated financial statements have been reclassified to conform to the current year's presentation. The preparation of financial statements requires the use of estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and the disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

Regulation — FPL is subject to regulation by the Florida Public Service Commission (FPSC) and the Federal Energy Regulatory Commission (FERC). Its rates are designed to recover the cost of providing electric service to its customers including a reasonable rate of return on invested capital. As a result of this cost-based regulation, FPL follows the accounting practices set forth in Statement of Financial Accounting Standards No. (FAS) 71, "Accounting for the Effects of Certain Types of Regulation." FAS 71 indicates that regulators can create assets and impose liabilities that would not be recorded by unregulated entities. Regulatory assets and liabilities represent probable future revenues that will be recovered from or refunded to customers through the ratemaking process. The continued applicability of FAS 71 is assessed at each reporting period.

In the event that FPL's generating operations are no longer subject to the provisions of FAS 71, portions of the existing regulatory assets and liabilities that relate to generation would be written off unless regulators specify an alternative means of recovery or refund. Further, other aspects of the business, such as generation assets and long-term power purchase commitments, would need to be reviewed to assess their recoverability in a changed regulatory environment.

The principal regulatory assets and liabilities are as follows:

(millions) December 31,	**2000**	1999
Assets (included in other assets):		
Unamortized debt reacquisition costs	$ 18	$ 12
Deferred Department of Energy assessment	$ 35	$ 39
Under-recovered fuel costs (noncurrent portion)	$259	$ —
Litigation settlement (see Note 12)	$223	$ —
Liabilities:		
Deferred regulatory credit — income taxes	$107	$126
Unamortized investment tax credits	$162	$184
Storm and property insurance reserve (see Note 13 — Insurance)	$229	$216

The amounts presented above exclude clause-related regulatory assets and liabilities that are recovered or refunded over the next twelve-month period. These amounts are included in deferred clause expenses and deferred clause revenues in the consolidated balance sheets. At December 31, 2000, under-recovered fuel costs totaled $596 million, $337 million of which is included in deferred clause expenses and $259 million, the noncurrent portion, is included in other assets. At December 31, 1999, under-recovered fuel costs totaled $54 million and are included in deferred clause expenses. As part of the annual fuel filing for 2001, the FPSC approved FPL's request to recover $518 million of the under-recovered fuel costs over a two-year period beginning January 2001, rather than the typical one-year time frame. FPL has also agreed that instead of receiving a return at the commercial paper rate on this unrecovered portion through the fuel and purchased power cost recovery clause (fuel clause), the under-recovery will be included as a rate base regulatory asset over the two-year recovery period. Actual under-recovered fuel costs through December 31, 2000 exceeded the estimates made earlier in the year by $78 million, and in February 2001, FPL requested the FPSC to approve a fuel adjustment increase effective April 2001 to recover the additional $78 million of under-recovered fuel costs.

Over half of the states, other than Florida, have enacted legislation or have state commissions that issued orders designed to deregulate the production and sale of electricity. By allowing customers to choose their electricity supplier, deregulation is expected to result in a shift from cost-based rates to market-based rates for energy production and other services provided to retail customers. Similar initiatives are also being pursued on the federal level. Although the legislation and initiatives vary substantially, common areas of focus include when market-based pricing will be available for wholesale and retail customers, what existing prudently incurred costs in excess of the market-based price will be recoverable and whether generation assets should be separated from transmission, distribution and other assets. It is generally believed transmission and distribution activities would remain regulated.

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In 2000, the Governor of Florida signed an executive order creating the Energy 2020 Study Commission to propose an energy plan and strategy for Florida. The order required that recommendations be made to the legislature and Governor by December 1, 2001. The commission chose to split the energy study between wholesale and retail competition. In January 2001, the commission issued an interim report containing a proposal for restructuring Florida's wholesale market for electricity. The proposal recommends the removal of statutory barriers to entry for merchant plants and, according to the report, provides a transition to a "level playing field" for all generating assets. Under the commission's proposal, investor-owned utilities such as FPL would establish, and transfer their generating assets to, affiliated exempt wholesale generators, which would also construct and operate new generating assets. The investor-owned load-serving utilities, such as FPL, would acquire energy resources through competitive bidding, negotiated contracts or from the short-term (spot) market. Purchases from affiliated exempt wholesale generators would be pursuant to a competitive bidding process. The proposal includes a number of features, including a three-year retail base rate freeze. The proposal may be addressed in the next legislative session which takes place in March through May 2001. In addition, the FERC has jurisdiction over potential changes which could affect competition in wholesale transactions. The commission will now consider recommendations for the retail market.

In 1999, the FERC issued its final order on regional transmission organizations (RTOs). RTOs, under a variety of structures, provide for the independent operation of transmission systems for a given geographic area. The final order establishes guidelines for public utilities to use in considering and/or developing plans to initiate operations of RTOs by December 15, 2001. In October 2000, FPL, together with Florida Power Corporation and Tampa Electric Company, filed a joint proposal to form a fully independent for-profit transmission company that would be responsible for the transmission lines that carry electricity from power plants primarily within the state to substations in Florida. The October filing was supplemented by a December 2000 filing that provided certain operational details of the proposed RTO.

Under the proposed form of RTO, FPL would contribute its transmission assets to an independent transmission company, GridFlorida LLC (GridFlorida), that would own and operate the system. A separate corporation would be formed to own the voting interest in and manage GridFlorida. In return for its transmission assets, FPL would receive a non-voting ownership interest in GridFlorida, which could be exchanged for non-voting stock of the managing corporation. FPL would account for its interest in GridFlorida using the equity method.

Revenues and Rates — FPL's retail and wholesale utility rate schedules are approved by the FPSC and the FERC, respectively. FPL records unbilled base revenues for the estimated amount of energy delivered to customers but not yet billed. Unbilled base revenues are included in customer receivables and amounted to \$137 million and \$130 million at December 31, 2000 and 1999, respectively. Substantially all of the energy produced by FPL Energy's independent power projects is sold through power sales agreements with utilities and revenue is recorded on a delivered basis.

In 1999, the FPSC approved a three-year agreement among FPL, the State of Florida Office of Public Counsel (Public Counsel), The Florida Industrial Power Users Group (FIPUG) and The Coalition for Equitable Rates (Coalition) regarding FPL's retail base rates, authorized regulatory return on common equity (ROE), capital structure and other matters. The agreement, which became effective April 15, 1999, provides for a \$350 million reduction in annual revenues from retail base operations allocated to all customers on a cents-per-kilowatt-hour basis. Additionally, the agreement sets forth a revenue sharing mechanism for each of the twelve month periods covered by the agreement, whereby revenues from retail base operations in excess of a stated threshold are required to be shared on the basis of two-thirds refunded to retail customers and one-third retained by FPL. Revenues from retail base operations in excess of a second threshold are required to be refunded 100% to retail customers.

The refund thresholds are as follows:

(millions) Twelve Months Ended April 14,	2000	2001	2002
66⅔% to customers	\$3,400	\$3,450	\$3,500
100% to customers	\$3,556	\$3,606	\$3,656

The accrual for the refund associated with the revenue sharing mechanism is computed monthly for each twelve-month period of the rate agreement. At the beginning of each twelve-month period, planned revenues are reviewed to determine if it is probable that the threshold will be exceeded. If so, an accrual is recorded each month for a portion of the anticipated refund based on the relative percentage of year-to-date planned revenues to the total estimated revenues for the twelve-month period, plus accrued interest. In addition, if in any month actual revenues are above or below planned revenues, the accrual is increased or decreased as necessary to recognize the effect of this variance on the expected refund amount. The annual refund (including interest) is paid to customers as a credit to their June electric bill. As of December 31, 2000 and 1999, the accrual for the revenue refund was approximately \$57 million and \$20 million, respectively.

The agreement also lowered FPL's authorized regulatory ROE range to 10% – 12%. During the term of the agreement, the achieved ROE may from time to time be outside the authorized range, and the revenue sharing mechanism described above is specified to be the appropriate and exclusive mechanism to address that circumstance. For purposes of calculating ROE, the agreement establishes a cap on FPL's adjusted equity ratio of 55.83%. The adjusted equity ratio reflects a discounted

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amount for off-balance sheet obligations under certain long-term purchased power contracts. Finally, the agreement established a new special depreciation program (see Electric Plant, Depreciation and Amortization) and includes provisions which limit depreciation rates and accruals for nuclear decommissioning and fossil dismantlement costs to currently approved levels and limit amounts recoverable under the environmental compliance cost recovery clause during the term of the agreement.

The agreement states that Public Counsel, FIPUG and Coalition 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 term of the agreement.

FPL's revenues include amounts resulting from cost recovery clauses, certain revenue taxes and franchise fees. Cost recovery clauses, which are designed to permit full recovery of certain costs and provide a return on certain assets utilized by these programs, include substantially all fuel, purchased power and interchange expenses, conservation- and environmental-related expenses and certain revenue taxes. Revenues from cost recovery clauses are recorded when billed; FPL achieves matching of costs and related revenues by deferring the net under- or over-recovery. Any under-recovered costs or over-recovered revenues are collected from or returned to customers in subsequent periods. See Regulation.

Electric Plant, Depreciation and Amortization — The cost of additions to units of utility property of FPL and FPL Energy is added to electric utility plant. In accordance with regulatory accounting, the cost of FPL's units of utility property retired, less net salvage, is charged to accumulated depreciation. Maintenance and repairs of property as well as replacements and renewals of items determined to be less than units of utility property are charged to other operations and maintenance (O&M) expenses. At December 31, 2000, the generating, transmission, distribution and general facilities of FPL represented approximately 45%, 13%, 36% and 6%, respectively, of FPL's gross investment in electric utility plant in service. Substantially all electric utility plant of FPL is subject to the lien of a mortgage securing FPL's first mortgage bonds.

Depreciation of electric property is primarily provided on a straight-line average remaining life basis. FPL includes in depreciation expense a provision for fossil plant dismantlement and nuclear plant decommissioning (see Decommissioning and Dismantlement of Generating Plant). For substantially all of FPL's property, depreciation studies are performed and filed with the FPSC at least every four years. In April 1999, the FPSC granted final approval of FPL's most recent depreciation studies, which were effective January 1, 1998. The weighted annual composite depreciation rate for FPL's electric plant in service was approximately 4.2% for 2000, 4.3% for 1999 and 4.4% for 1998, excluding the effects of decommissioning and dismantlement. Further, these rates exclude the special and plant-related deferred cost amortization discussed below.

The agreement that reduced FPL's base rates (see Revenues and Rates) also allows 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/or fossil generating assets. Under this new depreciation program, FPL recorded $100 million of special depreciation in the first twelve-month period and $71 million through December 31, 2000 of the second twelve-month period. On a fiscal year basis, FPL recorded approximately $101 million and $70 million of special depreciation in 2000 and 1999, respectively. The new depreciation program replaced a revenue-based special amortization program whereby FPL recorded as depreciation and amortization expense a fixed amount of $9 million in 1999 and $30 million in 1998 for nuclear assets. FPL also recorded under the revenue-based special amortization program variable amortization based on the actual level of retail base revenues compared to a fixed amount. The variable amounts recorded in 1999 and 1998 were $54 million and $348 million, respectively. The 1998 variable amount includes, as depreciation and amortization expense, $161 million for amortization of regulatory assets. The remaining variable amounts were applied against nuclear and fossil production assets. Additionally, FPL completed amortization of certain plant-related deferred costs by recording $24 million in 1998. These costs are considered recoverable costs and are monitored through the monthly reporting process with the FPSC.

Nuclear Fuel — FPL leases nuclear fuel for all four of its nuclear units. Nuclear fuel lease expense was $82 million, $83 million and $83 million in 2000, 1999 and 1998, respectively. Included in this expense was an interest component of $9 million, $8 million and $9 million in 2000, 1999 and 1998, respectively. Nuclear fuel lease payments and a charge for spent nuclear fuel disposal are charged to fuel expense on a unit of production method. These costs are recovered through the fuel clause. Under certain circumstances of lease termination, FPL is required to purchase all nuclear fuel in whatever form at a purchase price designed to allow the lessor to recover its net investment cost in the fuel, which totaled $127 million at December 31, 2000. For ratemaking, these leases are classified as operating leases. For financial reporting, the capital lease obligation is recorded at the amount due in the event of lease termination.

Decommissioning and Dismantlement of Generating Plant — FPL accrues nuclear decommissioning costs over the expected service life of each unit. Nuclear decommissioning studies are performed at least every five years and are submitted to the FPSC for approval. In January 2001, FPL filed updated nuclear decommissioning studies with the FPSC. These studies assume prompt dismantlement for the Turkey Point Units Nos. 3 and 4 with decommissioning activities commencing in 2012 and

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2013, respectively. Current plans call for St. Lucie Unit No. 1 to be mothballed beginning in 2016 with decommissioning activities to be integrated with the prompt dismantlement of St. Lucie Unit No. 2 beginning in 2023. These studies also assume that FPL will be storing spent fuel on site pending removal to a U.S. government facility. The studies, which are pending FPSC approval, indicate FPL's portion of the ultimate costs of decommissioning its four nuclear units, including costs associated with spent fuel storage, to be $6.8 billion. Decommissioning expense accruals included in depreciation and amortization expense, were $85 million in each of the years 2000, 1999 and 1998. FPL's portion of the ultimate cost of decommissioning its four units, expressed in 2000 dollars, is currently estimated to aggregate $1.8 billion. At December 31, 2000 and 1999, the accumulated provision for nuclear decommissioning totaled approximately $1.5 billion and $1.4 billion, respectively, and is included in accumulated depreciation. See Electric Plant, Depreciation and Amortization.

Similarly, FPL accrues the cost of dismantling its fossil fuel plants over the expected service life of each unit. Fossil fuel plant dismantlement studies are performed and filed with the FPSC at least every four years. Fossil fuel plant dismantlement studies were filed in September 1998 and were effective January 1, 1999. The dismantlement studies indicated an estimated reserve deficiency of $38 million, which was recovered through the special amortization program. Fossil dismantlement expense was $14 million in 2000 and $17 million in each of the years 1999 and 1998, and is included in depreciation and amortization expense. FPL's portion of the ultimate cost to dismantle its fossil units is $482 million. At December 31, 2000 and 1999, the accumulated provision for fossil dismantlement totaled $246 million and $232 million, respectively, and is included in accumulated depreciation. See Electric Plant, Depreciation and Amortization.

Restricted trust funds for the payment of future expenditures to decommission FPL's nuclear units are included in special use funds of FPL. Securities held in the decommissioning fund are carried at market value with market adjustments resulting in a corresponding adjustment to the accumulated provision for nuclear decommissioning. See Note 4 — Special Use Funds. Contributions to the funds are based on current period decommissioning expense. Additionally, fund earnings, net of taxes are reinvested in the funds. The tax effects of amounts not yet recognized for tax purposes are included in accumulated deferred income taxes.

Accrual for Major Maintenance Costs — Consistent with regulatory treatment, FPL's estimated nuclear maintenance costs for each nuclear unit's next planned outage are accrued over the period from the end of the last outage to the end of the next planned outage. The accrual for nuclear maintenance costs at December 31, 2000 and 1999 totaled $31 million and $42 million, respectively, and is included in other liabilities. Any difference between the estimated and actual costs are included in O&M expenses when known.

FPL Energy's estimated major maintenance costs for each unit's next planned outage are accrued over the period from the end of the last outage to the end of the next planned outage. The accrual for FPL Energy's major maintenance costs totaled $33 million at both December 31, 2000 and 1999. Any difference between the estimated and actual costs are included in O&M expenses when known.

Construction Activity — In accordance with FPSC guidelines, FPL has elected not to capitalize interest or a return on common equity on construction projects. The cost of these construction projects is allowed as an element of rate base. FPL Group's unregulated operations capitalize interest on construction projects.

Storm and Property Insurance Reserve Fund (storm fund) — The storm fund provides coverage toward storm damage costs and possible retrospective premium assessments stemming from a nuclear incident under the various insurance programs covering FPL's nuclear generating plants. Securities held in the fund are carried at market value with market adjustments resulting in a corresponding adjustment to the storm and property insurance reserve. See Note 4 — Special Use Funds and Note 13 — Insurance. Fund earnings, net of taxes, are reinvested in the fund. The tax effects of amounts not yet recognized for tax purposes are included in accumulated deferred income taxes.

Other Investments — Included in other investments is FPL Group's participation in leveraged leases of $154 million at both December 31, 2000 and 1999. Additionally, other investments include notes receivable and non-controlling non-majority owned interests in partnerships and joint ventures, essentially all of which are accounted for under the equity method. See Note 4.

Impairment of Long-Lived Assets — FPL Group evaluates on an ongoing basis the recoverability of its assets and related intangible assets for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable as described in FAS 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of." See Note 10.

Cash Equivalents — Cash equivalents consist of short-term, highly liquid investments with original maturities of three months or less.

Retirement of Long-Term Debt — The excess of FPL's reacquisition cost over the book value of long-term debt is deferred and amortized to expense ratably over the remaining

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life of the original issue, which is consistent with its treatment in the ratemaking process. See Regulation. FPL Group Capital Inc (FPL Group Capital) expenses this cost in the period incurred.

Income Taxes — Deferred income taxes are provided on all significant temporary differences between the financial statement and tax bases of assets and liabilities. The deferred regulatory credit – income taxes of FPL represents the revenue equivalent of the difference in accumulated deferred income taxes computed under FAS 109, "Accounting for Income Taxes," as compared to regulatory accounting rules. This amount is being amortized in accordance with the regulatory treatment over the estimated lives of the assets or liabilities which resulted in the initial recognition of the deferred tax amount. Investment tax credits (ITC) for FPL are deferred and amortized to income over the approximate lives of the related property in accordance with the regulatory treatment.

Energy Trading — FPL and FPL Energy engage in limited energy trading activities to optimize the value of electricity and fuel contracts, as well as generating facilities. These activities are accounted for at market value. There were no significant open positions in trading activities at December 31, 2000 or 1999. Substantially all of the effects of FPL's trading activities are reported net and passed through to customers in the fuel clause or capacity cost recovery clause (capacity clause). FPL Energy's trading activities are reflected gross in operating revenues and fuel expense in the consolidated statements of income.

Accounting for Derivative Instruments and Hedging Activities — Effective January 1, 2001, FPL Group adopted FAS 133, "Accounting for Derivative Instruments and Hedging Activities," as amended by FAS 138, "Accounting for Certain Derivative Instruments and Certain Hedging Activities." The statement establishes accounting and reporting standards requiring that every derivative instrument (including certain derivative instruments embedded in other contracts) be recorded in the balance sheet as either an asset or liability measured at its fair value. The statement requires that changes in the derivatives' fair value be recognized currently in earnings unless specific hedge accounting criteria are met. In January 2001, FPL recorded an initial adjustment to record the fair values of instruments not previously reported on the balance sheet, resulting in derivative liabilities of $5 million, with the net offsetting amount recorded as a deferred regulatory asset. Subsequent changes in the fair values of FPL's derivative instruments will also be deferred in a regulatory asset or liability until the contracts are settled. Upon settlement, any gains or losses will be passed through the fuel and capacity clauses.

In addition to the amounts recorded by FPL, in January 2001 FPL Energy recorded an initial adjustment to record derivative assets of $37 million, derivative liabilities of $35 million and an increase in investments of $11 million. For those contracts where hedge accounting is applied, the adoption of the new rules resulted in a credit of $10 million to other comprehensive income (in stockholders' equity). FPL Group recorded a $2 million loss as the cumulative effect on earnings of a change in accounting principle representing the effect of those derivative instruments for which hedge accounting was not applied.

In December 2000, the Financial Accounting Standards Board's Derivatives Implementation Group (DIG) discussed several issues related to the power generation industry, but did not reach conclusions on those issues. The ultimate resolution of these issues could result in a requirement to mark certain of FPL Group's power and fuel agreements to their fair market values each reporting period. If these agreements are required to be treated as derivative instruments, the new accounting would first be applied in the quarter following final resolution of the issues. At this time, management is unable to estimate the effects on the financial statements of any future decisions of the Financial Accounting Standards Board or the DIG.

2. MERGER

In July 2000, FPL Group and Entergy announced a proposed merger, which was approved by the shareholders of the respective companies in December 2000. Subsequently, a number of factors led FPL Group to conclude the merger would not achieve the synergies or create the shareholder value originally contemplated when the merger was announced. As a result, on April 1, 2001, FPL Group and Entergy mutually terminated the merger agreement. Both companies agreed that no termination fee is payable under the terms of the merger agreement as a result of this termination. A fee will be payable by FPL Group or Entergy, however, if either agrees with another party to a comparable transaction prior to January 2002. Each company will bear its own merger-related expenses.

In 2000, FPL Group recorded $67 million in merger-related expenses of which FPL recorded $62 million ($38 million after-tax), FPL Energy recorded $2 million ($1 million after-tax) and Corporate and Other recorded $3 million ($2 million after-tax).

3. EMPLOYEE RETIREMENT BENEFITS

FPL Group and its subsidiaries sponsor a noncontributory defined benefit pension plan and defined benefit postretirement plans for health care and life insurance benefits (other benefits) for substantially all employees. The following tables provide a reconciliation of the changes in the plans' benefit obligations, fair value of assets and a statement of the funded status:

(millions)	Pension Benefits		Other Benefits	
	2000	1999	**2000**	1999
Change in benefit obligation:				
Obligation at October 1 of prior year	$1,178	$1,173	$ 335	$ 345
Service cost	44	46	5	6
Interest cost	77	71	22	21
Participant contributions	—	—	1	2
Plan amendments	6	—	—	—
Actuarial (gains) losses — net	(20)	(38)	4	(24)
Acquisitions	—	4	—	2
Benefit payments	(80)	(78)	(17)	(17)
Obligation at September 30	1,205	1,178	350	335
Change in plan assets:				
Fair value of plan assets at October 1 of prior year	2,555	2,329	111	115
Actual return on plan assets	284	310	7	12
Participant contributions	—	—	1	2
Benefit payments and expenses	(89)	(84)	(21)	(18)
Fair value of plan assets at September 30	2,750	2,555	98	111
Funded Status:				
Funded status at September 30	1,545	1,377	(252)	(224)
Unrecognized prior service cost	(76)	(89)	—	—
Unrecognized transition (asset) obligation	(93)	(117)	42	45
Unrecognized (gain) loss	(993)	(900)	15	7
Prepaid (accrued) benefit cost at December 31	$ 383	$ 271	$(195)	$ (172)

The following table provides the components of net periodic benefit cost for the plans:

(millions)	Pension Benefits			Other Benefits		
Years ended December 31,	**2000**	1999	1998	**2000**	1999	1998
Service cost	$ 44	$ 46	$ 45	$ 5	$ 6	$ 6
Interest cost	77	71	75	21	21	21
Expected return on plan assets	(172)	(156)	(149)	(7)	(7)	(8)
Amortization of transition (asset) obligation	(23)	(23)	(23)	4	3	3
Amortization of prior service cost	(7)	(8)	(8)	—	—	—
Amortization of losses (gains)	(31)	(22)	(21)	—	1	1
Effect of Maine acquisition	—	—	—	—	2	—
Net periodic (benefit) cost	$(112)	$ (92)	$ (81)	$ 23	$ 26	$ 23

The weighted-average discount rate used in determining the benefit obligations was 6.75% and 6.5% for 2000 and 1999, respectively. The assumed level of increase in future compensation levels was 5.5% for all years. The expected long-term rate of return on plan assets was 7.75% for all years.

Based on the current discount rates and current health care costs, the projected 2001 trend assumptions used to measure the expected cost of benefits covered by the plans are 5.8% for persons up to age 65 and 5.4% thereafter. The rate is assumed to decrease over the next two years to the ultimate trend rate of 5% for all age groups and remain at that level thereafter.

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Assumed health care cost trend rates can have a significant effect on the amounts reported for the health care plans. A 1% increase or decrease in assumed health care cost trend rates would have a corresponding effect on the service and interest cost components and the accumulated obligation of other benefits of approximately $1 million and $13 million, respectively.

4. FINANCIAL INSTRUMENTS

The carrying amounts of cash equivalents and commercial paper approximate their fair values. At December 31, 2000 and 1999, other investments include $300 million and $291 million, respectively, of investments that are carried at estimated fair value or cost, which approximates fair value. The following estimates of the fair value of financial instruments have been made using available market information and other valuation methodologies. However, the use of different market assumptions or methods of valuation could result in different estimated fair values.

(millions) December 31,	2000		1999	
	Carrying Amount	Estimated Fair Value	Carrying Amount	Estimated Fair Value
Long-term debt, including current maturities	$4,041	$4,080[(a)]	$3,603	$3,518[(a)]

(a) Based on quoted market prices for these or similar issues.

Special Use Funds — The special use funds consist of storm fund assets totaling $140 million and $131 million, and decommissioning fund assets totaling $1.357 billion and $1.220 billion at December 31, 2000 and 1999, respectively. Securities held in the special use funds are carried at estimated fair value based on quoted market prices. The nuclear decommissioning fund consists of approximately 40% equity securities and 60% municipal, government, corporate and mortgage- and other asset-backed debt securities with a weighted-average maturity of approximately nine years. The storm fund primarily consists of municipal debt securities with a weighted-average maturity of approximately four years. The cost of securities sold is determined on the specific identification method. The funds had approximate realized gains of $8 million and approximate realized losses of $15 million in 2000, $32 million and $22 million in 1999 and $24 million and $4 million in 1998, respectively. The funds had unrealized gains of approximately $258 million and $286 million at December 31, 2000 and 1999, respectively; the unrealized losses at those dates were approximately $4 million and $17 million. The proceeds from the sale of securities in 2000, 1999 and 1998 were approximately $2.0 billion, $2.7 billion and $1.2 billion, respectively.

5. COMMON STOCK

Common Stock Dividend Restrictions — FPL Group's charter does not limit the dividends that may be paid on its common stock. As a practical matter, the ability of FPL Group to pay dividends on its common stock is dependent upon dividends paid to it by its subsidiaries, primarily FPL. FPL's charter and a mortgage securing FPL's first mortgage bonds contain provisions that, under certain conditions, restrict the payment of dividends and other distributions to FPL Group. These restrictions do not currently limit FPL's ability to pay dividends to FPL Group. In 2000, 1999 and 1998, FPL paid, as dividends to FPL Group, its net income available to FPL Group on a one-month lag basis.

Employee Stock Ownership Plan (ESOP) — The employee thrift plans of FPL Group include a leveraged ESOP feature. Shares of common stock held by the Trust for the thrift plans (Trust) are used to provide all or a portion of the employers' matching contributions. Dividends received on all shares, along with cash contributions from the employers, are used to pay principal and interest on an ESOP loan held by FPL Group Capital. Dividends on shares allocated to employee accounts and used by the Trust for debt service are replaced with an equivalent amount of shares of common stock at prevailing market prices.

ESOP-related compensation expense of approximately $22 million, $21 million and $19 million in 2000, 1999 and 1998, respectively, was recognized based on the fair value of shares allocated to employee accounts during the period. Interest income on the ESOP loan is eliminated in consolidation. ESOP-related unearned compensation included as a reduction of shareholders' equity at December 31, 2000 was approximately $217 million, representing 7 million unallocated shares at the original issue price of $29 per share. The fair value of the ESOP-related unearned compensation account using the closing price of FPL Group stock as of December 31, 2000 was approximately $538 million.

Long-Term Incentive Plan — As of December 31, 2000, approximately 9 million shares of common stock are reserved and available for awards to officers and employees of FPL Group and its subsidiaries under FPL Group's long-term incentive plan. Restricted stock is issued at market value at the date of grant, typically vests within four years and is subject to, among other things, restrictions on transferability. Performance share awards are typically payable at the end of a three- or four-year performance period and are subject to risk of forfeiture if the specified performance criteria is not met within the vesting period. The changes in share awards under the incentive plan are as follows:

	Restricted Stock	Performance Shares[a]	Options[a] Number	Options[a] Weighted-Average Exercise Price
Balances, December 31, 1997	219,550	442,588	—	—
Granted	19,500[b]	178,518[c]	—	—
Paid/released	—	(80,920)	—	—
Forfeited	(22,250)	(29,566)	—	—
Balances, December 31, 1998	216,800	510,620	—	—
Granted	210,100[b]	294,662[c]	1,300,000[d]	$51.53
Paid/released	—	(78,640)	—	—
Forfeited	(13,500)	(80,027)	(200,000)	$51.16
Balances, December 31, 1999	413,400	646,615	1,100,000	$51.59
Granted	28,350[b]	465,614[c]	564,950[d]	$39.64
Paid/released/exercised	(264,800)	(1,038,375)	(1,060,726)	$49.88
Forfeited	(95,700)	(54,854)	(212,056)	$50.51
Balances, December 31, 2000	81,250	19,000	392,168[e]	$39.58

(a) *Performance shares and options resulted in 373,431, 252,572 and 128,443 assumed incremental shares of common stock outstanding for purposes of computing diluted earnings per share in 2000, 1999 and 1998, respectively. These incremental shares did not change basic earnings per share.*
(b) *The weighted-average grant date fair value of restricted stock granted in 2000, 1999 and 1998 was $45.55, $53.21 and $61.89 per share, respectively.*
(c) *The weighted-average grant date fair value of performance shares granted in 2000, 1999 and 1998 was $41.25, $61.19 and $59.19 per share, respectively.*
(d) *The weighted-average grant date fair value of options granted was $39.64 and $51.53 per share in 2000 and 1999, respectively. The exercise price of each option granted in 2000 and 1999 equaled the market price of FPL Group stock on the date of grant.*
(e) *Exercise prices for options outstanding as of December 31, 2000, ranged from $38.13 to $47.63 per share and had a weighted-average remaining contractual life of 9.2 years. As of December 31, 2000, all outstanding options were exercisable and fully vested.*

FAS 123, "Accounting for Stock-Based Compensation," encourages a fair value based method of accounting for stock-based compensation. FPL Group, however, uses the intrinsic value based method of accounting as permitted by the statement. Stock-based compensation expense was approximately $80 million, $13 million and $10 million in 2000, 1999 and 1998, respectively. Stock-based compensation expense in 2000 reflects merger-related costs associated with the change in control provisions in FPL Group's long-term incentive plan. Compensation expense for restricted stock and performance shares is the same under the fair value and the intrinsic value based methods. Had compensation expense for the options been determined as prescribed by the fair value based method, FPL Group's net income and earnings per share would have been $696 million and $4.10 ($4.09 assuming dilution) in 2000 and $696 million and $4.06 in 1999, respectively.

The fair value of the options granted in 2000 and 1999 were estimated on the date of the grant using the Black-Scholes option-pricing model with a weighted-average expected dividend yield of 3.82% and 3.81%, a weighted-average expected volatility of 20.27% and 17.88%, a weighted-average risk-free interest rate of 6.59% and 5.46% and a weighted-average expected term of 10 years and 9.3 years, respectively.

Other — Each share of common stock has been granted a Preferred Share Purchase Right (Right), at an exercise price of $120, subject to adjustment, in the event of certain attempted business combinations. The Rights will cause substantial dilution to a person or group attempting to acquire FPL Group on terms not approved by FPL Group's board of directors.

6. PREFERRED STOCK

FPL Group's charter authorizes the issuance of 100 million shares of serial preferred stock, $0.01 par value. None of these shares is outstanding. FPL Group has reserved 3 million shares for issuance upon exercise of preferred share purchase rights which expire in June 2006. Preferred stock of FPL consists of the following:[a]

	December 31, 2000 Shares Outstanding	Redemption Price	(millions) December 31, 2000	1999
Cumulative, $100 Par Value, without sinking fund requirements, authorized 15,822,500 shares:				
4½% Series	100,000	$101.00	$ 10	$ 10
4½% Series A	50,000	$101.00	5	5
4½% Series B	50,000	$101.00	5	5
4½% Series C	62,500	$103.00	6	6
4.32% Series D	50,000	$103.50	5	5
4.35% Series E	50,000	$102.00	5	5
6.98% Series S	750,000	$103.49[b]	75	75
7.05% Series T	500,000	$103.52[b]	50	50
6.75% Series U	650,000	$103.37[b]	65	65
Total preferred stock of FPL	2,262,500		$226	$226

(a) FPL's charter also authorizes the issuance of 5 million shares of subordinated preferred stock, no par value. None of these shares is outstanding. There were no issuances or redemptions of preferred stock in 2000, 1999 and 1998.

(b) Not callable prior to 2003.

7. DEBT

Long-term debt consists of the following:

(millions) December 31,	2000	1999
FPL		
First mortgage bonds:		
Maturing through 2005 — 5⅝% to 6⅞% [a]	$ 725	$ 350
Maturing 2008 through 2016 — 5⅞% to 7.3%	650	650
Maturing 2023 through 2026 — 7% to 7¾%	516	516
Medium-term notes — maturing 2003 — 5.79%	70	70
Pollution control and industrial development series — maturing 2020 through 2027 — 6.7% to 7.5%	41	150
Pollution control, solid waste disposal and industrial development revenue bonds — maturing 2020 through 2029 — variable, 3.4% and 3.4% average annual interest rate, respectively [b]	658	483
Unamortized discount — net	(18)	(15)
Total long-term debt of FPL	2,642	2,204
Less current maturities	65	125
Long-term debt of FPL, excluding current maturities	2,577	2,079
FPL Group Capital		
Debentures:		
Maturing 2004 — 6⅞%	175	175
Maturing 2006 through 2009 — 7⅜% to 7⅝%	1,225	1,225
Other long-term debt — maturing 2013 — 7.35%	5	5
Unamortized discount	(6)	(6)
Total long-term debt of FPL Group Capital	1,399	1,399
Total long-term debt	$3,976	$3,478

(a) In December 2000, FPL issued $500 million principal amount of first mortgage bonds with an interest rate of 6⅞%, maturing in 2005.

(b) In December 2000, FPL issued approximately $65 million principal amount of variable-rate bonds maturing in 2024. Also in December 2000, FPL redeemed a total of approximately $242 million principal amount of variable-rate bonds maturing between 2026 and 2029.

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Minimum annual maturities of long-term debt for FPL Group are approximately $65 million, $170 million, $300 million and $500 million for 2001, 2003, 2004 and 2005, respectively.

At December 31, 2000, commercial paper borrowings had a year end weighted-average interest rate of 6.77%. Available lines of credit aggregated approximately $3.0 billion at December 31, 2000, all of which were based on firm commitments.

8. INCOME TAXES

The components of income taxes are as follows:

(millions) Years Ended December 31,	2000	1999	1998
Federal:			
Current	$ 77	$511	$467
Deferred	239	(196)	(215)
ITC and other — net	(35)	(29)	(27)
Total federal	281	286	225
State:			
Current	6	55	72
Deferred	49	(18)	(18)
Total state	55	37	54
Total income taxes	$336	$323	$279

A reconciliation between the effective income tax rates and the applicable statutory rates is as follows:

Years Ended December 31,	2000	1999	1998
Statutory federal income tax rate	35.0%	35.0%	35.0%
Increases (reductions) resulting from:			
State income taxes — net of federal income tax benefit	3.5	2.4	3.7
Amortization of ITC	(2.1)	(2.1)	(2.5)
Amortization of deferred regulatory credit — income taxes	(1.2)	(1.3)	(1.8)
Adjustments of prior years' tax matters	(2.7)	(2.7)	(6.3)[a]
Preferred stock dividends — FPL	0.5	0.5	0.5
Other — net	(0.7)	(0.2)	1.0
Effective income tax rate	32.3%	31.6%	29.6%

(a) *Includes the resolution of an audit issue with the Internal Revenue Service (IRS).*

The income tax effects of temporary differences giving rise to consolidated deferred income tax liabilities and assets are as follows:

(millions) December 31,	2000	1999
Deferred tax liabilities:		
Property-related	$1,338	$1,377
Investment-related	398	373
Other	630	312
Total deferred tax liabilities	2,366	2,062
Deferred tax assets and valuation allowance:		
Asset writedowns and capital loss carryforward	156	170
Unamortized ITC and deferred regulatory credit — income taxes	104	119
Storm and decommissioning reserves	277	245
Other	474	472
Valuation allowance	(23)	(23)
Net deferred tax assets	988	983
Accumulated deferred income taxes	$1,378	$1,079

The carryforward period for a capital loss from the disposition in a prior year of an FPL Group Capital subsidiary expired at the end of 1996. The amount of the deductible loss from this disposition was limited by IRS rules. FPL Group is challenging the IRS loss limitation and the IRS is disputing certain other positions taken by FPL Group. Tax benefits, if any, associated with these matters will be reported in future periods when resolved.

9. JOINTLY-OWNED ELECTRIC UTILITY PLANT

FPL owns approximately 85% of St. Lucie Unit No. 2, 20% of the St. Johns River Power Park units and coal terminal and approximately 76% of Scherer Unit No. 4. At December 31, 2000, the proportionate share of FPL's gross investment in these units was $1.174 billion, $329 million and $569 million, respectively; accumulated depreciation was $752 million, $167 million and $288 million, respectively.

FPL is responsible for its share of the operating costs, as well as providing its own financing. These costs are included in the consolidated statements of income. At December 31, 2000, there was no significant balance of construction work in progress on these facilities. See Note 13 — Litigation.

10. ACQUISITION OF MAINE ASSETS

During the second quarter of 1999, FPL Energy completed the purchase of Central Maine Power Company's (CMP) non-nuclear generating assets, primarily fossil and hydro power plants, for $866 million. The purchase price was based on an agreement, subject to regulatory approvals, reached with CMP in January 1998. In October 1998, the FERC struck down transmission rules that had been in effect in New England since the 1970s. FPL

Energy filed a lawsuit in November 1998 requesting a declaratory judgment that CMP could not meet the essential terms of the purchase agreement and, as a result, FPL Energy should not be required to complete the transaction. FPL Energy believed these FERC rulings regarding transmission constituted a material adverse effect under the purchase agreement because of the significant decline in the value of the assets caused by the rulings. The request for declaratory judgment was denied in March 1999 and the acquisition was completed on April 7, 1999. The acquisition was accounted for under the purchase method of accounting and the results of operating the Maine plants have been included in the consolidated financial statements since the acquisition date.

The FERC rulings regarding transmission, as well as the announcement of new entrants into the market and changes in fuel prices since January 1998, resulted in FPL Energy recording a $176 million pre-tax impairment loss to write-down the fossil assets to their fair value, which was determined based on a discounted cash flow analysis. The impairment loss reduced 1999 results of operations and earnings per share by $104 million and $0.61 per share, respectively.

Most of the remainder of the purchase price was allocated to the hydro operations. The hydro plants and related goodwill are being amortized on a straight-line basis over the 40-year term of the hydro plant operating licenses.

11. DIVESTITURE OF CABLE INVESTMENTS

In January 1999, a subsidiary sold 3.5 million common shares of Adelphia Communications Corporation (Adelphia) stock and in October 1999 had its one-third ownership interest in a cable limited partnership redeemed, resulting in after-tax gains of approximately $96 million and $66 million, respectively. Both investments had been accounted for under the equity method.

12. SETTLEMENT OF LITIGATION

In October 1999, FPL and the Florida Municipal Power Agency (FMPA) entered into a settlement agreement pursuant to which FPL agreed to pay FMPA a cash settlement; FPL agreed to reduce the demand charge on an existing power purchase agreement; and FPL and FMPA agreed to enter into a new power purchase agreement giving FMPA the right to purchase limited amounts of power in the future at a specified price. FMPA agreed to dismiss the lawsuit with prejudice, and both parties agreed to exchange mutual releases. The settlement reduced 1999 net income by $42 million.

In September 2000, the bankruptcy court approved the settlement of a contract dispute between FPL and two qualifying facilities. The settlement was approved by the FPSC in October 2000. In December 2000, under the terms of the settlement, the trustee was paid $222.5 million plus security deposits. The funds were subsequently distributed by the trustee as directed by the bankruptcy court. FPL will recover the cost of the settlement through the fuel and capacity clauses over a five-year period beginning January 1, 2002. Also, from the payment date to December 31, 2001, FPL will not receive a return on the unrecovered amount through the fuel and capacity clauses, but instead, the settlement amount will be included as a rate base regulatory asset over that period. See Note 1 — Regulation.

13. COMMITMENTS AND CONTINGENCIES

Commitments — FPL has made commitments in connection with a portion of its projected capital expenditures. Capital expenditures for the construction or acquisition of additional facilities and equipment to meet customer demand are estimated to be approximately $3.3 billion for 2001 through 2003. Included in this three-year forecast are capital expenditures for 2001 of approximately $1.1 billion. As of December 31, 2000, FPL Energy has made commitments in connection with the development and expansion of independent power projects totaling approximately $380 million. Subsidiaries of FPL Group, other than FPL, have guaranteed approximately $810 million of prompt performance payments, lease obligations, purchase and sale of power and fuel agreement obligations, debt service payments and other payments subject to certain contingencies.

Insurance — Liability for accidents at nuclear power plants is governed by the Price-Anderson Act, which limits the liability of nuclear reactor owners to the amount of the insurance available from private sources and under an industry retrospective payment plan. In accordance with this Act, FPL maintains $200 million of private liability insurance, which is the maximum obtainable, and participates in a secondary financial protection system under which it is subject to retrospective assessments of up to $363 million per incident at any nuclear utility reactor in the United States, payable at a rate not to exceed $43 million per incident per year.

FPL participates in nuclear insurance mutual companies that provide $2.75 billion of limited insurance coverage for property damage, decontamination and premature decommissioning risks at its nuclear plants. The proceeds from such insurance, however, must first be used for reactor stabilization and site decontamination before they can be used for plant repair. FPL also participates in an insurance program that provides limited coverage for replacement power costs if a nuclear plant is out of service because of an accident. In the event of an accident at one of FPL's or another participating insured's nuclear plants, FPL could be assessed up to $38 million in retrospective premiums.

In the event of a catastrophic loss at one of FPL's nuclear plants, the amount of insurance available may not be adequate to cover property damage and other expenses incurred. Uninsured losses, to the extent not recovered through rates, would be borne by FPL and could have a material adverse effect on FPL Group's financial condition.

FPL self-insures the majority of its transmission and distribution (T&D) property due to the high cost and limited coverage available from third-party insurers. As approved by the FPSC, FPL maintains a funded storm and property insurance reserve, which totaled approximately $229 million at December 31, 2000 for uninsured property storm damage or assessments under the nuclear insurance program. Recovery from customers of any losses in excess of the storm and property insurance reserve will require the approval of the FPSC. FPL's available lines of credit include $300 million to provide additional liquidity in the event of a T&D property loss.

Contracts — FPL Group has entered into a $3.7 billion long-term agreement with General Electric Company for the supply of 66 gas turbines through 2004 and parts, repairs and on-site services through 2011. The turbines are intended to support expansion at FPL and FPL Energy, and the related commitments for a portion of the 66 gas turbines are included in Commitments above.

FPL has entered into long-term purchased power and fuel contracts. Take-or-pay purchased power contracts with the Jacksonville Electric Authority (JEA) and with subsidiaries of The Southern Company (Southern Companies) provide approximately 1,300 megawatts (mw) of power through mid-2010 and 388 mw thereafter through 2021. FPL also has various firm pay-for-performance contracts to purchase approximately 900 mw from certain cogenerators and small power producers (qualifying facilities) with expiration dates ranging from 2002 through 2026. The purchased power contracts provide for capacity and energy payments. Energy payments are based on the actual power taken under these contracts. Capacity payments for the pay-for-performance contracts are subject to the qualifying facilities meeting certain contract conditions. FPL has long-term contracts for the transportation and supply of natural gas, coal and oil with various expiration dates through 2022. FPL Energy has long-term contracts for the transportation and storage of natural gas with expiration dates ranging from 2002 through 2017, and a contract for the supply of natural gas that expires in mid-2002.

The required capacity and minimum payments through 2005 under these contracts are estimated to be as follows:

(millions)	2001	2002	2003	2004	2005
FPL					
Capacity payments:					
JEA and Southern Companies	$ 200	$ 200	$ 190	$ 200	$ 200
Qualifying facilities	$ 320	$ 330	$ 340	$ 350	$ 340
Minimum payments, at projected prices:					
Natural gas, including transportation	$1,020	$ 815	$ 710	$ 680	$ 630
Coal	$ 45	$ 45	$ 20	$ 10	$ 10
Oil	$ 275	$ 15	$ —	$ —	$ —
FPL Energy					
Natural gas, including transportation and storage	$ 20	$ 20	$ 15	$ 15	$ 15

Charges under these contracts were as follows:

(millions)	**2000 Charges**		1999 Charges		1998 Charges	
	Capacity	Energy/ Fuel	Capacity	Energy/ Fuel	Capacity	Energy/ Fuel
FPL						
JEA and Southern Companies	$198[a]	$153[b]	$186[a]	$132[b]	$192[a]	$138[b]
Qualifying facilities	$318[c]	$135[b]	$319[c]	$121[b]	$299[c]	$108[b]
Natural gas, including transportation	$ —	$567[b]	$ —	$373[b]	$ —	$280[b]
Coal	$ —	$ 50[b]	$ —	$ 43[b]	$ —	$ 50[b]
Oil	$ —	$354[b]	$ —	$115[b]	$ —	$ —
FPL Energy						
Natural gas, including transportation and storage	$ —	$ 17	$ —	$ 16	$ —	$ 18

(a) Recoverable through base rates and the capacity clause.
(b) Recoverable through the fuel clause.
(c) Recoverable through the capacity clause.

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Litigation — In 1999, the Attorney General of the United States, on behalf of the U.S. Environmental Protection Agency (EPA) brought an action against Georgia Power Company and other subsidiaries of The Southern Company for injunctive relief and the assessment of civil penalties for certain violations of the Clean Air Act. Among other things, the EPA alleges Georgia Power Company constructed and is continuing to operate Scherer Unit No. 4, in which FPL owns a 76% interest, without obtaining proper permitting, and without complying with performance and technology standards as required by the Clean Air Act. The suit seeks injunctive relief requiring the installation of such technology and civil penalties of up to $25,000 per day for each violation from an unspecified date after August 7, 1977 through January 30, 1997, and $27,500 per day for each violation thereafter. Georgia Power Company has filed an answer to the complaint asserting that it has complied with all requirements of the Clean Air Act, denying the plaintiff's allegations of liability, denying that the plaintiff is entitled to any of the relief that it seeks and raising various other defenses. The EPA subsequently moved for leave to file an amended complaint that would extend the suit to other Southern Company subsidiaries and plants and would add an allegation that unspecified major modifications have been made at Scherer Unit No. 4 that require its compliance with the aforementioned Clean Air Act provisions (comparable allegations were made in the original complaint as to other plants but not Scherer Unit No. 4). The Court has not yet ruled on whether to permit the amendment. If amended as proposed, the EPA's demand for civil penalties with respect to Scherer Unit No. 4 would apply to the period commencing on an unspecified date after June 1, 1975.

In 2000, Southern California Edison Company (SCE) filed with the FERC a Petition for Declaratory Order (petition) asking the FERC to apply a November 1999 federal circuit court of appeals' decision to all qualifying small power production facilities, including two solar facilities operated by partnerships indirectly owned in part by FPL Energy. The federal circuit court of appeals' decision invalidated the FERC's so-called essential fixed assets standard, which permitted secondary uses of fossil fuels by qualifying small power production facilities beyond those expressly set forth in the Public Utility Regulatory Policies Act of 1978, as amended. The petition requests that the FERC declare that qualifying small power production facilities may not continue to use fossil fuel under the essential fixed assets standard and that they may be required to make refunds with respect to past usage. The partnerships intend to file a Motion to Intervene and Protest before the FERC, vigorously objecting to the position taken by SCE in its petition. The partnerships have always operated the solar facilities in accordance with orders issued by the FERC. Such orders were neither challenged nor appealed at the time they were granted, and it is the position of the partnerships that the orders remain in effect.

In 2000, Karen and Bruce Alexander filed suit against FPL Group, FPL, FPL FiberNet, LLC, FPL Group Capital and FPL Investments, Inc. in the Florida circuit court purportedly on behalf of all property owners in Florida whose property is encumbered by defendants' easements and on whose property the defendants have installed or intend to install fiber-optic cable which defendants lease, license or convey for non-electric transmission or distribution purposes, or intend to do so. The lawsuit alleged that FPL's easements did not permit the installation and use of fiber-optic cable for general communication purposes. The plaintiffs sought injunctive relief, compensatory damages, interest and attorneys' fees. The defendants served an offer of judgment for ten dollars on the named plaintiffs, reflecting the defendants' conclusion that, based on an analysis of the claims and circumstances of these individual plaintiffs, they had not sustained the injuries for which they claimed a right to relief. In January 2001, the plaintiffs accepted this offer of judgment, pursuant to which the suit has been dismissed with prejudice.

FPL Group believes that it has meritorious defenses to the pending litigation discussed above and is vigorously defending the suits. Accordingly, the liabilities, if any, arising from the proceedings are not anticipated to have a material adverse effect on its financial statements.

14. SEGMENT INFORMATION

FPL Group's reportable segments include FPL, a regulated utility, and FPL Energy, a non-rate regulated energy generating subsidiary. Corporate and Other represents other business activities, other segments that are not separately reportable and eliminating entries. Operating revenues derived from the sale of electricity represented approximately 97%, 98% and 97% of FPL Group's operating revenues in 2000, 1999 and 1998, respectively. Less than 1% of operating revenues were from foreign sources for each of the three years ended December 31, 2000. As of December 31, 2000 and 1999, less than 1% of long-lived assets were located in foreign countries.

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Segment information is as follows:

(millions)	2000				1999				1998			
	FPL	FPL Energy	Corp. and Other	Total	FPL	FPL Energy	Corp. and Other	Total	FPL	FPL Energy	Corp. and Other	Total
Operating revenues	$ 6,361	$ 632	$ 89	$ 7,082	$ 6,057	$ 323	$ 58	$ 6,438	$ 6,366	$ 234	$ 61	$ 6,661
Interest expense	$ 176	$ 67[a]	$ 35	$ 278	$ 163	$ 44[a]	$ 15	$ 222	$ 196	$ 84[a]	$ 42	$ 322
Depreciation and amortization	$ 975	$ 50	$ 7	$ 1,032	$ 989	$ 34	$ 17	$ 1,040	$ 1,249	$ 31	$ 4	$ 1,284
Equity in earnings of equity method investees	$ —	$ 45	$ —	$ 45	$ —	$ 50	$ —	$ 50	$ —	$ 39	$ —	$ 39
Income tax expense (benefit)[b]	$ 341	$ 36	$(41)	$ 336	$ 324	$ (42)	$ 41	$ 323	$ 349	$ 24	$(94)	$ 279
Net income (loss)[d]	$ 607[c]	$ 82[c]	$ 15[c]	$ 704[c]	$ 576	$ (46)	$167	$ 697	$ 616	$ 32	$ 16	$ 664
Significant noncash items	$ (57)	$ —	$100	$ 43	$ 86	$ —	$ —	$ 86	$ 34	$ —	$ —	$ 34
Capital expenditures and investments	$ 1,299	$ 507	$ 90	$ 1,896	$ 924	$1,540	$ 15	$ 2,479	$ 617	$ 313	$ 16	$ 946
Total assets	$12,020	$2,679	$601	$15,300	$10,608	$ 2,212	$621	$13,441	$10,748	$1,092	$189	$12,029
Investment in equity method investees	$ —	$ 196	$ —	$ 196	$ —	$ 166	$ —	$ 166	$ —	$ 165	$ —	$ 165

(a) Based on an assumed capital structure of 50% debt for operating projects and 100% debt for projects under construction. FPL Energy's 1998 interest expense also includes the cost of terminating an interest rate swap agreement.

(b) FPL Group allocates income taxes to FPL Energy on the "separate return method" as if it were a tax paying entity.

(c) Includes merger-related expenses of $38 million for FPL, $1 million for FPL Energy and $2 million for Corporate and Other totaling $41 million after-tax (see Note 2).

(d) The following nonrecurring items affected 1999 net income: FPL settled litigation for $42 million after-tax (see Note 12); FPL Energy recorded $104 million after-tax impairment loss (see Note 10); and Corporate and Other divested its cable investments resulting in a $162 million after-tax gain (see Note 11).

15. SUMMARIZED FINANCIAL INFORMATION OF FPL GROUP CAPITAL

FPL Group Capital, a 100% owned subsidiary of FPL Group, provides funding for and holds ownership interest in FPL Group's operating subsidiaries other than FPL. FPL Group Capital's debentures are fully and unconditionally guaranteed by FPL Group. Condensed consolidating financial information is as follows:

condensed consolidating statements of income (millions)

Years ended December 31,	2000				1999				1998			
	FPL Group	FPL Group Capital	Other[a]	FPL Group Consoli-dated	FPL Group	FPL Group Capital	Other[a]	FPL Group Consoli-Dated	FPL Group	FPL Group Capital	Other[a]	FPL Group Consoli-dated
Operating revenues	$ —	$ 721	$6,361	$ 7,082	$ —	$ 380	$ 6,058	$ 6,438	$ —	$ 295	$ 6,366	$ 6,661
Operating expenses	(—)	(632)	(5,210)	(5,842)	(—)	(533)	(4,985)	(5,518)	(—)	(225)	(5,184)	(5,409)
Interest charges	(31)	(102)	(145)	(278)	(32)	(59)	(131)	(222)	(33)	(126)	(163)	(322)
Divestiture of cable investments	—	—	—	—	—	257	—	257	—	—	—	—
Other income (deductions) — net	726	135	(783)	78	712	108	(755)	65	689	61	(737)	13
Income before income taxes	695	122	223	1,040	680	153	187	1,020	656	5	282	943
Income tax expense (benefit)	(9)	4	341	336	(17)	15	325	323	(8)	(63)	350	279
Net income (loss)	$ 704	$ 118	$ (118)	$ 704	$697	$ 138	$ (138)	$ 697	$664	$ 68	$ (68)	$ 664

(a) Represents FPL, other subsidiaries and consolidating adjustments.

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condensed consolidating balance sheets (millions)

December 31,	2000				1999			
	FPL Group	FPL Group Capital	Other[(a)]	FPL Group Consolidated	FPL Group	FPL Group Capital	Other[(a)]	FPL Group Consolidated
PROPERTY, PLANT AND EQUIPMENT								
Electric utility plant in service and other property	$ —	$1,984	$19,038	$21,022	$ —	$1,386	$18,168	$19,554
Less accumulated depreciation and amortization	—	170	10,918	11,088	—	105	10,185	10,290
Total property, plant and equipment — net	—	1,814	8,120	9,934	—	1,281	7,983	9,264
CURRENT ASSETS								
Cash and cash equivalents	12	51	66	129	(16)	376	1	361
Receivables	56	418	409	883	—	218	325	543
Other	—	66	703	769	—	46	423	469
Total current assets	68	535	1,178	1,781	(16)	640	749	1,373
OTHER ASSETS								
Investment in subsidiaries	5,967	—	(5,967)	—	5,805	—	(5,805)	—
Other	141	1,365	2,079	3,585	133	1,346	1,325	2,804
Total other assets	6,108	1,365	(3,888)	3,585	5,938	1,346	(4,480)	2,804
TOTAL ASSETS	$6,176	$3,714	$ 5,410	$15,300	$5,922	$3,267	$ 4,252	$13,441
CAPITALIZATION								
Common shareholders' equity	$5,593	$ 935	$ (935)	$ 5,593	$5,370	$1,013	$(1,013)	$ 5,370
Preferred stock of FPL without sinking fund requirements	—	—	226	226	—	—	226	226
Long-term debt	—	1,400	2,576	3,976	—	1,399	2,079	3,478
Total capitalization	5,593	2,335	1,867	9,795	5,370	2,412	1,292	9,074
CURRENT LIABILITIES								
Accounts payable and commercial paper	—	705	1,017	1,722	—	273	473	746
Other	467	186	388	1,041	485	141	498	1,124
Total current liabilities	467	891	1,405	2,763	485	414	971	1,870
OTHER LIABILITIES AND DEFERRED CREDITS								
Accumulated deferred income taxes and unamortized tax credits	—	399	1,248	1,647	—	365	1,024	1,389
Other	116	89	890	1,095	67	76	965	1,108
Total other liabilities and deferred credits	116	488	2,138	2,742	67	441	1,989	2,497
COMMITMENTS AND CONTINGENCIES								
TOTAL CAPITALIZATION AND LIABILITIES	$6,176	$3,714	$ 5,410	$15,300	$5,922	$3,267	$ 4,252	$13,441

(a) Represents FPL, other subsidiaries and consolidating adjustments.

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condensed consolidating statements of cash flows (millions)

Years ended December 31,	2000				1999				1998			
	FPL Group	FPL Group Capital	Other[a]	FPL Group Consolidated	FPL Group	FPL Group Capital	Other[a]	FPL Group Consolidated	FPL Group	FPL Group Capital	Other[a]	FPL Group Consolidated
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	$ 959	$ 159	$ (142)	$ 976	$ 594	$ 56	$ 913	$ 1,563	$ 654	$ 8	$1,081	$ 1,743
CASH FLOWS FROM INVESTING ACTIVITIES												
Capital expenditures and independent power investments	—	(507)	(1,299)	(1,806)	—	(1,540)	(861)	(2,401)	—	(521)	(617)	(1,138)
Capital contributions to FPL Group Capital and FPL	(418)	—	418	—	(127)	—	127	—	(249)	—	249	—
Other — net	3	(34)	(106)	(137)	(18)	313	(66)	229	—	427	(84)	343
Net cash used in investing activities	(415)	(541)	(987)	(1,943)	(145)	(1,227)	(800)	(2,172)	(249)	(94)	(452)	(795)
CASH FLOWS FROM FINANCING ACTIVITIES												
Issuance of long-term debt	—	—	947	947	—	1,385	224	1,609	—	146	197	343
Retirement of long-term debt	—	—	(515)	(515)	—	(130)	(454)	(584)	—	(338)	(389)	(727)
Increase (decrease) in short-term debt	—	353	466	819	—	135	94	229	—	16	(40)	(24)
Capital contributions from FPL Group	—	18	(18)	—	—	127	(127)	—	—	249	(249)	—
Repurchases of common stock	(150)	—	—	(150)	(116)	—	—	(116)	(62)	—	—	(62)
Dividends	(366)	(314)	314	(366)	(355)	—	—	(355)	(345)	—	—	(345)
Net cash provided by (used in) financing activities	(516)	57	1,194	735	(471)	1,517	(263)	783	(407)	73	(481)	(815)
Net increase (decrease) in cash and cash equivalents	28	(325)	65	(232)	(22)	346	(150)	174	(2)	(13)	148	133
Cash and cash equivalents at beginning of year	(16)	376	1	361	6	30	151	187	8	43	3	54
Cash and cash equivalents at end of year	$ 12	$ 51	$ 66	$ 129	$ (16)	$ 376	$ 1	$ 361	$ 6	$ 30	$ 151	$ 187

(a) Represents FPL, other subsidiaries and consolidating adjustments.

16. QUARTERLY DATA (UNAUDITED)

Condensed consolidated quarterly financial information is as follows:

(millions, except per share amounts)	2000				1999			
	March 31[a]	June 30[a]	Sept. 30[a]	Dec. 31[a]	March 31[a]	June 30[a]	Sept. 30[a]	Dec. 31[a]
Operating revenues	$1,468	$1,670	$2,087	$1,857	$1,412	$1,614	$1,892	$1,520
Operating income	$ 237	$ 347	$ 511	$ 145[c]	$ 208	$ 135[d]	$ 470	$ 107[e]
Net income	$ 121	$ 204	$ 314	$ 65[c]	$ 209[f]	$ 77[d]	$ 291	$ 120[e][g]
Earnings per share:[b]								
Basic	$ 0.71	$ 1.20	$ 1.85	$ 0.39[c]	$ 1.22[f]	$ 0.45[d]	$ 1.70	$ 0.71[e][g]
Assuming dilution	$ 0.71	$ 1.20	$ 1.84	$ 0.38[c]	$ 1.22[f]	$ 0.45[d]	$ 1.70	$ 0.71[e][g]
Dividends per share	$ 0.54	$ 0.54	$ 0.54	$ 0.54	$ 0.52	$ 0.52	$ 0.52	$ 0.52
High-low common stock sales prices	$48¼-36⅜	$50 15/16-41 13/16	$67⅛-47⅛	$73-59⅜	$61 15/16-50⅛	$60½-52⅞	$56 11/16-49⅜	$52½-41⅛

(a) In the opinion of FPL Group, all adjustments, which consist of normal recurring accruals necessary to present a fair statement of the amounts shown for such periods, have been made. Results of operations for an interim period may not give a true indication of results for the year.
(b) The sum of the quarterly amounts may not equal the total for the year due to rounding.
(c) Includes merger-related expenses.
(d) Includes impairment loss on Maine assets.
(e) Includes the settlement of litigation between FPL and FMPA.
(f) Includes gain on the sale of an investment in Adelphia common stock.
(g) Includes gain on the redemption of a one-third ownership interest in a cable limited partnership.

officers

FPL Group, Inc.

James L. Broadhead
Chairman and
Chief Executive Officer

Dennis P. Coyle
General Counsel
and Secretary

K. Michael Davis
Controller

James P. Higgins
Vice President
Tax

Lawrence J. Kelleher
Vice President
Human Resources

Mary Lou Kromer
Vice President
Corporate Communications

Robert L. McGrath
Treasurer

Florida Power & Light Company

James L. Broadhead
Chairman and
Chief Executive Officer

Paul J. Evanson
President

Dennis P. Coyle
General Counsel
and Secretary

Lawrence J. Kelleher
Senior Vice President
Human Resources
and Corporate Services

Armando J. Olivera
Senior Vice President
Power Systems

Thomas F. Plunkett
President
Nuclear Division

Antonio Rodriguez
Senior Vice President
Power Generation Division

FPL Energy, LLC

James L. Broadhead
Chairman

Lewis Hay, III
President

Robert L. McGrath
Vice President, Finance

Glenn E. Smith
Senior Vice President
Development

board of directors

H. Jesse Arnelle
Of Counsel, Womble, Carlyle, Sandridge & Rice (law firm) *Director since 1990. Member audit committee, compensation committee.*

Sherry S. Barrat
Chairman and Chief Executive Officer of Northern Trust Bank of California, N.A. (commercial bank) *Director since 1998. Member audit committee, finance committee.*

Robert M. Beall, II
Chairman and Chief Executive Officer Beall's, Inc. (department stores) *Director since 1989. Member acquisitions committee, benefits committee, compensation committee.*

James L. Broadhead
Chairman and Chief Executive Officer FPL Group, Inc. *Director since 1989. Chairman executive committee.*

J. Hyatt Brown
Chairman, President and Chief Executive Officer Brown & Brown, Inc. (insurance broker) *Director since 1989. Chairman compensation committee. Member benefits committee, executive committee.*

Armando M. Codina
Chairman and Chief Executive Officer Codina Group, Inc. (real estate developer) *Director since 1994. Chairman acquisitions committee. Member benefits committee, compensation committee, executive committee.*

Marshall M. Criser
Of Counsel, McGuire, Woods, Battle & Boothe, L.L.P. (law firm) *Director since 1989. Chairman audit committee. Member executive committee, finance committee.*

Willard D. Dover
Principal Niles, Dobbins, Meeks, Raleigh & Dover (law firm) *Director since 1989. Member audit committee, acquisitions committee, benefits committee.*

Alexander W. Dreyfoos, Jr.
Owner and Chief Executive Officer, The Dreyfoos Group/Photo Electronics Corporation (electronic equipment developer) *Director since 1997. Member audit committee, finance committee.*

Paul J. Evanson
President, Florida Power & Light Company *Director since 1995.*

Frederic V. Malek
Chairman, Thayer Capital Partners (merchant bank) *Director since 1987. Chairman benefits committee. Member acquisitions committee, executive committee, finance committee.*

Paul R. Tregurtha
Chairman and Chief Executive Officer, Mormac Marine Group, Inc. (maritime shipping company) *Director since 1989. Chairman finance committee. Member compensation committee, executive committee.*

investor information

Corporate Offices
FPL Group, Inc.
700 Universe Blvd.
P.O. Box 14000
Juno Beach, FL 33408-0420

Exchange Listings
Common Stock
New York Stock Exchange
Ticker Symbol: FPL

Options
Philadelphia Stock Exchange

Newspaper Listing
Common Stock: FPL Gp

Registrar, Transfer, and Paying Agents
FPL Group Common Stock and FPL Preferred Stock
FPL Group, Inc.
c/o EquiServe
P.O. Box 43010
Providence, RI 02940-3010

Florida Power & Light Co. First Mortgage Bonds
Bankers Trust Company
Security Holder Relations
P.O. Box 305050
Nashville, TN 37230-5050
(800) 735-7777

Duplicate Mailings
Financial reports must be mailed to each account unless you instruct us otherwise. If you wish to discontinue multiple mailings to your address, please call EquiServe.

Direct Deposit of Dividends
Cash dividends may be deposited directly to personal accounts at financial institutions. Direct deposit expedites payments and eliminates lost checks. Call EquiServe for authorization forms.

Shareholder Inquiries
Communications concerning transfer requirements, lost certificates, dividend checks, address changes, stock accounts and the dividend reinvestment plan should be directed to EquiServe: (888) 218-4392 or www.equiserve.com

Other shareholder communications to:
Shareholder Services
(800) 222-4511
(561) 694-4694
(561) 694-4620 (Fax)

Dividend Reinvestment Plan
FPL Group offers a low-cost plan for holders of common stock and FPL preferred stock to reinvest their dividends or make optional cash payments for the purchase of additional common stock. Enrollment materials may be obtained by calling EquiServe.

Online Investor Information
Up-to-the-minute information on FPL Group and its subsidiaries is just a mouse click away, 24 hours a day, seven days a week. Visit our expanded investor information site at **www.investor.fplgroup.com** to get stock quotes, earnings reports, financial releases and other news. You can also request and receive information via e-mail. Shareholders of record can receive secure online account access through a link to our transfer agent, EquiServe.

Electronic Proxy Material
Registered shareholders may receive proxy materials electronically by contacting www.econsent.com/fpl. Beneficial shareholders should contact their brokerage firm to determine the availability of electronic proxy material distribution.

News and Financial Information
Investors can get the latest news and financial information about FPL Group through our Shareholder Direct toll-free line at (888) 375-1329. In addition to hearing recorded announcements, you can request information via fax or e-mail.

Analyst Inquiries
Contact:
Investor Relations
(561) 694-4697
(561) 694-4620 (Fax)

News Media Inquiries
Contact:
Corporate Communications
P.O. Box 029100
Miami, FL 33102-9100
(305) 552-3888
(305) 552-2144 (Fax)

Certified Public Accountants
Deloitte & Touche LLP
200 S. Biscayne Boulevard, Suite 400
Miami, FL 33131-2310

Form 10-K
The Form 10-K annual report for 2000 as filed with the Securities and Exchange Commission is available without charge by writing to FPL Group, Shareholder Services.

Annual Meeting
May 14, 2001, 10 a.m.
PGA National Resort
400 Avenue of the Champions
Palm Beach Gardens, FL

Proposed 2001 Common Stock Dividend Dates*

Declaration	Ex-Dividend	Record	Payment
February 12	February 21	February 23	March 15
May 14	May 23	May 25	June 15
August 13	August 29	August 31	September 17
November 12	November 28	November 30	December 17

Optional Cash Payment Dates

Qtr./Yr.	Acceptance begins	Must be received by
2nd/01	May 15	June 8
3rd/01	August 15	September 10
4th/01	November 15	December 10
1st/02	February 15	March 8

**Declaration of dividends and dates shown are subject to the discretion of the board of directors of FPL Group. Dates shown are based on the assumption that past patterns will prevail.*

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the natural choice: *Bald eagles – a threatened species – live in harmony with other wildlife at FPL Group facilities. As shown by the photos within this report, FPL's efforts to protect and preserve the environment have enabled a large number of endangered, threatened and protected species to thrive in their natural habitat.*

Operating in harmony with the environment is a natural choice for FPL Group. And with its track record of strong operating performance and attractive growth profile, FPL Group is the natural choice for shareholders seeking exceptional value.

FPL Group, Inc.
700 Universe Boulevard
Juno Beach, Florida 33408

Printed on recycled paper

0732-AR-01

BEFORE THE
FLORIDA PUBLIC SERVICE
COMMISSION

DOCKET NO. 001148-EI

MINIMUM FILING REQUIREMENTS

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES

SCHEDULE NO. F – 2

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-K

[X] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended **December 31, 1999**

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission File Number	Exact name of Registrants as specified in their charters, address of principal executive offices and Registrants' telephone number	IRS Employer Identification Number
1-8841	**FPL GROUP, INC.**	59-2449419
1-3545	**FLORIDA POWER & LIGHT COMPANY** 700 Universe Boulevard Juno Beach, Florida 33408 (561) 694-4000	59-0247775

State or other jurisdiction of incorporation or organization: Florida

	Name of exchange on which registered
Securities registered pursuant to Section 12(b) of the Act:	
FPL Group, Inc.: Common Stock, $0.01 Par Value and Preferred Share Purchase Rights	New York Stock Exchange
Florida Power & Light Company: None	

Securities registered pursuant to Section 12(g) of the Act:
FPL Group, Inc.: None
Florida Power & Light Company: Preferred Stock, $100 Par Value

Indicate by check mark whether the registrants (1) have filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months and (2) have been subject to such filing requirements for the past 90 days. Yes X No _

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of Registrants' knowledge in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [X]

Aggregate market value of the voting stock of FPL Group, Inc. held by non-affiliates as of January 31, 2000 (based on the closing market price on the Composite Tape on January 31, 2000) was $7,495,697,770 (determined by subtracting from the number of shares outstanding on that date the number of shares held by directors and officers of FPL Group, Inc.).

There was no voting stock of Florida Power & Light Company held by non-affiliates as of January 31, 2000.

The number of shares outstanding of each class of FPL Group, Inc. common stock, as of the latest practicable date: Common Stock, $0.01 Par Value, outstanding at January 31, 2000: 178,246,835 shares

As of January 31, 2000, there were issued and outstanding 1,000 shares of Florida Power & Light Company's common stock, without par value, all of which were held, beneficially and of record, by FPL Group, Inc.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of FPL Group, Inc.'s Proxy Statement for the 2000 Annual Meeting of Shareholders are incorporated by reference in Part III hereof.

This combined Form 10-K represents separate filings by FPL Group, Inc. and Florida Power & Light Company. Information contained herein relating to an individual registrant is filed by that registrant on its own behalf. Florida Power & Light Company makes no representations as to the information relating to FPL Group, Inc.'s other operations.

DEFINITIONS

Acronyms and defined terms used in the text include the following:

Term	Meaning
capacity clause	Capacity cost recovery clause
CMP	Central Maine Power Company
charter	Restated Articles of Incorporation, as amended, of FPL Group or FPL, as the case may be
Coalition	The Coalition for Equitable Rates
conservation clause	Energy conservation cost recovery clause
DOE	U.S. Department of Energy
EMF	Electric and magnetic fields
environmental clause	Environmental compliance cost recovery clause
FDEP	Florida Department of Environmental Protection
FERC	Federal Energy Regulatory Commission
FIPUG	The Florida Industrial Power Users Group
FGT	Florida Gas Transmission Company
FMPA	Florida Municipal Power Agency
FPL	Florida Power & Light Company
FPL Energy	FPL Energy, LLC (and its predecessor FPL Energy, Inc.)
FPL FiberNet	FPL FiberNet, LLC
FPL Group	FPL Group, Inc.
FPL Group Capital	FPL Group Capital Inc
FPSC	Florida Public Service Commission
fuel clause	Fuel and purchased power cost recovery clause
Holding Company Act	Public Utility Holding Company Act of 1935, as amended
IBEW	International Brotherhood of Electrical Workers
JEA	Jacksonville Electric Authority
kv	Kilovolt
kwh	Kilowatt-hour
Management's Discussion	Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations
mortgage	FPL's Mortgage and Deed of Trust dated as of January 1, 1944, as supplemented and amended
mw	Megawatt(s)
Note ____	Note ___ to Consolidated Financial Statements
NRC	U.S. Nuclear Regulatory Commission
Nuclear Waste Policy Act	Nuclear Waste Policy Act of 1982
O&M expenses	Other operations and maintenance expenses in the Consolidated Statements of Income
Public Counsel	State of Florida Office of Public Counsel
PURPA	Public Utility Regulatory Policies Act of 1978, as amended
qualifying facilities	Non-utility power production facilities meeting the requirements of a qualifying facility under the PURPA
Reform Act	Private Securities Litigation Reform Act of 1995
ROE	Return on common equity
RTOs	Regional Transmission Organizations
SJRPP	St. Johns River Power Park

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SAFE HARBOR STATEMENT UNDER THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995

In connection with the safe harbor provisions of the Reform Act, FPL Group and FPL (collectively, the Company) are hereby filing cautionary statements identifying important factors that could cause the Company's actual results to differ materially from those projected in forward-looking statements (as such term is defined in the Reform Act) made by or on behalf of the Company which are made in this combined Form 10-K, in presentations, in response to questions or otherwise. Any statements that express, or involve discussions as to expectations, beliefs, plans, objectives, assumptions or future events or performance (often, but not always, through the use of words or phrases such as will likely result, are expected to, will continue, is anticipated, estimated, projection, outlook) are not statements of historical facts and may be forward-looking. Forward-looking statements involve estimates, assumptions and uncertainties. Accordingly, any such statements are qualified in their entirety by reference to, and are accompanied by, the following important factors that could cause the Company's actual results to differ materially from those contained in forward-looking statements made by or on behalf of the Company.

Any forward-looking statement speaks only as of the date on which such statement is made, and the Company undertakes no obligation to update any forward-looking statement to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of unanticipated events. New factors emerge from time to time and it is not possible for management to predict all of such factors, nor can it assess the impact of each such factor on the business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statement.

Some important factors that could cause actual results or outcomes to differ materially from those discussed in the forward-looking statements include changes in laws or regulations, changing governmental policies and regulatory actions, including those of the FERC, the FPSC, the PURPA, the Holding Company Act and the NRC, with respect to allowed rates of return including but not limited to ROE and equity ratio limits, industry and rate structure, operation of nuclear power facilities, acquisition, disposal, depreciation and amortization of assets and facilities, operation and construction of plant facilities, recovery of fuel and purchased power costs, decommissioning costs, and present or prospective wholesale and retail competition (including but not limited to retail wheeling and transmission costs).

The business and profitability of the Company are also influenced by economic and geographic factors including political and economic risks, changes in and compliance with environmental and safety laws and policies, weather conditions (including natural disasters such as hurricanes), population growth rates and demographic patterns, competition for retail and wholesale customers, availability, pricing and transportation of fuel and other energy commodities, market demand for energy from plants or facilities, changes in tax rates or policies or in rates of inflation or in accounting standards, unanticipated delays or changes in costs for capital projects, unanticipated changes in operating expenses and capital expenditures, capital market conditions, competition for new energy development opportunities and legal and administrative proceedings (whether civil, such as environmental, or criminal) and settlements.

All such factors are difficult to predict, contain uncertainties which may materially affect actual results, and are beyond the control of the Company.

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PART I

Item 1. Business

FPL GROUP

FPL Group is a public utility holding company, as defined in the Holding Company Act. It was incorporated in 1984 under the laws of Florida. FPL Group's principal subsidiary, FPL, is engaged in the generation, transmission, distribution and sale of electric energy. FPL Group Capital, a wholly-owned subsidiary of FPL Group, holds the capital stock and provides funding for the operating subsidiaries other than FPL. The business activities of these operating subsidiaries primarily consist of FPL Energy's independent power projects. For financial information regarding segments, see Note 14. In 2000, FPL Group Capital formed a new subsidiary to sell wholesale fiber-optic network capacity. At December 31, 1999, FPL Group and its subsidiaries employed 10,717 persons.

FPL Group is exempt from substantially all of the provisions of the Holding Company Act on the basis that FPL Group's and FPL's businesses are predominantly intrastate in character and carried on substantially in a single state in which both are incorporated.

FPL OPERATIONS

General. FPL was incorporated under the laws of Florida in 1925 and is a wholly-owned subsidiary of FPL Group. FPL supplies electric service throughout most of the east and lower west coasts of Florida with a population of approximately seven million. During 1999, FPL served approximately 3.8 million customer accounts. Operating revenues were as follows:

	Years Ended December 31,		
	1999	1998	1997
	(millions)		
Residential	$3,357	$3,580	$3,394
Commercial	2,226	2,239	2,222
Industrial	190	197	206
Other, including the net change in unbilled revenues	284	350	310
	$6,057	$6,366	$6,132

Regulation. The retail operations of FPL provided approximately 99% of FPL's operating revenues for 1999. Such operations are regulated by the FPSC which has jurisdiction over retail rates, service territory, issuances of securities, planning, siting and construction of facilities and other matters. FPL is also subject to regulation by the FERC in various respects, including the acquisition and disposition of facilities, interchange and transmission services and wholesale purchases and sales of electric energy.

FPL's nuclear power plants are subject to the jurisdiction of the NRC. NRC regulations govern the granting of licenses for the construction and operation of nuclear power plants and subject such power plants to continuing review and regulation.

Federal, state and local environmental laws and regulations cover air and water quality, land use, power plant and transmission line siting, EMF from power lines and substations, noise and aesthetics, solid waste and other environmental matters. Compliance with these laws and regulations increases the cost of electric service by requiring, among other things, changes in the design and operation of existing facilities and changes or delays in the location, design, construction and operation of new facilities. See Item 3. Legal Proceedings. Capital expenditures required to comply with environmental laws and regulations for 2000-02 are included in FPL's projected capital expenditures set forth in Item 1. Business - FPL Operations - Capital Expenditures and are not material.

FPL currently holds 190 franchises with varying expiration dates to provide electric service in various municipalities and counties in Florida. FPL considers its franchises to be adequate for the conduct of its business.

Retail Ratemaking. The underlying concept of utility ratemaking is to set rates at a level that allows the utility the opportunity to collect from customers total revenues (revenue requirements) equal to its cost of providing service, including a reasonable rate of return on invested capital. To accomplish this, the FPSC uses various ratemaking mechanisms.

The basic costs of providing electric service, other than fuel and certain other costs, are recovered through base rates, which are designed to recover the costs of constructing, operating and maintaining the utility system. These basic costs include O&M expenses, depreciation and taxes, as well as a return on FPL's investment in assets used and useful in providing electric service (rate base). The rate of return on rate base approximates FPL's weighted cost of capital, which includes its costs for debt and preferred stock and an allowed ROE. The FPSC monitors FPL's ROE through a surveillance report that is filed monthly by FPL with the FPSC. The FPSC does not provide assurance that the allowed ROE will be achieved. Base rates are determined in rate proceedings which occur at irregular intervals at the initiative of FPL, the FPSC, Public Counsel or a substantially affected party.

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FPL's last full rate proceeding was in 1984. In 1990, FPL's base rates were reduced following a change in federal income tax rates. In 1999, the FPSC approved a three-year agreement among FPL, Public Counsel, FIPUG and Coalition regarding FPL's retail base rates, authorized regulatory ROE, capital structure and other matters. The agreement, which became effective April 15, 1999, provides for a $350 million reduction in annual revenues from retail base operations allocated to all customers on a cents-per-kilowatt-hour basis. Additionally, the agreement sets forth a revenue sharing mechanism for each of the twelve-month periods covered by the agreement, whereby revenues from retail base operations in excess of a stated threshold will be shared on the basis of two-thirds refunded to retail customers and one-third retained by FPL. Revenues from retail base operations in excess of a second threshold will be refunded 100% to retail customers.

The thresholds are as follows:

	Twelve Months Ended April 14,		
	2000	2001	2002
		(millions)	
Threshold to refund 66 2/3% to customers	$3,400	$3,450	$3,500
Threshold to refund 100% to customers	$3,556	$3,606	$3,656

Offsetting the annual revenue reduction will be lower special depreciation. The agreement allows 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/or fossil generating assets. Under this new depreciation program, FPL recorded approximately $70 million of special depreciation in 1999. The new depreciation program replaced a revenue-based special amortization program whereby special amortization in the amount of $63 million, $378 million and $199 million was recorded in 1999, 1998 and 1997, respectively.

In addition, the agreement lowered FPL's authorized regulatory ROE range to 10% - 12% from 11% - 13%. During the term of the agreement, the achieved ROE may from time to time be outside the authorized range, and the revenue sharing mechanism described above is specified to be the appropriate and exclusive mechanism to address that circumstance. For purposes of calculating ROE, 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 purchased power contracts. Finally, included in the agreement are provisions which limit depreciation rates, and accruals for nuclear decommissioning and fossil dismantlement costs, to currently approved levels and limit amounts recoverable under the environmental clause during the term of the agreement.

The agreement states that Public Counsel, FIPUG and Coalition 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 term of the agreement.

Fuel costs totaled $1.7 billion in 1999 and are recovered through levelized charges per kwh established pursuant to the fuel clause. These charges are calculated annually based on estimated fuel costs and estimated customer usage for the following year, plus or minus a true-up adjustment to reflect the variance of actual costs and usage from the estimates used in setting the fuel adjustment charges for prior periods.

Capacity payments to other utilities and generating companies for purchased power are recovered through the capacity clause and base rates. In 1999, $440 million was recovered through the capacity clause. Costs associated with implementing energy conservation programs totaled $83 million in 1999 and are recovered through the conservation clause. Costs of complying with federal, state and local environmental regulations enacted after April 1993 totaled $16 million in 1999 and are recovered through the environmental clause to the extent not included in base rates. The new rate agreement limits recovery under this clause to $12.8 million in 2000 and $6.4 million in 2001, with no further amounts recoverable during the remaining term of the agreement.

The FPSC has the authority to disallow recovery of costs that it considers excessive or imprudently incurred. Such costs may include O&M expenses, the cost of replacing power lost when fossil and nuclear units are unavailable and costs associated with the construction or acquisition of new facilities.

Competition. The electric utility industry is facing increasing competitive pressure. FPL currently faces competition from other suppliers of electrical energy to wholesale customers and from alternative energy sources and self-generation for other customer groups, primarily industrial customers. In 1999, operating revenues from wholesale and industrial customers combined represented approximately 4% of FPL's total operating revenues. A number of potential merchant plants have been announced to date in Florida. However, only two submissions to seek a determination of need totaling approximately 1,000 mw have been presented to the FPSC. In March 1999, the FPSC approved one of the petitions for a power plant to be constructed within FPL's service territory. FPL, along with other Florida utilities, has appealed the decision to the Florida Supreme Court.

Almost half of the states, other than Florida, have enacted legislation or have state commissions that issued orders designed to deregulate the production and sale of electricity. By allowing customers to choose their electricity supplier, deregulation is expected to result in a shift from cost-based rates to market-based rates for energy production and other services provided to retail customers. Similar initiatives are also being pursued on the federal level. Although the legislation and initiatives vary substantially, common areas of focus include when market-based pricing will be available for wholesale and retail customers, what existing prudently incurred costs in excess of the market-based price will be recoverable and whether generation assets should be separated from transmission, distribution and other assets. It is generally believed transmission and distribution activities would remain regulated. Since there is no deregulation proposal currently under consideration in Florida, FPL is unable to predict the impact of a change to a more competitive environment or when such a change might occur.

In the event the basis of regulation for some or all of FPL's business changes from cost-based regulation, existing regulatory assets and liabilities would be written off unless regulators specify an alternative means of recovery or refund. Further, other aspects of the business, such as generation assets and long-term power purchase commitments, would need to be reviewed to assess their recoverability in a changed regulatory environment. See Management's Discussion - Results of Operations and Note 1 - Regulation.

While legislators and state regulatory commissions will decide what role, if any, competitive forces will have on retail transactions, the FERC has jurisdiction over potential changes which could affect competition in wholesale transactions. In 1993, FPL filed with the FERC a comprehensive revision of its service offerings in the wholesale market. FPL proposed changes to its wholesale sales tariffs for service to municipal and cooperatively-owned electric utilities and its power sharing (interchange) agreements with other utilities. A final decision by the FERC on this filing is pending.

In December 1999, the FERC issued its final order on regional transmission organizations or RTOs. RTOs, under a variety of structures, provide for the independent operation of transmission systems for a given geographic area. The final order establishes guidelines for public utilities to use in considering and/or developing plans to initiate operations of RTOs. The order requires all public utilities to file with the FERC by October 15, 2000, a proposal for an RTO with certain minimum characteristics and functions to be operational by December 15, 2001, or alternatively, a description of efforts to participate in an RTO, any existing obstacles to RTO participation and any plans to work toward RTO participation. FPL is evaluating various alternatives for compliance with the order.

System Capability and Load. FPL's resources for serving summer load as of December 31, 1999 consisted of 18,649 mw, of which 16,444 mw are from FPL-owned facilities (see Item 2. Properties - Generating Facilities) and 2,205 mw are obtained through purchased power contracts. See Note 12 - Contracts. The compounded annual growth rate of retail kwh sales and number of retail customers was 2.9% and 1.9%, respectively, for the three years ended December 31, 1999. It is anticipated that retail kwh sales will grow at a compounded annual rate of approximately 3.7% for the next three years.

Occasionally, unusually cold temperatures during the winter months result in significant increases in electricity usage for a short period of time. However, customer usage and operating revenues are typically higher during the summer months largely due to the prevalent use of air conditioning in FPL's service territory. In 1998, FPL set four consecutive records for summertime peak demand, ranging from 17,156 mw to 17,897 mw. Adequate resources were available at the time of each peak to meet customer demand.

In 1999, the FPSC scheduled hearings to consider appropriate reserve margin targets for peninsular Florida. The FPSC approved a proposal by FPL and two other Florida utilities to voluntarily adopt a 20% reserve margin target to be achieved by 2004. FPL's reserve margin target is currently 15%.

FPL intends to repower its two Fort Myers units and two of its three Sanford units by the end of 2002; these projects will be phased in beginning in 2001. FPL will also add two new gas-fired combustion turbines at its Martin site in 2001, and add new combustion turbines and/or gas-fired combined cycle units from 2003-09. These actions, plus other changes to FPL's existing units and purchased power contracts, are expected to increase FPL's net generating capability by over 4,000 mw.

Capital Expenditures. FPL's capital expenditures totaled approximately $924 million in 1999, $617 million in 1998 and $551 million in 1997. Capital expenditures for the 2000-02 period are expected to be $3.1 billion, including $1.3 billion in 2000. This estimate is subject to continuing review and adjustment, and actual capital expenditures may vary from this estimate. See Management's Discussion - Liquidity and Capital Resources.

Nuclear Operations. FPL owns and operates four nuclear units, two at Turkey Point and two at St. Lucie. The operating licenses for Turkey Point Units Nos. 3 and 4 expire in 2012 and 2013, respectively. The operating licenses for St. Lucie Units Nos. 1 and 2 expire in 2016 and 2023, respectively. The nuclear units are periodically removed from service to accommodate normal refueling and maintenance outages, repairs and certain other modifications. A condition of the operating license for each unit requires an approved plan for decontamination and decommissioning. FPL's current plans provide for prompt dismantlement of the Turkey Point Units Nos. 3 and 4 with decommissioning activities commencing in 2012 and 2013, respectively. Current plans call for St. Lucie Unit No. 1 to be mothballed beginning in 2016 with decommissioning activities to be integrated with the prompt dismantlement of St. Lucie Unit No. 2 beginning in 2023. See estimated cost data in Note 1 - Decommissioning and Dismantlement of Generating Plant. FPL has informed the NRC of its intent to apply for a 20-year license renewal for each of its four nuclear units. FPL expects to file the application with the NRC in 2000 for the Turkey Point units and 2002 for the St. Lucie units.

Fuel. FPL's generating plants use a variety of fuels. See Item 2. Properties - Generating Facilities and Note 12 - Contracts. The diverse fuel options, along with purchased power, enable FPL to shift between sources of generation to achieve an economical fuel mix.

FPL has three contracts in place with FGT that satisfy substantially all of the anticipated needs for natural gas transportation. Additional agreements were executed to extend and provide incremental volumes to the Ft. Myers and Sanford plants, subject to approval by the FERC. The three existing contracts expire in 2010, 2015 and 2022 but can be extended at FPL's option. To the extent desirable, FPL can also purchase interruptible gas transportation service from FGT based on pipeline availability. FPL has a long-term natural gas supply contract at market rates to provide a portion of FPL's anticipated needs for natural gas. The remainder of FPL's gas requirements are purchased under other contracts and in the spot market.

FPL has, through its joint ownership interest in SJRPP Units Nos. 1 and 2, long-term coal supply and transportation contracts for a portion of the fuel needs for those units. All of the transportation requirements and a portion of the fuel supply needs for Scherer Unit No. 4 are covered by a series of annual and long-term contracts. The remaining fuel requirements will be obtained in the spot market. FPL's oil requirements are obtained under short- and long-term contracts and in the spot market.

FPL leases nuclear fuel for all four of its nuclear units. Currently, FPL is storing spent fuel on site and plans to provide adequate storage capacity for all of its spent nuclear fuel, pending its removal by the DOE. See Note 1 - Nuclear Fuel. Under the Nuclear Waste Policy Act, the DOE was required to construct permanent disposal facilities and take title to and provide transportation and disposal for spent nuclear fuel by January 31, 1998 for a specified fee based on current generation from nuclear power plants. Through December 1999, FPL has paid approximately $401 million in such fees to the DOE's Nuclear Waste Fund. The DOE did not meet its statutory obligation for disposal of spent nuclear fuel under the Nuclear Waste Policy Act. In 1997, a court ruled, in response to petitions filed by utilities, state governments and utility commissions, that the DOE could not assert a claim that its delay was unavoidable in any defense against lawsuits by utilities seeking money damages arising out of the DOE's failure to perform its obligations. In 1998, FPL filed a lawsuit against the DOE seeking in excess of $300 million in damages caused by the DOE's failure to dispose of spent nuclear fuel from FPL's nuclear power plants. The matter is pending.

Energy Marketing and Trading. FPL's Energy Marketing & Trading Division buys and sells wholesale energy commodities, such as natural gas, oil and electric power. The division procures natural gas and oil for FPL's and FPL Energy's use in power generation and sells excess electric power. Substantially all of the results of FPL activities are passed through to customers in the fuel or capacity clauses. FPL Energy's results of these activities are recognized in income by FPL Energy. The level of activity is expected to grow as FPL and FPL Energy seek to manage the risk associated with fluctuating commodity prices and increase the value of their power generation assets.

Electric and Magnetic Fields. In recent years, public, scientific and regulatory attention has been focused on possible adverse health effects of EMF. These fields are created whenever electricity flows through a power line or an appliance. Several epidemiological (i.e., statistical) studies have suggested a linkage between EMF and certain types of cancer, including leukemia and brain cancer; other studies have been inconclusive, contradicted earlier studies or have shown no such linkage. Neither these epidemiological studies nor clinical studies have produced any conclusive evidence that EMF does or does not cause adverse health effects. In 1998, a working group of the National Institute of Environmental Health Sciences issued a report classifying EMF as a possible human carcinogen.

FPL is in compliance with the FDEP regulations regarding EMF levels within and at the edge of the rights of way for transmission lines. Future changes in the FDEP regulations could require additional capital expenditures by FPL for such things as increasing the right of way corridors or relocating or reconfiguring transmission facilities. It is not presently known whether any such expenditures will be required.

Employees. FPL had 9,783 employees at December 31, 1999. Approximately 35% of the employees are represented by the IBEW under a collective bargaining agreement with FPL expiring on October 31, 2000.

FPL ENERGY OPERATIONS

FPL Energy. FPL Energy, a wholly-owned subsidiary of FPL Group Capital, was formed in 1998 to aggregate FPL Group's existing unregulated energy-related operations. Effective September 30, 1999, FPL Energy, Inc. was converted from a corporation to a limited liability company, and the name was changed to FPL Energy, LLC.

FPL Energy's participation in the domestic energy market has evolved in recent years from non-controlling equity investments to a more active role that includes ownership, development, construction, management and operation of many projects. In 1999, FPL Energy established regional offices in Pennsylvania and Texas and plans to open several more regional offices in 2000. FPL Energy is actively involved in managing more than 80% of its projects, which represents approximately 95% of the net generating capacity in which FPL Energy has an ownership interest. This active role is expected to continue as opportunities in the unregulated generation market are pursued. As of December 31, 1999, FPL Energy had ownership interests in operating independent power projects with a net generating capacity of 3,004 mw. These projects' fuel sources are 40% gas, 24% oil, 15% wind, 12% hydro and 9% other. Diversity in project locations reduces seasonal volatility on a portfolio basis. The projects are located in the following regions:

Region	% of Capacity
Northeast	48%
Mid-Atlantic	27%
West	18%
Central	4%
Colombia, South America	3%

Currently, approximately 30% of FPL Energy's net generating capacity has qualifying facility status under PURPA. Qualifying facility electricity may be generated from hydropower, wind, solar, geothermal, fossil fuels, biomass or waste-product combustion. Utilities pay for qualifying facility electricity on the basis of each utility's avoided cost of power. Qualifying facility status exempts the projects from the application of the Holding Company Act, many provisions of the Federal Power Act, and state laws and regulations respecting rates and financial or organizational regulation of electric utilities. FPL Energy also has ownership interest in operating independent power projects that have received exempt wholesale generator status as defined in the Holding Company Act. These projects represent approximately 70% of FPL Energy's net generating capacity. Exempt wholesale generators own or operate a facility exclusively to sell electric energy at wholesale. They are barred from selling electricity directly to retail customers. While projects with qualifying facility and exempt wholesale generator status are exempt from various restrictions, each project must still comply with other federal, state and local laws, including those regarding siting, construction, operation, licensing and pollution abatement.

In 1999, FPL Energy completed the purchase of CMP's non-nuclear generating assets, primarily fossil and hydro power plants, for $866 million. The purchase price was based on an agreement, subject to regulatory approvals, reached with CMP in January 1998. In October 1998, the FERC struck down transmission rules that had been in effect in New England since the 1970s. The FERC rulings regarding transmission, as well as the announcement of new entrants into the market and changes in fuel prices since January 1998, resulted in FPL Energy recording a $176 million pre-tax impairment loss related to the fossil assets. The acquisition was accounted for under the purchase method of accounting and the results of operating the Maine assets have been included in FPL Group's consolidated financial statements since the acquisition date. See Note 9.

FPL Energy's capital expenditures and investments totaled approximately $1.5 billion, $521 million and $291 million in 1999, 1998 and 1997, respectively. FPL Energy is currently constructing a 1,000 mw combined-cycle natural gas-fired plant in Texas, of which FPL Energy owns 99%. This plant is expected to become operational in 2000 and has 70% of the capacity under one- to five-year contracts. As of December 31, 1999, FPL Energy had remaining commitments of $71 million for the development of this plant. In addition, FPL Energy has announced plans to build five plants that would add approximately 2,100 mw to its generating capacity by 2003. See Management's Discussion - Liquidity and Capital Resources.

Deregulation of the electric utility market presents both opportunities and risks for FPL Energy. Opportunities exist for the selective acquisition of generation assets that are being divested under deregulation plans and for the construction and operation of efficient plants that can sell power in competitive markets. Substantially all of the energy produced in 1999 by FPL Energy's independent power projects was sold through power sales agreements with utilities that expire in 2000-24. As competitive wholesale markets become more accessible to other generators, obtaining power sales agreements will become a progressively more competitive process. FPL Energy expects that as its existing power sales agreements expire, more of the energy produced will be sold through shorter-term contracts and into competitive wholesale markets.

Competitive wholesale markets in the United States continue to evolve and vary by geographic region. Revenues from electricity sales in these markets will vary based on the prices obtainable for energy, capacity and other ancillary services. Some of the factors affecting success in these markets include the ability to operate generating assets efficiently, the price and supply of fuel, transmission constraints, competition from new sources of generation, demand growth and exposure to legal and regulatory changes.

FPL Energy had 825 employees at December 31, 1999. Approximately 18% of the employees are represented by the IBEW under a collective bargaining agreement with FPL Energy expiring on February 28, 2003.

OTHER FPL GROUP OPERATIONS

FPL FiberNet. FPL FiberNet was formed in January 2000 to enhance the value of FPL Group's fiber-optic network assets that were originally built to support FPL operations. Accordingly, FPL's existing 1,600 mile fiber-optic lines were transferred to FPL FiberNet in January 2000. FPL FiberNet will sell wholesale fiber-optic network capacity to FPL and other new and existing customers, primarily telephone, cable television, internet and other telecommunications companies. The existing network interconnects cities in Florida from Miami to Jacksonville on the east coast, Lake City in the north, and Tampa to Naples on the west coast. FPL FiberNet plans to invest approximately $225 million over the next three years to expand the existing network within major cities throughout Florida. See Note 13.

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EXECUTIVE OFFICERS OF THE REGISTRANTS (a)(b)

Name	Age	Position	Effective Date
James L. Broadhead	64	Chairman of the Board and Chief Executive Officer of FPL Group	May 8, 1990
		Chairman of the Board and Chief Executive Officer of FPL	January 15, 1990
Dennis P. Coyle	61	General Counsel and Secretary of FPL Group	June 1, 1991
		General Counsel and Secretary of FPL	July 1, 1991
K. Michael Davis	53	Controller and Chief Accounting Officer of FPL Group	May 13, 1991
		Vice President, Accounting, Controller and Chief Accounting Officer of FPL	July 1, 1991
Paul J. Evanson	58	President of FPL	January 9, 1995
Lewis Hay, III	44	Vice President, Finance and Chief Financial Officer of FPL Group ..	August 2, 1999
		Senior Vice President, Finance and Chief Financial Officer of FPL .	August 2, 1999
Lawrence J. Kelleher	52	Vice President, Human Resources of FPL Group	May 13, 1991
		Senior Vice President, Human Resources of FPL	July 1, 1991
Robert L. McGrath	46	Treasurer of FPL Group	January 11, 2000
		Treasurer of FPL	January 11, 2000
Armando J. Olivera	50	Senior Vice President, Power Systems of FPL	July 1, 1999
Thomas F. Plunkett	60	President, Nuclear Division of FPL	March 1, 1996
Antonio Rodriguez	57	Senior Vice President, Power Generation of FPL	July 1, 1999
Michael W. Yackira	48	President of FPL Energy, LLC	January 15, 1998

(a) Executive officers are elected annually by, and serve at the pleasure of, their respective boards of directors. Except as noted below, each officer has held his present position for five years or more and his employment history is continuous.

(b) The business experience of the executive officers is as follows: Mr. Hay was senior vice president and chief financial officer of US Foodservice, a food service distributor, from 1991 to 1997. From 1997 to 1999 he was executive vice president and chief financial officer of US Foodservice. Mr. McGrath was assistant treasurer of FPL Group and FPL from February 1998 to January 2000. Prior to that, Mr. McGrath was vice president and chief financial officer of ESI Energy, Inc. Mr. Olivera was vice president, distribution of FPL from February 1997 to July 1999. Prior to that, Mr. Olivera was vice president, power delivery of FPL. Mr. Plunkett was site vice president at Turkey Point. Mr. Rodriguez was vice president, power delivery of FPL from February 1997 to July 1999. Prior to that, Mr. Rodriguez was vice president, operations of FPL's power generation division. Mr. Yackira was vice president, finance and chief financial officer of FPL Group and senior vice president, finance and chief financial officer of FPL from January 1995 to January 1998.

Item 2. Properties

FPL Group and its subsidiaries maintain properties which are adequate for their operations. At December 31, 1999, the electric generating, transmission, distribution and general facilities of FPL represent 45%, 13%, 35% and 7%, respectively, of FPL's gross investment in electric utility plant in service.

Generating Facilities. As of December 31, 1999, FPL Group had the following generating facilities:

Facility	Location	No. of Units	Fuel	Net Capability (mw)(a)
FPL:				
STEAM TURBINES				
Cape Canaveral	Cocoa, FL	2	Oil/Gas	804
Cutler	Miami, FL	2	Gas	215
Fort Myers	Fort Myers, FL	2	Oil	543
Manatee	Parrish, FL	2	Oil	1,625
Martin	Indiantown, FL	2	Oil/Gas	1,631
Port Everglades	Port Everglades, FL	4	Oil/Gas	1,242
Riviera	Riviera Beach, FL	2	Oil/Gas	573
St. Johns River Power Park	Jacksonville, FL	2	Coal/Petroleum Coke	254(b)
St. Lucie	Hutchinson Island, FL	2	Nuclear	1,553(c)
Sanford	Lake Monroe, FL	3	Oil/Gas	934
Scherer	Monroe County, GA	1	Coal	658(d)
Turkey Point	Florida City, FL	2	Oil/Gas	810
		2	Nuclear	1,386
COMBINED-CYCLE				
Lauderdale	Dania, FL	2	Gas/Oil	860
Martin	Indiantown, FL	2	Gas	950
Putnam	Palatka, FL	2	Gas/Oil	498
COMBUSTION TURBINES				
Fort Myers	Fort Myers, FL	12	Oil	636
Lauderdale	Dania, FL	24	Oil/Gas	840
Port Everglades	Port Everglades, FL	12	Oil/Gas	420
DIESEL UNITS				
Turkey Point	Florida City, FL	5	Oil	12
TOTAL				16,444
FPL Energy:				
Cerro Gordo	Clearlake, IA	54	Wind	42
Doswell	Ashland, VA	4	Gas	665
Maine	Various - ME	7	Oil	713
Maine	Various - ME	92	Hydro	373
Maine	Ft. Fairfield, ME	1	Wastewood	31
Marcus Hook 50	Marcus Hook, PA	1	Gas	50
Southwest Mesa	McCamey, TX	107	Wind	75
Vansycle	Helix, OR	38	Wind	25
Investments in Joint Ventures	Various	N/M	Various	1,030
TOTAL				3,004

(a) Represents FPL's net warm weather peaking capability and FPL Energy's net ownership interest in plant capacity.

(b) Represents FPL's 20% ownership interest in each of SJRPP Units Nos. 1 and 2, which are jointly owned with the JEA.

(c) Excludes Orlando Utilities Commission's and the FMPA's combined share of approximately 15% of St. Lucie Unit No. 2.

(d) Represents FPL's approximately 76% ownership of Scherer Unit No. 4, which is jointly owned with the JEA.

N/M - Not meaningful

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Transmission and Distribution. As of December 31, 1999, FPL owned and operated 487 substations and the following electric transmission and distribution lines:

Nominal Voltage	Overhead Lines Pole Miles	Trench and Submarine Cable Miles
500 kv	1,107(a)	-
230 kv	2,246	31
138 kv	1,433	49
115 kv	670	-
69 kv	166	14
Less than 69 kv	39,858	21,353
Total	45,480	21,447

(a) Includes approximately 75 miles owned jointly with the JEA.

Character of Ownership. Substantially all of FPL's properties are subject to the lien of FPL's mortgage, which secures most debt securities issued by FPL. The principal properties of FPL Group are held by FPL in fee and are free from other encumbrances, subject to minor exceptions, none of which is of such a nature as to substantially impair the usefulness to FPL of such properties. Some of FPL's electric lines are located on land not owned in fee but are covered by necessary consents of governmental authorities or rights obtained from owners of private property.

Item 3. Legal Proceedings

In 1991, FPL entered into 30-year power purchase agreements with two qualifying facilities (as defined by PURPA) located in Palm Beach County, Florida. The power plants, which have a total generating capacity of 125 mw, were intended to sell capacity and energy to FPL and to provide steam to sugar processors. The plants were to be fueled by bagasse (sugar cane waste) and wood waste. Construction of the plants was funded, in part, through the sale of $288.5 million of solid waste industrial development revenue bonds (the bonds). The plants are owned by Okeelanta Power Limited Partnership (Okeelanta); Osceola Power Limited Partnership (Osceola); Flo-Energy Corp.; Glades Power Partnership; Gator Generating Company, Limited Partnership; and Lake Power Leasing Partnership (collectively, the partnerships).

In January 1997, FPL filed a complaint against Okeelanta and Osceola in the Circuit Court for Palm Beach County, Florida, seeking an order declaring that FPL's obligations under the power purchase agreements were rendered of no force and effect because the power plants failed to accomplish commercial operation before January 1, 1997, as required by the agreements. In November 1997, the complaint was amended to include the partnerships.

The partnerships filed for bankruptcy under Chapter XI of the U.S. Bankruptcy Code in May 1997. In November 1997, the partnerships entered into an agreement with the holders of more than 70% of the bonds. This agreement gives the holders of a majority of the principal amount of the bonds (the majority bondholders) the right to control, fund and manage any litigation against FPL and the right to settle with FPL on any terms such majority bondholders approve, provided that certain agreements with sugar processors are not affected and certain other conditions are met.

In January 1998, the partnerships (through the attorneys for the majority bondholders) filed an answer denying the allegations in FPL's complaint and asserting a counterclaim for approximately $2 billion of actual damages, consisting of all capacity payments that could have been made over the 30-year term of the power purchase agreements plus some security deposits. The partnerships also seek three times their actual damages for alleged violations of Florida antitrust laws by FPL, FPL Group and FPL Group Capital, plus attorneys' fees. In October 1998, the trial court dismissed all of the partnerships' antitrust claims against FPL, FPL Group and FPL Group Capital. The partnerships appealed the trial court's dismissal to the Fourth District Court of Appeal which affirmed the trial court's decision as to FPL Group and FPL Group Capital and dismissed as premature the partnerships' appeal of the trial court's decision as to FPL. In June 1999, the partnerships' motion for summary judgment was denied; they have appealed.

In July 1990, FPL entered into an amended and restated agreement (the contract) with a qualifying facility (as defined by PURPA) located in Duval County, Florida. Construction of the facility, which is owned by Cedar Bay Generating Company, L.P. (Cedar Bay), was financed in part by loans from institutional investors, including Paribas.

The contract provides FPL with the right to dispatch the Cedar Bay facility "in any manner it deems appropriate." Despite this contractual right, Cedar Bay initiated an action in 1997 in the Circuit Court for Duval County, Florida, challenging, among other things, the manner in which the facility had been dispatched by FPL. Although the court granted summary judgment to FPL with regard to Cedar Bay's claim that FPL's dispatch decisions violated the express terms of the contract, it permitted a jury to hear Cedar Bay's claim that such dispatch decisions violated an implied duty of good faith and fair dealing. The jury awarded Cedar Bay approximately $13 million on this claim. Thereafter, the court entered a declaration that FPL was, in the future, to dispatch the Cedar Bay facility in accordance with certain specified parameters. FPL expects to recover the amount of this judgment through the capacity clause.

FPL has appealed both the jury award and the court's declaration. In October 1999, after FPL filed its notice of appeal in the Cedar Bay action, Paribas, on behalf of itself and a group of other Cedar Bay lenders, filed an action against FPL in the

Circuit Court of Duval County. The suit alleges breach of contract, breach of an implied duty of good faith and fair dealing, fraud, tortious interference with contract and several other claims regarding the manner in which FPL has dispatched the Cedar Bay facility. It seeks unspecified damages and other relief.

FPL has moved to dismiss all counts of Paribas' complaint. If the jury award and court declaration in the Cedar Bay case is upheld fully on appeal, Paribas apparently believes that, they and the other lenders have no claims against FPL (or at least would have no damages arising therefrom), and has therefore moved to stay its own action pending resolution of the appeal in the Cedar Bay action.

In November 1999, the Attorney General of the United States, on behalf of the U.S. Environmental Protection Agency (EPA) brought an action in the U.S. District Court for the Northern District of Georgia against Georgia Power Company and other subsidiaries of The Southern Company for injunctive relief and the assessment of civil penalties for violations of the Prevention of Significant Deterioration (PSD) provisions and the New Source Performance Standards (NSPS) of the Clean Air Act. Among other things, the EPA alleges Georgia Power Company constructed and is continuing to operate Scherer Unit No. 4, in which FPL owns a 76% interest, without obtaining a PSD permit, without complying with NSPS requirements, and without applying best available control technology for nitrogen oxides, sulfur dioxides and particulate matter as required by the Clean Air Act. The suit seeks injunctive relief requiring the installation of such technology and civil penalties of up to $25,000 per day for each violation from August 7, 1977 through January 30, 1997, and $27,000 per day for each violation thereafter. Georgia Power has filed an answer to the complaint asserting that it has complied with all requirements of the Clean Air Act, denying the plaintiff's allegations of liability, denying that the plaintiff is entitled to any of the relief that it seeks and raising various other defenses.

In the event that FPL Group and FPL does not prevail in these suits, there may be a material adverse effect on their financial statements. However, FPL Group and FPL believe that they have meritorious defenses to the litigation and are vigorously defending these suits. Accordingly, the liabilities, if any, arising from these proceedings are not anticipated to have a material adverse effect on their financial statements.

Item 4. Submission of Matters to a Vote of Security Holders

None

PART II

Item 5. Market for the Registrants' Common Equity and Related Stockholder Matters

Common Stock Data. All of FPL's common stock is owned by FPL Group. FPL Group's common stock is traded on the New York Stock Exchange. The high and low sales prices for the common stock of FPL Group as reported in the consolidated transaction reporting system of the New York Stock Exchange for each quarter during the past two years are as follows:

Quarter	1999 High	1999 Low	1998 High	1998 Low
First	$61 15/16	$50 1/8	$65 3/16	$56 1/16
Second	$60 1/2	$52 7/8	$65 5/8	$58 11/16
Third	$56 11/16	$49 1/8	$70	$59 11/16
Fourth	$52 1/2	$41 1/8	$72 9/16	$60 1/2

Approximate Number of Stockholders. As of the close of business on January 31, 2000, there were 49,694 holders of record of FPL Group's common stock.

Dividends. Quarterly dividends have been paid on common stock of FPL Group during the past two years in the following amounts:

Quarter	1999	1998
First	$0.52	$0.50
Second	$0.52	$0.50
Third	$0.52	$0.50
Fourth	$0.52	$0.50

The amount and timing of dividends payable on FPL Group's common stock are within the sole discretion of FPL Group's board of directors. The board of directors reviews the dividend rate at least annually (in February) to determine its appropriateness in light of FPL Group's financial position and results of operations, legislative and regulatory developments affecting the electric utility industry in general and FPL in particular, competitive conditions and any other factors the board deems relevant. The ability of FPL Group to pay dividends on its common stock is dependent upon dividends paid to it by its subsidiaries, primarily FPL. There are no restrictions in effect that currently limit FPL's ability to pay dividends to FPL Group. See Management's Discussion - Liquidity and Capital Resources and Note 4 - Common Stock Dividend Restrictions regarding dividends paid by FPL to FPL Group.

Item 6. Selected Financial Data

	Years Ended December 31,				
	1999	1998	1997	1996	1995
SELECTED DATA OF FPL GROUP (millions, except per share amounts):					
Operating revenues	$ 6,438	$ 6,661	$ 6,369	$ 6,037	$ 5,592
Net income	$ 697	$ 664	$ 618	$ 579	$ 553
Earnings per share of common stock(a)	$ 4.07	$ 3.85	$ 3.57	$ 3.33	$ 3.16
Dividends paid per share of common stock	$ 2.08	$ 2.00	$ 1.92	$ 1.84	$ 1.76
Total assets	$13,441	$12,029	$12,449	$12,219	$12,459
Long-term debt, excluding current maturities	$ 3,478	$ 2,347	$ 2,949	$ 3,144	$ 3,377
Obligations of FPL under capital lease, excluding current maturities	$ 157	$ 146	$ 186	$ 182	$ 179
Preferred stock of FPL with sinking fund requirements, excluding current maturities	$ -	$ -	$ -	$ 42	$ 50
Energy sales (kwh)	92,483	91,041	84,642	80,889	79,756
SELECTED DATA OF FPL (millions):					
Operating revenues	$ 6,057	$ 6,366	$ 6,132	$ 5,986	$ 5,530
Net income available to FPL Group	$ 576	$ 616	$ 608	$ 591	$ 568
Total assets	$10,608	$10,748	$11,172	$11,531	$11,751
Long-term debt, excluding current maturities	$ 2,079	$ 2,191	$ 2,420	$ 2,981	$ 3,094
Energy sales (kwh)	88,067	89,362	82,734	80,889	79,756
Energy sales:					
Residential	50.2%	50.9%	50.6%	51.1%	50.8%
Commercial	40.3	38.8	39.8	38.6	38.5
Industrial	4.5	4.4	4.7	4.7	4.9
Interchange power sales	3.0	3.2	2.1	2.6	1.6
Other(b)	2.0	2.7	2.8	3.0	4.2
Total	100.0%	100.0%	100.0%	100.0%	100.0%
Approximate 60-minute net peak served (mw)(c):					
Summer season	17,615	17,897	16,613	16,064	15,813
Winter season	17,057	16,802	13,047	16,490	18,096
Average number of customer accounts (thousands):					
Residential	3,332	3,266	3,209	3,153	3,097
Commercial	405	397	389	381	374
Industrial	16	15	15	15	15
Other	3	2	3	2	3
Total	3,756	3,680	3,616	3,551	3,489
Average price per kwh (cents)(d)	6.87	7.13	7.37	7.39	6.97

(a) Basic and assuming dilution.
(b) Includes the net change in unbilled sales.
(c) Winter season includes November - December of the current year and January - March of the following year.
(d) Excludes interchange power sales, net change in unbilled revenues and cost recovery clause revenues, and the provision for refund.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

Results of Operations

The operations of FPL continue to be the predominant contributor to FPL Group's earnings. Earnings growth, however, over the past two years has mostly come from improved results at FPL Energy.

FPL Group's 1999 net income and earnings per share grew 5.0% and 5.7%, respectively. The 1999 amounts include the net effect of several nonrecurring transactions that resulted in additional net income of $16 million, or $0.09 per share for the year. Excluding the nonrecurring items, FPL Group's net income was $681 million and earnings per share were $3.98, resulting in growth of 2.6% and 3.4%, respectively. The comparable growth rates for 1998 were 7.4% and 7.8%, respectively. The nonrecurring transactions are discussed in more detail below within the segment to which they relate.

FPL - FPL's results for 1999 include the settlement of litigation between FPL and FMPA, which resulted in a fourth quarter after-tax charge of $42 million. The charge, included in O&M expenses, reflects a settlement agreement pursuant to which FPL agreed to pay FMPA a cash settlement; FPL agreed to reduce the demand charge on an existing power purchase agreement; and FPL and FMPA agreed to enter into a new power purchase agreement giving FMPA the right to purchase limited amounts of power in the future at a specified price. This agreement settled a dispute with FMPA that had been pending for nearly ten years.

FPL's net income for 1999, excluding the FMPA charge, was up slightly from 1998. Lower depreciation, customer growth and lower O&M expenses offset the effect of the rate reduction, implemented in April 1999, and a decline in electricity used by retail customers. FPL's net income growth in 1998 compared to 1997 was primarily associated with an increase in total kwh sales and lower interest charges, partly offset by higher depreciation and O&M expenses.

FPL's operating revenues consist primarily of revenues from retail base operations, cost recovery clauses and franchise fees. Revenues from retail base operations were $3.2 billion, $3.6 billion and $3.4 billion in 1999, 1998 and 1997, respectively. Revenues from cost recovery clauses and franchise fees represent a pass-through of costs and do not significantly affect net income. Fluctuations in these revenues are primarily driven by changes in energy sales, fuel prices and capacity charges.

In 1999, the FPSC approved a three-year agreement among FPL, Public Counsel, FIPUG and Coalition regarding FPL's retail base rates, authorized regulatory ROE, capital structure and other matters. The agreement, which became effective April 15,

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1999, provides for a $350 million reduction in annual revenues from retail base operations allocated to all customers on a cents-per-kilowatt-hour basis. Additionally, the agreement sets forth a revenue sharing mechanism for each of the twelve-month periods covered by the agreement, whereby revenues from retail base operations in excess of a stated threshold will be shared on the basis of two-thirds refunded to retail customers and one-third retained by FPL. Revenues from retail base operations in excess of a second threshold will be refunded 100% to retail customers.

The thresholds are as follows:

	Twelve Months Ended April 14,		
	2000	2001	2002
		(millions)	
Threshold to refund 66 2/3% to customers	$3,400	$3,450	$3,500
Threshold to refund 100% to customers	$3,556	$3,606	$3,656

Offsetting the annual revenue reduction will be lower special depreciation. The agreement allows 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/or fossil generating assets. Under this new depreciation program, FPL recorded approximately $70 million of special depreciation in 1999. The new depreciation program replaced a revenue-based special amortization program whereby special amortization in the amount of $63 million, $378 million and $199 million was recorded in 1999, 1998 and 1997, respectively.

In addition, the agreement lowered FPL's authorized regulatory ROE range to 10% - 12%. During the term of the agreement, the achieved ROE may from time to time be outside the authorized range, and the revenue sharing mechanism described above is specified to be the appropriate and exclusive mechanism to address that circumstance. FPL reported an ROE of 12.1%, 12.6% and 12.3% in 1999, 1998 and 1997, respectively. See Note 1 - Revenues and Rates.

The decline in revenues from retail base operations during 1999 was to a large extent due to the negative impact of the agreement that reduced retail base revenues by approximately $300 million. A 2.8% decline in usage per retail customer mainly due to milder weather conditions than the prior year was almost entirely offset by an increase in the number of customer accounts. The number of customer accounts grew 2% to approximately 3.8 million in 1999.

The increase in retail base revenues in 1998 from 1997 reflects a 4.8% increase in usage per retail customer from warmer weather combined with a 1.8% increase in the number of customer accounts.

FPL's O&M expenses in 1999 benefited from continued cost control efforts. This was partially offset by higher overhaul costs at fossil plants. O&M expenses increased in 1998 as a result of additional costs associated with improving the service reliability of FPL's distribution system, partially offset by lower nuclear maintenance costs and conservation clause expenses. Conservation clause expenses are essentially a pass-through and do not affect net income.

Lower interest charges in 1999 and 1998 reflect lower average debt balances and the full amortization in 1998 of deferred costs associated with reacquired debt.

The electric utility industry is facing increasing competitive pressure. FPL currently faces competition from other suppliers of electrical energy to wholesale customers and from alternative energy sources and self-generation for other customer groups, primarily industrial customers. In 1999, operating revenues from wholesale and industrial customers combined represented approximately 4% of FPL's total operating revenues. A number of potential merchant plants have been announced to date in Florida. However, only two submissions to seek a determination of need totaling approximately 1,000 mw have been presented to the FPSC. In March 1999, the FPSC approved one of the petitions for a power plant to be constructed within FPL's service territory. FPL, along with other Florida utilities, has appealed the decision to the Florida Supreme Court. Since there is no deregulation proposal currently under consideration in Florida, FPL is unable to predict the impact of a change to a more competitive environment or when such a change might occur. See Note 1 - Regulation.

FPL Energy - FPL Energy's 1999 and 1998 operating results benefited from a 60% and 51% increase, respectively, in the generating capacity of FPL Energy's power plant portfolio. Operating results also benefited from improved results of a gas-fired power plant in the Mid-Atlantic region, mainly due to the financial restructuring of the project, renegotiation of fuel and power sales contracts, lower non-fuel O&M expenses and improved plant availability. The improvement in FPL Energy's 1999 operating results were partly offset by higher administrative expenses to accommodate future growth. The generating capacity growth since 1997 is primarily the result of the acquisition of the Maine assets (1,117 mw), natural gas projects (300 mw) in the Northeast region and several wind projects (291 mw) in the Central and West regions.

In 1999, FPL Energy's operating results include the effect of a $176 million ($104 million after-tax) impairment loss. See Note 9. FPL Energy's 1998 operating results reflect the cost of terminating an interest rate swap agreement, partly offset by the receipt of a settlement relating to a contract dispute.

Deregulation of the electric utility market presents both opportunities and risks for FPL Energy. Opportunities exist for the selective acquisition of generation assets that are being divested under deregulation plans and for the construction and operation of efficient plants that can sell power in competitive markets. Substantially all of the energy produced in 1999 by FPL Energy's independent power projects was sold through power sales agreements with utilities that expire in 2000-24. As competitive wholesale markets become more accessible to other generators, obtaining power sales agreements will become a progressively more competitive process. FPL Energy expects that as its existing power sales agreements expire, more of the energy produced will be sold through shorter-term contracts and into competitive wholesale markets.

Competitive wholesale markets in the United States continue to evolve and vary by geographic region. Revenues from electricity sales in these markets will vary based on the prices obtainable for energy, capacity and other ancillary services. Some of the factors affecting success in these markets include the ability to operate generating assets efficiently, the price and supply of fuel, transmission constraints, competition from new sources of generation, demand growth and exposure to legal and regulatory changes.

Corporate and Other - In 1999, net income for the corporate and other segment reflects a $149 million ($96 million after-tax) gain on the sale of an investment in Adelphia Communications Corporation common stock, a $108 million ($66 million after-tax) gain recorded by FPL Group Capital on the redemption of its one-third equity interest in a cable limited partnership, costs associated with closing a retail marketing business and the favorable resolution of a prior year state tax matter. In 1998, net income for the corporate and other segment reflects a loss from the sale of Turner Foods Corporation's assets, the cost of terminating an agreement designed to fix interest rates and adjustments relating to prior years' tax matters, including the resolution of an audit issue with the Internal Revenue Service.

Year 2000 - FPL Group did not experience any significant year 2000-related problems. The total cost of addressing year 2000 issues was approximately $37 million.

Liquidity and Capital Resources

FPL Group's capital requirements consist of expenditures to meet increased electricity usage and customer growth of FPL and investment opportunities at FPL Energy. In 1999, FPL Group's capital expenditures reflect FPL Energy's investment in generating assets in Maine and the cost of constructing a natural gas power plant in Texas, as well as FPL's power plant expansion activities. As of December 31, 1999, FPL Energy has made commitments totaling approximately $72 million, primarily in connection with the development of an independent power project. Capital expenditures of FPL for the 2000-02 period are expected to be approximately $3.1 billion, including $1.3 billion in 2000. FPL Group Capital and its subsidiaries have guaranteed approximately $680 million of purchased power agreement obligations, debt service payments and other payments subject to certain contingencies. See Note 12 - Commitments.

Debt maturities of FPL Group's subsidiaries will require cash outflows of approximately $595 million ($420 million for FPL) through 2004, including $125 million for FPL in 2000. It is anticipated that cash requirements for capital expenditures, energy-related investments and debt maturities in 2000 will be satisfied with internally generated funds and debt issuances. Any internally generated funds not required for capital expenditures and current maturities may be used to reduce outstanding debt or repurchase common stock, or for investment. Any temporary cash needs will be met by short-term bank borrowings. In 1999 FPL Group Capital redeemed $125 million in debentures, which resulted in a loss on reacquired debt of approximately $8 million and issued $1.4 billion in debentures, primarily to finance FPL Energy's generating capacity growth. In 1999, FPL had $230 million in first mortgage bonds mature and issued $225 million in first mortgage bonds, primarily to redeem $216 million first mortgage bonds with a 2% higher interest rate. Bank lines of credit currently available to FPL Group and its subsidiaries aggregate $2.4 billion ($880 million for FPL).

During 1999, FPL Group repurchased 2.2 million shares of common stock under the 10 million share repurchase program. As of December 31, 1999, FPL Group is authorized to repurchase an additional 6.2 million shares under this program.

FPL self-insures for damage to certain transmission and distribution properties and maintains a funded storm reserve to reduce the financial impact of storm losses. The balance of the storm fund reserve at December 31, 1999 and 1998 was $216 million and $259 million, respectively. During 1999, storm fund reserves were reduced to recover the costs associated with three storms. Bank lines of credit of $300 million, included in the $880 million above, are also available if needed to provide cash for storm restoration costs. The FPSC has indicated that it would consider future storm losses in excess of the funded reserve for possible recovery from customers.

FPL's charter and mortgage contain provisions which, under certain conditions, restrict the payment of dividends and the issuance of additional unsecured debt, first mortgage bonds and preferred stock. Given FPL's current financial condition and level of earnings, expected financing activities and dividends are not affected by these limitations.

New Accounting Rule

In June 1998, the Financial Accounting Standards Board issued Financial Accounting Standards No. (FAS) 133, "Accounting for Derivative Instruments and Hedging Activities." The statement establishes accounting and reporting standards requiring that every derivative instrument (including certain derivative instruments embedded in other contracts) be recorded in the balance sheet as either an asset or liability measured at its fair value. The statement requires that changes in the derivative's fair value be recognized currently in earnings unless specific hedge accounting criteria are met. FPL Group and FPL are currently assessing the effect, if any, on their financial statements of implementing FAS 133. FPL Group and FPL will be required to adopt FAS 133 beginning in 2001.

Market Risk Sensitivity

Substantially all financial instruments and positions held by FPL Group and FPL described below are held for purposes other than trading.

Interest rate risk - The special use funds of FPL include restricted funds set aside to cover the cost of storm damage and for the decommissioning of FPL's nuclear power plants. A portion of these funds is invested in fixed income debt securities carried at their market value of approximately $847 million and $650 million at December 31, 1999 and 1998, respectively. Adjustments to market value result in a corresponding adjustment to the related liability accounts based on current regulatory treatment. Because the funds set aside for storm damage could be needed at any time, the related investments are generally more liquid and, therefore, are less sensitive to changes in interest rates. The nuclear decommissioning funds, in contrast, are generally invested in longer-term securities, as decommissioning activities are not expected to begin until at least 2012. At December 31, 1999 and 1998, other investments of FPL Group include $291 million and $72 million, respectively, of investments that are carried at estimated fair value or cost, which approximates fair value.

The following are estimates of the fair value of FPL's and FPL Group's long-term debt:

	1999		1998	
	Carrying Value	Fair Value	Carrying Value	Fair Value
	(millions)			
Long-term debt of FPL (a)	$2,204	$2,123(b)	$2,421	$2,505(b)
Long-term debt of FPL Group (a)	$3,603	$3,518(b)	$2,706	$2,797(b)

(a) Includes current maturities.
(b) Based on quoted market prices for these or similar issues.

Market risk associated with all of these securities is estimated as the potential gain in fair value of net liabilities resulting from a hypothetical 10% increase in interest rates and amounts to $97 million and $68 million for FPL Group and $39 million and $60 million for FPL at December 31, 1999 and 1998, respectively.

Equity price risk - Included in the special use funds of FPL are marketable equity securities carried at their market value of approximately $573 million and $556 million at December 31, 1999 and 1998, respectively. A hypothetical 10% decrease in the prices quoted by stock exchanges would result in a $56 million reduction in fair value and corresponding adjustment to the related liability accounts based on current regulatory treatment at both December 31, 1999 and 1998.

Other risks - Under current cost-based regulation, FPL's cost of fuel is recovered through the fuel clause, with no effect on earnings. FPL's Energy Marketing & Trading Division buys and sells wholesale energy commodities, such as natural gas, oil and electric power. The division procures natural gas and oil for FPL's and FPL Energy's use in power generation and sells excess electric power. Substantially all of the result of the FPL activities are passed through to customers in the fuel or capacity clauses. FPL Energy's results of these activities are recognized in income by FPL Energy. The level of activity is expected to grow as FPL and FPL Energy seek to manage the risk associated with fluctuating commodity prices and increase the value of their power generation assets. At December 31, 1999, there were no material open positions in these activities.

Item 7a. Quantitative and Qualitative Disclosures About Market Risk

See Management's Discussion - Market Risk Sensitivity

Item 8. Financial Statements and Supplementary Data

INDEPENDENT AUDITORS' REPORT

FPL GROUP, INC. AND FLORIDA POWER & LIGHT COMPANY:

We have audited the consolidated financial statements of FPL Group, Inc. and of Florida Power & Light Company, listed in the accompanying index at Item 14(a)1 of this Annual Report (Form 10-K) to the Securities and Exchange Commission for the year ended December 31, 1999. These financial statements are the responsibility of the respective company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of FPL Group, Inc. and Florida Power & Light Company at December 31, 1999 and 1998, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 1999 in conformity with generally accepted accounting principles.

DELOITTE & TOUCHE LLP
Certified Public Accountants

Miami, Florida
February 11, 2000

FPL GROUP, INC.
CONSOLIDATED STATEMENTS OF INCOME
(millions, except per share amounts)

	Years Ended December 31,		
	1999	1998	1997
OPERATING REVENUES	$6,438	$6,661	$6,369
OPERATING EXPENSES:			
Fuel, purchased power and interchange	2,365	2,244	2,255
Other operations and maintenance	1,322	1,284	1,231
Depreciation and amortization	1,040	1,284	1,061
Impairment loss on Maine assets	176	-	-
Taxes other than income taxes	615	597	594
Total operating expenses	5,518	5,409	5,141
OPERATING INCOME	920	1,252	1,228
OTHER INCOME (DEDUCTIONS):			
Interest charges	(222)	(322)	(291)
Preferred stock dividends - FPL	(15)	(15)	(19)
Divestiture of cable investments	257	-	-
Other - net	80	28	4
Total other income (deductions) - net	100	(309)	(306)
INCOME BEFORE INCOME TAXES	1,020	943	922
INCOME TAXES	323	279	304
NET INCOME	$ 697	$ 664	$ 618
Earnings per share of common stock (basic and assuming dilution)	$4.07	$3.85	$3.57
Dividends per share of common stock	$2.08	$2.00	$1.92
Average number of common shares outstanding	171	173	173

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

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FPL GROUP, INC.
CONSOLIDATED BALANCE SHEETS
(millions)

	December 31, 1999	December 31, 1998
PROPERTY, PLANT AND EQUIPMENT:		
Electric utility plant in service and other property	$18,474	$17,592
Nuclear fuel under capital lease - net	157	146
Construction work in progress	923	214
Less accumulated depreciation and amortization	(10,290)	(9,397)
Total property, plant and equipment - net	9,264	8,555
CURRENT ASSETS:		
Cash and cash equivalents	361	187
Customer receivables, net of allowances of $7 and $8	482	559
Materials, supplies and fossil fuel inventory - at average cost	343	282
Deferred clause expenses	54	82
Other	133	156
Total current assets	1,373	1,266
OTHER ASSETS:		
Special use funds of FPL	1,352	1,206
Other investments	611	391
Other	841	611
Total other assets	2,804	2,208
TOTAL ASSETS	$13,441	$12,029
CAPITALIZATION:		
Common shareholders' equity	$ 5,370	$ 5,126
Preferred stock of FPL without sinking fund requirements	226	226
Long-term debt	3,478	2,347
Total capitalization	9,074	7,699
CURRENT LIABILITIES:		
Short-term debt	339	110
Current maturities of long-term debt	125	359
Accounts payable	407	338
Customers' deposits	284	282
Accrued interest and taxes	182	191
Deferred clause revenues	116	89
Other	417	272
Total current liabilities	1,870	1,641
OTHER LIABILITIES AND DEFERRED CREDITS:		
Accumulated deferred income taxes	1,079	1,255
Deferred regulatory credit - income taxes	126	148
Unamortized investment tax credits	184	205
Storm and property insurance reserve	216	259
Other	892	822
Total other liabilities and deferred credits	2,497	2,689
COMMITMENTS AND CONTINGENCIES		
TOTAL CAPITALIZATION AND LIABILITIES	$13,441	$12,029

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

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FPL GROUP, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(millions)

	Years Ended December 31, 1999	1998	1997
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income	$ 697	$ 664	$ 618
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	1,040	1,284	1,061
Decrease in deferred income taxes and related regulatory credit	(198)	(237)	(30)
Other - net	24	32	(52)
Net cash provided by operating activities	1,563	1,743	1,597
CASH FLOWS FROM INVESTING ACTIVITIES:			
Capital expenditures of FPL	(861)	(617)	(551)
Independent power investments	(1,540)	(521)	(291)
Distributions and loan repayments from partnerships and joint ventures	132	304	53
Proceeds from the sale of assets	198	135	43
Other - net	(101)	(96)	(51)
Net cash used in investing activities	(2,172)	(795)	(797)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Issuance of long-term debt	1,609	343	42
Retirement of long-term debt	(584)	(727)	(717)
Increase (decrease) in short-term debt	229	(24)	113
Repurchase of common stock	(116)	(62)	(48)
Dividends on common stock	(355)	(345)	(332)
Net cash provided by (used in) financing activities	783	(815)	(942)
Net increase (decrease) in cash and cash equivalents	174	133	(142)
Cash and cash equivalents at beginning of year	187	54	196
Cash and cash equivalents at end of year	$ 361	$ 187	$ 54
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:			
Cash paid for interest	$ 221	$ 308	$ 287
Cash paid for income taxes	$ 573	$ 463	$ 434
SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES:			
Additions to capital lease obligations	$ 86	$ 34	$ 81
Debt assumed for property additions	$ -	$ -	$ 420

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

FPL GROUP, INC.
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
(millions)

	Common Stock (a) Shares	Common Stock (a) Aggregate Par Value	Additional Paid-In Capital	Unearned Compensation	Accumulated Other Comprehensive Income (Loss)	Retained Earnings	Common Shareholders' Equity
Balances, December 31, 1996	183	$2	$3,345	$(272)	$ -	$1,518	
Net income	-	-	-	-	-	618	
Repurchase of common stock ...	(1)	-	(48)	-	-	-	
Dividends on common stock	-	-	-	-	-	(332)	
Earned compensation under ESOP	-	-	6	8	-	-	
Other comprehensive income ...	-	-	-	-	1	-	
Other	-	-	(1)	-	-	-	
Balances, December 31, 1997.....	182(b)	2	3,302	(264)	1	1,804	
Net income	-	-	-	-	-	664	
Repurchase of common stock ...	(1)	-	(62)	-	-	-	
Dividends on common stock	-	-	-	-	-	(345)	
Earned compensation under ESOP	-	-	13	12	-	-	
Other comprehensive income ...	-	-	-	-	-	-	
Other	-	-	(1)	-	-	-	
Balances, December 31, 1998	181(b)	2	3,252	(252)	1	2,123	$5,126
Net income	-	-	-	-	-	697	
Repurchase of common stock ...	(2)	-	(116)	-	-	-	
Dividends on common stock	-	-	-	-	-	(355)	
Earned compensation under ESOP	-	-	12	14	-	-	
Other comprehensive loss	-	-	-	-	(2)	-	
Other	-	-	-	(6)	-	-	
Balances, December 31, 1999	179(b)	$2	$3,148	$(244)	$(1)	$2,465	$5,370

(a) $0.01 par value, authorized - 300,000,000 shares; outstanding 178,554,735 and 180,712,435 at December 31, 1999 and 1998, respectively.
(b) Outstanding and unallocated shares held by the Employee Stock Ownership Plan Trust totaled 8 million, 9 million and 9 million at December 31, 1999, 1998 and 1997, respectively.

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

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FLORIDA POWER & LIGHT COMPANY
CONSOLIDATED STATEMENTS OF INCOME
(millions)

	Years Ended December 31, 1999	1998	1997
OPERATING REVENUES	$6,057	$6,366	$6,132
OPERATING EXPENSES:			
Fuel, purchased power and interchange	2,232	2,175	2,196
Other operations and maintenance	1,158	1,163	1,132
Depreciation and amortization	989	1,249	1,034
Income taxes	327	356	329
Taxes other than income taxes	605	596	592
Total operating expenses	5,311	5,539	5,283
OPERATING INCOME	746	827	849
OTHER INCOME (DEDUCTIONS):			
Interest charges	(163)	(196)	(227)
Other - net	8	-	5
Total other deductions - net	(155)	(196)	(222)
NET INCOME	591	631	627
PREFERRED STOCK DIVIDENDS	15	15	19
NET INCOME AVAILABLE TO FPL GROUP, INC.	$ 576	$ 616	$ 608

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

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FLORIDA POWER & LIGHT COMPANY
CONSOLIDATED BALANCE SHEETS
(millions)

	December 31,	
	1999	1998
ELECTRIC UTILITY PLANT:		
Plant in service	$17,556	$17,159
Less accumulated depreciation	(10,184)	(9,317)
Net	7,372	7,842
Nuclear fuel under capital lease - net	157	146
Construction work in progress	449	159
Electric utility plant - net	7,978	8,147
CURRENT ASSETS:		
Cash and cash equivalents	-	152
Customer receivables, net of allowances of $7 and $8	433	521
Materials, supplies and fossil fuel inventory - at average cost	299	239
Deferred clause expenses	54	82
Other	107	122
Total current assets	893	1,116
OTHER ASSETS:		
Special use funds	1,352	1,206
Other	385	279
Total other assets	1,737	1,485
TOTAL ASSETS	$10,608	$10,748
CAPITALIZATION:		
Common shareholder's equity	$ 4,793	$ 4,803
Preferred stock without sinking fund requirements	226	226
Long-term debt	2,079	2,191
Total capitalization	7,098	7,220
CURRENT LIABILITIES:		
Commercial paper	94	-
Current maturities of long-term debt	125	230
Accounts payable	379	321
Customers' deposits	284	282
Accrued interest and taxes	137	198
Deferred clause revenues	116	89
Other	298	231
Total current liabilities	1,433	1,351
OTHER LIABILITIES AND DEFERRED CREDITS:		
Accumulated deferred income taxes	802	887
Deferred regulatory credit - income taxes	126	148
Unamortized investment tax credits	184	205
Storm and property insurance reserve	216	259
Other	749	678
Total other liabilities and deferred credits	2,077	2,177
COMMITMENTS AND CONTINGENCIES		
TOTAL CAPITALIZATION AND LIABILITIES	$10,608	$10,748

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

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FLORIDA POWER & LIGHT COMPANY
CONSOLIDATED STATEMENTS OF CASH FLOWS
(millions)

	Years Ended December 31,		
	1999	1998	1997
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income	$ 591	$ 631	$ 627
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	989	1,249	1,034
Decrease in deferred income taxes and related regulatory credit	(105)	(202)	(98)
Other - net	24	40	(60)
Net cash provided by operating activities	1,499	1,718	1,503
CASH FLOWS FROM INVESTING ACTIVITIES:			
Capital expenditures	(861)	(617)	(551)
Other - net	(52)	(80)	(83)
Net cash used in investing activities	(913)	(697)	(634)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Issuance of long-term debt	224	197	-
Retirement of long-term debt	(455)	(389)	(505)
Increase (decrease) in commercial paper	94	(40)	40
Capital contributions from FPL Group, Inc.	-	-	140
Dividends	(601)	(640)	(619)
Net cash used in financing activities	(738)	(872)	(944)
Net increase (decrease) in cash and cash equivalents	(152)	149	(75)
Cash and cash equivalents at beginning of year	152	3	78
Cash and cash equivalents at end of year	$ -	$ 152	$ 3
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:			
Cash paid for interest	$ 171	$ 181	$ 216
Cash paid for income taxes	$ 503	$ 510	$ 575
SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES:			
Additions to capital lease obligations	$ 86	$ 34	$ 81

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

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FLORIDA POWER & LIGHT COMPANY
CONSOLIDATED STATEMENTS OF SHAREHOLDER'S EQUITY
(millions)

	Common Stock (a)	Additional Paid-In Capital	Retained Earnings	Common Shareholder's Equity
Balances, December 31, 1996	$1,373	$2,424	$871	
Contributions from FPL Group, Inc.	-	140	-	
Net income available to FPL Group, Inc.	-	-	608	
Dividends to FPL Group, Inc.	-	-	(601)	
Other	-	2	(3)	
Balances, December 31, 1997	1,373	2,566	875	
Net income available to FPL Group, Inc.	-	-	616	
Dividends to FPL Group, Inc.	-	-	(626)	
Other	-	-	(1)	
Balances, December 31, 1998	1,373	2,566	864	$4,803
Net income available to FPL Group, Inc.	-	-	576	
Dividends to FPL Group, Inc.	-	-	(586)	
Balances, December 31, 1999	$1,373	$2,566	$ 854	$4,793

(a) Common stock, no par value, 1,000 shares authorized, issued and outstanding.

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

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FPL GROUP, INC. AND FLORIDA POWER & LIGHT COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
Years Ended December 31, 1999, 1998 and 1997

1. Summary of Significant Accounting and Reporting Policies

Basis of Presentation - FPL Group, Inc.'s (FPL Group) operations are conducted primarily through Florida Power & Light Company (FPL) and FPL Energy, LLC (FPL Energy), formerly FPL Energy, Inc. FPL, a rate-regulated public utility, supplies electric service to approximately 3.8 million customers throughout most of the east and lower west coasts of Florida. FPL Energy invests in independent power projects through both controlled and consolidated entities and non-controlling ownership interests in joint ventures accounted for under the equity method.

The consolidated financial statements of FPL Group and FPL include the accounts of their respective majority-owned and controlled subsidiaries. All significant intercompany balances and transactions have been eliminated in consolidation. Certain amounts included in prior years' consolidated financial statements have been reclassified to conform to the current year's presentation. The preparation of financial statements requires the use of estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and the disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

Regulation - FPL is subject to regulation by the Florida Public Service Commission (FPSC) and the Federal Energy Regulatory Commission (FERC). Its rates are designed to recover the cost of providing electric service to its customers including a reasonable rate of return on invested capital. As a result of this cost-based regulation, FPL follows the accounting practices set forth in Statement of Financial Accounting Standards No. (FAS) 71, "Accounting for the Effects of Certain Types of Regulation." FAS 71 indicates that regulators can create assets and impose liabilities that would not be recorded by unregulated entities. Regulatory assets and liabilities represent probable future revenues that will be recovered from or refunded to customers through the ratemaking process. The continued applicability of FAS 71 is assessed at each reporting period.

In the event that FPL's generating operations are no longer subject to the provisions of FAS 71, portions of the existing regulatory assets and liabilities that relate to generation would be written off unless regulators specify an alternative means of recovery or refund. The principal regulatory assets and liabilities are as follows:

	December 31, 1999	December 31, 1998
	(millions)	
Assets (included in other assets):		
Unamortized debt reacquisition costs	$ 12	$ -
Deferred Department of Energy assessment	$ 39	$ 44
Liabilities:		
Deferred regulatory credit - income taxes	$126	$148
Unamortized investment tax credits	$184	$205
Storm and property insurance reserve (see Note 12 - Insurance)	$216	$259

The amounts presented above exclude clause-related regulatory assets and liabilities that are recovered or refunded over twelve-month periods. These amounts are included in current assets and liabilities in the consolidated balance sheets. Further, other aspects of the business, such as generation assets and long-term power purchase commitments, would need to be reviewed to assess their recoverability in a changed regulatory environment. Since there is no deregulation proposal currently under consideration in Florida, FPL is unable to predict the impact of a change to a more competitive environment or when such a change might occur.

Almost half of the states, other than Florida, have enacted legislation or have state commissions that issued orders designed to deregulate the production and sale of electricity. By allowing customers to choose their electricity supplier, deregulation is expected to result in a shift from cost-based rates to market-based rates for energy production and other services provided to retail customers. Similar initiatives are also being pursued on the federal level. Although the legislation and initiatives vary substantially, common areas of focus include when market-based pricing will be available for wholesale and retail customers, what existing prudently incurred costs in excess of the market-based price will be recoverable and whether generation assets should be separated from transmission, distribution and other assets. It is generally believed transmission and distribution activities would remain regulated.

In December 1999, the FERC issued its final order on regional transmission organizations or RTOs. RTOs, under a variety of structures, provide for the independent operation of transmission systems for a given geographic area. The final order establishes guidelines for public utilities to use in considering and/or developing plans to initiate operations of RTOs. The order requires all public utilities to file with the FERC by October 15, 2000, a proposal for an RTO with certain minimum characteristics and functions to be operational by December 15, 2001, or alternatively, a description of efforts to participate in an RTO, any existing obstacles to RTO participation and any plans to work toward RTO participation. FPL is evaluating various alternatives for compliance with the order.

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Revenues and Rates - FPL's retail and wholesale utility rate schedules are approved by the FPSC and the FERC, respectively. FPL records unbilled base revenues for the estimated amount of energy delivered to customers but not yet billed. Unbilled base revenues are included in customer receivables and amounted to $130 million and $152 million at December 31, 1999 and 1998, respectively. Substantially all of the energy produced by FPL Energy's independent power projects is sold through long-term power sales agreements with utilities and revenue is recorded on an as-billed basis.

In 1999, the FPSC approved a three-year agreement among FPL, the State of Florida Office of Public Counsel (Public Counsel), The Florida Industrial Power Users Group (FIPUG) and The Coalition for Equitable Rates (Coalition) regarding FPL's retail base rates, authorized regulatory return on common equity (ROE), capital structure and other matters. The agreement, which became effective April 15, 1999, provides for a $350 million reduction in annual revenues from retail base operations allocated to all customers on a cents-per-kilowatt-hour basis. Additionally, the agreement sets forth a revenue sharing mechanism for each of the twelve-month periods covered by the agreement, whereby revenues from retail base operations in excess of a stated threshold will be shared on the basis of two-thirds refunded to retail customers and one-third retained by FPL. Revenues from retail base operations in excess of a second threshold will be refunded 100% to retail customers.

The thresholds are as follows:

	Twelve Months Ended April 14,		
	2000	2001	2002
		(millions)	
Threshold to refund 66 2/3% to customers	$3,400	$3,450	$3,500
Threshold to refund 100% to customers	$3,556	$3,606	$3,656

In addition, the agreement lowered FPL's authorized regulatory ROE range to 10% - 12%. During the term of the agreement, the achieved ROE may from time to time be outside the authorized range, and the revenue sharing mechanism described above is specified to be the appropriate and exclusive mechanism to address that circumstance. For purposes of calculating ROE, 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 purchased power contracts. Finally, the agreement established a new special depreciation program (see Electric Plant, Depreciation and Amortization) and includes provisions which limit depreciation rates, and accruals for nuclear decommissioning and fossil dismantlement costs, to currently approved levels and limit amounts recoverable under the environmental compliance cost recovery clause during the term of the agreement.

The agreement states that Public Counsel, FIPUG and Coalition 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 term of the agreement.

FPL's revenues include amounts resulting from cost recovery clauses, certain revenue taxes and franchise fees. Cost recovery clauses, which are designed to permit full recovery of certain costs and provide a return on certain assets utilized by these programs, include substantially all fuel, purchased power and interchange expenses, conservation- and environmental-related expenses and certain revenue taxes. Revenues from cost recovery clauses are recorded when billed; FPL achieves matching of costs and related revenues by deferring the net under or over recovery. Any under recovered costs or over recovered revenues are collected from or returned to customers in subsequent periods.

Electric Plant, Depreciation and Amortization - The cost of additions to units of utility property of FPL and FPL Energy is added to electric utility plant. In accordance with regulatory accounting, the cost of FPL's units of utility property retired, less net salvage, is charged to accumulated depreciation. Maintenance and repairs of property as well as replacements and renewals of items determined to be less than units of utility property are charged to other operations and maintenance (O&M) expenses. At December 31, 1999, the generating, transmission, distribution and general facilities of FPL represented approximately 45%, 13%, 35% and 7%, respectively, of FPL's gross investment in electric utility plant in service. Substantially all electric utility plant of FPL is subject to the lien of a mortgage securing FPL's first mortgage bonds.

Depreciation of electric property is primarily provided on a straight-line average remaining life basis. FPL includes in depreciation expense a provision for fossil plant dismantlement and nuclear plant decommissioning. For substantially all of FPL's property, depreciation and fossil fuel plant dismantlement studies are performed and filed with the FPSC at least every four years. In April 1999, the FPSC granted final approval of FPL's most recent depreciation studies, which were effective January 1, 1998. Fossil fuel plant dismantlement studies were filed in September 1998 and were effective January 1, 1999. The weighted annual composite depreciation rate for FPL's electric plant in service was approximately 4.3% for 1999, 4.4% for 1998 and 4.3% for 1997, excluding the effects of decommissioning and dismantlement. Further, these rates exclude the special and plant-related deferred cost amortization discussed below.

The agreement that reduced FPL's base rates (see Revenues and Rates) also allows 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/or fossil generating assets. Under this new depreciation program, FPL recorded approximately $70 million of special depreciation in 1999. The new depreciation program replaced a revenue-based special amortization program whereby FPL recorded as depreciation and amortization expense a fixed amount of $9 million in 1999 and $30 million in 1998 and 1997 for nuclear assets. FPL also recorded under this program variable amortization based on the actual level of retail base revenues compared to a fixed amount. The variable amounts recorded in 1999, 1998 and 1997 were $54 million, $348 million and $169 million, respectively. The 1998 and 1997 variable amounts include, as depreciation and amortization expense, $161 million and $169 million, respectively, for amortization of regulatory assets. The remaining variable amounts were applied against nuclear and fossil production assets. Additionally, FPL completed amortization of certain plant-related deferred costs by recording $24 million and $22 million, in 1998 and 1997, respectively. These costs are considered recoverable costs and are monitored through the monthly reporting process with the FPSC.

Nuclear Fuel - FPL leases nuclear fuel for all four of its nuclear units. Nuclear fuel lease expense was $83 million, $83 million and $85 million in 1999, 1998 and 1997, respectively. Included in this expense was an interest component of $8 million, $9 million and $9 million in 1999, 1998 and 1997, respectively. Nuclear fuel lease payments and a charge for spent nuclear fuel disposal are charged to fuel expense on a unit of production method. These costs are recovered through the fuel and purchased power cost recovery clause (fuel clause). Under certain circumstances of lease termination, FPL is required to purchase all nuclear fuel in whatever form at a purchase price designed to allow the lessor to recover its net investment cost in the fuel, which totaled $157 million at December 31, 1999. For ratemaking, these leases are classified as operating leases. For financial reporting, the capital lease obligation is recorded at the amount due in the event of lease termination.

Decommissioning and Dismantlement of Generating Plant - FPL accrues nuclear decommissioning costs over the expected service life of each unit. Nuclear decommissioning studies are performed at least every five years and are submitted to the FPSC for approval. In October 1998, FPL filed updated nuclear decommissioning studies with the FPSC. These studies assume prompt dismantlement for the Turkey Point Units Nos. 3 and 4 with decommissioning activities commencing in 2012 and 2013, respectively. Current plans call for St Lucie Unit No. 1 to be mothballed beginning in 2016 with decommissioning activities to be integrated with the prompt dismantlement of St. Lucie Unit No. 2 beginning in 2023. These studies also assume that FPL will be storing spent fuel on site pending removal to a U.S. Government facility. The studies, which are pending FPSC approval, indicate FPL's portion of the ultimate costs of decommissioning its four nuclear units, including costs associated with spent fuel storage, to be $7.3 billion. Decommissioning expense accruals included in depreciation and amortization expense, were $85 million in each of the years 1999, 1998 and 1997. FPL's portion of the ultimate cost of decommissioning its four units, expressed in 1999 dollars, is currently estimated to aggregate $1.7 billion. At December 31, 1999 and 1998, the accumulated provision for nuclear decommissioning totaled approximately $1.4 billion and $1.2 billion, respectively, and is included in accumulated depreciation. See Electric Plant, Depreciation and Amortization.

Similarly, FPL accrues the cost of dismantling its fossil fuel plants over the expected service life of each unit. Fossil dismantlement expense was $17 million in each of the years 1999, 1998 and 1997, and is included in depreciation and amortization expense. FPL's portion of the ultimate cost to dismantle its fossil units is $482 million. At December 31, 1999 and 1998, the accumulated provision for fossil dismantlement totaled $232 million and $185 million, respectively, and is included in accumulated depreciation. The dismantlement studies filed in 1998 indicated an estimated reserve deficiency of $38 million, which was recovered through the special amortization program. See Electric Plant, Depreciation and Amortization.

Restricted trust funds for the payment of future expenditures to decommission FPL's nuclear units are included in special use funds of FPL. Securities held in the decommissioning fund are carried at market value with market adjustments resulting in a corresponding adjustment to the accumulated provision for nuclear decommissioning. See Note 3 - Special Use Funds. Contributions to the funds are based on current period decommissioning expense. Additionally, fund earnings, net of taxes are reinvested in the funds. The tax effects of amounts not yet recognized for tax purposes are included in accumulated deferred income taxes.

Accrual for Major Maintenance Costs - Consistent with regulatory treatment, FPL's estimated nuclear maintenance costs for each nuclear unit's next planned outage are accrued over the period from the end of the last outage to the end of the next planned outage. The accrual for nuclear maintenance costs at December 31, 1999 and 1998 totaled $42 million and $31 million, respectively. Any difference between the estimated and actual costs are included in O&M expenses when known.

FPL Energy's estimated major maintenance costs for each unit's next planned outage are accrued over the period from the end of the last outage to the end of the next planned outage. The accrual for FPL Energy's major maintenance costs at December 31, 1999 and 1998 totaled $33 million and $2 million, respectively. Any difference between the estimated and actual costs are included in O&M expenses when known.

Construction Activity - In accordance with an FPSC rule, FPL is not permitted to capitalize interest or a return on common equity during construction, except for projects that cost in excess of 1/2% of the plant in service balance and will require more than one year to complete. The FPSC allows construction projects below that threshold as an element of rate base. FPL Group's unregulated operations capitalize interest on construction projects.

Storm and Property Insurance Reserve Fund (storm fund) - The storm fund provides coverage toward storm damage costs and possible retrospective premium assessments stemming from a nuclear incident under the various insurance programs covering FPL's nuclear generating plants. Securities held in the fund are carried at market value with market adjustments resulting in a corresponding adjustment to the storm and property insurance reserve. See Note 3 - Special Use Funds and Note 12 - Insurance. Fund earnings, net of taxes, are reinvested in the fund. The tax effects of amounts not yet recognized for tax purposes are included in accumulated deferred income taxes.

Other Investments - Included in other investments in FPL Group's consolidated balance sheets is FPL Group's participation in leveraged leases of $154 million at both December 31, 1999 and 1998. Additionally, other investments include notes receivable and non-controlling non-majority owned interests in partnerships and joint ventures, essentially all of which are accounted for under the equity method. See Note 3.

Cash Equivalents - Cash equivalents consist of short-term, highly liquid investments with original maturities of three months or less.

Retirement of Long-Term Debt - The excess of FPL's reacquisition cost over the book value of long-term debt is deferred and amortized to expense ratably over the remaining life of the original issue, which is consistent with its treatment in the ratemaking process. Through this amortization and amounts recorded under the special amortization program, the remaining balance of this regulatory asset was fully amortized in 1998. Retirements of debt, after the special amortization program terminated on April 14, 1999, resulted in additional reacquisition costs. See Regulation. FPL Group Capital Inc (FPL Group Capital) expenses this cost in the period incurred.

Income Taxes - Deferred income taxes are provided on all significant temporary differences between the financial statement and tax bases of assets and liabilities. FPL is included in the consolidated federal income tax return filed by FPL Group. FPL determines its income tax provision on the "separate return method." The deferred regulatory credit - income taxes of FPL represents the revenue equivalent of the difference in accumulated deferred income taxes computed under FAS 109, "Accounting for Income Taxes," as compared to regulatory accounting rules. This amount is being amortized in accordance with the regulatory treatment over the estimated lives of the assets or liabilities which resulted in the initial recognition of the deferred tax amount. Investment tax credits (ITC) for FPL are deferred and amortized to income over the approximate lives of the related property in accordance with the regulatory treatment. The special amortization program included amortization of regulatory assets related to income taxes of $59 million in 1997.

Accounting for Derivative Instruments and Hedging Activities - In June 1998, the Financial Accounting Standards Board issued FAS 133, "Accounting for Derivative Instruments and Hedging Activities." The statement establishes accounting and reporting standards requiring that every derivative instrument (including certain derivative instruments embedded in other contracts) be recorded in the balance sheet as either an asset or liability measured at its fair value. The statement requires that changes in the derivative's fair value be recognized currently in earnings unless specific hedge accounting criteria are met. FPL Group and FPL are currently assessing the effect, if any, on their financial statements of implementing FAS 133. FPL Group and FPL will be required to adopt FAS 133 beginning in 2001.

2. Employee Retirement Benefits

FPL Group and its subsidiaries sponsor a noncontributory defined benefit pension plan and defined benefit postretirement plans for health care and life insurance benefits (other benefits) for substantially all employees. The following tables provide a reconciliation of the changes in the plans' benefit obligations and fair value of assets over the two-year period ending September 30, 1999 and a statement of the funded status of both years:

	Pension Benefits		Other Benefits	
	1999	1998	1999	1998
	(millions)			
Change in benefit obligation:				
Obligation at October 1 of prior year	$1,173	$1,146	$ 345	$ 324
Service cost	46	45	6	5
Interest cost	71	75	21	21
Participant contributions	-	-	2	1
Plan amendments	-	8	-	-
Actuarial (gains) losses - net	(38)	34	(24)	10
Acquisitions	4	-	2	-
Benefit payments	(78)	(135)	(17)	(16)
Obligation at September 30	1,178	1,173	335	345
Change in plan assets:				
Fair value of plan assets at October 1 of prior year	2,329	2,287	115	125
Actual return on plan assets	310	184	12	7
Participant contributions	-	-	2	1
Benefit payments and expenses	(84)	(142)	(18)	(18)
Fair value of plan assets at September 30	2,555	2,329	111	115
Funded Status:				
Funded status at September 30	1,377	1,156	(224)	(230)
Unrecognized prior service cost	(89)	(100)	-	-
Unrecognized transition (asset) obligation	(117)	(140)	45	49
Unrecognized (gain) loss	(900)	(736)	7	34
Prepaid (accrued) benefit cost at FPL Group	$ 271	$ 180	$(172)	$ (147)
Prepaid (accrued) benefit cost at FPL	$ 263	$ 173	$(168)	$ (145)

The following table provides the components of net periodic benefit cost for the plans for the years ended December 31, 1999, 1998 and 1997:

	Pension Benefits			Other Benefits		
	1999	1998	1997	1999	1998	1997
	(millions)					
Service cost	$ 46	$ 45	$ 38	$ 6	$ 6	$ 6
Interest cost	71	75	76	21	21	21
Expected return on plan assets	(156)	(149)	(135)	(7)	(8)	(7)
Amortization of transition (asset) obligation.	(23)	(23)	(23)	3	3	3
Amortization of prior service cost	(8)	(8)	1	-	-	-
Amortization of losses (gains)	(22)	(21)	(26)	1	1	-
Net periodic (benefit) cost	(92)	(81)	(69)	24	23	23
Effect of Maine acquisition	-	-	-	2	-	-
Effect of special retirement program	-	-	18	-	-	-
Net periodic (benefit) cost at FPL Group	$ (92)	$ (81)	$ (51)	$ 26	$ 23	$ 23
Net periodic (benefit) cost at FPL	$ (89)	$ (80)	$ (50)	$ 23	$ 23	$ 23

The weighted-average discount rate used in determining the benefit obligations was 6.5% and 6.0% for 1999 and 1998, respectively. The assumed level of increase in future compensation levels was 5.5% for all years. The expected long-term rate of return on plan assets was 7.75% for all years.

Based on the current discount rates and current health care costs, the projected 2000 trend assumptions used to measure the expected cost of benefits covered by the plans are 6.2% and 5.6%, for persons prior to age 65 and over age 65, respectively. The rate is assumed to decrease over the next 3 years to the ultimate trend rate of 5% for all age groups and remain at that level thereafter.

Assumed health care cost trend rates can have a significant effect on the amounts reported for the health care plans. A 1% increase or decrease in assumed health care cost trend rates would have a corresponding effect on the service and interest cost components and the accumulated obligation of other benefits of approximately $1 million and $13 million, respectively.

3. Financial Instruments

The carrying amounts of cash equivalents and short-term debt approximate their fair values. At December 31, 1999 and 1998, other investments of FPL Group include $291 million and $72 million, respectively, of investments that are carried at estimated fair value or cost, which approximates fair value. The following estimates of the fair value of financial instruments have been made using available market information and other valuation methodologies. However, the use of different market assumptions or methods of valuation could result in different estimated fair values.

	December 31,			
	1999		1998	
	Carrying Amount	Estimated Fair Value	Carrying Amount	Estimated Fair Value
	(millions)			
Long-term debt of FPL (a)	$2,204	$2,123(b)	$2,421	$2,505(b)
Long-term debt of FPL Group (a)	$3,603	$3,518(b)	$2,706	$2,797(b)

(a) Includes current maturities.
(b) Based on quoted market prices for these or similar issues.

Special Use Funds - The special use funds consist of storm fund assets totaling $131 million and $160 million, and decommissioning fund assets totaling $1.220 billion and $1.046 billion at December 31, 1999 and 1998, respectively. Securities held in the special use funds are carried at estimated fair value. The nuclear decommissioning fund consists of approximately 40% equity securities and 60% municipal, government, corporate and mortgage- and other asset-backed debt securities with a weighted-average maturity of approximately ten years. The storm fund primarily consists of municipal debt securities with a weighted-average maturity of approximately four years. The cost of securities sold is determined on the specific identification method. The funds had approximate realized gains of $32 million and approximate realized losses of $22 million in 1999, $24 million and $4 million in 1998 and $3 million and $2 million in 1997, respectively. The funds had unrealized gains of approximately $286 million and $210 million at December 31, 1999 and 1998, respectively; the unrealized losses at those dates were approximately $17 million and $2 million. The proceeds from the sale of securities in 1999, 1998 and 1997 were approximately $2.7 billion, $1.2 billion and $800 million, respectively.

4. Common Stock

Common Stock Dividend Restrictions - FPL Group's charter does not limit the dividends that may be paid on its common stock. As a practical matter, the ability of FPL Group to pay dividends on its common stock is dependent upon dividends paid to it by its subsidiaries, primarily FPL. FPL's charter and a mortgage securing FPL's first mortgage bonds contain provisions that, under certain conditions, restrict the payment of dividends and other distributions to FPL Group. These restrictions do not currently limit FPL's ability to pay dividends to FPL Group. In 1999, 1998 and 1997, FPL paid, as dividends to FPL Group, its net income available to FPL Group on a one-month lag basis.

Employee Stock Ownership Plan (ESOP) - The employee thrift plans of FPL Group include a leveraged ESOP feature. Shares of common stock held by the Trust for the thrift plans (Trust) are used to provide all or a portion of the employers' matching contributions. Dividends received on all shares, along with cash contributions from the employers, are used to pay principal and interest on an ESOP loan held by FPL Group Capital. Dividends on shares allocated to employee accounts and used by the Trust for debt service are replaced with an equivalent amount of shares of common stock at prevailing market prices.

ESOP-related compensation expense of approximately $21 million in 1999 and $19 million in each of the years 1998 and 1997 was recognized based on the fair value of shares allocated to employee accounts during the period. Interest income on the ESOP loan is eliminated in consolidation. ESOP-related unearned compensation included as a reduction of shareholders' equity at December 31, 1999 was approximately $233 million, representing 8 million unallocated shares at the original issue price of $29 per share. The fair value of the ESOP-related unearned compensation account using the closing price of FPL Group stock as of December 31, 1999 was approximately $344 million.

Long-Term Incentive Plan - As of December 31, 1999, 9 million shares of common stock are reserved and available for awards to officers and employees of FPL Group and its subsidiaries under FPL Group's long-term incentive plan. Restricted stock is issued at market value at the date of grant, typically vests within four years and is subject to, among other things, restrictions on transferability. Performance share awards are typically payable at the end of a three- or four-year performance period and are subject to risk of forfeiture if the specified performance criteria is not met within the restriction period. The changes in share awards under the incentive plan are as follows:

	Restricted Stock	Performance Shares (a)	Options (a)
Balances, December 31, 1996	166,300	311,527	-
Granted	71,000(b)	212,011(c)	-
Paid/released	-	(70,008)	-
Forfeited	(17,750)	(10,942)	-
Balances, December 31, 1997	219,550	442,588	-
Granted	19,500(b)	178,518(c)	-
Paid/released	-	(80,920)	-
Forfeited	(22,250)	(29,566)	-
Balances, December 31, 1998	216,800	510,620	-
Granted	210,100(b)	294,662(c)	1,300,000(d)
Paid/released	-	(78,640)	-
Forfeited	(13,500)	(80,027)	(200,000)
Balances, December 31, 1999	413,400	646,615	1,100,000(e)

(a) Performance shares and options resulted in approximately 253,000, 128,000 and 132,000 assumed incremental shares of common stock outstanding for purposes of computing diluted earnings per share in 1999, 1998 and 1997, respectively. These incremental shares did not change basic earnings per share.
(b) The weighted-average grant date fair value of restricted stock granted in 1999, 1998 and 1997 was $53.21, $61.89 and $55.25, respectively.
(c) The weighted-average grant date fair value of performance shares granted in 1999, 1998 and 1997 was $61.19, $59.19 and $45.63, respectively.
(d) The weighted-average grant date fair value of options granted in 1999 was $51.59. The exercise price of each option granted in 1999 equaled the market price of FPL Group stock on the date of grant.
(e) Exercise prices for options outstanding as of December 31, 1999, ranged from $51.16 to $54.38 with a weighted-average exercise price of $51.59 and a weighted-average remaining contractual life of 8.6 years. As of December 31, 1999, there were no exercisable options. Of the options outstanding as of December 31, 1999, 225,000 vest in 2000, 475,000 in 2001, 200,000 in 2002 and 200,000 in 2003.

FAS 123, "Accounting for Stock-Based Compensation," encourages a fair value based method of accounting for stock-based compensation. FPL Group, however, uses the intrinsic value based method of accounting as permitted by the statement. Stock-based compensation expense was approximately $13 million, $10 million and $8 million in 1999, 1998 and 1997, respectively. Compensation expense for restricted stock and performance shares is the same under the fair value and the intrinsic value based methods. Had compensation expense for the options been determined as prescribed by the fair value based method, FPL Group's net income and earnings per share would have been $696 million and $4.06, respectively.

The fair value of the options granted in 1999 were estimated on the date of the grant using the Black-Scholes option-pricing model with a 3.81% weighted-average expected dividend yield, 17.88% weighted-average expected volatility, 5.46% weighted-average risk-free interest rate and a weighted-average expected term of 9.3 years.

Other - Each share of common stock has been granted a Preferred Share Purchase Right (Right), at a price of $120, subject to adjustment, in the event of certain attempted business combinations. The Rights will cause substantial dilution to a person or group attempting to acquire FPL Group on terms not approved by FPL Group's board of directors.

5. Preferred Stock

FPL Group's charter authorizes the issuance of 100 million shares of serial preferred stock, $0.01 par value. None of these shares is outstanding. FPL Group has reserved 3 million shares for issuance upon exercise of preferred share purchase rights which expire in June 2006. Preferred stock of FPL consists of the following: (a)

	December 31, 1999 Shares Outstanding	December 31, 1999 Redemption Price	December 31, 1999 (millions)	December 31, 1998 (millions)
Cumulative, $100 Par Value, without sinking fund requirements, authorized 15,822,500 shares:				
4 1/2% Series	100,000	$101.00	$ 10	$ 10
4 1/2% Series A	50,000	$101.00	5	5
4 1/2% Series B	50,000	$101.00	5	5
4 1/2% Series C	62,500	$103.00	6	6
4.32% Series D	50,000	$103.50	5	5
4.35% Series E	50,000	$102.00	5	5
6.98% Series S	750,000	$103.49(b)	75	75
7.05% Series T	500,000	$103.52(b)	50	50
6.75% Series U	650,000	$103.37(b)	65	65
Total preferred stock of FPL	2,262,500		$226	$226

(a) FPL's charter authorizes the issuance of 5 million shares of subordinated preferred stock, no par value. None of these shares is outstanding. There were no issuances or redemptions of preferred stock in 1999, 1998 and 1997.

(b) Not callable prior to 2003.

6. Debt

Long-term debt consists of the following:

	December 31, 1999 (millions)	December 31, 1998 (millions)
FPL:		
First mortgage bonds:		
Maturing through 2004 - 5 3/8% to 6 7/8%	$ 350	$ 580
Maturing 2008 through 2016 - 5 7/8% to 7 7/8%	650	641
Maturing 2023 through 2026 - 7% to 7 3/4%	516	516
Medium-term notes - maturing 2003 - 5.79%	70	70
Pollution control and industrial development series - maturing 2020 through 2027 - 6.7% to 7.5%	150	150
Pollution control, solid waste disposal and industrial development revenue bonds - maturing 2020 through 2029 - variable, 3.4% and 3.6% average annual interest rate, respectively	483	483
Unamortized discount - net	(15)	(19)
Total long-term debt of FPL	2,204	2,421
Less current maturities	125	230
Long-term debt of FPL, excluding current maturities	2,079	2,191
FPL Group Capital:		
Debentures:		
Maturing through 2004 - 6 7/8%	175	-
Maturing 2006 through 2013 - 7 3/8% to 7 5/8% (a)	1,225	125
Other long-term debt - 3.4% to 7.645% due various dates to 2018	5	162
Unamortized discount	(6)	(2)
Total long-term debt of FPL Group Capital	1,399	285
Less current maturities	-	129
Long-term debt of FPL Group Capital, excluding current maturities	1,399	156
Total long-term debt	$3,478	$2,347

(a) In December 1999, FPL Group Capital issued $400 million principal amount of 7 3/8% debentures, maturing in 2009.

Minimum annual maturities of long-term debt for FPL Group are approximately $125 million, $170 million and $300 million for 2000, 2003 and 2004, respectively. The amounts for FPL for the same periods are $125 million, $170 million and $125 million, respectively. FPL Group and FPL have no amounts due in 2001 and 2002.

Short-term debt at December 31, 1999 consists of commercial paper borrowings with a year end weighted-average interest rate of 5.60% for FPL Group (5.87% for FPL). Available lines of credit aggregated approximately $2.4 billion ($880 million for FPL) at December 31, 1999, all of which were based on firm commitments.

7. Income Taxes

The components of income taxes are as follows:

	FPL Group Years Ended December 31,			FPL Years Ended December 31,		
	1999	1998	1997	1999	1998	1997
	(millions)					
Federal:						
Current	$511	$467	$308	$383	$492	$377
Deferred	(196)	(215)	(34)	(88)	(169)	(83)
ITC and other - net	(29)	(27)	(22)	(21)	(24)	(22)
Total federal	286	225	252	274	299	272
State:						
Current	55	72	52	62	78	60
Deferred	(18)	(18)	-	(9)	(21)	(3)
Total state	37	54	52	53	57	57
Income taxes charged to operations - FPL				327	356	329
Credited to other income (deductions) - FPL				(3)	(7)	(8)
Total income taxes	$323	$279	$304	$324	$349	$321

A reconciliation between the effective income tax rates and the applicable statutory rates is as follows:

	FPL Group Years Ended December 31,			FPL Years Ended December 31,		
	1999	1998	1997	1999	1998	1997
Statutory federal income tax rate	35.0%	35.0%	35.0%	35.0%	35.0%	35.0%
Increases (reductions) resulting from:						
State income taxes - net of federal income tax benefit	2.4	3.7	3.7	3.8	3.7	3.9
Amortization of ITC	(2.1)	(2.5)	(2.4)	(2.3)	(2.4)	(2.3)
Amortization of deferred regulatory credit - income taxes	(1.3)	(1.8)	(1.8)	(1.5)	(1.7)	(1.8)
Adjustments of prior years' tax matters	(2.7)	(6.3)(a)	(2.7)	(0.1)	0.1	(1.7)
Preferred stock dividends - FPL	0.5	0.5	0.7	-	-	-
Other - net	(0.2)	1.0	0.5	0.5	0.9	0.8
Effective income tax rate	31.6%	29.6%	33.0%	35.4%	35.6%	33.9%

(a) Includes the resolution of an audit issue with the Internal Revenue Service (IRS).

The income tax effects of temporary differences giving rise to consolidated deferred income tax liabilities and assets are as follows:

	FPL Group December 31,		FPL December 31,	
	1999	1998	1999	1998
	(millions)			
Deferred tax liabilities:				
Property-related	$1,377	$1,493	$1,377	$1,493
Investment-related	373	460	-	-
Other	312	255	168	140
Total deferred tax liabilities	2,062	2,208	1,545	1,633
Deferred tax assets and valuation allowance:				
Asset writedowns and capital loss carryforward	170	102	-	-
Unamortized ITC and deferred regulatory credit - income taxes	119	136	119	136
Storm and decommissioning reserves	245	258	245	258
Other	472	473	379	352
Valuation allowance	(23)	(16)	-	-
Net deferred tax assets	983	953	743	746
Accumulated deferred income taxes	$1,079	$1,255	$ 802	$ 887

The carryforward period for a capital loss from the disposition in a prior year of an FPL Group Capital subsidiary expired at the end of 1996. The amount of the deductible loss from this disposition was limited by IRS rules. FPL Group is challenging the IRS loss limitation and the IRS is disputing certain other positions taken by FPL Group. Tax benefits, if any, associated with these matters will be reported in future periods when resolved.

8. Jointly-Owned Electric Utility Plant

FPL owns approximately 85% of St. Lucie Unit No. 2, 20% of the St. Johns River Power Park units and coal terminal and approximately 76% of Scherer Unit No. 4. At December 31, 1999, FPL's gross investment in these units was $1.174 billion, $328 million and $571 million, respectively; accumulated depreciation was $710 million, $155 million and $266 million, respectively.

FPL is responsible for its share of the operating costs, as well as providing its own financing. At December 31, 1999, there was no significant balance of construction work in progress on these facilities. See Note 12 - Litigation.

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9. Acquisition of Maine Assets

During the second quarter of 1999, FPL Energy completed the purchase of Central Maine Power Company's (CMP) non-nuclear generating assets, primarily fossil and hydro power plants, for $866 million. The purchase price was based on an agreement, subject to regulatory approvals, reached with CMP in January 1998. In October 1998, the FERC struck down transmission rules that had been in effect in New England since the 1970s. FPL Energy filed a lawsuit in November 1998 requesting a declaratory judgment that CMP could not meet the essential terms of the purchase agreement and, as a result, FPL Energy should not be required to complete the transaction. FPL Energy believed these FERC rulings regarding transmission constituted a material adverse effect under the purchase agreement because of the significant decline in the value of the assets caused by the rulings. The request for declaratory judgment was denied in March 1999 and the acquisition was completed on April 7, 1999. The acquisition was accounted for under the purchase method of accounting and the results of operating the Maine plants have been included in the consolidated financial statements since the acquisition date.

The FERC rulings regarding transmission, as well as the announcement of new entrants into the market and changes in fuel prices since January 1998, resulted in FPL Energy recording a $176 million pre-tax impairment loss to write-down the fossil assets to their fair value, which was determined based on a discounted cash flow analysis. The impairment loss reduced FPL Group's 1999 results of operations and earnings per share by $104 million and $0.61 per share, respectively.

Most of the remainder of the purchase price was allocated to the hydro operations. The hydro plants and related goodwill are being amortized on a straight-line basis over the 40-year term of the hydro plant operating licenses.

10. Divestiture of Cable Investments

In January 1999, an FPL Group Capital subsidiary sold 3.5 million common shares of Adelphia Communications Corporation (Adelphia) stock and in October 1999 had its one-third ownership interest in a cable limited partnership redeemed, resulting in after-tax gains of approximately $96 million and $66 million, respectively. Both investments had been accounted for on the equity method.

11. Settlement of Litigation

In October 1999, FPL and the Florida Municipal Power Agency (FMPA) entered into a settlement agreement pursuant to which FPL agreed to pay FMPA a cash settlement; FPL agreed to reduce the demand charge on an existing power purchase agreement; and FPL and FMPA agreed to enter into a new power purchase agreement giving FMPA the right to purchase limited amounts of power in the future at a specified price. FMPA agreed to dismiss the lawsuit with prejudice, and both parties agreed to exchange mutual releases. The settlement reduced FPL's 1999 net income by $42 million.

12. Commitments and Contingencies

Commitments - FPL has made commitments in connection with a portion of its projected capital expenditures. Capital expenditures for the construction or acquisition of additional facilities and equipment to meet customer demand are estimated to be approximately $3.1 billion for 2000 through 2002. Included in this three-year forecast are capital expenditures for 2000 of approximately $1.3 billion. As of December 31, 1999, FPL Energy has made commitments totaling approximately $72 million, primarily in connection with the development of an independent power project. FPL Group and its subsidiaries, other than FPL, have guaranteed approximately $680 million of purchased power agreement obligations, debt service payments and other payments subject to certain contingencies.

Insurance - Liability for accidents at nuclear power plants is governed by the Price-Anderson Act, which limits the liability of nuclear reactor owners to the amount of the insurance available from private sources and under an industry retrospective payment plan. In accordance with this Act, FPL maintains $200 million of private liability insurance, which is the maximum obtainable, and participates in a secondary financial protection system under which it is subject to retrospective assessments of up to $363 million per incident at any nuclear utility reactor in the United States, payable at a rate not to exceed $43 million per incident per year.

FPL participates in nuclear insurance mutual companies that provide $2.75 billion of limited insurance coverage for property damage, decontamination and premature decommissioning risks at its nuclear plants. The proceeds from such insurance, however, must first be used for reactor stabilization and site decontamination before they can be used for plant repair. FPL also participates in an insurance program that provides limited coverage for replacement power costs if a nuclear plant is out of service because of an accident. In the event of an accident at one of FPL's or another participating insured's nuclear plants, FPL could be assessed up to $50 million in retrospective premiums.

In the event of a catastrophic loss at one of FPL's nuclear plants, the amount of insurance available may not be adequate to cover property damage and other expenses incurred. Uninsured losses, to the extent not recovered through rates, would be borne by FPL and could have a material adverse effect on FPL Group's and FPL's financial condition.

FPL self-insures the majority of its transmission and distribution (T&D) property due to the high cost and limited coverage available from third-party insurers. As approved by the FPSC, FPL maintains a funded storm and property insurance reserve, which totaled approximately $216 million at December 31, 1999, for T&D property storm damage or assessments under the nuclear insurance program. During 1999, storm fund reserves were reduced to recover the costs associated with three storms. Recovery from customers of any losses in excess of the storm and property insurance reserve will require the approval of the FPSC. FPL's available lines of credit include $300 million to provide additional liquidity in the event of a T&D property loss.

Contracts - FPL has entered into long-term purchased power and fuel contracts. Take-or-pay purchased power contracts with the Jacksonville Electric Authority (JEA) and with subsidiaries of The Southern Company (Southern Companies) provide approximately 1,300 megawatts (mw) of power through mid-2010 and 383 mw thereafter through 2021. FPL also has various firm pay-for-performance contracts to purchase approximately 900 mw from certain cogenerators and small power producers (qualifying facilities) with expiration dates ranging from 2002 through 2026. The purchased power contracts provide for capacity and energy payments. Energy payments are based on the actual power taken under these contracts. Capacity payments for the pay-for-performance contracts are subject to the qualifying facilities meeting certain contract conditions. FPL has long-term contracts for the transportation and supply of natural gas, coal and oil with various expiration dates through 2021. FPL Energy has long-term contracts for the transportation and storage of natural gas with expiration dates ranging from 2005 through 2017, and a 24-month contract commencing in mid-2000 for the supply of natural gas.

The required capacity and minimum payments through 2004 under these contracts are estimated to be as follows:

	2000	2001	2002 (millions)	2003	2004
FPL:					
Capacity payments:					
JEA and Southern Companies	$210	$210	$210	$200	$200
Qualifying facilities (a)	$370	$380	$400	$410	$425
Minimum payments, at projected prices:					
Natural gas, including transportation	$205	$235	$255	$255	$260
Coal	$ 50	$ 45	$ 45	$ 20	$ 10
Oil	$165	$165	$ 10	$ -	$ -
FPL Energy:					
Natural gas, including transportation and storage	$ 20	$ 20	$ 20	$ 15	$ 15

(a) Includes approximately $42 million, $44 million, $47 million, $49 million and $50 million, respectively, for capacity payments associated with two contracts that are currently in dispute. These capacity payments are subject to the outcome of the related litigation. See Litigation.

Charges under these contracts were as follows:

	1999 Charges		1998 Charges (millions)		1997 Charges	
	Capacity	Energy/ Fuel	Capacity	Energy/ Fuel	Capacity	Energy/ Fuel
FPL:						
JEA and Southern Companies	$186(a)	$132(b)	$192(a)	$138(b)	$201(a)	$153(b)
Qualifying facilities	$319(c)	$121(b)	$299(c)	$108(b)	$296(c)	$128(b)
Natural gas, including transportation	$ -	$373(b)	$ -	$280(b)	$ -	$413(b)
Coal	$ -	$ 43(b)	$ -	$ 50(b)	$ -	$ 52(b)
Oil	$ -	$115(b)	$ -	$ -	$ -	$ -
FPL Energy:						
Natural gas transportation and storage	$ -	$ 16	$ -	$ 18	$ -	$ 16

(a) Recovered through base rates and the capacity cost recovery clause (capacity clause).
(b) Recovered through the fuel and purchased power cost recovery clause.
(c) Recovered through the capacity clause.

Litigation - In 1997, FPL filed a complaint against the owners of two qualifying facilities (plant owners) seeking an order declaring that FPL's obligations under the power purchase agreements with the qualifying facilities were rendered of no force and effect because the power plants failed to accomplish commercial operation before January 1, 1997, as required by the agreements. In 1997, the plant owners filed for bankruptcy under Chapter XI of the U.S. Bankruptcy Code and entered into an agreement with the holders of more than 70% of the bonds that partially financed the construction of the plants. This agreement gives the holders of a majority of the principal amount of the bonds (the majority bondholders) the right to control, fund and manage any litigation against FPL and the right to settle with FPL on any terms such majority bondholders approve, provided that certain agreements are not affected and certain conditions are met. In 1998, the plant owners (through the attorneys for the majority bondholders) filed an answer denying the allegations in FPL's complaint and asserting counterclaims for approximately $2 billion, consisting of all capacity payments that could have been made over the 30-year term of the power purchase agreements and three times their actual damages for alleged violations of Florida antitrust laws by FPL, FPL Group and FPL Group Capital, plus attorneys' fees. The trial court dismissed all of the partnerships' antitrust claims. In 1999, the partnerships' motion for summary judgment was denied; they have appealed.

A contract with Cedar Bay Generating Company, L.P. (Cedar Bay), a qualifying facility, provides FPL with the right to dispatch the Cedar Bay facility "in any manner it deems appropriate." Despite this contractual right, Cedar Bay initiated an action in 1997 in the circuit court challenging, among other things, the manner in which the facility had been dispatched by FPL. Although the court granted summary judgment to FPL with regard to Cedar Bay's claim that FPL's dispatch decisions violated the express terms of the contract, it permitted a jury to hear Cedar Bay's claim that such dispatch decisions violated an implied duty of good faith and fair dealing. The jury awarded Cedar Bay approximately $13 million on this claim. Thereafter, the court entered a declaration that FPL was, in the future, to dispatch the Cedar Bay facility in accordance with certain specified parameters. FPL expects to recover the amount of this judgment through the capacity clause.

FPL has appealed both the jury award and the court's declaration. In 1999, after FPL filed its notice of appeal in the Cedar Bay action, a lender, on behalf of itself and a group of other Cedar Bay lenders, filed an action against FPL in the circuit court alleging breach of contract, breach of an implied duty of good faith and fair dealing, fraud, tortious interference with contract and several other claims regarding the manner in which FPL has dispatched the Cedar Bay facility. It seeks unspecified damages and other relief. FPL has moved to dismiss all counts of this complaint.

In 1999, the Attorney General of the United States, on behalf of the U.S. Environmental Protection Agency (EPA) brought an action against Georgia Power Company and other subsidiaries of The Southern Company for injunctive relief and the assessment of civil penalties for certain violations of the Clean Air Act. Among other things, the EPA alleges Georgia Power Company constructed and is continuing to operate Scherer Unit No. 4, in which FPL owns a 76% interest, without obtaining proper permitting, and without complying with performance and technology standards as required by the Clean Air Act. The suit seeks injunctive relief requiring the installation of such technology and civil penalties of up to $25,000 per day for each violation from August 7, 1977 through January 30, 1997, and $27,000 per day for each violation thereafter. Georgia Power has filed an answer to the complaint asserting that it has complied with all requirements of the Clean Air Act, denying the plaintiff's allegations of liability, denying that the plaintiff is entitled to any of the relief that it seeks and raising various other defenses.

FPL Group and FPL believe that they have meritorious defenses to the litigation and are vigorously defending the suits. Accordingly, the liabilities, if any, arising from the proceedings are not anticipated to have a material adverse effect on their financial statements.

13. Subsequent Event

FPL FiberNet, LLC (FPL FiberNet) was formed in January 2000 to enhance the value of FPL Group's fiber-optic network assets that were originally built to support FPL operations. FPL's existing fiber-optic net assets with a net book value of approximately $100 million were transferred to FPL FiberNet in January 2000. FPL FiberNet will sell wholesale fiber-optic network capacity to FPL and other new and existing customers, primarily telephone, cable television, internet and other telecommunications companies.

14. Segment Information

FPL Group's reportable segments include FPL, a regulated utility, and FPL Energy, an unregulated energy generating subsidiary. Corporate and other represents other business activities, other segments that are not separately reportable and eliminating entries. For all years presented approximately 98% of FPL Group's operating revenues were derived from the sale of electricity in the United States. As of December 31, 1999 and 1998, less than 1% of long-lived assets were located in foreign countries.

FPL Group's segment information is as follows:

	1999				1998 (millions)				1997			
	FPL	(a) FPL Energy	Corp. and Other	Total	FPL	(a) FPL Energy	Corp. and Other	Total	FPL	(a) FPL Energy	Corp. and Other	Total
Operating revenues	$ 6,057	$ 323	$ 58	$ 6,438	$ 6,366	$ 234	$ 61	$ 6,661	$ 6,132	$189	$ 48	$ 6,369
Interest expense ..	$ 164	$ 44	$ 14	$ 222	$ 196	$ 84	$ 42	$ 322	$ 227	$ 49	$ 15	$ 291
Depreciation and amortization	$ 989	$ 34	$ 17	$ 1,040	$ 1,249	$ 31	$ 4	$ 1,284	$ 1,034	$ 22	$ 5	$ 1,061
Equity in earnings of equity method investees	$ -	$ 50	$ -	$ 50	$ -	$ 39	$ -	$ 39	$ -	$ 12	$ 2	$ 14
Income tax expense (benefit)(b)	$ 324	$ (42)	$ 41	$ 323	$ 349	$ 24	$(94)	$ 279	$ 321	$ 5	$(22)	$ 304
Net income (loss)(c)	$ 576	$ (46)	$167	$ 697	$ 616	$ 32	$ 16	$ 664	$ 608	$ 9	$ 1	$ 618
Significant noncash items	$ 86	$ -	$ -	$ 86	$ 34	$ -	$ -	$ 34	$ 81	$420	$ -	$ 501
Capital expenditures and investments	$ 924	$1,540	$ 15	$ 2,479	$ 617	$ 313	$ 16	$ 946	$ 551	$291	$ -	$ 842
Total assets	$11,231	$2,212	$ (2)	$13,441	$10,748	$1,092	$189	$12,029	$11,172	$912	$365	$12,449
Investment in equity method investees	$ -	$ 166	$ -	$ 166	$ -	$ 165	$ -	$ 165	$ -	$ 74	$ 2	$ 76

(a) In 1999 and 1998, FPL Energy's interest expense was based on an assumed capital structure of 50% debt for operating projects and 100% debt for projects under construction. FPL Energy's 1998 interest expense also includes the cost of terminating an interest rate swap agreement. FPL Energy's 1997 interest expense was related to its outstanding debt, which exceeded the assumed capital structure.

(b) FPL Group allocates income taxes to FPL Energy on a "separate return method" as if it were a tax paying entity.

(c) The following nonrecurring items affected 1999 net income: FPL settled litigation (see Note 11); FPL Energy recorded an impairment loss (see Note 9); and Corporate and Other divested its cable investments (see Note 10).

15. Summarized Financial Information of FPL Group Capital

FPL Group Capital's debentures, when outstanding, are guaranteed by FPL Group and included in FPL Group's consolidated balance sheets. Summarized financial information of FPL Group Capital is as follows:

	1999	1998 (millions)	1997
Operating revenues	$380	$295	$237
Operating expenses	$533	$225	$186
Gain on divestiture of cable investments ..	$257	$ -	$ -
Net income	$138	$ 68	$ 27

	1999 (millions)	1998
Current assets	$ 640	$ 317
Noncurrent assets	$2,627	$1,445
Current liabilities	$ 414	$ 310
Noncurrent liabilities ..	$1,840	$ 703

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16. Quarterly Data (Unaudited)

Condensed consolidated quarterly financial information for 1999 and 1998 is as follows:

	March 31 (a)	June 30 (a)	September 30 (a)	December 31 (a)
	(millions, except per share amounts)			
FPL Group:				
1999				
Operating revenues	$ 1,412	$ 1,614	$ 1,892	$ 1,520
Operating income	$ 208	$ 135(b)	$ 470	$ 107(c)
Net income	$ 209(d)	$ 77(b)	$ 291	$ 120(c)(e)
Earnings per share(f)	$ 1.22(d)	$ 0.45(b)	$ 1.70	$ 0.71(c)(e)
Dividends per share	$ 0.52	$ 0.52	$ 0.52	$ 0.52
High-low common stock sales prices	$61 15/16-50 1/8	$ 60 1/2-52 7/8	$56 11/16-49 1/8	$ 52 1/2-41 1/8
1998				
Operating revenues	$ 1,338	$ 1,692	$ 1,999	$ 1,632
Operating income	$ 218	$ 317	$ 528	$ 189
Net income	$ 108	$ 176	$ 287	$ 93(g)
Earnings per share(f)	$ 0.63	$ 1.02	$ 1.66	$ 0.54(g)
Dividends per share	$ 0.50	$ 0.50	$ 0.50	$ 0.50
High-low common stock sales prices	$65 3/16-56 1/16	$65 5/8-58 11/16	$ 70-59 11/16	$ 72 9/16-60 1/2
FPL:				
1999				
Operating revenues	$ 1,359	$ 1,511	$ 1,769	$ 1,418
Operating income	$ 150	$ 207	$ 303	$ 86(c)
Net income	$ 108	$ 167	$ 268	$ 48(c)
Net income available to FPL Group	$ 104	$ 163	$ 264	$ 45(c)
1998				
Operating revenues	$ 1,295	$ 1,634	$ 1,878	$ 1,559
Operating income	$ 159	$ 216	$ 314	$ 138
Net income	$ 107	$ 167	$ 267	$ 90
Net income available to FPL Group	$ 103	$ 163	$ 263	$ 87

(a) In the opinion of FPL Group and FPL, all adjustments, which consist of normal recurring accruals necessary to present a fair statement of the amounts shown for such periods, have been made. Results of operations for an interim period may not give a true indication of results for the year.
(b) Includes impairment loss on Maine assets.
(c) Includes the settlement of litigation between FPL and FMPA.
(d) Includes gain on the sale of an investment in Adelphia common stock.
(e) Includes gain on the redemption of a one-third ownership interest in a cable limited partnership.
(f) Basic and assuming dilution. The sum of the quarterly amounts may not equal the total for the year due to rounding.
(g) Includes a loss on the sale of Turner Foods Corporation and the cost of terminating an agreement designed to fix interest rates, partly offset by the favorable resolution of an audit issue with the IRS.

Item 9. Changes in and Disagreements With Accountants on Accounting and Financial Disclosure

None

PART III

Item 10. Directors and Executive Officers of the Registrants

FPL Group - The information required by this Item will be included in FPL Group's Proxy Statement which will be filed with the Securities and Exchange Commission in connection with the 2000 Annual Meeting of Shareholders (FPL Group's Proxy Statement) and is incorporated herein by reference, or is included in Item I. Business - Executive Officers of the Registrants.

FPL DIRECTORS(a)

James L. Broadhead. Mr. Broadhead, 64, is chairman and chief executive officer of FPL and FPL Group. He is a director of Delta Air Lines, Inc., New York Life Insurance Company and The Pittston Company, and a trustee of Cornell University. Mr. Broadhead has been a director of FPL and FPL Group since 1989.

Dennis P. Coyle. Mr. Coyle, 61, is general counsel and secretary of FPL and FPL Group. He is a director of Adelphia Communications Corporation. Mr. Coyle has been a director of FPL since 1990.

Paul J. Evanson. Mr. Evanson, 58, is the president of FPL. He is a director of Lynch Interactive Corporation. Mr. Evanson has been a director of FPL since 1992 and a director of FPL Group since 1995.

Lewis Hay, III. Mr. Hay, 44, is senior vice president, finance and chief financial officer of FPL and vice president, finance and chief financial officer of FPL Group. Mr. Hay has been a director of FPL since 1999.

Lawrence J. Kelleher. Mr. Kelleher, 52, is senior vice president, human resources of FPL and vice president, human resources of FPL Group. Mr. Kelleher has been a director of FPL since 1990.

Armando J. Olivera. Mr. Olivera, 50, is senior vice president, power systems of FPL. Mr. Olivera has been a director of FPL since 1999.

Thomas F. Plunkett. Mr. Plunkett, 60, is president of FPL's nuclear division. Mr. Plunkett has been a director of FPL since 1996.

Antonio Rodriguez. Mr. Rodriguez, 57, is senior vice president, power generation of FPL. Mr. Rodriguez has been a director of FPL since 1999.

(a) Directors are elected annually and serve until their resignation, removal or until their respective successors are elected. Each director's business experience during the past five years is noted either here or in the Executive Officers table in Item 1. Business - Executive Officers of the Registrants.

Item 11. Executive Compensation

FPL Group - The information required by this Item will be included in FPL Group's Proxy Statement and is incorporated herein by reference, provided that the Compensation Committee Report and Performance Graph which are contained in FPL Group's Proxy Statement shall not be deemed to be incorporated herein by reference.

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FPL - The following table sets forth FPL's portion of the compensation paid during the past three years to FPL's chief executive officer and the other four most highly-compensated persons who served as executive officers of FPL at December 31, 1999.

SUMMARY COMPENSATION TABLE

		Annual Compensation			Long-Term Compensation			
Name and Principal Position	Year	Salary	Bonus	Other Annual Compen-sation	Restricted Stock Awards(a)	Number of Securities Underlying Options	Long-Term Incentive Plan Payouts(b)	All Other Compen-sation(c)
James L. Broadhead Chairman of the Board and Chief Executive Officer of FPL and FPL Group	1999	$943,000	$895,850	$18,809	$2,412,005	250,000	$1,083,272	$12,658
	1998	847,875	937,125	9,809	-	-	1,788,731	12,009
	1997	846,000	824,850	9,813	-	-	1,402,140	11,286
Paul J. Evanson President of FPL	1999	628,500	616,900	8,656	1,278,900	150,000	458,985	13,539
	1998	592,500	546,900	2,785	-	-	704,304	13,746
	1997	564,300	423,200	2,646	-	-	306,741	15,233
Dennis P. Coyle General Counsel and Secretary of FPL and FPL Group	1999	399,832	259,891	7,964	964,802	100,000	236,783	10,259
	1998	357,000	257,040	595	-	-	368,079	9,737
	1997	353,628	198,904	3,600	-	-	310,021	10,653
Thomas F. Plunkett President, Nuclear Division of FPL	1999	340,000	219,100	10,088	255,780	100,000	179,564	10,146
	1998	302,500	177,900	3,482	-	-	103,481	10,344
	1997	275,000	123,200	3,482	-	-	82,128	11,899
Lawrence J. Kelleher Senior Vice President, Human Resources of FPL and Vice President, Human Resources of FPL Group	1999	306,475	220,662	10,213	964,802	100,000	177,346	10,661
	1998	267,750	194,119	3,108	-	-	267,694	9,724
	1997	258,500	147,768	3,273	538,150	-	222,173	11,655

(a) At December 31, 1999, Mr. Broadhead held 146,800 shares of restricted common stock with a value of $6,284,875. Of these, 96,800 shares were awarded in 1991 for the purpose of financing Mr. Broadhead's supplemental retirement plan and will offset lump sum benefits that would otherwise be payable to him in cash upon retirement. See Retirement Plans. The remaining 50,000 shares vest in 2001. At December 31, 1999, Mr. Evanson held 25,000 shares of restricted common stock with a value of $1,070,313 that vest as to 6,250 shares in each of the years 2000, 2001, 2002 and 2003; Mr. Coyle held 20,000 shares of restricted common stock with a value of $856,250 that vest as to 5,000 shares in each of the years 2000, 2001, 2002 and 2003; Mr. Plunkett held 20,000 shares of restricted common stock with a value of $856,250, 5,000 shares of which were granted in 1999 and vest as to 1,250 shares in each of the years 2000, 2001, 2002 and 2003; and Mr. Kelleher held 30,000 shares of restricted common stock with a value of $1,284,375, 20,000 shares of which were granted in 1999 and vest as to 5,000 shares in each of the years 2000, 2001, 2002 and 2003. Dividends at normal rates are paid on restricted common stock.

(b) Payouts are in cash (for payment of income taxes) and shares of common stock, valued at the closing price on the last business day preceding payout. Messrs. Evanson and Plunkett deferred their payouts under FPL Group's Deferred Compensation Plan.

(c) For 1999, represents employer matching contributions to employee thrift plans and employer contributions for life insurance as follows:

	Thrift Match	Life Insurance
Mr. Broadhead	$7,167	$5,491
Mr. Evanson	7,600	5,939
Mr. Coyle	7,167	3,092
Mr. Plunkett	7,600	2,546
Mr. Kelleher	7,167	3,494

Long-Term Incentive Plan Awards - In 1999, performance awards, shareholder value awards and stock option awards under FPL Group's Long-Term Incentive Plan were made to the executive officers named in the Summary Compensation Table as set forth in the following tables.

LONG-TERM INCENTIVE PLAN AWARDS

			Estimated Future Payouts Under Non-Stock Price-Based Plans	
Name	Number of Shares	Performance Period Until Payout	Target(#)	Maximum(#)
James L. Broadhead	19,687	1/1/99 - 12/31/02	19,687	31,499
Paul J. Evanson	7,874	1/1/99 - 12/31/02	7,874	12,598
Dennis P. Coyle	4,553	1/1/99 - 12/31/02	4,553	7,285
Thomas F. Plunkett	3,651	1/1/99 - 12/31/02	3,651	5,842
Lawrence J. Kelleher	3,291	1/1/99 - 12/31/02	3,291	5,266

Shown in the preceding table, the performance share awards are payable at the end of the four-year performance period. The amount of the payout is determined by multiplying the participant's target number of shares by his average level of attainment, expressed as a percentage, which may not exceed 160%, of his targeted awards under the Annual Incentive Plans for each of the years encompassed by the award period. Annual incentive compensation is based on the attainment of net income goals for FPL and FPL Group, which are established by the Compensation Committee of FPL Group's Board of Directors (the Committee) at the beginning of the year. The amounts earned on the basis of this performance measure are subject to reduction based on the degree of achievement of other corporate and business unit performance measures, and in the discretion of the Committee. Mr. Broadhead's annual incentive compensation for 1999 was based on the achievement of FPL Group's net income goals and the following performance measures for FPL (weighted 75%) and the non-utility and/or new businesses (weighted 25%) and upon certain qualitative factors. For FPL, the incentive performance measures were financial indicators (weighted 50%) and operating indicators (weighted 50%). The financial indicators were operations and maintenance costs, capital expenditure levels, net income, regulatory return on equity and operating cash flow. The operating indicators were service reliability as measured by the frequency and duration of service interruptions and service unavailability, system performance as measured by availability factors for the fossil power plants, WANO index for nuclear power plants, employee safety, number of significant environmental violations, customer satisfaction survey results, load management installed capability and conservation programs' annual installed capacity. For the non-utility and/or new businesses, the performance measures were total combined return on equity; non-utility net income and return on equity; corporate and other net income; employee safety; number of significant environmental violations; and the development of a plan to meet five-year growth objectives. The qualitative factors included measures to position the Corporation for greater competition and initiating other actions that significantly strengthen the Corporation and enhance shareholder value.

Name	Number of Shares	Performance Period Until Payout	Estimated Future Payouts Under Non-Stock Price-Based Plans	
			Target(#)	Maximum(#)
James L. Broadhead	13,423	1/1/99 - 12/31/01	13,423	21,477
Paul J. Evanson	6,749	1/1/99 - 12/31/01	6,749	10,798
Dennis P. Coyle	3,415	1/1/99 - 12/31/01	3,415	5,464
Thomas F. Plunkett	2,738	1-1-99 - 12/31/01	2,738	4,381
Lawrence J. Kelleher	2,468	1/1/99 - 12/31/01	2,468	3,948

Shown in the preceding table, the shareholder value share awards are payable at the end of the three-year performance period. The amount of the payout is determined by multiplying the participant's target number of shares by a factor derived by dividing the average annual total shareholder return of FPL Group (price appreciation of FPL Group common stock plus dividends) by the total shareholder return of the Dow Jones Electric Utilities Index companies over the three-year performance period. This payment may not exceed 160% of targeted awards.

Option Grants in Last Fiscal Year

	Individual Grants				
Name	Number of Securities Underlying Options Granted(a)	Percent of Total Options Granted to Employees in Fiscal Year	Exercise or Base Price Per Share	Expiration Date	Grant Date Present Value(b)
James L. Broadhead	250,000	19.2%	$51.156	2/15/06	$2,247,027
Paul J. Evanson	150,000	11.5%	$51.156	2/15/09	$1,515,497
Dennis P. Coyle	100,000	7.7%	$51.156	2/15/09	$1,010,331
Thomas F. Plunkett	100,000	7.7%	$51.156	2/15/09	$1,010,331
Lawrence J. Kelleher	100,000	7.7%	$51.156	2/15/09	$1,010,331

(a) Options granted are non-qualified stock options. Mr. Broadhead's options will be exercisable on November 28, 2001. All other stock options will become exercisable 25% per year and be fully exercisable after four years. All options were granted at an exercise price per share of 100% of the fair market value of FPL Group, Inc. common stock on the date of grant.

(b) The values shown reflect standard application of the Black-Scholes pricing model. Volatility is equal to 18.08% and yield is equal to 3.81%. The interest rate is equal to the U.S. Treasury Strip Rate on the date of grant with a term equal to that of the option (5.19% for the 7-year options expiring 2/15/06 and 5.40% for the 10-year options expiring 2/15/09). The values do not take into account risk factors such as non-transferability or risk of forfeiture.

The preceding table sets forth information concerning individual grants of common stock options during fiscal year 1999 to the executive officers named in the Summary Compensation Table. Such awards are also listed in the Summary Compensation Table in the column entitled Number of Securities Underlying Options.

Aggregated Option Exercises in Last Fiscal Year and Fiscal Year-End Option Values

Name	Shares Acquired on Exercise	Value Realized	Number of Securities Underlying Unexercised Options at Fiscal Year-End		Value of Unexercised In-The-Money Options at Fiscal Year-End	
			Exercisable	Unexercisable	Exercisable	Unexercisable
James L. Broadhead	0	$0	0	250,000	$0	$0
Paul J. Evanson	0	$0	0	150,000	$0	$0
Dennis P. Coyle	0	$0	0	100,000	$0	$0
Thomas F. Plunkett	0	$0	0	100,000	$0	$0
Lawrence J. Kelleher	0	$0	0	100,000	$0	$0

The preceding table sets forth information, with respect to the named officers, concerning the exercise of stock options during the fiscal year, and unexercised options held at the end of the fiscal year. The named officers did not exercise any stock options during 1999, and held no exercisable options at the end of the year. All of the unexercisable options shown in the preceding table were granted in 1999. At December 31, 1999, the fair market value of the underlying securities (based on the closing share price of FPL Group, Inc. Common Stock reported on the NYSE of $42.8125 per share) did not exceed the exercise or base price of the options, therefore the options were not in-the-money at fiscal year-end.

Retirement Plans - FPL Group maintains a non-contributory defined benefit pension plan and a supplemental executive retirement plan which covers FPL employees. The following table shows the estimated annual benefits, calculated on a straight-line annuity basis, payable upon retirement in 1999 at age 65 after the indicated years of service.

PENSION PLAN TABLE

Eligible Average Annual Compensation	Years of Service 10	20	30	40	50
$ 300,000	$ 58,809	$117,606	$ 146,414	$ 154,909	$ 157,297
400,000	78,809	157,606	196,414	207,409	209,797
500,000	98,809	197,606	246,414	259,909	262,297
600,000	118,809	237,606	296,414	312,409	314,797
700,000	138,809	277,606	346,414	364,909	367,297
800,000	158,809	317,606	396,414	417,409	419,797
900,000	178,809	357,606	446,414	469,909	472,297
1,000,000	198,809	397,606	496,414	522,409	524,797
1,100,000	218,809	437,606	546,414	574,909	577,297
1,200,000	238,809	477,606	596,414	627,409	629,797
1,300,000	258,809	517,606	646,414	679,909	682,297
1,400,000	278,809	557,606	696,414	732,409	734,797
1,500,000	298,809	597,606	746,414	784,909	787,297
1,600,000	318,809	637,606	796,414	837,409	839,797
1,700,000	338,809	677,606	846,414	889,909	892,297
1,800,000	358,809	717,606	896,414	942,409	944,797
1,900,000	378,809	757,606	946,414	994,909	997,297
2,000,000	398,809	797,606	996,414	1,047,409	1,049,797
2,100,000	418,809	837,606	1,046,414	1,099,909	1,102,297
2,200,000	438,809	877,606	1,096,414	1,152,409	1,154,797
2,300,000	458,809	917,606	1,146,414	1,204,909	1,207,297
2,400,000	478,809	957,606	1,196,414	1,257,409	1,259,797

The compensation covered by the plans includes annual salaries and bonuses of certain officers of FPL Group and annual salaries of officers of FPL, as shown in the respective Summary Compensation Tables, but no other amounts shown in those tables. The estimated credited years of service for the executive officers named in the Summary Compensation Table are: Mr. Broadhead, 11 years; Mr. Evanson, 7 years; Mr. Coyle, 10 years; Mr. Plunkett, 9 years and Mr. Kelleher, 32 years. Amounts shown in the table reflect deductions to partially cover employer contributions to social security.

A supplemental retirement plan for Mr. Broadhead provides for a lump-sum retirement benefit equal to the then present value of a joint and survivor annuity providing annual payments to him or his surviving beneficiary equal to 61% to 70% of his average annual compensation for the three years prior to his retirement between age 62 (1998) and age 65 (2001), reduced by the then present value of the annual amount of payments to which he is entitled under all other pension and retirement plans of FPL Group and former employers. This benefit is further reduced by the then value of 96,800 shares of restricted common stock which vest in 2001. Upon a change of control of FPL Group (as defined below under Employment Agreements), the restrictions on the restricted stock lapse and the full retirement benefit becomes payable. Upon termination of Mr. Broadhead's employment agreement (also described below) without cause, the restrictions on the restricted stock lapse and he becomes fully vested under the supplemental retirement plan.

A supplemental retirement plan for Mr. Coyle provides for benefits, upon retirement at age 62 (2000) or more, based on two times his credited years of service. A supplemental retirement plan for Mr. Evanson provides for benefits based on two times his credited years of service up to age 65 and one times his credited years of service thereafter. A supplemental retirement plan for Mr. Plunkett provides for benefits, upon retirement at age 62 or more, based on two times his credited years of service up to age 65 and one times his credited years of service thereafter.

In 1998, the vesting schedule attached to 10,000 shares of restricted common stock held by C.O. Woody, then President of the Power Generation Division of FPL, was amended to coincide with Mr. Woody's planned retirement in June 1999. As a consequence of the amended vesting schedule, Mr. Woody was indebted to FPL for a period of less than two weeks in June 1999 for $147,133 in taxes owed upon vesting of the shares.

FPL Group sponsors a split-dollar life insurance plan for certain of FPL's and FPL Group's senior officers. Benefits under the split-dollar plan are provided by universal life insurance policies purchased by FPL Group. If the officer dies prior to retirement, the officer's beneficiaries generally receive two and one-half times the officer's annual salary at the time of death. If the officer dies after retirement, the officer's beneficiaries receive between 50% to 100% of the officer's final annual salary. Each officer is taxable on the insurance carrier's one-year term rate for his life insurance coverage.

Employment Agreements - FPL Group has an employment agreement with Mr. Broadhead that provides for automatic one-year extensions after 2000 unless either party elects not to extend. The agreement provides for a minimum base salary of $765,900 per year, subject to increases based upon corporate and individual performance and increases in cost-of-living indices, plus annual and long-term incentive compensation opportunities at least equal to those currently in effect. If FPL

Group terminates Mr. Broadhead's employment without cause, he is entitled to receive a lump-sum payment of two years' compensation. Compensation is measured by the then current base salary plus the average of the preceding two years' annual incentive awards. He would also be entitled to receive all amounts accrued under all performance share grants in progress, prorated for the year of termination and assuming achievement of the targeted award, and to full vesting of his benefits under his supplemental retirement plan.

FPL Group and FPL have entered into employment agreements with certain officers, including the individuals named in the Summary Compensation Table, to become effective in the event of a change of control of FPL Group, which is defined as the acquisition of beneficial ownership of 20% of the voting power of FPL Group, certain changes in FPL Group's board of directors, or approval by the shareholders of the liquidation of FPL Group or of certain mergers or consolidations or of certain transfers of FPL Group's assets. These agreements are intended to assure FPL Group and FPL of the continued services of key officers. The agreements provide that each officer shall be employed by FPL Group or one of its subsidiaries in his then current position, with compensation and benefits at least equal to the then current base and incentive compensation and benefit levels, for an employment period of four and, in certain cases, five years after a change in control occurs.

In the event that the officer's employment is terminated (except for death, disability or cause) or if the officer terminates his employment for good reason, as defined in the agreement, the officer is entitled to severance benefits in the form of a lump-sum payment equal to the compensation due for the remainder of the employment period or for two years, whichever is longer. Such benefits would be based on the officer's then base salary plus an annual bonus at least equal to the average bonus for the two years preceding the change of control. The officer is also entitled to the maximum amount payable under all long-term incentive compensation grants outstanding, continued coverage under all employee benefit plans, supplemental retirement benefits and reimbursement for any tax penalties incurred as a result of the severance payments.

Director Compensation - All of the directors of FPL are salaried employees of FPL Group and its subsidiaries and do not receive any additional compensation for serving as a director.

Item 12. Security Ownership of Certain Beneficial Owners and Management

FPL Group - The information required by this Item will be included in FPL Group's Proxy Statement and is incorporated herein by reference.

FPL - FPL Group owns 100% of FPL's common stock. FPL's directors and executive officers beneficially own shares of FPL Group's common stock as follows:

Name	Number of Shares (a)
James L. Broadhead	243,640(b)(c)
Dennis P. Coyle	63,469(b)(c)(d)
Paul J. Evanson	96,170(b)(c)(d)
Lewis Hay, III	25,134(b)(c)
Lawrence J. Kelleher	69,562(b)(c)(d)
Armando J. Olivera	42,676(b)(c)(d)
Thomas F. Plunkett	55,261(b)(c)(d)
Antonio Rodriguez	6,171(b)
All directors and executive officers as a group	708,939(b)(c)(d)(e)

(a) Information is as of January 31, 2000, except for executive officers' holdings under the thrift plans and the Supplemental Executive Retirement Plan, which are as of December 31, 1999. Unless otherwise indicated, each person has sole voting and sole investment power.

(b) Includes 15,625, 3,876, 4,335, 84, 1,292, 195, 549 and 111 phantom shares for Messrs. Broadhead, Coyle, Evanson, Hay, Kelleher, Olivera, Plunkett and Rodriguez, respectively, and a total of 28,967 phantom shares for all directors and officers as a group, credited to a Supplemental Matching Contribution Account under the Supplemental Executive Retirement Plan.

(c) Includes 146,800, 20,000, 25,000, 25,000, 30,000, 10,000 and 20,000 shares of restricted stock as to which Messrs. Broadhead, Coyle, Evanson, Hay, Kelleher, Olivera and Plunkett, respectively, and a total 311,800 shares of restricted stock for all directors and officers as a group, have voting but not investment power.

(d) Includes options held by Messrs. Coyle, Evanson, Kelleher, Olivera and Plunkett to purchase 25,000, 37,500, 25,000, 12,500 and 25,000 shares, respectively, and options to purchase a total of 162,500 shares for all directors and officers as a group.

(e) Less than 1% of FPL Group's common stock outstanding.

Section 16(a) Beneficial Ownership Reporting Compliance - FPL's directors and executive officers are required to file initial reports of ownership and reports of changes of ownership of FPL Group common stock with the Securities and Exchange Commission. Based upon a review of these filings and written representations from FPL directors and executive officers, all required filings were timely made in 1999.

Item 13. Certain Relationships and Related Transactions

FPL Group - The information required by this Item will be included in FPL Group's Proxy Statement and is incorporated herein by reference.

FPL - None

PART IV

Item 14. Exhibits, Financial Statement Schedules and Reports on Form 8-K

(a) 1. Financial Statements

2. Financial Statement Schedules - Schedules are omitted as not applicable or not required.

3. Exhibits including those Incorporated by Reference

Exhibit Number	Description	FPL Group	FPL
*3(i)a	Restated Articles of Incorporation of FPL Group dated December 31, 1984, as amended through December 17, 1990 (filed as Exhibit 4(a) to Post-Effective Amendment No. 5 to Form S-8, File No. 33-18669)	x	
*3(i)b	Amendment to FPL Group's Restated Articles of Incorporation dated June 27, 1996 (filed as Exhibit 3 to Form 10-Q for the quarter ended June 30, 1996, File No. 1-8841)	x	
*3(i)c	Restated Articles of Incorporation of FPL dated March 23, 1992 (filed as Exhibit 3(i)a to Form 10-K for the year ended December 31, 1993, File No. 1-3545)		x
*3(i)d	Amendment to FPL's Restated Articles of Incorporation dated March 23, 1992 (filed as Exhibit 3(i)b to Form 10-K for the year ended December 31, 1993, File No. 1-3545)		x
*3(i)e	Amendment to FPL's Restated Articles of Incorporation dated May 11, 1992 (filed as Exhibit 3(i)c to Form 10-K for the year ended December 31, 1993, File No. 1-3545)		x
*3(i)f	Amendment to FPL's Restated Articles of Incorporation dated March 12, 1993 (filed as Exhibit 3(i)d to Form 10-K for the year ended December 31, 1993, File No. 1-3545)		x
*3(i)g	Amendment to FPL's Restated Articles of Incorporation dated June 16, 1993 (filed as Exhibit 3(i)e to Form 10-K for the year ended December 31, 1993, File No. 1-3545)		x
*3(i)h	Amendment to FPL's Restated Articles of Incorporation dated August 31, 1993 (filed as Exhibit 3(i)f to Form 10-K for the year ended December 31, 1993, File No. 1-3545)		x
*3(i)i	Amendment to FPL's Restated Articles of Incorporation dated November 30, 1993 (filed as Exhibit 3(i)g to Form 10-K for the year ended December 31, 1993, File No. 1-3545)		x
*3(ii)a	Bylaws of FPL Group dated November 15, 1993 (filed as Exhibit 3(ii) to Form 10-K for the year ended December 31, 1993, File No. 1-8841)	x	

		FPL Group	FPL
*3(ii)b	Bylaws of FPL dated May 11, 1992 (filed as Exhibit 3 to Form 8-K dated May 1, 1992, File No. 1-3545)		x
*4(a)	Form of Rights Agreement, dated as of July 1, 1996, between FPL Group and the First National Bank of Boston (filed as Exhibit 4 to Form 8-K dated June 17, 1996, File No. 1-8841)	x	
*4(b)	Mortgage and Deed of Trust dated as of January 1, 1944, and Ninety-nine Supplements thereto between FPL and Bankers Trust Company and The Florida National Bank of Jacksonville (now First Union National Bank of Florida), Trustees (as of September 2, 1992, the sole trustee is Bankers Trust Company) (filed as Exhibit B-3, File No. 2-4845; Exhibit 7(a), File No. 2-7126; Exhibit 7(a), File No. 2-7523; Exhibit 7(a), File No. 2-7990; Exhibit 7(a), File No. 2-9217; Exhibit 4(a)-5, File No. 2-10093; Exhibit 4(c), File No. 2-11491; Exhibit 4(b)-1, File No. 2-12900; Exhibit 4(b)-1, File No. 2-13255; Exhibit 4(b)-1, File No. 2-13705; Exhibit 4(b)-1, File No. 2-13925; Exhibit 4(b)-1, File No. 2-15088; Exhibit 4(b)-1, File No. 2-15677; Exhibit 4(b)-1, File No. 2-20501; Exhibit 4(b)-1, File No. 2-22104; Exhibit 2(c), File No. 2-23142; Exhibit 2(c), File No. 2-24195; Exhibit 4(b)-1, File No. 2-25677; Exhibit 2(c), File No. 2-27612; Exhibit 2(c), File No. 2-29001; Exhibit 2(c), File No. 2-30542; Exhibit 2(c), File No. 2-33038; Exhibit 2(c), File No. 2-37679; Exhibit 2(c), File No. 2-39006; Exhibit 2(c), File No. 2-41312; Exhibit 2(c), File No. 2-44234; Exhibit 2(c), File No. 2-46502; Exhibit 2(c), File No. 2-48679; Exhibit 2(c), File No. 2-49726; Exhibit 2(c), File No. 2-50712; Exhibit 2(c), File No. 2-52826; Exhibit 2(c), File No. 2-53272; Exhibit 2(c), File No. 2-54242; Exhibit 2(c), File No. 2-56228; Exhibits 2(c) and 2(d), File No. 2-60413; Exhibits 2(c) and 2(d), File No. 2-65701; Exhibit 2(c), File No. 2-66524; Exhibit 2(c), File No. 2-67239; Exhibit 4(c), File No. 2-69716; Exhibit 4(c), File No. 2-70767; Exhibit 4(b), File No. 2-71542; Exhibit 4(b), File No. 2-73799; Exhibits 4(c), 4(d) and 4(e), File No. 2-75762; Exhibit 4(c), File No. 2-77629; Exhibit 4(c), File No. 2-79557; Exhibit 99(a) to Post-Effective Amendment No. 5 to Form S-8, File No. 33-18669; Exhibit 99(a) to Post-Effective Amendment No. 1 to Form S-3, File No. 33-46076; Exhibit 4(b) to Form 10-K for the year ended December 31, 1993, File No. 1-3545; Exhibit 4(i) to Form 10-Q for the quarter ended June 30, 1994, File No. 1-3545; Exhibit 4(b) to Form 10-Q for the quarter ended June 30, 1995, File No. 1-3545; Exhibit 4(a) to Form 10-Q for the quarter ended March 31, 1996, File No. 1-3545; Exhibit 4 to Form 10-Q for the quarter ended June 30, 1998, File No. 1-3545; and Exhibit 4 to Form 10-Q for the quarter ended March 31, 1999, File No. 1-8841)	x	x
*4(c)	Indenture, dated as of June 1, 1999, between FPL Group Capital Inc and The Bank of New York, as Trustee (filed as Exhibit 4(a) to Form 8-K Dated July 16, 1999, File No. 1-8841)	x	
*4(d)	Guarantee Agreement between FPL Group, Inc. (as guarantor) and The Bank of New York (as Guarantor Trustee) dated as of June 1, 1999 (filed as Exhibit 4(b) to Form 8-K dated July 16, 1999, File No. 1-8841)	x	
10(a)	FPL Group Supplemental Executive Retirement Plan, amended and restated effective April 1, 1997	x	
10(b)	Amendments # 1 and 2 effective January 1, 1998 to FPL Group Supplemental Executive Retirement Plan, amended and restated effective April 1, 1997	x	
10(c)	Amendment #3 effective January 1, 1999, to FPL Group Supplemental Executive Retirement Plan, amended and restated effective April 1, 1997	x	
*10(d)	FPL Group Amended and Restated Supplemental Executive Retirement Plan for James L. Broadhead effective January 1, 1990 (filed as Exhibit 99(d) to Post-Effective Amendment No. 5 to Form S-8, File No. 33-18669)	x	
*10(e)	Supplement to the FPL Group Supplemental Executive Retirement Plan as it applies to Paul J. Evanson effective January 1, 1996 (filed as Exhibit 10(b) to Form 10-K for the year ended December 31, 1996, File No. 1-8841)	x	
*10(f)	Supplement to the FPL Group Supplemental Executive Retirement Plan as it applies to Thomas F. Plunkett (filed as Exhibit 10(e) to Form 10-K for the year ended December 31, 1997, File No. 1-8841)	x	
*10(g)	FPL Group Long-Term Incentive Plan of 1985, as amended (filed as Exhibit 99(h) to Post-Effective Amendment No. 5 to Form S-8, File No. 33-18669)	x	
*10(h)	Long-Term Incentive Plan 1994 (filed as Exhibit 4(d) to Form S-8, File No. 33-57673)	x	
10(i)	Annual Incentive Plan	x	
*10(j)	FPL Group, Inc. Deferred Compensation Plan, amended and restated effective January 1, 1995 (filed as Exhibit 99 to Form S-8, File No. 1-8841)	x	
*10(k)	FPL Group Executive Long Term Disability Plan effective January 1, 1995 (filed as Exhibit 10(g) to Form 10-K for the year ended December 31, 1995, File No. 1-8841)	x	

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		FPL Group	FPL
*10(l)	Employment Agreement between FPL Group and James L. Broadhead, amended and restated as of May 10, 1999 (filed as Exhibit 10(a) to Form 10-Q for the quarter ended September 30, 1999, File No. 1-8841)	x	
*10(m)	Employment Agreement between FPL Group and Dennis P. Coyle, amended and restated as of May 10, 1999 (filed as Exhibit 10(b) to Form 10-Q for the quarter ended September 30, 1999, File No. 1-8841)	x	
*10(n)	Employment Agreement between FPL Group and Paul J. Evanson, amended and restated as of May 10, 1999 (filed as Exhibit 10(c) to Form 10-Q for the quarter ended September 30, 1999, File No. 1-8841)	x	
*10(o)	Employment Agreement between FPL Group and Lewis Hay, III, dated as of September 13, 1999 (filed as Exhibit 10(d) to Form 10-Q for the quarter ended September 30, 1999, File No. 1-8841)	x	
*10(p)	Employment Agreement between FPL Group and Lawrence J. Kelleher, amended and restated as of May 10, 1999 (filed as Exhibit 10(e) to Form 10-Q for the quarter ended September 30, 1999, File No. 1-8841)	x	
*10(q)	Employment Agreement between FPL Group and Thomas F. Plunkett, amended and restated as of May 10, 1999 (filed as Exhibit 10(f) to Form 10-Q for the quarter ended September 30, 1999, File No. 1-8841)	x	
*10(r)	Employment Agreement between FPL Group and Michael W. Yackira, amended and restated as of May 10, 1999 (filed as Exhibit 10(g) to Form 10-Q for the quarter ended September 30, 1999, File No. 1-8841)	x	
*10(s)	FPL Group, Inc. Non-Employee Directors Stock Plan dated as of March 17, 1997 (filed as Appendix A to FPL Group's 1997 Proxy Statement, File No. 1-8841)	x	
12(a)	Computation of Ratio of Earnings to Fixed Charges	x	
12(b)	Computation of Ratios		x
21	Subsidiaries of the Registrant	x	
23	Independent Auditors' Consent	x	x
27	Financial Data Schedule	x	x

* Incorporated herein by reference

(b) Reports on Form 8-K - none

FPL GROUP, INC. SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

FPL Group, Inc.

JAMES L. BROADHEAD
James L. Broadhead
Chairman of the Board and
Chief Executive Officer
(Principal Executive Officer and Director)

Date: February 28, 2000

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the date indicated.

Signature and Title as of February 28, 2000:

LEWIS HAY, III
Lewis Hay, III
Vice President, Finance and Chief Financial Officer
(Principal Financial Officer)

K. MICHAEL DAVIS
K. Michael Davis
Controller and Chief Accounting Officer
(Principal Accounting Officer)

Directors:

H. JESSE ARNELLE
H. Jesse Arnelle

SHERRY S. BARRAT
Sherry S. Barrat

ROBERT M. BEALL, II
Robert M. Beall, II

J. HYATT BROWN
J. Hyatt Brown

ARMANDO M. CODINA
Armando M. Codina

MARSHALL M. CRISER
Marshall M. Criser

B. F. Dolan

WILLARD D. DOVER
Willard D. Dover

ALEXANDER W. DREYFOOS JR.
Alexander W. Dreyfoos Jr.

PAUL J. EVANSON
Paul J. Evanson

DREW LEWIS
Drew Lewis

FREDERIC V. MALEK
Frederic V. Malek

PAUL R. TREGURTHA
Paul R. Tregurtha

FLORIDA POWER & LIGHT COMPANY SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Florida Power & Light Company

PAUL J. EVANSON
Paul J. Evanson
President and Director

Date: February 28, 2000

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the date indicated.

Signature and Title as of February 28, 2000:

JAMES L. BROADHEAD
James L. Broadhead
Chairman of the Board
(Principal Executive Officer and Director)

LEWIS HAY, III
Lewis Hay, III
Senior Vice President, Finance and Chief Financial Officer
(Principal Financial Officer and Director)

K. MICHAEL DAVIS
K. Michael Davis
Vice President, Accounting,
Controller and Chief Accounting Officer
(Principal Accounting Officer)

Directors:

DENNIS P. COYLE
Dennis P. Coyle

THOMAS F. PLUNKETT
Thomas F. Plunkett

LAWRENCE J. KELLEHER
Lawrence J. Kelleher

ANTONIO RODRIGUEZ
Antonio Rodriguez

ARMANDO J. OLIVERA
Armando J. Olivera

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EXHIBIT 12(a)

FPL GROUP, INC. AND SUBSIDIARIES
COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES

	Years Ended December 31,				
	1999	1998	1997	1996	1995
	(Millions of Dollars)				
Earnings, as defined:					
Net income	$ 697	$ 664	$ 618	$ 579	$ 553
Income taxes	323	279	304	294	329
Fixed charges, included in the determination of net income, as below	234	335	304	283	308
Distributed income of independent power investments	75	68	47	38	39
Less: Equity in earnings of independent power investments	50	39	14	5	6
Total earnings, as defined	$1,279	$1,307	$1,259	$1,189	$1,223
Fixed charges, as defined:					
Interest charges	$ 222	$ 322	$ 291	$ 267	$ 291
Rental interest factor	4	4	4	5	6
Fixed charges included in nuclear fuel cost	8	9	9	11	11
Fixed charges, included in the determination of net income	234	335	304	283	308
Capitalized interest	9	2	4	-	-
Total fixed charges, as defined	$ 243	$ 337	$ 308	$ 283	$ 308
Ratio of earnings to fixed charges	5.26	3.88	4.09	4.20	3.97

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FLORIDA POWER & LIGHT COMPANY
COMPUTATION OF RATIOS

RATIO OF EARNINGS TO FIXED CHARGES

	Years Ended December 31, (Millions of Dollars) 1999	1998	1997	1996	1995
Earnings, as defined:					
Net income	$ 591	$ 631	$ 627	$ 615	$ 611
Income taxes	324	349	321	322	342
Fixed charges, as below	174	209	240	262	286
Total earnings, as defined	$1,089	$1,189	$1,188	$1,199	$1,239
Fixed charges, as defined:					
Interest charges	$ 163	$ 196	$ 227	$ 246	$ 270
Rental interest factor	3	4	4	5	5
Fixed charges included in nuclear fuel cost	8	9	9	11	11
Total fixed charges, as defined	$ 174	$ 209	$ 240	$ 262	$ 286
Ratio of earnings to fixed charges	6.26	5.69	4.95	4.58	4.33

RATIO OF EARNINGS TO COMBINED FIXED CHARGES AND PREFERRED STOCK DIVIDENDS

	1999	1998	1997	1996	1995
Earnings, as defined:					
Net income	$ 591	$ 631	$ 627	$ 615	$ 611
Income taxes	324	349	321	322	342
Fixed charges, as below	174	209	240	262	286
Total earnings, as defined	$1,089	$1,189	$1,188	$1,199	$1,239
Fixed charges, as defined:					
Interest charges	$ 163	$ 196	$ 227	$ 246	$ 270
Rental interest factor	3	4	4	5	5
Fixed charges included in nuclear fuel cost	8	9	9	11	11
Total fixed charges, as defined	174	209	240	262	286
Non-tax deductible preferred stock dividends	15	15	19	24	43
Ratio of income before income taxes to net income	1.55	1.55	1.51	1.52	1.56
Preferred stock dividends before income taxes	23	23	29	36	68
Combined fixed charges and preferred stock dividends	$ 197	$ 232	$ 269	$ 298	$ 354
Ratio of earnings to combined fixed charges and preferred stock dividends	5.53	5.13	4.42	4.02	3.50

EXHIBIT 21

SUBSIDIARIES OF FPL GROUP, INC.

Subsidiary	State or Jurisdiction of Incorporation
1. Florida Power & Light Company (100%-Owned)	Florida
2. Bay Loan and Investment Bank (a)	Rhode Island
3. Palms Insurance Company, Limited (a)	Cayman Islands

(a) 100%-owned subsidiary of FPL Group Capital Inc

EXHIBIT 23

INDEPENDENT AUDITORS' CONSENT

We consent to the incorporation by reference in Registration Statement No. 33-56869 on Form S-3; Registration Statement No. 33-57673 on Form S-8; Post-Effective Amendment No. 2 to Registration Statement No. 33-31487 on Form S-8; Post-Effective Amendment No. 2 to Registration Statement No. 33-33215 on Form S-8; Registration Statement No. 33-11631 on Form S-8; Post-Effective Amendment No. 1 to Registration Statement No. 33-39306 on Form S-3; Registration Statement No. 33-57470 on Form S-3; Post-Effective Amendment No. 6 to Registration Statement No. 33-18669 on Form S-8; Registration Statement No. 333-27079 on Form S-8; Registration Statement No. 333-30695 on Form S-8; Registration Statement No. 333-30697 on Form S-8; Registration Statement No. 333-87869 on Form S-8; Registration Statement No. 333-87941 on Form S-3; Registration Statement No. 333-88067 on Form S-8 and Post-Effective Amendment No. 1 to Registration Statement No. 333-79305 on Form S-8 of FPL Group, Inc., of our report dated February 11, 2000 appearing in this Annual Report on Form 10-K of FPL Group, Inc. for the year ended December 31, 1999.

We also consent to the incorporation by reference in Registration Statement No. 33-40123 on Form S-3; Post-Effective Amendment No. 1 to Registration Statement No. 33-46076 on Form S-3; Registration Statement No. 333-53053 on Form S-3 and Registration Statement No. 333-84005 of Florida Power & Light Company, of our report dated February 11, 2000 appearing in this Annual Report on Form 10-K of Florida Power & Light Company for the year ended December 31, 1999.

We also consent to the incorporation by reference on Form S-3; Registration Statement No. 333-87941-01 on Form S-3 of FPL Group Capital Inc, of our report dated February 11, 2000 appearing in this Annual Report on Form 10-K of FPL Group, Inc., for the year ended December 31, 1999.

DELOITTE & TOUCHE LLP

Miami, Florida
March 1, 2000

BEFORE THE
FLORIDA PUBLIC SERVICE
COMMISSION

DOCKET NO. 001148-EI

MINIMUM FILING REQUIREMENTS

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES

SCHEDULE NO. F – 3

SCHEDULE F - 3

SEC REPORTS

FLORIDA PUBLIC SERVICE COMMISSION

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
DOCKET NO. 001148-EI

EXPLANATION: PROVIDE A COPY OF THE MOST RECENT FORM 10-K ANNUAL REPORT TO THE SECURITIES AND EXCHANGE COMMISSION AND ALL FORM 10-Q QUARTERLY REPORTS FILED SUBSEQUENT TO THE FILING OF THE LATEST 10-K.

TYPE OF DATA SHOWN:

_X_ HISTORIC TEST YEAR ENDED 12/31/00
___ PROJECTED TEST YEAR ENDED ____
___ PRIOR YEAR ENDED ____
WITNESS: NA

ATTACHMENT 1 THE COMPANY'S ANNUAL REPORT ON FORM 10-K FOR THE PERIOD ENDED 12/31/2000.
ATTACHMENT 2 QUARTERLY REPORT ON FORM 10-Q FOR PERIOD ENDED 3/31/01 ARE ATTACHED.
ATTACHMENT 3 QUARTERLY REPORT ON FORM 10-Q FOR PERIOD ENDED 6/30/01 ARE ATTACHED.

FORM 10-Q'S FOR FUTURE PERIODS ARE REQUIRED TO BE FILED BY THE FOLLOWING DATES AND WILL BE PROVIDED AS S00N AS POSSIBLE AFTER FILLING:

FOR PERIOD ENDED	FILED BY
9/30/01	11/14/01

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SUPPORTING SCHEDULES:

RECAP SCHEDULES:

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-K/A

[X] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended **December 31, 2000**

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission File Number	Exact name of Registrants as specified in their charters, address of principal executive offices and Registrants' telephone number	IRS Employer Identification Number
1-8841	**FPL GROUP, INC.**	59-2449419
1-3545	**FLORIDA POWER & LIGHT COMPANY** 700 Universe Boulevard Juno Beach, Florida 33408 (561) 694-4000	59-0247775

State or other jurisdiction of incorporation or organization: Florida

	Name of exchange on which registered
Securities registered pursuant to Section 12(b) of the Act:	
FPL Group, Inc.: Common Stock, $0.01 Par Value and Preferred Share Purchase Rights	New York Stock Exchange
Florida Power & Light Company: None	

Securities registered pursuant to Section 12(g) of the Act:
FPL Group, Inc.: None
Florida Power & Light Company: Preferred Stock, $100 Par Value

Indicate by check mark whether the registrants (1) have filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months and (2) have been subject to such filing requirements for the past 90 days. Yes X No _

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of Registrants' knowledge in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [ ]

Aggregate market value of the voting stock of FPL Group, Inc. held by non-affiliates as of January 31, 2001 (based on the closing market price on the Composite Tape on January 31, 2001) was $10,180,979,540 (determined by subtracting from the number of shares outstanding on that date the number of shares held by directors and officers of FPL Group, Inc.).

There was no voting stock of Florida Power & Light Company held by non-affiliates as of January 31, 2001.

The number of shares outstanding of each class of FPL Group, Inc. common stock, as of the latest practicable date: Common Stock, $0.01 Par Value, outstanding at January 31, 2001: 175,819,435 shares

As of January 31, 2001, there were issued and outstanding 1,000 shares of Florida Power & Light Company's common stock, without par value, all of which were held, beneficially and of record, by FPL Group, Inc.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of FPL Group, Inc.'s Proxy Statement for the 2001 Annual Meeting of Shareholders are incorporated by reference in Part III hereof.

This combined Form 10-K/A represents separate filings by FPL Group, Inc. and Florida Power & Light Company. Information contained herein relating to an individual registrant is filed by that registrant on its own behalf. Florida Power & Light Company makes no representations as to the information relating to FPL Group, Inc.'s other operations.

DEFINITIONS

Acronyms and defined terms used in the text include the following:

Term	Meaning
capacity clause	Capacity cost recovery clause
CMP	Central Maine Power Company
charter	Restated Articles of Incorporation, as amended, of FPL Group or FPL, as the case may be
Coalition	The Coalition for Equitable Rates
conservation clause	Energy conservation cost recovery clause
DOE	U.S. Department of Energy
EMF	Electric and magnetic fields
EMT	Energy Marketing & Trading
Entergy	Entergy Corporation
environmental clause	Environmental compliance cost recovery clause
FAS	Financial Accounting Standards No.
FDEP	Florida Department of Environmental Protection
FERC	Federal Energy Regulatory Commission
FIPUG	The Florida Industrial Power Users Group
FGT	Florida Gas Transmission Company
FMPA	Florida Municipal Power Agency
FPL	Florida Power & Light Company
FPL Energy	FPL Energy, LLC
FPL FiberNet	FPL FiberNet, LLC
FPL Group	FPL Group, Inc.
FPL Group Capital	FPL Group Capital Inc
FPSC	Florida Public Service Commission
fuel clause	Fuel and purchased power cost recovery clause
GridFlorida	GridFlorida LLC
Holding Company Act	Public Utility Holding Company Act of 1935, as amended
IBEW	International Brotherhood of Electrical Workers
JEA	Jacksonville Electric Authority
kv	Kilovolt
kwh	Kilowatt-hour
Management's Discussion	Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations
mortgage	FPL's Mortgage and Deed of Trust dated as of January 1, 1944, as supplemented and amended
mw	Megawatt(s)
Note ____	Note ___ to Consolidated Financial Statements
NRC	U.S. Nuclear Regulatory Commission
Nuclear Waste Policy Act	Nuclear Waste Policy Act of 1982
O&M expenses	Other operations and maintenance expenses in the Consolidated Statements of Income
PMI	FPL Energy Power Marketing, Inc.
Public Counsel	State of Florida Office of Public Counsel
PURPA	Public Utility Regulatory Policies Act of 1978, as amended
qualifying facilities	Non-utility power production facilities meeting the requirements of a qualifying facility under the PURPA
Reform Act	Private Securities Litigation Reform Act of 1995
ROE	Return on common equity
RTOs	Regional transmission organizations
SJRPP	St. Johns River Power Park

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SAFE HARBOR STATEMENT UNDER THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995

In connection with the safe harbor provisions of the Reform Act, FPL Group and FPL (collectively, the Company) are hereby filing cautionary statements identifying important factors that could cause the Company's actual results to differ materially from those projected in forward-looking statements (as such term is defined in the Reform Act) made by or on behalf of the Company which are made in this combined Form 10-K/A, in presentations, in response to questions or otherwise. Any statements that express, or involve discussions as to expectations, beliefs, plans, objectives, assumptions or future events or performance (often, but not always, through the use of words or phrases such as will likely result, are expected to, will continue, is anticipated, estimated, projection, outlook) are not statements of historical facts and may be forward-looking. Forward-looking statements involve estimates, assumptions and uncertainties. Accordingly, any such statements are qualified in their entirety by reference to, and are accompanied by, the following important factors that could cause the Company's actual results to differ materially from those contained in forward-looking statements made by or on behalf of the Company.

Any forward-looking statement speaks only as of the date on which such statement is made, and the Company undertakes no obligation to update any forward-looking statement to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of unanticipated events. New factors emerge from time to time and it is not possible for management to predict all of such factors, nor can it assess the impact of each such factor on the business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statement.

Some important factors that could cause actual results or outcomes to differ materially from those discussed in the forward-looking statements include changes in laws or regulations, changing governmental policies and regulatory actions, including those of the FERC, the FPSC, the PURPA, the Holding Company Act and the NRC, with respect to allowed rates of return including but not limited to ROE and equity ratio limits, industry and rate structure, operation of nuclear power facilities, acquisition, disposal, depreciation and amortization of assets and facilities, operation and construction of plant facilities, recovery of fuel and purchased power costs, decommissioning costs, and present or prospective wholesale and retail competition (including but not limited to retail wheeling and transmission costs).

The business and profitability of the Company are also influenced by economic and geographic factors including political and economic risks, changes in and compliance with environmental and safety laws and policies, weather conditions (including natural disasters such as hurricanes), population growth rates and demographic patterns, competition for retail and wholesale customers, availability, pricing and transportation of fuel and other energy commodities, market demand for energy from plants or facilities, changes in tax rates or policies or in rates of inflation or in accounting standards, unanticipated delays or changes in costs for capital projects, unanticipated changes in operating expenses and capital expenditures, capital market conditions, competition for new energy development opportunities and legal and administrative proceedings (whether civil, such as environmental, or criminal) and settlements.

All such factors are difficult to predict, contain uncertainties which may materially affect actual results, and are beyond the control of the Company.

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PART I

Item 1. Business

FPL GROUP

FPL Group is a public utility holding company, as defined in the Holding Company Act. It was incorporated in 1984 under the laws of Florida. FPL Group's principal subsidiary, FPL, is engaged in the generation, transmission, distribution and sale of electric energy. FPL Group Capital, a wholly-owned subsidiary of FPL Group, holds the capital stock and provides funding for the operating subsidiaries other than FPL. The business activities of these operating subsidiaries primarily consist of FPL Energy's independent power projects. For financial information regarding segments, see Note 14. At December 31, 2000, FPL Group and its subsidiaries employed 10,852 persons.

FPL Group is exempt from substantially all of the provisions of the Holding Company Act on the basis that FPL Group's and FPL's businesses are predominantly intrastate in character and carried on substantially in a single state in which both are incorporated.

In July 2000, FPL Group and Entergy announced a proposed merger, which was approved by the shareholders of the respective companies in December 2000. Subsequently, a number of factors led FPL Group to conclude the merger would not achieve the synergies or create the shareholder value originally contemplated when the merger was announced. As a result, on April 1, 2001, FPL Group and Entergy mutually terminated the merger agreement. For additional information concerning the merger, see Note 2.

FPL OPERATIONS

General. FPL was incorporated under the laws of Florida in 1925 and is a wholly-owned subsidiary of FPL Group. FPL supplies electric service throughout most of the east and lower west coasts of Florida with a population of more than seven million. During 2000, FPL served approximately 3.8 million customer accounts. Operating revenues were as follows:

	Years Ended December 31,		
	2000	1999	1998
	(millions)		
Residential	$3,504	$3,357	$3,580
Commercial	2,299	2,226	2,239
Industrial	181	190	197
Other, including the provision for retail rate refund and the net change in unbilled revenues	377	284	350
	$6,361	$6,057	$6,366

Regulation. The retail operations of FPL provided approximately 99% of FPL's operating revenues for 2000. Such operations are regulated by the FPSC which has jurisdiction over retail rates, service territory, issuances of securities, planning, siting and construction of facilities and other matters. FPL is also subject to regulation by the FERC in various respects, including the acquisition and disposition of facilities, interchange and transmission services and wholesale purchases and sales of electric energy.

FPL's nuclear power plants are subject to the jurisdiction of the NRC. NRC regulations govern the granting of licenses for the construction and operation of nuclear power plants and subject such power plants to continuing review and regulation.

Federal, state and local environmental laws and regulations cover air and water quality, land use, power plant and transmission line siting, EMF from power lines and substations, noise and aesthetics, solid waste and other environmental matters. Compliance with these laws and regulations increases the cost of electric service by requiring, among other things, changes in the design and operation of existing facilities and changes or delays in the location, design, construction and operation of new facilities. See Item 3. Legal Proceedings. Capital expenditures required to comply with environmental laws and regulations for 2001-03 are included in FPL's projected capital expenditures set forth in Item 1. Business - FPL Operations - Capital Expenditures and are not material.

FPL currently holds 172 franchise agreements with varying expiration dates to provide electric service in various municipalities and counties in Florida. FPL considers its franchises to be adequate for the conduct of its business.

Retail Ratemaking. The underlying concept of utility ratemaking is to set rates at a level that allows the utility the opportunity to collect from customers total revenues (revenue requirements) equal to its cost of providing service, including a reasonable rate of return on invested capital. To accomplish this, the FPSC uses various ratemaking mechanisms.

The basic costs of providing electric service, other than fuel and certain other costs, are recovered through base rates, which are designed to recover the costs of constructing, operating and maintaining the utility system. These basic costs include O&M expenses, depreciation and taxes, as well as a return on FPL's investment in assets used and useful in providing electric service (rate base). The rate of return on rate base approximates FPL's weighted cost of capital, which includes its costs for debt and preferred stock and an allowed ROE. The FPSC monitors FPL's ROE through a surveillance report that is filed monthly by FPL with the FPSC. The FPSC does not provide assurance that the allowed ROE will be achieved. Base rates are determined in rate proceedings which occur at irregular intervals at the initiative of FPL, the FPSC, Public Counsel or a substantially affected party.

FPL's last full rate proceeding was in 1984. In 1999, the FPSC approved a three-year agreement among FPL, Public Counsel, FIPUG and Coalition regarding FPL's retail base rates, authorized regulatory ROE, capital structure and other matters. The agreement, which became effective April 15, 1999, provides for a $350 million reduction in annual revenues from retail base operations allocated to all customers on a cents-per-kilowatt-hour basis. Additionally, the agreement sets forth a revenue sharing mechanism for each of the twelve month periods covered by the agreement, whereby revenues from retail base operations in excess of a stated threshold are required to be shared on the basis of two-thirds refunded to retail customers and one-third retained by FPL. Revenues from retail base operations in excess of a second threshold are required to be refunded 100% to retail customers.

The refund thresholds are as follows:

	Twelve Months Ended April 14,		
	2000	2001	2002
		(millions)	
66 2/3% to customers	$3,400	$3,450	$3,500
100% to customers	$3,556	$3,606	$3,656

The agreement allows 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/or fossil generating assets. This new depreciation program replaced a revenue-based special amortization program. See Note 1 – Revenue and Rates and Electric Plant, Depreciation and Amortization.

The agreement also lowered FPL's authorized regulatory ROE range to 10% - 12%. During the term of the agreement, the achieved ROE may from time to time be outside the authorized range, and the revenue sharing mechanism described above is specified to be the appropriate and exclusive mechanism to address that circumstance. For purposes of calculating ROE, 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 purchased power contracts. Finally, included in the agreement are provisions which limit depreciation rates and accruals for nuclear decommissioning and fossil dismantlement costs to currently approved levels and limit amounts recoverable under the environmental clause during the term of the agreement.

The agreement states that Public Counsel, FIPUG and Coalition 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 term of the agreement.

Fuel costs are recovered through levelized charges per kwh established pursuant to the fuel clause and totaled $2.0 billion in 2000. These charges are calculated annually based on estimated fuel costs and estimated customer usage for the following year, plus or minus a true-up adjustment to reflect the variance of actual costs and usage from the estimates used in setting the fuel adjustment charges for prior periods. An adjustment to the levelized charges may be approved during the course of a year to reflect a projected variance based on actual costs and usage. Due to higher than projected oil and natural gas prices in 2000, the FPSC approved higher per kwh charges effective June 15, 2000. Later in the year, the FPSC approved FPL's annual fuel filing for 2001, which included an estimate of under-recovered fuel costs in 2000 of $518 million. FPL will recover the $518 million over a two-year period beginning January 2001, rather than the typical one-year time frame. FPL has also agreed that instead of receiving a return at the commercial paper rate on this unrecovered portion through the fuel clause, the under-recovery will be included as a rate base regulatory asset over the two-year recovery period. Actual under-recovered fuel costs through December 31, 2000 exceeded the estimates made earlier in the year by $78 million, and in February 2001, FPL requested the FPSC to approve a fuel adjustment increase effective April 2001 to recover the additional $78 million of under-recovered fuel costs. See Note 1 – Regulation.

Capacity payments to other utilities and generating companies for purchased power are recovered through the capacity clause and base rates. In 2000, $455 million was recovered through the capacity clause. Costs associated with implementing energy conservation programs totaled $80 million in 2000 and are recovered through the conservation clause. Costs of complying with federal, state and local environmental regulations enacted after April 1993 totaled $12 million in 2000 and are recovered through the environmental clause to the extent not included in base rates. The new rate agreement limits recovery under this clause to $12.8 million in 2000 and $6.4 million in 2001, with no further amounts recoverable during the remaining term of the agreement.

The FPSC has the authority to disallow recovery of costs that it considers excessive or imprudently incurred. Such costs may include O&M expenses, the cost of replacing power lost when fossil and nuclear units are unavailable and costs associated with the construction or acquisition of new facilities.

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Competition. The electric utility industry is facing increasing competitive pressure. FPL currently faces competition from other suppliers of electrical energy to wholesale customers and from alternative energy sources and self-generation for other customer groups, primarily industrial customers. In 2000, operating revenues from wholesale and industrial customers combined represented approximately 4% of FPL's total operating revenues. A number of potential merchant plants have been announced in Florida over the past several years. Five of these announced merchant plants totaling 3,700 mw have presented submissions to seek a determination of need to the FPSC. In March 1999, the FPSC approved one of the petitions for a power plant to be constructed within FPL's service territory. FPL, along with other Florida utilities, appealed the decision to the Florida Supreme Court. In April 2000, the Florida Supreme Court upheld arguments by FPL and other Florida utilities and ruled that under current Florida law the FPSC is not authorized to grant a determination of need for a proposed power plant, the output of which is not fully committed to use by Florida retail customers. In March 2001, the United States Supreme Court denied a petition for certiorari review by one of the petitioners.

Over half of the states, other than Florida, have enacted legislation or have state commissions that issued orders designed to deregulate the production and sale of electricity. By allowing customers to choose their electricity supplier, deregulation is expected to result in a shift from cost-based rates to market-based rates for energy production and other services provided to retail customers. Similar initiatives are also being pursued on the federal level. Although the legislation and initiatives vary substantially, common areas of focus include when market-based pricing will be available for wholesale and retail customers, what existing prudently incurred costs in excess of the market-based price will be recoverable and whether generation assets should be separated from transmission, distribution and other assets. It is generally believed transmission and distribution activities would remain regulated.

In 2000, the Governor of Florida signed an executive order creating the Energy 2020 Study Commission to propose an energy plan and strategy for Florida. The order required that recommendations be made to the legislature and Governor by December 1, 2001. The commission chose to split the energy study between wholesale and retail competition. In January 2001, the commission issued an interim report containing a proposal for restructuring Florida's wholesale market for electricity. The proposal recommends the removal of statutory barriers to entry for merchant plants and, according to the report, provides a transition to a "level playing field" for all generating assets. Under the commission's proposal, investor-owned utilities such as FPL would establish, and transfer their generating assets to, affiliated exempt wholesale generators, which would also construct and operate new generating assets. The investor-owned load-serving utilities, such as FPL, would acquire energy resources through competitive bidding, negotiated contracts or from the short-term (spot) market. Purchases from affiliated exempt wholesale generators would be pursuant to a competitive bidding process. The proposal includes a number of features, including a three-year retail base rate freeze. The proposal may be addressed in the next legislative session which takes place in March through May 2001. In addition, the FERC has jurisdiction over potential changes which could affect competition in wholesale transactions. The commission will now consider recommendations for the retail market.

In 1999, the FERC issued its final order on RTOs. RTOs, under a variety of structures, provide for the independent operation of transmission systems for a given geographic area. The final order establishes guidelines for public utilities to use in considering and/or developing plans to initiate operations of RTOs by December 15, 2001. In October 2000, FPL, together with Florida Power Corporation and Tampa Electric Company, filed a joint proposal to form a fully independent for-profit transmission company that would be responsible for the transmission lines that carry electricity from power plants primarily within the state to substations in Florida. The October filing was supplemented by a December 2000 filing that provided certain operational details of the proposed RTO.

Under the proposed form of RTO, FPL would contribute its transmission assets to an independent transmission company, GridFlorida, that would own and operate the system. A separate corporation would be formed to own the voting interest in and manage GridFlorida. In return for its transmission assets, FPL would receive a non-voting ownership interest in GridFlorida, which could be exchanged for non-voting stock of the managing corporation. FPL would account for its interest in GridFlorida using the equity method.

In the event the basis of regulation for some or all of FPL's business changes from cost-based regulation, existing regulatory assets and liabilities would be written off unless regulators specify an alternative means of recovery or refund. Further, other aspects of the business, such as generation assets and long-term power purchase commitments, would need to be reviewed to assess their recoverability in a changed regulatory environment. See Management's Discussion - Results of Operations and Note 1 - Regulation.

System Capability and Load. FPL's resources for serving summer load as of December 31, 2000 consisted of 19,069 mw, of which 16,864 mw are from FPL-owned facilities (see Item 2. Properties - Generating Facilities) and 2,205 mw are obtained through purchased power contracts. See Note 13 - Contracts. FPL's reserve margin target is currently 15%. However, with the FPSC's approval, FPL and two other Florida utilities voluntarily adopted a 20% reserve margin target to be achieved by the summer of 2004.

The compounded annual growth rate of retail kwh sales and number of retail customers was 3.4% and 2.1%, respectively, for the three years ended December 31, 2000. It is anticipated that retail kwh sales will grow at a compounded annual rate of approximately 3.7% for the next three years.

Occasionally, unusually cold temperatures during the winter months result in significant increases in electricity usage for short periods of time. However, customer usage and operating revenues are typically higher during the summer months largely due to the prevalent use of air conditioning in FPL's service territory. On January 5, 2001, FPL set an all-time record for energy peak demand of 18,219 mw. Adequate resources were available at the time of the peak to meet customer demand.

FPL has begun construction to repower its two existing Fort Myers steam units and two of its three existing steam units at the Sanford site. The repowering work at these sites is scheduled to be completed by the end of 2002. FPL will also add two new gas-fired combustion turbines at each of its Martin site in 2001 and its Fort Myers site in 2003, and add new combustion turbines and/or gas-fired combined cycle units from 2005-10. These actions, plus other changes to FPL's existing units and purchased power contracts, are expected to increase FPL's net generating capability by approximately 7,000 mw.

Capital Expenditures. FPL's capital expenditures totaled approximately $1.3 billion in 2000, $924 million in 1999 and $617 million in 1998. Capital expenditures for the 2001-03 period are expected to be $3.3 billion, including $1.1 billion in 2001. This estimate is subject to continuing review and adjustment, and actual capital expenditures may vary from this estimate. See Management's Discussion - Liquidity and Capital Resources.

Nuclear Operations. FPL owns and operates four nuclear units, two at Turkey Point and two at St. Lucie. The operating licenses for Turkey Point Units Nos. 3 and 4 expire in 2012 and 2013, respectively. The operating licenses for St. Lucie Units Nos. 1 and 2 expire in 2016 and 2023, respectively. FPL has informed the NRC of its intent to apply for a 20-year license renewal for each of its four nuclear units. FPL filed the license extension application with the NRC for the Turkey Point units in 2000 and expects to file in 2002 for the St. Lucie units. The nuclear units are periodically removed from service to accommodate normal refueling and maintenance outages, repairs and certain other modifications. A condition of the operating license for each unit requires an approved plan for decontamination and decommissioning. FPL's current plans provide for prompt dismantlement of the Turkey Point Units Nos. 3 and 4 with decommissioning activities commencing in 2012 and 2013, respectively. Current plans call for St. Lucie Unit No. 1 to be mothballed beginning in 2016 with decommissioning activities to be integrated with the prompt dismantlement of St. Lucie Unit No. 2 beginning in 2023. See estimated cost data in Note 1 - Decommissioning and Dismantlement of Generating Plant.

Fuel. FPL's generating plants use a variety of fuels. See Item 2. Properties - Generating Facilities and Note 13 - Contracts. The diverse fuel options, along with purchased power, enable FPL to shift between sources of generation to achieve an economical fuel mix.

FPL has four firm transportation contracts in place with FGT that together will satisfy substantially all of the anticipated needs for natural gas transportation. The four existing contracts expire in 2005, 2015, 2021 and 2022, respectively, but each can be extended at FPL's option. To the extent desirable, FPL can also purchase interruptible gas transportation service from FGT based on pipeline availability. FPL has a long-term natural gas supply contract at market rates to provide a portion of FPL's anticipated needs for natural gas. The remainder of FPL's gas requirements are purchased under other contracts and in the spot market.

FPL has, through its joint ownership interest in SJRPP Units Nos. 1 and 2, long-term coal supply and transportation contracts for a portion of the fuel needs for those units. All of the transportation requirements and a portion of the fuel supply needs for Scherer Unit No. 4 are covered by a series of annual and long-term contracts. The remaining fuel requirements will be obtained in the spot market. FPL's oil requirements are obtained under short- and long-term contracts and in the spot market.

FPL leases nuclear fuel for all four of its nuclear units. Currently, FPL is storing spent fuel on site pending its removal by the DOE. See Note 1 - Nuclear Fuel. Under the Nuclear Waste Policy Act, the DOE was required to construct permanent disposal facilities and take title to and provide transportation and disposal for spent nuclear fuel by January 31, 1998 for a specified fee based on current generation from nuclear power plants. Through December 2000, FPL has paid approximately $425 million in such fees to the DOE's Nuclear Waste Fund. The DOE did not meet its statutory obligation for disposal of spent nuclear fuel under the Nuclear Waste Policy Act. In 1997, a court ruled, in response to petitions filed by utilities, state governments and utility commissions, that the DOE could not assert a claim that its delay was unavoidable in any defense against lawsuits by utilities seeking money damages arising out of the DOE's failure to perform its obligations. In 1998, FPL filed a lawsuit against the DOE seeking damages caused by the DOE's failure to dispose of spent nuclear fuel from FPL's nuclear power plants. The matter is pending. In the interim, FPL is investigating other alternatives to provide adequate storage capacity for all of its spent nuclear fuel. Based on current projections, FPL will lose its ability to store spent fuel on site for St. Lucie Unit No. 1 in 2005 and for St. Lucie Unit No. 2 in 2007. FPL is pursuing two approaches to expanding spent fuel storage at St. Lucie: increase rack space in its existing spent fuel pools and/or develop the capability to store spent fuel in dry storage containers. The dry storage containers would be either located at the St. Lucie plant or at a facility operated by Private Fuel Storage, LLC (PFS) in Utah. PFS is a consortium of eight utilities seeking to license, construct and operate an independent spent fuel storage facility. FPL joined the consortium in May 2000. PFS has filed a license application with the NRC and hearings on the application are ongoing.

Energy Marketing and Trading. EMT, a division of FPL, buys and sells wholesale energy commodities, such as natural gas, oil and electric power. EMT procures natural gas and oil for FPL's use in power generation and sells excess gas and electric power. EMT also uses financial instruments, such as futures and swaps, to manage the risk associated with fluctuating commodity prices and increase the value of FPL's power generation assets. Substantially all of the results of EMT's activities are passed through to customers in the fuel or capacity clauses.

Electric and Magnetic Fields. In recent years, public, scientific and regulatory attention has been focused on possible adverse health effects of EMF. These fields are created whenever electricity flows through a power line or an appliance. Several epidemiological (i.e., statistical) studies have suggested a linkage between EMF and certain types of cancer, including childhood leukemia and adult lymphoma associated with occupational exposure; other studies have been inconclusive, contradicted earlier studies or have shown no such linkage. Neither these epidemiological studies nor clinical studies have produced any conclusive evidence that EMF does or does not cause adverse health effects. In 1999, the National Institute of Environmental Health Sciences, as the culmination of a five-year federally supported research effort, pronounced that the scientific support for an EMF-cancer link is marginal and concluded that the probability that EMF exposure is truly a health hazard is small but cannot be completely discounted.

FPL is in compliance with the FDEP regulations regarding EMF levels within and at the edge of the rights of way for transmission lines. Future changes in the FDEP regulations could require additional capital expenditures by FPL for such things as increasing the right of way corridors or relocating or reconfiguring transmission facilities. It is not presently known whether any such expenditures will be required.

Employees. FPL had 9,838 employees at December 31, 2000. Approximately 34% of the employees are represented by the IBEW under a collective bargaining agreement with FPL that will expire October 31, 2004.

FPL ENERGY OPERATIONS

FPL Energy. FPL Energy, a wholly-owned subsidiary of FPL Group Capital, was formed in 1998 to aggregate FPL Group's existing unregulated energy-related operations. FPL Energy's participation in the domestic energy market has evolved in recent years from non-controlling equity investments to a more active role that includes ownership, development, construction, management and operation of many projects. FPL Energy is actively involved in managing more than 82% of its projects, which represents approximately 98% of the net generating capacity in which FPL Energy has an ownership interest. This active role is expected to continue as opportunities in the unregulated generation market are pursued. As of December 31, 2000, FPL Energy had ownership interests in operating independent power projects with a net generating capacity of 4,110 mw. Generation capacity spans various regions thereby reducing seasonal volatility on a portfolio basis. The percentage of capacity by region is 35% Northeast, 30% Central, 21% Mid-Atlantic and 14% West. Fuel sources for these projects are 52% natural gas, 18% oil, 15% wind, 9% hydro and 6% other.

PMI, a subsidiary of FPL Energy, buys and sells wholesale energy commodities, such as natural gas, oil and electric power. PMI procures natural gas and oil for FPL Energy's use in power generation and sells excess gas and electric power. PMI also uses financial instruments, such as futures and swaps, to manage the risk associated with fluctuating commodity prices and increase the value of FPL Energy's power generation assets. The results of PMI's activities are recognized in FPL Energy's operating results.

Currently, approximately 25% of FPL Energy's net generating capacity has qualifying facility status under the PURPA. Qualifying facility electricity may be generated from hydropower, wind, solar, geothermal, fossil fuels, biomass or waste-product combustion. Utilities pay for qualifying facility electricity on the basis of each utility's avoided cost of power. Qualifying facility status exempts the projects from the application of the Holding Company Act, many provisions of the Federal Power Act, and state laws and regulations respecting rates and financial or organizational regulation of electric utilities. FPL Energy also has ownership interest in operating independent power projects that have received exempt wholesale generator status as defined in the Holding Company Act. These projects represent approximately 75% of FPL Energy's net generating capacity. Exempt wholesale generators own or operate a facility exclusively to sell electric energy at wholesale. They are barred from selling electricity directly to retail customers. While projects with qualifying facility and exempt wholesale generator status are exempt from various restrictions, each project must still comply with other federal, state and local laws, including those regarding siting, construction, operation, licensing and pollution abatement.

FPL Energy's capital expenditures and investments totaled approximately $507 million, $1.540 billion and $521 million in 2000, 1999 and 1998, respectively. During 2000, FPL Energy completed the construction of a 1,000 mw combined-cycle natural gas-fired plant in Texas, of which FPL Energy owns 99%, and purchased net ownership interests in two windfarms totaling 118 mw. As of March 31, 2001, FPL Energy has announced or is currently constructing eight plants that would add approximately 2,700 mw to its generating capacity by 2003. In 1999, FPL Energy completed the purchase of CMP's non-nuclear generating assets, primarily fossil and hydro power plants, for $866 million. See Note 10 and Management's Discussion - Liquidity and Capital Resources.

Deregulation of the electric utility market presents both opportunities and risks for FPL Energy. Opportunities exist for the selective acquisition of generation assets that are being divested under deregulation plans and for the construction and operation of efficient plants that can sell power in competitive markets. Substantially all of the energy produced in 2000 by FPL Energy's independent power projects was sold through power sales agreements with utilities that expire in 2001-28. As competitive wholesale markets become more accessible to other generators, obtaining power sales agreements will become a progressively more competitive process. FPL Energy expects that as its existing power sales agreements expire, more of the energy produced will be sold through shorter-term contracts and into competitive wholesale markets.

Competitive wholesale markets in the United States continue to evolve and vary by geographic region. Revenues from electricity sales in these markets will vary based on the prices obtainable for energy, capacity and other ancillary services. Some of the factors affecting success in these markets include the ability to operate generating assets efficiently, the price and supply of fuel, transmission constraints, competition from new sources of generation, demand growth and exposure to legal and regulatory changes.

FPL Energy has approximately 540 net mw in California, most of which are wind, solar and geothermal qualifying facilities. The output of these projects is sold predominantly under long-term contracts with California utilities. Increases in natural gas prices and an imbalance between power supply and demand, as well as other factors, have contributed to significant increases in wholesale electricity prices in California. Utilities in California had previously agreed to fixed tariffs to their retail customers, which resulted in significant under-recoveries of wholesale electricity purchase costs. FPL Energy's projects have not received the majority of payments due from California utilities since November 2000. On April 6, 2001, Pacific Gas and Electric Company (PG&E) filed for protection under the U.S. Bankruptcy laws. Earnings from projects that sell to PG&E represent approximately 15% of FPL Energy's earnings from California projects. At December 31, 2000, FPL Energy's net investment in California projects was approximately $250 million. It is impossible to predict what the outcome of the situation in California will be.

FPL Energy had 867 employees at December 31, 2000. Approximately 16% of the employees are represented by the IBEW under a collective bargaining agreement with FPL Energy that expires on February 28, 2003.

OTHER FPL GROUP OPERATIONS

FPL FiberNet. FPL FiberNet sells wholesale fiber-optic network capacity to FPL and other new and existing customers, primarily telephone, cable television, internet and other telecommunications companies. FPL FiberNet was formed in January 2000 to enhance the value of FPL Group's fiber-optic network assets that were originally built to support FPL operations. Accordingly, FPL's existing 1,600 miles of fiber-optic lines were transferred to FPL FiberNet in January 2000. FPL FiberNet's network interconnects major cities in Florida. During 2000, FPL FiberNet invested approximately $90 million to expand the network within major cities throughout Florida. Over the next three years, FPL FiberNet plans to continue this expansion by investing a total of approximately $240 million.

EXECUTIVE OFFICERS OF THE REGISTRANTS [(a)(b)]

Name	Age	Position	Effective Date
James L. Broadhead	65	Chairman of the Board and Chief Executive Officer of FPL Group	May 8, 1990
		Chairman of the Board and Chief Executive Officer of FPL	January 15, 1990
Dennis P. Coyle	62	General Counsel and Secretary of FPL Group	June 1, 1991
		General Counsel and Secretary of FPL	July 1, 1991
K. Michael Davis	54	Controller and Chief Accounting Officer of FPL Group	May 13, 1991
		Vice President, Accounting, Controller and Chief Accounting Officer of FPL	July 1, 1991
Paul J. Evanson	59	President of FPL	January 9, 1995
Lewis Hay, III	45	President of FPL Energy	March 13, 2000
Lawrence J. Kelleher	53	Vice President, Human Resources of FPL Group	May 13, 1991
		Senior Vice President, Human Resources and Corporate Services of FPL.	July 1, 1999
Robert L. McGrath	47	Treasurer of FPL Group and FPL	January 11, 2000
		Vice President Finance and Chief Financial Officer of FPL Energy	June 6, 2000
Armando J. Olivera	51	Senior Vice President, Power Systems of FPL	July 1, 1999
Thomas F. Plunkett	61	President, Nuclear Division of FPL	March 1, 1996
Antonio Rodriguez	58	Senior Vice President, Power Generation Division of FPL	July 1, 1999

(a) Executive officers are elected annually by, and serve at the pleasure of, their respective boards of directors. Except as noted below, each officer has held his present position for five years or more and his employment history is continuous.

(b) The business experience of the executive officers is as follows: Mr. Hay was senior vice president and chief financial officer of US Foodservice, a food service distributor, from 1991 to 1997. From 1997 to 1999 he was executive vice president and chief financial officer of US Foodservice. From August 1999 to March 2000, Mr. Hay was vice president, finance and chief financial officer of FPL Group and senior vice president, finance and chief financial officer of FPL. Mr. Kelleher was senior vice president, human resources of FPL from July 1991 to July 1999. Mr. McGrath was assistant treasurer of FPL Group and FPL from February 1998 to January 2000. Prior to that, Mr. McGrath was vice president and chief financial officer of ESI Energy, Inc. Mr. Olivera was vice president, distribution of FPL from February 1997 to July 1999. Prior to that, Mr. Olivera was vice president, power delivery of FPL. Mr. Rodriguez was vice president, power delivery of FPL from February 1997 to July 1999. Prior to that, Mr. Rodriguez was vice president, operations of FPL's power generation division.

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Item 2. Properties

FPL Group and its subsidiaries maintain properties which are adequate for their operations. At December 31, 2000, the electric generating, transmission, distribution and general facilities of FPL represent 45%, 13%, 36% and 6%, respectively, of FPL's gross investment in electric utility plant in service.

Generating Facilities. As of December 31, 2000, FPL Group had the following generating facilities:

Facility	Location	No. of Units	Fuel	Net Capability (mw)(a)
FPL:				
STEAM TURBINES				
Cape Canaveral	Cocoa, FL	2	Oil/Gas	806
Cutler	Miami, FL	2	Gas	215
Fort Myers	Fort Myers, FL	2	Oil	990(b)
Manatee	Parrish, FL	2	Oil	1,625
Martin	Indiantown, FL	2	Oil/Gas	1,640
Port Everglades	Port Everglades, FL	4	Oil/Gas	1,242
Riviera	Riviera Beach, FL	2	Oil/Gas	563
St. Johns River Power Park	Jacksonville, FL	2	Coal/Petroleum Coke	254(c)
St. Lucie	Hutchinson Island, FL	2	Nuclear	1,553(d)
Sanford	Lake Monroe, FL	3	Oil/Gas	914
Scherer	Monroe County, GA	1	Coal	658(e)
Turkey Point	Florida City, FL	2	Oil/Gas	810
		2	Nuclear	1,386
COMBINED-CYCLE				
Lauderdale	Dania, FL	2	Gas/Oil	854
Martin	Indiantown, FL	2	Gas	948
Putnam	Palatka, FL	2	Gas/Oil	498
COMBUSTION TURBINES				
Fort Myers	Fort Myers, FL	12	Oil	636
Lauderdale	Dania, FL	24	Oil/Gas	840
Port Everglades	Port Everglades, FL	12	Oil/Gas	420
DIESEL UNITS				
Turkey Point	Florida City, FL	5	Oil	12
TOTAL				16,864
FPL Energy:				
Cerro Gordo	Ventura, IA	55	Wind	42
Doswell	Ashland, VA	4	Gas	708
Lake Benton II	Ruthton, MN	138	Wind	104
Lamar Power Partners	Paris, TX	2	Gas	990
Maine	Various - ME	9	Oil	755
Maine	Various - ME	89	Hydro	373
Maine	Ft. Fairfield, ME	1	Wastewood	31
Marcus Hook 50	Marcus Hook, PA	1	Gas	50
West Texas Wind	McCamey, TX	107	Wind	75
Vansycle	Helix, OR	38	Wind	25
Investments in joint ventures	Various	(f)	Various	957
TOTAL				4,110

(a) Represents FPL's net warm weather peaking capability and FPL Energy's net ownership interest in plant capacity.
(b) Includes three gas-combustion turbines in simple cycle operation as part of a repowering project.
(c) Represents FPL's 20% ownership interest in each of SJRPP Units Nos. 1 and 2, which are jointly owned with the JEA.
(d) Excludes Orlando Utilities Commission's and the FMPA's combined share of approximately 15% of St. Lucie Unit No. 2.
(e) Represents FPL's approximately 76% ownership of Scherer Unit No. 4, which is jointly owned with the JEA.
(f) Includes two natural gas-fired units in the Northeast (295 mw) and 1,448 units at a wind project in the West (83 mw). The remaining 579 mw are provided by plants with less than 50 mw each.

Transmission and Distribution. As of December 31, 2000, FPL owned and operated 497 substations and the following electric transmission and distribution lines:

Nominal Voltage	Overhead Lines Pole Miles	Trench and Submarine Cable Miles
500 kv	1,107(a)	-
230 kv	2,258	31
138 kv	1,440	49
115 kv	671	-
69 kv	166	14
Less than 69 kv	40,201	22,106
Total	45,843	22,200

(a) Includes approximately 75 miles owned jointly with the JEA.

Character of Ownership. Substantially all of FPL's properties are subject to the lien of FPL's mortgage, which secures most debt securities issued by FPL. The principal properties of FPL Group are held by FPL in fee and are free from other encumbrances, subject to minor exceptions, none of which is of such a nature as to substantially impair the usefulness to FPL of such properties. Some of FPL's electric lines are located on land not owned in fee but are covered by necessary consents of governmental authorities or rights obtained from owners of private property.

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Item 3. Legal Proceedings

In November 1999, the Attorney General of the United States, on behalf of the U.S. Environmental Protection Agency (EPA) brought an action in the U.S. District Court for the Northern District of Georgia against Georgia Power Company and other subsidiaries of The Southern Company for injunctive relief and the assessment of civil penalties for violations of the Prevention of Significant Deterioration (PSD) provisions and the New Source Performance Standards (NSPS) of the Clean Air Act. Among other things, the EPA alleges Georgia Power Company constructed and is continuing to operate Scherer Unit No. 4, in which FPL owns a 76% interest, without obtaining a PSD permit, without complying with NSPS requirements, and without applying best available control technology for nitrogen oxides, sulfur dioxides and particulate matter as required by the Clean Air Act. The suit seeks injunctive relief requiring the installation of such technology and civil penalties of up to $25,000 per day for each violation from an unspecified date after August 7, 1977 through January 30, 1997, and $27,500 per day for each violation thereafter. Georgia Power Company has filed an answer to the complaint asserting that it has complied with all requirements of the Clean Air Act, denying the plaintiff's allegations of liability, denying that the plaintiff is entitled to any of the relief that it seeks and raising various other defenses. The EPA subsequently moved for leave to file an amended complaint that would extend the suit to other Southern Company subsidiaries and plants and would add an allegation that unspecified major modifications have been made at Scherer Unit No. 4 that require its compliance with the aforementioned Clean Air Act provisions (comparable allegations were made in the original complaint as to other plants but not Scherer Unit No. 4). The Court has not yet ruled on whether to permit the amendment. If amended as proposed, the EPA's demand for civil penalties with respect to Scherer Unit No. 4 would apply to the period commencing on an unspecified date after June 1, 1975.

In June 2000, Southern California Edison Company (SCE) filed with the FERC a Petition for Declaratory Order (petition) asking the FERC to apply the November 1999 decision of the U.S. Court of Appeals for the District of Columbia Circuit in *Southern California Edison Co. v. FERC*, to all qualifying small power production facilities, including the SEGS VIII and SEGS IX facilities owned by Luz Solar Partners Ltd., VIII and Luz Solar Partners Ltd., IX (collectively, the partnerships), indirectly owned in part by FPL Energy. The federal circuit court of appeals' decision invalidated the FERC's so-called essential fixed assets standard, which permitted secondary uses of fossil fuels by qualifying small power production facilities beyond those expressly set forth in PURPA. The petition requests that the FERC declare that qualifying small power production facilities may not continue to use fossil fuel under the essential fixed assets standard and that they may be required to make refunds with respect to past usage. The partnerships intend to file a Motion to Intervene and Protest before the FERC, vigorously objecting to the position taken by SCE in its petition. The partnerships have always operated the SEGS VIII and SEGS IX facilities in accordance with orders issued by the FERC. Such orders were neither challenged nor appealed at the time they were granted, and it is the position of the partnerships that the orders remain in effect.

In September 2000, Karen and Bruce Alexander filed suit against FPL Group, FPL, FPL FiberNet, FPL Group Capital and FPL Investments, Inc. in the Circuit Court for Palm Beach County, Florida, purportedly on behalf of all property owners in Florida whose property is encumbered by defendants' easements and on whose property the defendants have installed or intend to install fiber-optic cable which defendants lease, license or convey for non-electric transmission or distribution purposes, or intend to do so. The lawsuit alleged that FPL's easements did not permit the installation and use of fiber-optic cable for general communication purposes. The plaintiffs sought injunctive relief, compensatory damages, interest and attorneys' fees. The defendants served an offer of judgment for ten dollars on the named plaintiffs, reflecting the defendants' conclusion that, based on an analysis of the claims and circumstances of these individual plaintiffs, they had not sustained the injuries for which they claimed a right to relief. In January 2001, the plaintiffs accepted this offer of judgment, pursuant to which the suit has been dismissed with prejudice.

In the event that FPL Group and FPL do not prevail in these suits, there may be a material adverse effect on their financial statements. However, FPL Group and FPL believe that they have meritorious defenses to the pending litigation discussed above and are vigorously defending these suits. Accordingly, the liabilities, if any, arising from these proceedings are not anticipated to have a material adverse effect on their financial statements.

Item 4. Submission of Matters to a Vote of Security Holders

A Special Meeting of FPL Group's shareholders was held on December 15, 2000 to approve a merger between FPL Group and Entergy. Of the 176,171,034 shares of common stock outstanding on the record date of November 6, 2000, a total of 140,418,246 shares were represented in person or by proxy, of which 136,123,939 voted for the merger, 3,042,680 against and 1,251,627 abstained. Subsequently, a number of factors led FPL Group to conclude the merger would not achieve the synergies or create the shareholder value originally contemplated when the merger was announced. As a result, on April 1, 2001, FPL Group and Entergy mutually terminated the merger agreement. For additional information concerning the merger, see Note 2.

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PART II

Item 5. Market for the Registrants' Common Equity and Related Stockholder Matters

Common Stock Data. All of FPL's common stock is owned by FPL Group. FPL Group's common stock is traded on the New York Stock Exchange. The high and low sales prices for the common stock of FPL Group as reported in the consolidated transaction reporting system of the New York Stock Exchange for each quarter during the past two years are as follows:

Quarter	2000 High	2000 Low	1999 High	1999 Low
First	$48 1/4	$36 3/8	$61 15/16	$50 1/8
Second	$50 13/16	$41 13/16	$60 1/2	$52 7/8
Third	$67 1/8	$47 1/8	$56 11/16	$49 1/8
Fourth	$73	$59 3/8	$52 1/2	$41 1/8

Approximate Number of Stockholders. As of the close of business on January 31, 2001, there were 44,645 holders of record of FPL Group's common stock.

Dividends. Quarterly dividends have been paid on common stock of FPL Group during the past two years in the following amounts:

Quarter	2000	1999
First	$0.54	$0.52
Second	$0.54	$0.52
Third	$0.54	$0.52
Fourth	$0.54	$0.52

The amount and timing of dividends payable on FPL Group's common stock are within the sole discretion of FPL Group's board of directors. The board of directors reviews the dividend rate at least annually (in February) to determine its appropriateness in light of FPL Group's financial position and results of operations, legislative and regulatory developments affecting the electric utility industry in general and FPL in particular, competitive conditions and any other factors the board deems relevant. The ability of FPL Group to pay dividends on its common stock is dependent upon dividends paid to it by its subsidiaries, primarily FPL. There are no restrictions in effect that currently limit FPL's ability to pay dividends to FPL Group. See Management's Discussion - Liquidity and Capital Resources and Note 5 - Common Stock Dividend Restrictions regarding dividends paid by FPL to FPL Group.

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Item 6. Selected Financial Data

	Years Ended December 31,				
	2000	1999	1998	1997	1996
SELECTED DATA OF FPL GROUP (millions, except per share amounts):					
Operating revenues	$ 7,082	$ 6,438	$ 6,661	$ 6,369	$ 6,037
Net income	$ 704(b)	$ 697(c)	$ 664	$ 618	$ 579
Earnings per share of common stock(a)	$ 4.14(b)	$ 4.07(c)	$ 3.85	$ 3.57	$ 3.33
Dividends paid per share of common stock	$ 2.16	$ 2.08	$ 2.00	$ 1.92	$ 1.84
Total assets	$ 15,300	$13,441	$12,029	$12,449	$12,219
Long-term debt, excluding current maturities	$ 3,976	$ 3,478	$ 2,347	$ 2,949	$ 3,144
Obligations of FPL under capital lease, excluding current maturities	$ 127	$ 157	$ 146	$ 186	$ 182
Preferred stock of FPL with sinking fund requirements, excluding current maturities	$ -	$ -	$ -	$ -	$ 42
Energy sales (kwh)	100,777	92,446	91,041	84,642	80,889
SELECTED DATA OF FPL (millions):					
Operating revenues	$ 6,361	$ 6,057	$ 6,366	$ 6,132	$ 5,986
Net income available to FPL Group	$ 607(b)	$ 576(c)	$ 616	$ 608	$ 591
Total assets	$ 12,020	$10,608	$10,748	$11,172	$11,531
Long-term debt, excluding current maturities	$ 2,577	$ 2,079	$ 2,191	$ 2,420	$ 2,981
Energy sales (kwh)	91,969	88,067	89,362	82,734	80,889
Energy sales:					
Residential	50.4%	50.2%	50.9%	50.6%	51.1%
Commercial	40.2	40.3	38.8	39.8	38.6
Industrial	4.1	4.5	4.4	4.7	4.7
Interchange power sales	3.1	3.0	3.2	2.1	2.6
Other(d)	2.2	2.0	2.7	2.8	3.0
Total	100.0%	100.0%	100.0%	100.0%	100.0%
Approximate 60-minute net peak served (mw)(e):					
Summer season	17,808	17,615	17,897	16,613	16,064
Winter season	18,219	17,057	16,802	13,047	16,490
Average number of customer accounts (thousands):					
Residential	3,414	3,332	3,266	3,209	3,153
Commercial	415	405	397	389	381
Industrial	16	16	15	15	15
Other	3	3	2	3	2
Total	3,848	3,756	3,680	3,616	3,551
Average price per kwh (cents)(f)	6.86	6.87	7.13	7.37	7.39

(a) Basic and assuming dilution.

(b) Includes merger-related expenses. Excluding these expenses, FPL Group's net income and earnings per share would have been $745 million and $4.38, respectively and FPL's net income available to FPL Group would have been $645 million.

(c) Includes effects of a gain on sale of Adelphia Communications Corporation stock, impairment loss on Maine assets, settlement of litigation between FPL and FMPA and a gain on the redemption of a one-third ownership interest in a cable limited partnership. Excluding these items, FPL Group's net income and earnings per share would have been $681 million and $3.98, respectively. Excluding the settlement of litigation between FPL and FMPA, FPL's net income available to FPL Group would have been $618 million.

(d) Includes the net change in unbilled sales.

(e) Winter season includes November and December of the current year and January to March of the following year.

(f) Excludes interchange power sales, net change in unbilled revenues, deferrals/recoveries under cost recovery clauses and the provision for retail rate refund.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

This discussion should be read in conjunction with the Notes to Consolidated Financial Statements contained herein. In the following discussion, all comparisons are with the corresponding items in the prior year.

Merger

In July 2000, FPL Group and Entergy announced a proposed merger, which was approved by the shareholders of the respective companies in December 2000. Subsequently, a number of factors led FPL Group to conclude the merger would not achieve the synergies or create the shareholder value originally contemplated when the merger was announced. As a result, on April 1, 2001, FPL Group and Entergy mutually terminated the merger agreement.

In 2000, FPL Group recorded $67 million in merger-related expenses, of which FPL recorded $62 million ($38 million after-tax), FPL Energy recorded $2 million ($1 million after-tax) and Corporate and Other recorded $3 million ($2 million after-tax). Merger-related expenses will continue in 2001, although to a lesser degree. For additional information concerning the merger, see Note 2.

Results of Operations

FPL Group's net income and earnings per share in 2000 increased despite a charge for merger-related expenses. This charge reduced net income and earnings per share by $41 million and $0.24, respectively. Net income and earnings per share in 1999 included the net effect of several nonrecurring transactions that resulted in additional net income of $16 million, or $0.09 per share. Excluding the merger-related expenses in 2000 and the nonrecurring items in 1999, FPL Group's net income in 2000 increased 9.4% to $745 million, and earnings per share increased 10.1% to $4.38. The comparable growth rates for 1999 were 2.6% and 3.4%, respectively, excluding the effects of the nonrecurring items in 1999. In 2000, both FPL and FPL Energy contributed to the growth, while in 1999 the growth was primarily attributable to FPL Energy.

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FPL – FPL's results for 2000 continued to benefit from customer growth, increased electricity usage per retail customer and lower O&M expenses. The effect of the rate reduction and higher interest charges partly offset these positives. FPL's portion of the merger-related expenses in 2000 reduced net income by $38 million. Results for 1999 also include a nonrecurring charge related to the settlement of litigation that reduced net income by $42 million. FPL's net income, excluding these items in both periods, was $645 million in 2000, up $27 million from 1999. Excluding the litigation settlement in 1999, FPL's slight net income growth in 1999 reflected lower depreciation, customer growth and lower O&M expenses partly offset by the effect of the rate reduction and a decline in electricity usage per retail customer.

FPL's operating revenues consist primarily of revenues from retail base operations, cost recovery clauses and franchise fees. Revenues from retail base operations were $3.5 billion, $3.5 billion and $3.8 billion in 2000, 1999 and 1998, respectively. Revenues from cost recovery clauses and franchise fees represent a pass-through of costs and do not significantly affect net income. Fluctuations in these revenues are primarily driven by changes in energy sales, fuel prices and capacity charges. Due to higher than projected oil and natural gas prices in 2000, the FPSC approved higher per kwh charges effective June 15, 2000. These additional clause revenues resulted in higher operating revenues. Later in the year, the FPSC approved FPL's annual fuel filing for 2001, which included an estimate of under-recovered fuel costs in 2000 of $518 million. FPL will recover the $518 million over a two-year period beginning January 2001, rather than the typical one-year time frame. FPL has also agreed that instead of receiving a return at the commercial paper rate on this unrecovered portion through the fuel clause, the under-recovery will be included as a rate base regulatory asset over the two-year recovery period. Actual under-recovered fuel costs through December 31, 2000 exceeded the estimates made earlier in the year by $78 million, and in February 2001, FPL requested the FPSC to approve a fuel adjustment increase effective April 2001 to recover the additional $78 million of under-recovered fuel costs. See Note 1 – Regulation.

In 1999, the FPSC approved a three-year agreement among FPL, Public Counsel, FIPUG and Coalition regarding FPL's retail base rates, authorized regulatory ROE, capital structure and other matters. The agreement, which became effective April 15, 1999, provides for a $350 million reduction in annual revenues from retail base operations allocated to all customers on a cents-per-kilowatt-hour basis. Additionally, the agreement sets forth a revenue sharing mechanism for each of the twelve month periods covered by the agreement, whereby revenues from retail base operations in excess of a stated threshold are required to be shared on the basis of two-thirds refunded to retail customers and one-third retained by FPL. Revenues from retail base operations in excess of a second threshold are required to be refunded 100% to retail customers.

The refund thresholds are as follows:

	Twelve Months Ended April 14,		
	2000	2001	2002
		(millions)	
66 2/3% to customers	$3,400	$3,450	$3,500
100% to customers	$3,556	$3,606	$3,656

During 2000, FPL accrued approximately $60 million relating to refunds to retail customers compared to $20 million in 1999. Furthermore, FPL refunded in 2000 approximately $23 million, including interest, to retail customers for the first twelve-month period under the rate agreement. At December 31, 2000 and 1999, the accrual for the revenue refund was approximately $57 million and $20 million, respectively.

The earnings effect of the annual revenue reduction was offset by lower special depreciation. The agreement allows 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/or fossil generating assets. Under this new depreciation program, FPL recorded $100 million of special depreciation in the first twelve-month period and $71 million through December 31, 2000 of the second twelve-month period. On a fiscal year basis, FPL recorded approximately $101 million and $70 million of special depreciation in 2000 and 1999, respectively. The new depreciation program replaced a revenue-based special amortization program whereby special amortization in the amount of $63 million and $378 million was recorded in 1999 and 1998, respectively. See Note 1 - Electric Plant, Depreciation and Amortization.

The agreement also lowered FPL's authorized regulatory ROE range to 10% - 12%. During the term of the agreement, the achieved ROE may from time to time be outside the authorized range, and the revenue sharing mechanism described above is specified to be the appropriate and exclusive mechanism to address that circumstance. FPL reported an ROE of 12.2%, 12.1% and 12.6% in 2000, 1999 and 1998, respectively. See Note 1 - Revenues and Rates.

Revenues from retail base operations were flat during 2000. Customer growth of 2.5% and a 1.9% increase in electricity usage per retail customer was almost entirely offset by the effect of the rate reduction.

The decline in retail base revenues in 1999 was largely due to the rate reduction. A 2.8% decline in electricity usage per retail customer, mainly due to milder weather conditions, was almost entirely offset by the 2.0% increase in the number of customer accounts.

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FPL's O&M expenses continued to decline in 2000 due to improved productivity. O&M expenses in 1999 also declined as a result of continued cost control efforts partially offset by higher overhaul costs at fossil plants.

Interest charges increased in 2000 reflecting increased debt activity to fund FPL's capital expansion program and under-recovered fuel costs. Lower interest charges in 1999 and 1998 reflect lower average debt balances and the full amortization in 1998 of deferred costs associated with debt reacquired through 1998.

The electric utility industry is facing increasing competitive pressure. FPL currently faces competition from other suppliers of electrical energy to wholesale customers and from alternative energy sources and self-generation for other customer groups, primarily industrial customers. In 2000, operating revenues from wholesale and industrial customers combined represented approximately 4% of FPL's total operating revenues. A number of potential merchant plants have been announced in Florida over the past several years. Five of these announced merchant plants totaling 3,700 mw have presented submissions to seek a determination of need to the FPSC. In March 1999, the FPSC approved one of the petitions for a power plant to be constructed within FPL's service territory. FPL, along with other Florida utilities, appealed the decision to the Florida Supreme Court. In April 2000, the Florida Supreme Court upheld arguments by FPL and other Florida utilities and ruled that under current Florida law the FPSC is not authorized to grant a determination of need for a proposed power plant, the output of which is not fully committed to use by Florida retail customers. In March 2001, the United States Supreme Court denied a petition for certiorari review by one of the petitioners. See Note 1 - Regulation.

In 2000, the Governor of Florida signed an executive order creating the Energy 2020 Study Commission to propose an energy plan and strategy for Florida. The order required that recommendations be made to the legislature and Governor by December 1, 2001. The commission chose to split the energy study between wholesale and retail competition. In January 2001, the commission issued an interim report containing a proposal for restructuring Florida's wholesale market for electricity. The proposal recommends the removal of statutory barriers to entry for merchant plants and, according to the report, provides a transition to a "level playing field" for all generating assets. Under the commission's proposal, investor-owned utilities such as FPL would establish, and transfer their generating assets to, affiliated exempt wholesale generators, which would also construct and operate new generating assets. The investor-owned load-serving utilities, such as FPL, would acquire energy resources through competitive bidding, negotiated contracts or from the short-term (spot) market. Purchases from affiliated exempt wholesale generators would be pursuant to a competitive bidding process. The proposal includes a number of features, including a three-year retail base rate freeze. The proposal may be addressed in the next legislative session which takes place in March through May 2001. In addition, the FERC has jurisdiction over potential changes which could affect competition in wholesale transactions. The commission will now consider recommendations for the retail market.

In 1999, the FERC issued its final order on RTOs. RTOs, under a variety of structures, provide for the independent operation of transmission systems for a given geographic area. The final order establishes guidelines for public utilities to use in considering and/or developing plans to initiate operations of RTOs by December 15, 2001. In October 2000, FPL, together with Florida Power Corporation and Tampa Electric Company, filed a joint proposal to form a fully independent for-profit transmission company that would be responsible for the transmission lines that carry electricity from power plants primarily within the state to substations in Florida. The October filing was supplemented by a December 2000 filing that provided certain operational details of the proposed RTO.

Under the proposed form of RTO, FPL would contribute its transmission assets to an independent transmission company, GridFlorida, that would own and operate the system. A separate corporation would be formed to own the voting interest in and manage GridFlorida. In return for its transmission assets, FPL would receive a non-voting ownership interest in GridFlorida, which could be exchanged for non-voting stock of the managing corporation. FPL would account for its interest in GridFlorida using the equity method.

FPL Energy – FPL Energy's earnings continue to benefit from the significant expansion of its independent power generation portfolio, which has more than tripled since 1997 to over 4,100 mw at December 31, 2000. In 2000, Lamar Power Partners, a natural gas-fired plant in the Central region became operational and added approximately 1,000 mw to FPL Energy's operating portfolio. In 1999, FPL Energy acquired the Maine assets, which totaled 1,159 mw and in 1998, FPL Energy invested in two natural gas-fired plants in the Northeast, adding 295 mw. In addition, approximately 400 mw of wind projects have been added in the West and Central regions since 1997.

In 2000, FPL Energy's net income also benefited from increased revenues generated by the Maine assets as a result of warmer weather and higher prices in the Northeast during May 2000, and lower O&M expenses at Doswell. In 1999, the effect of a $176 million ($104 million after-tax) impairment loss (see Note 10) and higher administrative expenses to accommodate future growth more than offset the benefits of the growing generation portfolio and improved results from Doswell. FPL Energy's 1998 net income includes the effect of a $35 million ($21 million after-tax) charge for the termination of an interest rate swap agreement, which was partly offset by the receipt of a $31 million ($19 million after-tax) settlement relating to a contract dispute.

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Deregulation of the electric utility market presents both opportunities and risks for FPL Energy. Opportunities exist for the selective acquisition of generation assets that are being divested under deregulation plans and for the construction and operation of efficient plants that can sell power in competitive markets. Substantially all of the energy produced in 2000 by FPL Energy's independent power projects was sold through power sales agreements with utilities that expire in 2001-28. As competitive wholesale markets become more accessible to other generators, obtaining power sales agreements will become a progressively more competitive process. FPL Energy expects that as its existing power sales agreements expire, more of the energy produced will be sold through shorter-term contracts and into competitive wholesale markets.

Competitive wholesale markets in the United States continue to evolve and vary by geographic region. Revenues from electricity sales in these markets will vary based on the prices obtainable for energy, capacity and other ancillary services. Some of the factors affecting success in these markets include the ability to operate generating assets efficiently, the price and supply of fuel, transmission constraints, competition from new sources of generation, demand growth and exposure to legal and regulatory changes.

FPL Energy has approximately 540 net mw in California, most of which are wind, solar and geothermal qualifying facilities. The output of these projects is sold predominantly under long-term contracts with California utilities. Increases in natural gas prices and an imbalance between power supply and demand, as well as other factors, have contributed to significant increases in wholesale electricity prices in California. Utilities in California had previously agreed to fixed tariffs to their retail customers, which resulted in significant under-recoveries of wholesale electricity purchase costs. FPL Energy's projects have not received the majority of payments due from California utilities since November 2000. On April 6, 2001, Pacific Gas and Electric Company (PG&E) filed for protection under the U.S. Bankruptcy laws. Earnings from projects that sell to PG&E represent approximately 15% of FPL Energy's earnings from California projects. At December 31, 2000, FPL Energy's net investment in California projects was approximately $250 million. It is impossible to predict what the outcome of the situation in California will be.

Corporate and Other - Beginning in 2000, the corporate and other segment includes FPL FiberNet's operating results. FPL FiberNet was formed in January 2000 to enhance the value of FPL Group's fiber-optic network assets that were originally built to support FPL operations. Accordingly, FPL's existing 1,600 miles of fiber-optic lines were transferred to FPL FiberNet in January 2000. In 1999, net income for the corporate and other segment reflects a $149 million ($96 million after-tax) gain on the sale of an investment in Adelphia Communications Corporation common stock, a $108 million ($66 million after-tax) gain recorded by FPL Group Capital on the redemption of its one-third interest in a cable limited partnership, costs associated with closing a retail marketing business of $11 million ($7 million after-tax) and the favorable resolution of a prior year state tax matter of $10 million ($7 million after-tax). In 1998, net income for the corporate and other segment reflects a $36 million ($25 million after-tax) loss from the sale of Turner Foods Corporation's assets, the cost of terminating an agreement designed to fix interest rates of $26 million ($16 million after-tax) and adjustments relating to prior years' tax matters, including the resolution of a $30 million audit issue with the Internal Revenue Service.

Liquidity and Capital Resources

FPL Group's capital requirements consist of expenditures to meet increased electricity usage and customer growth of FPL, investment opportunities at FPL Energy and expansion of FPL FiberNet. Capital expenditures of FPL for the 2001-03 period are expected to be approximately $3.3 billion, including $1.1 billion in 2001. As of December 31, 2000, FPL Energy has commitments totaling approximately $380 million, primarily in connection with the development and expansion of independent power projects. Subsidiaries of FPL Group, other than FPL, have guaranteed approximately $810 million of prompt performance payments, lease obligations, purchase and sale of power and fuel agreement obligations, debt service payments and other payments subject to certain contingencies. See Note 13 - Commitments.

Debt maturities of FPL Group's subsidiaries will require cash outflows of approximately $1.0 billion ($860 million for FPL) through 2005, including $65 million for FPL in 2001. It is anticipated that cash requirements for capital expenditures, energy-related investments and debt maturities in 2001 will be satisfied with internally generated funds and debt issuances. Any internally generated funds not required for capital expenditures and current maturities may be used to reduce outstanding debt or repurchase common stock, or for investment. Any temporary cash needs will be met by short-term bank borrowings. In 2000, FPL had $125 million of first mortgage bonds mature and issued $452 million of variable-rate bonds and $500 million of first mortgage bonds. The proceeds from these issuances were used in 2000 to redeem $278 million of variable-rate bonds, $109 million of first mortgage bonds and to repay FPL's short-term borrowings. In 2001, $65 million was used to redeem $49 million of variable-rate bonds and $16 million of first mortgage bonds. Bank lines of credit currently available to FPL Group and its subsidiaries aggregate $3.0 billion ($853 million for FPL).

During 2000, FPL Group repurchased 2.6 million shares of common stock under its share repurchase programs. Under the $570 million share repurchase program authorized in connection with the merger agreement with Entergy, 1,876,500 shares totaling $116 million have been repurchased through January 31, 2001. See Note 2.

FPL self-insures for damage to certain transmission and distribution properties and maintains a funded storm reserve to reduce the financial impact of storm losses. The balance of the storm fund reserve at December 31, 2000 and 1999 was $229 million and $216 million, respectively. Bank lines of credit of $300 million, included in the $853 million above, are also available if needed to provide cash for storm restoration costs. The FPSC has indicated that it would consider future storm losses in excess of the funded reserve for possible recovery from customers.

FPL's charter and mortgage contain provisions which, under certain conditions, restrict the payment of dividends and the issuance of additional unsecured debt, first mortgage bonds and preferred stock. Given FPL's current financial condition and level of earnings, expected financing activities and dividends are not affected by these limitations.

New Accounting Rule

Effective January 1, 2001, FPL Group and FPL adopted Financial Accounting Standards No. (FAS) 133, "Accounting for Derivative Instruments and Hedging Activities," as amended by FAS 138, "Accounting for Certain Derivative Instruments and Certain Hedging Activities." For information concerning the adoption of FAS 133/138, see Note 1 – Accounting for Derivative Instruments and Hedging Activities.

Market Risk Sensitivity

Substantially all financial instruments and positions held by FPL Group and FPL described below are held for purposes other than trading. Market risk is measured as the potential loss in fair value resulting from hypothetical reasonably possible changes in interest rates, equity prices or commodity prices over the next year.

Interest rate risk - The special use funds of FPL include restricted funds set aside to cover the cost of storm damage and for the decommissioning of FPL's nuclear power plants. A portion of these funds is invested in fixed income debt securities carried at their market value of approximately $1.002 billion and $847 million at December 31, 2000 and 1999, respectively. Adjustments to market value result in a corresponding adjustment to the related liability accounts based on current regulatory treatment. Because the funds set aside for storm damage could be needed at any time, the related investments are generally more liquid and, therefore, are less sensitive to changes in interest rates. The nuclear decommissioning funds, in contrast, are generally invested in longer-term securities, as decommissioning activities are not expected to begin until at least 2012. At December 31, 2000 and 1999, other investments of FPL Group include $300 million and $291 million, respectively, of investments that are carried at estimated fair value or cost, which approximates fair value.

The following are estimates of the fair value of FPL's and FPL Group's long-term debt:

	2000		1999	
	Carrying Value	Fair Value	Carrying Value	Fair Value
	(millions)			
Long-term debt of FPL (a)	$2,642	$2,621(b)	$2,204	$2,123(b)
Long-term debt of FPL Group (a)	$4,041	$4,080(b)	$3,603	$3,518(b)

(a) Includes current maturities.
(b) Based on quoted market prices for these or similar issues.

Based upon a hypothetical 10% decrease in interest rates, the net fair value of the net liabilities would increase by approximately $84 million ($43 million for FPL) at December 31, 2000.

Equity price risk - Included in the special use funds of FPL are marketable equity securities carried at their market value of approximately $511 million and $573 million at December 31, 2000 and 1999, respectively. A hypothetical 10% decrease in the prices quoted by stock exchanges would result in a $51 million reduction in fair value and corresponding adjustment to the related liability accounts based on current regulatory treatment at December 31, 2000.

Commodity price risk – EMT, a division of FPL, and PMI, a subsidiary of FPL Energy, purchase natural gas and oil to be delivered in the future for use as fuel in the generation of electric power. Generation, to the extent not required for FPL's native load customers or under contract by FPL Energy, is also sold for future delivery by EMT and PMI. To manage the risk inherent in fluctuating commodity prices compared to the committed prices, EMT and PMI enter into commodity-based derivative instruments (primarily swaps and futures) to mitigate this risk. The fair value of the net position in commodity-based derivative instruments at December 31, 2000 was a negative $11 million for FPL Group and a negative $5 million for FPL. At December 31, 1999, the fair value of these instruments was insignificant. The effect of a hypothetical 40% decrease in the price of natural gas and a hypothetical 25% decrease in the price of oil would be to change the fair value at December 31, 2000 of these instruments to a negative $32 million for FPL Group and a negative $23 million for FPL.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

See Management's Discussion - Market Risk Sensitivity

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Item 8. Financial Statements and Supplementary Data

INDEPENDENT AUDITORS' REPORT

TO THE BOARD OF DIRECTORS AND SHAREHOLDERS,
FPL GROUP, INC. AND FLORIDA POWER & LIGHT COMPANY:

We have audited the consolidated financial statements of FPL Group, Inc. and of Florida Power & Light Company, listed in the accompanying index at Item 14(a)1 of this Annual Report (Form 10-K/A) to the Securities and Exchange Commission for the year ended December 31, 2000. These financial statements are the responsibility of the respective company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of FPL Group, Inc. and Florida Power & Light Company at December 31, 2000 and 1999, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2000, in conformity with accounting principles generally accepted in the United States of America.

DELOITTE & TOUCHE LLP
Certified Public Accountants

Miami, Florida
February 9, 2001, except for the first paragraph
of Note 2, as to which the date is April 2, 2001

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FPL GROUP, INC.
CONSOLIDATED STATEMENTS OF INCOME
(millions, except per share amounts)

	Years Ended December 31, 2000	1999	1998
OPERATING REVENUES	$7,082	$6,438	$6,661
OPERATING EXPENSES:			
Fuel, purchased power and interchange	2,868	2,365	2,244
Other operations and maintenance	1,257	1,253	1,284
Litigation settlement	-	69	-
Merger-related	67	-	-
Depreciation and amortization	1,032	1,040	1,284
Impairment loss on Maine assets	-	176	-
Taxes other than income taxes	618	615	597
Total operating expenses	5,842	5,518	5,409
OPERATING INCOME	1,240	920	1,252
OTHER INCOME (DEDUCTIONS):			
Interest charges	(278)	(222)	(322)
Preferred stock dividends - FPL	(15)	(15)	(15)
Divestiture of cable investments	-	257	-
Other - net	93	80	28
Total other income (deductions) - net	(200)	100	(309)
INCOME BEFORE INCOME TAXES	1,040	1,020	943
INCOME TAXES	336	323	279
NET INCOME	$ 704	$ 697	$ 664
Earnings per share of common stock (basic and assuming dilution)	$4.14	$4.07	$3.85
Dividends per share of common stock	$2.16	$2.08	$2.00
Average number of common shares outstanding	170	171	173

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

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FPL GROUP, INC.
CONSOLIDATED BALANCE SHEETS
(millions)

	December 31, 2000	December 31, 1999
PROPERTY, PLANT AND EQUIPMENT:		
Electric utility plant in service and other property	$19,642	$18,474
Nuclear fuel under capital lease - net	127	157
Construction work in progress	1,253	923
Less accumulated depreciation and amortization	(11,088)	(10,290)
Total property, plant and equipment - net	9,934	9,264
CURRENT ASSETS:		
Cash and cash equivalents	129	361
Customer receivables, net of allowances of $7 each	637	482
Other receivables	246	61
Materials, supplies and fossil fuel inventory - at average cost	370	343
Deferred clause expenses	337	54
Other	62	72
Total current assets	1,781	1,373
OTHER ASSETS:		
Special use funds of FPL	1,497	1,352
Other investments	651	611
Other	1,437	841
Total other assets	3,585	2,804
TOTAL ASSETS	$15,300	$13,441
CAPITALIZATION:		
Common shareholders' equity	$ 5,593	$ 5,370
Preferred stock of FPL without sinking fund requirements	226	226
Long-term debt	3,976	3,478
Total capitalization	9,795	9,074
CURRENT LIABILITIES:		
Commercial paper	1,158	339
Current maturities of long-term debt	65	125
Accounts payable	564	407
Customers' deposits	254	284
Accrued interest and taxes	146	182
Deferred clause revenues	70	116
Other	506	417
Total current liabilities	2,763	1,870
OTHER LIABILITIES AND DEFERRED CREDITS:		
Accumulated deferred income taxes	1,378	1,079
Deferred regulatory credit - income taxes	107	126
Unamortized investment tax credits	162	184
Storm and property insurance reserve	229	216
Other	866	892
Total other liabilities and deferred credits	2,742	2,497
COMMITMENTS AND CONTINGENCIES		
TOTAL CAPITALIZATION AND LIABILITIES	$15,300	$13,441

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

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FPL GROUP, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(millions)

	Years Ended December 31, 2000	1999	1998
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income	$ 704	$ 697	$ 664
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	1,032	1,040	1,284
Increase (decrease) in deferred income taxes and related regulatory credit	283	(198)	(237)
Deferrals under cost recovery clauses	(810)	55	68
Gain on sale of cable investments	-	(257)	-
Impairment loss on Maine assets	-	176	-
Other - net	(233)	50	(36)
Net cash provided by operating activities	976	1,563	1,743
CASH FLOWS FROM INVESTING ACTIVITIES:			
Capital expenditures of FPL	(1,299)	(861)	(617)
Independent power investments	(507)	(1,540)	(521)
Return of investment and loan repayments - partnerships and joint ventures	24	57	220
Proceeds from the sale of assets	22	198	135
Other - net	(183)	(26)	(12)
Net cash used in investing activities	(1,943)	(2,172)	(795)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Issuance of long-term debt	947	1,609	343
Retirement of long-term debt	(515)	(584)	(727)
Increase (decrease) in short-term debt	819	229	(24)
Repurchases of common stock	(150)	(116)	(62)
Dividends on common stock	(366)	(355)	(345)
Net cash provided by (used in) financing activities	735	783	(815)
Net increase (decrease) in cash and cash equivalents	(232)	174	133
Cash and cash equivalents at beginning of year	361	187	54
Cash and cash equivalents at end of year	$ 129	$ 361	$ 187
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:			
Cash paid for interest (net of amount capitalized)	$ 301	$ 221	$ 308
Cash paid for income taxes	$ 160	$ 573	$ 463
SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES:			
Additions to capital lease obligations	$ 43	$ 86	$ 34

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

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FPL GROUP, INC.
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
(millions)

	Common Stock (a)		Additional		Accumulated Other		Common
	Shares	Aggregate Par Value	Paid-In Capital	Unearned Compensation	Comprehensive Income (Loss)	Retained Earnings	Shareholders' Equity
Balances, December 31, 1997.....	182	$2	$3,302	$(264)	$ 1	$1,804	
Net income	-	-	-	-	-	664	
Repurchases of common stock ..	(1)	-	(62)	-	-	-	
Dividends on common stock	-	-	-	-	-	(345)	
Earned compensation under ESOP	-	-	13	12	-	-	
Other	-	-	(1)	-	-	-	
Balances, December 31, 1998	181(b)	2	3,252	(252)	1	2,123	
Net income	-	-	-	-	-	697	
Repurchases of common stock ..	(2)	-	(116)	-	-	-	
Dividends on common stock	-	-	-	-	-	(355)	
Earned compensation under ESOP	-	-	12	14	-	-	
Other comprehensive loss	-	-	-	-	(2)	-	
Other	-	-	-	(6)	-	-	
Balances, December 31, 1999	179(b)	2	3,148	(244)	(1)	2,465	$5,370
Net income	-	-	-	-	-	704	
Repurchases of common stock ..	(3)	-	(150)	-	-	-	
Dividends on common stock	-	-	-	-	-	(366)	
Earned compensation under ESOP	-	-	12	15	-	-	
Other comprehensive income ...	-	-	-	-	1	-	
Other	-	-	(2)	9	-	-	
Balances, December 31, 2000	176(b)	$2	$3,008	$(220)	$ -	$2,803	$5,593

(a) $0.01 par value, authorized - 300,000,000 shares; outstanding 175,766,215 and 178,554,735 at December 31, 2000 and 1999, respectively.

(b) Outstanding and unallocated shares held by the Employee Stock Ownership Plan Trust totaled 7 million, 8 million and 9 million at December 31, 2000, 1999 and 1998, respectively.

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

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FLORIDA POWER & LIGHT COMPANY
CONSOLIDATED STATEMENTS OF INCOME
(millions)

	Years Ended December 31,		
	2000	1999	1998
OPERATING REVENUES	$6,361	$6,057	$6,366
OPERATING EXPENSES:			
Fuel, purchased power and interchange	2,511	2,232	2,175
Other operations and maintenance	1,062	1,089	1,163
Litigation settlement	-	69	-
Merger-related	62	-	-
Depreciation and amortization	975	989	1,249
Income taxes	351	327	356
Taxes other than income taxes	600	605	596
Total operating expenses	5,561	5,311	5,539
OPERATING INCOME	800	746	827
OTHER INCOME (DEDUCTIONS):			
Interest charges	(176)	(163)	(196)
Other - net	(2)	8	-
Total other deductions - net	(178)	(155)	(196)
NET INCOME	622	591	631
PREFERRED STOCK DIVIDENDS	15	15	15
NET INCOME AVAILABLE TO FPL GROUP, INC.	$ 607	$ 576	$ 616

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

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FLORIDA POWER & LIGHT COMPANY
CONSOLIDATED BALANCE SHEETS
(millions)

	December 31, 2000	December 31, 1999
ELECTRIC UTILITY PLANT:		
Plant in service	$18,073	$17,556
Less accumulated depreciation	(10,919)	(10,184)
Net	7,154	7,372
Nuclear fuel under capital lease - net	127	157
Construction work in progress	833	449
Electric utility plant - net	8,114	7,978
CURRENT ASSETS:		
Cash and cash equivalents	66	-
Customer receivables, net of allowances of $7 each	489	433
Other receivables	157	36
Materials, supplies and fossil fuel inventory - at average cost	313	299
Deferred clause expenses	337	54
Other	54	71
Total current assets	1,416	893
OTHER ASSETS:		
Special use funds	1,497	1,352
Other	993	385
Total other assets	2,490	1,737
TOTAL ASSETS	$12,020	$10,608
CAPITALIZATION:		
Common shareholder's equity	$ 5,032	$ 4,793
Preferred stock without sinking fund requirements	226	226
Long-term debt	2,577	2,079
Total capitalization	7,835	7,098
CURRENT LIABILITIES:		
Commercial paper	560	94
Current maturities of long-term debt	65	125
Accounts payable	458	379
Customers' deposits	254	284
Accrued interest and taxes	127	137
Deferred clause revenues	70	116
Other	408	298
Total current liabilities	1,942	1,433
OTHER LIABILITIES AND DEFERRED CREDITS:		
Accumulated deferred income taxes	1,084	802
Deferred regulatory credit - income taxes	107	126
Unamortized investment tax credits	162	184
Storm and property insurance reserve	229	216
Other	661	749
Total other liabilities and deferred credits	2,243	2,077
COMMITMENTS AND CONTINGENCIES		
TOTAL CAPITALIZATION AND LIABILITIES	$12,020	$10,608

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

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FLORIDA POWER & LIGHT COMPANY
CONSOLIDATED STATEMENTS OF CASH FLOWS
(millions)

	Years Ended December 31,		
	2000	1999	1998
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income	$ 622	$ 591	$ 631
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	975	989	1,249
Increase (decrease) in deferred income taxes and related regulatory credit	262	(105)	(202)
Deferrals under cost recovery clauses	(810)	55	68
Other - net	(200)	(31)	(28)
Net cash provided by operating activities	849	1,499	1,718
CASH FLOWS FROM INVESTING ACTIVITIES:			
Capital expenditures	(1,299)	(861)	(617)
Other - net	(100)	(52)	(80)
Net cash used in investing activities	(1,399)	(913)	(697)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Issuance of long-term debt	947	224	197
Retirement of long-term debt	(515)	(455)	(389)
Increase (decrease) in commercial paper	466	94	(40)
Capital contributions from FPL Group, Inc.	400	-	-
Dividends	(682)	(601)	(640)
Net cash provided by (used in) financing activities	616	(738)	(872)
Net increase (decrease) in cash and cash equivalents	66	(152)	149
Cash and cash equivalents at beginning of year	-	152	3
Cash and cash equivalents at end of year	$ 66	$ -	$ 152
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:			
Cash paid for interest	$ 175	$ 171	$ 181
Cash paid for income taxes	$ 131	$ 503	$ 510
SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES:			
Additions to capital lease obligations	$ 43	$ 86	$ 34
Transfer of net assets to FPL FiberNet, LLC	$ 100	$ -	$ -

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

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FLORIDA POWER & LIGHT COMPANY
CONSOLIDATED STATEMENTS OF SHAREHOLDER'S EQUITY
(millions)

	Common Stock (a)	Additional Paid-In Capital	Retained Earnings	Common Shareholder's Equity
Balances, December 31, 1997	$1,373	$2,566	$ 875	
Net income available to FPL Group, Inc.	-	-	616	
Dividends to FPL Group, Inc.	-	-	(626)	
Other	-	-	(1)	
Balances, December 31, 1998	1,373	2,566	864	
Net income available to FPL Group, Inc.	-	-	576	
Dividends to FPL Group, Inc.	-	-	(586)	
Balances, December 31, 1999	1,373	2,566	854	$4,793
Net income available to FPL Group, Inc.	-	-	607	
Capital contributions from FPL Group, Inc.	-	400	-	
Dividends to FPL Group, Inc. (b)	-	-	(768)	
Balances, December 31, 2000	$1,373	$2,966	$ 693	$5,032

(a) Common stock, no par value, 1,000 shares authorized, issued and outstanding.
(b) Includes transfer of net assets to FPL FiberNet, LLC totaling approximately $100 million.

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

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1. Summary of Significant Accounting and Reporting Policies

Basis of Presentation - FPL Group, Inc.'s (FPL Group) operations are conducted primarily through Florida Power & Light Company (FPL) and FPL Energy, LLC (FPL Energy). FPL, a rate-regulated public utility, supplies electric service to approximately 3.8 million customers throughout most of the east and lower west coasts of Florida. FPL Energy invests in independent power projects through both controlled and consolidated entities and non-controlling ownership interests in joint ventures accounted for under the equity method.

The consolidated financial statements of FPL Group and FPL include the accounts of their respective majority-owned and controlled subsidiaries. All significant intercompany balances and transactions have been eliminated in consolidation. Certain amounts included in prior years' consolidated financial statements have been reclassified to conform to the current year's presentation. The preparation of financial statements requires the use of estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and the disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

Regulation - FPL is subject to regulation by the Florida Public Service Commission (FPSC) and the Federal Energy Regulatory Commission (FERC). Its rates are designed to recover the cost of providing electric service to its customers including a reasonable rate of return on invested capital. As a result of this cost-based regulation, FPL follows the accounting practices set forth in Statement of Financial Accounting Standards No. (FAS) 71, "Accounting for the Effects of Certain Types of Regulation." FAS 71 indicates that regulators can create assets and impose liabilities that would not be recorded by unregulated entities. Regulatory assets and liabilities represent probable future revenues that will be recovered from or refunded to customers through the ratemaking process. The continued applicability of FAS 71 is assessed at each reporting period.

In the event that FPL's generating operations are no longer subject to the provisions of FAS 71, portions of the existing regulatory assets and liabilities that relate to generation would be written off unless regulators specify an alternative means of recovery or refund. Further, other aspects of the business, such as generation assets and long-term power purchase commitments, would need to be reviewed to assess their recoverability in a changed regulatory environment. The principal regulatory assets and liabilities are as follows:

	December 31, 2000	December 31, 1999
	(millions)	
Assets (included in other assets):		
Unamortized debt reacquisition costs	$ 18	$ 12
Deferred Department of Energy assessment	$ 35	$ 39
Under-recovered fuel costs (noncurrent portion)	$259	$ -
Litigation settlement (see Note 12)	$223	$ -
Liabilities:		
Deferred regulatory credit - income taxes	$107	$126
Unamortized investment tax credits	$162	$184
Storm and property insurance reserve (see Note 13 - Insurance)	$229	$216

The amounts presented above exclude clause-related regulatory assets and liabilities that are recovered or refunded over the next twelve-month period. These amounts are included in deferred clause expenses and deferred clause revenues in the consolidated balance sheets. At December 31, 2000, under-recovered fuel costs totaled $596 million, $337 million of which is included in deferred clause expenses and $259 million, the noncurrent portion, is included in other assets. At December 31, 1999, under-recovered fuel costs totaled $54 million and are included in deferred clause expenses. As part of the annual fuel filing for 2001, the FPSC approved FPL's request to recover $518 million of the under-recovered fuel costs over a two-year period beginning January 2001, rather than the typical one-year time frame. FPL has also agreed that instead of receiving a return at the commercial paper rate on this unrecovered portion through the fuel and purchased power cost recovery clause (fuel clause), the under-recovery will be included as a rate base regulatory asset over the two-year recovery period. Actual under-recovered fuel costs through December 31, 2000 exceeded the estimates made earlier in the year by $78 million, and in February 2001, FPL requested the FPSC to approve a fuel adjustment increase effective April 2001 to recover the additional $78 million of under-recovered fuel costs.

Over half of the states, other than Florida, have enacted legislation or have state commissions that issued orders designed to deregulate the production and sale of electricity. By allowing customers to choose their electricity supplier, deregulation is expected to result in a shift from cost-based rates to market-based rates for energy production and other services provided to retail customers. Similar initiatives are also being pursued on the federal level. Although the legislation and initiatives vary substantially, common areas of focus include when market-based pricing will be available for wholesale and retail customers, what existing prudently incurred costs in excess of the market-based price will be recoverable and whether generation assets should be separated from transmission, distribution and other assets. It is generally believed transmission and distribution activities would remain regulated.

In 2000, the Governor of Florida signed an executive order creating the Energy 2020 Study Commission to propose an energy plan and strategy for Florida. The order required that recommendations be made to the legislature and Governor by December 1, 2001. The commission chose to split the energy study between wholesale and retail competition. In January 2001, the commission issued an interim report containing a proposal for restructuring Florida's wholesale market for electricity. The proposal recommends the removal of statutory barriers to entry for merchant plants and, according to the report, provides a transition to a "level playing field" for all generating assets. Under the commission's proposal, investor-owned utilities such as FPL would establish, and transfer their generating assets to, affiliated exempt wholesale generators, which would also construct and operate new generating assets. The investor-owned load-serving utilities, such as FPL, would acquire energy resources through competitive bidding, negotiated contracts or from the short-term (spot) market. Purchases from affiliated exempt wholesale generators would be pursuant to a competitive bidding process. The proposal includes a number of features, including a three-year retail base rate freeze. The proposal may be addressed in the next legislative session which takes place in March through May 2001. In addition, the FERC has jurisdiction over potential changes which could affect competition in wholesale transactions. The commission will now consider recommendations for the retail market.

In 1999, the FERC issued its final order on regional transmission organizations (RTOs). RTOs, under a variety of structures, provide for the independent operation of transmission systems for a given geographic area. The final order establishes guidelines for public utilities to use in considering and/or developing plans to initiate operations of RTOs by December 15, 2001. In October 2000, FPL, together with Florida Power Corporation and Tampa Electric Company, filed a joint proposal to form a fully independent for-profit transmission company that would be responsible for the transmission lines that carry electricity from power plants primarily within the state to substations in Florida. The October filing was supplemented by a December 2000 filing that provided certain operational details of the proposed RTO.

Under the proposed form of RTO, FPL would contribute its transmission assets to an independent transmission company, GridFlorida LLC (GridFlorida), that would own and operate the system. A separate corporation would be formed to own the voting interest in and manage GridFlorida. In return for its transmission assets, FPL would receive a non-voting ownership interest in GridFlorida, which could be exchanged for non-voting stock of the managing corporation. FPL would account for its interest in GridFlorida using the equity method.

Revenues and Rates - FPL's retail and wholesale utility rate schedules are approved by the FPSC and the FERC, respectively. FPL records unbilled base revenues for the estimated amount of energy delivered to customers but not yet billed. Unbilled base revenues are included in customer receivables and amounted to $137 million and $130 million at December 31, 2000 and 1999, respectively. Substantially all of the energy produced by FPL Energy's independent power projects is sold through power sales agreements with utilities and revenue is recorded on a delivered basis.

In 1999, the FPSC approved a three-year agreement among FPL, the State of Florida Office of Public Counsel (Public Counsel), The Florida Industrial Power Users Group (FIPUG) and The Coalition for Equitable Rates (Coalition) regarding FPL's retail base rates, authorized regulatory return on common equity (ROE), capital structure and other matters. The agreement, which became effective April 15, 1999, provides for a $350 million reduction in annual revenues from retail base operations allocated to all customers on a cents-per-kilowatt-hour basis. Additionally, the agreement sets forth a revenue sharing mechanism for each of the twelve month periods covered by the agreement, whereby revenues from retail base operations in excess of a stated threshold are required to be shared on the basis of two-thirds refunded to retail customers and one-third retained by FPL. Revenues from retail base operations in excess of a second threshold are required to be refunded 100% to retail customers.

The refund thresholds are as follows:

	Twelve Months Ended April 14,		
	2000	2001	2002
	(millions)		
66 2/3% to customers	$3,400	$3,450	$3,500
100% to customers	$3,556	$3,606	$3,656

The accrual for the refund associated with the revenue sharing mechanism is computed monthly for each twelve-month period of the rate agreement. At the beginning of each twelve-month period, planned revenues are reviewed to determine if it is probable that the threshold will be exceeded. If so, an accrual is recorded each month for a portion of the anticipated refund based on the relative percentage of year-to-date planned revenues to the total estimated revenues for the twelve-month period, plus accrued interest. In addition, if in any month actual revenues are above or below planned revenues, the accrual is increased or decreased as necessary to recognize the effect of this variance on the expected refund amount. The annual refund (including interest) is paid to customers as a credit to their June electric bill. As of December 31, 2000 and 1999, the accrual for the revenue refund was approximately $57 million and $20 million, respectively.

The agreement also lowered FPL's authorized regulatory ROE range to 10% - 12%. During the term of the agreement, the achieved ROE may from time to time be outside the authorized range, and the revenue sharing mechanism described above is specified to be the appropriate and exclusive mechanism to address that circumstance. For purposes of calculating ROE, 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 purchased power contracts. Finally, the agreement established a new special depreciation program (see Electric Plant, Depreciation and Amortization) and includes provisions which limit depreciation rates and accruals for nuclear decommissioning and fossil dismantlement costs to currently approved levels and limit amounts recoverable under the environmental compliance cost recovery clause during the term of the agreement.

The agreement states that Public Counsel, FIPUG and Coalition 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 term of the agreement.

FPL's revenues include amounts resulting from cost recovery clauses, certain revenue taxes and franchise fees. Cost recovery clauses, which are designed to permit full recovery of certain costs and provide a return on certain assets utilized by these programs, include substantially all fuel, purchased power and interchange expenses, conservation- and environmental-related expenses and certain revenue taxes. Revenues from cost recovery clauses are recorded when billed; FPL achieves matching of costs and related revenues by deferring the net under- or over-recovery. Any under-recovered costs or over-recovered revenues are collected from or returned to customers in subsequent periods. See Regulation.

Electric Plant, Depreciation and Amortization – The cost of additions to units of utility property of FPL and FPL Energy is added to electric utility plant. In accordance with regulatory accounting, the cost of FPL's units of utility property retired, less net salvage, is charged to accumulated depreciation. Maintenance and repairs of property as well as replacements and renewals of items determined to be less than units of utility property are charged to other operations and maintenance (O&M) expenses. At December 31, 2000, the generating, transmission, distribution and general facilities of FPL represented approximately 45%, 13%, 36% and 6%, respectively, of FPL's gross investment in electric utility plant in service. Substantially all electric utility plant of FPL is subject to the lien of a mortgage securing FPL's first mortgage bonds.

Depreciation of electric property is primarily provided on a straight-line average remaining life basis. FPL includes in depreciation expense a provision for fossil plant dismantlement and nuclear plant decommissioning (see Decommissioning and Dismantlement of Generating Plant). For substantially all of FPL's property, depreciation studies are performed and filed with the FPSC at least every four years. In April 1999, the FPSC granted final approval of FPL's most recent depreciation studies, which were effective January 1, 1998. The weighted annual composite depreciation rate for FPL's electric plant in service was approximately 4.2% for 2000, 4.3% for 1999 and 4.4% for 1998, excluding the effects of decommissioning and dismantlement. Further, these rates exclude the special and plant-related deferred cost amortization discussed below.

The agreement that reduced FPL's base rates (see Revenues and Rates) also allows 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/or fossil generating assets. Under this new depreciation program, FPL recorded $100 million of special depreciation in the first twelve-month period and $71 million through December 31, 2000 of the second twelve-month period. On a fiscal year basis, FPL recorded approximately $101 million and $70 million of special depreciation in 2000 and 1999, respectively. The new depreciation program replaced a revenue-based special amortization program whereby FPL recorded as depreciation and amortization expense a fixed amount of $9 million in 1999 and $30 million in 1998 for nuclear assets. FPL also recorded under the revenue-based special amortization program variable amortization based on the actual level of retail base revenues compared to a fixed amount. The variable amounts recorded in 1999 and 1998 were $54 million and $348 million, respectively. The 1998 variable amount includes, as depreciation and amortization expense, $161 million for amortization of regulatory assets. The remaining variable amounts were applied against nuclear and fossil production assets. Additionally, FPL completed amortization of certain plant-related deferred costs by recording $24 million in 1998. These costs are considered recoverable costs and are monitored through the monthly reporting process with the FPSC.

Nuclear Fuel – FPL leases nuclear fuel for all four of its nuclear units. Nuclear fuel lease expense was $82 million, $83 million and $83 million in 2000, 1999 and 1998, respectively. Included in this expense was an interest component of $9 million, $8 million and $9 million in 2000, 1999 and 1998, respectively. Nuclear fuel lease payments and a charge for spent nuclear fuel disposal are charged to fuel expense on a unit of production method. These costs are recovered through the fuel clause. Under certain circumstances of lease termination, FPL is required to purchase all nuclear fuel in whatever form at a purchase price designed to allow the lessor to recover its net investment cost in the fuel, which totaled $127 million at December 31, 2000. For ratemaking, these leases are classified as operating leases. For financial reporting, the capital lease obligation is recorded at the amount due in the event of lease termination.

Decommissioning and Dismantlement of Generating Plant – FPL accrues nuclear decommissioning costs over the expected service life of each unit. Nuclear decommissioning studies are performed at least every five years and are submitted to the FPSC for approval. In January 2001, FPL filed updated nuclear decommissioning studies with the FPSC. These studies assume prompt dismantlement for the Turkey Point Units Nos. 3 and 4 with decommissioning activities commencing in 2012 and 2013, respectively. Current plans call for St. Lucie Unit No. 1 to be mothballed beginning in 2016 with decommissioning activities to be integrated with the prompt dismantlement of St. Lucie Unit No. 2 beginning in 2023. These studies also assume that FPL will be storing spent fuel on site pending removal to a U.S. government facility. The studies, which are pending FPSC approval, indicate FPL's portion of the ultimate costs of decommissioning its four nuclear units, including costs associated with spent fuel storage, to be $6.8 billion. Decommissioning expense accruals included in depreciation and amortization expense, were $85 million in each of the years 2000, 1999 and 1998. FPL's portion of the ultimate cost of decommissioning its four units, expressed in 2000 dollars, is currently estimated to aggregate $1.8 billion. At December 31, 2000 and 1999, the accumulated provision for nuclear decommissioning totaled approximately $1.5 billion and $1.4 billion, respectively, and is included in accumulated depreciation. See Electric Plant, Depreciation and Amortization.

Similarly, FPL accrues the cost of dismantling its fossil fuel plants over the expected service life of each unit. Fossil fuel plant dismantlement studies are performed and filed with the FPSC at least every four years. Fossil fuel plant dismantlement studies were filed in September 1998 and were effective January 1, 1999. The dismantlement studies indicated an estimated reserve deficiency of $38 million, which was recovered through the special amortization program. Fossil dismantlement expense was $14 million in 2000 and $17 million in each of the years 1999 and 1998, and is included in depreciation and amortization expense. FPL's portion of the ultimate cost to dismantle its fossil units is $482 million. At December 31, 2000 and 1999, the accumulated provision for fossil dismantlement totaled $246 million and $232 million, respectively, and is included in accumulated depreciation. See Electric Plant, Depreciation and Amortization.

Restricted trust funds for the payment of future expenditures to decommission FPL's nuclear units are included in special use funds of FPL. Securities held in the decommissioning fund are carried at market value with market adjustments resulting in a corresponding adjustment to the accumulated provision for nuclear decommissioning. See Note 4 – Special Use Funds. Contributions to the funds are based on current period decommissioning expense. Additionally, fund earnings, net of taxes are reinvested in the funds. The tax effects of amounts not yet recognized for tax purposes are included in accumulated deferred income taxes.

Accrual for Major Maintenance Costs – Consistent with regulatory treatment, FPL's estimated nuclear maintenance costs for each nuclear unit's next planned outage are accrued over the period from the end of the last outage to the end of the next planned outage. The accrual for nuclear maintenance costs at December 31, 2000 and 1999 totaled $31 million and $42 million, respectively, and is included in other liabilities. Any difference between the estimated and actual costs are included in O&M expenses when known.

FPL Energy's estimated major maintenance costs for each unit's next planned outage are accrued over the period from the end of the last outage to the end of the next planned outage. The accrual for FPL Energy's major maintenance costs totaled $33 million at both December 31, 2000 and 1999. Any difference between the estimated and actual costs are included in O&M expenses when known.

Construction Activity – In accordance with FPSC guidelines, FPL has elected not to capitalize interest or a return on common equity on construction projects. The cost of these construction projects is allowed as an element of rate base. FPL Group's unregulated operations capitalize interest on construction projects.

Storm and Property Insurance Reserve Fund (storm fund) – The storm fund provides coverage toward storm damage costs and possible retrospective premium assessments stemming from a nuclear incident under the various insurance programs covering FPL's nuclear generating plants. Securities held in the fund are carried at market value with market adjustments resulting in a corresponding adjustment to the storm and property insurance reserve. See Note 4 – Special Use Funds and Note 13 – Insurance. Fund earnings, net of taxes, are reinvested in the fund. The tax effects of amounts not yet recognized for tax purposes are included in accumulated deferred income taxes.

Other Investments – Included in other investments is FPL Group's participation in leveraged leases of $154 million at both December 31, 2000 and 1999. Additionally, other investments include notes receivable and non-controlling non-majority owned interests in partnerships and joint ventures, essentially all of which are accounted for under the equity method. See Note 4.

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Impairment of Long-Lived Assets - FPL Group evaluates on an ongoing basis the recoverability of its assets and related intangible assets for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable as described in FAS 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of." See Note 10.

Cash Equivalents – Cash equivalents consist of short-term, highly liquid investments with original maturities of three months or less.

Retirement of Long-Term Debt – The excess of FPL's reacquisition cost over the book value of long-term debt is deferred and amortized to expense ratably over the remaining life of the original issue, which is consistent with its treatment in the ratemaking process. See Regulation. FPL Group Capital Inc (FPL Group Capital) expenses this cost in the period incurred.

Income Taxes – Deferred income taxes are provided on all significant temporary differences between the financial statement and tax bases of assets and liabilities. FPL is included in the consolidated federal income tax return filed by FPL Group. FPL determines its income tax provision on the "separate return method." The deferred regulatory credit – income taxes of FPL represents the revenue equivalent of the difference in accumulated deferred income taxes computed under FAS 109, "Accounting for Income Taxes," as compared to regulatory accounting rules. This amount is being amortized in accordance with the regulatory treatment over the estimated lives of the assets or liabilities which resulted in the initial recognition of the deferred tax amount. Investment tax credits (ITC) for FPL are deferred and amortized to income over the approximate lives of the related property in accordance with the regulatory treatment.

Energy Trading – FPL and FPL Energy engage in limited energy trading activities to optimize the value of electricity and fuel contracts, as well as generating facilities. These activities are accounted for at market value. There were no significant open positions in trading activities at December 31, 2000 or 1999. Substantially all of the effects of FPL's trading activities are reported net and passed through to customers in the fuel clause or capacity cost recovery clause (capacity clause). FPL Energy's trading activities are reflected gross in operating revenues and fuel expense in the consolidated statements of income.

Accounting for Derivative Instruments and Hedging Activities – Effective January 1, 2001, FPL Group and FPL adopted FAS 133, "Accounting for Derivative Instruments and Hedging Activities," as amended by FAS 138, "Accounting for Certain Derivative Instruments and Certain Hedging Activities." The statement establishes accounting and reporting standards requiring that every derivative instrument (including certain derivative instruments embedded in other contracts) be recorded in the balance sheet as either an asset or liability measured at its fair value. The statement requires that changes in the derivatives' fair value be recognized currently in earnings unless specific hedge accounting criteria are met. In January 2001, FPL recorded an initial adjustment to record the fair values of instruments not previously reported on the balance sheet, resulting in derivative liabilities of $5 million, with the net offsetting amount recorded as a deferred regulatory asset. Subsequent changes in the fair values of FPL's derivative instruments will also be deferred in a regulatory asset or liability until the contracts are settled. Upon settlement, any gains or losses will be passed through the fuel and capacity clauses.

In addition to the amounts recorded by FPL, in January 2001 FPL Energy recorded an initial adjustment to record derivative assets of $37 million, derivative liabilities of $35 million and an increase in investments of $11 million. For those contracts where hedge accounting is applied, the adoption of the new rules resulted in a credit of $10 million to other comprehensive income (in stockholders' equity) for FPL Group. FPL Group recorded a $2 million loss as the cumulative effect on FPL Group's earnings of a change in accounting principle representing the effect of those derivative instruments for which hedge accounting was not applied.

In December 2000, the Financial Accounting Standards Board's Derivatives Implementation Group (DIG) discussed several issues related to the power generation industry, but did not reach conclusions on those issues. The ultimate resolution of these issues could result in a requirement to mark certain of FPL Group's power and fuel agreements to their fair market values each reporting period. If these agreements are required to be treated as derivative instruments, the new accounting would first be applied in the quarter following final resolution of the issues. At this time, management is unable to estimate the effects on the financial statements of any future decisions of the Financial Accounting Standards Board or the DIG.

2. Merger

In July 2000, FPL Group and Entergy announced a proposed merger, which was approved by the shareholders of the respective companies in December 2000. Subsequently, a number of factors led FPL Group to conclude the merger would not achieve the synergies or create the shareholder value originally contemplated when the merger was announced. As a result, on April 1, 2001, FPL Group and Entergy mutually terminated the merger agreement. Both companies agreed that no termination fee is payable under the terms of the merger agreement as a result of this termination. A fee will be payable by FPL Group or Entergy, however, if either agrees with another party to a comparable transaction prior to January 2002. Each company will bear its own merger-related expenses.

In 2000, FPL Group recorded $67 million in merger-related expenses of which FPL recorded $62 million ($38 million after-tax), FPL Energy recorded $2 million ($1 million after-tax) and Corporate and Other recorded $3 million ($2 million after-tax).

3. Employee Retirement Benefits

FPL Group and its subsidiaries sponsor a noncontributory defined benefit pension plan and defined benefit postretirement plans for health care and life insurance benefits (other benefits) for substantially all employees. The following tables provide a reconciliation of the changes in the plans' benefit obligations, fair value of assets and a statement of the funded status:

	Pension Benefits		Other Benefits	
	2000	1999	2000	1999
	(millions)			
Change in benefit obligation:				
Obligation at October 1 of prior year	$1,178	$1,173	$ 335	$ 345
Service cost	44	46	5	6
Interest cost	77	71	22	21
Participant contributions	-	-	1	2
Plan amendments	6	-	-	-
Actuarial (gains) losses - net	(20)	(38)	4	(24)
Acquisitions	-	4	-	2
Benefit payments	(80)	(78)	(17)	(17)
Obligation at September 30	1,205	1,178	350	335
Change in plan assets:				
Fair value of plan assets at October 1 of prior year	2,555	2,329	111	115
Actual return on plan assets	284	310	7	12
Participant contributions	-	-	1	2
Benefit payments and expenses	(89)	(84)	(21)	(18)
Fair value of plan assets at September 30	2,750	2,555	98	111
Funded Status:				
Funded status at September 30	1,545	1,377	(252)	(224)
Unrecognized prior service cost	(76)	(89)	-	-
Unrecognized transition (asset) obligation	(93)	(117)	42	45
Unrecognized (gain) loss	(993)	(900)	15	7
Prepaid (accrued) benefit cost at FPL Group at December 31	$ 383	$ 271	$(195)	$ (172)
Prepaid (accrued) benefit cost at FPL at December 31	$ 371	$ 263	$(191)	$ (168)

The following table provides the components of net periodic benefit cost for the plans:

	Pension Benefits Years Ended December 31,			Other Benefits Years Ended December 31,		
	2000	1999	1998	2000	1999	1998
	(millions)					
Service cost	$ 44	$ 46	$ 45	$ 5	$ 6	$ 6
Interest cost	77	71	75	21	21	21
Expected return on plan assets	(172)	(156)	(149)	(7)	(7)	(8)
Amortization of transition (asset) obligation	(23)	(23)	(23)	4	3	3
Amortization of prior service cost	(7)	(8)	(8)	-	-	-
Amortization of losses (gains)	(31)	(22)	(21)	-	1	1
Effect of Maine acquisition	-	-	-	-	2	-
Net periodic (benefit) cost at FPL Group	$(112)	$ (92)	$ (81)	$ 23	$ 26	$ 23
Net periodic (benefit) cost at FPL	$(108)	$ (89)	$ (80)	$ 23	$ 23	$ 23

The weighted-average discount rate used in determining the benefit obligations was 6.75% and 6.5% for 2000 and 1999, respectively. The assumed level of increase in future compensation levels was 5.5% for all years. The expected long-term rate of return on plan assets was 7.75% for all years.

Based on the current discount rates and current health care costs, the projected 2001 trend assumptions used to measure the expected cost of benefits covered by the plans are 5.8% for persons up to age 65 and 5.4% thereafter. The rate is assumed to decrease over the next two years to the ultimate trend rate of 5% for all age groups and remain at that level thereafter.

Assumed health care cost trend rates can have a significant effect on the amounts reported for the health care plans. A 1% increase or decrease in assumed health care cost trend rates would have a corresponding effect on the service and interest cost components and the accumulated obligation of other benefits of approximately $1 million and $13 million, respectively.

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4. Financial Instruments

The carrying amounts of cash equivalents and commercial paper approximate their fair values. At December 31, 2000 and 1999, other investments of FPL Group include $300 million and $291 million, respectively, of investments that are carried at estimated fair value or cost, which approximates fair value. The following estimates of the fair value of financial instruments have been made using available market information and other valuation methodologies. However, the use of different market assumptions or methods of valuation could result in different estimated fair values.

	December 31,			
	2000		1999	
	Carrying Amount	Estimated Fair Value	Carrying Amount	Estimated Fair Value
	(millions)			
Long-term debt of FPL, including current maturities	$2,642	$2,621(a)	$2,204	$2,123(a)
Long-term debt of FPL Group, including current maturities	$4,041	$4,080(a)	$3,603	$3,518(a)

(a) Based on quoted market prices for these or similar issues.

Special Use Funds - The special use funds consist of storm fund assets totaling $140 million and $131 million, and decommissioning fund assets totaling $1.357 billion and $1.220 billion at December 31, 2000 and 1999, respectively. Securities held in the special use funds are carried at estimated fair value based on quoted market prices. The nuclear decommissioning fund consists of approximately 40% equity securities and 60% municipal, government, corporate and mortgage- and other asset-backed debt securities with a weighted-average maturity of approximately nine years. The storm fund primarily consists of municipal debt securities with a weighted-average maturity of approximately four years. The cost of securities sold is determined on the specific identification method. The funds had approximate realized gains of $8 million and approximate realized losses of $15 million in 2000, $32 million and $22 million in 1999 and $24 million and $4 million in 1998, respectively. The funds had unrealized gains of approximately $258 million and $286 million at December 31, 2000 and 1999, respectively; the unrealized losses at those dates were approximately $4 million and $17 million. The proceeds from the sale of securities in 2000, 1999 and 1998 were approximately $2.0 billion, $2.7 billion and $1.2 billion, respectively.

5. Common Stock

Common Stock Dividend Restrictions - FPL Group's charter does not limit the dividends that may be paid on its common stock. As a practical matter, the ability of FPL Group to pay dividends on its common stock is dependent upon dividends paid to it by its subsidiaries, primarily FPL. FPL's charter and a mortgage securing FPL's first mortgage bonds contain provisions that, under certain conditions, restrict the payment of dividends and other distributions to FPL Group. These restrictions do not currently limit FPL's ability to pay dividends to FPL Group. In 2000, 1999 and 1998, FPL paid, as dividends to FPL Group, its net income available to FPL Group on a one-month lag basis.

Employee Stock Ownership Plan (ESOP) - The employee thrift plans of FPL Group include a leveraged ESOP feature. Shares of common stock held by the Trust for the thrift plans (Trust) are used to provide all or a portion of the employers' matching contributions. Dividends received on all shares, along with cash contributions from the employers, are used to pay principal and interest on an ESOP loan held by FPL Group Capital. Dividends on shares allocated to employee accounts and used by the Trust for debt service are replaced with an equivalent amount of shares of common stock at prevailing market prices.

ESOP-related compensation expense of approximately $22 million, $21 million and $19 million in 2000, 1999 and 1998, respectively, was recognized based on the fair value of shares allocated to employee accounts during the period. Interest income on the ESOP loan is eliminated in consolidation. ESOP-related unearned compensation included as a reduction of shareholders' equity at December 31, 2000 was approximately $217 million, representing 7 million unallocated shares at the original issue price of $29 per share. The fair value of the ESOP-related unearned compensation account using the closing price of FPL Group stock as of December 31, 2000 was approximately $538 million.

Long-Term Incentive Plan - As of December 31, 2000, approximately 9 million shares of common stock are reserved and available for awards to officers and employees of FPL Group and its subsidiaries under FPL Group's long-term incentive plan. Restricted stock is issued at market value at the date of grant, typically vests within four years and is subject to, among other things, restrictions on transferability. Performance share awards are typically payable at the end of a three- or four-year performance period and are subject to risk of forfeiture if the specified performance criteria is not met within the vesting period.

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The changes in share awards under the incentive plan are as follows:

	Restricted Stock	Performance Shares (a)	Options (a) Number	Options (a) Weighted-Average Exercise Price
Balances, December 31, 1997	219,550	442,588	-	-
Granted	19,500(b)	178,518(c)	-	-
Paid/released	-	(80,920)	-	-
Forfeited	(22,250)	(29,566)	-	-
Balances, December 31, 1998	216,800	510,620	-	-
Granted	210,100(b)	294,662(c)	1,300,000(d)	$51.53
Paid/released	-	(78,640)	-	-
Forfeited	(13,500)	(80,027)	(200,000)	$51.16
Balances, December 31, 1999	413,400	646,615	1,100,000	$51.59
Granted	28,350(b)	465,614(c)	564,950(d)	$39.64
Paid/released/exercised	(264,800)	(1,038,375)	(1,060,726)	$49.88
Forfeited	(95,700)	(54,854)	(212,056)	$50.51
Balances, December 31, 2000	81,250	19,000	392,168(e)	$39.58

(a) Performance shares and options resulted in 373,431, 252,572 and 128,443 assumed incremental shares of common stock outstanding for purposes of computing diluted earnings per share in 2000, 1999 and 1998, respectively. These incremental shares did not change basic earnings per share.
(b) The weighted-average grant date fair value of restricted stock granted in 2000, 1999 and 1998 was $45.55, $53.21 and $61.89 per share, respectively.
(c) The weighted-average grant date fair value of performance shares granted in 2000, 1999 and 1998 was $41.25, $61.19 and $59.19 per share, respectively.
(d) The weighted-average grant date fair value of options granted was $39.64 and $51.53 per share in 2000 and 1999, respectively. The exercise price of each option granted in 2000 and 1999 equaled the market price of FPL Group stock on the date of grant.
(e) Exercise prices for options outstanding as of December 31, 2000, ranged from $38.13 to $47.63 per share and had a weighted-average remaining contractual life of 9.2 years. As of December 31, 2000, all outstanding options were exercisable and fully vested.

FAS 123, "Accounting for Stock-Based Compensation," encourages a fair value based method of accounting for stock-based compensation. FPL Group, however, uses the intrinsic value based method of accounting as permitted by the statement. Stock-based compensation expense was approximately $80 million, $13 million and $10 million in 2000, 1999 and 1998, respectively. Stock-based compensation expense in 2000 reflects merger-related costs associated with the change in control provisions in FPL Group's long-term incentive plan. Compensation expense for restricted stock and performance shares is the same under the fair value and the intrinsic value based methods. Had compensation expense for the options been determined as prescribed by the fair value based method, FPL Group's net income and earnings per share would have been $696 million and $4.10 ($4.09 assuming dilution) in 2000 and $696 million and $4.06 in 1999, respectively.

The fair value of the options granted in 2000 and 1999 were estimated on the date of the grant using the Black-Scholes option-pricing model with a weighted-average expected dividend yield of 3.82% and 3.81%, a weighted-average expected volatility of 20.27% and 17.88%, a weighted-average risk-free interest rate of 6.59% and 5.46% and a weighted-average expected term of 10 years and 9.3 years, respectively.

Other - Each share of common stock has been granted a Preferred Share Purchase Right (Right), at an exercise price of $120, subject to adjustment, in the event of certain attempted business combinations. The Rights will cause substantial dilution to a person or group attempting to acquire FPL Group on terms not approved by FPL Group's board of directors.

6. Preferred Stock

FPL Group's charter authorizes the issuance of 100 million shares of serial preferred stock, $0.01 par value. None of these shares is outstanding. FPL Group has reserved 3 million shares for issuance upon exercise of preferred share purchase rights which expire in June 2006. Preferred stock of FPL consists of the following:[a]

	December 31, 2000 Shares Outstanding	December 31, 2000 Redemption Price	December 31, 2000 (millions)	December 31, 1999 (millions)
Cumulative, $100 Par Value, without sinking fund requirements, authorized 15,822,500 shares:				
4 1/2% Series	100,000	$101.00	$ 10	$ 10
4 1/2% Series A	50,000	$101.00	5	5
4 1/2% Series B	50,000	$101.00	5	5
4 1/2% Series C	62,500	$103.00	6	6
4.32% Series D	50,000	$103.50	5	5
4.35% Series E	50,000	$102.00	5	5
6.98% Series S	750,000	$103.49(b)	75	75
7.05% Series T	500,000	$103.52(b)	50	50
6.75% Series U	650,000	$103.37(b)	65	65
Total preferred stock of FPL	2,262,500		$226	$226

(a) FPL's charter also authorizes the issuance of 5 million shares of subordinated preferred stock, no par value. None of these shares is outstanding. There were no issuances or redemptions of preferred stock in 2000, 1999 and 1998.
(b) Not callable prior to 2003.

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7. Debt

Long-term debt consists of the following:

	December 31, 2000	December 31, 1999
	(millions)	
FPL:		
First mortgage bonds:		
Maturing through 2005 - 5 3/8% to 6 7/8% (a)	$ 725	$ 350
Maturing 2008 through 2016 - 5 7/8% to 7.3%	650	650
Maturing 2023 through 2026 - 7% to 7 3/4%	516	516
Medium-term notes - maturing 2003 - 5.79%	70	70
Pollution control and industrial development series - maturing 2020 through 2027 - 6.7% to 7.5%	41	150
Pollution control, solid waste disposal and industrial development revenue bonds - maturing 2020 through 2029 - variable, 3.4% and 3.4% average annual interest rate, respectively (b)	658	483
Unamortized discount - net	(18)	(15)
Total long-term debt of FPL	2,642	2,204
Less current maturities	65	125
Long-term debt of FPL, excluding current maturities	2,577	2,079
FPL Group Capital:		
Debentures:		
Maturing 2004 - 6 7/8%	175	175
Maturing 2006 through 2009 - 7 3/8% to 7 5/8%	1,225	1,225
Other long-term debt - maturing 2013 - 7.35%	5	5
Unamortized discount	(6)	(6)
Total long-term debt of FPL Group Capital	1,399	1,399
Total long-term debt	$3,976	$3,478

(a) In December 2000, FPL issued $500 million principal amount of first mortgage bonds with an interest rate of 6 7/8%, maturing in 2005.

(b) In December 2000, FPL issued approximately $65 million principal amount of variable-rate bonds maturing in 2024. Also in December 2000, FPL redeemed a total of approximately $242 million principal amount of variable-rate bonds maturing between 2026 and 2029.

Minimum annual maturities of long-term debt for FPL Group are approximately $65 million, $170 million, $300 million and $500 million for 2001, 2003, 2004 and 2005, respectively. The amounts for FPL for the same periods are $65 million, $170 million, $125 million and $500 million, respectively.

At December 31, 2000, commercial paper borrowings had a year end weighted-average interest rate of 6.77% for FPL Group (6.60% for FPL). Available lines of credit aggregated approximately $3.0 billion ($853 million for FPL) at December 31, 2000, all of which were based on firm commitments.

8. Income Taxes

The components of income taxes are as follows:

	FPL Group Years Ended December 31, 2000	1999	1998	FPL Years Ended December 31, 2000	1999	1998
	(millions)					
Federal:						
Current	$ 77	$511	$467	$ 87	$383	$492
Deferred	239	(196)	(215)	231	(88)	(169)
ITC and other - net	(35)	(29)	(27)	(22)	(21)	(24)
Total federal	281	286	225	296	274	299
State:						
Current	6	55	72	13	62	78
Deferred	49	(18)	(18)	42	(9)	(21)
Total state	55	37	54	55	53	57
Income taxes charged to operations - FPL				351	327	356
Credited to other income (deductions) - FPL				(10)	(3)	(7)
Total income taxes	$336	$323	$279	$341	$324	$349

A reconciliation between the effective income tax rates and the applicable statutory rates is as follows:

	FPL Group Years Ended December 31, 2000	1999	1998	FPL Years Ended December 31, 2000	1999	1998
Statutory federal income tax rate	35.0%	35.0%	35.0%	35.0%	35.0%	35.0%
Increases (reductions) resulting from:						
State income taxes - net of federal income tax benefit	3.5	2.4	3.7	3.7	3.8	3.7
Amortization of ITC	(2.1)	(2.1)	(2.5)	(2.3)	(2.3)	(2.4)
Amortization of deferred regulatory credit - income taxes	(1.2)	(1.3)	(1.8)	(1.3)	(1.5)	(1.7)
Adjustments of prior years' tax matters	(2.7)	(2.7)	(6.3)(a)	-	(0.1)	0.1
Preferred stock dividends - FPL	0.5	0.5	0.5	-	-	-
Other - net	(0.7)	(0.2)	1.0	0.3	0.5	0.9
Effective income tax rate	32.3%	31.6%	29.6%	35.4%	35.4%	35.6%

(a) Includes the resolution of an audit issue with the Internal Revenue Service (IRS).

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The income tax effects of temporary differences giving rise to consolidated deferred income tax liabilities and assets are as follows:

	FPL Group December 31, 2000	FPL Group December 31, 1999	FPL December 31, 2000	FPL December 31, 1999
	(millions)			
Deferred tax liabilities:				
Property-related	$1,338	$1,377	$1,291	$1,377
Investment-related	398	373	-	-
Other	630	312	520	168
Total deferred tax liabilities	2,366	2,062	1,811	1,545
Deferred tax assets and valuation allowance:				
Asset writedowns and capital loss carryforward	156	170	-	-
Unamortized ITC and deferred regulatory credit - income taxes	104	119	104	119
Storm and decommissioning reserves	277	245	277	245
Other	474	472	346	379
Valuation allowance	(23)	(23)	-	-
Net deferred tax assets	988	983	727	743
Accumulated deferred income taxes	$1,378	$1,079	$1,084	$ 802

The carryforward period for a capital loss from the disposition in a prior year of an FPL Group Capital subsidiary expired at the end of 1996. The amount of the deductible loss from this disposition was limited by IRS rules. FPL Group is challenging the IRS loss limitation and the IRS is disputing certain other positions taken by FPL Group. Tax benefits, if any, associated with these matters will be reported in future periods when resolved.

9. Jointly-Owned Electric Utility Plant

FPL owns approximately 85% of St. Lucie Unit No. 2, 20% of the St. Johns River Power Park units and coal terminal and approximately 76% of Scherer Unit No. 4. At December 31, 2000, the proportionate share of FPL's gross investment in these units was $1.174 billion, $329 million and $569 million, respectively; accumulated depreciation was $752 million, $167 million and $288 million, respectively.

FPL is responsible for its share of the operating costs, as well as providing its own financing. These costs are included in FPL Group's and FPL's consolidated statements of income. At December 31, 2000, there was no significant balance of construction work in progress on these facilities. See Note 13 - Litigation.

10. Acquisition of Maine Assets

During the second quarter of 1999, FPL Energy completed the purchase of Central Maine Power Company's (CMP) non-nuclear generating assets, primarily fossil and hydro power plants, for $866 million. The purchase price was based on an agreement, subject to regulatory approvals, reached with CMP in January 1998. In October 1998, the FERC struck down transmission rules that had been in effect in New England since the 1970s. FPL Energy filed a lawsuit in November 1998 requesting a declaratory judgment that CMP could not meet the essential terms of the purchase agreement and, as a result, FPL Energy should not be required to complete the transaction. FPL Energy believed these FERC rulings regarding transmission constituted a material adverse effect under the purchase agreement because of the significant decline in the value of the assets caused by the rulings. The request for declaratory judgment was denied in March 1999 and the acquisition was completed on April 7, 1999. The acquisition was accounted for under the purchase method of accounting and the results of operating the Maine plants have been included in the consolidated financial statements since the acquisition date.

The FERC rulings regarding transmission, as well as the announcement of new entrants into the market and changes in fuel prices since January 1998, resulted in FPL Energy recording a $176 million pre-tax impairment loss to write-down the fossil assets to their fair value, which was determined based on a discounted cash flow analysis. The impairment loss reduced FPL Group's 1999 results of operations and earnings per share by $104 million and $0.61 per share, respectively.

Most of the remainder of the purchase price was allocated to the hydro operations. The hydro plants and related goodwill are being amortized on a straight-line basis over the 40-year term of the hydro plant operating licenses.

11. Divestiture of Cable Investments

In January 1999, an FPL Group Capital subsidiary sold 3.5 million common shares of Adelphia Communications Corporation (Adelphia) stock and in October 1999 had its one-third ownership interest in a cable limited partnership redeemed, resulting in after-tax gains of approximately $96 million and $66 million, respectively. Both investments had been accounted for under the equity method.

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12. Settlement of Litigation

In October 1999, FPL and the Florida Municipal Power Agency (FMPA) entered into a settlement agreement pursuant to which FPL agreed to pay FMPA a cash settlement; FPL agreed to reduce the demand charge on an existing power purchase agreement; and FPL and FMPA agreed to enter into a new power purchase agreement giving FMPA the right to purchase limited amounts of power in the future at a specified price. FMPA agreed to dismiss the lawsuit with prejudice, and both parties agreed to exchange mutual releases. The settlement reduced FPL's 1999 net income by $42 million.

In September 2000, the bankruptcy court approved the settlement of a contract dispute between FPL and two qualifying facilities. The settlement was approved by the FPSC in October 2000. In December 2000, under the terms of the settlement, the trustee was paid $222.5 million plus security deposits. The funds were subsequently distributed by the trustee as directed by the bankruptcy court. FPL will recover the cost of the settlement through the fuel and capacity clauses over a five-year period beginning January 1, 2002. Also, from the payment date to December 31, 2001, FPL will not receive a return on the unrecovered amount through the fuel and capacity clauses, but instead, the settlement amount will be included as a rate base regulatory asset over that period. See Note 1 – Regulation.

13. Commitments and Contingencies

Commitments - FPL has made commitments in connection with a portion of its projected capital expenditures. Capital expenditures for the construction or acquisition of additional facilities and equipment to meet customer demand are estimated to be approximately $3.3 billion for 2001 through 2003. Included in this three-year forecast are capital expenditures for 2001 of approximately $1.1 billion. As of December 31, 2000, FPL Energy has made commitments in connection with the development and expansion of independent power projects totaling approximately $380 million. Subsidiaries of FPL Group, other than FPL, have guaranteed approximately $810 million of prompt performance payments, lease obligations, purchase and sale of power and fuel agreement obligations, debt service payments and other payments subject to certain contingencies.

Insurance - Liability for accidents at nuclear power plants is governed by the Price-Anderson Act, which limits the liability of nuclear reactor owners to the amount of the insurance available from private sources and under an industry retrospective payment plan. In accordance with this Act, FPL maintains $200 million of private liability insurance, which is the maximum obtainable, and participates in a secondary financial protection system under which it is subject to retrospective assessments of up to $363 million per incident at any nuclear utility reactor in the United States, payable at a rate not to exceed $43 million per incident per year.

FPL participates in nuclear insurance mutual companies that provide $2.75 billion of limited insurance coverage for property damage, decontamination and premature decommissioning risks at its nuclear plants. The proceeds from such insurance, however, must first be used for reactor stabilization and site decontamination before they can be used for plant repair. FPL also participates in an insurance program that provides limited coverage for replacement power costs if a nuclear plant is out of service because of an accident. In the event of an accident at one of FPL's or another participating insured's nuclear plants, FPL could be assessed up to $38 million in retrospective premiums.

In the event of a catastrophic loss at one of FPL's nuclear plants, the amount of insurance available may not be adequate to cover property damage and other expenses incurred. Uninsured losses, to the extent not recovered through rates, would be borne by FPL and could have a material adverse effect on FPL Group's and FPL's financial condition.

FPL self-insures the majority of its transmission and distribution (T&D) property due to the high cost and limited coverage available from third-party insurers. As approved by the FPSC, FPL maintains a funded storm and property insurance reserve, which totaled approximately $229 million at December 31, 2000, for uninsured property storm damage or assessments under the nuclear insurance program. Recovery from customers of any losses in excess of the storm and property insurance reserve will require the approval of the FPSC. FPL's available lines of credit include $300 million to provide additional liquidity in the event of a T&D property loss.

Contracts – FPL Group has entered into a $3.7 billion long-term agreement with General Electric Company for the supply of 66 gas turbines through 2004 and parts, repairs and on-site services through 2011. The turbines are intended to support expansion at FPL and FPL Energy, and the related commitments for a portion of the 66 gas turbines are included in Commitments above.

FPL has entered into long-term purchased power and fuel contracts. Take-or-pay purchased power contracts with the Jacksonville Electric Authority (JEA) and with subsidiaries of The Southern Company (Southern Companies) provide approximately 1,300 megawatts (mw) of power through mid-2010 and 388 mw thereafter through 2021. FPL also has various firm pay-for-performance contracts to purchase approximately 900 mw from certain cogenerators and small power producers (qualifying facilities) with expiration dates ranging from 2002 through 2026. The purchased power contracts provide for capacity and energy payments. Energy payments are based on the actual power taken under these contracts. Capacity payments for the pay-for-performance contracts are subject to the qualifying facilities meeting certain contract conditions. FPL has long-term contracts for the transportation and supply of natural gas, coal and oil with various expiration dates through 2022. FPL Energy has long-term contracts for the transportation and storage of natural gas with expiration dates ranging from 2002 through 2017, and a contract for the supply of natural gas that expires in mid-2002.

The required capacity and minimum payments through 2005 under these contracts are estimated to be as follows:

	2001	2002	2003 (millions)	2004	2005
FPL:					
Capacity payments:					
JEA and Southern Companies	$ 200	$200	$190	$200	$200
Qualifying facilities	$ 320	$330	$340	$350	$340
Minimum payments, at projected prices:					
Natural gas, including transportation	$1,020	$815	$710	$680	$630
Coal	$ 45	$ 45	$ 20	$ 10	$ 10
Oil	$ 275	$ 15	$ -	$ -	$ -
FPL Energy:					
Natural gas, including transportation and storage	$ 20	$ 20	$ 15	$ 15	$ 15

Charges under these contracts were as follows:

	2000 Charges		1999 Charges (millions)		1998 Charges	
	Capacity	Energy/ Fuel	Capacity	Energy/ Fuel	Capacity	Energy/ Fuel
FPL:						
JEA and Southern Companies	$198(a)	$153(b)	$186(a)	$132(b)	$192(a)	$138(b)
Qualifying facilities	$318(c)	$135(b)	$319(c)	$121(b)	$299(c)	$108(b)
Natural gas, including transportation	$ -	$567(b)	$ -	$373(b)	$ -	$280(b)
Coal	$ -	$ 50(b)	$ -	$ 43(b)	$ -	$ 50(b)
Oil	$ -	$354(b)	$ -	$115(b)	$ -	$ -
FPL Energy:						
Natural gas, including transportation and storage	$ -	$ 17	$ -	$ 16	$ -	$ 18

(a) Recoverable through base rates and the capacity clause.
(b) Recoverable through the fuel clause.
(c) Recoverable through the capacity clause.

Litigation - In 1999, the Attorney General of the United States, on behalf of the U.S. Environmental Protection Agency (EPA) brought an action against Georgia Power Company and other subsidiaries of The Southern Company for injunctive relief and the assessment of civil penalties for certain violations of the Clean Air Act. Among other things, the EPA alleges Georgia Power Company constructed and is continuing to operate Scherer Unit No. 4, in which FPL owns a 76% interest, without obtaining proper permitting, and without complying with performance and technology standards as required by the Clean Air Act. The suit seeks injunctive relief requiring the installation of such technology and civil penalties of up to $25,000 per day for each violation from an unspecified date after August 7, 1977 through January 30, 1997, and $27,500 per day for each violation thereafter. Georgia Power Company has filed an answer to the complaint asserting that it has complied with all requirements of the Clean Air Act, denying the plaintiff's allegations of liability, denying that the plaintiff is entitled to any of the relief that it seeks and raising various other defenses. The EPA subsequently moved for leave to file an amended complaint that would extend the suit to other Southern Company subsidiaries and plants and would add an allegation that unspecified major modifications have been made at Scherer Unit No. 4 that require its compliance with the aforementioned Clean Air Act provisions (comparable allegations were made in the original complaint as to other plants but not Scherer Unit No. 4). The Court has not yet ruled on whether to permit the amendment. If amended as proposed, the EPA's demand for civil penalties with respect to Scherer Unit No. 4 would apply to the period commencing on an unspecified date after June 1, 1975.

In 2000, Southern California Edison Company (SCE) filed with the FERC a Petition for Declaratory Order (petition) asking the FERC to apply a November 1999 federal circuit court of appeals' decision to all qualifying small power production facilities, including two solar facilities operated by partnerships indirectly owned in part by FPL Energy. The federal circuit court of appeals' decision invalidated the FERC's so-called essential fixed assets standard, which permitted secondary uses of fossil fuels by qualifying small power production facilities beyond those expressly set forth in The Public Utility Regulatory Policies Act of 1978, as amended. The petition requests that the FERC declare that qualifying small power production facilities may not continue to use fossil fuel under the essential fixed assets standard and that they may be required to make refunds with respect to past usage. The partnerships intend to file a Motion to Intervene and Protest before the FERC, vigorously objecting to the position taken by SCE in its petition. The partnerships have always operated the solar facilities in accordance with orders issued by the FERC. Such orders were neither challenged nor appealed at the time they were granted, and it is the position of the partnerships that the orders remain in effect.

In 2000, Karen and Bruce Alexander filed suit against FPL Group, FPL, FPL FiberNet, LLC, FPL Group Capital and FPL Investments, Inc. in the Florida circuit court purportedly on behalf of all property owners in Florida whose property is encumbered by defendants' easements and on whose property the defendants have installed or intend to install fiber-optic cable which defendants lease, license or convey for non-electric transmission or distribution purposes, or intend to do so. The lawsuit alleged that FPL's easements did not permit the installation and use of fiber-optic cable for general communication purposes. The plaintiffs sought injunctive relief, compensatory damages, interest and attorneys' fees. The defendants served an offer of judgment for ten dollars on the named plaintiffs, reflecting the defendants' conclusion that, based on an analysis of the claims and circumstances of these individual plaintiffs, they had not sustained the injuries for which they claimed a right to relief. In January 2001, the plaintiffs accepted this offer of judgment, pursuant to which the suit has been dismissed with prejudice.

FPL Group and FPL believe that they have meritorious defenses to the pending litigation discussed above and are vigorously defending the suits. Accordingly, the liabilities, if any, arising from the proceedings are not anticipated to have a material adverse effect on their financial statements.

14. Segment Information

FPL Group's reportable segments include FPL, a regulated utility, and FPL Energy, a non-rate regulated energy generating subsidiary. Corporate and Other represents other business activities, other segments that are not separately reportable and eliminating entries. FPL Group's operating revenues derived from the sale of electricity represented approximately 97%, 98% and 97% of FPL Group's operating revenues in 2000, 1999 and 1998, respectively. Less than 1% of operating revenues were from foreign sources for each of the three years ended December 31, 2000. As of December 31, 2000 and 1999, less than 1% of long-lived assets were located in foreign countries.

FPL Group's segment information is as follows:

	2000				1999				1998			
	FPL	(a) FPL Energy	Corp. and Other	Total	FPL	(a) FPL Energy	Corp. and Other	Total	FPL	(a) FPL Energy	Corp. and Other	Total
					(millions)							
Operating revenues..	$ 6,361	$ 632	$ 89	$ 7,082	$ 6,057	$ 323	$ 58	$ 6,438	$ 6,366	$ 234	$ 61	$ 6,661
Interest expense....	$ 176	$ 67	$ 35	$ 278	$ 163	$ 44	$ 15	$ 222	$ 196	$ 84	$ 42	$ 322
Depreciation and Amortization......	$ 975	$ 50	$ 7	$ 1,032	$ 989	$ 34	$ 17	$ 1,040	$ 1,249	$ 31	$ 4	$ 1,284
Equity in earnings of equity method investees.........	$ -	$ 45	$ -	$ 45	$ -	$ 50	$ -	$ 50	$ -	$ 39	$ -	$ 39
Income tax expense (benefit)(b)......	$ 341	$ 36	$(41)	$ 336	$ 324	$ (42)	$ 41	$ 323	$ 349	$ 24	$(94)	$ 279
Net income (loss) (c)(d)............	$ 607	$ 82	$ 15	$ 704	$ 576	$ (46)	$167	$ 697	$ 616	$ 32	$ 16	$ 664
Significant noncash items............	$ (57)	$ -	$100	$ 43	$ 86	$ -	$ -	$ 86	$ 34	$ -	$ -	$ 34
Capital expenditures and investments...	$ 1,299	$ 507	$ 90	$ 1,896	$ 924	$1,540	$ 15	$ 2,479	$ 617	$ 313	$ 16	$ 946
Total assets........	$12,020	$2,679	$601	$15,300	$10,608	$2,212	$621	$13,441	$10,748	$1,092	$189	$12,029
Investment in equity method investees..	$ -	$ 196	$ -	$ 196	$ -	$ 166	$ -	$ 166	$ -	$ 165	$ -	$ 165

(a) FPL Energy's interest expense is based on an assumed capital structure of 50% debt for operating projects and 100% debt for projects under construction. FPL Energy's 1998 interest expense also includes the cost of terminating an interest rate swap agreement.

(b) FPL Group allocates income taxes to FPL Energy on the "separate return method" as if it were a tax paying entity.

(c) Includes merger-related expense recognized in 2000 totaling $41 million after-tax, of which $38 million was recognized by FPL, $1 million by FPL Energy and $2 million by Corporate and Other (see Note 2).

(d) The following nonrecurring items affected 1999 net income: FPL settled litigation for $42 million after-tax (see Note 12); FPL Energy recorded $104 million after-tax impairment loss (see Note 10); and Corporate and Other divested its cable investments resulting in a $162 million after-tax gain (see Note 11).

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15. Summarized Financial Information of FPL Group Capital

FPL Group Capital, a 100% owned subsidiary of FPL Group, provides funding for and holds ownership interest in FPL Group's operating subsidiaries other than FPL. FPL Group Capital's debentures are fully and unconditionally guaranteed by FPL Group. Condensed consolidating financial information is as follows:

Condensed Consolidating Statements of Income

	Year Ended December 31, 2000				Year Ended December 31, 1999				Year Ended December 31, 1998			
	FPL Group	FPL Group Capital	Other (a)	FPL Group Consoli-dated	FPL Group	FPL Group Capital	Other (a)	FPL Group Consoli-dated	FPL Group	FPL Group Capital	Other (a)	FPL Group Consoli-dated
	(millions)											
Operating revenues	$ -	$ 721	$6,361	$7,082	$ -	$ 380	$6,058	$6,438	$ -	$ 295	$6,366	$6,661
Operating expenses	(-)	(632)	(5,210)	(5,842)	(-)	(533)	(4,985)	(5,518)	(-)	(225)	(5,184)	(5,409)
Interest charges	(31)	(102)	(145)	(278)	(32)	(59)	(131)	(222)	(33)	(126)	(163)	(322)
Divestiture of cable investments	-	-	-	-	-	257	-	257	-	-	-	-
Other income (deductions) - net	726	135	(783)	78	712	108	(755)	65	689	61	(737)	13
Income before income taxes	695	122	223	1,040	680	153	187	1,020	656	5	282	943
Income tax expense (benefit)	(9)	4	341	336	(17)	15	325	323	(8)	(63)	350	279
Net income (loss)	$ 704	$ 118	$ (118)	$ 704	$ 697	$ 138	$ (138)	$ 697	$ 664	$ 68	$ (68)	$ 664

(a) Represents FPL, other subsidiaries and consolidating adjustments.

Condensed Consolidating Balance Sheets

	December 31, 2000				December 31, 1999			
	FPL Group	FPL Group Capital	Other (a)	FPL Group Consoli-dated	FPL Group	FPL Group Capital	Other (a)	FPL Group Consoli-dated
	(millions)							
PROPERTY, PLANT AND EQUIPMENT:								
Electric utility plant in service and other property	$ -	$ 1,984	$19,038	$21,022	$ -	$1,386	$18,168	$19,554
Less accumulated depreciation and amortization	-	170	10,918	11,088	-	105	10,185	10,290
Total property, plant and equipment - net	-	1,814	8,120	9,934	-	1,281	7,983	9,264
CURRENT ASSETS:								
Cash and cash equivalents	12	51	66	129	(16)	376	1	361
Receivables	56	418	409	883	-	218	325	543
Other	-	66	703	769	-	46	423	469
Total current assets	68	535	1,178	1,781	(16)	640	749	1,373
OTHER ASSETS:								
Investment in subsidiaries	5,967	-	(5,967)	-	5,805	-	(5,805)	-
Other	141	1,365	2,079	3,585	133	1,346	1,325	2,804
Total other assets	6,108	1,365	(3,888)	3,585	5,938	1,346	(4,480)	2,804
TOTAL ASSETS	$ 6,176	$ 3,714	$ 5,410	$15,300	$ 5,922	$3,267	$ 4,252	$13,441
CAPITALIZATION:								
Common shareholders' equity	$ 5,593	$ 935	$ (935)	$ 5,593	$ 5,370	$1,013	$(1,013)	$ 5,370
Preferred stock of FPL without sinking fund requirements	-	-	226	226	-	-	226	226
Long-term debt	-	1,400	2,576	3,976	-	1,399	2,079	3,478
Total capitalization	5,593	2,335	1,867	9,795	5,370	2,412	1,292	9,074
CURRENT LIABILITIES:								
Accounts payable and commercial paper	-	705	1,017	1,722	-	273	473	746
Other	467	186	388	1,041	485	141	498	1,124
Total current liabilities	467	891	1,405	2,763	485	414	971	1,870
OTHER LIABILITIES AND DEFERRED CREDITS:								
Accumulated deferred income taxes and unamortized tax credits	-	399	1,248	1,647	-	365	1,024	1,389
Other	116	89	890	1,095	67	76	965	1,108
Total other liabilities and deferred credits	116	488	2,138	2,742	67	441	1,989	2,497
COMMITMENTS AND CONTINGENCIES								
TOTAL CAPITALIZATION AND LIABILITIES	$ 6,176	$ 3,714	$ 5,410	$15,300	$ 5,922	$3,267	$ 4,252	$13,441

(a) Represents FPL, other subsidiaries and consolidating adjustments.

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Condensed Consolidating Statements of Cash Flows

	Year Ended December 31, 2000				Year Ended December 31, 1999				Year Ended December 31, 1998			
	FPL Group	FPL Group Capital	Other (a)	FPL Group Consolidated	FPL Group	FPL Group Capital	Other (a)	FPL Group Consolidated	FPL Group	FPL Group Capital	Other (a)	FPL Group Consolidated
						(millions)						
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	$ 959	$ 159	$ (142)	$ 976	$ 594	$ 56	$ 913	$ 1,563	$ 654	$ 8	$1,081	$ 1,743
CASH FLOWS FROM INVESTING ACTIVITIES:												
Capital expenditures and independent power investments	-	(507)	(1,299)	(1,806)	-	(1,540)	(861)	(2,401)	-	(521)	(617)	(1,138)
Capital contributions to FPL Group Capital and FPL	(418)	-	418	-	(127)	-	127	-	(249)	-	249	-
Other - net	3	(34)	(106)	(137)	(18)	313	(66)	229	-	427	(84)	343
Net cash used in investing activities	(415)	(541)	(987)	(1,943)	(145)	(1,227)	(800)	(2,172)	(249)	(94)	(452)	(795)
CASH FLOWS FROM FINANCING ACTIVITIES:												
Issuance of long-term debt	-	-	947	947	-	1,385	224	1,609	-	146	197	343
Retirement of long-term debt	-	-	(515)	(515)	-	(130)	(454)	(584)	-	(338)	(389)	(727)
Increase (decrease) in short-term debt .	-	353	466	819	-	135	94	229	-	16	(40)	(24)
Capital contributions from FPL Group	-	18	(18)	-	-	127	(127)	-	-	249	(249)	-
Repurchases of common stock	(150)	-	-	(150)	(116)	-	-	(116)	(62)	-	-	(62)
Dividends	(366)	(314)	314	(366)	(355)	-	-	(355)	(345)	-	-	(345)
Net cash provided by (used in) financing activities	(516)	57	1,194	735	(471)	1,517	(263)	783	(407)	73	(481)	(815)
Net increase (decrease) in cash and cash equivalents	28	(325)	65	(232)	(22)	346	(150)	174	(2)	(13)	148	133
Cash and cash equivalents at beginning of year .	(16)	376	1	361	6	30	151	187	8	43	3	54
Cash and cash equivalents at end of year	$ 12	$ 51	$ 66	$ 129	$ (16)	$ 376	$ 1	$ 361	$ 6	$ 30	$ 151	$ 187

(a) Represents FPL, other subsidiaries and consolidating adjustments.

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16. Quarterly Data (Unaudited)

Condensed consolidated quarterly financial information is as follows:

	March 31 (a)	June 30 (a)	September 30 (a)	December 31 (a)
	(millions, except per share amounts)			
FPL Group:				
2000				
Operating revenues	$ 1,468	$ 1,670	$ 2,087	$ 1,857
Operating income	$ 237	$ 347	$ 511	$ 145(c)
Net income	$ 121	$ 204	$ 314	$ 65(c)
Earnings per share: (b)				
Basic	$ 0.71	$ 1.20	$ 1.85	$ 0.39(c)
Assuming dilution	$ 0.71	$ 1.20	$ 1.84	$ 0.38(c)
Dividends per share	$ 0.54	$ 0.54	$ 0.54	$ 0.54
High-low common stock sales prices	$ 48 1/4-36 3/8	$50 13/16-41 13/16	$ 67 1/8-47 1/8	$ 73-59 3/8
1999				
Operating revenues	$ 1,412	$ 1,614	$ 1,892	$ 1,520
Operating income	$ 208	$ 135(d)	$ 470	$ 107(e)
Net income	$ 209(f)	$ 77(d)	$ 291	$ 120(e)(g)
Earnings per share (basic and assuming dilution) (b)	$ 1.22(f)	$ 0.45(d)	$ 1.70	$ 0.71(e)(g)
Dividends per share	$ 0.52	$ 0.52	$ 0.52	$ 0.52
High-low common stock sales prices	$61 15/16-50 1/8	$ 60 1/2-52 7/8	$56 11/16-49 1/8	$52 1/2-41 1/8
FPL:				
2000				
Operating revenues	$ 1,338	$ 1,533	$ 1,917	$ 1,573
Operating income	$ 151	$ 218	$ 326	$ 105(c)
Net income	$ 110	$ 176	$ 279	$ 57(c)
Net income available to FPL Group	$ 106	$ 172	$ 275	$ 54(c)
1999				
Operating revenues	$ 1,359	$ 1,511	$ 1,769	$ 1,418
Operating income	$ 150	$ 207	$ 303	$ 86(e)
Net income	$ 108	$ 167	$ 268	$ 48(e)
Net income available to FPL Group	$ 104	$ 163	$ 264	$ 45(e)

(a) In the opinion of FPL Group and FPL, all adjustments, which consist of normal recurring accruals necessary to present a fair statement of the amounts shown for such periods, have been made. Results of operations for an interim period may not give a true indication of results for the year.
(b) The sum of the quarterly amounts may not equal the total for the year due to rounding.
(c) Includes merger-related expenses.
(d) Includes impairment loss on Maine assets.
(e) Includes the settlement of litigation between FPL and FMPA.
(f) Includes gain on the sale of an investment in Adelphia common stock.
(g) Includes gain on the redemption of a one-third ownership interest in a cable limited partnership.

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Item 9. Changes in and Disagreements With Accountants on Accounting and Financial Disclosure

None

PART III

Item 10. Directors and Executive Officers of the Registrants

FPL Group - The information required by this Item will be included in FPL Group's Proxy Statement which will be filed with the Securities and Exchange Commission in connection with the 2001 Annual Meeting of Shareholders (FPL Group's Proxy Statement) and is incorporated herein by reference, or is included in Item I. Business - Executive Officers of the Registrants.

FPL DIRECTORS[a]

James L. Broadhead. Mr. Broadhead, 65, is chairman and chief executive officer of FPL and FPL Group. He is a director of Delta Air Lines, Inc., New York Life Insurance Company and The Pittston Company, and a trustee emeritus of Cornell University. Mr. Broadhead has been a director of FPL and FPL Group since 1989.

Dennis P. Coyle. Mr. Coyle, 62, is general counsel and secretary of FPL and FPL Group. He is a director of Adelphia Communications Corporation. Mr. Coyle has been a director of FPL since 1990.

Paul J. Evanson. Mr. Evanson, 59, is president of FPL. He is a director of Lynch Interactive Corporation. Mr. Evanson has been a director of FPL since 1992 and a director of FPL Group since 1995.

Lawrence J. Kelleher. Mr. Kelleher, 53, is senior vice president, human resources and corporate services of FPL and vice president, human resources of FPL Group. Mr. Kelleher has been a director of FPL since 1990.

Armando J. Olivera. Mr. Olivera, 51, is senior vice president, power systems of FPL. Mr. Olivera has been a director of FPL since 1999.

Thomas F. Plunkett. Mr. Plunkett, 61, is president of FPL's nuclear division. Mr. Plunkett has been a director of FPL since 1996.

Antonio Rodriguez. Mr. Rodriguez, 58, is senior vice president, power generation division of FPL. Mr. Rodriguez has been a director of FPL since 1999.

(a) Directors are elected annually and serve until their resignation, removal or until their respective successors are elected. Each director's business experience during the past five years is noted either here or in the Executive Officers table in Item 1. Business - Executive Officers of the Registrants.

Item 11. Executive Compensation

FPL Group - The information required by this Item will be included in FPL Group's Proxy Statement and is incorporated herein by reference, provided that the Compensation Committee Report and Performance Graph which are contained in FPL Group's Proxy Statement shall not be deemed to be incorporated herein by reference.

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FPL - The following table sets forth FPL's portion of the compensation paid during the past three years to FPL's chief executive officer and the other four most highly-compensated persons who served as executive officers of FPL at December 31, 2000.

SUMMARY COMPENSATION TABLE

		Annual Compensation			Long-Term Compensation			
Name and Principal Position	Year	Salary	Bonus	Other Annual Compen-sation	Restricted Stock Awards(a)	Number of Securities Underlying Options	Long-Term Incentive Plan Payouts(b)	All Other Compen-sation(c)
James L. Broadhead	2000	$974,400	$1,132,740	$20,632	$ -	-	$21,053,233	$13,563,705
Chairman of the Board and	1999	943,000	895,850	18,809	2,412.005	250,000	1,083,272	12,658
Chief Executive Officer	1998	847,875	937,125	9,809	-	-	1,788,731	12,009
of FPL and FPL Group								
Paul J. Evanson	2000	660,000	660,700	11,105	-	-	10,395,654	8,544
President of FPL	1999	628,500	616,900	8,656	1,278,900	150,000	458,985	13,539
	1998	592,500	546,900	2,785	-	-	704,304	13,746
Dennis P. Coyle	2000	410,640	310,045	8,487	-	-	5,892,417	7,900
General Counsel and	1999	399,832	259,891	7,964	964,802	100,000	236,783	10,259
Secretary of FPL	1998	357,000	257,040	595	-	-	368,079	9,737
and FPL Group								
Thomas F. Plunkett	2000	375,000	243,000	11,121	-	-	5,902,937	8,391
President, Nuclear	1999	340,000	219,100	10,088	255,780	100,000	179,564	10,146
Division of FPL	1998	302,500	177,900	3,482	-	-	103,481	10,344
Lawrence J. Kelleher	2000	316,680	240,723	11,952	-	-	5,757,767	7,616
Senior Vice President,	1999	306,475	220,662	10,213	964,802	100,000	267,694	10,661
Human Resources and	1998	267,750	194,119	3,108	-	-	222,173	9,724
Corporate Services of FPL and Vice President, Human Resources of FPL Group								

(a) At December 31, 2000, none of the named officers held any shares of restricted common stock.

(b) FPL Group shareholders' December 15, 2000 approval of a proposed merger with Entergy Corporation resulted in a change of control under the definition in FPL Group's 1994 Long Term Incentive Plan. Upon the change of control, all performance criteria of performance-based awards, restricted stock and other stock-based awards held by the executive officers were deemed fully achieved and all such awards were deemed fully earned and vested; all options and other exercisable rights became exercisable and vested; the restrictions, deferral limitations and forfeiture conditions applicable to all awards under the Plan lapsed; and all outstanding awards were canceled and the holder thereof paid in cash on the basis of the highest trading price of FPL Group common stock during the 60-day period preceding shareholder approval.

(c) For 2000, represents employer matching contributions to employee thrift plans and employer contributions for life insurance as follows:

	Thrift Match	Life Insurance
Mr. Broadhead	$7,494	$1,245
Mr. Evanson	8,075	469
Mr. Coyle	7,494	406
Mr. Plunkett	8,075	316
Mr. Kelleher	7,494	122

Also represents FPL's portion of the distribution upon change of control on December 15, 2000 to Mr. Broadhead of his already vested benefit under his individual supplemental retirement plan. Mr. Broadhead's vested lump sum benefit payable in cash as of December 15, 2000, was $14,021,598; this amount included the value of 96,800 shares of restricted Common Stock awarded to him in 1991 for the purpose of financing this plan, which would have otherwise vested on January 2, 2001. Also includes for Mr. Broadhead, $585,046 in cash that accrued in a trust established to receive dividends from the 96,800 restricted shares that was not part of the supplemental retirement plan lump sum benefit.

Long-Term Incentive Plan Awards - In 2000, performance awards and shareholder value awards under FPL Group's Long-Term Incentive Plan were made to the executive officers named in the Summary Compensation Table as set forth in the following tables.

Performance Share Awards

			Estimated Future Payouts Under Non-Stock Price-Based Plans	
Name	Number of Shares	Performance Period Until Payout	Target(#)	Maximum(#)
James L. Broadhead	28,257	1/1/00 - 12/31/03	28,257	45,211
Paul J. Evanson	11,303	1/1/00 - 12/31/03	11,303	18,085
Dennis P. Coyle	6,495	1/1/00 - 12/31/03	6,495	10,392
Thomas F. Plunkett	5,505	1/1/00 - 12/31/03	5,505	8,808
Lawrence J. Kelleher	5,009	1/1/00 - 12/31/03	5,009	8,014

The performance share awards in the preceding table are, under normal circumstances, payable at the end of the four-year performance period. The amount of the payout is determined by multiplying the participant's target number of shares by his average level of attainment, expressed as a percentage, which may not exceed 160%, of his targeted awards under the Annual Incentive Plans for each of the years encompassed by the award period. Annual incentive compensation is based on the attainment of net income goals for FPL and FPL Group, which are established by the Compensation Committee of FPL Group's Board of Directors (the Committee) at the beginning of the year. The amounts earned on the basis of this performance measure are subject to reduction based on the degree of achievement of other corporate and business unit performance measures, and in the discretion of the Committee. Mr. Broadhead's annual incentive compensation for 2000 was based on the achievement of FPL Group's net income goals and the following performance measures for FPL (weighted 75%) and the non-utility and/or new businesses (weighted 25%) and upon certain qualitative factors. For FPL, the incentive performance measures were financial indicators (weighted 50%) and operating indicators (weighted 50%). The financial indicators were operations and maintenance costs, capital expenditure levels, net income, regulatory return on equity and operating cash flow. The operating indicators were service reliability as measured by the frequency and duration of service interruptions and service unavailability; system performance as measured by availability factors for the fossil power plants, and an industry index for the nuclear power plants; employee safety; number of significant environmental violations; customer satisfaction survey results; load management installed capability and conservation programs' annual installed capacity. For the non-utility and/or new businesses, the performance measures were total combined return on equity; non-utility net income and return on equity; corporate and other net income; employee safety; number of significant environmental violations and the development of a plan to meet five-year growth objectives. The qualitative factors included measures to position FPL Group for increased competition and initiating other actions that significantly strengthen FPL Group and enhance shareholder value.

Shareholder Value Awards

Name	Number of Shares	Performance Period Until Payout	Estimated Future Payouts Under Non-Stock Price-Based Plans Target(#)	Maximum(#)
James L. Broadhead	19,266	1/1/00 - 12/31/02	19,266	30,826
Paul J. Evanson	9,688	1/1/00 - 12/31/02	9,688	15,501
Dennis P. Coyle	4,872	1/1/00 - 12/31/02	4,872	7,795
Thomas F. Plunkett	4,128	1/1/00 - 12/31/02	4,128	6,605
Lawrence J. Kelleher	3,757	1/1/00 - 12/31/02	3,757	6,011

The shareholder value awards in the preceding table are, under normal circumstances, payable at the end of the three-year performance period. The amount of the payout is determined by multiplying the participant's target number of shares by a factor derived by comparing the average annual total shareholder return of FPL Group (price appreciation of FPL Group common stock plus dividends) to the total shareholder return of the Dow Jones Electric Utilities Index companies over the three-year performance period. The payout may not exceed 160% of targeted awards.

On December 15, 2000, FPL Group shareholders approved a proposed merger with Entergy Corporation, resulting in a change of control under the definition in FPL Group's 1994 Long Term Incentive Plan. See note (b) to the Summary Compensation Table.

The named officers did not receive any stock option grants during 2000, did not exercise any stock options during 2000 and held no exercisable options at the end of the year.

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Retirement Plans – FPL Group maintains a non-contributory defined benefit pension plan and a supplemental executive retirement plan which covers FPL employees. The following table shows the estimated annual benefits, calculated on a straight-line annuity basis, payable upon retirement in 2000 at age 65 after the indicated years of service.

Pension Plan Table

Eligible Average Annual Compensation	Years of Service 10	20	30	40	50
$ 300,000	$ 58,704	$ 117,397	$ 146,101	$ 154,543	$ 156,931
400,000	78,704	157,397	196,101	207,043	209,431
500,000	98,704	197,397	246,101	259,543	261,931
600,000	118,704	237,397	296,101	312,043	314,431
700,000	138,704	277,397	346,101	364,543	366,931
800,000	158,704	317,397	396,101	417,043	419,431
900,000	178,704	357,397	446,101	469,543	471,931
1,000,000	198,704	397,397	496,101	522,043	524,431
1,100,000	218,704	437,397	546,101	574,543	576,931
1,200,000	238,704	477,397	596,101	627,043	629,431
1,300,000	258,704	517,397	646,101	679,543	681,931
1,400,000	278,704	557,397	696,101	732,043	734,431
1,500,000	298,704	597,397	746,101	784,543	786,931
1,600,000	318,704	637,397	796,101	837,043	839,431
1,700,000	338,704	677,397	846,101	889,543	891,931
1,800,000	358,704	717,397	896,101	942,043	944,431
1,900,000	378,704	757,397	946,101	994,543	996,931
2,000,000	398,704	797,397	996,101	1,047,043	1,049,431
2,100,000	418,704	837,397	1,046,101	1,099,543	1,101,931
2,200,000	438,704	877,397	1,096,101	1,152,043	1,154,431
2,300,000	458,704	917,397	1,146,101	1,204,543	1,206,931
2,400,000	478,704	957,397	1,196,101	1,257,043	1,259,431
2,500,000	498,704	997,397	1,246,101	1,309,543	1,311,931
2,600,000	518,704	1,037,397	1,295,101	1,362,043	1,364,431
2,700,000	538,704	1,077,397	1,348,101	1,414,543	1,416,931
2,800,000	558,704	1,117,397	1,396,101	1,467,043	1,469,431

The compensation covered by the plans includes annual salaries and bonuses of certain officers of FPL Group and annual salaries of officers of FPL, as shown in the respective Summary Compensation Tables, but no other amounts shown in those tables. Estimated credited years of service for the FPL executive officers named in the Summary Compensation Table are: Mr. Broadhead, 12 years; Mr. Evanson, 8 years; Mr. Coyle, 11 years; Mr. Plunkett, 10 years and Mr. Kelleher, 33 years. Amounts shown in the table reflect deductions to partially cover employer contributions to social security.

A supplemental retirement plan for Mr. Coyle provides for benefits based on two times his credited years of service. A supplemental retirement plan for Mr. Evanson provides for benefits based on two times his credited years of service up to age 65 and one times his credited years of service thereafter. A supplemental retirement plan for Mr. Plunkett provides for benefits, upon retirement at age 62 or more, based on two times his credited years of service up to age 65 and one times his credited years of service thereafter.

FPL Group sponsors a split-dollar life insurance plan for certain of FPL's and FPL Group's senior officers, including the FPL executive officers named in the Summary Compensation Table. Benefits under the split-dollar plan are provided by universal life insurance policies purchased by FPL Group. If the officer dies prior to retirement (defined to include age plus years of service), or for Mr. Kelleher during employment or after retirement but prior to age 65, the officer's beneficiaries generally receive two and one-half times the officer's annual salary at the time of death. If the officer dies after retirement, or for Mr. Kelleher on or after 65 but before termination of his split dollar agreement, the officer's beneficiaries receive between 50% to 100% (100% to 180% depending upon age at time of death for Mr. Kelleher) of the officer's final annual salary. Upon termination of the agreement after 10 years, at age 65 or termination of employment which qualifies as retirement, whichever is later, the life insurance policies will be assigned to the officer or his beneficiary. Each officer is taxable on the insurance carrier's one-year term rate for his life insurance coverage.

Employment Agreements - On December 15, 2000, when FPL Group's shareholders approved a proposed merger with Entergy Corporation, previously-existing employment agreements between FPL Group and certain officers, including the individuals named in the Summary Compensation Table, became effective. The agreements provide that the officer shall be employed by FPL Group for a period of four years (five years in the case of Mr. Broadhead) in a position at least commensurate with his position with FPL Group in December 2000. During the employment period the officer shall be paid an annual base salary at least equal to his annual base salary for 2000, with annual increases consistent with those awarded to other peer officers of FPL Group, but not less than the increases in the consumer price index; shall be paid an annual bonus at least equal to the highest bonus paid to him for any of the three years immediately preceding 2000; be given the opportunity to earn long term incentive compensation at least as favorable as such opportunities given to other peer officers of FPL Group during 2000 or thereafter and shall be entitled to participate in employee benefit plans providing benefits at lest as favorable as those provided to other peer officers of FPL Group during 2000 or thereafter.

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In the event that the officer's employment is terminated (except for death, disability, or cause) or if the officer terminates his employment for good reason, as defined in the agreement, the officer is entitled to severance benefits in the form of a lump-sum payment equal to the compensation due for the remainder of the employment period or for two years, whichever is longer. Such benefits would be based on the officer's then base salary plus an annual bonus at least equal to the bonus for the year 2000. The officer is also entitled to the maximum amount payable under all long-term incentive compensation grants outstanding, continued coverage under all employee benefit plans, supplemental retirement benefits and reimbursement for any tax penalties incurred as a result of the severance payments.

Director Compensation - All of the directors of FPL are salaried employees of FPL Group and its subsidiaries and do not receive any additional compensation for serving as a director.

Item 12. Security Ownership of Certain Beneficial Owners and Management

FPL Group - The information required by this Item will be included in FPL Group's Proxy Statement and is incorporated herein by reference.

FPL - FPL Group owns 100% of FPL's common stock. FPL's directors and executive officers beneficially own shares of FPL Group's common stock as follows:

Name	Number of Shares (a)
James L. Broadhead	91,789
Dennis P. Coyle	26,439(b)
Paul J. Evanson	47,021
Lawrence J. Kelleher	23,038
Armando J. Olivera	14,049
Thomas F. Plunkett	15,070
Antonio Rodriguez	7,632
All directors and executive officers as a group	243,916(b)(c)

(a) Information is as of January 31, 2001, except for holdings under the thrift plans, which are as of December 31, 2000. Unless otherwise indicated, each person has sole voting and sole investment power.

(b) Includes 25 shares owned by Mr. Coyle's wife, as to which Mr. Coyle disclaims beneficial ownership.

(c) Less than 1% of FPL Group's common stock outstanding.

Section 16(a) Beneficial Ownership Reporting Compliance - FPL's directors and executive officers are required to file initial reports of ownership and reports of changes of ownership of FPL Group common stock with the Securities and Exchange Commission. Based upon a review of these filings and written representations from FPL directors and executive officers, all required filings were timely made in 2000 except one transaction involving a gift transfer by Mr. Broadhead to a trust for the benefit of members of Mr. Broadhead's family was inadvertently not reported on Form 5 on a timely basis for fiscal year 1999 due to an oversight by counsel to FPL Group.

Item 13. Certain Relationships and Related Transactions

FPL Group - The information required by this Item will be included in FPL Group's Proxy Statement and is incorporated herein by reference.

FPL - None

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PART IV

Item 14. Exhibits, Financial Statement Schedules and Reports on Form 8-K

(a) 1. Financial Statements

	Page(s)
Independent Auditors' Report	18
FPL Group:	
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Consolidated Balance Sheets	20
Consolidated Statements of Cash Flows	21
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FPL:	
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Notes to Consolidated Financial Statements	27-42

2. Financial Statement Schedules - Schedules are omitted as not applicable or not required.

3. Exhibits including those Incorporated by Reference

Exhibit Number	Description	FPL Group	FPL
*2	Merger Termination and Release Agreement dated April 1, 2001 (filed as Exhibit 2 to FPL Group's and FPL's Form 8-K dated April 1, 2001, File Nos. 1-8841 and 1-3545, respectively)	x	x
*3(i)a	Restated Articles of Incorporation of FPL Group dated December 31, 1984, as amended through December 17, 1990 (filed as Exhibit 4(a) to Post-Effective Amendment No. 5 to Form S-8, File No. 33-18669)	x	
*3(i)b	Amendment to FPL Group's Restated Articles of Incorporation dated June 27, 1996 (filed as Exhibit 3 to Form 10-Q for the quarter ended June 30, 1996, File No. 1-8841)	x	
*3(i)c	Restated Articles of Incorporation of FPL dated March 23, 1992 (filed as Exhibit 3(i)a to Form 10-K for the year ended December 31, 1993, File No. 1-3545)		x
*3(i)d	Amendment to FPL's Restated Articles of Incorporation dated March 23, 1992 (filed as Exhibit 3(i)b to Form 10-K for the year ended December 31, 1993, File No. 1-3545)		x
*3(i)e	Amendment to FPL's Restated Articles of Incorporation dated May 11, 1992 (filed as Exhibit 3(i)c to Form 10-K for the year ended December 31, 1993, File No. 1-3545)		x
*3(i)f	Amendment to FPL's Restated Articles of Incorporation dated March 12, 1993 (filed as Exhibit 3(i)d to Form 10-K for the year ended December 31, 1993, File No. 1-3545)		x
*3(i)g	Amendment to FPL's Restated Articles of Incorporation dated June 16, 1993 (filed as Exhibit 3(i)e to Form 10-K for the year ended December 31, 1993, File No. 1-3545)		x
*3(i)h	Amendment to FPL's Restated Articles of Incorporation dated August 31, 1993 (filed as Exhibit 3(i)f to Form 10-K for the year ended December 31, 1993, File No. 1-3545)		x
*3(i)i	Amendment to FPL's Restated Articles of Incorporation dated November 30, 1993 (filed as Exhibit 3(i)g to Form 10-K for the year ended December 31, 1993, File No. 1-3545)		x
*3(ii)a	Bylaws of FPL Group as amended February 12, 2001 (filed as Exhibit 3(ii)a to Form 10-K for the year ended December 31, 2000, File No. 1-8841)	x	
*3(ii)b	Bylaws of FPL dated May 11, 1992 (filed as Exhibit 3 to Form 8-K dated May 1, 1992, File No. 1-3545)		x
*4(a)	Form of Rights Agreement, dated as of July 1, 1996, between FPL Group and The First National Bank of Boston (filed as Exhibit 4 to Form 8-K dated June 17, 1996, File No. 1-8841)	x	
*4(b)	Amendment to Rights Agreement dated as of July 30, 2000, between FPL Group and Fleet National Bank (f/k/a The First National Bank of Boston), as the Rights Agent (filed as Exhibit 2 to Form 8-A/A dated July 31, 2000, File No. 1-8841)	x	

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		FPL Group	FPL
*4(c)	Mortgage and Deed of Trust dated as of January 1, 1944, and Ninety-nine Supplements thereto between FPL and Bankers Trust Company and The Florida National Bank of Jacksonville (now First Union National Bank of Florida), Trustees (as of September 2, 1992, the sole trustee is Bankers Trust Company) (filed as Exhibit B-3, File No. 2-4845; Exhibit 7(a), File No. 2-7126; Exhibit 7(a), File No. 2-7523; Exhibit 7(a), File No. 2-7990; Exhibit 7(a), File No. 2-9217; Exhibit 4(a)-5, File No. 2-10093; Exhibit 4(c), File No. 2-11491; Exhibit 4(b)-1, File No. 2-12900; Exhibit 4(b)-1, File No. 2-13255; Exhibit 4(b)-1, File No. 2-13705; Exhibit 4(b)-1, File No. 2-13925; Exhibit 4(b)-1, File No. 2-15088; Exhibit 4(b)-1, File No. 2-15677; Exhibit 4(b)-1, File No. 2-20501; Exhibit 4(b)-1, File No. 2-22104; Exhibit 2(c), File No. 2-23142; Exhibit 2(c), File No. 2-24195; Exhibit 4(b)-1, File No. 2-25677; Exhibit 2(c), File No. 2-27612; Exhibit 2(c), File No. 2-29001; Exhibit 2(c), File No. 2-30542; Exhibit 2(c), File No. 2-33038; Exhibit 2(c), File No. 2-37679; Exhibit 2(c), File No. 2-39006; Exhibit 2(c), File No. 2-41312; Exhibit 2(c), File No. 2-44234; Exhibit 2(c), File No. 2-46502; Exhibit 2(c), File No. 2-48679; Exhibit 2(c), File No. 2-49726; Exhibit 2(c), File No. 2-50712; Exhibit 2(c), File No. 2-52826; Exhibit 2(c), File No. 2-53272; Exhibit 2(c), File No. 2-54242; Exhibit 2(c), File No. 2-56228; Exhibits 2(c) and 2(d), File No. 2-60413; Exhibits 2(c) and 2(d), File No. 2-65701; Exhibit 2(c), File No. 2-66524; Exhibit 2(c), File No. 2-67239; Exhibit 4(c), File No. 2-69716; Exhibit 4(c), File No. 2-70767; Exhibit 4(b), File No. 2-71542; Exhibit 4(b), File No. 2-73799; Exhibits 4(c), 4(d) and 4(e), File No. 2-75762; Exhibit 4(c), File No. 2-77629; Exhibit 4(c), File No. 2-79557; Exhibit 99(a) to Post-Effective Amendment No. 5 to Form S-8, File No. 33-18669; Exhibit 99(a) to Post-Effective Amendment No. 1 to Form S-3, File No. 33-46076; Exhibit 4(b) to Form 10-K for the year ended December 31, 1993, File No. 1-3545; Exhibit 4(i) to Form 10-Q for the quarter ended June 30, 1994, File No. 1-3545; Exhibit 4(b) to Form 10-Q for the quarter ended June 30, 1995, File No. 1-3545; Exhibit 4(a) to Form 10-Q for the quarter ended March 31, 1996, File No. 1-3545; Exhibit 4 to Form 10-Q for the quarter ended June 30, 1998, File No. 1-3545; and Exhibit 4 to Form 10-Q for the quarter ended March 31, 1999, File No. 1-8841)	x	x
*4(d)	Indenture, dated as of June 1, 1999, between FPL Group Capital Inc and The Bank of New York, as Trustee (filed as Exhibit 4(a) to Form 8-K Dated July 16, 1999, File No. 1-8841)	x	
*4(e)	Guarantee Agreement between FPL Group, Inc. (as Guarantor) and The Bank of New York (as Guarantee Trustee) date as of June 1, 1999 (filed as Exhibit 4(b) to Form 8-K dated July 16, 1999, File No. 1-8841)	x	
*4(f)	One-hundredth Supplemental Indenture dated as of December 1, 2000 between FPL and Bankers Trust Company, Trustee (filed as Exhibit 4(f) to FPL Group's and FPL's Form 10-K for the year ended December 31, 2000, File Nos. 1-8841 and 1-3545, respectively)	x	x
*4(g)	One Hundred First Supplemental Indenture dated as of December 1, 2000 between FPL and Bankers Trust Company, Trustee (filed as exhibit 4(g) to FPL Group's and FPL's Form 10-K for the year ended December 31, 2000, File Nos. 1-8841 and 1-3545, respectively)	x	x
*10(a)	FPL Group Supplemental Executive Retirement Plan, amended and restated effective April 1, 1997 (filed as Exhibit 10(a) to Form 10-K for the year ended December 31, 1999, File No. 1-8841)	x	
*10(b)	Amendments # 1 and 2 effective January 1, 1998 to FPL Group Supplemental Executive Retirement Plan, amended and restated effective April 1, 1997 (filed as Exhibit 10(b) to Form 10-K for the year ended December 31, 1999, File No. 1-8841)	x	
*10(c)	Amendment #3 effective January 1, 1999, to FPL Group Supplemental Executive Retirement Plan, amended and restated effective April 1, 1997 (filed as Exhibit 10(c) to Form 10-K for the year ended December 31, 1999, File No. 1-8841)	x	
*10(d)	Supplement to the FPL Group Supplemental Executive Retirement Plan as it applies to Paul J. Evanson effective January 1, 1996 (filed as Exhibit 10(b) to Form 10-K for the year ended December 31, 1996, File No. 1-8841)	x	
*10(e)	Supplement to the FPL Group Supplemental Executive Retirement Plan as it applies to Thomas F. Plunkett (filed as Exhibit 10(e) to Form 10-K for the year ended December 31, 1997, File No. 1-8841)	x	
*10(f)	Supplemental Executive Retirement Plan for Dennis P. Coyle effective November 15, 1993 (filed as Exhibit 10(f) to Form 10-K for the year ended December 31, 2000, File No. 1-8841)	x	
*10(g)	Long-Term Incentive Plan 1994 (filed as Exhibit 4(d) to Form S-8, File No. 33-57673)	x	
*10(h)	Annual Incentive Plan (filed as Exhibit 10(h) to Form 10-K for the year ended December 31, 2000, File No. 1-8841)	x	
*10(i)	FPL Group, Inc. Deferred Compensation Plan, amended and restated effective January 1, 1995 (filed as Exhibit 99 to Form S-8, File No. 333-88067	x	
*10(j)	FPL Group Executive Long Term Disability Plan effective January 1, 1995 (filed as Exhibit 10(g) to Form 10-K for the year ended December 31, 1995, File No. 1-8841)	x	

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		FPL Group	FPL
*10(k)	Employment Agreement between FPL Group and James L. Broadhead, amended and restated as of May 10, 1999 (filed as Exhibit 10(a) to Form 10-Q for the quarter ended September 30, 1999, File No. 1-8841)	x	
*10(l)	Employment Agreement between FPL Group and Dennis P. Coyle, amended and restated as of May 10, 1999 (filed as Exhibit 10(b) to Form 10-Q for the quarter ended September 30, 1999, File No. 1-8841)	x	
*10(m)	Employment Agreement between FPL Group and Paul J. Evanson, amended and restated as of May 10, 1999 (filed as Exhibit 10(c) to Form 10-Q for the quarter ended September 30, 1999, File No. 1-8841)	x	
*10(n)	Employment Agreement between FPL Group and Lewis Hay, III, dated as of September 13, 1999 (filed as Exhibit 10(d) to Form 10-Q for the quarter ended September 30, 1999, File No. 1-8841)	x	
*10(o)	Employment Agreement between FPL Group and Lawrence J. Kelleher, amended and restated as of May 10, 1999 (filed as Exhibit 10(e) to Form 10-Q for the quarter ended September 30, 1999, File No. 1-8841)	x	
*10(p)	Employment Agreement between FPL Group and Thomas F. Plunkett, amended and restated as of May 10, 1999 (filed as Exhibit 10(f) to Form 10-Q for the quarter ended September 30, 1999, File No. 1-8841)	x	
*10(q)	Employment Agreement between FPL Group and Armando J. Olivera, dated as of June 12, 2000 (filed as Exhibit 10(a) to Form 10-Q for the quarter ended June 30, 2000, File No. 1-8841)	x	
*10(r)	Employment Agreement between FPL Group and Antonio Rodriguez, dated as of June 12, 2000 (filed as Exhibit 10(b) to Form 10-Q for the quarter ended June 30, 2000, File No. 1-8841)	x	
*10(s)	FPL Group, Inc. Non-Employee Directors Stock Plan dated as of March 17, 1997 (filed as Appendix A to FPL Group's 1997 Proxy Statement, File No. 1-8841)	x	
*10(t)	Retention Bonus Plan dated November 6, 2000 (filed as Exhibit 10(v) to Form 10-K for the year ended December 31, 2000, File No. 1-8841)	x	
*10(u)	Form of Split Dollar Agreement between FPL Group and each of James L. Broadhead, Dennis P. Coyle, Paul J. Evanson, Lewis Hay, III, Lawrence J. Kelleher and Thomas F. Plunket (filed as Exhibit 10(w) to Form 10-K for the year ended December 31, 2000, File No. 1-8841)	x	
12(a)	Computation of Ratio of Earnings to Fixed Charges	x	
12(b)	Computation of Ratios		x
21	Subsidiaries of the Registrant	x	
23	Independent Auditors' Consent	x	x

* Incorporated herein by reference

(b) Reports on Form 8-K

A Current Report on Form 8-K was filed with the Securities Exchange Commission on November 2, 2000 by FPL Group and FPL reporting one event under Items 5. Other Events.

A Current Report on Form 8-K was filed with the Securities Exchange Commission on December 15, 2000 by FPL Group and FPL reporting one event under Items 5. Other Events.

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FPL GROUP, INC. SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

FPL Group, Inc.

JAMES L. BROADHEAD
James L. Broadhead
Chairman of the Board and
Chief Executive Officer
(Principal Executive Officer and Director)

Date: April 9, 2001

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the date indicated.

Signature and Title as of April 9, 2001:

K. MICHAEL DAVIS
K. Michael Davis
Controller and Chief Accounting Officer
(Principal Financial and Accounting Officer)

Directors:

H. JESSE ARNELLE
H. Jesse Arnelle

SHERRY S. BARRAT
Sherry S. Barrat

ROBERT M. BEALL, II
Robert M. Beall, II

J. HYATT BROWN
J. Hyatt Brown

ARMANDO M. CODINA
Armando M. Codina

Marshall M. Criser

WILLARD D. DOVER
Willard D. Dover

ALEXANDER W. DREYFOOS JR.
Alexander W. Dreyfoos Jr.

PAUL J. EVANSON
Paul J. Evanson

FREDERIC V. MALEK
Frederic V. Malek

PAUL R. TREGURTHA
Paul R. Tregurtha

FLORIDA POWER & LIGHT COMPANY SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Florida Power & Light Company

PAUL J. EVANSON
Paul J. Evanson
President and Director

Date: April 9, 2001

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the date indicated.

Signature and Title as of April 9, 2001:

JAMES L. BROADHEAD
James L. Broadhead
Chairman of the Board
(Principal Executive Officer and Director)

K. MICHAEL DAVIS
K. Michael Davis
Vice President, Accounting,
Controller and Chief Accounting Officer
(Principal Financial and Accounting Officer)

Directors:

DENNIS P. COYLE
Dennis P. Coyle

THOMAS F. PLUNKETT
Thomas F. Plunkett

LAWRENCE J. KELLEHER
Lawrence J. Kelleher

ANTONIO RODRIGUEZ
Antonio Rodriguez

ARMANDO J. OLIVERA
Armando J. Olivera

EXHIBIT 12(a)

FPL GROUP, INC. AND SUBSIDIARIES
COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES

	Years Ended December 31,				
	2000	1999	1998	1997	1996
	(Millions of Dollars)				
Earnings, as defined:					
Net income	$ 704	$ 697	$ 664	$ 618	$ 579
Income taxes	336	323	279	304	294
Fixed charges, included in the determination of net income, as below	296	234	335	304	283
Distributed income of independent power investments	80	75	68	47	38
Less: Equity in earnings of independent power investments	45	50	39	14	5
Total earnings, as defined	$1,371	$1,279	$1,307	$1,259	$1,189
Fixed charges, as defined:					
Interest charges	$ 278	$ 222	$ 322	$ 291	$ 267
Rental interest factor	9	4	4	4	5
Fixed charges included in nuclear fuel cost	9	8	9	9	11
Fixed charges, included in the determination of net income	296	234	335	304	283
Capitalized interest	23	9	2	4	-
Total fixed charges, as defined	$ 319	$ 243	$ 337	$ 308	$ 283
Ratio of earnings to fixed charges	4.30	5.26	3.88	4.09	4.20

EXHIBIT 12(b)

FLORIDA POWER & LIGHT COMPANY
COMPUTATION OF RATIOS

RATIO OF EARNINGS TO FIXED CHARGES

	2000	1999	1998	1997	1996
		Years Ended December 31, (Millions of Dollars)			
Earnings, as defined:					
Net income	$ 622	$ 591	$ 631	$ 627	$ 615
Income taxes	341	324	349	321	322
Fixed charges, as below	192	174	209	240	262
Total earnings, as defined	$1,155	$1,089	$1,189	$1,188	$1,199
Fixed charges, as defined:					
Interest charges	$ 176	$ 163	$ 196	$ 227	$ 246
Rental interest factor	7	3	4	4	5
Fixed charges included in nuclear fuel cost	9	8	9	9	11
Total fixed charges, as defined	$ 192	$ 174	$ 209	$ 240	$ 262
Ratio of earnings to fixed charges	6.02	6.26	5.69	4.95	4.58

RATIO OF EARNINGS TO COMBINED FIXED CHARGES AND PREFERRED STOCK DIVIDENDS

	2000	1999	1998	1997	1996
Earnings, as defined:					
Net income	$ 622	$ 591	$ 631	$ 627	$ 615
Income taxes	341	324	349	321	322
Fixed charges, as below	192	174	209	240	262
Total earnings, as defined	$1,155	$1,089	$1,189	$1,188	$1,199
Fixed charges, as defined:					
Interest charges	$ 176	$ 163	$ 196	$ 227	$ 246
Rental interest factor	7	3	4	4	5
Fixed charges included in nuclear fuel cost	9	8	9	9	11
Total fixed charges, as defined	192	174	209	240	262
Non-tax deductible preferred stock dividends	15	15	15	19	24
Ratio of income before income taxes to net income	1.55	1.55	1.55	1.51	1.52
Preferred stock dividends before income taxes	23	23	23	29	36
Combined fixed charges and preferred stock dividends	$ 215	$ 197	$ 232	$ 269	$ 298
Ratio of earnings to combined fixed charges and preferred stock dividends	5.37	5.53	5.13	4.42	4.02

EXHIBIT 21

SUBSIDIARIES OF FPL GROUP, INC.

Subsidiary	State or Jurisdiction of Incorporation
1. Florida Power & Light Company (100%-Owned)	Florida
2. Bay Loan and Investment Bank (a)	Rhode Island
3. Palms Insurance Company, Limited (a)	Cayman Islands

(a) 100%-owned subsidiary of FPL Group Capital Inc

EXHIBIT 23

INDEPENDENT AUDITORS' CONSENT

We consent to the incorporation by reference in Registration Statement No. 33-56869 on Form S-3; Registration Statement No. 33-57673 on Form S-8; Post-Effective Amendment No. 2 to Registration Statement No. 33-31487 on Form S-8; Post-Effective Amendment No. 2 to Registration Statement No. 33-33215 on Form S-8; Registration Statement No. 33-11631 on Form S-8; Post-Effective Amendment No. 1 to Registration Statement No. 33-39306 on Form S-3; Registration Statement No. 33-57470 on Form S-3; Registration Statement No. 333-27079 on Form S-8; Registration Statement No. 333-30695 on Form S-8; Registration Statement No. 333-30697 on Form S-8; Registration Statement No. 333-87869 on Form S-8; Registration Statement No. 333-87941 on Form S-3; Registration Statement No. 333-88067 on Form S-8; Post-Effective Amendment No. 1 to Registration Statement No. 333-79305 on Form S-8 and Registration Statement No. 333-39270 on Form S-3 of FPL Group, Inc., of our report dated February 9, 2001, except for the first paragraph of Note 2, as to which the date is April 2, 2001, appearing in this Annual Report on Form 10-K/A of FPL Group, Inc. for the year ended December 31, 2000.

We also consent to the incorporation by reference in Registration Statement No. 33-40123 on Form S-3 and Post-Effective Amendment No. 1 to Registration Statement No. 33-46076 on Form S-3 of Florida Power & Light Company, of our report dated February 9, 2001, except for the first paragraph of Note 2, as to which the date is April 2, 2001, appearing in this Annual Report on Form 10-K/A of Florida Power & Light Company for the year ended December 31, 2000.

We also consent to the incorporation by reference in Registration Statement No. 333-87941-01 on Form S-3 and Registration Statement No. 333-39270-01 on Form S-3 of FPL Group Capital Inc, of our report dated February 9, 2001, except for the first paragraph of Note 2, as to which the date is April 2, 2001, appearing in this Annual Report on Form 10-K/A of FPL Group, Inc. for the year ended December 31, 2000.

DELOITTE & TOUCHE LLP

Miami, Florida
April 6, 2001

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UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D. C. 20549

FORM 10-Q

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended **March 31, 2001**

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

Commission File Number	Exact name of Registrants as specified in their charters, address of principal executive offices and Registrants' telephone number	IRS Employer Identification Number
1-8841	**FPL GROUP, INC.**	59-2449419
1-3545	**FLORIDA POWER & LIGHT COMPANY** 700 Universe Boulevard Juno Beach, Florida 33408 (561) 694-4000	59-0247775

State or other jurisdiction of incorporation or organization: Florida

Indicate by check mark whether the registrants (1) have filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months and (2) have been subject to such filing requirements for the past 90 days. Yes X No ___

APPLICABLE ONLY TO CORPORATE ISSUERS:

The number of shares outstanding of each class of FPL Group, Inc. common stock, as of the latest practicable date: Common Stock, $.01 par value, outstanding at March 31, 2001: 175,857,570 shares.

As of March 31, 2001, there were issued and outstanding 1,000 shares of Florida Power & Light Company's common stock, without par value, all of which were held, beneficially and of record, by FPL Group, Inc.

This combined Form 10-Q represents separate filings by FPL Group, Inc. and Florida Power & Light Company. Information contained herein relating to an individual registrant is filed by that registrant on its own behalf. Florida Power & Light Company makes no representations as to the information relating to FPL Group, Inc.'s other operations.

SAFE HARBOR STATEMENT UNDER THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995

In connection with the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 (Reform Act), FPL Group, Inc. (FPL Group) and Florida Power & Light Company (FPL) (collectively, the Company) are hereby filing cautionary statements identifying important factors that could cause the Company's actual results to differ materially from those projected in forward-looking statements (as such term is defined in the Reform Act) made by or on behalf of the Company in this combined Form 10-Q, in presentations, in response to questions or otherwise. Any statements that express, or involve discussions as to expectations, beliefs, plans, objectives, assumptions or future events or performance (often, but not always, through the use of words or phrases such as will likely result, are expected to, will continue, is anticipated, estimated, projection, outlook) are not statements of historical facts and may be forward-looking. Forward-looking statements involve estimates, assumptions and uncertainties. Accordingly, any such statements are qualified in their entirety by reference to, and are accompanied by, the following important factors that could cause the Company's actual results to differ materially from those contained in forward-looking statements made by or on behalf of the Company.

Any forward-looking statement speaks only as of the date on which such statement is made, and the Company undertakes no obligation to update any forward-looking statement to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of unanticipated events. New factors emerge from time to time and it is not possible for management to predict all of such factors, nor can it assess the impact of each such factor on the business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statement.

Some important factors that could cause actual results or outcomes to differ materially from those discussed in the forward-looking statements include changes in laws or regulations, changing governmental policies and regulatory actions, including those of the Federal Energy Regulatory Commission (FERC), the Florida Public Service Commission (FPSC), the Public Utility Regulatory Policies Act of 1978, as amended (PURPA), the Public Utility Holding Company Act of 1935, as amended, and the U. S. Nuclear Regulatory Commission, with respect to allowed rates of return including but not limited to return on common equity and equity ratio limits, industry and rate structure, operation of nuclear power facilities, acquisition, disposal, depreciation and amortization of assets and facilities, operation and construction of plant facilities, recovery of fuel and purchased power costs, decommissioning costs, and present or prospective wholesale and retail competition (including but not limited to retail wheeling and transmission costs).

The business and profitability of the Company are also influenced by economic and geographic factors including political and economic risks, changes in and compliance with environmental and safety laws and policies, weather conditions (including natural disasters such as hurricanes), population growth rates and demographic patterns, competition for retail and wholesale customers, availability, pricing and transportation of fuel and other energy commodities, market demand for energy from plants or facilities, changes in tax rates or policies or in rates of inflation or in accounting standards, unanticipated delays or changes in costs for capital projects, unanticipated changes in operating expenses and capital expenditures, capital market conditions, competition for new energy development opportunities and legal and administrative proceedings (whether civil, such as environmental, or criminal) and settlements.

All such factors are difficult to predict, contain uncertainties which may materially affect actual results, and are beyond the control of the Company.

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PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

FPL GROUP, INC.
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(millions, except per share amounts)
(unaudited)

	Three Months Ended March 31, 2001	2000
OPERATING REVENUES	$1,941	$1,468
OPERATING EXPENSES:		
Fuel, purchased power and interchange	951	542
Other operations and maintenance	310	285
Merger-related	31	-
Depreciation and amortization	240	259
Taxes other than income taxes	169	145
Total operating expenses	1,701	1,231
OPERATING INCOME	240	237
OTHER INCOME (DEDUCTIONS):		
Interest charges	(85)	(62)
Preferred stock dividends - FPL	(4)	(4)
Other - net	15	7
Total other deductions - net	(74)	(59)
INCOME BEFORE INCOME TAXES	166	178
INCOME TAXES	56	57
NET INCOME	$ 110	$ 121
Earnings per share of common stock (basic and assuming dilution)	$ 0.65	$ 0.71
Dividends per share of common stock	$ 0.56	$ 0.54
Weighted-average number of common shares outstanding:		
Basic	169	170
Assuming dilution	169	171

This report should be read in conjunction with the Notes to Condensed Consolidated Financial Statements herein and the Notes to Consolidated Financial Statements appearing in the combined Annual Report on Form 10-K/A for the fiscal year ended December 31, 2000 (2000 Form 10-K) for FPL Group and FPL.

FPL GROUP, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(millions)
(unaudited)

	March 31, 2001	December 31, 2000
PROPERTY, PLANT AND EQUIPMENT:		
Electric utility plant in service and other property, including nuclear fuel and construction work in progress	$21,429	$21,022
Less accumulated depreciation and amortization	(11,290)	(11,088)
Total property, plant and equipment - net	10,139	9,934
CURRENT ASSETS:		
Cash and cash equivalents	109	129
Customer receivables, net of allowance of $5 and $7, respectively	619	637
Materials, supplies and fossil fuel inventory - at average cost	340	370
Deferred clause expenses	458	337
Other	268	308
Total current assets	1,794	1,781
OTHER ASSETS:		
Special use funds of FPL	1,558	1,497
Other investments	686	651
Other	1,486	1,437
Total other assets	3,730	3,585
TOTAL ASSETS	$15,663	$15,300
CAPITALIZATION:		
Common stock	$ 2	$ 2
Additional paid-in capital	2,790	2,788
Retained earnings	2,819	2,803
Accumulated other comprehensive income	13	-
Total common shareholders' equity	5,624	5,593
Preferred stock of FPL without sinking fund requirements	226	226
Long-term debt	3,977	3,976
Total capitalization	9,827	9,795
CURRENT LIABILITIES:		
Debt due within one year	1,385	1,223
Accounts payable	525	564
Accrued interest, taxes and other	1,063	976
Total current liabilities	2,973	2,763
OTHER LIABILITIES AND DEFERRED CREDITS:		
Accumulated deferred income taxes	1,467	1,378
Unamortized regulatory and investment tax credits	258	269
Other	1,138	1,095
Total other liabilities and deferred credits	2,863	2,742
COMMITMENTS AND CONTINGENCIES		
TOTAL CAPITALIZATION AND LIABILITIES	$15,663	$15,300

This report should be read in conjunction with the Notes to Condensed Consolidated Financial Statements herein and the Notes to Consolidated Financial Statements appearing in the 2000 Form 10-K for FPL Group and FPL.

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FPL GROUP, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(millions)
(unaudited)

	Three Months Ended March 31, 2001	Three Months Ended March 31, 2000
NET CASH PROVIDED BY OPERATING ACTIVITIES	$ 533	$ 480
CASH FLOWS FROM INVESTING ACTIVITIES:		
Capital expenditures of FPL	(333)	(301)
Independent power investments	(235)	(81)
Other - net	(52)	(29)
Net cash used in investing activities	(620)	(411)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Retirement of long-term debt	(66)	-
Increase (decrease) in commercial paper	227	(218)
Repurchase of common stock	-	(16)
Dividends on common stock	(94)	(92)
Net cash provided by (used in) financing activities	67	(326)
Net decrease in cash and cash equivalents	(20)	(257)
Cash and cash equivalents at beginning of period	129	361
Cash and cash equivalents at end of period	$ 109	$ 104
Supplemental disclosures of cash flow information:		
Cash paid for interest (net of amount capitalized)	$ 64	$ 53
Cash paid for income taxes	$ -	$ 17
Supplemental schedule of noncash investing and financing activities:		
Additions to capital lease obligations	$ 18	$ 17

This report should be read in conjunction with the Notes to Condensed Consolidated Financial Statements herein and the Notes to Consolidated Financial Statements appearing in the 2000 Form 10-K for FPL Group and FPL.

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FLORIDA POWER & LIGHT COMPANY
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(millions)
(unaudited)

	Three Months Ended March 31,	
	2001	2000
OPERATING REVENUES	$1,647	$1,338
OPERATING EXPENSES:		
Fuel, purchased power and interchange	763	501
Other operations and maintenance	253	237
Merger-related	26	-
Depreciation and amortization	223	247
Income taxes	62	60
Taxes other than income taxes	164	142
Total operating expenses	1,491	1,187
OPERATING INCOME	156	151
OTHER INCOME (DEDUCTIONS):		
Interest charges	(53)	(40)
Other - net	(2)	(1)
Total other deductions - net	(55)	(41)
NET INCOME	101	110
PREFERRED STOCK DIVIDENDS	4	4
NET INCOME AVAILABLE TO FPL GROUP	$ 97	$ 106

This report should be read in conjunction with the Notes to Condensed Consolidated Financial Statements herein and the Notes to Consolidated Financial Statements appearing in the 2000 Form 10-K for FPL Group and FPL.

FLORIDA POWER & LIGHT COMPANY
CONDENSED CONSOLIDATED BALANCE SHEETS
(millions)
(unaudited)

	March 31, 2001	December 31, 2000
ELECTRIC UTILITY PLANT:		
Plant in service, including nuclear fuel and construction work in progress	$19,265	$19,033
Less accumulated depreciation and amortization	(11,104)	(10,919)
Electric utility plant - net	8,161	8,114
CURRENT ASSETS:		
Cash and cash equivalents	12	66
Customer receivables, net of allowance of $5 and $7, respectively................	504	489
Materials, supplies and fossil fuel inventory - at average cost	303	313
Deferred clause expenses	458	337
Other	117	211
Total current assets	1,394	1,416
OTHER ASSETS:		
Special use funds	1,558	1,497
Other	961	993
Total other assets	2,519	2,490
TOTAL ASSETS	$12,074	$12,020
CAPITALIZATION:		
Common shareholder's equity	$ 5,346	$ 5,032
Preferred stock without sinking fund requirements	226	226
Long-term debt	2,577	2,577
Total capitalization	8,149	7,835
CURRENT LIABILITIES:		
Debt due within one year	200	625
Accounts payable	449	458
Accrued interest, taxes and other	929	859
Total current liabilities	1,578	1,942
OTHER LIABILITIES AND DEFERRED CREDITS:		
Accumulated deferred income taxes	1,162	1,084
Unamortized regulatory and investment tax credits	258	269
Other	927	890
Total other liabilities and deferred credits	2,347	2,243
COMMITMENTS AND CONTINGENCIES		
TOTAL CAPITALIZATION AND LIABILITIES	$12,074	$12,020

This report should be read in conjunction with the Notes to Condensed Consolidated Financial Statements herein and the Notes to Consolidated Financial Statements appearing in the 2000 Form 10-K for FPL Group and FPL.

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FLORIDA POWER & LIGHT COMPANY
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(millions)
(unaudited)

	Three Months Ended March 31, 2001	2000
NET CASH PROVIDED BY OPERATING ACTIVITIES	$ 502	$ 516
CASH FLOWS FROM INVESTING ACTIVITIES:		
Capital expenditures	(333)	(301)
Other - net	(10)	(26)
Net cash used in investing activities	(343)	(327)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Retirement of long-term debt	(66)	-
Decrease in commercial paper	(360)	(78)
Dividends	(87)	(102)
Capital contributions from FPL Group	300	-
Net cash used in financing activities	(213)	(180)
Net increase (decrease) in cash and cash equivalents	(54)	9
Cash and cash equivalents at beginning of period	66	-
Cash and cash equivalents at end of period	$ 12	$ 9
Supplemental disclosures of cash flow information:		
Cash paid for interest	$ 30	$ 27
Cash received for income taxes - net	$ 39	$ 42
Supplemental schedule of noncash investing and financing activities:		
Additions to capital lease obligations	$ 18	$ 17
Transfer of net assets to FPL FiberNet, LLC	$ -	$ 100

This report should be read in conjunction with the Notes to Condensed Consolidated Financial Statements herein and the Notes to Consolidated Financial Statements appearing in the 2000 Form 10-K for FPL Group and FPL.

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FPL GROUP, INC. AND FLORIDA POWER & LIGHT COMPANY
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

The accompanying condensed consolidated financial statements should be read in conjunction with the 2000 Form 10-K for FPL Group and FPL. In the opinion of FPL Group and FPL management, all adjustments (consisting of normal recurring accruals) considered necessary for fair financial statement presentation have been made. Certain amounts included in the prior year's consolidated financial statements have been reclassified to conform to the current year's presentation. The results of operations for an interim period may not give a true indication of results for the year.

1. Accounting for Derivative Instruments and Hedging Activities

Effective January 1, 2001, FPL Group and FPL adopted Statement of Financial Accounting Standards No. (FAS) 133, "Accounting for Derivative Instruments and Hedging Activities," as amended by FAS 137 and 138 (collectively, FAS 133). As a result, beginning in January 2001, derivative instruments are recorded on FPL Group's and FPL's balance sheets as either an asset or liability (in other current assets, other assets, other current liabilities and other liabilities) measured at fair value. FPL Group and FPL use derivative instruments (primarily swaps, options and futures) to manage the commodity price risk inherent in fuel purchases and electricity sales, as well as to optimize the value of power generation assets.

At FPL, changes in fair value are deferred as a regulatory asset or liability until the contracts are settled. Upon settlement, any gains or losses will be passed through the fuel and capacity cost recovery clauses.

For FPL Group's unregulated operations, predominantly FPL Energy, LLC (FPL Energy), changes in the derivatives' fair value are recognized currently in earnings (in other-net) unless hedge accounting is applied. While substantially all of FPL Energy's derivative transactions are entered into for the purposes described above, hedge accounting is only applied where specific criteria are met and it is practicable to do so. In order to apply hedge accounting, the transaction must be designated as a hedge and it must be highly effective. The hedging instrument's effectiveness is assessed utilizing regression analysis at the inception of the hedge and on at least a quarterly basis throughout its life. Hedges are considered highly effective when a correlation coefficient of .8 or higher is achieved. Substantially all of the transactions that FPL Group has designated as hedges are cash flow hedges. The effective portion of the gain or loss on a derivative instrument designated as a cash flow hedge is reported as a component of other comprehensive income and is reclassified into earnings in the period(s) during which the transaction being hedged affects earnings. The ineffective portion of these hedges flows through earnings in the current period. Settlement gains and losses are included within the line items in the statements of income to which they relate.

In January 2001, FPL Group recorded in other-net a $2 million loss as the cumulative effect on FPL Group's earnings of a change in accounting principle representing the effect of those derivative instruments for which hedge accounting was not applied. For those contracts where hedge accounting was applied, the adoption of the new rules resulted in a credit of approximately $10 million to other comprehensive income for FPL Group.

Included in FPL Group's accumulated other comprehensive income at March 31, 2001 is approximately $13 million of net unrealized gains associated with hedges of forecasted fuel purchases through December 2003. See Note 2 – Other. Approximately $4 million of FPL's Group's accumulated other comprehensive income at March 31, 2001 will be reclassified into earnings within the next 12 months as the hedged fuel is consumed.

In April 2001, the Financial Accounting Standards Board (FASB) reached tentative conclusions on several issues related to the power generation industry. After considering comments on the tentative conclusions, the FASB will issue final guidance that would be applied in the quarter following final resolution of the issues. The ultimate resolution of these issues could result in a requirement to mark certain of FPL Group's power and fuel agreements to their fair values each reporting period. At this time, management is unable to estimate the effects on the financial statements of the tentative conclusions or any future decisions of the FASB.

2. Capitalization

FPL Group Common Stock – In April 2001, FPL Group's $570 million share repurchase program authorized in connection with the merger agreement with Entergy Corporation was terminated. As of March 31, 2001, FPL Group had repurchased a total of approximately 4.6 million shares of common stock under the 10 million share repurchase program that began in April 1997.

Long-Term Debt - In February 2001, FPL redeemed approximately $65 million principal amount of solid waste disposal revenue refunding bonds, consisting of $16 million bearing interest at 7.15% and maturing 2023 and $49 million with variable rate interest maturing in 2025.

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Long-Term Incentive Plan - Performance shares and options granted to date under FPL Group's long-term incentive plan resulted in assumed incremental shares of common stock outstanding for purposes of computing diluted earnings per share for the three months ended March 31, 2001 and 2000. These incremental shares were not material in the periods presented and did not cause diluted earnings per share to differ from basic earnings per share.

Other - Comprehensive income of FPL Group, totaling $123 million and $121 million for the three months ended March 31, 2001 and 2000, respectively, includes net income, changes in unrealized gains and losses on securities and foreign currency translation adjustments. For the three months ended March 31, 2001, comprehensive income also includes approximately $13 million of net unrealized gains on qualifying cash flow hedges. Accumulated other comprehensive income is separately displayed in the condensed consolidated balance sheets of FPL Group.

3. Commitments and Contingencies

Commitments - FPL has made commitments in connection with a portion of its projected capital expenditures. Capital expenditures for the construction or acquisition of additional facilities and equipment to meet customer demand are estimated to be approximately $3.3 billion for 2001 through 2003. Included in this three-year forecast are capital expenditures for 2001 of approximately $1.1 billion, of which $289 million had been spent through March 31, 2001. As of March 31, 2001, FPL Energy has made commitments in connection with the development and expansion of independent power projects totaling approximately $500 million. Subsidiaries of FPL Group, other than FPL, have guaranteed approximately $900 million of prompt performance payments, lease obligations, purchase and sale of power and fuel agreement obligations, debt service payments and other payments subject to certain contingencies.

Insurance - Liability for accidents at nuclear power plants is governed by the Price-Anderson Act, which limits the liability of nuclear reactor owners to the amount of the insurance available from private sources and under an industry retrospective payment plan. In accordance with this Act, FPL maintains $200 million of private liability insurance, which is the maximum obtainable, and participates in a secondary financial protection system under which it is subject to retrospective assessments of up to $363 million per incident at any nuclear utility reactor in the United States, payable at a rate not to exceed $43 million per incident per year.

FPL participates in nuclear insurance mutual companies that provide $2.75 billion of limited insurance coverage for property damage, decontamination and premature decommissioning risks at its nuclear plants. The proceeds from such insurance, however, must first be used for reactor stabilization and site decontamination before they can be used for plant repair. FPL also participates in an insurance program that provides limited coverage for replacement power costs if a nuclear plant is out of service because of an accident. In the event of an accident at one of FPL's or another participating insured's nuclear plants, FPL could be assessed up to $38 million in retrospective premiums.

In the event of a catastrophic loss at one of FPL's nuclear plants, the amount of insurance available may not be adequate to cover property damage and other expenses incurred. Uninsured losses, to the extent not recovered through rates, would be borne by FPL and could have a material adverse effect on FPL Group's and FPL's financial condition.

FPL self-insures the majority of its transmission and distribution (T&D) property due to the high cost and limited coverage available from third-party insurers. As approved by the FPSC, FPL maintains a funded storm and property insurance reserve, which totaled approximately $239 million at March 31, 2001, for uninsured property storm damage or assessments under the nuclear insurance program. Recovery from customers of any losses in excess of the storm and property insurance reserve will require the approval of the FPSC. FPL's available lines of credit include $300 million to provide additional liquidity in the event of a T&D property loss.

Contracts - FPL Group has a $3.7 billion long-term agreement with General Electric Company for the supply of 66 gas turbines through 2004 and parts, repairs and on-site services through 2011. In addition, FPL Energy has entered into a contract to purchase 866 wind turbines through 2001. FPL Energy has also entered into various engineering, procurement and construction contracts to support its development activities through 2003. These contracts are intended to support expansion primarily at FPL Energy, and the related commitments are included in Commitments above.

FPL has entered into long-term purchased power and fuel contracts. Take-or-pay purchased power contracts with the Jacksonville Electric Authority (JEA) and with subsidiaries of The Southern Company (Southern Companies) provide approximately 1,300 megawatts (mw) of power through mid-2010 and 388 mw thereafter through 2021. FPL also has various firm pay-for-performance contracts to purchase approximately 900 mw from certain cogenerators and small power producers (qualifying facilities) with expiration dates ranging from 2002 through 2026. The purchased power contracts provide for capacity and energy payments. Energy payments are based on the actual power taken under these contracts. Capacity payments for the pay-for-performance contracts are subject to the qualifying facilities meeting certain contract conditions. FPL has long-term contracts for the transportation and supply of natural gas, coal and oil with various expiration dates through 2022. FPL Energy has long-term contracts for the transportation and storage of natural gas with expiration dates ranging from 2002 through 2017, and a contract for the supply of natural gas that expires in mid-2002.

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The required capacity and minimum payments under these contracts for the remainder of 2001 (April-December) and for 2002-2005 are estimated to be as follows:

	2001	2002	2003	2004	2005
			(millions)		
FPL:					
Capacity payments:					
JEA and Southern Companies	$150	$200	$200	$200	$200
Qualifying facilities	$240	$330	$340	$350	$340
Minimum payments, at projected prices:					
Natural gas, including transportation	$725	$870	$710	$660	$625
Coal	$ 35	$ 45	$ 20	$ 10	$ 10
Oil	$205	$ 10	$ -	$ -	$ -
FPL Energy:					
Natural gas, including transportation and storage	$ 15	$ 20	$ 15	$ 15	$ 15

Charges under these contracts were as follows:

	Three Months Ended March 31,			
	2001 Charges		2000 Charges	
	Capacity	Energy/ Fuel	Capacity	Energy/ Fuel
	(millions)			
FPL:				
JEA and Southern Companies	$51(a)	$ 40(b)	$50(a)	$31(b)
Qualifying facilities	$77(c)	$ 33(b)	$79(c)	$32(b)
Natural gas, including transportation	$ -	$201(b)	$ -	$82(b)
Coal	$ -	$ 12(b)	$ -	$11(b)
Oil	$ -	$ 98(b)	$ -	$21(b)
FPL Energy:				
Natural gas transportation and storage	$ -	$ 4	$ -	$ 4

(a) Recovered through base rates and the capacity cost recovery clause (capacity clause).
(b) Recovered through the fuel and purchased power cost recovery clause.
(c) Recovered through the capacity clause.

Litigation – In 1999, the Attorney General of the United States, on behalf of the U.S. Environmental Protection Agency (EPA) brought an action against Georgia Power Company and other subsidiaries of The Southern Company for injunctive relief and the assessment of civil penalties for certain violations of the Clean Air Act. Among other things, the EPA alleges Georgia Power Company constructed and is continuing to operate Scherer Unit No. 4, in which FPL owns a 76% interest, without obtaining proper permitting, and without complying with performance and technology standards as required by the Clean Air Act. The suit seeks injunctive relief requiring the installation of such technology and civil penalties of up to $25,000 per day for each violation from an unspecified date after August 7, 1977 through January 30, 1997, and $27,500 per day for each violation thereafter. Georgia Power Company has filed an answer to the complaint asserting that it has complied with all requirements of the Clean Air Act, denying the plaintiff's allegations of liability, denying that the plaintiff is entitled to any of the relief that it seeks and raising various other defenses. In March 2001, the court granted the EPA's motion for leave to file an amended complaint that would extend the suit to another Southern Company subsidiary and other plants and would add an allegation that unspecified major modifications have been made at Scherer Unit No. 4 that require its compliance with the aforementioned Clean Air Act provisions (comparable allegations were made in the original complaint as to other plants but not Scherer Unit No. 4). Under the amended complaint, the EPA's demand for civil penalties with respect to Scherer Unit No. 4 would apply to the period commencing on an unspecified date after June 1, 1975. At this time, the EPA has not yet filed its amended complaint and hence Georgia Power Company has not had occasion to answer. In April 2001, the court strongly recommended to the parties that this case be administratively terminated until the Eleventh Circuit Court of Appeals rules on a pending appeal of an EPA order under the Clean Air Act involving the Tennesee Valley Authority (TVA). The EPA and Georgia Power Company have stated that they do not object to administrative termination, although the EPA asserts that the case should be reopened when its motion for consolidation of several Clean Air Act cases is decided by a Multi-District Litigation panel rather than at the conclusion of the TVA appeal.

In 2000, Southern California Edison Company (SCE) filed with the FERC a Petition for Declaratory Order (petition) asking the FERC to apply a November 1999 federal circuit court of appeals' decision to all qualifying small power production facilities, including two solar facilities operated by partnerships indirectly owned in part by FPL Energy (the partnerships). The federal circuit court of appeals' decision invalidated the FERC's so-called essential fixed assets standard, which permitted uses of fossil fuels by qualifying small power production facilities beyond those expressly set forth in PURPA. The petition requests that the FERC declare that qualifying small power production facilities may not continue to use fossil fuel under the essential fixed assets standard and that they may be required to make refunds with respect to past usage. In August 2000, the partnerships filed motions to intervene and protest before the FERC, vigorously objecting to the position taken by SCE in its petition. The partnerships contend that they have always operated the solar facilities in accordance with certification orders

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issued to them by the FERC. Such orders were neither challenged nor appealed at the time they were granted, and it is the position of the partnerships that the orders remain fully in effect. Briefing in this proceeding is complete and the parties are currently awaiting a final determination from the FERC.

FPL Group and FPL believe that they have meritorious defenses to the pending litigation discussed above and are vigorously defending the suits. Accordingly, the liabilities, if any, arising from the proceedings are not anticipated to have a material adverse effect on their financial statements.

4. Segment Information

FPL Group's reportable segments include FPL, a regulated utility, and FPL Energy, a non-rate regulated energy generating subsidiary. Corporate and Other represents other business activities, other segments that are not separately reportable and eliminating entries. FPL Group's segment information is as follows:

	Three Months Ended March 31, 2001				Three Months Ended March 31, 2000			
	FPL	FPL Energy	Corporate & Other	Total	FPL	FPL Energy	Corporate & Other	Total
	(millions)							
Operating revenues	$ 1,647	$ 264	$ 30	$ 1,941	$ 1,338	$ 107	$ 23	$ 1,468
Net income (a)..........	$ 97	$ 18	$ (5)	$ 110	$ 106	$ 15	$ -	$ 121

	March 31, 2001				December 31, 2000			
	FPL	FPL Energy	Corporate & Other	Total	FPL	FPL Energy	Corporate & Other	Total
	(millions)							
Total assets	$12,074	$2,910	$ 679	$15,663	$12,020	$2,679	$601	$15,300

(a) Includes merger-related expense in 2001 of $19 million after-tax, of which $16 million was recognized by FPL and $3 million by Corporate and Other.

5. Summarized Financial Information of FPL Group Capital

FPL Group Capital, a 100% owned subsidiary of FPL Group, provides funding for and holds ownership interest in FPL Group's operating subsidiaries other than FPL. FPL Group Capital's debentures are fully and unconditionally guaranteed by FPL Group. Condensed consolidating financial information is as follows:

Condensed Consolidating Statements of Income

	Three Months Ended March 31, 2001				Three Months Ended March 31, 2000			
	FPL Group	FPL Group Capital	Other (a)	FPL Group Consolidated	FPL Group	FPL Group Capital	Other (a)	FPL Group Consolidated
	(millions)							
Operating revenues	$ -	$ 294	$ 1,647	$ 1,941	$ -	$ 130	$ 1,338	$ 1,468
Operating expenses	-	(271)	(1,430)	(1,701)	-	(105)	(1,126)	(1,231)
Interest charges	(7)	(31)	(47)	(85)	(8)	(22)	(32)	(62)
Other income (deductions) - net	114	30	(133)	11	126	19	(142)	3
Income before income taxes	107	22	37	166	118	22	38	178
Income tax expense (benefit)	(3)	1	58	56	(3)	2	58	57
Net income (loss)	$ 110	$ 21	$ (21)	$ 110	$ 121	$ 20	$ (20)	$ 121

(a) Represents FPL, other subsidiaries and consolidating adjustments.

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FPL GROUP, INC. AND FLORIDA POWER & LIGHT COMPANY
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (concluded)
(unaudited)

Condensed Consolidating Balance Sheets

	March 31, 2001				December 31, 2000			
	FPL Group	FPL Group Capital	Other (a)	FPL Group Consolidated	FPL Group	FPL Group Capital	Other (a)	FPL Group Consolidated
	(millions)							
PROPERTY, PLANT AND EQUIPMENT:								
Electric utility plant in service and other property	$ -	$ 2,159	$19,270	$21,429	$ -	$1,984	$19,038	$21,022
Less accumulated depreciation and amortization	-	(186)	(11,104)	(11,290)	-	(170)	(10,918)	(11,088)
Total property, plant and equipment - net	-	1,973	8,166	10,139	-	1,814	8,120	9,934
CURRENT ASSETS:								
Cash and cash equivalents	6	91	12	109	12	51	66	129
Receivables	18	731	85	834	56	418	409	883
Other	1	42	808	851	-	66	703	769
Total current assets	25	864	905	1,794	68	535	1,178	1,781
OTHER ASSETS:								
Investment in subsidiaries	6,315	-	(6,315)	-	5,967	-	(5,967)	-
Other	124	1,495	2,111	3,730	141	1,365	2,079	3,585
Total other assets	6,439	1,495	(4,204)	3,730	6,108	1,365	(3,888)	3,585
TOTAL ASSETS	$ 6,464	$ 4,332	$ 4,867	$15,663	$ 6,176	$3,714	$ 5,410	$15,300
CAPITALIZATION:								
Common shareholders' equity	$ 5,624	$ 969	$ (969)	$ 5,624	$ 5,593	$ 935	$ (935)	$ 5,593
Preferred stock of FPL without sinking fund requirements	-	-	226	226	-	-	226	226
Long-term debt	-	1,400	2,577	3,977	-	1,400	2,576	3,976
Total capitalization	5,624	2,369	1,834	9,827	5,593	2,335	1,867	9,795
CURRENT LIABILITIES:								
Accounts payable and commercial paper	-	1,261	649	1,910	-	705	1,017	1,722
Other	731	191	141	1,063	467	186	388	1,041
Total current liabilities	731	1,452	790	2,973	467	891	1,405	2,763
OTHER LIABILITIES AND DEFERRED CREDITS:								
Accumulated deferred income taxes and unamortized tax credits	-	408	1,317	1,725	-	399	1,248	1,647
Other	109	103	926	1,138	116	89	890	1,095
Total other liabilities and deferred credits	109	511	2,243	2,863	116	488	2,138	2,742
COMMITMENTS AND CONTINGENCIES								
TOTAL CAPITALIZATION AND LIABILITIES	$ 6,464	$ 4,332	$ 4,867	$15,663	$ 6,176	$3,714	$ 5,410	$15,300

(a) Represents FPL, other subsidiaries and consolidating adjustments.

Condensed Consolidating Statements of Cash Flows

	Three Months Ended March 31, 2001				Three Months Ended March 31, 2000			
	FPL Group	FPL Group Capital	Other (a)	FPL Group Consolidated	FPL Group	FPL Group Capital	Other (a)	FPL Group Consolidated
	(millions)							
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	$ 388	$(269)	$ 414	$ 533	$ 127	$ (61)	$ 414	$ 480
CASH FLOWS FROM INVESTING ACTIVITIES:								
Capital expenditures and independent power investments	-	(235)	(333)	(568)	-	(81)	(301)	(382)
Capital contributions to FPL	(300)	-	300	-	-	-	-	-
Other - net	-	(43)	(9)	(52)	3	(4)	(28)	(29)
Net cash provided by (used in) investing activities	(300)	(278)	(42)	(620)	3	(85)	(329)	(411)
CASH FLOWS FROM FINANCING ACTIVITIES:								
Retirement of long-term debt	-	-	(66)	(66)	-	-	-	-
Increase (decrease) in commercial paper	-	587	(360)	227	-	(140)	(78)	(218)
Repurchases of common stock	-	-	-	-	(16)	-	-	(16)
Dividends	(94)	-	-	(94)	(92)	-	-	(92)
Net cash provided by (used in) financing activities	(94)	587	(426)	67	(108)	(140)	(78)	(326)
Net increase (decrease) in cash and cash equivalents	(6)	40	(54)	(20)	22	(286)	7	(257)
Cash and cash equivalents at beginning of period	12	51	66	129	(16)	376	1	361
Cash and cash equivalents at end of period	$ 6	$ 91	$ 12	$ 109	$ 6	$ 90	$ 8	$ 104

(a) Represents FPL, other subsidiaries and consolidating adjustments.

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Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

This discussion should be read in conjunction with the Notes to Condensed Consolidated Financial Statements contained herein and Management's Discussion and Analysis of Financial Condition and Results of Operations (Management's Discussion) appearing in the 2000 Form 10-K for FPL Group and FPL. The results of operations for an interim period may not give a true indication of results for the year. In the following discussion, all comparisons are with the corresponding items in the prior year.

RESULTS OF OPERATIONS

FPL Group's earnings improved in the first quarter of 2001, excluding expenses related to the proposed merger with Entergy Corporation, which was terminated in April 2001. Earnings growth at both FPL and FPL Energy contributed to the improvement. FPL Group's earnings for the quarter ended March 31, 2001 include the effect of the adoption of FAS 133, which became effective January 1, 2001. The impact of FAS 133 negatively impacted FPL Energy's earnings for the quarter by approximately $1 million. For additional information regarding FAS 133, see Note 1. FPL Group recorded $31 million ($19 million after-tax) for merger-related expenses in the first quarter of 2001, of which $26 million ($16 million after-tax) relates to FPL and $5 million ($3 million after-tax) relates to the Corporate and Other segment. The discussion of results of operations below excludes the effect of merger-related expenses.

FPL - FPL's net income for the three months ended March 31, 2001 improved mainly due to higher energy sales and lower depreciation expense, partially offset by the effect of the rate reduction agreement, higher other operations and maintenance expense (O&M) and higher interest charges. During the first quarter of 2001, usage per retail customer was up 5.7% due to cold weather conditions in January, and the number of customer accounts increased 2.4% for the same period. As a result, revenues from retail base operations, net of an increase in the revenue refund provision of approximately $40 million, increased to $758 million for the first quarter of 2001 from $730 million for the same period last year. At March 31, 2001, FPL has accrued approximately $97 million associated with refunds to retail customers for the twelve-month period ending April 14, 2001 under the rate reduction agreement. Depreciation expense declined during the quarter ended March 31, 2001 reflecting lower special depreciation allowed under the rate reduction agreement. FPL's O&M expense increased primarily due to the timing of some planned outages at its fossil plants. Interest expense increased due to higher debt balances required to fund FPL's capital expansion and under-recovered fuel costs.

In January 2001, the Energy 2020 Study Commission issued a proposal for restructuring Florida's wholesale electricity market anticipating that the proposal would be considered in the 2001 legislative session. In May 2001, the Florida legislative session ended with no action taken on the commission's proposal. The commission is scheduled to develop a recommendation addressing retail competition by the end of 2001. Both wholesale and retail competition issues may then be addressed at the 2002 legislative session.

On May 3, 2001, the FPSC staff recommended to the FPSC that it require FPL to submit minimum filing requirements, based on a 2002 projected calendar year, by August 15, 2001 to initiate a base rate proceeding regarding FPL's future rates. The FPSC staff has asked the FPSC to consider its recommendation on May 15, 2001. FPL's current rate agreement will remain in effect until April 15, 2002. The FPSC staff expressed concerns in its recommendation related to FPL's plans to participate in the creation of an independent transmission company along with other major utilities in Florida. FPL has been proceeding to meet the FERC's Order 2000 to establish a regional transmission organization (RTO), but may have to re-evaluate its plans in light of the FPSC staff's expressed concerns.

FPL Energy – FPL Energy's net income for the three months ended March 31, 2001 benefited from a power generation portfolio with approximately 1,000 more megawatts in operation and strong performance from the wind projects. FPL Energy's portfolio growth is expected to continue to grow. FPL Energy is currently constructing or has announced construction plans for 11 plants that would add more than 5,300 mw by the end of 2003.

FPL Energy has approximately 540 net mw in California, most of which are wind, solar and geothermal qualifying facilities. The output of these projects is sold predominantly under long-term contracts with California utilities. Increases in natural gas prices and an imbalance between power supply and demand, as well as other factors, have contributed to significant increases in wholesale electricity prices in California. Utilities in California had previously agreed to fixed tariffs to their retail customers, which resulted in significant under-recoveries of wholesale electricity purchase costs. On April 6, 2001, Pacific Gas & Electric Company (PG&E) filed for protection under Chapter 11 of the U.S. Bankruptcy Code. FPL Energy's projects have not received the majority of payments due from California utilities for electricity sold from November 2000 through March 2001. FPL Group's earnings exposure relating to these receivables at March 31, 2001 was approximately $17 million. All of FPL Energy's California projects have received payment for April 2001 electricity sales, and the California utilities have stated that they intend to pay qualifying facilities on a prospective basis. At March 31, 2001, FPL Energy's net investment in California projects was approximately $250 million. It is impossible to predict what the outcome of the situation in California will be or its effect, if any, on FPL Group's financial statements.

LIQUIDITY AND CAPITAL RESOURCES

For information concerning capital commitments, see Note 3 - Commitments.

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PART II - OTHER INFORMATION

Item 1. Legal Proceedings

Reference is made to Item 3. Legal Proceedings in the 2000 Form 10-K for FPL Group and FPL.

In March 2001, the U.S. District Court for the Northern District of Georgia granted the EPA's motion for leave to file an amended complaint that would extend the suit filed in 1999 against Georgia Power Company and other subsidiaries of the Southern Company to another Southern Company subsidiary and other plants and would add an allegation that unspecified major modifications have been made at Scherer Unit No. 4 that require its compliance with the aforementioned Clean Air Act provisions (comparable allegations were made in the original complaint as to other plants but not Scherer Unit No. 4). Under the amended complaint, the EPA's demand for civil penalties with respect to Scherer Unit No. 4 would apply to the period commencing on an unspecified date after June 1, 1975. At this time, the EPA has not yet filed its amended complaint and hence Georgia Power Company has not had occasion to answer. In April 2001, the Court strongly recommended to the parties that this case be administratively terminated until the Eleventh Circuit Court of Appeals rules on a pending appeal of an EPA order under the Clean Air Act involving the TVA. The EPA and Georgia Power Company have stated that they do not object to administrative termination, although the EPA asserts that the case should be reopened when its motion for consolidation of several Clean Air Act cases is decided by a Multi-District Litigation panel rather than at the conclusion of the TVA appeal.

In August 2000, the SEGS VIII and SEGS IX facilities filed motions to intervene and protest, vigorously objecting to the position taken by SCE in its petition filed with the FERC. Briefing in this proceeding has been complete since September 2000, and the parties are currently awaiting a final determination from the FERC.

Item 5. Other Information

Reference is made to Item 1. Business – FPL Operations – Retail Ratemaking in the 2000 Form 10-K for FPL Group and FPL.

For information regarding the FPSC staff's recommendation to require FPL to submit minimum filing requirements to initiate a base rate proceeding regarding FPL's future rates, see Item 2. Management's Discussion – Results of Operations – FPL.

Reference is made to Item 1. Business – FPL Operations – Competition in the 2000 Form 10-K for FPL Group and FPL.

For information regarding the Energy 2020 Study Commission, see Item 2. Management's Discussion – Results of Operations – FPL.

On March 28, 2001, the FERC granted provisional RTO status to GridFlorida, LLC. The RTO status is subject to FPL, Florida Power Corporation and Tampa Electric Company filing the required modifications with the FERC within 60 days. For information regarding the FPSC staff's recommendation, see Item 2. Management's Discussion – Results of Operations – FPL.

Reference is made to Item 1. Business – FPL Energy Operations in the 2000 Form 10-K for FPL Group and FPL.

For information regarding FPL Energy's California projects, see Item 2. Management's Discussion – Results of Operations – FPL Energy.

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits

Exhibit Number	Description	FPL Group	FPL
12(a)	Computation of Ratio of Earnings to Fixed Charges	x	
12(b)	Computation of Ratios		x

(b) Reports on Form 8-K

A Current Report on Form 8-K was filed with the Securities and Exchange Commission on January 22, 2001 by FPL Group and FPL reporting one event under Item 5. Other Events.

A Current Report on Form 8-K was filed with the Securities and Exchange Commission on March 19, 2001 by FPL Group and FPL reporting one event under Item 5. Other Events.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrants have duly caused this report to be signed on their behalf by the undersigned thereunto duly authorized.

FPL GROUP, INC.
FLORIDA POWER & LIGHT COMPANY
(Registrants)

Date: May 3, 2001

K. MICHAEL DAVIS
K. Michael Davis
Controller and Chief Accounting Officer of FPL Group, Inc.
Vice President, Accounting, Controller and
Chief Accounting Officer of Florida Power & Light Company
(Principal Financial and Accounting Officer of the Registrants)

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EXHIBIT 12(a)

FPL GROUP, INC. AND SUBSIDIARIES
COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES

	Three Months Ended March 31, 2001 (millions)
Earnings, as defined:	
Net income	$110
Income taxes	56
Fixed charges, included in the determination of net income, as below	89
Distributed income of independent power investments	2
Less: Equity in earnings of independent power investments	1
Total earnings, as defined	$256
Fixed charges, as defined:	
Interest charges	$ 85
Rental interest factor	2
Fixed charges included in nuclear fuel cost	2
Fixed charges, included in the determination of net income	89
Capitalized interest	6
Total fixed charges, as defined	$ 95
Ratio of earnings to fixed charges	2.69

EXHIBIT 12(b)

FLORIDA POWER & LIGHT COMPANY
COMPUTATION OF RATIOS

RATIO OF EARNINGS TO FIXED CHARGES

	Three Months Ended March 31, 2001 (millions)
Earnings, as defined:	
Net income	$101
Income taxes	59
Fixed charges, as below	56
Total earnings, as defined	$216
Fixed charges, as defined:	
Interest charges	$ 53
Rental interest factor	1
Fixed charges included in nuclear fuel cost	2
Total fixed charges, as defined	$ 56
Ratio of earnings to fixed charges	3.86

RATIO OF EARNINGS TO COMBINED FIXED CHARGES AND PREFERRED STOCK DIVIDENDS

Earnings, as defined:	
Net income	$101
Income taxes	59
Fixed charges, as below	56
Total earnings, as defined	$216
Fixed charges, as defined:	
Interest charges	$ 53
Rental interest factor	1
Fixed charges included in nuclear fuel cost	2
Total fixed charges, as defined	56
Non-tax deductible preferred stock dividends	4
Ratio of income before income taxes to net income	1.58
Preferred stock dividends before income taxes	6
Combined fixed charges and preferred stock dividends	$ 62
Ratio of earnings to combined fixed charges and preferred stock dividends	3.48

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D. C. 20549

FORM 10-Q

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended **June 30, 2001**

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

Commission File Number	Exact name of registrants as specified in their charters, address of principal executive offices and registrants' telephone number	IRS Employer Identification Number
1-8841	**FPL GROUP, INC.**	59-2449419
1-3545	**FLORIDA POWER & LIGHT COMPANY** 700 Universe Boulevard Juno Beach, Florida 33408 (561) 694-4000	59-0247775

State or other jurisdiction of incorporation or organization: Florida

Indicate by check mark whether the registrants (1) have filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months and (2) have been subject to such filing requirements for the past 90 days. Yes X No ___

APPLICABLE ONLY TO CORPORATE ISSUERS:

The number of shares outstanding of each class of FPL Group, Inc. common stock, as of the latest practicable date: Common Stock, $.01 par value, outstanding at July 31, 2001: 175,872,617 shares.

As of July 31, 2001, there were issued and outstanding 1,000 shares of Florida Power & Light Company's common stock, without par value, all of which were held, beneficially and of record, by FPL Group, Inc.

This combined Form 10-Q represents separate filings by FPL Group, Inc. and Florida Power & Light Company. Information contained herein relating to an individual registrant is filed by that registrant on its own behalf. Florida Power & Light Company makes no representations as to the information relating to FPL Group, Inc.'s other operations.

SAFE HARBOR STATEMENT UNDER THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995

In connection with the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 (Reform Act), FPL Group, Inc. (FPL Group) and Florida Power & Light Company (FPL) (collectively, the Company) are hereby filing cautionary statements identifying important factors that could cause the Company's actual results to differ materially from those projected in forward-looking statements (as such term is defined in the Reform Act) made by or on behalf of the Company in this combined Form 10-Q, in presentations, in response to questions or otherwise. Any statements that express, or involve discussions as to expectations, beliefs, plans, objectives, assumptions or future events or performance (often, but not always, through the use of words or phrases such as will likely result, are expected to, will continue, is anticipated, estimated, projection, outlook) are not statements of historical facts and may be forward-looking. Forward-looking statements involve estimates, assumptions and uncertainties. Accordingly, any such statements are qualified in their entirety by reference to, and are accompanied by, the following important factors that could cause the Company's actual results to differ materially from those contained in forward-looking statements made by or on behalf of the Company.

Any forward-looking statement speaks only as of the date on which such statement is made, and the Company undertakes no obligation to update any forward-looking statement to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of unanticipated events. New factors emerge from time to time and it is not possible for management to predict all of such factors, nor can it assess the impact of each such factor on the business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statement.

Some important factors that could cause actual results or outcomes to differ materially from those discussed in the forward-looking statements include changes in laws or regulations, changing governmental policies and regulatory actions, including those of the Federal Energy Regulatory Commission (FERC), the Florida Public Service Commission (FPSC), the Public Utility Regulatory Policies Act of 1978, as amended (PURPA), the Public Utility Holding Company Act of 1935, as amended, and the U. S. Nuclear Regulatory Commission, with respect to allowed rates of return including but not limited to return on common equity and equity ratio limits, industry and rate structure, operation of nuclear power facilities, acquisition, disposal, depreciation and amortization of assets and facilities, operation and construction of plant facilities, recovery of fuel and purchased power costs, decommissioning costs, and present or prospective wholesale and retail competition (including but not limited to retail wheeling and transmission costs).

The business and profitability of the Company are also influenced by economic and geographic factors including political and economic risks, changes in and compliance with environmental and safety laws and policies, weather conditions (including natural disasters such as hurricanes), population growth rates and demographic patterns, competition for retail and wholesale customers, availability, pricing and transportation of fuel and other energy commodities, market demand for energy from plants or facilities, changes in tax rates or policies or in rates of inflation or in accounting standards, unanticipated delays or changes in costs for capital projects, unanticipated changes in operating expenses and capital expenditures, capital market conditions, competition for new energy development opportunities and legal and administrative proceedings (whether civil, such as environmental, or criminal) and settlements.

All such factors are difficult to predict, contain uncertainties which may materially affect actual results, and are beyond the control of the Company.

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PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

FPL GROUP, INC.
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(millions, except per share amounts)
(unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2001	2000	2001	2000
OPERATING REVENUES	$2,166	$1,670	$4,107	$3,138
OPERATING EXPENSES:				
Fuel, purchased power and interchange	1,054	605	2,005	1,146
Other operations and maintenance	313	308	623	593
Merger-related	-	-	30	-
Depreciation and amortization	245	266	485	525
Taxes other than income taxes	174	144	344	291
Total operating expenses	1,786	1,323	3,487	2,555
OPERATING INCOME	380	347	620	583
OTHER INCOME (DEDUCTIONS):				
Interest charges	(82)	(64)	(167)	(126)
Preferred stock dividends - FPL	(4)	(4)	(7)	(7)
Other - net	34	26	48	34
Total other deductions - net	(52)	(42)	(126)	(99)
INCOME BEFORE INCOME TAXES	328	305	494	484
INCOME TAXES	109	101	165	159
NET INCOME	$ 219	$ 204	$ 329	$ 325
Earnings per share of common stock (basic and assuming dilution)	$ 1.30	$ 1.20	$ 1.95	$ 1.91
Dividends per share of common stock	$ 0.56	$ 0.54	$ 1.12	$ 1.08
Weighted-average number of common shares outstanding:				
Basic	169	170	169	170
Assuming dilution	169	171	169	171

This report should be read in conjunction with the Notes to Condensed Consolidated Financial Statements (Notes) herein and the Notes to Consolidated Financial Statements appearing in the combined Annual Report on Form 10-K/A for the fiscal year ended December 31, 2000 (2000 Form 10-K) for FPL Group and FPL.

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FPL GROUP, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(millions)
(unaudited)

	June 30, 2001	December 31, 2000
PROPERTY, PLANT AND EQUIPMENT:		
Electric utility plant in service and other property, including nuclear fuel and construction work in progress	$22,145	$21,022
Less accumulated depreciation and amortization	(11,508)	(11,088)
Total property, plant and equipment - net	10,637	9,934
CURRENT ASSETS:		
Cash and cash equivalents	72	129
Customer receivables, net of allowances of $7 at each date	670	637
Materials, supplies and fossil fuel inventory - at average cost	373	370
Deferred clause expenses	473	337
Other	275	308
Total current assets	1,863	1,781
OTHER ASSETS:		
Special use funds of FPL	1,585	1,497
Other investments	901	651
Other	1,573	1,437
Total other assets	4,059	3,585
TOTAL ASSETS	$16,559	$15,300
CAPITALIZATION:		
Common stock	$ 2	$ 2
Additional paid-in capital	2,798	2,788
Retained earnings	2,944	2,803
Accumulated other comprehensive income	5	-
Total common shareholders' equity	5,749	5,593
Preferred stock of FPL without sinking fund requirements	226	226
Long-term debt	4,474	3,976
Total capitalization	10,449	9,795
CURRENT LIABILITIES:		
Debt due within one year	1,562	1,223
Accounts payable	622	564
Accrued interest, taxes and other	1,127	976
Total current liabilities	3,311	2,763
OTHER LIABILITIES AND DEFERRED CREDITS:		
Accumulated deferred income taxes	1,398	1,378
Unamortized regulatory and investment tax credits	248	269
Other	1,153	1,095
Total other liabilities and deferred credits	2,799	2,742
COMMITMENTS AND CONTINGENCIES		
TOTAL CAPITALIZATION AND LIABILITIES	$16,559	$15,300

This report should be read in conjunction with the Notes herein and the Notes to Consolidated Financial Statements appearing in the 2000 Form 10-K for FPL Group and FPL.

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FPL GROUP, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(millions)
(unaudited)

	Six Months Ended June 30, 2001	2000
NET CASH PROVIDED BY OPERATING ACTIVITIES	$ 849	$ 748
CASH FLOWS FROM INVESTING ACTIVITIES:		
Capital expenditures of FPL	(595)	(660)
Independent power investments	(899)	(294)
Other - net	(55)	(63)
Net cash used in investing activities	(1,549)	(1,017)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Issuance of long-term debt	493	145
Retirement of long-term debt	(66)	(149)
Increase in commercial paper	404	363
Repurchase of common stock	-	(34)
Dividends on common stock	(188)	(183)
Net cash provided by financing activities	643	142
Net decrease in cash and cash equivalents	(57)	(127)
Cash and cash equivalents at beginning of period	129	361
Cash and cash equivalents at end of period	$ 72	$ 234
Supplemental schedule of noncash investing and financing activities:		
Additions to capital lease obligations	$ 24	$ 22

This report should be read in conjunction with the Notes herein and the Notes to Consolidated Financial Statements appearing in the 2000 Form 10-K for FPL Group and FPL.

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FLORIDA POWER & LIGHT COMPANY
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(millions)
(unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2001	2000	2001	2000
OPERATING REVENUES	$1,935	$1,533	$3,582	$2,871
OPERATING EXPENSES:				
Fuel, purchased power and interchange	939	570	1,702	1,071
Other operations and maintenance	256	250	510	487
Merger-related	-	-	26	-
Depreciation and amortization	226	254	449	501
Income taxes	107	101	169	161
Taxes other than income taxes	174	140	337	282
Total operating expenses	1,702	1,315	3,193	2,502
OPERATING INCOME	233	218	389	369
OTHER INCOME (DEDUCTIONS):				
Interest charges	(47)	(42)	(100)	(82)
Other - net	-	-	(2)	(2)
Total other deductions - net	(47)	(42)	(102)	(84)
NET INCOME	186	176	287	285
PREFERRED STOCK DIVIDENDS	4	4	7	7
NET INCOME AVAILABLE TO FPL GROUP	$ 182	$ 172	$ 280	$ 278

This report should be read in conjunction with the Notes herein and the Notes to Consolidated Financial Statements appearing in the 2000 Form 10-K for FPL Group and FPL.

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FLORIDA POWER & LIGHT COMPANY
CONDENSED CONSOLIDATED BALANCE SHEETS
(millions)
(unaudited)

	June 30, 2001	December 31, 2000
ELECTRIC UTILITY PLANT:		
Plant in service, including nuclear fuel and construction work in progress	$19,475	$19,033
Less accumulated depreciation and amortization	(11,307)	(10,919)
Electric utility plant - net	8,168	8,114
CURRENT ASSETS:		
Cash and cash equivalents	8	66
Customer receivables, net of allowances of $6 and $7, respectively	575	489
Materials, supplies and fossil fuel inventory - at average cost	315	313
Deferred clause expenses	473	337
Other	167	211
Total current assets	1,538	1,416
OTHER ASSETS:		
Special use funds	1,585	1,497
Other	920	993
Total other assets	2,505	2,490
TOTAL ASSETS	$12,211	$12,020
CAPITALIZATION:		
Common shareholder's equity	$ 5,410	$ 5,032
Preferred stock without sinking fund requirements	226	226
Long-term debt	2,577	2,577
Total capitalization	8,213	7,835
CURRENT LIABILITIES:		
Debt due within one year	192	625
Accounts payable	490	458
Accrued interest, taxes and other	1,054	859
Total current liabilities	1,736	1,942
OTHER LIABILITIES AND DEFERRED CREDITS:		
Accumulated deferred income taxes	1,079	1,084
Unamortized regulatory and investment tax credits	248	269
Other	935	890
Total other liabilities and deferred credits	2,262	2,243
COMMITMENTS AND CONTINGENCIES		
TOTAL CAPITALIZATION AND LIABILITIES	$12,211	$12,020

This report should be read in conjunction with the Notes herein and the Notes to Consolidated Financial Statements appearing in the 2000 Form 10-K for FPL Group and FPL.

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FLORIDA POWER & LIGHT COMPANY
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(millions)
(unaudited)

	Six Months Ended June 30, 2001	Six Months Ended June 30, 2000
NET CASH PROVIDED BY OPERATING ACTIVITIES	$ 905	$ 722
CASH FLOWS FROM INVESTING ACTIVITIES:		
Capital expenditures	(595)	(660)
Other - net	(24)	(43)
Net cash used in investing activities	(619)	(703)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Issuance of long-term debt	-	145
Retirement of long-term debt	(66)	(149)
Increase (decrease) in commercial paper	(368)	253
Dividends	(210)	(225)
Capital contributions from FPL Group	300	100
Net cash provided by (used in) financing activities	(344)	124
Net increase (decrease) in cash and cash equivalents	(58)	143
Cash and cash equivalents at beginning of period	66	-
Cash and cash equivalents at end of period	$ 8	$ 143
Supplemental schedule of noncash investing and financing activities:		
Additions to capital lease obligations	$ 24	$ 22
Transfer of net assets to FPL FiberNet, LLC	$ -	$ 100

This report should be read in conjunction with the Notes herein and the Notes to Consolidated Financial Statements appearing in the 2000 Form 10-K for FPL Group and FPL.

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FPL GROUP, INC. AND FLORIDA POWER & LIGHT COMPANY
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

The accompanying condensed consolidated financial statements should be read in conjunction with the 2000 Form 10-K for FPL Group and FPL. In the opinion of FPL Group and FPL management, all adjustments (consisting of normal recurring accruals) considered necessary for fair financial statement presentation have been made. Certain amounts included in the prior year's consolidated financial statements have been reclassified to conform to the current year's presentation. The results of operations for an interim period may not give a true indication of results for the year.

1. New Accounting Rules

Accounting for Derivative Instruments and Hedging Activities - Effective January 1, 2001, FPL Group and FPL adopted Statement of Financial Accounting Standards No. (FAS) 133, "Accounting for Derivative Instruments and Hedging Activities," as amended by FAS 137 and 138 (collectively, FAS 133). As a result, beginning in January 2001, derivative instruments are recorded on FPL Group's and FPL's balance sheets as either an asset or liability (in other current assets, other assets, other current liabilities and other liabilities) measured at fair value. FPL Group and FPL use derivative instruments (primarily swaps, options and futures) to manage the commodity price risk inherent in fuel purchases and electricity sales, as well as to optimize the value of power generation assets.

At FPL, changes in fair value are deferred as a regulatory asset or liability until the contracts are settled. Upon settlement, any gains or losses will be passed through the fuel and purchased power cost recovery clause (fuel clause) and the capacity cost recovery clause (capacity clause).

For FPL Group's unregulated operations, predominantly FPL Energy, LLC (FPL Energy), changes in the derivatives' fair value are recognized currently in earnings (in other-net) unless hedge accounting is applied. While substantially all of FPL Energy's derivative transactions are entered into for the purposes described above, hedge accounting is only applied where specific criteria are met and it is practicable to do so. In order to apply hedge accounting, the transaction must be designated as a hedge and it must be highly effective. The hedging instrument's effectiveness is assessed utilizing regression analysis at the inception of the hedge and on at least a quarterly basis throughout its life. Hedges are considered highly effective when a correlation coefficient of .8 or higher is achieved. Substantially all of the transactions that FPL Group has designated as hedges are cash flow hedges. The effective portion of the gain or loss on a derivative instrument designated as a cash flow hedge is reported as a component of other comprehensive income and is reclassified into earnings in the period(s) during which the transaction being hedged affects earnings. The ineffective portion of these hedges flows through earnings in the current period. Settlement gains and losses are included within the line items in the statements of income to which they relate.

In January 2001, FPL Group recorded in other-net a $2 million loss as the cumulative effect on FPL Group's earnings of a change in accounting principle representing the effect of those derivative instruments for which hedge accounting was not applied. For those contracts where hedge accounting was applied, the adoption of the new rules resulted in a credit of approximately $10 million to other comprehensive income for FPL Group.

Included in FPL Group's accumulated other comprehensive income at June 30, 2001 is approximately $5 million of net unrealized gains associated with cash flow hedges of forecasted fuel purchases through December 2003. Approximately $1 million of FPL Group's accumulated other comprehensive income at June 30, 2001 will be reclassified into earnings within the next 12 months as the hedged fuel is consumed. Within other comprehensive income, approximately $8 million and $6 million represent the effective portion of the net loss on cash flow hedges during the three and six months ended June 30, 2001, respectively. See Note 3 - Other.

In June 2001, the Financial Accounting Standards Board (FASB) reached conclusions on several derivative accounting issues related to the power generation industry, which became effective July 1, 2001. Management is in the process of evaluating the conclusions reached by the FASB and is unable to estimate the effects, if any, on FPL Group's financial statements. One possible result of the FASB's conclusions could be that certain power purchase and power sales contracts will have to be recorded at fair value with changes in fair value recorded in the income statement each reporting period.

Goodwill and Other Intangible Assets - In July 2001, the FASB issued FAS 142, "Goodwill and Other Intangible Assets." Under this statement, the amortization of goodwill will no longer be permitted. Instead, goodwill will be assessed for impairment at least annually by applying a fair-value based test. At June 30, 2001, FPL Group had approximately $380 million of goodwill recorded in other assets. Management is in the process of evaluating the impact of implementing FAS 142 and is unable to estimate the effect, if any, on FPL Group's financial statements. FPL Group will be required to adopt FAS 142 beginning in 2002.

2. Rate Matters

In May 2001, the FPSC ordered FPL to submit minimum filing requirements (MFRs) to initiate a base rate proceeding regarding FPL's future retail rates. FPL expects to file MFRs with the FPSC by October 15, 2001. Any change in base rates would become effective after the expiration of the current rate agreement on April 14, 2002. FPL as well as other investor-owned utilities in Florida had requested that the FPSC open a separate generic docket to address issues related to the utilities' participation in an independent regional transmission organization (RTO), pursuant to the FERC's Order 2000. In June 2001, the FPSC decided to address on an expedited basis the RTO matters in conjunction with the base rate proceeding instead of in a generic docket. In mid-July 2001, the FERC initiated a mediation process directed toward forming a single RTO for the Southeast region of the United States. FPL is participating in the mediation process, scheduled to last 45 days.

3. Capitalization

FPL Group Common Stock - In April 2001, FPL Group's $570 million share repurchase program authorized in connection with the merger agreement with Entergy Corporation was terminated. As of June 30, 2001, FPL Group had repurchased a total of approximately 4.6 million shares of common stock under the 10 million share repurchase program that began in April 1997. No FPL Group shares have been repurchased in 2001.

Long-Term Debt - In February 2001, FPL redeemed approximately $65 million principal amount of solid waste disposal revenue refunding bonds, consisting of $16 million bearing interest at 7.15% maturing in 2023 and $49 million with variable rate interest maturing in 2025. In May 2001, FPL Group Capital Inc (FPL Group Capital) sold $500 million principal amount of 6 1/8% debentures maturing in 2007. In July 2001, a subsidiary of FPL Energy issued $435 million of 7.52% senior secured bonds maturing in 2019.

Long-Term Incentive Plan - Performance shares and options granted to date under FPL Group's long-term incentive plan resulted in assumed incremental shares of common stock outstanding for purposes of computing diluted earnings per share for the three and six months ended June 30, 2001 and 2000. These incremental shares were not material in the periods presented and did not cause diluted earnings per share to differ from basic earnings per share.

Other - Comprehensive income of FPL Group, totaling $211 million and $204 million for the three months ended June 30, 2001 and 2000 and $333 million and $325 million for the six months ended June 30, 2001 and 2000, respectively, includes net income, changes in unrealized gains and losses on securities and foreign currency translation adjustments. For the three and six months ended June 30, 2001, comprehensive income of FPL Group also includes approximately $8 million of net unrealized losses and $5 million of net unrealized gains, respectively, on cash flow hedges of forecasted fuel purchases. Accumulated other comprehensive income is separately displayed in the condensed consolidated balance sheets of FPL Group.

4. Commitments and Contingencies

Commitments - FPL has made commitments in connection with a portion of its projected capital expenditures. Capital expenditures for the construction or acquisition of additional facilities and equipment to meet customer demand are estimated to be approximately $3.3 billion for 2001 through 2003. Included in this three-year forecast are capital expenditures for 2001 of approximately $1.1 billion, of which $548 million had been spent through June 30, 2001. As of June 30, 2001, FPL Energy has made commitments in connection with the development and expansion of independent power projects totaling approximately $860 million. In July 2001, an additional $440 million was committed by FPL Energy for project development and expansion. Subsidiaries of FPL Group, other than FPL, have guaranteed approximately $690 million of prompt performance payments, lease obligations, purchase and sale of power and fuel agreement obligations, debt service payments and other payments subject to certain contingencies. In addition, at June 30, 2001 approximately $183 million of cash collateral was posted pursuant to a project financing agreement and is included in other assets in FPL Group's condensed consolidated balance sheets.

Insurance - Liability for accidents at nuclear power plants is governed by the Price-Anderson Act, which limits the liability of nuclear reactor owners to the amount of the insurance available from private sources and under an industry retrospective payment plan. In accordance with this Act, FPL maintains $200 million of private liability insurance, which is the maximum obtainable, and participates in a secondary financial protection system under which it is subject to retrospective assessments of up to $363 million per incident at any nuclear utility reactor in the United States, payable at a rate not to exceed $43 million per incident per year.

FPL participates in nuclear insurance mutual companies that provide $2.75 billion of limited insurance coverage for property damage, decontamination and premature decommissioning risks at its nuclear plants. The proceeds from such insurance, however, must first be used for reactor stabilization and site decontamination before they can be used for plant repair. FPL also participates in an insurance program that provides limited coverage for replacement power costs if a nuclear plant is out of service because of an accident. In the event of an accident at one of FPL's or another participating insured's nuclear plants, FPL could be assessed up to $36 million in retrospective premiums.

In the event of a catastrophic loss at one of FPL's nuclear plants, the amount of insurance available may not be adequate to cover property damage and other expenses incurred. Uninsured losses, to the extent not recovered through rates, would be borne by FPL and could have a material adverse effect on FPL Group's and FPL's financial condition.

FPL self-insures the majority of its transmission and distribution (T&D) property due to the high cost and limited coverage available from third-party insurers. As approved by the FPSC, FPL maintains a funded storm and property insurance reserve, which totaled approximately $247 million at June 30, 2001, for uninsured property storm damage or assessments under the nuclear insurance program. Recovery from customers of any losses in excess of the storm and property insurance reserve will require the approval of the FPSC. FPL's available lines of credit include $300 million to provide additional liquidity in the event of a T&D property loss.

Contracts - FPL Group has a long-term agreement for the supply of gas turbines through 2004 and for parts, repairs and on-site services through 2011. In addition, FPL Energy has entered into a contract to purchase 866 wind turbines through 2001, of which approximately 240 were placed in service as of June 30, 2001 and the remainder are expected to be in operation by the end of 2001. FPL Energy has also entered into various engineering, procurement and construction contracts to support its development activities through 2003. All of these contracts are intended to support expansion, primarily at FPL Energy, and the related commitments are included in Commitments above.

FPL has entered into long-term purchased power and fuel contracts. Take-or-pay purchased power contracts with the Jacksonville Electric Authority (JEA) and with subsidiaries of The Southern Company (Southern Companies) provide approximately 1,300 megawatts (mw) of power through mid-2010 and 388 mw thereafter through 2021. FPL also has various firm pay-for-performance contracts to purchase approximately 900 mw from certain cogenerators and small power producers (qualifying facilities) with expiration dates ranging from 2002 through 2026. The purchased power contracts provide for capacity and energy payments. Energy payments are based on the actual power taken under these contracts and the Southern Companies' contract is subject to minimum quantities. Capacity payments for the pay-for-performance contracts are subject to the qualifying facilities meeting certain contract conditions. In 2001, FPL entered into agreements with several electricity suppliers to purchase an aggregate of up to approximately 1,300 mw of power with expiration dates ranging from 2003 through 2007. In general, the agreements require FPL to make capacity payments and supply the fuel consumed by the plants under the contracts. FPL has long-term contracts for the transportation and supply of natural gas, coal and oil with various expiration dates through 2022. FPL Energy has long-term contracts for the transportation and storage of natural gas with expiration dates ranging from 2005 through 2017, and a contract for the supply of natural gas that expires in mid-2002.

The required capacity and minimum payments under these contracts for the remainder of 2001 (July-December) and for 2002 through 2005 are estimated to be as follows:

	2001	2002	2003 (millions)	2004	2005
FPL:					
Capacity payments:					
JEA and Southern Companies	$110	$200	$200	$200	$200
Qualifying facilities	$185	$330	$340	$350	$340
Other electricity suppliers	$ 5	$ 75	$ 95	$ 95	$ 45
Minimum payments, at projected prices:					
Southern Companies - energy	$ 30	$ 50	$ 60	$ 50	$ 60
Natural gas, including transportation	$340	$715	$695	$720	$720
Coal	$ 20	$ 45	$ 20	$ 10	$ 10
Oil	$100	$ 10	$ -	$ -	$ -
FPL Energy:					
Natural gas, including transportation and storage	$ 15	$ 20	$ 15	$ 15	$ 15

Charges under these contracts were as follows:

	Three Months Ended June 30,				Six Months Ended June 30,			
	2001 Charges		2000 Charges		2001 Charges		2000 Charges	
(millions)	Capacity	Energy/ Fuel	Capacity	Energy/ Fuel	Capacity	Energy/ Fuel	Capacity	Energy/ Fuel
FPL:								
JEA and Southern Companies	$50(a)	$ 44(b)	$51(a)	$ 41(b)	$101(a)	$ 84(b)	$102(a)	$ 72(b)
Qualifying facilities	$79(c)	$ 35(b)	$80(c)	$ 28(b)	$156(c)	$ 69(b)	$159(c)	$ 59(b)
Other electricity suppliers	$ 3	$ 2	$ -	$ -	$ 3	$ 2	$ -	$ -
Natural gas, including transportation	$ -	$215(b)	$ -	$130(b)	$ -	$416(b)	$ -	$212(b)
Coal	$ -	$ 12(b)	$ -	$ 11(b)	$ -	$ 24(b)	$ -	$ 23(b)
Oil	$ -	$ 91(b)	$ -	$ 89(b)	$ -	$189(b)	$ -	$110(b)
FPL Energy:								
Natural gas, including transportation and storage ..	$	$ 4	$ -	$ 4	$ -	$ 8	$ -	$ 8

(a) Recovered through base rates and the capacity clause.
(b) Recovered through the fuel clause.
(c) Recovered through the capacity clause.

Litigation - In 1999, the Attorney General of the United States, on behalf of the U.S. Environmental Protection Agency (EPA), brought an action against Georgia Power Company and other subsidiaries of The Southern Company for certain alleged

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violations of the Clean Air Act. In May 2001, the EPA amended its complaint. The amended complaint alleges, among other things, that Georgia Power Company constructed and is continuing to operate Scherer Unit No. 4, in which FPL owns a 76% interest, without obtaining proper permitting, and without complying with performance and technology standards as required by the Clean Air Act. It also alleges that unspecified major modifications have been made at Scherer Unit No. 4 that require its compliance with the aforementioned Clean Air Act provisions. The EPA seeks injunctive relief requiring the installation of best available control technology and civil penalties of up to $25,000 per day for each violation from an unspecified date after June 1, 1975 through January 30, 1997, and $27,500 per day for each violation thereafter. Georgia Power Company has answered the amended complaint, asserting that it has complied with all requirements of the Clean Air Act, denying the plaintiff's allegations of liability, denying that the plaintiff is entitled to any of the relief that it seeks and raising various other defenses. In June 2001, the Court stayed discovery and administratively closed the case pending resolution of the EPA's motion for consolidation of discovery in several Clean Air Act cases that was filed with a Multi-District Litigation (MDL) panel. The MDL panel has heard oral argument on the motion for consolidation but has not yet ruled on it.

In 2000, Southern California Edison Company (SCE) filed with the FERC a Petition for Declaratory Order (petition) asking the FERC to apply a November 1999 federal circuit court of appeals' decision to all qualifying small power production facilities, including two solar facilities operated by partnerships indirectly owned in part by FPL Energy (the partnerships) which have power purchase agreements with SCE. The federal circuit court of appeals' decision invalidated the FERC's so-called essential fixed assets standard, which permitted uses of fossil fuels by qualifying small power production facilities beyond those expressly set forth in PURPA. The petition requests that the FERC declare that qualifying small power production facilities may not continue to use fossil fuel under the essential fixed assets standard and that they may be required to make refunds with respect to past usage. In August 2000, the partnerships filed motions to intervene and protest before the FERC, vigorously objecting to the position taken by SCE in its petition. The partnerships contend that they have always operated the solar facilities in accordance with certification orders issued to them by the FERC. Such orders were neither challenged nor appealed at the time they were granted, and it is the position of the partnerships that the orders remain fully in effect. Briefing in this proceeding is complete and the parties are currently awaiting a final determination from the FERC. In June 2001, SCE and the partnerships entered into an agreement that provides, among other things, that SCE and the partnerships will take all necessary steps to suspend or stay, during a specified period of time, the proceeding initiated by the petition. The agreement is conditioned upon, among other things, legislative action in California and completion of SCE's financing plan. The agreement provides that, if the conditions of the agreement are satisfied, then SCE and each of the partnerships agree to release and discharge each other from any and all claims of any kind arising from either parties' performance under the power purchase agreements. Such a release would include release of the claim made by SCE in the petition for refunds with respect to past usage. For additional information regarding the agreement, see Management's Discussion and Analysis of Financial Condition and Results of Operations (Management's Discussion) - Results of Operations - FPL Energy.

FPL Group and FPL believe that they have meritorious defenses to the pending litigation discussed above and are vigorously defending the suits. Accordingly, the liabilities, if any, arising from the proceedings are not anticipated to have a material adverse effect on their financial statements.

5. Segment Information

FPL Group's reportable segments include FPL, a rate-regulated utility, and FPL Energy, a non-rate regulated energy generating subsidiary. Corporate and Other represents other business activities, other segments that are not separately reportable and eliminating entries. FPL Group's segment information is as follows:

	Three Months Ended June 30, (millions)							
	2001				2000			
	FPL	FPL Energy	Corporate & Other	Total	FPL	FPL Energy	Corporate & Other	Total
Operating revenues	$ 1,935	$ 199	$ 32	$ 2,166	$ 1,533	$ 114	$ 23	$ 1,670
Net income	$ 182	$ 38	$ (1)	$ 219	$ 172	$ 28	$ 4	$ 204

	Six Months Ended June 30, (millions)							
	2001				2000			
	FPL	FPL Energy	Corporate & Other	Total	FPL	FPL Energy	Corporate & Other	Total
Operating revenues	$ 3,582	$ 463	$ 62	$ 4,107	$ 2,871	$ 222	$ 45	$ 3,138
Net income (a)...............	$ 280	$ 56	$ (7)	$ 329	$ 278	$ 42	$ 5	$ 325

	June 30, 2001				December 31, 2000			
	FPL	FPL Energy	Corporate & Other	Total (millions)	FPL	FPL Energy	Corporate & Other	Total
Total assets	$12,211	$3,707	$641	$16,559	$12,020	$2,679	$601	$15,300

(a) Includes merger-related expense in 2001 of $19 million after-tax, of which $16 million was recognized by FPL and $3 million by Corporate and Other.

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6. Summarized Financial Information of FPL Group Capital

FPL Group Capital, a 100% owned subsidiary of FPL Group, provides funding for and holds ownership interest in FPL Group's operating subsidiaries other than FPL. FPL Group Capital's debentures are fully and unconditionally guaranteed by FPL Group. Condensed consolidating financial information is as follows:

Condensed Consolidating Statements of Income

	Three Months Ended June 30, 2001				Three Months Ended June 30, 2000			
	FPL Group	FPL Group Capital	Other (a)	FPL Group Consolidated	FPL Group	FPL Group Capital	Other (a)	FPL Group Consolidated
	(millions)							
Operating revenues	$ -	$ 231	$ 1,935	$ 2,166	$ -	$ 138	$ 1,532	$ 1,670
Operating expenses	-	(193)	(1,593)	(1,786)	-	(109)	(1,214)	(1,323)
Interest charges	(7)	(35)	(40)	(82)	(8)	(22)	(34)	(64)
Other income (deductions) - net	224	45	(239)	30	210	35	(223)	22
Income before income taxes	217	48	63	328	202	42	61	305
Income tax expense (benefit)	(2)	6	105	109	(2)	4	99	101
Net income (loss)	$ 219	$ 42	$ (42)	$ 219	$ 204	$ 38	$ (38)	$ 204

	Six Months Ended June 30, 2001				Six Months Ended June 30, 2000			
	FPL Group	FPL Group Capital	Other (a)	FPL Group Consolidated	FPL Group	FPL Group Capital	Other (a)	FPL Group Consolidated
	(millions)							
Operating revenues	$ -	$ 525	$ 3,582	$ 4,107	$ -	$ 268	$ 2,870	$ 3,138
Operating expenses	-	(463)	(3,024)	(3,487)	-	(214)	(2,341)	(2,555)
Interest charges	(15)	(66)	(86)	(167)	(16)	(44)	(66)	(126)
Other income (deductions) - net	339	73	(371)	41	337	55	(365)	27
Income before income taxes	324	69	101	494	321	65	98	484
Income tax expense (benefit)	(5)	6	164	165	(4)	7	156	159
Net income (loss)	$ 329	$ 63	$ (63)	$ 329	$ 325	$ 58	$ (58)	$ 325

(a) Represents FPL, other subsidiaries and consolidating adjustments.

Condensed Consolidating Balance Sheets

	June 30, 2001				December 31, 2000			
	FPL Group	FPL Group Capital	Other (a)	FPL Group Consolidated	FPL Group	FPL Group Capital	Other (a)	FPL Group Consolidated
	(millions)							
PROPERTY, PLANT AND EQUIPMENT:								
Electric utility plant in service and other property	$ -	$ 2,663	$19,482	$22,145	$ -	$1,984	$19,038	$21,022
Less accumulated depreciation and amortization	-	(202)	(11,306)	(11,508)	-	(170)	(10,918)	(11,088)
Total property, plant and equipment - net	-	2,461	8,176	10,637	-	1,814	8,120	9,934
CURRENT ASSETS:								
Cash and cash equivalents	1	63	8	72	12	51	66	129
Receivables	1	668	168	837	56	418	409	883
Other	1	79	874	954	-	66	703	769
Total current assets	3	810	1,050	1,863	68	535	1,178	1,781
OTHER ASSETS:								
Investment in subsidiaries	6,413	-	(6,413)	-	5,967	-	(5,967)	-
Other	124	1,838	2,097	4,059	141	1,365	2,079	3,585
Total other assets	6,537	1,838	(4,316)	4,059	6,108	1,365	(3,888)	3,585
TOTAL ASSETS	$ 6,540	$ 5,109	$ 4,910	$16,559	$ 6,176	$3,714	$ 5,410	$15,300
CAPITALIZATION:								
Common shareholders' equity	$ 5,749	$ 1,003	$(1,003)	$ 5,749	$ 5,593	$ 935	$ (935)	$ 5,593
Preferred stock of FPL without sinking fund requirements	-	-	226	226	-	-	226	226
Long-term debt	-	1,897	2,577	4,474	-	1,400	2,576	3,976
Total capitalization	5,749	2,900	1,800	10,449	5,593	2,335	1,867	9,795
CURRENT LIABILITIES:								
Accounts payable and commercial paper	-	1,502	682	2,184	-	705	1,017	1,722
Other	684	174	269	1,127	467	186	388	1,041
Total current liabilities	684	1,676	951	3,311	467	891	1,405	2,763
OTHER LIABILITIES AND DEFERRED CREDITS:								
Accumulated deferred income taxes and unamortized tax credits	-	423	1,223	1,646	-	399	1,248	1,647
Other	107	110	936	1,153	116	89	890	1,095
Total other liabilities and deferred credits	107	533	2,159	2,799	116	488	2,138	2,742
COMMITMENTS AND CONTINGENCIES								
TOTAL CAPITALIZATION AND LIABILITIES	$ 6,540	$ 5,109	$ 4,910	$16,559	$ 6,176	$3,714	$ 5,410	$15,300

(a) Represents FPL, other subsidiaries and consolidating adjustments.

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Condensed Consolidating Statements of Cash Flows

	Six Months Ended June 30, 2001				Six Months Ended June 30, 2000			
	FPL Group	FPL Group Capital	Other (a)	FPL Group Consolidated	FPL Group	FPL Group Capital	Other (a)	FPL Group Consolidated
	(millions)							
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	$ 485	$(330)	$ 694	$ 849	$ 356	$ (107)	$ 499	$ 748
CASH FLOWS FROM INVESTING ACTIVITIES:								
Capital expenditures and independent power investments	-	(899)	(595)	(1,494)	-	(294)	(660)	(954)
Capital contributions to subsidiaries	(300)	-	300	-	(118)	-	118	-
Other - net	(8)	(24)	(23)	(55)	6	(24)	(45)	(63)
Net cash used in investing activities	(308)	(923)	(318)	(1,549)	(112)	(318)	(587)	(1,017)
CASH FLOWS FROM FINANCING ACTIVITIES:								
Issuance of long-term debt	-	493	-	493	-	-	145	145
Retirement of long-term debt	-	-	(66)	(66)	-	-	(149)	(149)
Increase (decrease) in commercial paper	-	772	(368)	404	-	110	253	363
Capital contributions from FPL Group	-	-	-	-	-	18	(18)	-
Repurchases of common stock	-	-	-	-	(34)	-	-	(34)
Dividends	(188)	-	-	(188)	(183)	-	-	(183)
Net cash provided by (used in) financing activities	(188)	1,265	(434)	643	(217)	128	231	142
Net increase (decrease) in cash and cash equivalents	(11)	12	(58)	(57)	27	(297)	143	(127)
Cash and cash equivalents at beginning of period	12	51	66	129	(16)	376	1	361
Cash and cash equivalents at end of period	$ 1	$ 63	$ 8	$ 72	$ 11	$ 79	$ 144	$ 234

(a) Represents FPL, other subsidiaries and consolidating adjustments.

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Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

This discussion should be read in conjunction with the Notes contained herein and Management's Discussion appearing in the 2000 Form 10-K for FPL Group and FPL. The results of operations for an interim period may not give a true indication of results for the year. In the following discussion, all comparisons are with the corresponding items in the prior year.

RESULTS OF OPERATIONS

FPL Group's net income increased for the three and six months ended June 30, 2001 primarily as a result of increased earnings at both FPL and FPL Energy. The adoption of FAS 133, which became effective January 1, 2001, positively affected FPL Group's and FPL Energy's earnings by $5 million for both the three and six months ended June 30, 2001. For additional information regarding FAS 133, see Note 1 - Accounting for Derivative Instruments and Hedging Activities. FPL Group's earnings for the six months ended June 30, 2001 also include approximately $19 million after-tax of merger-related expenses, of which $16 million relates to FPL and $3 million relates to the Corporate and Other segment. The discussion of results of operations below excludes the effects of FAS 133 and merger-related expenses.

FPL - FPL's net income for the three months ended June 30, 2001 improved mainly due to lower depreciation expense, partially offset by higher other operations and maintenance (O&M) expenses and higher interest charges. Revenues from retail base operations were $880 million for the second quarter of 2001 compared to $874 million for the same period last year. This reflects an increase in the average number of customer accounts of 2.3% offset by a decrease in usage per customer of 2.2% due to milder weather. During the second quarter of 2001, FPL accrued $38 million associated with refunds to retail customers under the rate reduction agreement, approximately the same amount as in 2000. In June 2001, FPL refunded approximately $109 million, including interest, to retail customers for the second twelve-month period under the rate agreement. Primarily all of this refund was accrued in periods prior to the second quarter of 2001. In June 2000, approximately $23 million was refunded to retail customers for the first twelve-month period, primarily all of which was accrued in 1999. FPL's revenues and fuel, purchased power and interchange expense have increased for both the three-month and six-month periods. This is the result of an increase in FPL's fuel charge to retail customers in mid-2000 and in 2001 in response to higher fuel costs. FPL's fuel costs are substantially a pass-through and do not significantly affect net income. Depreciation expense declined during the quarter ended June 30, 2001 reflecting lower special depreciation under the rate reduction agreement. Interest expense increased due to higher debt balances required to fund FPL's capital expansion and under-recovered fuel costs.

Net income for the six months ended June 30, 2001 improved mainly due to higher energy sales and lower depreciation expense, partially offset by higher O&M expenses and higher interest charges. Revenues from retail base operations were $1,664 million for the six months ended June 30, 2001 compared to $1,632 million for the same period last year. This reflects an increase in the average number of customer accounts of 2.3% and an increase in usage per customer of 1.4%. The increase in usage reflects cold weather conditions, primarily in January, partly offset by the milder weather in the second quarter. Partially offsetting the increase in revenues due to higher usage and customer growth was a higher provision for revenue refund under the rate reduction agreement. During the six months ended June 30, 2001, FPL accrued approximately $78 million relating to refunds to retail customers, compared to $37 million in 2000. Depreciation expense declined during the six-month period reflecting lower special depreciation under the rate reduction agreement. FPL's O&M expenses increased primarily due to additional fossil plant outage costs, partly due to timing, and higher employee-related costs. Interest expense increased due to higher debt balances required to fund FPL's capital expansion and under-recovered fuel costs.

In January 2001, the Energy 2020 Study Commission issued a proposal for restructuring Florida's wholesale electricity market anticipating that the proposal would be considered in the 2001 legislative session. In May 2001, the Florida legislative session ended with no action taken on the commission's proposal. The commission is scheduled to develop a recommendation addressing retail competition by the end of 2001. Both wholesale and retail competition issues may then be addressed in the 2002 legislative session.

In May 2001, the FPSC ordered FPL to submit MFRs to initiate a base rate proceeding regarding FPL's future retail rates. FPL expects to file MFRs with the FPSC by October 15, 2001. Any change in base rates would become effective after the expiration of the current rate agreement on April 14, 2002. FPL as well as other investor-owned utilities in Florida had requested that the FPSC open a separate generic docket to address issues related to the utilities' participation in an independent RTO, pursuant to the FERC's Order 2000. In June 2001, the FPSC decided to address on an expedited basis the RTO matters in conjunction with the base rate proceeding instead of in a generic docket. In mid-July 2001, the FERC initiated a mediation process directed toward forming a single RTO for the Southeast region of the United States. FPL is participating in the mediation process, scheduled to last 45 days.

FPL Energy - FPL Energy's net income for the three and six months ended June 30, 2001 benefited from a power generation portfolio with approximately 1,200 more mw in operation and improved performance from the wind projects. These benefits were somewhat offset in the second quarter of 2001 by lower income from the Northeast region, mainly reflecting lower market prices and transmission constraints affecting the Maine assets. FPL Energy is continuing its expansion plans, which include adding 11 plants with more than 5,800 mw by the end of 2003.

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FPL Energy has a net ownership interest in approximately 540 mw in California, most of which are wind, solar and geothermal qualifying facilities. The output of these projects is sold predominantly under long-term contracts with California utilities. Increases in natural gas prices and an imbalance between power supply and demand, as well as other factors, have contributed to significant increases in wholesale electricity prices in California. Utilities in California had previously agreed to fixed tariffs to their retail customers, which resulted in significant under-recoveries of wholesale electricity purchase costs. FPL Energy's projects have not received the majority of payments due from California utilities for electricity sold from November 2000 through March 2001. In April 2001, Pacific Gas & Electric Company (PG&E) filed for protection under Chapter 11 of the U.S. Bankruptcy Code. In July 2001, an agreement was reached between PG&E and FPL Energy regarding most of the qualifying facility contracts between the companies. The agreement requires a fixed payment structure over the next five years as well as payment of all outstanding receivables subject to approval of PG&E's reorganization plan by the bankruptcy court and PG&E's creditors. In June 2001, an agreement was reached between SCE and FPL Energy regarding the qualifying facility contracts with SCE. The agreement with SCE also requires a fixed payment structure over the next five years as well as payment of all outstanding receivables but is conditioned upon, among other things, legislative action in California and completion of SCE's financing plan. No assurance can be given that the conditions to the agreements with PG&E and SCE will be satisfied. FPL Group's earnings exposure relating to past due receivables from these California utilities at June 30, 2001 was approximately $15 million. At June 30, 2001, FPL Energy's net investment in California projects was approximately $290 million. It is impossible to predict what the outcome of the situation in California will be or its effect, if any, on FPL Group's financial statements.

New Accounting Rules - For information concerning FAS 142, which FPL Group will be required to adopt in 2002, see Note 1 - Goodwill and Other Intangible Assets.

LIQUIDITY AND CAPITAL RESOURCES

For financing activity during the six months ended June 30, 2001, see Note 3 - Long-Term Debt. In July 2001, a subsidiary of FPL Energy issued $435 million of 7.52% senior secured bonds maturing in 2019, the proceeds of which will be used in part to reduce FPL Group Capital's commercial paper balance. Principal will be payable in semi-annual installments beginning December 31, 2001.

For information concerning capital commitments and posting of cash collateral, see Note 4 - Commitments.

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PART II - OTHER INFORMATION

Item 1. Legal Proceedings

Reference is made to Item 3. Legal Proceedings in the 2000 Form 10-K for FPL Group and FPL and Part II, Item 1. Legal Proceedings in the March 31, 2001 Form 10-Q for FPL Group and FPL.

In November 1999, the Attorney General of the United States, on behalf of the EPA, brought an action in the U.S. District Court for the Northern District of Georgia against Georgia Power Company and other subsidiaries of The Southern Company for certain alleged violations of the Prevention of Significant Deterioration (PSD) provisions and the New Source Performance Standards (NSPS) of the Clean Air Act. In May 2001, the EPA amended its complaint. The amended complaint alleges, among other things, that Georgia Power Company constructed and is continuing to operate Scherer Unit No. 4, in which FPL owns a 76% interest, without obtaining a PSD permit, without complying with the NSPS requirements, and without applying best available control technology for nitrogen oxides, sulfur dioxide and particulate matter as required by the Clean Air Act. It also alleges that unspecified major modifications have been made at Scherer Unit No. 4 that require its compliance with the aforementioned Clean Air Act provisions. The EPA seeks injunctive relief requiring the installation of best available control technology and civil penalties of up to $25,000 per day for each violation from an unspecified date after June 1, 1975 through January 30, 1997, and $27,500 per day for each violation thereafter. Georgia Power Company has answered the amended complaint, asserting that it has complied with all requirements of the Clean Air Act, denying the plaintiff's allegations of liability, denying that the plaintiff is entitled to any of the relief that it seeks and raising various other defenses. In June 2001, the Court stayed discovery and administratively closed the case pending resolution of the EPA's motion for consolidation of discovery in several Clean Air Act cases that was filed with a MDL panel. The MDL panel has heard oral argument on the motion for consolidation but has not yet ruled on it.

For discussion of litigation filed by SCE with the FERC against partnerships that are partially owned by FPL Energy, see Note 4 - Litigation.

Item 4. Submission of Matters to a Vote of Security Holders

The Annual Meeting of FPL Group's shareholders was held on May 14, 2001. Of the 175,838,735 shares of common stock outstanding on the record date of March 5, 2001, a total of 148,182,117 shares were represented in person or by proxy.

The following directors were elected effective May 14, 2001:

	Votes Cast	
	For	Against or Withheld
H. Jesse Arnelle	137,309,390	10,872,727
Sherry S. Barrat	137,420,056	10,762,061
Robert M. Beall, II	137,404,792	10,777,325
James L. Broadhead	127,817,453	20,364,664
J. Hyatt Brown	137,393,592	10,788,525
Armando M. Codina	137,349,906	10,832,211
Willard D. Dover	137,352,766	10,829,351
Alexander W. Dreyfoos, Jr.	137,423,426	10,758,691
Paul J. Evanson	137,307,240	10,874,877
Frederic V. Malek	137,370,662	10,811,455
Paul R. Tregurtha	137,395,206	10,786,911

Item 5. Other Information

(a) Reference is made to Item 1. Business - FPL Operations - Retail Ratemaking in the 2000 Form 10-K for FPL Group and FPL.

For information regarding FPL's base rate proceeding with the FPSC, see Note 2.

(b) Reference is made to Item 1. Business - FPL Operations - System Capability and Load in the 2000 Form 10-K for FPL Group and FPL.

For information regarding additional purchase power contracts, see Note 4 - Contracts.

On July 30, 2001, FPL set an all-time record for energy peak demand of 18,354 mw. Adequate resources were available at the time of the peak to meet customer demand.

(c) Reference is made to Item 1. Business - FPL Operations - Fuel in the 2000 Form 10-K for FPL Group and FPL.

Based on current projections, FPL will lose its ability to store spent fuel on site for St. Lucie Unit No. 1 in 2005, St. Lucie Unit No. 2 in 2007, Turkey Point Unit No. 3 in 2009 and Turkey Point Unit No. 4 in 2011. In addition, degradation in a material used in the spent fuel pools at St. Lucie Unit No. 1 and Turkey Point Units Nos. 3 and 4 could result in implementation of alternative spent fuel storage options sooner than projected. FPL is pursuing various approaches to expanding spent fuel storage at the sites, including increasing rack space in its existing spent fuel pools and/or developing the capacity to store spent fuel in dry storage containers.

(d) Reference is made to Item 1. Business - FPL Energy Operations in the 2000 Form 10-K for FPL Group and FPL.

For information regarding FPL Energy's California projects, see Item 2. Management's Discussion - Results of Operations - FPL Energy.

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits

Exhibit Number	Description	FPL Group	FPL
4	Officer's Certificate of FPL Group Capital dated May 11, 2001, creating the 6 1/8% Debentures, Series due May 15, 2007	x	
10(a)	FPL Group, Inc. Deferred Compensation Plan, amended and restated effective January 1, 2001	x	
10(b)	Amendment to Employment Agreement between FPL Group, Inc. and Thomas F. Plunkett, dated as of May 7, 2001	x	
12(a)	Computation of Ratio of Earnings to Fixed Charges	x	
12(b)	Computation of Ratios		x

FPL Group agrees to furnish to the Securities and Exchange Commission upon request any instrument with respect to long-term debt that FPL Group has not filed as an exhibit pursuant to the exemption provided by Item 601(b)(4)(iii)(A) of Regulation S-K.

(b) Reports on Form 8-K

A current report on Form 8-K was filed with the Securities and Exchange Commission on April 2, 2001 by FPL Group and FPL filing exhibits under Item 7. Financial Statements and Exhibits.

A current report on Form 8-K was filed with the Securities and Exchange Commission on April 10, 2001 by FPL Group and FPL filing an exhibit under Item 7. Financial Statements and Exhibits and Item 9. Regulation FD Disclosure.

A current report on Form 8-K was filed with the Securities and Exchange Commission on May 18, 2001 by FPL Group and FPL reporting one event under Item 5. Other Events.

A current report on Form 8-K was filed with the Securities and Exchange Commission on June 13, 2001 by FPL Group and FPL reporting one event under Item 5. Other Events.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrants have duly caused this report to be signed on their behalf by the undersigned thereunto duly authorized.

FPL GROUP, INC.
FLORIDA POWER & LIGHT COMPANY
(Registrants)

Date: August 8, 2001

K. MICHAEL DAVIS
K. Michael Davis
Controller and Chief Accounting Officer of FPL Group, Inc.
Vice President, Accounting, Controller and
Chief Accounting Officer of Florida Power & Light Company
(Principal Accounting Officer of the Registrants)

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EXHIBIT 12(a)

FPL GROUP, INC. AND SUBSIDIARIES
COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES

	Six Months Ended June 30, 2001 (millions)
Earnings, as defined:	
Net income	$ 329
Income taxes	165
Fixed charges included in the determination of net income, as below	175
Distributed income of independent power investments	16
Less: Equity in earnings of independent power investments	52
Total earnings, as defined	$ 633
Fixed charges, as defined:	
Interest charges	$ 167
Rental interest factor	5
Fixed charges included in nuclear fuel cost	3
Fixed charges included in the determination of net income	175
Capitalized interest	16
Total fixed charges, as defined	$ 191
Ratio of earnings to fixed charges	3.31

EXHIBIT 12(b)

FLORIDA POWER & LIGHT COMPANY
COMPUTATION OF RATIOS

	Six Months Ended June 30, 2001 (millions)
RATIO OF EARNINGS TO FIXED CHARGES	
Earnings, as defined:	
Net income	$ 287
Income taxes	164
Fixed charges, as below	106
Total earnings, as defined	$ 557
Fixed charges, as defined:	
Interest charges	$ 100
Rental interest factor	3
Fixed charges included in nuclear fuel cost	3
Total fixed charges, as defined	$ 106
Ratio of earnings to fixed charges	5.25

	Six Months Ended June 30, 2001 (millions)
RATIO OF EARNINGS TO COMBINED FIXED CHARGES AND PREFERRED STOCK DIVIDENDS	
Earnings, as defined:	
Net income	$ 287
Income taxes	164
Fixed charges, as below	106
Total earnings, as defined	$ 557
Fixed charges, as defined:	
Interest charges	$ 100
Rental interest factor	3
Fixed charges included in nuclear fuel cost	3
Total fixed charges, as defined	106
Non-tax deductible preferred stock dividends	7
Ratio of income before income taxes to net income	1.57
Preferred stock dividends before income taxes	11
Combined fixed charges and preferred stock dividends	$ 117
Ratio of earnings to combined fixed charges and preferred stock dividends	4.76

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 001148-EI

MINIMUM FILING REQUIREMENTS

FLORIDA POWER & LIGHT COMPANY AND SUBSIDIARIES

SCHEDULE NO. F – 4

SCHEDULE F - 4 FERC AUDIT

FLORIDA PUBLIC SERVICE COMMISSION

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
DOCKET NO. 001148-EI

EXPLANATION: SUPPLY THE RESULTS OF THE MOST RECENT FERC AUDIT FINDING, AND COMPLIANCE STEPS UNDERTAKEN.

TYPE OF DATA SHOWN:

_X_ HISTORIC TEST YEAR ENDED 12/31/00
___PROJECTED TEST YEAR ENDED _____
___PRIOR YEAR ENDED _____
WITNESS: NA

SEE ATTACHMENT 1 (PAGES 1 THROUGH 5) FOR THE MOST RECENT FERC AUDIT FINDING.

SEE ATTACHMENT 2 (PAGES 1 THROUGH 6) FOR COMPLIANCE STEPS.

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SUPPORTING SCHEDULES: RECAP SCHEDULES:

FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

OCA-AD
Docket No. FA91-001-000

JUL 17 1991

RECEIVED
JUL 1 ? 1991
K. M. DAVIS

Florida Power & Light Company
Attention: Mr. K.M. Davis
Comptroller
9250 West Flager Street
Miami, FL 33102

Gentlemen:

The Division of Audits of the Office of Chief Accountant has examined the books and records of Florida Power & Light Company for the period January 1, 1986 through December 31, 1989. The examination was conducted to evaluate compliance with the Commission's accounting and reporting regulations included in the applicable Uniform System of Accounts, Annual Report FERC Form No. 1, and other related regulations. The examination included selective tests of the accounting records, review of the system of internal controls, and other audit tests and procedures considered necessary under the circumstances.

Schedule No. 1 summarizes the cost of electric utility plant and the related accumulated provisions for depreciation and amortization as recorded on your books.

The Division of Audits did recommend corrective action on a matter related to your Company's compliance with the Commission's accounting, financial reporting, and related regulations. The compliance recommendations are shown on Schedule No. 2. The Company agreed to adopt the recommended corrective action. The recommended corrective action is hereby approved and directed.

We note that the Florida Public Service Commission did not respond with any objections to the foregoing matters.

Authority to act is delegated to the Chief Accountant pursuant to 18 C.F.R. § 375.303. This letter order constitutes final agency action on the corrective actions approved and directed in this report. Requests for rehearing by the Commission may be filed within 30 days of the date of issuance of this order, pursuant to 18 C.F.R. § 385.713.

Florida Power & Light Company

The foregoing action is without prejudice to the Commission's right to require hereafter such adjustments as it may consider proper from additional information that may come to its attention.

Russell E. Faudree, Jr.
Chief Accountant

Enclosure

Florida Power & Light Company

Schedule No. 1
Sheet 1 of 1

Summary of the Electric Utility Plant
and Accumulated Depreciation and Amortization
as of December 31, 1989

Account Number	Title	Balance 1/ as of 12/31/85	Net Changes Through 1989	Balance as of 12/31/89
	Electric Utility Plant			
101	Electric Plant in Service	$5,545,771,654	$4,245,093,206	$9,790,864,860
101.1	Property Under Capital Leases	7,589,536	(7,589,536)	-0-
105	Electric Plant Held for Future Use	36,377,821	11,850,850	48,228,671
106	Completed Construction Not Classified	3,030,969,199	(1,980,571,429)	1,050,397,770
107	Construction Work in Progress--Electric	461,399,444	(165,975,983)	295,423,461
120.1	Nuclear Fuel in Process of Refinement, Conversion, Enrichment, and Fabrication	120,947,800	(115,409,388)	5,538,412
120.2	Nuclear Fuel Materials and Assemblies--Stock Account	27,540,210	44,141,178	71,681,388
120.3	Nuclear Fuel Assemblies in Reactor	253,025,802	60,566,688	313,592,490
120.4	Spent Nuclear Fuel	3,076,112	(3,076,112)	-0-
120.5	Accumulated Provision for Amortization of Nuclear Fuel Assemblies	(125,021,150)	307,993,337	182,972,187
120.6	Nuclear Fuel Under Capital Leases	-0-	84,609,335	84,609,335
	Total	$9,361,676,428	$2,481,632,146	$11,843,308,574
	Accumulated Depreciation and Amortization			
108	Accumulated Provision for Depreciation of Electric Utility Plant	$2,229,594,450	$1,570,530,070	$3,800,124,520
111	Accumulated Provision for Amortization of Electric Utility Plant	3,884,210	25,197,563	29,081,773
	Total	$2,233,478,660	$1,595,727,633	$3,829,206,293

1/ Federal Energy Regulatory Commission letter order dated June 4, 1987.

Florida Power & Light Company

Schedule No. 2
Sheet 1 of 2

Compliance Exception

The Company agreed to take the necessary corrective actions on the following compliance matter.

Procedures for calculating the debt and equity components of allowance for funds used during construction (AFUDC)

The Company did not properly determine the cost of long-term debt in computing the maximum rate for allowance for funds used during construction (AFUDC).

Background of Issue

The Company used an AFUDC rate that was approved by the Florida Public Service Commission (FPSC). The rate the Company used was consistently lower than the maximum AFUDC rate permitted under Electric Plant Instruction No. 3(17).

The Company used the following procedures to determine the long-term debt component of its AFUDC rate for assigning amounts to Account 432, Allowance for Borrowed Funds Used During Construction.

> It used the simple "Coupon" interest and added the amortization of debt discount, premium, and expense and the amortization of gains or losses on reacquisition of debt to arrive at an annualized interest requirements. The Company divided this amount by the sum of the principal amount of each issue outstanding plus the unamortized debt discount, gain, or loss on required debt.

Commission Accounting Requirements

Electric Plant Instruction (EPI) No. 3(17) sets forth the procedures for determining AFUDC. EPI No. 3(17) (B) states in part:

> The rates shall be determined annually. The balances for long-term debt, preferred stock and common equity shall be the actual book balances as of the end of the prior year. The cost rates for long-term debt and preferred stock shall be the weighted average cost determined in § 35.13 of the Commission's Regulations Under the Federal Power Act. . . .

Section 35.13(h)(22)ii Debt capital of the Commission's Regulations states in part:

> (A) . . .The weighted cost is calculated by:
>
> (1) Multiplying the cost of money for each issue under

clause (B)(6) below by the principal amount outstanding for each issue, which yields the annualized cost for each issue; and

(2) adding the annual cost of each issue to obtain the total for all issues, which is divided by the total principal amount outstanding for all issues to obtain the weighted cost for all issues. . . .

(B)(6) Cost of money, which is the yield to maturity at issuance based on the interest rate and net proceeds to the utility determined by reference to any generally accepted table of bond yields; . . . .

Also, Section 35 requires filing utilities to use 13 monthly balances for each period (Period I and Period II).

The Uniform System of Accounts contemplates that when less than the maximum AFUDC rate is used, a company should compute the allowance for borrowed funds included in Account 432 as though it used the maximum AFUDC rate. The company should assign the remainder of the AFUDC as derived from other funds included in Account 419.1, Allowance for Other Funds Used During Construction.

Conclusions

For each year under audit the Company's procedures for determining the debt component for the maximum allowable AFUDC rate resulted in a slightly higher debt cost than that calculated in accordance with the method prescribed in Section 35.13 of the Commission's regulations and EPI No. 3(17). Although the Company did not overcapitalize AFUDC in total, it did incorrectly assign the total AFUDC between Accounts 432 and 419.1.

The Company's incorrect assignment of AFUDC between Accounts 432 and 419.1 did not affect the calculation of income taxes, since the Company provided deferred income taxes based on the debt costs associated with the AFUDC rate approved by the FPSC.

Recommendations

We recommended that the Company:

(1) revise procedures for determining the debt and equity components of the AFUDC rate to comply with EPI No. 3(17) and Section 35.13 of the Commission's Regulations under the Federal Power Act; and

(2) record memorandum entries to correct the assignment of debt and equity AFUDC between Accounts 432 and 419.1.

FPL

Inter-Office Correspondence

To: FILES

Date: August 9, 1991

From: Regulatory Accounting

SUBJECT: FERC COMPLIANCE EXCEPTION

CONCLUSIONS OF FERC COMPLIANCE EXCEPTION

For each year under audit the Company's procedures for determining the debt component for the maximum allowable AFUDC rate resulted in a slightly higher debt cost than that calculated in accordance with the method prescribed in Section 35.13 of the Commission's regulations and EPI No. 3(17). Although the Company did not overcapitalize AFUDC in total, it did incorrectly assign the total AFUDC between Accounts 432 and 419.1.

The Company's incorrect assignment of AFUDC between Accounts 432 and 419.1 did not affect the calculation of income taxes, since the Company provided deferred income taxes based on the debt cost associated with the AFUDC rate approved by the FPSC.

FERC RECOMMENDATIONS

(1) revise procedures for determining the debt and equity components of the AFUDC rate to comply with EPI No. 3(17) and Section 35.13 of the Commission's Regulations under the Federal Power Act; and

(2) record memorandum entries to correct the assignment of debt and equity AFUDC between Accounts 432 and 419.1.

IMPLEMENTATION

Attachment I is the new procedure to be followed when calculating the FERC AFUDC rate and the appropriate debt/equity splits.

Attachment II is the memorandum entries to correct the assignment of debt and equity AFUDC for years 1986 through 1989.

Don Babka

D.L. Babka
Manger of Regulatory Accounting

FERC COMPLIANCE AUDIT
ATTACHMENT I

PROCEDURES
CALCULATION OF THE FERC AFUDC RATE

Allowance for funds used during construction includes the net cost of borrowed funds used for construction purposes and a reasonable rate on other funds when used. The actual rate used to captialize AFUDC is not to exceed by more than .25% the rate calculated using the formula prescribed by the Federal Energy Regulatory Commission. The formula and elements for the computation of the allowance for funds used during construction rate are:

$$Ai=s(S/W)+d(D/D+P+C)(1-S/W)$$
$$Ae=[1-S/W][p(P/D+P+C)+c(C/D+P+C)]$$

Ai=Gross allowance for borrowed funds used during construction rate.
Ae=Allowance for other funds used during construction rate.
S=Average short-term debt.
s=short-term debt interest rate.
D=Long-term debt.
d=Long-term debt interest rate.
P=Preferred stock
p=Preferred stock cost rate.
C=Common equity.
c=Common equity cost rate.
W=Average balance in construction work in progress plus nuclear fuel in process of refinement, conversion, enrichment and fabrication.

The rate for the Allowance for Funds used during Construction(AFUDC) will be calculated annually. The balance for long-term debt, preferred stock and common equity shall be the actual book balances as of the end of the prior year. The cost rates for long-term debt and preferred stock shall be the weighted average cost determined in the manner indicated in Section 35.13 of the FERC's Regulations Under the Federal Power Act.

LONG-TERM DEBT — Long-term debt balance shall be made up of the following accounts:

181 UNAMORTIZED DEBT EXPENSE
189 LOSS ON REACQUIRED DEBT
221 BONDS
224 OTHER LONG-TERM DEBT
225 UNAMORTIZED PREMIUM
226 UNAMORTIZED DISCOUNT
257 GAINS ON REACQUIRED DEBT

FERC COMPLIANCE AUDIT
ATTACHMENT I

LONG-TERM(CONT.)	The long-term cost rate for long-term debt shall be the weighted cost for all issues as of the end of the prior year. The weighted cost is calculated by: (1) Multiplying the cost of money (calculated by using the yield to maturity method at issuance based on the interest rate and net proceeds to the utility) for each issue by the principal amount outstanding for each issue, which yields the annualized cost for each issue: and (2) adding the annualized cost of each issue to obtain the total for all issues, which is divided by the total principal amount outstanding for all issues to obtain the weighted cost for all issues.
PREFERRED STOCK	Preferred stock balance shall be made up of the following accounts: 204 PREFERRED STOCK The cost rate for preferred stock shall be the weighted cost calculated at the end of the prior year. The weighted cost is calculated by:(1) Multiplying the cost of money (calculated by dividing the dividend rate by the ratio of net proceeds to gross proceeds for each issue) for each issue by the par amount outstanding for each issue, which yields the annualized cost for each issue, and (2) adding the annualized cost of each issue to obtain the total for all issues which is divided by the total par amount outstanding for all issues to obtain the weighted cost for all issues.

FERC COMPLIANCE AUDIT
ATTACHMENT I

COMMON EQUITY

Common equity balance shall be made up of the following accounts:

201 COMMON STOCK ISSUED
202 COMMON STOCK SUBSCRIBED
207 PREMIUM ON CAPITAL
211 MISCELLANEOUS PAID -IN CAPITAL
213 DISCOUNT ON CAPITAL STOCK
214 CAPITAL STOCK EXPENSE
215 APPROPRIATED RETAINED EARNINGS
216 UNAPPROPRIATED RETAINED EARNINGS

The cost rate for common equity shall be the most recent rate granted common equity by the Florida Public Service Commission.

SHORT-TERM DEBT AND CONSTRUCTION WORK IN PROGRESS

The short-term debt balances and related cost and the average balances for construction work in progress plus nuclear fuel in process of refinement, conversion, enrichment, and fabrication shall be estimated for the current year with appropriate adjustments as actual data becomes available. The actual for short term debt and construction for each month will be used to recalculate the rate each quarter. If it appears that the actual short-term or CWIP balances will cause a significant deviation in the rate from the estimate, then the rate should be changed. A significant deviation would occur if the gross AFUDC rate calculated at the beginning of the period exceeds by more than 25 basis points the rate that is derived from the formula by the use of actual thirteen monthly balances of CWIP and the weighted average cost and balances for short-term debt outstanding during the year.

FERC COMPLIANCE AUDIT
ATTACHMENT I

CALCULATION OF THE DEBT/EQUITY SPLIT FOR RECORDING TO ACCOUNT 419.1 AND 432

The debt/equity split recorded in Account 419.1, Allowance for Other Funds Used During Construction and Account 432, Allowance for Borrowed Funds Used During Construction, for financial reporting purposes shall be based on the FERC formula. The Company accrues AFUDC on the rate approved by the FPSC, but the debt component credited to Account 432 will be calculated using the debt component based on the FERC formula. The remainder will be credited to Account 419.1.

For purposes of calculating deferred taxes on the debt component of AFUDC, the debt component of the FPSC gross rate will be used. Deferred taxes will be provided at the current tax rate times the FPSC debt component.

FERC COMPLIANCE AUDIT
ATTACHMENT II

MEMORANDUM ENTRIES

YEAR ENDING DECEMBER 31, 1986

432.0	Allow for borrowed funds during const.	494,191	
419.1	Allow for other funds during const.		494,191

To record the adjustment to the debt and equity components of AFUDC for the year 1986.

YEAR ENDING DECEMBER 31, 1987

419.1	Allow for other funds during const.	754,038	
432.0	Allow for borrow. funds during const.		754,038

To record the adjustment to the debt and equity components of AFUDC for the year 1987.

YEAR ENDING DECEMBER 31, 1988

432.0	Allow for borrowed funds during const.	458,201	
419.1	Allow for other funds during const.		458,201

To record the adjustment to the debt and equity components of AFUDC for the year 1988.

YEAR ENDING DECEMBER 31, 1989

419.1	Allow for other funds during const.	218,388	
432.0	Allow for borrow. funds during const.		218,388

To record the adjustment to the debt and equity components of AFUDC for the year 1989.

BEFORE THE
FLORIDA PUBLIC SERVICE
COMMISSION

DOCKET NO. 001148-EI

MINIMUM FILING REQUIREMENTS

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES

SCHEDULE NO. F – 5

FLORIDA PUBLIC SERVICE COMMISSION

FLORIDA POWER & LIGHT COMPANY AND SUBSIDIARIES

DOCKET NO. 001148-EI

EXPLANATION: PROVIDE A SCHEDULE OF DIRECTORS OF COMPANY SHOWING 1) NAME; 2) PRINCIPAL BUSINESS ADDRESS; 3) DATE TERM BEGAN; 4) DATE TERM EXPIRES; 5) NUMBER OF DIRECTORS MEETINGS ATTENDED IN THE TEST YEAR; AND 6) FEES RECEIVED DURING THE TEST. IF THE TEST YEAR IS PROJECTED, USE THE PRIOR YEAR DATA FOR COLUMN 6 AND 7.

TYPE OF DATA SHOWN:

__HISTORICAL TEST YEAR ENDED _/_/_
__PROJECTED TEST YEAR ENDED _/_/_
_X_PRIOR YEAR ENDED 12/31/01
WITNESS: N/A

(2) NAME	(3) PRINCIPAL BUSINESS ADDRESS	(4) DATE TERM BEGAN	(5) DATE TERM EXPIRES	(6) NUMBER OF MEETINGS ATTENDED 12 MONTHS ENDED 12/31/01	(7) FEES RECEIVED
FLORIDA POWER & LIGHT COMPANY					
James L. Broadhead	700 Universe Boulevard Juno Beach, Florida 33408	01-01-89	Next Annual Shareholders Meeting, when scheduled	15*	None
Dennis P. Coyle	700 Universe Boulevard Juno Beach, Florida 33408	01-01-90	Next Annual Shareholders Meeting, when scheduled	13**	None
Paul J. Evanson	700 Universe Boulevard Juno Beach, Florida 33408	12-07-92	Next Annual Shareholders Meeting, when scheduled	13**	None
Thomas F. Plunkett	700 Universe Boulevard Juno Beach, Florida 33408	03-01-96	Retired on 6/4/01	5	None
Lawrence J. Kelleher	700 Universe Boulevard Juno Beach, Florida 33408	05-08-90	Next Annual Shareholders Meeting, when scheduled	13**	None
Armando J. Olivera	9250 West Flagler Street Miami, Florida 33174	07-01-99	Next Annual Shareholders Meeting, when scheduled	13**	None
Antonio Rodriguez	700 Universe Boulevard Juno Beach, Florida 33408	07-01-99	Next Annual Shareholders Meeting, when scheduled	13**	None
* 10 projected meetings from May 31, 2001 to December 31, 2001					
** 8 projected meetings from May 31, 2001 to December 31, 2001					
FPL ENERSYS, INC.					
Paul J. Evanson	700 Universe Boulevard Juno Beach, Florida 33408	09-15-93	Next Annual Shareholders Meeting, when scheduled	1*	None
William W. Hamilton	9250 West Flagler Street Miami, Florida 33174	07-27-95	Next Annual Shareholders Meeting, when scheduled	1*	None
* 1 projected meeting from May 31, 2001 to December 31, 2001					

SUPPORTING SCHEDULES: RECAP SCHEDULES:

FLORIDA PUBLIC SERVICE COMMISSION

FLORIDA POWER & LIGHT COMPANY AND SUBSIDIARIES

DOCKET NO. 001148-EI

EXPLANATION: PROVIDE A SCHEDULE OF DIRECTORS OF COMPANY SHOWING 1) NAME; 2) PRINCIPAL BUSINESS ADDRESS; 3) DATE TERM BEGAN; 4) DATE TERM EXPIRES; 5) NUMBER OF DIRECTORS MEETINGS ATTENDED IN THE TEST YEAR; AND 6) FEES RECEIVED DURING THE TEST. IF THE TEST YEAR IS PROJECTED, USE THE PRIOR YEAR DATA FOR COLUMN 6 AND 7.

TYPE OF DATA SHOWN:

__HISTORICAL TEST YEAR ENDED _/_/_
__PROJECTED TEST YEAR ENDED _/_/_
_X_PRIOR YEAR ENDED 12/31/01
WITNESS: N/A

(2) NAME	(3) PRINCIPAL BUSINESS ADDRESS	(4) DATE TERM BEGAN	(5) DATE TERM EXPIRES	(6) NUMBER OF MEETINGS ATTENDED 12 MONTHS ENDED 12/31/01	(7) FEES RECEIVED
FPL ENERGY SERVICES II, INC.					
Paul J. Evanson	700 Universe Boulevard Juno Beach, Florida 33408	10-30-96	Next Annual Shareholders Meeting, when scheduled	1*	None
William W. Hamilton	9250 West Flagler Street Miami, Florida 33174	10-30-96	Next Annual Shareholders Meeting, when scheduled	1*	None
* 1 projected meeting from May 31, 2001 to December 31, 2001					
FPL HISTORICAL MUSEUM, INC.					
William W. Hamilton	9250 West Flagler Street Miami, Florida 33174	12-01-95	Next Annual Shareholders Meeting, when scheduled	2*	None
James E. Scalf	700 Universe Boulevard Juno Beach, Florida 33408	07-01-99	Retired on 2/28/01	1	None
Armando J. Olivera	9250 West Flagler Street Miami, Florida 33174	04-14-95	Next Annual Shareholders Meeting, when scheduled	2*	None
Mary Lou Kromer	700 Universe Boulevard Juno Beach, Florida 33408	01-20-98	Next Annual Shareholders Meeting, when scheduled	2*	None
James K. Peterson	700 Universe Boulevard Juno Beach, Florida 33408	07-01-99	Next Annual Shareholders Meeting, when scheduled	1**	None
* 1 projected meeting from May 31, 2001 to December 31, 2001					
** 1 projected meeting from May 31, 2001 to December 31, 2001					

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SUPPORTING SCHEDULES:

RECAP SCHEDULES:

FLORIDA PUBLIC SERVICE COMMISSION

FLORIDA POWER & LIGHT COMPANY AND SUBSIDIARIES

DOCKET NO. 001148-EI

EXPLANATION: PROVIDE A SCHEDULE OF DIRECTORS OF COMPANY SHOWING 1) NAME; 2) PRINCIPAL BUSINESS ADDRESS; 3) DATE TERM BEGAN; 4) DATE TERM EXPIRES; 5) NUMBER OF DIRECTORS MEETINGS ATTENDED IN THE TEST YEAR; AND 6) FEES RECEIVED DURING THE TEST. IF THE TEST YEAR IS PROJECTED, USE THE PRIOR YEAR DATA FOR COLUMN 6 AND 7.

TYPE OF DATA SHOWN:

___HISTORICAL TEST YEAR ENDED __/__/__
___PROJECTED TEST YEAR ENDED __/__/__
_X_PRIOR YEAR ENDED 12/31/01
WITNESS: N/A

(2) NAME	(3) PRINCIPAL BUSINESS ADDRESS	(4) DATE TERM BEGAN	(5) DATE TERM EXPIRES	(6) NUMBER OF MEETINGS ATTENDED 12 MONTHS ENDED 12/31/01	(7) FEES RECEIVED
KPB FINANCIAL CORP.					
Sean S. Macpherson	40 West 57th Street New York, NY 10019	11-17-93	Next Annual Shareholders Meeting, when scheduled	1*	None
Robert J. Reger, Jr.	40 West 57th Street New York, NY 10019	11-17-93	Next Annual Shareholders Meeting, when scheduled	1*	None
Barbara M. Morris	919 N. Market Street Wilmington, DE 19801	05-31-98	Next Annual Shareholders Meeting, when scheduled	1*	None
* 1 projected meeting from May 31, 2001 to December 31, 2001					
GRIDFLORIDA LLC					
Board of Managers:					
C. Martin Mennes	4200 West Flagler Street Miami, Florida 33134	03-08-01	Removed only by the Member that appointed him	4*	None
Gregory J. Ramon	702 N. Franklin Street Tampa, FL 33602	03-08-01	Removed only by the Member that appointed him	4*	None
Henry I. Southwick	6565 38th Street N. St. Petersburg, FL 33710	03-08-01	Removed only by the Member that appointed him	4*	None
* 1 projected meeting from May 31, 2001 to December 31, 2001					

SUPPORTING SCHEDULES: RECAP SCHEDULES:

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 001148-EI

MINIMUM FILING REQUIREMENTS

FLORIDA POWER & LIGHT COMPANY AND SUBSIDIARIES

SCHEDULE NO. F – 6

SCHEDULE F - 6

OFFICERS AND AFFILIATED COMPANIES OR SUBSIDIARIES

FLORIDA PUBLIC SERVICE COMMISSION

FLORIDA POWER & LIGHT COMPANY AND SUBSIDIARIES

DOCKET NO. 001148-EI

EXPLANATION: PROVIDE A SCHEDULE OF OFFICERS OF AFFILIATED COMPANIES OR SUBSIDIARIES WHICH PROVIDE GOODS OR SERVICES TO THE APPLICANT OR ITS AFFILIATES SHOWING, 1) TITLE; 2) NAME; AND 3) PRINCIPAL BUSINESS ADDRESS.

TYPE OF DATA SHOWN:

___HISTORICAL TEST YEAR ENDED __/__/__
___PROJECTED TEST YEAR ENDED __/__/__
_X_PRIOR YEAR ENDED 12/31/01
WITNESS: NA

(1) LINE NO.	(2) TITLE	(3) NAME	(4) PRINCIPAL BUSINESS ADDRESS

SEE ATTACHMENT 1 FOR TITLE AND NAME OF OFFICERS

THE PRINCIPAL BUSINESS ADDRESS OF ALL OFFICERS IS 700 UNIVERSE BLVD., JUNO BEACH, FLORIDA 33408

The attached list of officers is current through 9/5/01. The Applicant cannot project changes to the end of 2001.

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SUPPORTING SCHEDULES:

RECAP SCHEDULES:

Section I
FPL GROUP, INC. AND WHOLLY OWNED SUBSIDIARIES

Directors and Officers List

FPL Group, Inc

FPL Group, Inc.
(Holding Company)

A Florida Corporation

Directors	Officers	
H. Jesse Arnelle	James L. Broadhead	Chairman of the Board
Sherry S. Barrat	Lewis Hay III	President and Chief Executive Officer
Robert M. Beall, II	Dennis P. Coyle	General Counsel and Secretary
James L. Broadhead	Moray P. Dewhurst	Vice President, Finance and Chief Financial Officer
J. Hyatt Brown	James P. Higgins	Vice President, Tax
Armando M. Codina	Lawrence J. Kelleher	Vice President, Human Resources
Willard D. Dover	Mary Lou Kromer	Vice President, Corporate Communications
Alexander W. Dreyfoos, Jr.	Robert L. McGrath	Treasurer
Paul J. Evanson	K. Michael Davis	Controller, and Chief Accounting Officer
Lewis Hay III	Paul I. Cutler	Assistant Treasurer and Assistant Secretary
Frederic V. Malek	M. Beth Farr	Assistant Controller
Paul R. Tregurtha	Frank V. Isabella	Assistant Controller
	Judith J. Kahn	Assistant Treasurer and Assistant Secretary
	Joaquin E. Leon	Assistant Secretary
	James K. Peterson	Assistant Secretary
	Edward F. Tancer	Assistant Secretary

Florida Power & Light Company

Florida Power & Light Company
(Subsidiary of FPL Group, Inc.)

A Florida Corporation

Directors	Officers	
James L. Broadhead	James L. Broadhead	Chairman of the Board and Chief Executive Officer
Dennis P. Coyle	Paul J. Evanson	President
Paul J. Evanson	Dennis P. Coyle	General Counsel and Secretary
Lewis Hay III	Moray P. Dewhurst	Senior Vice President, Finance & Chief Financial Officer
Lawrence J. Kelleher	Lawrence J. Kelleher	Senior Vice President, Human Resources & Corporate Services
Armando J. Olivera	Armando J. Olivera	Senior Vice President, Power Systems
Antonio Rodriguez	Antonio Rodriguez	Senior Vice President, Power Generation Division
John A. Stall	John A. Stall	Senior Vice President, Nuclear Division
	Robert L. McGrath	Treasurer
	Adalberto Alfonso	Vice President, Operations
	John J. Cusick	Vice President, Integrated Supply Chain
	K. Michael Davis	Vice President, Accounting, Controller & Chief Accounting Officer
	William A. Fries	Vice President, Engineering and Technical Services
	William W. Hamilton	Vice President, Customer Service
	James P. Higgins	Vice President, Tax
	Donald E. Jernigan	Vice President, St. Lucie Nuclear Station
	Dennis M. Klinger	Vice President, Information Management
	Mary Lou Kromer	Vice President, Corporate Communications
	Rajiv S. Kundalkar	Vice President, Nuclear Engineering
	Sidney H. Levin	Vice President, Corporate and External Affairs
	C. Martin Mennes	Vice President, Transmission Operations and Planning
	William G. Walker, III	Vice President, Regulatory Affairs
	Michael M. Wilson	Vice President, Government Affairs
	John M. Chism	Assistant Secretary
	Paul I. Cutler	Assistant Treasurer and Assistant Secretary
	M. Beth Farr	Assistant Controller
	Jean G. Howard	Assistant Secretary
	Frank V. Isabella	Assistant Controller
	Judith J. Kahn	Assistant Treasurer
	Paul A. Karns	Assistant Secretary
	Joaquin E. Leon	Assistant Secretary
	Jay W. Molyneaux	Assistant Secretary
	James K. Peterson	Assistant Secretary
	Edward F. Tancer	Assistant Secretary

FPL Group Capital Inc
(Subsidiary of FPL Group, Inc.)
A Florida Corporation

Directors	Officers	
James L. Broadhead	James L. Broadhead	President and CEO
Lewis Hay, III	Lewis Hay, III	Vice President and Chief Financial Officer
Robert L. McGrath	Robert L. McGrath	Vice President, Treasurer and Assistant Secretary
	K. Michael Davis	Controller and CAO
	Dennis P. Coyle	Secretary
	Paul I. Cutler	Assistant Treasurer and Assistant Secretary
	Frank V. Isabella	Assistant Controller
	Edward F. Tancer	Assistant Secretary

FPL Energy, LLC **09/09/99**
(Member: FPL Group Capital Inc)
A Delaware Limited Liability Company

Manager	Officers	
	James L. Broadhead	Chairman of the Board
	Lewis Hay III	President
	Michael O'Sullivan	Senior Vice President
	Robert L. McGrath	Vice President, Finance, Chief Financial Officer
	Dennis C. Corn	Vice President
	Roberto R. Denis	Vice President
	Robert P. Fritz	Vice President
	Derrel A. Grant	Vice President
	James A. Keener	Vice President
	Michael L. Leighton	Vice President; Business Management
	Charles J. Muoio	Vice President
	John W. Stanton	Vice President
	Paul I. Cutler	Treasurer
	Mark R. Sorensen	Controller
	Dennis P. Coyle	Secretary
	Edward F. Tancer	Assistant Secretary

CAS Investments, Inc.
(Subsidiary of FPL Group Capital Inc)
A Delaware Corporation

Directors	Officers	
Patrick M. Bryan	Barbara M. Morris	President
Judith J. Kahn	Patrick M. Bryan	Vice President and Secretary
Barbara M. Morris	Judith J. Kahn	Treasurer

EDMpro.com, Inc.. **04/17/00**
(Subsidiary of FPL Energy Services, Inc.)
A Delaware Corporation

Directors	Officers	
Paul J. Evanson	William W. Hamilton	President
William W. Hamilton	Marlene Santos	Vice President
	Dennis P. Coyle	Treasurer and Secretary

FPL Energy Services, Inc.
(Subsidiary of FPL Group Capital Inc)
A Florida Corporation

Directors	Officers	
Paul J. Evanson	William W. Hamilton	President
William W. Hamilton	C. Dennis Brandt	Vice President
	John R. Haney	Vice President
	Robert L. McGrath	Treasurer
	Dennis P. Coyle	Secretary

FPL Group Holdings 1, Inc.
(Subsidiary of FPL Group Capital Inc)
A Florida Corporation

Directors	Officers	
Dennis P. Coyle	Dennis P. Coyle	President and Secretary
	Robert L. McGrath	Treasurer

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FPL Group Holdings 2, Inc.
(Subsidiary of FPL Group Capital Inc)
A Florida Corporation

Directors	Officers	
Dennis P. Coyle	Dennis P. Coyle	President and Secretary
	Robert L. McGrath	Treasurer

FPL Investments Inc
(Subsidiary of FPL Group Capital Inc)
Formerly: **Fuel Supply Services, Inc.**
03/04/86
A Florida Corporation

Directors	Officers	
Lewis Hay III	Lewis Hay III	President
Michael L. Leighton	Michael L. Leighton	Vice President
Robert L. McGrath	Robert L. McGrath	Treasurer and Controller
	Dennis P. Coyle	Secretary
	Rita W. Costantino	Assistant Secretary
	Edward F. Tancer	Assistant Secretary

HJT Holdings, Inc.
(Subsidiary of FPL Group Capital Inc)
A Delaware Corporation

Directors	Officers	
Sean S. Macpherson	Barbara M. Morris	President
Barbara M. Morris	Robert J. Reger, Jr.	Vice President and Secretary
Robert J. Reger, Jr.	Sean S. Macpherson	Treasurer

LCR Holdings, Inc.
(Subsidiary of FPL Group Capital Inc)
A Delaware Corporation

Directors	Officers	
Sean S. Macpherson	Barbara M. Morris	President
Barbara M. Morris	Robert J. Reger, Jr.	Vice President and Secretary
Robert J. Reger, Jr.	Sean S. Macpherson	Treasurer

Palms Insurance Company, Limited
(Subsidiary of FPL Group Capital Inc)
A Cayman Island Corporation

Directors	Officers	
Keith S. Kennedy	Keith S. Kennedy	President and CEO
Robert L. McGrath	Ani M. Borgmeyer	Vice President
	Robert L. McGrath	Treasurer and Assistant Secretary

Praxis Group, Inc.
(Subsidiary of FPL Group Capital Inc)
A Delaware Corporation

Directors	Officers	
Dennis P. Coyle	Dennis P. Coyle	President and Secretary
	Robert L. McGrath	Treasurer

QualTec Professional Services, Inc.
(Subsidiary of FPL Group Capital Inc)
A Florida Corporation

Directors	Officers	
Dennis P. Coyle	Dennis P. Coyle	President and Secretary
Lawrence J. Kelleher	Robert L. McGrath	Treasurer
Robert L. McGrath		

EMB Investments, Inc.
(Subsidiary of SRM Investments, L.P.)
A Delaware Corporation

Directors	Officers	
Sean S. Macpherson	Barbara M. Morris	President
Barbara M. Morris	Robert J. Reger, Jr.	Vice President and Secretary
Robert J. Reger, Jr.	Sean S. Macpherson	Treasurer

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FPL Group Foundation, Inc.
(Subsidiary of FPL Group, Inc.)
A Florida Corporation

Directors	Officers	
James L. Broadhead	James L. Broadhead	Chairman of the Board
Dennis P. Coyle	Paul J. Evanson	President and Treasurer
Paul J. Evanson	Lawrence J. Kelleher	Vice President
	Dennis P. Coyle	Secretary

FPL Enersys, Inc.
(Subsidiary of Florida Power & Light Company)
A Florida Corporation

Directors	Officers	
Paul J. Evanson	William W. Hamilton	President
William W. Hamilton	Robert L. McGrath	Treasurer and Assistant Secretary
	Dennis P. Coyle	Secretary

FPL Historical Museum, Inc.
(Subsidiary of Florida Power & Light Company)
A Florida Corporation

Directors	Officers	
William W. Hamilton	William W. Hamilton	President
Mary Lou Kromer	Armando J. Olivera	Treasurer and Secretary
Armando J. Olivera		
James K. Peterson		

KPB Financial Corp.
(Subsidiary of Florida Power & Light Company)
A Delaware Corporation

Directors	Officers	
Sean S. Macpherson	Barbara M. Morris	President
Barbara M. Morris	Sean S. Macpherson	Treasurer
Robert J. Reger, Jr.	Robert J. Reger, Jr.	Secretary

FPL Thermal Systems, Inc.
(Subsidiary of FPL Energy Services, Inc.)
07/30/98
A Florida Corporation

Directors	Officers	
Paul J. Evanson	William W. Hamilton	President
William W. Hamilton	Robert L. McGrath	Treasurer and Assistant Secretary
	Dennis P. Coyle	Secretary

FPL Energy Services II, Inc.
(Subsidiary of FPL Enersys, Inc.)
A Florida Corporation

Directors	Officers	
Paul J. Evanson	William W. Hamilton	President
William W. Hamilton	Robert L. McGrath	Treasurer and Assistant Secretary
	Dennis P. Coyle	Secretary

Ranger Acquisition Corp.
(Subsidiary of WCB Holding Corp.)
07/26/00
A Florida Corporation

Directors	Officers	
Dennis P. Coyle	Lewis Hay III	President
Lewis Hay III	Edward F. Tancer	Vice President and Treasurer
Edward F. Tancer	Dennis P. Coyle	Vice President and Secretary

WCB Holding Corp.
(Subsidiary of FPL Group, Inc. and Entergy Corporation)
07/25/00
A Delaware Corporation

Directors	Officers	
Dennis P. Coyle	Lewis Hay III	President
Lewis Hay III	Dennis P. Coyle	Vice President and Secretary
Michael G. Thompson	C. John Wilder	Vice President and Treasurer
C. John Wilder		

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West Boca Security, Inc.
(Subsidiary of Cable GP, Inc.)

A Delaware Corporation

Directors	Officers	
James P. Higgins	Barbara M. Morris	President
Judith K. Kahn	James P. Higgins	Vice President
Barbara M. Morris	Judith J. Kahn	Treasurer
	Patrick M. Bryan	Secretary

Turner Foods Corporation
(Subsidiary of FPL Group Capital Inc)

A Florida Corporation

Directors	Officers	
James L. Broadhead	Lawrence J. Kelleher	President
Dennis P. Coyle	Robert L. McGrath	Treasurer
Lawrence J. Kelleher	Dennis P. Coyle	Secretary

Alandco Inc.
(Subsidiary of FPL Group Capital Inc)

A Florida Corporation

Directors	Officers	
Dennis P. Coyle	Lawrence J. Kelleher	President and CEO
Lawrence J. Kelleher	Stephen M. Collins	Vice President, CFO and Assistant Secretary
	Robert L. McGrath	Treasurer
	Dennis P. Coyle	Secretary
	Frank V. Isabella	Assistant Controller

Alandco I, Inc.
(Subsidiary of Alandco Inc.)

A Florida Corporation

Directors	Officers	
Dennis P. Coyle	Lawrence J. Kelleher	President
Lawrence J. Kelleher	Stephen M. Collins	Vice President, Assistant Secretary
	Robert L. McGrath	Treasurer
	Dennis P. Coyle	Secretary

Alandco/Cascade, Inc.
(Subsidiary of Alandco Inc.)

A Florida Corporation

Directors	Officers	
Dennis P. Coyle	Lawrence J. Kelleher	President
Lawrence J. Kelleher	Stephen M. Collins	Vice President, Assistant Secretary
	Robert L. McGrath	Treasurer
	Dennis P. Coyle	Secretary

Alpha Joshua (Prime), Inc.
(Subsidiary of ESI Energy, LLC)

10/10/89
A California Corporation

Directors	Officers	
Lewis Hay III	Lewis Hay III	President
Michael L. Leighton	Michael L. Leighton	Vice President
Robert L. McGrath	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

Alpha Mariah (Prime), Inc.
(Ownership Through State Street Bank & Trust Company of California as Owner Trustee for ESI Energy, LLC)

12/07/90
A California Corporation

Directors	Officers	
Lewis Hay III	Lewis Hay III	President
Michael L. Leighton	Michael L. Leighton	Vice President
Robert L. McGrath	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

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Androscoggin Reservoir Company
(Subsidiary of FPL Energy Maine Hydro LLC)

A Maine Corporation

Directors	Officers	
Gary M. Curtis	Lewis Hay III	Chairman of the Board and President
Stephen W. Groves	F. Allen Wiley	Vice President
Lewis Hay III	Robert L. McGrath	Treasurer
Donald Mercier	Edward F. Tancer	Secretary
William J. Nadeau	Nathan Smith	Clerk
	Peter Bragdon	Agent and Engineer

BAC Investment Corp.
(Subsidiary of FPL Energy, LLC)

12/11/98
A Delaware Corporation

Directors	Officers	
James P. Higgins	Barbara M. Morris	President
Judith J. Kahn	Patrick M. Bryan	Vice President and Secretary
Barbara M. Morris	Judith J. Kahn	Treasurer

Beta Mariah (Prime), Inc.
(Ownership through State Street Bank & Trust Company of California as Owner Trustee for ESI Energy, LLC)

12/07/90
A California Corporation

Directors	Officers	
Lewis Hay III	Lewis Hay III	President
Michael L. Leighton	Michael L. Leighton	Vice President
Robert L. McGrath	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

Beta Willow (Prime), Inc.
(Subsidiary of ESI Energy, LLC)

10/10/89
A California Corporation

Directors	Officers	
Lewis Hay III	Lewis Hay III	President
Michael L. Leighton	Michael L. Leighton	Vice President
Robert L. McGrath	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

CH Ormesa, Inc.
(Subsidiary of ESI California Holdings, Inc.)

03/16/92
A Florida Corporation

Directors	Officers	
Lewis Hay III	Lewis Hay III	President
Michael L. Leighton	James A. Keener	Vice President
Robert L. McGrath	Michael L. Leighton	Vice President
	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

CH Ormesa LP, Inc.
(Subsidiary of ESI California Holdings, Inc.)

03/16/92
A Florida Corporation

Directors	Officers	
Lewis Hay III	Lewis Hay III	President
Michael L. Leighton	Michael L. Leighton	Vice President
Robert L. McGrath	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

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CH POSDEF, INC. **06/25/92**
(Subsidiary of ESI California Holdings, Inc.) A Florida Corporation

Directors	Officers	
Lewis Hay III	Lewis Hay III	President
Michael L. Leighton	James A. Keener	Vice President
Robert L. McGrath	Michael L. Leighton	Vice President
	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary
	Stephen H. Ponder	Assistant Secretary

CH POSDEF LP, INC. **06/25/92**
(Subsidiary of ESI California Holdings. Inc.) A Florida Corporation

Directors	Officers	
Lewis Hay III	Lewis Hay III	President
Michael L. Leighton	Michael L. Leighton	Vice President
Robert L. McGrath	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary
	Stephen H. Ponder	Assistant Secretary

Cherokee County Cogeneration Corp. **12/19/96**
(Subsidiary of ESI Cherokee Holdings, Inc.) A Delaware Corporation

Directors	Officers	
Lewis Hay III	Lewis Hay III	President
Michael L. Leighton	Michael L. Leighton	Vice President
Robert L. McGrath	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

Doswell I, Inc. **02/10/97**
(Subsidiary of ESI Doswell GP, Inc.) A Florida Corporation

Directors	Officers	
Mark A. Ferrucci	Lewis Hay III	President
Lewis Hay III	Robert P. Fritz	Vice President
Robert L. McGrath	Gregory M. Hazle	Vice President
Michael L. Leighton	Michael L. Leighton	Vice President
	Charles J. Muoio	Vice President
	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary
	Thomas R. Grieser	Assistant Secretary

Doswell Funding Corporation, Inc. **07/10/98**
(Subsidiary of FPL Energy Doswell Holdings, Inc.) A Florida Corporation

Directors	Officers	
Lewis Hay III	Lewis Hay III	President
Michael L. Leighton	Michael L. Leighton	Vice President
Robert L. McGrath	Robert L. McGrath	Vice President & Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

ESI Altamont Acquisitions, Inc. **01/29/97**
(Subsidiary of ESI Energy, LLC) A Florida Corporation
Formerly: **ESI Buffalo Ridge, Inc.**

Directors	Officers	
Lewis Hay III	Lewis Hay III	President
Michael L. Leighton	Michael L. Leighton	Vice President
Robert L. McGrath	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

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ESI Antilles, Inc. — **04/06/92**
(Subsidiary of ESI Energy, LLC) — A Florida Corporation
Formerly: **ESI Impedance, Inc.**

Directors	Officers	
Lewis Hay III	Lewis Hay III	President
Michael L. Leighton	James A. Keener	Vice President
Robert L. McGrath	Michael L. Leighton	Vice President
	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

ESI Antilles LP, Inc. — **04/06/92**
(Subsidiary of ESI Energy, LLC) — A Florida Corporation
Formerly: **ESI Impedance LP, Inc.**

Directors	Officers	
Lewis Hay III	Lewis Hay III	President
Michael L. Leighton	Michael L. Leighton	Vice President
Robert L. McGrath	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

ESI Australia II, Inc. — **12/21/92**
(Subsidiary of ESI Energy, LLC) — A Delaware Corporation

Directors	Officers	
Lewis Hay III	Lewis Hay III	President
Michael L. Leighton	Michael L. Leighton	Vice President
Robert L. McGrath	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

ESI Bay Area, Inc. — **08/30/89**
(Subsidiary of ESI Energy, LLC) — A Florida Corporation

Directors	Officers	
Lewis Hay III	Lewis Hay III	President
Michael L. Leighton	Michael L. Leighton	Vice President
Robert L. McGrath	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

ESI Bay Area GP, Inc. — **08/29/96**
(Subsidiary of ESI Energy, LLC) — A Florida Corporation

Directors	Officers	
Lewis Hay III	Lewis Hay III	President
Michael L. Leighton	Michael L. Leighton	Vice President
Robert L. McGrath	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

ESI Brady, Inc. — **05/24/91**
(Subsidiary of ESI Energy, LLC) — A Florida Corporation

Directors	Officers	
Lewis Hay III	Lewis Hay III	President
Michael L. Leighton	Derrel A. Grant, Jr.	Vice President
Robert L. McGrath	Michael L. Leighton	Vice President
	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

ESI California Holdings, Inc. — **12/13/90**
(Subsidiary of ESI Energy, LLC) — A California Corporation

Directors	Officers	
Lewis Hay III	Lewis Hay III	President
Michael L. Leighton	Michael L. Leighton	Vice President
Robert L. McGrath	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

ESI Calistoga GP, Inc. — **01/06/97**
(Subsidiary of ESI Energy, LLC) — A Florida Corporation

Directors	Officers	
Lewis Hay III	Lewis Hay III	President
Michael L. Leighton	Derrel A. Grant, Jr.	Vice President
Robert L. McGrath	Michael L. Leighton	Vice President
	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

ESI Calistoga LP, Inc. — **01/06/97**
(Subsidiary of ESI Energy, LLC) — A Florida Corporation

Directors	Officers	
Lewis Hay III	Lewis Hay III	President
Michael L. Leighton	Derrel A. Grant, Jr.	Vice President
Robert L. McGrath	Michael L. Leighton	Vice President
	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

ESI Cherokee GP, Inc. — **03/15/95**
(Subsidiary of ESI Energy, LLC) — A Florida Corporation

Directors	Officers	
Lewis Hay III	Lewis Hay III	President
Robert L. McGrath	Michael L. Leighton	Vice President
	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

ESI Cherokee Holdings, Inc. — **12/04/96**
(Subsidiary of ESI Energy, LLC) — A Florida Corporation

Directors	Officers	
Lewis Hay III	Lewis Hay III	President
Robert L. McGrath	Michael L. Leighton	Vice President
	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

ESI Cherokee LP, Inc. — **03/15/95**
(Subsidiary of ESI Energy, LLC) — A Florida Corporation

Directors	Officers	
Lewis Hay III	Lewis Hay III	President
Michael L. Leighton	Michael L. Leighton	Vice President
Robert L. McGrath	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

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ESI Cherokee MGP, Inc. — **12/04/96**
(Subsidiary of ESI Cherokee Holdings, Inc.) — A Florida Corporation

Directors	Officers	
Lewis Hay III	Lewis Hay III	President
Michael L. Leighton	Michael L. Leighton	Vice President
Robert L. McGrath	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

ESI Chesapeake Power, Inc. — **01/22/97**
(Subsidiary of ESI Energy, LLC) — A Florida Corporation
Formerly: **ESI Silverado Holdings, Inc.**

Directors	Officers	
Lewis Hay III	Lewis Hay III	President
Michael L. Leighton	Michael L. Leighton	Vice President
Robert L. McGrath	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

ESI Dixie Valley, Inc. — **03/02/94**
(Subsidiary of ESI Energy, LLC) — A Florida Corporation

Directors	Officers	
Lewis Hay III	Lewis Hay III	President
Michael L. Leighton	Derrel A. Grant, Jr.	Vice President
Robert L. McGrath	Michael L. Leighton	Vice President
	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

ESI Dixie Valley LP, Inc. — **03/16/94**
(Subsidiary of ESI Energy, LLC) — A Florida Corporation

Directors	Officers	
Lewis Hay III	Lewis Hay III	President
Robert L. McGrath	Derrel A. Grant, Jr.	Vice President
Michael L. Leighton	Michael L. Leighton	Vice President
	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

ESI Doswell GP, Inc. — **10/08/96**
(Subsidiary of ESI Energy, LLC) — A Florida Corporation

Directors	Officers	
Lewis Hay III	Lewis Hay III	President
Michael L. Leighton	Michael L. Leighton	Vice President
Robert L. McGrath	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary
	Thomas R. Grieser	Assistant Secretary

ESI Double "C", Inc. — **12/18/87**
(Subsidiary of ESI Energy, LLC) — A Florida Corporation

Directors	Officers	
Lewis Hay III	Lewis Hay III	President
Michael L. Leighton	Michael L. Leighton	Vice President
Robert L. McGrath	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

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ESI Ebensburg, Inc. **08/25/88**
(Subsidiary of ESI Energy, LLC) A Florida Corporation
Formerly: **ESI Environmental Systems, Inc.**

Directors	Officers	
Lewis Hay III	Lewis Hay III	President
Michael L. Leighton	Michael L. Leighton	Vice President
Robert L. McGrath	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

ESI Ebensburg GP, Inc. **03/28/00**
(Subsidiary of ESI Ebensburg, LLC) A Florida Corporation

Directors	Officers	
Lewis Hay III	Lewis Hay III	President
Michael L. Leighton	Michael L. Leighton	Vice President
Robert L. McGrath	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

ESI Ebensburg LP, Inc. **03/28/00**
(Subsidiary of ESI Ebensburg, LLC) A Florida Corporation

Directors	Officers	
Lewis Hay III	Lewis Hay III	President
Michael L. Leighton	Michael L. Leighton	Vice President
Robert L. McGrath	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

ESI Geothermal Inc. **06/12/87**
(Subsidiary of ESI Energy, LLC) A Florida Corporation

Directors	Officers	
Lewis Hay III	Lewis Hay III	President
Michael L. Leighton	Derrel A. Grant, Jr.	Vice President
Robert L. McGrath	Michael L. Leighton	Vice President
	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

ESI Jonesboro, Inc. **07/27/90**
(Subsidiary of ESI Energy, LLC) A Florida Corporation

Directors	Officers	
Lewis Hay III	Lewis Hay III	President
Michael L. Leighton	Michael L. Leighton	Vice President
Robert L. McGrath	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

ESI Kern Front, Inc. **12/18/87**
(Subsidiary of ESI Energy, LLC) A Florida Corporation

Directors	Officers	
Lewis Hay III	Lewis Hay III	President
Michael L. Leighton	Michael L. Leighton	Vice President
Robert L. McGrath	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

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ESI Lake Benton Holdings, Inc. **07/17/97**
(Subsidiary of ESI Energy, LLC) A Florida Corporation

Directors	Officers	
Lewis Hay III	Lewis Hay III	President
Michael L. Leighton	Michael L. Leighton	Vice President
Robert L. McGrath	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

ESI LP, Inc. **06/07/89**
(Subsidiary of ESI Energy, LLC) A Florida Corporation

Directors	Officers	
Lewis Hay III	Lewis Hay III	President
Michael L. Leighton	Michael L. Leighton	Vice President
Robert L. McGrath	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary
	Thomas R. Grieser	Assistant Secretary

ESI Mojave, Inc. **03/21/97**
(Subsidiary of ESI Energy, LLC) A Florida Corporation

Directors	Officers	
Lewis Hay III	Lewis Hay III	President
Michael L. Leighton	Michael L. Leighton	Vice President
Robert L. McGrath	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

ESI Montgomery County GP, Inc. **06/25/99**
(Subsidiary of ESI Montgomery County, LLC) A Florida Corporation

Directors	Officers	
Lewis Hay III	Lewis Hay III	President
Michael L. Leighton	Michael L. Leighton	Vice President
Robert L. McGrath	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

ESI Montgomery County LP, Inc. **06/25/99**
(Subsidiary of ESI Montgomery County, LLC) A Florida Corporation

Directors	Officers	
Lewis Hay III	Lewis Hay III	President
Michael L. Leighton	Michael L. Leighton	Vice President
Robert L. McGrath	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

ESI Multitrade LP, Inc. **01/14/94**
(Subsidiary of ESI Energy, LLC) A Florida Corporation

Directors	Officers	
Lewis Hay III	Lewis Hay III	President
Michael L. Leighton	Michael L. Leighton	Vice President
Robert L. McGrath	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary
	Thomas R. Grieser	Assistant Secretary

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ESI New Jersey Energy GP, Inc. — **11/13/97**
(Subsidiary of ESI Energy, LLC) — A Florida Corporation

Directors	Officers	
Lewis Hay III	Lewis Hay III	President
Robert L. McGrath	Michael L. Leighton	Vice President
	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

ESI Northeast Energy Acquisition Funding, Inc. — **11/13/97**
(Subsidiary of ESI Energy, LLC) — A Florida Corporation

Directors	Officers	
Lewis Hay III	Lewis Hay III	President
Robert L. McGrath	Michael L. Leighton	Vice President
	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

ESI Northeast Energy Funding, Inc. — **11/13/97**
(Subsidiary of ESI Energy, LLC) — A Florida Corporation

Directors	Officers	
Lewis Hay III	Lewis Hay III	President
Robert L. McGrath	Michael L. Leighton	Vice President
	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

ESI Northeast Energy GP, Inc. — **11/13/97**
(Subsidiary of ESI Energy, LLC) — A Florida Corporation

Directors	Officers	
Lewis Hay III	Lewis Hay III	President
Robert L. McGrath	Michael L. Leighton	Vice President
	Robert L. McGrath	Vice President & Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

ESI Northeast Energy LP, Inc. — **11/13/97**
(Subsidiary of ESI Energy, LLC) — A Florida Corporation

Directors	Officers	
Lewis Hay III	Lewis Hay III	President
Robert L. McGrath	Michael L. Leighton	Vice President
	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

ESI Northeast Fuel Management, Inc. — **01/12/98**
(Subsidiary of ESI Energy, LLC) — A Florida Corporation

Directors	Officers	
Lewis Hay III	Lewis Hay III	President
Michael L. Leighton	Michael L. Leighton	Vice President
Robert L. McGrath	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

ESI Ormesa Holdings, Inc. — **12/10/97**
(Subsidiary of ESI Energy, LLC) — A Florida Corporation

Directors	Officers	
Lewis Hay III	Lewis Hay III	President
Michael L. Leighton	Michael L. Leighton	Vice President
Robert L. McGrath	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

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ESI Ormesa IE Equity, Inc. — **02/24/98**
(Subsidiary of ESI Energy, LLC) — A Florida Corporation

Directors	Officers	
Lewis Hay III	Lewis Hay III	President
Michael L. Leighton	Michael L. Leighton	Vice President
Robert L. McGrath	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

ESI Philippines, Inc. — **11/02/95**
(Subsidiary of ESI Energy, LLC) — A Florida Corporation

Directors	Officers	
Lewis Hay III	Lewis Hay III	President
Michael L. Leighton	Michael L. Leighton	Vice President
Robert L. McGrath	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

ESI Pittsylvania, Inc. — **11/05/92**
(Subsidiary of ESI Energy, LLC) — A Florida Corporation

Directors	Officers	
Lewis Hay III	Lewis Hay III	President
Michael L. Leighton	Michael L. Leighton	Vice President
Robert L. McGrath	F. Allen Wiley	Vice President
	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary
	Thomas R. Grieser	Assistant Secretary

ESI SEMASS Corp. LP, Inc. — **10/23/89**
(Subsidiary of ESI Energy, LLC) — A Florida Corporation

Directors	Officers	
Lewis Hay III	Lewis Hay III	President
Michael L. Leighton	Michael L. Leighton	Vice President
Robert L. McGrath	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

ESI Sierra, Inc. — **12/18/87**
(Subsidiary of ESI Energy, LLC) — A Florida Corporation

Directors	Officers	
Lewis Hay III	Lewis Hay III	President
Michael L. Leighton	Michael L. Leighton	Vice President
Robert L. McGrath	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

ESI Sky River, Inc. — **05/23/90**
(Subsidiary of ESI California Holdings, Inc.) — A Florida Corporation

Directors	Officers	
Lewis Hay III	Lewis Hay III	President
Michael L. Leighton	Michael L. Leighton	Vice President
Robert L. McGrath	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

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ESI Steamboat, Inc. — **09/26/95**
(Subsidiary of ESI Energy, LLC) — A Florida Corporation

Directors	Officers	
Lewis Hay III	Lewis Hay III	President
Michael L. Leighton	Derrel A. Grant, Jr.	Vice President
Robert L. McGrath	Michael L. Leighton	Vice President
	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

ESI Tehachapi Acquisitions, Inc. — **06/12/97**
(Subsidiary of ESI Energy, LLC) — A Florida Corporation
Formerly: **ESI Devco Northeast, Inc.** — **01/16/98**

Directors	Officers	
Lewis Hay III	Lewis Hay III	President
Michael L. Leighton	Michael L. Leighton	Vice President
Robert L. McGrath	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

ESI Tractebel Acquisition Corp. — **01/12/98**
(Subsidiary of ESI Northeast Energy Acquisition Funding, Inc. and Tractebel Power, Inc.) — A Delaware Corporation

Directors	Officers	
Lewis Hay III	Lewis Hay III	President
Eric Heggeseth	Eric Heggeseth	Vice President
Werner E. Schattner	Michael L. Leighton	Vice President
	Werner E. Schattner	Vice President
	Edward F. Tancer	Secretary
	Robert L. McGrath	Treasurer
	Rita W. Costantino	Assistant Secretary

ESI Tractebel Funding Corp. — **11/03/94**
(Subsidiary of ESI Northeast Energy Funding, Inc., Broad Street Contract Services and Tractebel Power, Inc.) — A Delaware Corporation
Formerly: **IEC Funding Corp.** — **01/30/98**

Directors	Officers	
Lewis Hay III	Lewis Hay III	President
Eric Heggeseth	Eric Heggeseth	Vice President
Werner E. Schattner	Michael L. Leighton	Vice President
	Werner E. Schattner	Vice President
	Edward F. Tancer	Secretary
	Robert L. McGrath	Treasurer
	Rita W. Costantino	Assistant Secretary

ESI Tractebel Urban Renewal Corporation — **05/15/89**
(Subsidiary of Northeast Energy, LP and North Jersey Energy Associates, LP) — A New Jersey Corporation
Formerly: **IEC Urban Renewal Corporation** — **01/30/98**

Directors	Officers	
Lewis Hay III	Lewis Hay III	President
Eric Heggeseth	Eric Heggeseth	Vice President
Werner E. Schattner	Michael L. Leighton	Vice President
	Werner E. Schattner	Vice President
	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

ESI Vansycle GP, Inc. — **12/26/96**
(Subsidiary of ESI Energy, LLC) — A Florida Corporation

Directors	Officers	
Lewis Hay III	Lewis Hay III	President
Michael L. Leighton	Michael L. Leighton	Vice President
Robert L. McGrath	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

ESI Vansycle LP, Inc. — **12/26/96**
(Subsidiary of ESI Energy, LLC) — A Florida Corporation

Directors	Officers	
Lewis Hay III	Lewis Hay III	President
Michael L. Leighton	Michael L. Leighton	Vice President
Robert L. McGrath	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

ESI Victory, Inc. — **06/07/89**
(Subsidiary of ESI Energy, LLC) — A Florida Corporation

Directors	Officers	
Lewis Hay III	Lewis Hay III	President
Michael L. Leighton	Michael L. Leighton	Vice President
Robert L. McGrath	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

ESI West Enfield, Inc. — **07/27/90**
(Subsidiary of ESI Energy, LLC) — A Florida Corporation

Directors	Officers	
Lewis Hay III	Lewis Hay III	President
Michael L. Leighton	Michael L. Leighton	Vice President
Robert L. McGrath	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

ESI West Texas Energy, Inc. — **01/28/98**
(Subsidiary Of ESI Energy, LLC) — A Florida Corporation
Formerly: **FPL West Texas Energy, Inc.**

Directors	Officers	
Lewis Hay III	Lewis Hay III	President
Michael L. Leighton	Michael L. Leighton	Vice President
Robert L. McGrath	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

ESI WTE Development, Inc. — **11/06/89**
(Subsidiary of ESI Energy, LLC) — A Florida Corporation

Directors	Officers	
Lewis Hay III	Lewis Hay III	President
Michael L. Leighton	Michael L. Leighton	Vice President
Robert L. McGrath	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

FPL Energy Bellingham, Inc. — **05/10/99**
(Subsidiary of ESI Energy, LLC) — A Florida Corporation

Directors	Officers	
Lewis Hay III	Lewis Hay III	President
Robert L. McGrath	Michael L. Leighton	Vice President
	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

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FPL Energy Bastrop GP, Inc. 03/23/00
(Subsidiary of ESI Energy, LLC) A Florida Corporation

Directors	Officers	
Lewis Hay III	Lewis Hay III	President
Robert L. McGrath	Dennis P. Corn	Vice President
	Robert P. Fritz	Vice President
	Michael L. Leighton	Vice President
	Charles J. Muoio	Vice President
	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

FPL Energy Brady Power Services, Inc. 03/04/96
(Subsidiary of FPL Energy Operating Services, Inc.) A Florida Corporation
Formerly: **ESI Brady Power Services, Inc.**

Directors	Officers	
Lewis Hay III	Antonio Rodriguez	President
Antonio Rodriguez	James A. Keener	Vice President
Robert L. McGrath	Michael L. Leighton	Vice President
	John W. Stanton	Vice President
	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

FPL Energy Caithness Funding Corporation 02/18/98
(Subsidiary of FPL Energy Solar Funding Corp. and *Caithness SEGS Funding, Inc.)* A Delaware Corporation

Directors	Officers	
James D. Bishop, Jr.	Lewis Hay III	President
Lewis Hay III	Michael L. Leighton	Vice President
Michael L. Leighton	Robert L. McGrath	Treasurer
Christopher T. McCallion	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

FPL Energy Calistoga Power Services, Inc. 01/06/97
(Subsidiary of FPL Energy Operating Services, Inc.) A Florida Corporation
Formerly: **ESI Calistoga Power Services, Inc.**

Directors	Officers	
Lewis Hay III	Antonio Rodriguez	President
Antonio Rodriguez	James A. Keener	Vice President
Robert L. McGrath	Michael L. Leighton	Vice President
	John W. Stanton	Vice President
	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

FPL Energy CO_2 Operations, Inc. 11/19/98
(Subsidiary of FPL Energy Operating Services, Inc.) A Florida Corporation

Directors	Officers	
Lewis Hay III	Antonio Rodriguez	President
Antonio Rodriguez	Michael L. Leighton	Vice President
Robert L. McGrath	John W. Stanton	Vice President
	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

FPL Energy Doswell Holdings, Inc. 07/13/98
(Subsidiary of ESI Energy, LLC) A Florida Corporation

Directors	Officers	
Lewis Hay III	Lewis Hay III	President
Michael L. Leighton	Michael L. Leighton	Vice President
Robert L. McGrath	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

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FPL Energy Doswell Power Services, Inc. **10/28/96**
(Subsidiary of FPL Energy Operating Services, Inc.) Formerly ESI Doswell Power Services, Inc.

Directors	Officers	
Lewis Hay III	Antonio Rodriguez	President
Antonio Rodriguez	James A. Keener	Vice President
Robert L. McGrath	Michael L. Leighton	Vice President
	John W. Stanton	Vice President
	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

FPL Energy Forney, Inc. **09/05/00**
(Member: ESI Energy, LLC) A Florida Corporation

Directors	Officers	
Lewis Hay III	Lewis Hay III	President
Michael L. Leighton	Dennis C. Com	Vice President
Robert L. McGrath	Michael L. Leighton	Vice President
	Charles J. Muoio	Vice President
	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

FPL Energy Geo East Mesa Partners, Inc. **11/02/94**
(Subsidiary of ESI Energy, LLC) Formerly ESI Dominican Republic

Directors	Officers	
Lewis Hay III	Lewis Hay III	President
Michael L. Leighton	Derrel A. Grant, Jr.	Vice President
Robert L. McGrath	Michael L. Leighton	Vice President
	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

FPL Energy Maine, Inc. **12/31/97**
(Subsidiary of FPL Energy, LLC) A Delaware Corporation

Directors	Officers	
James L. Broadhead	James L. Broadhead	Chairman of the Board
Dennis P. Coyle	Lewis Hay III	President
Lewis Hay III	Robert L. McGrath	Vice President, Finance, and Treasurer
Lawrence J. Kelleher	Charles J. Muoio	Vice President
	John W. Stanton	Vice President
	Dennis P. Coyle	Secretary
	Edward F. Tancer	Assistant Secretary

FPL Energy Operating Services, Inc. **09/29/98**
(Subsidiary of ESI Energy, LLC) A Florida Corporation

Directors	Officers	
Lewis Hay III	Antonio Rodriguez	President
Antonio Rodriguez	James A. Keener	Vice President
Robert L. McGrath	Michael L. Leighton	Vice President
	John W. Stanton	Vice President
	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

FPL Energy Paris GP, Inc. **02/16/99**
(Subsidiary of ESI Energy, LLC) A Florida Corporation

Directors	Officers	
Lewis Hay III	Lewis Hay III	President
Robert L. McGrath	Michael L. Leighton	Vice President
	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

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FPL Energy Pecos Wind I GP, Inc. — **06/22/00**
(Subsidiary of ESI Energy, LLC) — A Delaware Corporation

Directors	Officers	
Lewis Hay III	Lewis Hay III	President
Michael L. Leighton	Robert P. Fritz	Vice President
Robert L. McGrath	Dean R. Gosselin	Vice President
	Michael L. Leighton	Vice President
	Charles J. Muoio	Vice President
	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

FPL Energy Pecos Wind II GP, Inc. — **06/27/00**
(Subsidiary of ESI Energy, LLC) — A Delaware Corporation

Directors	Officers	
Lewis Hay III	Lewis Hay III	President
Michael L. Leighton	Robert P. Fritz	Vice President
Robert L. McGrath	Dean R. Gosselin	Vice President
	Michael L. Leighton	Vice President
	Charles J. Muoio	Vice President
	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

FPL Energy Power Marketing, Inc. — **06/25/98**
(Subsidiary of FPL Energy, LLC) — A Florida Corporation

Directors	Officers	
Lewis Hay III	Mark Maisto	President
Michael L. Leighton	Roberto R. Denis	Vice President
Robert L. McGrath	Michael L. Leighton	Vice President
Mark Maisto	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

FPL Energy Project Management, Inc. — **03/17/99**
(Subsidiary of FPL Energy, LLC) — A Florida Corporation

Directors	Officers	
Lewis Hay III	Lewis Hay III	President
Michael L. Leighton	Robert P. Fritz	Vice President
Robert L. McGrath	Michael L. Leighton	Vice President
	Charles J. Muoio	Vice President
	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

FPL Energy Upton Wind I GP, Inc. — **12/19/00**
(Subsidiary of ESI Energy, LLC) — A Delaware Corporation

Directors	Officers	
Lewis Hay III	Lewis Hay III	President
Michael L. Leighton	Robert P. Fritz	Vice President
Robert L. McGrath	Dean R. Gosselin	Vice President
	Michael L. Leighton	Vice President
	Charles J. Muoio	Vice President
	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

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FPL Energy Upton Wind II GP, Inc. 12/19/00
(Subsidiary of ESI Energy, LLC) A Delaware Corporation

Directors	Officers	
Lewis Hay III	Lewis Hay III	President
Michael L. Leighton	Robert P. Fritz	Vice President
Robert L. McGrath	Dean R. Gosselin	Vice President
	Michael L. Leighton	Vice President
	Charles J. Muoio	Vice President
	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

FPL Energy Upton Wind III GP, Inc. 12/19/00
(Subsidiary of ESI Energy, LLC) A Delaware Corporation

Directors	Officers	
Lewis Hay III	Lewis Hay III	President
Michael L. Leighton	Robert P. Fritz	Vice President
Robert L. McGrath	Dean R. Gosselin	Vice President
	Michael L. Leighton	Vice President
	Charles J. Muoio	Vice President
	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

FPL Energy Upton Wind IV GP, Inc. 12/19/00
(Subsidiary of ESI Energy, LLC) A Delaware Corporation

Directors	Officers	
Lewis Hay III	Lewis Hay III	President
Michael L. Leighton	Robert P. Fritz	Vice President
Robert L. McGrath	Dean R. Gosselin	Vice President
	Michael L. Leighton	Vice President
	Charles J. Muoio	Vice President
	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

FPL Energy Solar Funding Corp. 05/29/98
(Subsidiary of ESI Energy, LLC) A Florida Corporation

Directors	Officers	
Mark A. Ferrucci	Lewis Hay III	President
Lewis Hay III	Michael L. Leighton	Vice President
Robert L. McGrath	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

FPL Energy Virginia Funding Corporation 06/27/01
(Subsidiary of FPL Energy Virginia Holdings, Inc.) A Delaware Corporation

Directors	Officers	
Mark A. Ferrucci	Lewis Hay III	President
Lewis Hay III	Michael L. Leighton	Vice President
Michael L. Leighton	Charles J. Muoio	Vice President
Robert L. McGrath	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

FPL Energy Virginia Holdings, Inc. 06/27/01
(Subsidiary of ESI Energy, LLC) A Florida Corporation

Directors	Officers	
Mark A. Ferrucci	Lewis Hay III	President
Lewis Hay III	Michael L. Leighton	Vice President
Michael L. Leighton	Charles J. Muoio	Vice President
Robert L. McGrath	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

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FPL Energy Virginia Power Services, Inc. — **02/07/94**
(Subsidiary of FPL Energy Operating Services, Inc.) — A Florida Corporation
Formerly: **ESI Virginia Power Services, Inc.**

Directors	Officers	
Lewis Hay III	Antonio Rodriguez	President
Antonio Rodriguez	James A. Keener	Vice President
Robert L. McGrath	Michael L. Leighton	Vice President
	John W. Stanton	Vice President
	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

FPLE Rhode Island State Energy GP, Inc. — **06/02/00**
(Subsidiary of ESI Energy, LLC) — A Florida Corporation

Directors	Officers	
Lewis Hay III	Lewis Hay III	President
Michael L. Leighton	Michael L. Leighton	Vice President
Robert L. McGrath	Charles J. Muoio	Vice President
	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

Harper Lake Acquisitions, Inc. — **05/01/97**
(Subsidiary of ESI Energy, LLC) — A Florida Corporation

Directors	Officers	
Lewis Hay III	Lewis Hay III	President
Michael L. Leighton	Michael L. Leighton	Vice President
Robert L. McGrath	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

Harper Lake Company VIII
(Subsidiary of Hyperion VIII, Inc.) — A California Corporation

Directors	Officers	
Mark A. Ferrucci	Lewis Hay III	President
Lewis Hay III	Michael L. Leighton	Vice President
Michael L. Leighton	Robert L. McGrath	Treasurer
Robert L. McGrath	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

Harper Lake Holdings, Inc. — **04/30/97**
(Subsidiary of ESI Energy, LLC) — A Florida Corporation

Directors	Officers	
Lewis Hay III	Lewis Hay III	President
Michael L. Leighton	Michael L. Leighton	Vice President
Robert L. McGrath	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

Harper Lake Management, Inc. — **03/30/98**
(Subsidiary of ESI Energy, LLC) — A Florida Corporation
Formerly: **ESI Panama, Inc.**

Directors	Officers	
Lewis Hay III	Lewis Hay III	President
Michael L. Leighton	Michael L. Leighton	Vice President
Robert L. McGrath	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

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HLC IX Company — 12/15/97
(Subsidiary of Hyperion IX, Inc.) — A California Corporation

Directors	Officers	
Mark A. Ferrucci	Lewis Hay III	President
Lewis Hay III	Michael L. Leighton	Vice President
Michael L. Leighton	Robert L. McGrath	Treasurer
Robert L. McGrath	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

Hyperion VIII, Inc. — 09/01/89
(Subsidiary of ESI Energy, LLC) — A Florida Corporation

Directors	Officers	
Lewis Hay III	Lewis Hay III	President
Michael L. Leighton	Michael L. Leighton	Vice President
Robert L. McGrath	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

Hyperion IX, Inc. — 05/30/90
(Subsidiary of ESI Energy, LLC) — A Florida Corporation

Directors	Officers	
Lewis Hay III	Lewis Hay III	President
Michael L. Leighton	Michael L. Leighton	Vice President
Robert L. McGrath	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

Kennebec Hydro Resources, Inc. — 08/17/83
(Subsidiary of FPL Energy Maine Hyrdro LLC) — A Maine Corporation

Directors	Officers	
Lewis Hay III	Lewis Hay III	President
Michael L. Leighton	Michael L. Leighton	Vice President
Robert L. McGrath	F. Allen Wiley	Vice President
	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Nathan H. Smith	Clerk

Kennebec Water Power Company — 11/22/1894
(Subsidiary of FPL Energy Maine Hyrdro LLC, Central Maine Power Company, Edwards Manufacturing Company, Madison Paper Industries, The Merimil Limited Partnership) — A Maine Corporation

Directors	Officers	
Christopher C. Bean	Lewis Hay III	Chairman of the Board and President
William G. Fiedler	Michael L. Leighton	Vice President
Lewis Hay III	F. Allen Wiley	Vice President
David W. Lovely	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Nathan H. Smith	Clerk
	Wesley E. Hallowell	River Engineer
	Dale Thomas	Member of Public Relations Committee
	Thomas Corlett	Member of Public Relations Committee
	Chris Shaw	Member of Engineering Advisory Committee
	Ludger Gervais	Member of Engineering Advisory Committee

KW San GorgonioTransmission, Inc. — 11/06/97
(Subsidiary of Windpower Partners 1991, LP by ESI Bay Area GP, Inc.) — A Delaware Corporation

Directors	Officers	
Lewis Hay III	Lewis Hay III	President
Michael L. Leighton	Michael L. Leighton	Vice President
Robert L. McGrath	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

KW Solano Transmission, Inc. — **12/01/97**
(Subsidiary of Windpower Partners 1989, LP by ESI Bay Area GP, Inc.) — A Delaware Corporation

Directors	Officers	
Lewis Hay III	Lewis Hay III	President
Michael L. Leighton	Michael L. Leighton	Vice President
Robert L. McGrath	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

MES Financial Corp. — **11/17/93**
(A Subsidiary of ESI Energy, LLC) — A Delaware Corporation

Directors	Officers	
James P. Higgins	Barbara M. Morris	President
Judith J. Kahn	Patrick M. Bryan	Vice President and Secretary
Barbara M. Morris	James P. Higgins	Vice President
	Judith J. Kahn	Treasurer

Northern Cross Investments, Inc. — **12/03/97**
(Subsidiary of ESI Energy, LLC) — A Delaware Corporation

Directors	Officers	
James P. Higgins	Barbara M. Morris	President
Judith J. Kahn	Patrick M. Bryan	Vice President and Secretary
Barbara M. Morris	Judith J. Kahn	Treasurer

Pacific Power Investments, Inc. — **04/30/01**
(A Subsidiary of ESI Energy, LLC) — A Delaware Corporation

Directors	Officers	
James P. Higgins	Barbara M. Morris	President
Judith J. Kahn	Patrick M. Bryan	Vice President and Secretary
Barbara M. Morris	Judith J. Kahn	Treasurer

Ridgetop Power Corporation — **08/31/98**
(Subsidiary of ESI Cannon Acquisitions, LLC) — A California Corporation

Directors	Officers	
Lewis Hay III	Lewis Hay III	President
Michael L. Leighton	Michael L. Leighton	Vice President
Christopher T. McCallion	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

Sagebrush Partner Fifteen, Inc. — **10/10/89**
(Subsidiary of Sky River Partnership) — A California Corporation

Directors	Officers	
Lewis Hay III	Lewis Hay III	President
Michael L. Leighton	Michael L. Leighton	Vice President
	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

Sagebrush Partner Sixteen, Inc. — **10/10/89**
(Subsidiary of Victory Garden Phase IV Partnership) — A California Corporation

Directors	Officers	
Lewis Hay III	Lewis Hay III	President
Michael L. Leighton	Michael L. Leighton	Vice President
	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

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Square Lake Holdings, Inc. **10/15/98**
(Subsidiary of FPL Energy, LLC) A Delaware Corporation

Directors	Officers	
Barbara M. Morris	Barbara M. Morris	President
	James P. Higgins	Secretary and Treasurer

Sullivan Street Investments, Inc. **12/03/97**
(Subsidiary of ESI Energy, LLC) A Delaware Corporation

Directors	Officers	
James P. Higgins	Barbara M. Morris	President
Judith J. Kahn	Patrick M. Bryan	Vice President and Secretary
Barbara M. Morris	Judith J. Kahn	Treasurer

UFG Holdings, Inc. **12/26/96**
(Subsidiary of FPL Energy Doswell Holdings, Inc.) A Delaware Corporation
Formerly: **River City Holdings, Inc.**, and **FPL Energy Doswell Funding Corporation** **8/24/98 and 12/13/99**

Directors	Officers	
James P. Higgins	Barbara Morris	President
Judith J. Kahn	Patrick M. Bryan	Vice President and Secretary
Barbara M. Morris	Judith J. Kahn	Treasurer

USW Land Corporation **11/21/86**
(Subsidiary of Green Ridge Windpower LLC) A Delaware Corporation

Directors	Officers	
Lewis Hay III	Lewis Hay III	President
Michael L. Leighton	Michael L. Leighton	Vice President
Robert L. McGrath	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

U.S. Windpower Transmission Corporation **09/11/85**
(Subsidiary of ESI Energy, LLC) A Delaware Corporation

Directors	Officers	
Lewis Hay III	Lewis Hay III	President
Michael L. Leighton	Michael L. Leighton	Vice President
Robert L. McGrath	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

FPL Group International, Inc. and Subsidiaries

FPL Group International, Inc. **04/17/96**
(Subsidiary of FPL Energy, LLC) A Florida Corporation

Directors	Officers	
James L. Broadhead	James L. Broadhead	Chairman of the Board
Paul J. Evanson	Lewis Hay III	President
Lewis Hay III	Gregory M. Hazle	Vice President
	Michael L. Leighton	Vice President
	Charles J. Muoio	Vice President
	Robert L. McGrath	Vice President, Treasurer and Assistant Secretary
	Dennis P. Coyle	Secretary
	Frank V. Isabella	Assistant Controller
	Edward F. Tancer	Assistant Secretary
	Rita W. Costantino	Assistant Secretary

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Crete I Cayman, Inc. **04/22/96**
(Subsidiary of FPL Group International, Inc.) A Cayman Island Corporation

Directors	Officers	
Edward F. Tancer	Lewis Hay III	President
	Michael L. Leighton,	Vice President, Business Management
	Robert L. McGrath	Vice President and Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

Crete II Cayman, Inc. **04/22/96**
(Subsidiary of FPL Group International, Inc.) A Cayman Island Corporation

Directors	Officers	
Edward F. Tancer	Lewis Hay III	President
	Michael L. Leighton	Vice President, Business Management
	Robert L. McGrath	Vice President and Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

Crete III Cayman, Inc. **04/22/96**
(Subsidiary of FPL Group International, Inc.) A Cayman Island Corporation

Directors	Officers	
Edward F. Tancer	Lewis Hay III	President
	Michael L. Leighton	Vice President, Business Management
	Robert L. McGrath	Vice President and Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

Faeto Cayman, Inc. **04/22/96**
(Subsidiary of FPL Group International, Inc.) A Cayman Island Corporation

Directors	Officers	
Edward F. Tancer	Lewis Hay III	President
	Michael L. Leighton	Vice President, Business Management
	Robert L. McGrath	Vice President and Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

FPL–I TPP, Inc. **02/22/00**
(Subsidiary of FPL Group International, Inc.) A Florida Corporation

Directors	Officers	
Lewis Hay III	Lewis Hay III	President
Michael L. Leighton	Gregory M. Hazle	Vice President
Robert L. McGrath	Michael L. Leighton	Vice President
	Charles J. Muoio	Vice President
	Robert L. McGrath	Treasurer
	Paul I. Cutler	Assistant Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

FPL–I TPP (Cayman) **02/24/00**
(Subsidiary of FPL-I TPP, Inc.) A Cayman Island Corporation

Directors	Officers	
Edward F. Tancer	Lewis Hay III	President
	Gregory M. Hazle	Vice President
	Robert L. McGrath	Vice President and Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

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FPL–II TPP (Cayman) **02/24/00**
(Subsidiary of FPL-I TPP (Cayman) A Cayman Island Corporation

Directors	Officers	
Edward F. Tancer	Lewis Hay III	President
	Gregory M. Hazle	Vice President
	Robert L. McGrath	Vice President and Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

FPL-I Termelectrica do Polo Gas Sal (Cayman) **03/10/00**
(Subsidiary of FPL Group International, Inc.) A Cayman Island Corporation

Directors	Officers	
Edward F. Tancer	Lewis Hay III	President
	Gregory M. Hazle	Vice President
	Robert L. McGrath	Vice President and Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

FPL-I Termelectrica do Polo Gas Sal II (Cayman) **03/10/00**
(Subsidiary of FPL-I Termelectrica do Polo Gas Sal (Cayman) A Cayman Island Corporation

Directors	Officers	
Edward F. Tancer	Lewis Hay III	President
	Gregory M. Hazle	Vice President
	Robert L. McGrath	Vice President and Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

FPL Group Argentina, Inc. **06/11/97**
(Subsidiary of FPL Group International, Inc.) A Florida Corporation

Directors	Officers	
Lewis Hay III	Lewis Hay III	President
Michael L. Leighton	Michael L. Leighton	Vice President
Robert L. McGrath	Robert L. McGrath	Vice President and Treasurer
	Dennis P. Coyle	Secretary
	Rita W. Costantino	Assistant Secretary
	Edward F. Tancer	Assistant Secretary

FPL Group International Brazil (Cayman) I, Inc. **11/08/96**
(Subsidiary of FPL Group International South America, Inc and FPL Group International South America II, Inc.) A Cayman Island Corporation

Directors	Officers	
Edward F. Tancer	Lewis Hay III	President
	Michael L. Leighton	Vice President, Business Management
	Robert L. McGrath	Vice President and Treasurer
	Paul I. Cutler	Assistant Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

FPL Group International Brazil (Cayman) II, Inc. **11/08/96**
(Subsidiary of FPL Group International South America, Inc. and FPL Group International South America II, Inc.) A Cayman Island Corporation

Directors	Officers	
Edward F. Tancer	Lewis Hay III	President
	Michael L. Leighton	Vice President, Business Management
	Robert L. McGrath	Vice President and Treasurer
	Paul I. Cutler	Assistant Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

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FPL Group International South America, Inc. — **10/23/96**
(Subsidiary of FPL Group International, Inc.) — A Florida Corporation

Directors	Officers	
Lewis Hay III	Lewis Hay III	President
Michael L. Leighton	Michael L. Leighton	Vice President, Business Management
Robert L. McGrath	Robert L. McGrath	Vice President and Treasurer
	Paul I. Cutler	Assistant Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

FPL Group International South America II, Inc. — **10/23/96**
(Subsidiary of FPL Group International, Inc.) — A Florida Corporation

Directors	Officers	
Lewis Hay III	Lewis Hay III	President
Michael L. Leighton	Michael L. Leighton	Vice President, Business Management
Robert L. McGrath	Robert L. McGrath	Vice President and Treasurer
	Paul I. Cutler	Assistant Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

FPL International Holdings II, Inc. — **04/22/96**
(Subsidiary of FPL Group International, Inc.) — A Cayman Island Corporation
Formerly: **FPL Cayman LT, Inc.**

Directors	Officers	
Edward F. Tancer	Lewis Hay III	President
	Michael L. Leighton	Vice President, Business Management
	Robert L. McGrath	Vice President and Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

FPL International Investment Company — **04/22/96**
(Subsidiary of FPL Group International, Inc.) — A Cayman Island Corporation
Formerly: **FPL Cayman SF, Inc.**

Directors	Officers	
Edward F. Tancer	Lewis Hay III	President
	Michael L. Leighton	Vice President, Business Management
	Robert L. McGrath	Vice President and Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

FPL Mamonal, Inc. — **06/27/96**
(Subsidiary of FPL Group International, Inc.) — A Florida Corporation

Directors	Officers	
Lewis Hay III	Lewis Hay III	President
Michael L. Leighton	Michael L. Leighton	Vice President, Business Management
Robert L. McGrath	Robert L. McGrath	Vice President and Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

Karaha Bodas Investment Corp. — **08/30/96**
(Subsidiary of FPL Group International, Inc.) — A Cayman Island Corporation

Directors	Officers	
Edward F. Tancer	Lewis Hay III	President
	Patrick M. Bryan	Vice President
	Michael L. Leighton	Vice President, Business Management
	Robert L. McGrath	Vice President and Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

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Monte San Giorgio Cayman, Inc. **04/22/96**
(Subsidiary of FPL Group International, Inc.) A Cayman Island Corporation

Directors	Officers	
Edward F. Tancer	Lewis Hay III	President
	Michael L. Leighton	Vice President, Business Management
	Robert L. McGrath	Vice President and Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

Mynydd Gordu Cayman, Inc. **04/22/96**
(Subsidiary of FPL Group International, Inc.) A Cayman Island Corporation

Directors	Officers	
Edward F. Tancer	Lewis Hay III	President
	Michael L. Leighton	Vice President, Business Management
	Robert L. McGrath	Vice President and Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

Owenreagh Cayman, Inc. **04/22/96**
(Subsidiary of FPL Group International, Inc.) A Cayman Island Corporation

Directors	Officers	
Edward F. Tancer	Lewis Hay III	President
	Michael L. Leighton	Vice President, Business Management
	Robert L. McGrath	Vice President and Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

Riva-Caleone Cayman, Inc. **04/22/96**
(Subsidiary of FPL Group International, Inc.) A Cayman Island Corporation

Directors	Officers	
Edward F. Tancer	Lewis Hay III	President
	Michael L. Leighton	Vice President, Business Management
	Robert L. McGrath	Vice President and Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

San Bartolomeo Cayman, Inc. **04/22/96**
(Subsidiary of FPL Group International, Inc.) A Cayman Island Corporation

Directors	Officers	
Edward F. Tancer	Lewis Hay III	President
	Robert L. McGrath	Vice President and Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

Werfa Cayman, Inc. **04/22/96**
(Subsidiary of FPL Group International, Inc.) A Cayman Island Corporation

Directors	Officers	
Edward F. Tancer	Lewis Hay III	President
	Michael L. Leighton	Vice President, Business Management
	Robert L. McGrath	Vice President and Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

FPL Holdings Inc and Subsidiaries

FPL Holdings Inc
(Subsidiary of FPL Group Capital Inc) A Florida Corporation

Directors	Officers	
Dennis P. Coyle	Dennis P. Coyle	President and Secretary
Robert L. McGrath	Robert L. McGrath	Vice President and Treasurer

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Colonial Penn Capital Holdings, Inc.
(Subsidiary of FPL Holdings Inc)
A Delaware Corporation

Directors	Officers	
Dennis P. Coyle	Dennis P. Coyle	President and Secretary
Robert L. McGrath	Robert L. McGrath	Vice President and Treasurer

Bay Loan and Investment Bank
(Subsidiary of Colonial Penn Capital Holdings, Inc.)
A Rhode Island Corporation

Directors	Officers	
Dennis L. Desmarais	Dennis L. Desmarais	President and CEO
	Raymond Neves	Secretary, Auditor and Compliance Officer
	Alice L. Hall	Financial Control Officer and Treasurer

SECTION II

FPL GROUP, INC.

JOINTLY-OWNED SUBSIDIARIES AND LIMITED LIABILITY COMPANIES

Badger Windpower, LLC **11/06/00**
(Subsidiary of Badger Windpower Holdings, LLC)
A Delaware Limited Liability Company

Manager	Officers	
	Lewis Hay III	President
	Michael L. Leighton	Vice President
	Charles J. Muoio	Vice President
	Michael O'Sullivan	Vice President
	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

Badger Windpower Holdings, LLC **02/12/01**
(Subsidiary of ESI Energy, LLC)
A Delaware Limited Liability Company

Manager	Officers	
ESI Energy, LLC	Lewis Hay III	President
	Michael L. Leighton	Vice President
	Charles J. Muoio	Vice President
	Michael O'Sullivan	Vice President
	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

Bayswater Peaking Facility, LLC **03/02/01**
(Member: FPL Energy Bayswater, LLC)
A Delaware Limited Liability Company

Manager	Officers	
ESI Energy, LLC	Lewis Hay III	President
	Robert P. Fritz	Vice President
	Michael L. Leighton	Vice President
	Charles J. Muoio	Vice President
	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

Big Sandy Acquisitions, LLC **04/26/01**
(Subsidiary of ESI Energy, LLC)
A Delaware Limited Liability Company

Manager	Officers	
ESI Energy, LLC	Lewis Hay III	President
	Michael O'Sullivan	Vice President
	Michael L. Leighton	Vice President
	Charles J. Muoio	Vice President
	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

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Blythe Energy Acquisitions, LLC **04/26/01**
(Subsidiary of ESI Energy, LLC)
A Delaware Limited Liability Company

Manager	Officers	
ESI Energy, LLC	Lewis Hay III	President
	Derrell A. Grant, Jr.	Vice President
	Michael L. Leighton	Vice President
	Charles J. Muoio	Vice President
	Michael O'Sullivan	Vice President
	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

Blythe Project Management, LLC **04/26/01**
(Subsidiary of FPL Energy Project Management, Inc.)
A Delaware Limited Liability Company

Manager	Officers	
FPL Energy Project Management, Inc.	Lewis Hay III	President
	Robert P. Fritz	Vice President
	Derrell A. Grant, Jr.	Vice President
	Michael L. Leighton	Vice President
	Charles J. Muoio	Vice President
	Michael O'Sullivan	Vice President
	F. Allen Wiley	Vice President
	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

Boulevard Associates, LLC **06/22/01**
(Subsidiary of ESI Energy, LLC)
A Delaware Limited Liability Company

Manager	Officers	
ESI Energy, LLC	Lewis Hay III	President
	Michael L. Leighton	Vice President
	Charles J. Muoio	Vice President
	Michael O'Sullivan	Vice President
	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

Calhoun Power Company I, LLC **07/19/00**
(Member: FPL Energy Calhoun I, LLC)
A Delaware Limited Liability Company

Manager	Officers	
	Lewis Hay III	President
	Robert P. Fritz	Vice President
	James A. Keener	Vice President
	Charles J. Muoio	Vice President
	Michael O'Sullivan	Vice President
	John w. Stanton	Vice President
	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

Calhoun Power Company II, LLC **07/24/01**
(Subsidiary of ESI Energy, Inc.)
A Delaware Limited Liability Company

Manager	Officers	
ESI Energy, Inc.	Lewis Hay III	President
	Robert P. Fritz	Vice President
	Michael L. Leighton	Vice President
	Charles J. Muoio	Vice President
	Michael O'Sullivan	Vice President
	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

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Calhoun Power Company II Transmission Co., LLC **06/26/01**
(Member: ESI Energy, LLC)
A Delaware Limited Liability Company

Manager	Officers	
	Lewis Hay III	President
	Michael L. Leighton	Vice President
	Charles J. Muoio	Vice President
	Michael O'Sullivan	Vice President
	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

Chaplin's Acreage Transmission Company LLC **02/26/01**
(Member: Timber Creek Power Company, LLC)
A Delaware Limited Liability Company

Manager	Officers	
Timber Creek Power Company, LLC	Lewis Hay III	President
	Michael L. Leighton	Vice President
	Charles J. Muoio	Vice President
	Michael O'Sullivan	Vice President
	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

Cherokee Falls Development Company, LLC **04/18/01**
(Member: FPL Energy South Carolina Holdings, LLC)
A Delaware Limited Liability Company

Manager	Officers	
	Lewis Hay III	President
	Michael L. Leighton	Vice President
	Charles J. Muoio	Vice President
	Michael O'Sullivan	Vice President
	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

Cherokee Falls Power Development Company, LLC **03/07/01**
(Member: Cherokee Falls Development Company, LLC)
A Delaware Limited Liability Company

Manager	Officers	
ESI Energy, LLC	Lewis Hay III	President
	Michael L. Leighton	Vice President
	Charles J. Muoio	Vice President
	Michael O'Sullivan	Vice President
	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

Coosa River Development Company, LLC **04/26/01**
(Member: ESI Energy, LLC)
A Delaware Limited Liability Company

Manager	Officers	
ESI Energy, LLC	Lewis Hay III	President
	Michael L. Leighton	Vice President
	Charles J. Muoio	Vice President
	Michael O'Sullivan	Vice President
	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

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Coosa River Transmission Company, LLC — **04/26/01**
(Member: Coosa River Development Company, LLC) — A Delaware Limited Liability Company

Manager	Officers	
Coosa River Development Company, LLC	Lewis Hay III	President
	Michael L. Leighton	Vice President
	Charles J. Muoio	Vice President
	Michael O'Sullivan	Vice President
	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

Eastview Transmission company, LLC — **04/12/01**
(Member :Red Hill Development Company, LLC) — A Delaware Limited Liability Company

Manager	Officers	
Red Hill Development Company, LLC	Lewis Hay III	President
	Michael L. Leighton	Vice President
	Charles J. Muoio	Vice President
	Michael O'Sullivan	Vice President
	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

ESCA, LLC — **04/29/99**
(Members: Caithness Power, LLC, ESI Geothermal, Inc. and Caithness Geothermal 1980 Ltd.) — A Delaware Limited Liability Company

Management Committee	Officers	
2 Delegates:	James D. Bishop, Sr.	Chairman and Chief Executive Officer
1 appointed by Caithness	James D. Bishop, Jr.	Vice Chairman
Power and Caithness	Leslie J. Gelber	President
Geothermal 1980 and	Christopher T. McCallion	Executive Vice President
1 appointed by ESI Geothermal	James C. Sullivan	Vice President and Secretary
	David Casale	Treasurer

ESI Cannon Acquisitions LLC — **08/28/98**
(Member: FPL Energy California Wind, LLC) — A Delaware Limited Liability Company

Manager	**Officers**	
	Lewis Hay III	President
	Michael O'Sullivan	Vice President
	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

ESI Ebensburg, LLC. — **03/28/00**
(Subsidiary of ESI LP, Inc.) — A Delaware Limited Liability Company

Manager	**Officers**	
ESI LP, Inc.	Lewis Hay III	President
	Charles J. Muoio	Vice President
	Michael O'Sullivan	Vice President
	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

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ESI Energy, LLC — **09/09/99**
(Member: FPL Energy, LLC) — A Delaware Limited Liability Company

Manager	Officers	
	Lewis Hay III	President
	Robert P. Fritz	Vice President, Engineering, Construction and Project Management
	James A. Keener	Vice President, Operations
	Michael L. Leighton	Vice President, Business Management
	Charles J. Muoio	Vice President
	Robert L. McGrath	Vice President, Finance and Treasurer
	Michael O'Sullivan	Vice President
	Dennis P. Coyle	Secretary
	Rita W. Costantino	Assistant Secretary
	Frank V. Isabella	Assistant Secretary
	Edward F. Tancer	Assistant Secretary

ESI Hawkeye Power LLC — **12/13/99**
(Member: ESI Energy, LLC) — A Delaware Limited Liability Company

Manager	Officers	
	Lewis Hay III	President
	Michael L. Leighton	Vice President
	Michael O'Sullivan	Vice President
	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

ESI Mojave LLC — **04/16/97**
(Members: ESI Energy, LLC and ESI Mojave, Inc.) — A Delaware Limited Liability Company

Manager	Officers	
	Lewis Hay III	President
	Michael O'Sullivan	Vice President
	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

ESI Montgomery County, LLC — **06/25/99**
(Member: ESI LP, Inc.) — A Delaware Limited Liability Company

Manager	Officers	
	Lewis Hay III	President
	Michael O'Sullivan	Vice President
	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

ESI New Bedford LLC — **01/22/98**
(Member: ESI Energy, LLC) — A Delaware Limited Liability Company

Manager	Officers	
ESI Energy, LLC	Lewis Hay III	President
	Charles J. Muoio	Vice President
	Michael O'Sullivan	Vice President
	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

ESI Ormesa Debt Holdings LLC — **03/03/98**
(Member: ESI Energy, LLC) — A Delaware Limited Liability Company

Manager	Officers	
ESI Energy, LLC	Lewis Hay III	President
	Patrick M. Bryan	Vice President
	Michael O'Sullivan	Vice President
	Edward F. Tancer	Vice President and Secretary
	Robert L. McGrath	Treasurer
	Rita W. Costantino	Assistant Secretary

ESI Ormesa Equity Holdings LLC — **02/20/98**
(Member: ESI Ormesa IE Equity, Inc.)
A Delaware Limited Liability Company

Manager	Officers	
	Lewis Hay III	President
	Patrick M. Bryan	Vice President
	Michael O'Sullivan	Vice President
	Edward F. Tancer	Vice President and Secretary
	Robert L. McGrath	Treasurer
	Rita W. Costantino	Assistant Secretary

ESI Ormesa Holdings I LLC — **12/10/97**
(Member: ESI Energy, LLC)
A Delaware Limited Liability Company

Manager	Officers	
ESI Energy, LLC	Lewis Hay III	President
	Patrick M. Bryan	Vice President
	Michael O'Sullivan	Vice President
	Edward F. Tancer	Vice President and Secretary
	Robert L. McGrath	Treasurer
	Rita W. Costantino	Assistant Secretary

ESI Ormesa IH Equity LLC — **07/29/99**
(Member: ESI Energy, LLC)
A Delaware Limited Liability Company

Manager	Officers	
ESI Energy, LLC	Lewis Hay III	President
	Robert L. McGrath	Treasurer
	Michael O'Sullivan	Vice President
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

ESI Prairie Winds GP, LLC — **05/05/97**
(Member: ESI Energy, LLC)
A Delaware Limited Liability Company

Manager	Officers	
ESI Energy, LLC	Lewis Hay III	President
	Michael O'Sullivan	Vice President
	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

ESI Prairie Winds LP, LLC — **05/05/99**
(Member: ESI Energy, Inc.)
A Delaware Limited Liability Company

Manager	Officers	
ESI Energy, LLC	Lewis Hay III	President
	Michael O'Sullivan	Vice President
	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

ESI Silverado Delaware, LLC — **03/13/97**
(Member: ESI Energy, LLC)
A Delaware Limited Liability Company

Manager	Officers	
	Lewis Hay III	President
	Derrel A. Grant, Jr.	Vice President
	Michael O'Sullivan	Vice President
	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

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ESI Silverado Holdings, LLC — **03/13/97**
(Member: ESI Silverado Delaware, LLC) — A Delaware Limited Liability Company

Manager	Officers	
	Lewis Hay III	President
	Derrel A. Grant, Jr.	Vice President
	Michael O'Sullivan	Vice President
	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

ESI West Texas Energy LP, LLC — **03/25/99**
(Member: ESI Energy, LLC) — A Delaware Limited Liability Company

Manager	Officers	
	Lewis Hay III	President
	Michael O'Sullivan	Vice President
	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

Flint Valley Energy Development Company, LLC — **05/17/01**
(Member :FPL Energy Tennessee Holdings, LLC) — A Delaware Limited Liability Company

Manager	Officers	
FPL Energy Tennessee	Lewis Hay III	President
Holdings, LLC	Michael L. Leighton	Vice President
	Charles J. Muoio	Vice President
	Michael O'Sullivan	Vice President
	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

Flint Valley Energy Transmission Company, LLC — **05/17/01**
(Member : Flint Valley Energy Development Company, LLC) — A Delaware Limited Liability Company

Manager	Officers	
Flint Valley Energy	Lewis Hay III	President
Development Company, LLC	Michael L. Leighton	Vice President
	Charles J. Muoio	Vice President
	Michael O'Sullivan	Vice President
	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

FPL Energy, LLC — **09/09/99**
(Member: FPL Group Capital Inc) — A Delaware Limited Liability Company

Manager	Officers	
	James L. Broadhead	Chairman of the Board
	Lewis Hay III	President
	Edward F. Tancer	Vice President, General Counsel and Assistant Secretary
	Robert L. McGrath	Vice President, Finance, Chief Financial Officer
	Dennis C. Corn	Vice President
	Roberto R. Denis	Vice President
	Robert P. Fritz	Vice President
	Dean R. Gosselin	Vice President
	Derrel A. Grant	Vice President
	James A. Keener	Vice President
	Michael L. Leighton	Vice President; Business Management
	Charles J. Muoio	Vice President
	Michael O'Sullivan	Vice President
	John W. Stanton	Vice President
	Paul I. Cutler	Treasurer
	Mark R. Sorensen	Controller
	Dennis P. Coyle	Secretary

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FPL Energy Altamont Acquisitions LLC **11/04/98**
(Member: ESI Energy, LLC) A Delaware Limited Liability Company

Manager	Officers	
	Lewis Hay III	President
	Dean Gosselin	Vice President
	Michael L. Leighton	Vice President
	Charles J. Muoio	Vice President
	Michael O'Sullivan	Vice President
	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

FPL Energy Anderson, LLC **07/24/01**
(Subsidiary of ESI Energy, LLC) A Delaware Limited Liability Company

Manager	Officers	
ESI Energy, LLC	Lewis Hay III	President
	Michael L. Leighton	Vice President
	Charles J. Muoio	Vice President
	Michael O'Sullivan	Vice President
	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

FPL Energy Bastrop LP, LLC **03/23/00**
(Subsidiary of ESI Energy, LLC) A Delaware Limited Liability Company

Manager	Officers	
	Lewis Hay III	President
	Dennis C. Corn	Vice President
	Robert P. Fritz	Vice President
	Charles J. Muoio	Vice President
	Michael O'Sullivan	Vice President
	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

FPL Energy Bayswater, LLC **03/12/01**
(Subsidiary of ESI Energy, LLC) A Delaware Limited Liability Company

Manager	Officers	
ESI Energy, LLC	Lewis Hay III	President
	Michael L. Leighton	Vice President
	Charles J. Muoio	Vice President
	Michael O'Sullivan	Vice President
	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

FPL Energy Bellingham, LLC **05/10/99**
(Member: ESI Energy, LLC) A Delaware Limited Liability Company

Manager	Officers	
	Lewis Hay III	President
	Charles J. Muoio	Vice President
	Michael O'Sullivan	Vice President
	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

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FPL Energy Blue Mountain, LLC — **02/07/01**
(Subsidiary of ESI Energy, LLC) — A Delaware Limited Liability Company

Manager	Officers	
	Lewis Hay III	President
	Michael L. Leighton	Vice President
	Charles J. Muoio	Vice President
	Michael O'Sullivan	Vice President
	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

FPL Energy Brazil I LLC — **10/28/98**
(Member: FPL Group International, Inc.) — A Delaware Limited Liability Company

Manager	Officers	
FPL Group International, Inc.	Lewis Hay III	President
	Gregory M. Hazle	Vice President
	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

FPL Energy Brazil II LLC — **10/28/98**
(Member: FPL Group International, Inc.) — A Delaware Limited Liability Company

Manager	Officers	
FPL Group International, Inc.	Lewis Hay III	President
	Gregory M. Hazle	Vice President
	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

FPL Energy Calhoun I, LLC — **07/18/00**
(Member: ESI Energy, LLC) — A Delaware Limited Liability Company

Manager	Officers	
	Lewis Hay III	President
	Robert P. Fritz	Vice President
	James A. Keener	Vice President
	Charles J. Muoio	Vice President
	Michael O'Sullivan	Vice President
	John W. Stanton	Vice President
	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

FPL Energy Cal Hydro, LLC — **10/29/99**
(Member: ESI Energy, LLC) — A Delaware Limited Liability Company

Manager	Officers	
	Lewis Hay III	President
	Derrel A. Grant, Jr.	Vice President
	Michael O'Sullivan	Vice President
	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

FPL Energy California Wind, LLC — **03/10/99**
(Member: ESI Energy, LLC) — A Delaware Limited Liability Company

Manager	Officers	
	Lewis Hay III	President
	Michael O'Sullivan	Vice President
	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

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FPL Energy Cape, LLC — **02/23/00**
(Member: FPL Energy Maine, LLC) — A Delaware Limited Liability Company

Manager	Officers	
ESI Energy, LLC	Lewis Hay III	President
	Charles J. Muoio	Vice President
	Michael O'Sullivan	Vice President
	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

FPL Energy Coldwater Creek, LLC — **12/14/98**
(Member: ESI Energy, LLC) — A Delaware Limited Liability Company

Manager	Officers	
ESI Energy, LLC	Lewis Hay III	President
	Derrel A. Grant, Jr.	Vice President
	Michael O'Sullivan	Vice President
	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

FPL Energy East Mesa, LLC — **09/15/98**
(Member: ESI Energy, LLC) — A Delaware Limited Liability Company

Manager	Officers	
ESI Energy, LLC	Lewis Hay III	President
	Michael O'Sullivan	Vice President
	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

FPL Energy Equipment Facility, LLC — **07/26/00**
(Member: ESI Energy, LLC) — A Delaware Limited Liability Company

Manager	Officers	
	Lewis Hay III	President
	James A. Keener	Vice President
	Michael L. Leighton	Vice President
	Charles J. Muoio	Vice President
	Michael O'Sullivan	Vice President
	John w. Stanton	Vice President
	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

FPL Energy Everett LLC — **12/04/98**
(Member: ESI Energy, LLC) — A Delaware Limited Liability Company

Manager	Officers	
ESI Energy, LLC	Lewis Hay III	President
	Derrel A. Grant, Jr.	Vice President
	Michael O'Sullivan	Vice President
	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

FPL Energy Forney, LLC — **09/01/00**
(Member: ESI Energy, LLC) — A Delaware Limited Liability Company

Manager	Officers	
ESI Energy, LLC	Lewis Hay III	President
	Dennis C. Corn	Vice President
	Robert P. Fritz	Vice President
	Michael L. Leighton	Vice President
	Charles J. Muoio	Vice President
	Michael O'Sullivan	Vice President
	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

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FPL Energy Geysers Holdings I, LLC **01/04/99**
(Member: ESI Energy, LLC) A Delaware Limited Liability Company

Manager	Officers	
ESI Energy, LLC	Lewis Hay III	President
	Derrel A. Grant, Jr.	Vice President
	Charles J. Muoio	Vice President
	Michael O'Sullivan	Vice President
	F. Allen Wiley	Vice President
	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

FPL Energy Geysers Holdings II, LLC **01/04/99**
(Member: ESI Energy, LLC) A Delaware Limited Liability Company

Manager	Officers	
ESI Energy, LLC	Lewis Hay III	President
	Derrel A. Grant, Jr.	Vice President
	Michael O'Sullivan	Vice President
	F. Allen Wiley	Vice President
	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

FPL Energy Gray County Wind, LLC **02/12/01**
(Subsidiary of ESI Energy, LLC) A Delaware Limited Liability Company

Manager	Officers	
ESI Energy, LLC	Lewis Hay III	President
	Michael L. Leighton	Vice President
	Charles J. Muoio	Vice President
	Michael O'Sullivan	Vice President
	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

FPL Energy Great Plains Wind, LLC **07/20/99**
(Member: ESI Energy, LLC) A Delaware Limited Liability Company

Manager	Officers	
ESI Energy, LLC	Lewis Hay III	President
	Charles J. Muoio	Vice President
	Michael O'Sullivan	Vice President
	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

FPL Energy GRP 91-2, LLC **02/08/00**
(Member: ESI Energy, LLC) A Delaware Limited Liability Company

Manager	Officers	
ESI Energy, LLC	Lewis Hay III	President
	Charles J. Muoio	Vice President
	Michael O'Sullivan	Vice President
	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

FPL Energy GRP 92, LLC **02/08/00**
(Member: ESI Energy, LLC) A Delaware Limited Liability Company

Manager	Officers	
ESI Energy, LLC	Lewis Hay III	President
	Charles J. Muoio	Vice President
	Michael O'Sullivan	Vice President
	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

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FPL Energy Hancock County Wind, LLC **11/08/00**
(Member: ESI Energy, LLC)
A Delaware Limited Liability Company

Manager	Officers	
ESI Energy, LLC	Lewis Hay III	President
	Michael L. Leighton	Vice President
	Charles J. Muoio	Vice President
	Michael O'Sullivan	Vice President
	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

FPL Energy Hancock County Wind Farm, LLC **06/15/00**
(Member: ESI Energy, LLC)
A Delaware Limited Liability Company

Manager	Officers	
ESI Energy, LLC	Lewis Hay III	President
	Charles J. Muoio	Vice President
	Michael O'Sullivan	Vice President
	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

FPL Energy Illinois Wind Holdings, LLC **05/22/01**
(Member: ESI Energy, LLC)
A Delaware Limited Liability Company

Manager	Officers	
ESI Energy, LLC	Lewis Hay III	President
	Charles J. Muoio	Vice President
	Michael O'Sullivan	Vice President
	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

FPL Energy Island End GP, LLC **09/30/99**
(Member: ESI Energy, LLC)
A Delaware Limited Liability Company

Manager	Officers	
ESI Energy, LLC	Lewis Hay III	President
	Michael O'Sullivan	Vice President
	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

FPL Energy Island End LP, LLC **09/30/99**
(Member: ESI Energy, LLC)
A Delaware Limited Liability Company

Manager	Officers	
ESI Energy, LLC	Lewis Hay III	President
	Michael O'Sullivan	Vice President
	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

FPL Energy Kelley, LLC **07/24/01**
(Member : ESI Energy, LLC.)
A Delaware Limited Liability Company

Manager	Officers	
ESI Energy, LLC	Lewis Hay III	President
	Michael L. Leighton	Vice President
	Charles J. Muoio	Vice President
	Michael O'Sullivan	Vice President
	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

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FPL Energy Kentucky Holdings, LLC — **05/17/01**
(Member : ESI Energy, LLC) — A Delaware Limited Liability Company

Manager	Officers	
ESI Energy, LLC	Lewis Hay III	President
	Michael L. Leighton	Vice President
	Charles J. Muoio	Vice President
	Michael O'Sullivan	Vice President
	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

FPL Energy Lake Benton Acquisitions, LLC — **03/02/00**
(Member: ESI Energy, LLC) — A Delaware Limited Liability Company

Manager	Officers	
ESI Energy, LLC	Lewis Hay III	President
	Charles J. Muoio	Vice President
	Michael O'Sullivan	Vice President
	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

FPL Energy Linfield GP, LLC — **03/27/01**
(Member: FPL Energy Linfield LP, LLC) — A Delaware Limited Liability Company

Manager	Officers	
FPL Energy Linfield LP, LLC	Lewis Hay III	President
	Charles J. Muoio	Vice President
	Michael O'Sullivan	Vice President
	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

FPL Energy Linfield LP, LLC — **03/27/01**
(Member: ESI Energy, LLC) — A Delaware Limited Liability Company

Manager	Officers	
ESI Energy, LLC	Lewis Hay III	President
	Charles J. Muoio	Vice President
	Michael O'Sullivan	Vice President
	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

FPL Energy Livermore, LLC — **03/17/99**
(Member: ESI Energy, LLC) — A Delaware Limited Liability Company

Manager	Officers	
	Lewis Hay III	President
	Michael O'Sullivan	Vice President
	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

FPL Energy Louisiana Holdings, LLC — **04/26/01**
(Subsidiary of ESI Energy, LLC) — A Delaware Limited Liability Company

Manager	Officers	
ESI Energy, LLC	Lewis Hay III	President
	Michael L. Leighton	Vice President
	Charles J. Muoio	Vice President
	Michael O'Sullivan	Vice President
	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

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FPL Energy Maine Holdings, LLC — **03/24/00**
(Subsidiary of ESI Energy Maine, Inc.) — A Delaware Limited Liability Company

Manager	Officers	
	Lewis Hay III	President
	Michael L. Leighton	Vice President
	Charles J. Muoio	Vice President
	Michael O'Sullivan	Vice President
	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

FPL Energy Maine Hydro LLC — **04/03/98**
(Member: FPL Energy Maine, Inc.) — A Delaware Limited Liability Company

Manager	Officers	
FPL Energy Maine, Inc.	Lewis Hay III	President
	Robert L. McGrath	Vice President, Finance & Chief Financial Officer
	Michael O'Sullivan	Vice President
	John W. Stanton	Vice President
	F. Allen Wiley	Vice President
	Robert L. McGrath	Treasurer
	Dennis P. Coyle	Secretary
	Edward F. Tancer	Assistant Secretary

FPL Energy Maine Operating Services LLC — **04/01/99**
(Member: FPL Energy Maine, Inc.) — A Delaware Limited Liability Company

Manager	Officers	
	Lewis Hay III	President
	Robert L. McGrath	Vice President, Finance, Chief Financial Officer & Treasurer
	Michael O'Sullivan	Vice President
	John W. Stanton	Vice President
	Dennis P. Coyle	Secretary
	Edward F. Tancer	Assistant Secretary

FPL Energy Marcus Hook LLC — **08/27/98**
(Member: FPL Energy Marcus Hook, Inc.) — A Delaware Limited Liability Company

Manager	Officers	
	Lewis Hay III	President
	Michael O'Sullivan	Vice President
	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

FPL Energy Mason LLC — **04/08/98**
(Member: FPL Energy Maine, Inc.) — A Delaware Limited Liability Company

Manager	Officers	
	Lewis Hay III	President
	Robert L. McGrath	Vice President, Finance, Chief Financial Officer & Treasurer
	Michael O'Sullivan	Vice President
	John W. Stanton	Vice President
	Dennis P. Coyle	Secretary
	Edward F. Tancer	Assistant Secretary

FPL Energy MH50 GP, LLC — **12/21/98**
(Member: ESI Energy, LLC) — A Delaware Limited Liability Company

Manager	Officers	
	Lewis Hay III	President
	Michael O'Sullivan	Vice President
	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

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FPL Energy MH50 LP, LLC — **12/21/98**
(Member: ESI Energy, LLC)
A Delaware Limited Liability Company

Manager	Officers	
	Lewis Hay III	President
	Michael O'Sullivan	Vice President
	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

FPL Energy MH700, LLC — **11/15/99**
(Member: FPL Energy Marcus Hook, LLC)
A Delaware Limited Liability Company

Manager	Officers	
	Lewis Hay III	President
	Robert P. Fritz	Vice President
	Michael L. Leighton	Vice President
	Michael O'Sullivan	Vice President
	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

FPL Energy Mississippi Holdings, LLC — **03/29/01**
(Member :ESI Energy, LLC)
(Formerly FPLE New Albany Energy, LLC)
A Delaware Limited Liability Company

Manager	Officers	
ESI Energy, LLC	Lewis Hay III	President
	Michael L. Leighton	Vice President
	Charles J. Muoio	Vice President
	Michael O'Sullivan	Vice President
	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

FPL Energy Mohave, LLC — **01/03/00**
(Member: ESI Energy, LLC)
A Delaware Limited Liability Company

Manager	Officers	
	Lewis Hay III	President
	Derrel A. Grant, Jr.	Vice President
	Michael O'Sullivan	Vice President
	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

FPL Energy Mojave Operating Services, LLC — **03/02/99**
(Member: ESI Energy, LLC)
A Delaware Limited Liability Company

Manager	Officers	
	Lewis Hay III	President
	James A. Keener	Vice President
	Michael O'Sullivan	Vice President
	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

FPL Energy Morwind, LLC — **01/25/00**
(Member: ESI Energy, LLC)
A Delaware Limited Liability Company

Manager	Officers	
	Lewis Hay III	President
	Charles J. Muoio	Vice President
	Michael O'Sullivan	Vice President
	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

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FPL Energy New Mexico Wind, LLC **03/29/01**
(Member :FPL Energy New Mexico Wind Holdings, LLC)
A Delaware Limited Liability Company

Manager	Officers	
FPL Energy New Mexico Wind Holdings, LLC	Lewis Hay III	President
	Michael L. Leighton	Vice President
	Charles J. Muoio	Vice President
	Michael O'Sullivan	Vice President
	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

FPL Energy New Mexico Wind Holdings, LLC **03/29/01**
(Member :ESI Energy, LLC)
A Delaware Limited Liability Company

Manager	Officers	
ESI Energy, LLC	Lewis Hay III	President
	Michael L. Leighton	Vice President
	Charles J. Muoio	Vice President
	Michael O'Sullivan	Vice President
	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

FPL Energy North Carolina Holdings, LLC **04/18/01**
(Subsidiary of ESI Energy, LLC)
A Delaware Limited Liability Company

Manager	Officers	
ESI Energy, LLC	Lewis Hay III	President
	Michael L. Leighton	Vice President
	Charles J. Muoio	Vice President
	Michael O'Sullivan	Vice President
	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

FPL Energy Oklahoma Wind, LLC **03/29/01**
(Member :FPL Energy Oklahoma Wind Holdings, LLC)
A Delaware Limited Liability Company

Manager	Officers	
FPL Energy Oklahoma Wind Holdings, LLC	Lewis Hay III	President
	Michael L. Leighton	Vice President
	Charles J. Muoio	Vice President
	Michael O'Sullivan	Vice President
	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

FPL Energy Oklahoma Wind Holdings, LLC **03/29/01**
(Member :ESI Energy, LLC)
A Delaware Limited Liability Company

Manager	Officers	
ESI Energy, LLC	Lewis Hay III	President
	Michael L. Leighton	Vice President
	Charles J. Muoio	Vice President
	Michael O'Sullivan	Vice President
	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

FPL Energy Pacific Crest Partner, LLC **10/14/98**
(Member: FPL Energy California Wind, LLC)
A Delaware Limited Liability Company

Manager	Officers	
	Lewis Hay III	President
	Michael O'Sullivan	Vice President
	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

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FPL Energy Pecos Wind I LP, LLC **06/28/00**
(Member: ESI Energy, LLC) A Delaware Limited Liability Company

Manager	Officers	
ESI Energy, LLC	Lewis Hay III	President
	Robert P. Fritz	Vice President
	Dean R. Gosselin	Vice President
	Michael L. Leighton	Vice President
	Charles J. Muoio	Vice President
	Michael O'Sullivan	Vice President
	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

FPL Energy Pecos Wind II LP, LLC **06/28/00**
(Member: ESI Energy, LLC) A Delaware Limited Liability Company

Manager	Officers	
ESI Energy, LLC	Lewis Hay III	President
	Robert P. Fritz	Vice President
	Dean R. Gosselin	Vice President
	Michael L. Leighton	Vice President
	Charles J. Muoio	Vice President
	Michael O'Sullivan	Vice President
	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

FPL Energy PRG, LLC **11/15/99**
(Member: ESI Energy, LLC) A Delaware Limited Liability Company

Manager	Officers	
	Lewis Hay III	President
	Charles J. Muoio	Vice President
	Michael O'Sullivan	Vice President
	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

FPL Energy Sacramento Power, LLC **10/25/99**
(Member: ESI Energy, LLC) A Delaware Limited Liability Company

Manager	Officers	
	Lewis Hay III	President
	Derrel A. Grant, Jr.	Vice President
	Michael O'Sullivan	Vice President
	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

FPL Energy South Carolina Holdings, LLC **04/18/01**
(Subsidiary of ESI Energy, LLC) A Delaware Limited Liability Company

Manager	Officers	
ESI Energy, LLC	Lewis Hay III	President
	Michael L. Leighton	Vice President
	Charles J. Muoio	Vice President
	Michael O'Sullivan	Vice President
	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

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FPL Energy Spruce Point LLC — **04/01/99**
(Member: FPL Energy Maine, Inc.) — A Delaware Limited Liability Company

Manager	Officers	
FPL Energy Maine, Inc.	Lewis Hay III	President
	Robert L. McGrath	Vice President, Finance, Chief Financial Officer & Treasurer
	Michael O'Sullivan	Vice President
	John W. Stanton	Vice President
	Dennis P. Coyle	Secretary
	Edward F. Tancer	Assistant Secretary

FPL Energy Tennessee Holdings, LLC — **05/17/01**
(Member : ESI Energy, LLC) — A Delaware Limited Liability Company

Manager	Officers	
ESI Energy, LLC	Lewis Hay III	President
	Michael L. Leighton	Vice President
	Charles J. Muoio	Vice President
	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

FPL Energy Terra, LLC — **05/23/01**
(Member : ESI Energy, LLC) — A Delaware Limited Liability Company

Manager	Officers	
ESI Energy, LLC	Lewis Hay III	President
	Michael L. Leighton	Vice President
	Charles J. Muoio	Vice President
	Michael O'Sullivan	Vice President
	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

FPL Energy Upton Wind I LP, LLC — **12/22/00**
(Member: ESI Energy, LLC) — A Delaware Limited Liability Company

Manager	Officers	
ESI Energy, LLC	Lewis Hay III	President
	Robert P. Fritz	Vice President
	Dean R. Gosselin	Vice President
	Michael L. Leighton	Vice President
	Charles J. Muoio	Vice President
	Michael O'Sullivan	Vice President
	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

FPL Energy Upton Wind II LP, LLC — **12/22/00**
(Member: ESI Energy, LLC) — A Delaware Limited Liability Company

Manager	Officers	
ESI Energy, LLC	Lewis Hay III	President
	Robert P. Fritz	Vice President
	Dean R. Gosselin	Vice President
	Michael L. Leighton	Vice President
	Charles J. Muoio	Vice President
	Michael O'Sullivan	Vice President
	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

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FPL Energy Upton Wind III LP, LLC **12/22/00**
(Member: ESI Energy, LLC) A Delaware Limited Liability Company

Manager	Officers	
ESI Energy, LLC	Lewis Hay III	President
	Robert P. Fritz	Vice President
	Dean R. Gosselin	Vice President
	Michael L. Leighton	Vice President
	Charles J. Muoio	Vice President
	Michael O'Sullivan	Vice President
	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

FPL Energy Upton Wind IV LP, LLC **12/22/00**
(Member: ESI Energy, LLC) A Delaware Limited Liability Company

Manager	Officers	
ESI Energy, LLC	Lewis Hay III	President
	Robert P. Fritz	Vice President
	Dean R. Gosselin	Vice President
	Michael L. Leighton	Vice President
	Charles J. Muoio	Vice President
	Michael O'Sullivan	Vice President
	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

FPL Energy Valley Power, LLC **04/26/01**
(Subsidiary of ESI Energy, LLC) A Delaware Limited Liability Company

Manager	Officers	
ESI Energy, LLC	Lewis Hay III	President
	Michael L. Leighton	Vice President
	Charles J. Muoio	Vice President
	Michael O'Sullivan	Vice President
	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

FPL Energy Western Development, LLC **01/13/00**
(Member: ESI Energy, LLC) A Delaware Limited Liability Company

Manager	Officers	
	Lewis Hay III	President
	Derrel A. Grant, Jr.	Vice President
	Michael O'Sullivan	Vice President
	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

FPL Energy Westside Power, LLC **04/26/01**
(Subsidiary of ESI Energy, LLC) A Delaware Limited Liability Company

Manager	Officers	
ESI Energy, LLC	Lewis Hay III	President
	Michael L. Leighton	Vice President
	Charles J. Muoio	Vice President
	Michael O'Sullivan	Vice President
	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

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FPL Energy White Oak, LLC — **10/25/00**
(Member: ESI Energy, LLC)
(Formerly FPL Energy Dry Fork, LLC)
A Delaware Limited Liability Company

Manager	Officers	
ESI Energy, LLC	Lewis Hay III	President
	Michael L. Leighton	Vice President
	Charles J. Muoio	Vice President
	Michael O'Sullivan	Vice President
	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

FPL Energy Windridge Acquisitions, LLC — **12/14/99**
(Member: ESI Energy, LLC)
A Delaware Limited Liability Company

Manager	Officers	
	Lewis Hay III	President
	Michael O'Sullivan	Vice President
	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

FPL Energy Wisconsin Holdings, LLC — **12/14/99**
(Member: ESI Energy, LLC)
A Delaware Limited Liability Company

Manager	Officers	
	Lewis Hay III	President
	Michael O'Sullivan	Vice President
	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

FPL Energy Wisconsin Wind, LLC — **01/27/99**
(Member: ESI Energy, LLC)
A Delaware Limited Liability Company

Manager	Officers	
	Lewis Hay III	President
	Michael O'Sullivan	Vice President
	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

FPL Energy Wyman LLC — **04/08/98**
(Member: FPL Energy Maine, Inc.)
A Delaware Limited Liability Company

Manager	Officers	
	Lewis Hay III	President
	Robert L. McGrath	Vice President, Finance, Chief Financial Officer & Treasurer
	Michael O'Sullivan	Vice President
	John W. Stanton	Vice President
	Dennis P. Coyle	Secretary
	Edward F. Tancer	Assistant Secretary

FPL Energy Wyman IV LLC — **04/08/98**
(Member: FPL Energy Maine, Inc.)
A Delaware Limited Liability Company

Manager	Officers	
	Lewis Hay III	President
	Robert L. McGrath	Vice President, Finance, Chief Financial Officer & Treasurer
	Michael O'Sullivan	Vice President
	John W. Stanton	Vice President
	Dennis P. Coyle	Secretary
	Edward F. Tancer	Assistant Secretary

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FPL FiberNet, LLC **02/02/00**
(Member: FPL Group Capital Inc) A Delaware Limited Liability Company

Manager	Officers	
FPL Group Capital Inc	Neil Flynn	President
	Larry Spear	Vice President, Sales and Marketing
	G. P. Tomas	Vice President, Operations
	S. L. Stamm	Controller
	Dennis P. Coyle	Secretary
	Jean G. Howard	Assistant Secretary
	Dennis M. Klinger	Assistant Secretary

FPLE Red Bay Development, LLC **05/23/01**
(Member :FPL Energy Mississippi Holdings, LLC) A Delaware Limited Liability Company

Manager	Officers	
FPL Energy Mississippi Holdings, LLC	Lewis Hay III	President
	Michael L. Leighton	Vice President
	Charles J. Muoio	Vice President
	Michael O'Sullivan	Vice President
	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

FPLE Rhode Island State Energy LP, LLC **04/04/00**
(Subsidiary of ESI Energy, LLC) A Delaware Limited Liability Company
(Formerly FPL Energy Hope Holdings, LLC)

Manager	Officers	
	Lewis Hay III	President
	Robert P. Fritz	Vice President
	Charles J. Muoio	Vice President
	Michael O'Sullivan	Vice President
	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

FPLE Sunrise Energy Center LLC **11/30/00**
(Subsidiary of ESI Energy, LLC) A Delaware Limited Liability Company
(Formerly FPLE Oceanside Energy Center, LLC **07/12/01**

Manager	Officers	
ESI energy, LLC	Lewis Hay III	President
	Michael L. Leighton	Vice President
	Charles J. Muoio	Vice President
	Michael O'Sullivan	Vice President
	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

GEM Resources, LLC **06/18/98**
(Members: FPL Energy Geo East Mesa Partners and Caithness East Mesa, LLC) A Delaware Limited Liability Company

Management Committee	Authorized Officers
Michael L. Leighton	Rita W. Costantino
Caithness East Mesa, LLC	Lewis Hay III
	Michael L. Leighton
	Robert L. McGrath
	Edward F. Tancer

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Gray County Wind Energy, LLC **11/14/00**
(Subsidiary of FPL Energy Gray County Wind, LLC) A Delaware Limited Liability Company

Manager	Officers	
FPL Energy Gray County, Wind, LLC	Lewis Hay III	President
	Robert P. Fritz	Vice President
	Dean R. Gosselin	Vice President
	Michael L. Leighton	Vice President
	Charles J. Muoio	Vice President
	Michael O'Sullivan	Vice President
	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

Green Ridge Power Ranch, LLC **01/18/01**
(Subsidiary of Green Ridge Power LLC) A Delaware Limited Liability Company

Manager	Officers	
Green Ridge Power LLC	Lewis Hay III	President
	Michael L. Leighton	Vice President
	Charles J. Muoio	Vice President
	Michael O'Sullivan	Vice President
	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

Hawkeye Power Partners, LLC **01/09/98**
(Member: ESI Hawkeye Power, Inc.) A Delaware Limited Liability Company

Manager	Officers	
	Lewis Hay III	President
	Michael O'Sullivan	Vice President
	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

High Winds, LLC **09/09/99**
(Member: High Winds Holdings, LLC) A Delaware Limited Liability Company

Manager	Officers	
	Lewis Hay III	President
	Dean R. Gosselin	Vice President
	Derrel A. Grant	Vice President
	Michael O'Sullivan	Vice President
	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

High Winds Holdings, LLC **09/09/99**
(Member: ESI Energy, LLC) A Delaware Limited Liability Company

Manager	Officers	
	Lewis Hay III	President
	Dean G. Gosselin	Vice President
	Michael L. Leighton	Vice President
	Michael O'Sullivan	Vice President
	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

INTEXCO I, LLC **12/22/99**
(Member: Lamar Power Partners, LP) A Delaware Limited Liability Company

Manager	Officers	
Lamar Power Partners, LP	Lewis Hay III	President
	Michael O'Sullivan	Vice President
	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

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KM Acquisitions, LLC — **08/23/01**
*(Member: ESI Energy, LLC – 50%
Caithness Energy, LLC – 50%)*
A Delaware Limited Liability Company

Manager	Officers	
	Lewis Hay III	President
	Michael L. Leighton	Vice President
	Charles J. Muoio	Vice President
	Michael O'Sullivan	Vice President
	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

Lake Benton Power Partners II, LLC — **02/05/98**
(Member: FPL Energy Lake Benton Acquisitions, LLC)
A Delaware Limited Liability Company

Manager	Officers	
ESI Energy, LLC	Lewis Hay III	President
	Michael L. Leighton	Vice President
	Charles J. Muoio	Vice President
	Michael O'Sullivan	Vice President
	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

LET Holdings, LLC — **08/23/01**
(Member: ESI Energy, LLC)
A Delaware Limited Liability Company

Manager	Officers	
ESI Energy, LLC	Lewis Hay III	President
	Michael L. Leighton	Vice President
	Charles J. Muoio	Vice President
	Michael O'Sullivan	Vice President
	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

Limerick Partners, LLC — **02/22/99**
(Member: FPL Energy Linfield, LLC)
A Connecticut Limited Liability Company

Manager	Officers	
	Lewis Hay III	President
	Michael L. Leighton	Vice President
	Charles J. Muoio	Vice President
	Michael O'Sullivan	Vice President
	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

Midway Power, LLC — **07/11/00**
(Member: ESI Energy, LLC)
A Delaware Limited Liability Company

Manager	Officers	
	Lewis Hay III	President
	Derrel A. Grant, Jr.	Vice President
	Charles J. Muoio	Vice President
	Michael O'Sullivan	Vice President
	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

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Milan Development Company, LLC **08/14/01**
(Member: FPL Energy Tennessee Holdings, LLC) A Delaware Limited Liability Company

Manager	Officers	
FPL Energy Tennessee Holdings, LLC	Lewis Hay III	President
	Michael L. Leighton	Vice President
	Charles J. Muoio	Vice President
	Michael O'Sullivan	Vice President
	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

Milan Transmission Company, LLC **08/14/01**
(Member: Milan Development Company, LLC) A Delaware Limited Liability Company

Manager	Officers	
FPL Energy Tennessee Holdings, LLC	Lewis Hay III	President
	Michael L. Leighton	Vice President
	Charles J. Muoio	Vice President
	Michael O'Sullivan	Vice President
	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

MNM I LP, LLC **08/27/01**
(Member: FPLE Forney, L.P.) A Delaware Limited Liability Company

Manager	Officers	
	Lewis Hay III	President
	Michael L. Leighton	Vice President
	Charles J. Muoio	Vice President
	Michael O'Sullivan	Vice President
	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

Mountain Creek Development Company, LLC **03/01/01**
(Member: ESI Energy, LLC) A Delaware Limited Liability Company

Manager	Officers	
	Lewis Hay III	President
	Michael L. Leighton	Vice President
	Charles J. Muoio	Vice President
	Michael O'Sullivan	Vice President
	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

Mountain Creek Transmission Company, LLC **04/18/01**
(Subsidiary of Mountain Creek Development Company, LLC) A Delaware Limited Liability Company

Manager	Officers	
ESI Energy, LLC	Lewis Hay III	President
	Michael L. Leighton	Vice President
	Charles J. Muoio	Vice President
	Michael O'Sullivan	Vice President
	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

New Albany Energy Development Company, LLC — **03/29/01**
(Member :FPL Energy Mississippi Holdings, LLC) — A Delaware Limited Liability Company

Manager	Officers	
FPL Energy Mississippi Holdings, LLC	Lewis Hay III	President
	Michael L. Leighton	Vice President
	Charles J. Muoio	Vice President
	Michael O'Sullivan	Vice President
	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

New Albany Energy Transmission Company, LLC — **04/12/01**
(Member :New Albany Energy Development Company, LLC) — A Delaware Limited Liability Company

Manager	Officers	
New Albany Energy Development Company, LLC	Lewis Hay III	President
	Michael L. Leighton	Vice President
	Charles J. Muoio	Vice President
	Michael O'Sullivan	Vice President
	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

Oconee River Development Company, LLC — **05/17/01**
(Member : ESI Energy, LLC) — A Delaware Limited Liability Company

Manager	Officers	
ESI Energy, LLC	Lewis Hay III	President
	Michael L. Leighton	Vice President
	Charles J. Muoio	Vice President
	Michael O'Sullivan	Vice President
	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

Oconee River Transmission Company, LLC — **05/17/01**
(Member : Oconee River Development Company, LLC) — A Delaware Limited Liability Company

Manager	Officers	
Oconee River Development Company, LLC	Lewis Hay III	President
	Michael L. Leighton	Vice President
	Charles J. Muoio	Vice President
	Michael O'Sullivan	Vice President
	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

Opal Holdings, LLC — **06/24/99**
(Member: ESI Energy, LLC) — A Delaware Limited Liability Company

Manager	Officers	
	Michael L. Leighton	President
	Derrel A. Grant, Jr.	Vice President
	Thomas J. Sutton	Treasurer
	Patrick M. Bryan	Secretary

Philadelphia Refinery Generation, LLC — **11/04/98**
(Member: ESI Energy, LLC) — A Delaware Limited Liability Company

Manager	Officers	
ESI Energy, LLC	Lewis Hay III	President
	Charles J. Muoio	Vice President
	Michael O'Sullivan	Vice President
	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

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Red Hill Development Company, LLC — **04/12/01**
(Member :FPL Energy Mississippi Holdings, LLC) — A Delaware Limited Liability Company

Manager	Officers	
FPL Energy Mississippi Holdings, LLC	Lewis Hay III	President
	Michael L. Leighton	Vice President
	Charles J. Muoio	Vice President
	Michael O'Sullivan	Vice President
	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

Red River Energy Development, LLC — **04/18/01**
(Subsidiary of FPL Energy Louisiana Holdings, LLC) — A Delaware Limited Liability Company

Manager	Officers	
ESI Energy, LLC	Lewis Hay III	President
	Michael L. Leighton	Vice President
	Charles J. Muoio	Vice President
	Michael O'Sullivan	Vice President
	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

Ridgetop Energy, LLC — **10/22/98**
(Members: Ridgetop Power Corporation – 50%; and Caithness Windridge Acquisition, LLC – 50%) — A Delaware Limited Liability Company

Manager	Officers	
Ridgetop Power Corporation	Lewis Hay III	President
	Michael L. Leighton	Vice President
	Michael O'Sullivan	Vice President
	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

Sandersville Transmission Company, LLC — **04/12/01**
(Member :Red Hill Development Company, LLC) — A Delaware Limited Liability Company

Manager	Officers	
Red Hill Development Company, LLC	Lewis Hay III	President
	Michael L. Leighton	Vice President
	Charles J. Muoio	Vice President
	Michael O'Sullivan	Vice President
	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

Southern Sierra Power, LLC — **08/23/00**
(Member: ESI Energy, LLC) — A Delaware Limited Liability Company

Manager	Officers	
ESI Energy, LLC	Lewis Hay III	President
	Michael L. Leighton	Vice President
	Charles J. Muoio	Vice President
	Michael O'Sullivan	Vice President
	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

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Summer Shade Development Company, LLC **05/17/01**
(Member : FPL Energy Kentucky Holdings, LLC)
A Delaware Limited Liability Company

Manager	Officers	
ESI Energy Kentucky Holdings, LLC	Lewis Hay III	President
	Michael L. Leighton	Vice President
	Charles J. Muoio	Vice President
	Michael O'Sullivan	Vice President
	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

Summer Shade Transmission Company, LLC **05/17/01**
(Member : Summer Shade Development Company, LLC)
A Delaware Limited Liability Company

Manager	Officers	
Summer Shade Development Company, LLC	Lewis Hay III	President
	Michael L. Leighton	Vice President
	Charles J. Muoio	Vice President
	Michael O'Sullivan	Vice President
	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

Sunrise Energy Center LLC **12/01/00**
(Subsidiary of FPLE Sunrise Energy Center, LLC)
(Formerly Oceanside Energy Center, LLC)
A Delaware Limited Liability Company
Name changed – 03/01/01

Manager	Officers	
	Lewis Hay III	President
	Michael L. Leighton	Vice President
	Charles J. Muoio	Vice President
	Michael O'Sullivan	Vice President
	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

Timber Creek Power Company, LLC **02/26/01**
(Member: ESI Energy, LLC)
(Formerly: FPL Energy Chaplin's Acreage LLC and FPL Energy Chaplain's Acreage LLC) **05/22/01**
A Delaware Limited Liability Company

Manager	Officers	
ESI Energy, LLC	Lewis Hay III	President
	Michael L. Leighton	Vice President
	Charles J. Muoio	Vice President
	Michael O'Sullivan	Vice President
	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

Tower Associates, LLC **07/12/01**
(Member :ESI Energy, LLC)
A Delaware Limited Liability Company

Manager	Officers	
ESI Energy, LLC	Lewis Hay III	President
	Michael L. Leighton	Vice President
	Charles J. Muoio	Vice President
	Michael O'Sullivan	Vice President
	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

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Union Development Company, LLC — **08/14/01**
(Member: FPL Energy Mississippi Holdings, LLC) — A Delaware Limited Liability Company

Manager	Officers	
FPL Energy Mississippi Holdings, LLC	Lewis Hay III	President
	Michael L. Leighton	Vice President
	Charles J. Muoio	Vice President
	Michael O'Sullivan	Vice President
	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

Union Transmission Company, LLC — **08/14/01**
(Member: Union Development Company, LLC) — A Delaware Limited Liability Company

Manager	Officers	
Union Development Company, LLC	Lewis Hay III	President
	Michael L. Leighton	Vice President
	Charles J. Muoio	Vice President
	Michael O'Sullivan	Vice President
	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

White Oak Power Company, LLC — **10/25/00**
(Member: ESI Energy White Oak, LLC) — A Delaware Limited Liability Company
(Formerly Dry Fork Power Company, LLC)

Manager	Officers	
ESI Energy White Oak, LLC	Lewis Hay III	President
	Charles J. Muoio	Vice President
	Michael O'Sullivan	Vice President
	Robert L. McGrath	Treasurer
	Edward F. Tancer	Secretary
	Rita W. Costantino	Assistant Secretary

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BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 001148-EI

MINIMUM FILING REQUIREMENTS

FLORIDA POWER & LIGHT COMPANY AND SUBSIDIARIES

SCHEDULE NO. F – 7

FLORIDA PUBLIC SERVICE COMMISSION FLORIDA POWER & LIGHT COMPANY AND SUBSIDIARIES DOCKET NO. 001148-EI	EXPLANATION: IF A PROJECTED TEST YEAR IS USED, PROVIDE A BRIEF DESCRIPTION OF EACH METHOD OR MODEL USED IN THE FORECASTING PROCESS. PROVIDE A FLOWCHART WHICH SHOWS THE POSITION OF EACH MODEL IN THE FORECASTING PROCESS. PROVIDE UNDER SEPARATE COVER TO STAFF, COMMISSIONERS, COMMISSION CLERK, AND UPON REQUEST, OTHER PARTIES TO THIS DOCKET A DETAILED DESCRIPTION OF THE COMPLETE FORECASTING MODEL USED TO PROVIDE THE FORECASTS OF THE NUMBER OF CUSTOMERS, ENERGY SALES AND PEAK DEMANDS SUBMITTED IN SCHEDULES E-27A, E-27B, AND E-27C. THIS DESCRIPTION SHALL INCLUDE THE METHOD(S) USED TO CALCULATE AND VALIDATE THE MODEL(S). A DESCRIPTION OF THE DIFFERENCES BETWEEN THIS FORECASTING MODEL AND THAT USED IN THE COMMISSION'S MOST RECENT PLANNING HEARING SHALL BE INCLUDED.	TYPE OF DATA SHOWN: ___HISTORICAL TEST YEAR ENDED _X_ PROJECTED TEST YEAR ENDED 12/31/02 ___PRIOR YEAR ENDED WITNESS: NA

FORECASTING METHODOLOGY AND MODELS

FLORIDA PUBLIC SERVICE COMMISSION

FLORIDA POWER & LIGHT COMPANY AND SUBSIDIARIES

DOCKET NO. 001148-EI

EXPLANATION: IF A PROJECTED TEST YEAR IS USED, PROVIDE A BRIEF DESCRIPTION OF EACH METHOD OR MODEL USED IN THE FORECASTING PROCESS. PROVIDE A FLOWCHART WHICH SHOWS THE POSITION OF EACH MODEL IN THE FORECASTING PROCESS. PROVIDE UNDER SEPARATE COVER TO STAFF, COMMISSIONERS, COMMISSION CLERK, AND UPON REQUEST, OTHER PARTIES TO THIS DOCKET A DETAILED DESCRIPTION OF THE COMPLETE FORECASTING MODEL USED TO PROVIDE THE FORECASTS OF THE NUMBER OF CUSTOMERS, ENERGY SALES AND PEAK DEMANDS SUBMITTED IN SCHEDULES E-27A, E-27B, AND E-27C. THIS DESCRIPTION SHALL INCLUDE THE METHOD(S) USED TO CALCULATE AND VALIDATE THE MODEL(S). A DESCRIPTION OF THE DIFFERENCES BETWEEN THIS FORECASTING MODEL AND THAT USED IN THE COMMISSION'S MOST RECENT PLANNING HEARING SHALL BE INCLUDED.

TYPE OF DATA SHOWN:

__ HISTORICAL TEST YEAR ENDED
X PROJECTED TEST YEAR ENDED 12/31/02
__ PRIOR YEAR ENDED
WITNESS: NA

I. OVERVIEW OF THE FORECASTING PROCESS

The projected data is the output of the following processes:

- Resource Assessment and Planning - An econometric model is used to forecast customers, sales and peak load. The POWERSYM model is used to model the generation power supply plan and develop the fuel expense forecast.
- O&M Expense Forecast - Forecast of O&M expenses for 2001 and 2002 prepared by each Business Unit.
- Capital Expenditures - Forecast of Capital Expenditures for 2001 through 2006 prepared by each Business Unit.
- Consolidated Financial Model (CFM) - Generates summary level financial forecasts for management purposes.

In addition to the processes identified above, a new integrated database, the Regulatory Filing Data Repository (RFDR), was developed to assist in the preparation of Minimum Filing Requirements. This database consolidates information from the CFM and supporting inputs to generate data at the cost of service level which is then used to calculate rate base, net operating income and capital structure on a per book and jurisdictional basis.

Attachment 1 of 9 shows the position of each model within the forecasting process.

In developing data for 2001 and 2002, actual data for the period ended May 31, 2001 was used as the starting point. Projected data for the last seven months of 2001 and for all of 2002 was then developed. Historical year (2000) data included in any presentation consists of actual data for the year ended December 31, 2000.

SUPPORTING SCHEDULES: RECAP SCHEDULES:

FLORIDA PUBLIC SERVICE COMMISSION FLORIDA POWER & LIGHT COMPANY AND SUBSIDIARIES DOCKET NO. 001148-EI	EXPLANATION: IF A PROJECTED TEST YEAR IS USED, PROVIDE A BRIEF DESCRIPTION OF EACH METHOD OR MODEL USED IN THE FORECASTING PROCESS. PROVIDE A FLOWCHART WHICH SHOWS THE POSITION OF EACH MODEL IN THE FORECASTING PROCESS. PROVIDE UNDER SEPARATE COVER TO STAFF, COMMISSIONERS, COMMISSION CLERK, AND UPON REQUEST, OTHER PARTIES TO THIS DOCKET A DETAILED DESCRIPTION OF THE COMPLETE FORECASTING MODEL USED TO PROVIDE THE FORECASTS OF THE NUMBER OF CUSTOMERS, ENERGY SALES AND PEAK DEMANDS SUBMITTED IN SCHEDULES E-27A, E-27B, AND E-27C. THIS DESCRIPTION SHALL INCLUDE THE METHOD(S) USED TO CALCULATE AND VALIDATE THE MODEL(S). A DESCRIPTION OF THE DIFFERENCES BETWEEN THIS FORECASTING MODEL AND THAT USED IN THE COMMISSION'S MOST RECENT PLANNING HEARING SHALL BE INCLUDED.	TYPE OF DATA SHOWN: ___ HISTORICAL TEST YEAR ENDED _X_ PROJECTED TEST YEAR ENDED 12/31/02 ___ PRIOR YEAR ENDED WITNESS: NA

II. RESOURCE ASSESSMENT AND PLANNING

Econometric Model

The Forecasting section of the Resource Assessment and Planning (RAP) Department uses an econometric model to project Customers, Energy Sales, Net Energy for Load and Peaks to support various planning processes in the company. Short-term forecasts for these items are developed on a monthly basis for a five-year period. Customers and Energy Sales are developed by customer class. The instructions of this filing requests that a detailed description of the forecasting methodology for these items be provided under separate cover. In order to comply with these instructions, the methodology is included as Attachment 2 of 9. However, a description of the differences between this forecasting model and that used in the Commission's most recent planning hearing is not included since such hearings are no longer held.

Electric Production Cost Forecast

The RAP department also develops the power supply plan to meet FPL's power generation needs. Load data, fuel prices, plant operating parameters, plant outage schedules, DSM program data, qualifying facilities and interchange projections are all entered into the POWERSYM model. This model then generates an electric production cost forecast that includes MWH produced, wholesale sales and purchases and fuel expense.

III. O&M EXPENSE FORECAST

The Operation and Maintenance (O&M) Expense forecasts were prepared using the same basic process employed by the company since the early 1990's.

The process requires each Business Unit to provide an updated estimate for the current year's budget (2001 in this instance), and identify requirements for the upcoming budget year (2002). The Business Units must also identify the drivers of any expected variance from the current year's plan, as well as any increase or decrease in the level of funding required in the forecast year. To facilitate a meaningful comparison of the two budget years, the Business Units must identify any necessary adjustments to current year end estimates such as the removal of any non-recurring events and the addition any normalizing amounts not previously included in the current year end estimate.

When developing its funding requirements for the upcoming year, the Business Unit takes into account the published corporate inflation factors and payroll assumptions, as well as any unit specific assumptions, such as fleet vehicle utilization rates. A guideline is issued by Corporate Budgets to assist the Business Units in developing their updated estimates of the current year and upcoming year budgets.

SUPPORTING SCHEDULES: RECAP SCHEDULES:

FLORIDA PUBLIC SERVICE COMMISSION

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES

DOCKET NO. 001148-EI

EXPLANATION: IF A PROJECTED TEST YEAR IS USED, PROVIDE A BRIEF DESCRIPTION OF EACH METHOD OR MODEL USED IN THE FORECASTING PROCESS. PROVIDE A FLOWCHART WHICH SHOWS THE POSITION OF EACH MODEL IN THE FORECASTING PROCESS. PROVIDE UNDER SEPARATE COVER TO STAFF, COMMISSIONERS, COMMISSION CLERK, AND UPON REQUEST, OTHER PARTIES TO THIS DOCKET A DETAILED DESCRIPTION OF THE COMPLETE FORECASTING MODEL USED TO PROVIDE THE FORECASTS OF THE NUMBER OF CUSTOMERS, ENERGY SALES AND PEAK DEMANDS SUBMITTED IN SCHEDULES E-27A, E-27B, AND E-27C. THIS DESCRIPTION SHALL INCLUDE THE METHOD(S) USED TO CALCULATE AND VALIDATE THE MODEL(S). A DESCRIPTION OF THE DIFFERENCES BETWEEN THIS FORECASTING MODEL AND THAT USED IN THE COMMISSION'S MOST RECENT PLANNING HEARING SHALL BE INCLUDED.

TYPE OF DATA SHOWN:

___ HISTORICAL TEST YEAR ENDED
_X_ PROJECTED TEST YEAR ENDED 12/31/02
___ PRIOR YEAR ENDED
WITNESS: NA

Each Business Unit head ensures his or her funding requirements have been reviewed by the Chief Operating Officer, before submitting them to the Financial Business Unit's Corporate Budget section for consolidation. Each Business Unit head explains the purpose and justifies the necessity of his or her Business Unit's funding requirements. Explanations and justifications include such drivers as customer service, system reliability, customer growth, improved productivity and regulatory requirements. Follow-up review may be held, as necessary, until the Chief Operating Officer determines an appropriate funding level for the coming budget year.

Due to the timing of the rate review process, the 2002 O&M forecast process was started about eight weeks sooner than usual, and the duration of the process was reduced to about eight weeks, or about half the normal length.

This year's process was begun with a notification, to the Business Unit heads and their budget and planning staff, from the Corporate Budgets section of the Financial Business Unit, announcing the accelerated and compressed schedule. The notification included a calendar of key dates and the general guidelines.

Next, Corporate Budgets collected the key economic assumptions. Inflation rates were obtained from the Financial Business Unit's Planning section. Payroll program assumptions were obtained from the Compensation section of Human Resources. These assumptions were issued in the notification to the Business Unit budget coordinators.

The Business Units submitted their funding requirements to Corporate Budgets, per the published schedule. The Chief Operating Officer released the updated 2001 estimate and the 2002 forecast which was used in preparing the Minimum Filing Requirements.

IV. CAPITAL EXPENDITURES FORECAST

The Company performs both an annual capital forecast and a five-year forecast of capital requirements. The annual capital forecasting process is the same as the O&M expense forecasting process. They are performed concurrently. See the previous section for a discussion of the forecast development methodology and review process.

The five-year capital forecast is basically an extension of the annual process, employing the same requirements for identifying, explaining and justifying changes in the funding levels from year to year, through the final year of the forecast (in this instance 2006). In addition, the five-year capital forecast seeks special information required by the Consolidated Financial Model as follows.

SUPPORTING SCHEDULES: RECAP SCHEDULES:

FLORIDA PUBLIC SERVICE COMMISSION FLORIDA POWER & LIGHT COMPANY AND SUBSIDIARIES DOCKET NO. 001148-EI	EXPLANATION: IF A PROJECTED TEST YEAR IS USED, PROVIDE A BRIEF DESCRIPTION OF EACH METHOD OR MODEL USED IN THE FORECASTING PROCESS. PROVIDE A FLOWCHART WHICH SHOWS THE POSITION OF EACH MODEL IN THE FORECASTING PROCESS. PROVIDE UNDER SEPARATE COVER TO STAFF, COMMISSIONERS, COMMISSION CLERK, AND UPON REQUEST, OTHER PARTIES TO THIS DOCKET A DETAILED DESCRIPTION OF THE COMPLETE FORECASTING MODEL USED TO PROVIDE THE FORECASTS OF THE NUMBER OF CUSTOMERS, ENERGY SALES AND PEAK DEMANDS SUBMITTED IN SCHEDULES E-27A, E-27B, AND E-27C. THIS DESCRIPTION SHALL INCLUDE THE METHOD(S) USED TO CALCULATE AND VALIDATE THE MODEL(S). A DESCRIPTION OF THE DIFFERENCES BETWEEN THIS FORECASTING MODEL AND THAT USED IN THE COMMISSION'S MOST RECENT PLANNING HEARING SHALL BE INCLUDED.	TYPE OF DATA SHOWN: __ HISTORICAL TEST YEAR ENDED X PROJECTED TEST YEAR ENDED 12/31/02 __ PRIOR YEAR ENDED WITNESS: NA

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Each Business Unit must classify its capital investments by project. Projects must be classified as either major or minor. Major projects are those with a total cost over the life of the project of more than $10,000,000 and which have a specific in service date. Capital investments that do not meet the criteria for a major project are grouped under one or more minor projects at the Business Unit's discretion. All major and minor projects must be further defined by FERC function, and a plant site code, if applicable. All projects also must indicate the anticipated recovery mechanism, either through base rates or a cost recovery clause. Additional administrative requirements of the Consolidated Financial Model are included in a special guideline issued to the Business Units by Corporate Budgets to assist them in developing their five-year capital forecasts.

This year's capital forecasting process was communicated along with the announcement of the start of the O&M forecasting process. Refer to the previous section for a description of this year's deployment.

V. CONSOLIDATED FINANCIAL MODEL

A. SYSTEM OVERVIEW

In developing data for the 2002 test year, actual data for the period ended May 31, 2001 was used as a base for the forecast. Projected data for the last seven months of 2001 and for all of 2002 was then developed.

The corporate modeling system used by the Finance Department uses CompetiSoft™ Financial Planner Technology created by Utilities International, Inc. Financial Planner (FP) is an integrated financial planning model used to consolidate FPL's forecasted financial data for reporting to management and external parties.

FP design uses a module-based structure in which the Consolidated Financial Module (CFM) serves as a central collection point for all of FP's feeder calculations. Feeder calculations consist of Electric Sales and Revenues, O&M, Construction and Plant Accounting, Long-Term Financing and User inputs. CFM calculations are made using Visual Basic (VB) code in the model. The CFM consolidates the data from each of the feeder module outputs and performs the business logic calculations to generate financial statements for the Company.

SUPPORTING SCHEDULES: RECAP SCHEDULES:

FLORIDA PUBLIC SERVICE COMMISSION

FLORIDA POWER & LIGHT COMPANY AND SUBSIDIARIES

DOCKET NO. 001148-EI

EXPLANATION: IF A PROJECTED TEST YEAR IS USED, PROVIDE A BRIEF DESCRIPTION OF EACH METHOD OR MODEL USED IN THE FORECASTING PROCESS. PROVIDE A FLOWCHART WHICH SHOWS THE POSITION OF EACH MODEL IN THE FORECASTING PROCESS. PROVIDE UNDER SEPARATE COVER TO STAFF, COMMISSIONERS, COMMISSION CLERK, AND UPON REQUEST, OTHER PARTIES TO THIS DOCKET A DETAILED DESCRIPTION OF THE COMPLETE FORECASTING MODEL USED TO PROVIDE THE FORECASTS OF THE NUMBER OF CUSTOMERS, ENERGY SALES AND PEAK DEMANDS SUBMITTED IN SCHEDULES E-27A, E-27B, AND E-27C. THIS DESCRIPTION SHALL INCLUDE THE METHOD(S) USED TO CALCULATE AND VALIDATE THE MODEL(S). A DESCRIPTION OF THE DIFFERENCES BETWEEN THIS FORECASTING MODEL AND THAT USED IN THE COMMISSION'S MOST RECENT PLANNING HEARING SHALL BE INCLUDED.

TYPE OF DATA SHOWN:

___ HISTORICAL TEST YEAR ENDED
_X_ PROJECTED TEST YEAR ENDED 12/31/02
___ PRIOR YEAR ENDED
WITNESS: NA

For data inputs that do not fall into one of the modules listed below, the CFM allows for the inputs to be forecasted outside of the model and manually input into the CFM module. Once balance sheet and income statement items have been calculated based upon inputs into the other modules, the CFM logic balances these statements where imbalances occur, and schedules the issuance or retirement of commercial paper or short-term investments to make such adjustments.

Additionally, in certain instances where values for miscellaneous items are not specifically forecasted, either as a manual input, or through another module, the CFM applies a standardized forecast method to forecast future periods. An example of one of the standard methods used is "most recent balance of corresponding historical month plus a growth factor of CPI". This method takes each month of the historical year and multiplies it by CPI to arrive at the forecast for the corresponding month in the projected year.

The CFM module also consolidates forecasted calculations and manual inputs from the feeder modules to calculate deferred income taxes and income tax expense for presentation in the financial statements.

B. FLOWCHART

See Attachment 7 of 9.

C. INTEGRATED MODULES

1. Electric Sales & Revenue Module (ES&R)

- Historical Information

  On a monthly basis, historical information on electric and other revenues is updated into the ES&R via an interface from the Financial Accounting Management System (FAMS). Some items that are not captured in the FAMS data load are manually input into the ES&R.

- Forecasted Information

  ES&R forecasts electric revenues for each customer class. Electric sales/loads (MWH) as well as production and fuel expense (in dollars) are fed from the production costing model (POWERSYM) and used for calculations in the revenue module.

FLORIDA PUBLIC SERVICE COMMISSION FLORIDA POWER & LIGHT COMPANY AND SUBSIDIARIES DOCKET NO. 001148-EI	EXPLANATION: IF A PROJECTED TEST YEAR IS USED, PROVIDE A BRIEF DESCRIPTION OF EACH METHOD OR MODEL USED IN THE FORECASTING PROCESS. PROVIDE A FLOWCHART WHICH SHOWS THE POSITION OF EACH MODEL IN THE FORECASTING PROCESS. PROVIDE UNDER SEPARATE COVER TO STAFF, COMMISSIONERS, COMMISSION CLERK, AND UPON REQUEST, OTHER PARTIES TO THIS DOCKET A DETAILED DESCRIPTION OF THE COMPLETE FORECASTING MODEL USED TO PROVIDE THE FORECASTS OF THE NUMBER OF CUSTOMERS, ENERGY SALES AND PEAK DEMANDS SUBMITTED IN SCHEDULES E-27A, E-27B, AND E-27C. THIS DESCRIPTION SHALL INCLUDE THE METHOD(S) USED TO CALCULATE AND VALIDATE THE MODEL(S). A DESCRIPTION OF THE DIFFERENCES BETWEEN THIS FORECASTING MODEL AND THAT USED IN THE COMMISSION'S MOST RECENT PLANNING HEARING SHALL BE INCLUDED.	TYPE OF DATA SHOWN: __ HISTORICAL TEST YEAR ENDED X PROJECTED TEST YEAR ENDED 12/31/02 __ PRIOR YEAR ENDED WITNESS: NA

Electric sales and load forecast files are obtained from the RAP Department and input into the ES&R module. The ES&R module is also updated with RAP's electric production cost forecast that includes MWH produced, wholesale sales and purchases and fuel expense. Retail Base and Wholesale Base Revenue Forecasts are provided by the Rates and Tariff Department, and input into the ES&R module for each customer class. For the year 2002, retail base revenues are forecasted based on a projection of billing determinants by rate class. The methodology for developing projected billing determinants is described in MFR E-18d. Projected billing determinants by rate class are then applied against the currently approved tariff charges to obtain a forecast of base revenues by rate class. Base revenues by customer class are then determined based on the historical relationships between revenues by rate class and revenues by customer class. For the year 2001, retail base revenues are forecasted by projecting the cents per kWh for base revenues by customer class and applying the results to the forecasted sales by customer class. For both 2001 and 2002, wholesale base revenues are forecasted by applying projected billing determinants to wholesale base rates by rate class and/or contract.

The ES&R module uses the input data to calculate:

- MWH sales, electric production and fuel expense for use in calculations of base revenues and clause revenues.
- Rates by customer class.
- Fuel clause projections based on jurisdictional factors.
- Billed and unbilled revenues.
- Over/under recovery for all cost recovery clauses.

2. O&M Calculation Module

- <u>Historical Information</u>

On a monthly basis, historical information on operating and maintenance expenses is updated into the O&M module via an interface from FAMS. Some items that are not captured in the FAMS data load are manually input into the O&M module.

- <u>Forecasted Information</u>

O&M forecast data is obtained from Corporate Budgets and is input into the O&M module at a summary level. This data is then output to the CFM for preparation of forecasted financial statements.

SUPPORTING SCHEDULES: RECAP SCHEDULES:

FLORIDA PUBLIC SERVICE COMMISSION FLORIDA POWER & LIGHT COMPANY AND SUBSIDIARIES DOCKET NO. 001148-EI	EXPLANATION: IF A PROJECTED TEST YEAR IS USED, PROVIDE A BRIEF DESCRIPTION OF EACH METHOD OR MODEL USED IN THE FORECASTING PROCESS. PROVIDE A FLOWCHART WHICH SHOWS THE POSITION OF EACH MODEL IN THE FORECASTING PROCESS. PROVIDE UNDER SEPARATE COVER TO STAFF, COMMISSIONERS, COMMISSION CLERK, AND UPON REQUEST, OTHER PARTIES TO THIS DOCKET A DETAILED DESCRIPTION OF THE COMPLETE FORECASTING MODEL USED TO PROVIDE THE FORECASTS OF THE NUMBER OF CUSTOMERS, ENERGY SALES AND PEAK DEMANDS SUBMITTED IN SCHEDULES E-27A, E-27B, AND E-27C. THIS DESCRIPTION SHALL INCLUDE THE METHOD(S) USED TO CALCULATE AND VALIDATE THE MODEL(S). A DESCRIPTION OF THE DIFFERENCES BETWEEN THIS FORECASTING MODEL AND THAT USED IN THE COMMISSION'S MOST RECENT PLANNING HEARING SHALL BE INCLUDED.	TYPE OF DATA SHOWN: __ HISTORICAL TEST YEAR ENDED X PROJECTED TEST YEAR ENDED 12/31/02 __ PRIOR YEAR ENDED WITNESS: NA

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3. Construction and Plant Accounting Module (CPA)

- Historical Information

On a monthly basis, historical data for property, plant and equipment is updated in the CPA module via an interface from the Walker Property Records System (WPRS). The Construction Work in Process is also updated on a monthly basis via an interface with the General Ledger .

- Forecasted Information

Capital expenditures forecast data is obtained from Corporate Budgets and is input into the CPA module. Forecasted retirements, depreciation rates, and tax depreciation on vintage assets are manually input into the CPA module.

The CPA module uses the input data to calculate plant activity, depreciation, deferred taxes and tax depreciation on asset additions. These calculations are then consolidated in the CFM module for use in generating financial statements.

4. Finance Module -- Long-term Financing

The Finance Module forecasts long-term financing activity for all outstanding debt and new debt instruments added to the model. Data is manually input into the module on an individual debt issue basis.

The module generates details of each issues' transactions for all items that apply to the income statement, cash flow statement, and balance sheet (issuances, retirements, premium, discounts, interest, amortization, etc.).

5. User Input Module -- Other

The FP model also allows the capability to input forecast assumptions and actual values for items that are budgeted and calculated outside of the system - that are not captured by the modules listed above. These include items such as property taxes, commercial paper rates, miscellaneous revenues, etc.

SUPPORTING SCHEDULES: RECAP SCHEDULES:

FLORIDA PUBLIC SERVICE COMMISSION FLORIDA POWER & LIGHT COMPANY AND SUBSIDIARIES DOCKET NO. 001148-EI	EXPLANATION: IF A PROJECTED TEST YEAR IS USED, PROVIDE A BRIEF DESCRIPTION OF EACH METHOD OR MODEL USED IN THE FORECASTING PROCESS. PROVIDE A FLOWCHART WHICH SHOWS THE POSITION OF EACH MODEL IN THE FORECASTING PROCESS. PROVIDE UNDER SEPARATE COVER TO STAFF, COMMISSIONERS, COMMISSION CLERK, AND UPON REQUEST, OTHER PARTIES TO THIS DOCKET A DETAILED DESCRIPTION OF THE COMPLETE FORECASTING MODEL USED TO PROVIDE THE FORECASTS OF THE NUMBER OF CUSTOMERS, ENERGY SALES AND PEAK DEMANDS SUBMITTED IN SCHEDULES E-27A, E-27B, AND E-27C. THIS DESCRIPTION SHALL INCLUDE THE METHOD(S) USED TO CALCULATE AND VALIDATE THE MODEL(S). A DESCRIPTION OF THE DIFFERENCES BETWEEN THIS FORECASTING MODEL AND THAT USED IN THE COMMISSION'S MOST RECENT PLANNING HEARING SHALL BE INCLUDED.	TYPE OF DATA SHOWN: ___HISTORICAL TEST YEAR ENDED _X_ PROJECTED TEST YEAR ENDED 12/31/02 ___PRIOR YEAR ENDED WITNESS: NA

VI. REGULATORY FILING DATA REPOSITORY

A new integrated proprietary database was developed to assist in the preparation of the Minimum Filing Requirements. It is referred to as the Regulatory Filing Data Repository. See Attachment 8 of 9 for a detailed description of this database and process.

NOTE: FPL is presently reevaluating its sales forecast, the results of which affect some MFRs. In order to comply with the Commission's timetable for filing MFRs, FPL's sales forecast for 2002 was prepared in May 2001, using the best information available at that time, as discussed in this filing. In the past few months, however, the U.S. economy has experienced some unexpected deterioration. In addition, the recent tragedies in New York and Washington may have economic and other consequences that could affect FPL's sales forecast in ways that cannot yet be determined. FPL is continuing to reevaluate its 2002 sales forecast to determine the impact of these national and world events, and will advise the FPSC of any material changes in forecasted data.

SUPPORTING SCHEDULES: RECAP SCHEDULES:

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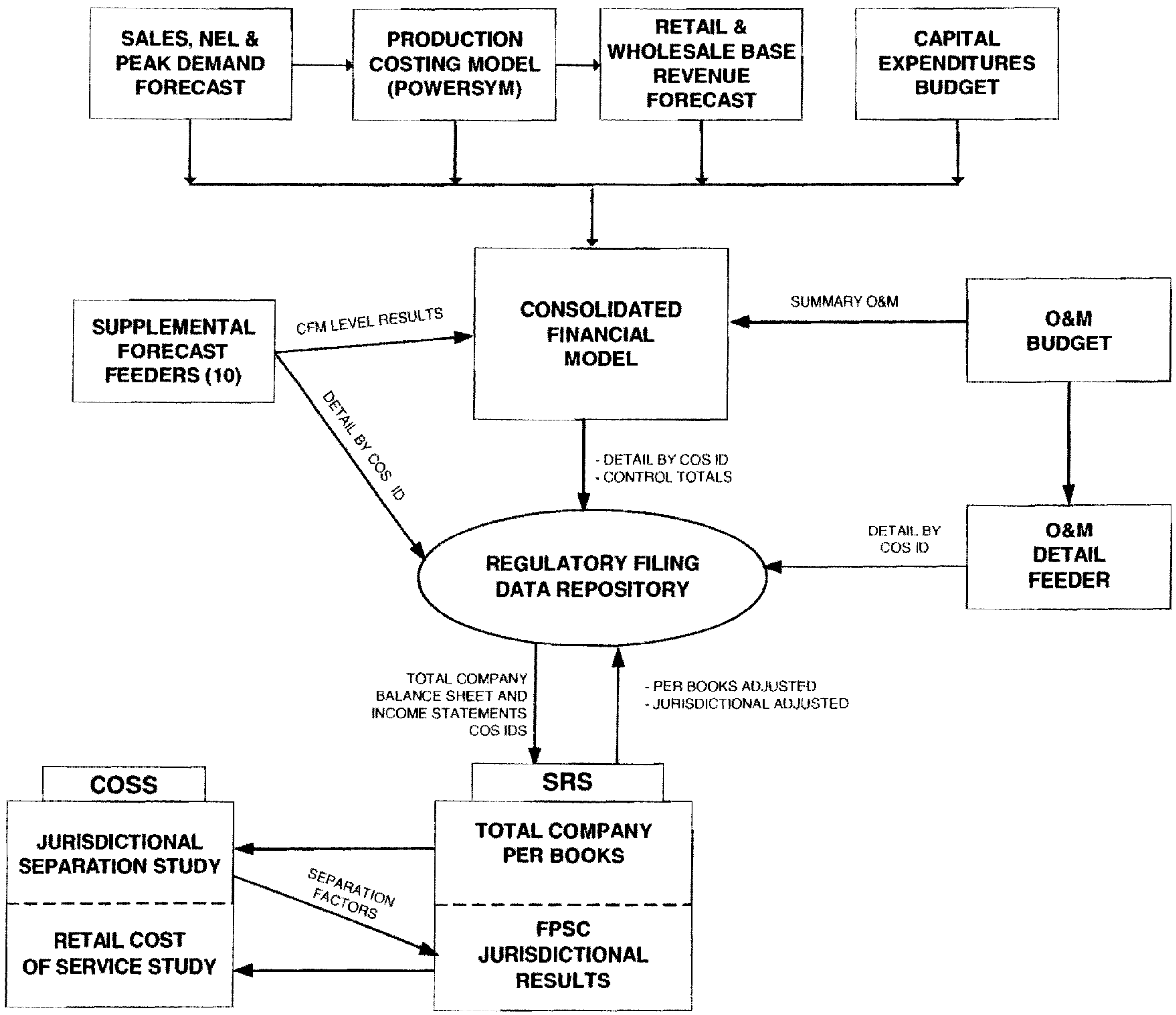
FLORIDA POWER & LIGHT COMPANY
FORECASTING PROCESS OVERVIEW



FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
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ATTACHMENT 1 OF 9
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CUSTOMERS, ENERGY SALES AND PEAK DEMAND FORECASTING METHODOLOGY

The Forecasting section of Resource Assessment and Planning projects Customers, Energy Sales, Net Energy for Load and Peaks to support various planning processes in the company.

Short-term forecasts are developed on a monthly basis for a five-year period for Customers, Energy Sales, Net Energy for Load (NEL), and Peaks. Customers and Energy Sales are developed by customer class.

ASSUMPTIONS:

In developing the forecasts, assumptions were made about the most likely conditions for the economy, population, and weather. The forecasts for the economic variables is obtained from Data Resources Incorporated (DRI) and Wharton Econometrics (WEFA). Population estimates are obtained from the University of Florida's Bureau of Economic & Business Research (BEBR). The weather data is gathered every month from four weather stations across our service territory and various weather assumptions are developed.

Weather is the most important factor, which affects the company's sales and peak demand. Weather variables are used in our forecasting models of short-term sales, summer and winter peak demand. These are two sets of weather variables developed and used in forecasting models:

1. Cooling & Heating Degree Days are used to forecast short-term energy sales.

2. Temperature data is used to forecast summer & winter peaks.

The Cooling & Heating Degree Days are used to capture the changes in the electric usage of weather sensitive appliances, such as air conditioners and electric heaters that occur because of changing weather conditions. The procedure for calculating cooling and heating degree days is as follows:

First a composite system-wide temperature is developed using hourly temperatures from the four weather stations (Miami, Fort Myers, Daytona Beach, West Palm Beach) in our service territory. The hourly temperatures from the four stations are weighted by the sales in that region to produce a system temperature.

Heating Degree Days are calculated by subtracting actual daily composite temperature from a base temperature of 66° (ignore the negative values). This results in a value for heating degree days for that day. A monthly value is obtained by summing the daily heating degree days for the month.

$$\text{Heating Degree Days (HDD)} = \sum_{I=1}^{30} (66° - T_I)$$

Cooling Degree Days are calculated by subtracting a base temperature of 72° from actual daily composite temperature (ignore the negative values). This results in a value for cooling degree days for that day. A monthly value is obtained by summing the daily cooling degree days for the month.

$$\text{Cooling Degree Days (CDD)} = \sum_{I=1}^{30} (T_I - 72°)$$

CUSTOMER FORECAST:

The monthly customer forecast is developed by customer class. Econometric models are developed for residential, commercial, industrial and street & highway classes. For Other Public Authority, Railroads & Railways and Resale, exclusive information pertaining to these classes is used to develop the forecast. See Attachment 3 of 9.

Residential Customer Forecast:

Residential customers are projected for a period of five years using an econometric model with Florida's population, a 12-month lagged dependent variable and an autoregressive term. The growth in Florida's population is a key indicator in projecting FPL's residential customers. The model is as follows:

DEPENDENT VARIABLE:
Residential Customers

INDEPENDENT VARIABLES:	COEFFICIENTS	T RATIO
Florida Population	43,825.8	4.85
Residential Customers (Lagged 12 months)	0.812	18.962
Auto-Regressive(1)	0.735	12.044

Adjusted R-Square = .999
Durbin-Watson = 2.309

Commercial Customer Forecast:

Commercial customers are projected for a five year period using an econometric model with a one-month lagged commercial employment, a 12-month lagged dependent variable and an autoregressive term. The model is as follows:

DEPENDENT VARIABLE:
Commercial Customers

INDEPENDENT VARIABLES:	COEFFICIENTS	T RATIO
Commercial Employment (Lagged 1 Month)	1.403	1.991
Commercial Customers (Lagged 12 Months)	1.000	92.118
Auto-Regressive(1)	0.872	18.659

Adjusted R-Square = .999
Durbin-Watson = 1.992

Industrial Customer Forecast:

Industrial customers are projected for a period of five years, using an econometric model with an intercept term, net annual change in residential customers and an autoregressive term. The net annual change in residential customers is a good indicator for industrial customers since a significant number of industrial customers are temporary meters installed during construction.
The model is as follows:

DEPENDENT VARIABLE:
Industrial Customers

INDEPENDENT VARIABLES:	COEFFICIENTS	T RATIO
Intercept	14,470.779	50.883
Net Annual Change in Residential Customer	0.012	5.668
Auto-Regressive(1)	0.951	46.254

Adjusted R-Square = .958
Durbin – Watson = 1.442

Street & Highway Customers:

Street & Highway customers are projected using an econometric model where the customers are a function of Florida's Population and an autoregressive term.

DEPENDENT VARIABLE:
Street & Highway Customers

INDEPENDENT VARIABLES:	COEFFICIENTS	T RATIO
Florida Population	157.566	3.871
Auto-Regressive(1)	.972	50.876

Adjusted R-Square = .931
Durbin - Watson = 1.978

Other Public Authority:

This customer class primarily consists of government accounts and sports fields. This is a closed customer class, resulting in a declining number of customers. The number of customers in this class is determined by using the information provided by service planners.

Railroads & Railways:

This customer class is made up of the 13 Miami-Dade county's metrorail stations. The number of customers in this customer class are projected to remain the same over the next few years.

Resale:

This class consists of wholesale customers that provide electricity to ultimate consumers. At the present time FPL has three such customers: City of Key West, Florida Keys, and Miami-Dade County. FPL will be adding FMPA in June of 2002.

ENERGY SALES FORECAST:

FPL's Net Energy for Load (NEL) and billed energy sales by customer class are projected on a monthly basis. Weather & economic conditions are the two most important factors in forecasting monthly sales.

Historical monthly billed sales are based on meter readings taken throughout the current month and may include some energy generated and used during the previous month. However, the total recorded usage is credited to the current month's sales. Due to this accounting method it is often difficult to match economic and weather data corresponding to a customer's electric consumption for a given period of time. Therefore, monthly NEL is forecasted since it is the electricity generated to meet customer demand, net of plant use. NEL is used as the control forecast because the model for NEL usage can better capture the impact of weather and other factors affecting monthly sales. Monthly generation output can be appropriately matched with variables affecting usage. Transmission and distribution conversion losses, Company use of electricity, and interchange sales account for other differences between net energy for load and energy sales.

The Net Energy for Load forecast is developed using an econometric model. The key inputs to the model are price of electricity, heating & cooling degree-days, and Florida per capita income.

DEPENDENT VARIABLE:
Net Energy for Load per Customer

INDEPENDENT VARIABLE:	COEFFICIENTS	T RATIO
Intercept	1.013	6.202
Heating Degree Days x Heating Saturation	0.001	8.903
Cooling Degree Days x Cooling Saturation	0.002	60.164
Real Price of Electricity (Lagged 3 months)	-5.514	-4.294
Real Florida Per Capita Income	0.035	7.972
Dummy Variable (February)	-0.117	-8.172

Adjusted R-Square = .977
Durbin - Watson = 1.892

Once the NEL forecast is obtained using the above-mentioned model, total billed sales are computed using a historical ratio of sales to NEL. See Attachment 4 of 9.

To project sales by customer class models for the residential, commercial, and industrial classes are developed. The sum of all the classes will result in total sales, which is adjusted for the total sales derived from the NEL model. The models are developed to obtain a reasonable monthly share of each customer class. See Attachment 5 of 9.

Residential Sales:

Sales for this customer class are projected using an econometric model. Residential sales are a function of heating and cooling degree days, price of electricity, Florida personal income, and a dummy variable for the months of April, May and June along with an autoregressive term. This model used to forecast residential sales on a monthly basis for the short-term.

DEPENDENT VARIABLE:
Residential sales

INDEPENDENT VARIABLES:	COEFFICIENTS	T RATIO
(Heating Degree Days) x (Heating Saturation)	3,775.355	5.564
(Cooling Degree Days) x (Cooling Saturation)	5,191.197	27.259
Real Price of Electricity (Lagged 3 months)	-7,551,839.453	-5.091
Real Florida Personal Income	8,586.643	37.448
Dummy Variable (April)	-350,772.264	-5.366
Dummy Variable (May)	-580,543.474	-9.809
Dummy Variable (June)	-295,271.234	-4.688
Auto-Regressive(1)	0.022	0.233

Adjusted R-Square = .927
Durbin - Watson = 1.925

Commercial Sales:

Sales for this class are forecasted using an econometric model. Commercial sales are a function of commercial employment, cooling degree days, price of electricity and an autoregressive term. This model is used to forecast sales for the commercial class on a monthly basis for the short-term period.

DEPENDENT VARIABLE:
Commercial Sales

INDEPENDENT VARIABLES:	COEFFICIENTS	T RATIO
Intercept	631,222.394	1.636
Commercial Employment in Florida	392.034	40.014
Cooling Degree Days	1,525.838	131.710
Real Price of Electricity	-10,720,758.484	-2.462
Auto-Regressive(1)	0.587	7.061

Adjusted R-Square = .937
Durbin - Watson = 1.891

Industrial Sales:

An econometric model is developed to forecast the sales for this class. The key inputs to the industrial sales model are price of electricity and manufacturing employment. This model is used to project industrial sales on a monthly basis for the short-term.

DEPENDENT VARIABLE:
Industrial Sales

INDEPENDENT VARIABLES:	COEFFICIENTS	T RATIO
Intercept	53,834.213	1.681
Manufacturing Employment in Florida	601.572	9.290
Real Price of Electricity (Lagged 2 months)	-656,370.037	-5.304
Auto-Regressive(1)	0.389	6.733

Adjusted R-Square = .572
Durbin - Watson = 2.084

Street & Highway Sales:

Street & Highway sales are projected based on an assumed constant use per customer, which is multiplied by the forecasted number of customers.

Other Public Authority Sales:

This customer class is a closed class with no new customers being added. This class consists of sports fields and a government account. The forecast for this class is based on historical knowledge of its characteristics.

Railroads & Railways Sales:

The level of sales for this class is projected to remain steady.

Resale Sales:

Resale (Wholesale) customers are composed of municipalities and/or electric cooperatives. These customers differ from jurisdictional customers in that they are not the ultimate users of the electricity they buy. Instead, they resell this electricity to their own customers.

Currently there are four customers in this class: the Florida Keys Electric Cooperative, City Electric, Inc. of Key West, Metro-Dade County, and FMPA. Sales to the Florida Keys are forecasted using a regression model. Forecasted sales to City Electric, Inc. of Key West are based on assumptions regarding their contract demand and expected load factor. Metro-Dade County sells 60 MW to Florida Power Corporation. Line losses are billed to Metro-Dade under a wholesale contract. The forecast is calculated based on assumptions about line losses, their capacity factor, and the number of hours in a particular month. FMPA has contracted for delivery of 75 MWs for the period of June 2002 through October 2007.

Total Sales:

The forecasts for all the customer classes are reconciled to the total sales forecast obtained from the NEL model.

SYSTEM PEAK FORECASTS

In recent years, the absolute growth in FPL system load has been associated with a larger customer base, varying weather conditions, continued economic growth, changing patterns of customer behavior (including an increasing stock of electricity consuming appliances), and more efficient heating and cooling appliances. The Peak Forecast models were developed to capture these behavioral relationships. See Attachment 6 of 9.

The forecasting methodology for summer and winter system peaks is discussed below.

System Summer Peak

The Summer peak forecast is developed using an econometric model. Key variables included in the model are the total average customers, the price of electricity, a ratio of Florida total personal income and Florida Non-Agricultural employment, and the maximum peak day temperature. The model below is based on summer peak per customer, therefore is multiplied by total customers to derive FPL's system summer peak.

DEPENDENT VARIABLE:
Summer Peak Per Customers

INDEPENDENT VARIABLE:	COEFFICIENTS	T RATIO
Intercept	0.500	0.269
Ratio of Personal Income and Employment in Florida	3.095	0.696
Real Price of Electricity	-0.153	-3.002
Maximum Peak Day Temperature	0.040	4.960
Auto-Regressive(1)	0.809	12.886

Adjusted R-Square = 0.935
Durbin - Watson = 2.212

System Winter Peak

Like the system summer peak model, this model is also an econometric model. The model consists of three weather-related variables: the minimum temperature on the peak day, a weather term which is a product of heating saturation and minimum winter day temperature, and heating degree hours for the prior day as well as for the morning of the winter peak day. In addition the model also has an economic term which is a ratio of Florida total personal income and Florida non-agricultural employment, a dummy variable to capture the effects of larger homes and a dummy variable to provide additional emphasis for the more recent weather data. The model below is based on winter peak per customer, therefore is multiplied by total customers to derive FPL's system winter peak.

DEPENDENT VARIABLE:
Winter Peak Per Customers

INDEPENDENT VARIABLES:	COEFFICIENTS	T RATIO
Intercept	4.885	1.489
Ratio of Personal Income & Employment in Florida	1.787	0.187
Minimum Peak Day Temperature	-0.105	-3.351
(Minimum Winter Day Temperature) x (Heating Saturation)	0.001	1.979
Heating Degree Hours Prior day to time of peak	0.001	1.921
Dummy for Larger Homes	1.060	1.054
Dummy for Larger Homes*Minimum Peak Day Temperature	-0.044	-1.420
Seasonal Auto-Regressive(1)	0.348	1.850

Adjusted R-Square = 0.812
Durbin – Watson = 2.305

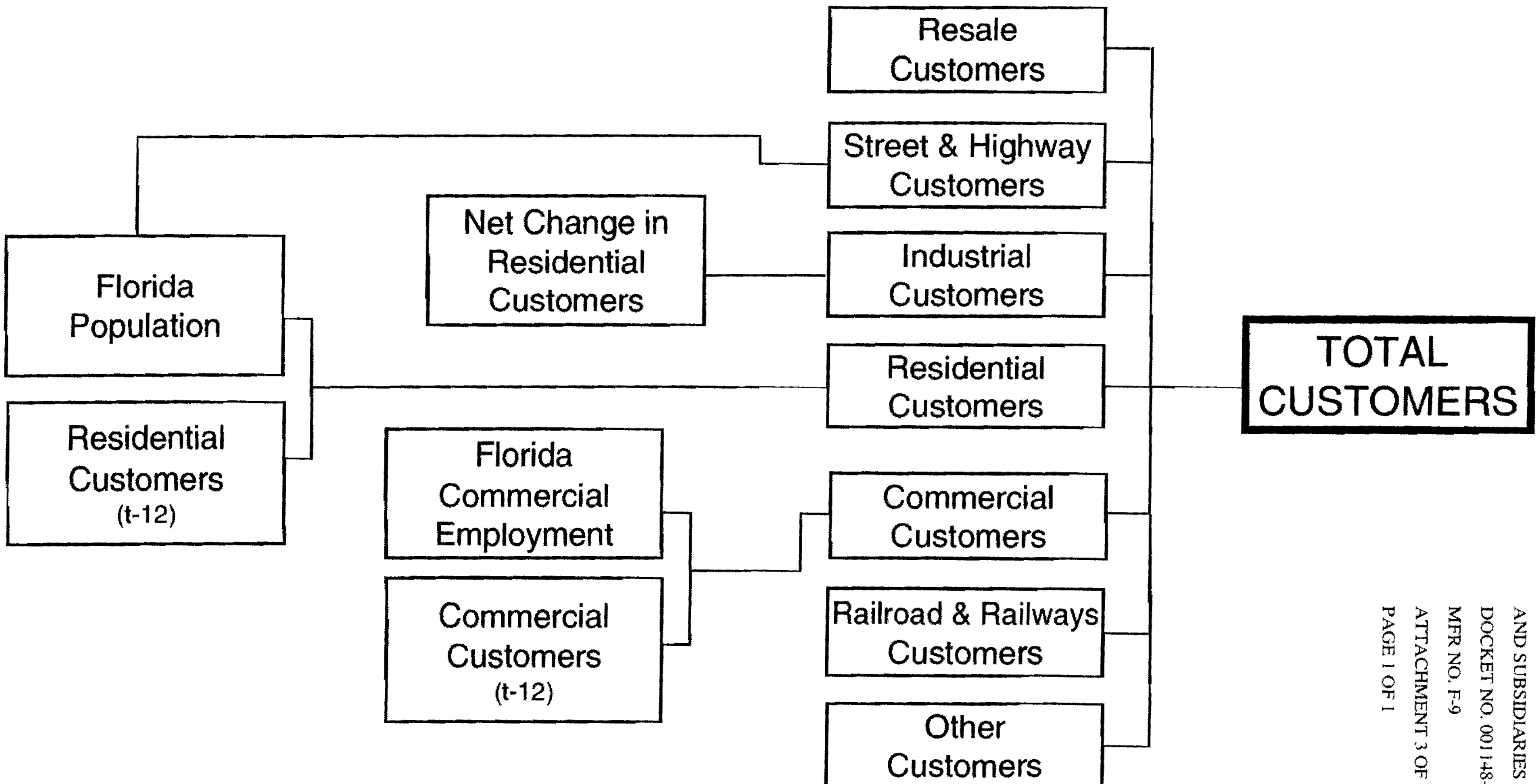
Monthly Peak Forecasts

Monthly peaks are forecasted to provide information for the scheduling of maintenance for power plants and fuel budgeting. The monthly forecasts are developed using a ratio of month to the seasonal peak.

a. Develop the historical seasonal factor for each month by using ratios of historical monthly peaks to seasonal peak (Summer = April-October, Winter = November-March).

b. Apply the monthly ratios to their respective seasonal peak forecast to derive the peak forecast by month. This process assumes that the seasonal factors remain unchanged over the forecasting period.

Florida Power & Light Company
Short-Term Forecast Customer Model



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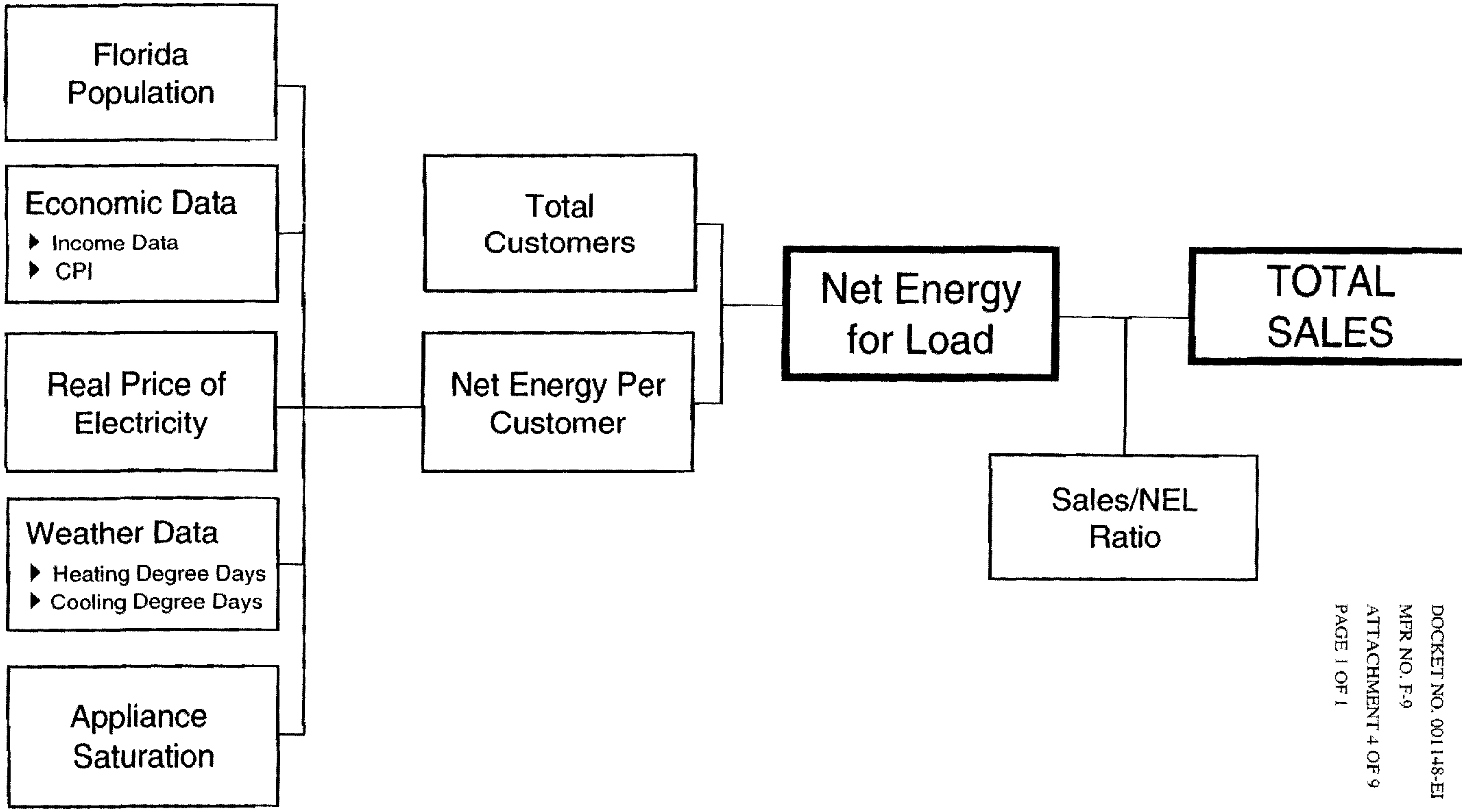
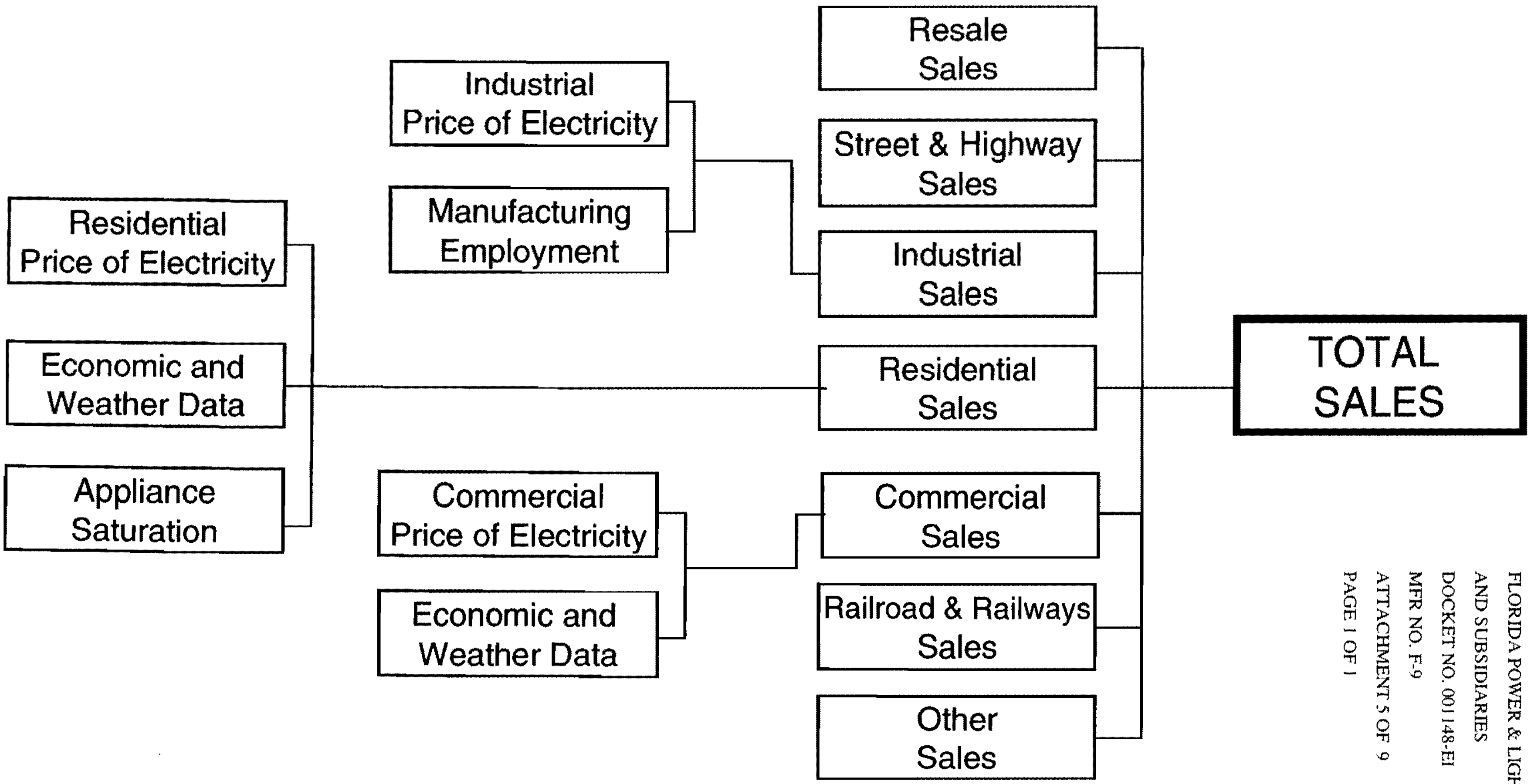
Florida Power & Light Company
Short-Term Net Energy for Load Model



Florida Power & Light Company
Total Short-Term Sales By Customer Class



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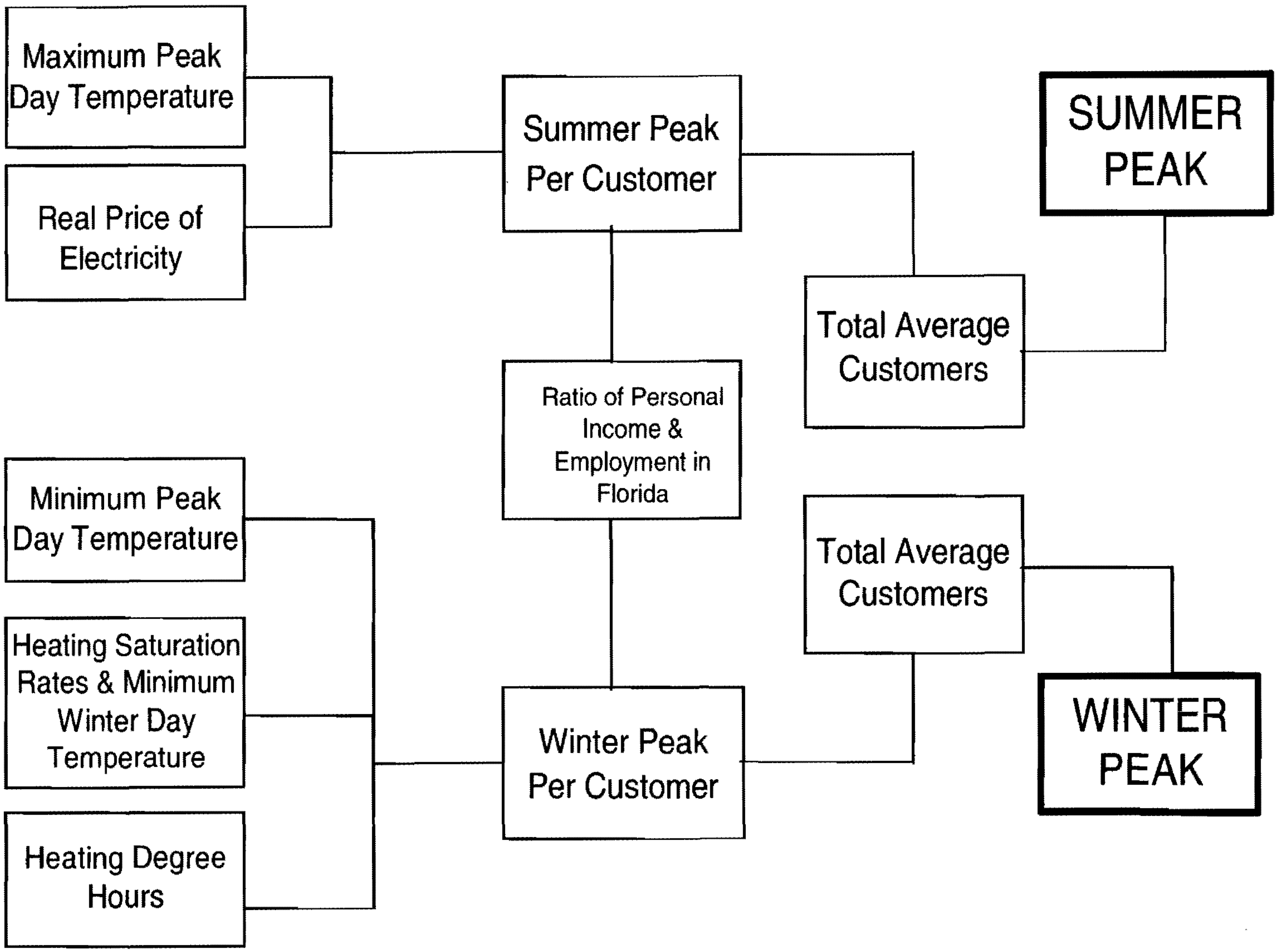
Florida Power & Light Company
Modeling the Summer & Winter Peaks



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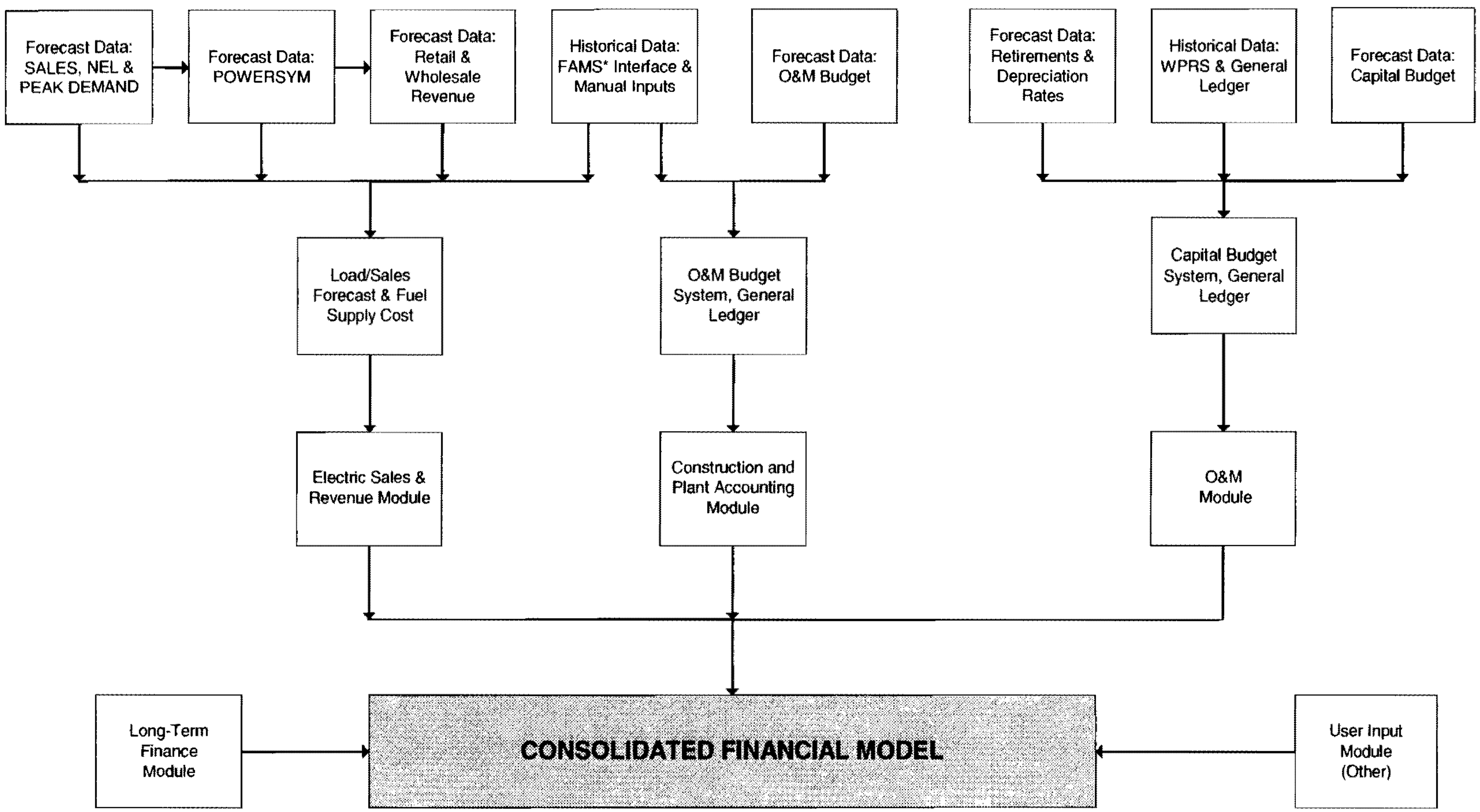
FLORIDA POWER & LIGHT COMPANY
CONSOLIDATED FINANCIAL MODEL (CFM)



*FAMS: FINANCIAL ACCOUNTING MANAGEMENT SYSTEM

REGULATORY FILING DATA REPOSITORY

A. SYSTEM OVERVIEW

A new integrated proprietary database system has been implemented to assist in the preparation of Minimum Filing Requirements (MFRs) based on a 2002 test year. This new database and process, depicted in the flowchart shown on Attachment 9 of 9, involved the development of a data repository, referred to as Regulatory Filing Data Repository (RFDR). The RFDR was developed to:

1. Enable the integration of certain FPL systems in order to produce financial details required for compliance with MFR data requirements. The RFDR database integration effort involves the following corporate systems:
   - Consolidated Financial Model (CFM),
   - Surveillance Reporting System (SRS), and
   - Cost of Service System (COSS).

2. Facilitate the preparation of MFRs, and

3. Ensure the integrity of MFR data through data validation and MFR data controls.

By developing the RFDR, FPL was able to use pertinent existing corporate systems in an attempt to meet the MFR filing deadlines. Implementation of the RFDR structure also provided FPL the added benefit of minimizing modifications to existing systems, thus preserving their primary corporate functions.

The RFDR contains forecast financial data for the 2001 and 2002 periods at the cost of service identifier (COS ID) level of detail, which generally is more detailed than data items in the CFM. Developing financial data at the COS ID level is essential to the preparation of MFRs, particularly those requiring detailed balance sheet and income statements, and FPSC jurisdictional and cost of service data. The COS ID financial data for rate base, net operating income (NOI), and capital structure is stored in the RFDR as follows:

Company Per Book
Non Utility
- Utility Per Book

Commission Adjustments Per Book
- Adjusted Utility Per Book

Jurisdictional Utility
Jurisdictional Commission Adjustments
- Jurisdictional Adjusted Utility

B. FLOWCHART

See Attachment 9 of 9.

C. PROCESS DESCRIPTION

The RFDR contains financial data at a COS ID level obtained via electronic interfaces from the corporate systems identified above. Following is a description of the systems, processes and results of the integrated RFDR process.

1. Consolidated Financial Model

The Consolidated Financial Model (CFM) is used by FPL to generate summary level financial forecasts for management purposes. Since CFM is an integrated financial forecast model, which produces a full compliment of total company financial forecast data, it is essential for FPL to use this system as the primary source of RFDR per book data. The per book data feed from CFM consists of COS IDs and a number of validation controls which are used to ensure consistency of the forecast results.

To facilitate the use of CFM as a primary source of MFR-related data, the system was modified to allow for the referencing of detail data items to COS IDs. Data items in CFM were assigned COS ID codes consistent with the translation of matching historical General Ledger (GL) items. For example, GL Account 131, Cash, is assigned COS ID BAL231000. Consistent with this translation, the line item in the CFM item titled "Cash" is assigned COS ID BAL231000.

The CFM COS ID data feed is electronically transferred to RFDR along with control and validation summary totals. CFM summary totals are used for validation and RFDR control in order to ensure data integrity.

a) Supplemental Forecast Feeders

In order to accommodate the forecast of detail regulatory financial data for those CFM items normally forecast at aggregate levels, supplemental forecast feeders have been developed. There are a total of ten supplemental forecast feeders which provide forecast data at the COS ID level for such CFM items as current and accrued liabilities, deferred credits and deferred debits.

Each supplemental forecast feeder contains forecast results at the COS ID level for each month of the forecast period. Trending and other forecasting methods were utilized in the forecasting of the COS IDs. The COS ID forecast for each feeder was input to RFDR via electronic interfaces. The aggregate total of the COS IDs for each of the supplemental forecast feeders was entered into the corresponding line item in the CFM. Data validation and control routines are used to ensure consistency of data between the RFDR and each feeder and between the RFDR and CFM.

b) O&M Detail Feeder

The forecast of Operations and Maintenance Expense (O&M) is reported in CFM at a summary level. In order to meet regulatory filing requirements, a process was developed to provide the O&M forecast at a COS ID level of detail. The process, titled O&M Detail Feeder, has as its primary input the FPL budgeted O&M expense by Business Unit for 2001 and 2002. The Business Unit O&M budget is initially converted to FERC Functions, then to FERC Accounts and ultimately to COS IDs. The conversion to FERC Functions and Accounts relies primarily on historical relationships but allows for adjustments necessary to reflect current business conditions. Business Unit management has final approval authority in this process.

Fiscal year 2000 actual data was used as the historical base year. Data validation and control routines were used to ensure consistency of data between the RFDR and O&M detail feeder and between the RFDR and CFM.

In summary, the CFM and supporting O&M detail feeder and supplemental forecast feeders provide the RFDR total company balance sheet and income statements at the COS ID level of detail for the 2001 and 2002 forecast periods.

2. Surveillance Reporting System

The total company balance sheet and income statement data at the COS ID level for the 2001 and 2002 forecast periods in the RFDR is electronically transferred to the Surveillance Reporting System (SRS). Data validation and control routines are used to ensure consistency of data between the RFDR and SRS.

SRS is the system currently used by FPL to prepare the monthly Rate of Return Surveillance Report filed with this Commission. In order to meet the regulatory filing requirements in this docket, SRS was modified to allow for the processing of forecast COS ID data.

a) Adjustments

The per book balance sheet and income statement by COS ID from the RFDR is used in SRS to develop regulatory adjustments. These adjustments are assigned a COS ID as part of the SRS process. The regulatory adjustments COS IDs along with the per book balance sheet and income statement are electronically transferred to COSS in order to develop jurisdictional separation factors for 2001 and 2002.

b) Jurisdictional Separation

The per book balance sheet, income statement and regulatory adjustments amounts by COS ID are input into the Cost of Service System along with other data used to perform jurisdictional separation studies for the 2001 and 2002 forecast periods. Examples of such other data include:

- Load Forecasts – Coincident and Non-Coincident Peak Demand for Retail and Wholesale customers
- Energy Sales – Retail and Wholesale
- Number of Customers – Retail and Wholesale

Jurisdictional separation study results for 2001 and 2002 forecasts, in the form of FPSC separation factors by COS ID, are electronically transferred to SRS in order to calculate FPSC jurisdictional results for NOI, rate base, and capital structure.

c) Jurisdictional Adjusted Results

Utilizing the COSS feed containing jurisdictional factors for each COS ID, SRS then applies a jurisdictional factor to each COS ID and then calculates FPSC jurisdictional results. The balance sheet, income statement and regulatory adjustments' COS IDs, both per book and jurisdictional, are used in SRS to calculate:

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 001148-EI

MINIMUM FILING REQUIREMENTS

FLORIDA POWER & LIGHT COMPANY AND SUBSIDIARIES

SCHEDULE NO. F – 8

SCHEDULE F - 7

BUSINESS CONTACTS WITH OFFICERS OR DIRECTORS

FLORIDA PUBLIC SERVICE COMMISSION

FLORIDA POWER & LIGHT COMPANY AND SUBSIDIARIES

DOCKET NO. 001148-EI

EXPLANATION: PROVIDE A SCHEDULE OF BUSINESS CONTRACTS ENTERED INTO BY THE APPLICANT WITH ITS OFFICERS, DIRECTORS, OR FIRMS, PARTNERSHIPS AND ORGANIZATIONS WITH WHICH OFFICERS OR DIRECTORS ARE AFFILIATED. PROVIDE THE REQUESTED INFORMATION FOR THE TEST YEAR. IF THE TEST YEAR IS PROJECTED, USE THE PRIOR YEAR.

TYPE OF DATA SHOWN:

___HISTORICAL TEST YEAR ENDED __/__/__
___PROJECTED TEST YEAR ENDED __/__/__
_X_PRIOR YEAR ENDED 12/31/01
WITNESS:

(1) LINE NO.	(2) NAME OF OFFICER OR DIRECTOR	(3) NAME AND ADDRESS OF AFFILIATED ENTITY	(4) RELATIONSHIP WITH AFFILIATED ENTITY	(5) AMOUNT OF CONTRACT OR TRANSACTION	(6) DESCRIPTION OF PRODUCT OR SERVICE

NONE

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SUPPORTING SCHEDULES:

RECAP SCHEDULES:

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 001148-EI

MINIMUM FILING REQUIREMENTS

FLORIDA POWER & LIGHT COMPANY AND SUBSIDIARIES

SCHEDULE NO. F – 9

SCHEDULE F - 8

NRC SAFETY CITATIONS

FLORIDA PUBLIC SERVICE COMMISSION

FLORIDA POWER & LIGHT COMPANY AND SUBSIDIARIES

DOCKET NO. 001148-EI

EXPLANATION: SUPPLY A COPY OF ALL NRC SAFETY CITATIONS ISSUED AGAINST THE COMPANY WITHIN THE LAST TWO YEARS, A LISTING OF CORRECTIVE ACTIONS AND A LISTING OF ANY OUTSTANDING DEFICIENCIES. FOR EACH CITATION PROVIDE THE DOLLAR AMOUNT OF ANY FINES OR PENALTIES ASSESSED AGAINST THE COMPANY AND ACCOUNT(S) EACH ARE RECORDED.

TYPE OF DATA SHOWN:

_X_ HISTORIC TEST YEAR ENDED 12/31/00
___ PROJECTED TEST YEAR ENDED _____
___ PRIOR YEAR ENDED _____
WITNESS: NA

Each violation of Nuclear Regulatory Commission (NRC) requirements found during NRC inspections is evaluated to determine its effect on plant safety and risk. If the violation is of a low safety significance, it will be discussed in the inspection report with no formal enforcement action. FPL deals with the violation through its corrective action program. If the NRC risk evaluation finds that the violation has a higher safety significance, a Notice of Violation will be issued. The Notice of Violation requires the utility to respond formally to the NRC with its actions to correct the violation from occurring again.

In the Years 1999 and 2000, Florida Power and Light's St. Lucie and Turkey Point units did not receive any cited violations requiring a formal response to the NRC.

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SUPPORTING SCHEDULES:

RECAP SCHEDULES:

BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 001148-EI

MINIMUM FILING REQUIREMENTS

FLORIDA POWER & LIGHT COMPANY AND SUBSIDIARIES

SCHEDULE NO. F – 10

SCHEDULE F - 10

FORECASTING MODELS - SENSITIVITY OF OUTPUT TO CHANGES IN INPUT DATA

FLORIDA PUBLIC SERVICE COMMISSION

FLORIDA POWER & LIGHT COMPANY AND SUBSIDIARIES

DOCKET NO. 001148-EI

EXPLANATION: IF A PROJECTED TEST YEAR IS USED FOR EACH LOAD, FUEL COST, OR SALES FORECASTING MODEL, GIVE A QUANTIFIED EXPLANATION OF THE IMPACT OF CHANGES IN THE INPUTS TO CHANGES IN OUTPUTS.

TYPE OF DATA SHOWN:

____HISTORIC TEST YEAR ENDED _____
_X_ PROJECTED TEST YEAR ENDED 12/31/02
____PRIOR YEAR ENDED _____
WITNESS: NA

Model : NET ENERGY FOR LOAD

LINE NO.	INPUT VARIABLE	PERCENT CHANGE (INPUT)	OUTPUT VARIABLE AFFECTED	PERCENT CHANGE (OUTPUT)
1	Total Customers	10%	Net Energy For Load	10.0%
2	Total Customers	-10%	Net Energy For Load	-10.0%
3	Heating Degree Days	10%	Net Energy For Load	0.2%
4	Heating Degree Days	-10%	Net Energy For Load	-0.2%
5	Cooling Degree Days	10%	Net Energy For Load	1.5%
6	Cooling Degree Days	-10%	Net Energy For Load	-1.5%
7	Electric Price	10%	Net Energy For Load	-1.1%
8	Electric Price	-10%	Net Energy For Load	1.1%
9	Real Per Capita Income	10%	Net Energy For Load	4.8%
10	Real Per Capita Income	-10%	Net Energy For Load	-4.8%
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SUPPORTING SCHEDULES:

RECAP SCHEDULES:

SCHEDULE F - 10

FORECASTING MODELS - SENSITIVITY OF OUTPUT TO CHANGES IN INPUT DATA

FLORIDA PUBLIC SERVICE COMMISSION

FLORIDA POWER & LIGHT COMPANY AND SUBSIDIARIES

DOCKET NO. 001148-EI

EXPLANATION: IF A PROJECTED TEST YEAR IS USED FOR EACH LOAD, FUEL COST, OR SALES FORECASTING MODEL, GIVE A QUANTIFIED EXPLANATION OF THE IMPACT OF CHANGES IN THE INPUTS TO CHANGES IN OUTPUTS.

TYPE OF DATA SHOWN:

___HISTORIC TEST YEAR ENDED ____
_X_PROJECTED TEST YEAR ENDED 12/31/02
___PRIOR YEAR ENDED ____
WITNESS: NA

Model : SUMMER PEAK

LINE NO.	INPUT VARIABLE	PERCENT CHANGE (INPUT)	OUTPUT VARIABLE AFFECTED	PERCENT CHANGE (OUTPUT)
1	Total Average Customers	10%	Summer Peak Load	10.0%
2	Total Average Customers	-10%	Summer Peak Load	-10.0%
3	Maximum Temperature	10%	Summer Peak Load	7.8%
4	Maximum Temperature	-10%	Summer Peak Load	-7.8%
5	Economy	10%	Summer Peak Load	2.5%
6	Economy	-10%	Summer Peak Load	-2.5%
7	Electric Price	10%	Summer Peak Load	-1.4%
8	Electric Price	-10%	Summer Peak Load	1.4%
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SUPPORTING SCHEDULES:

RECAP SCHEDULES:

SCHEDULE F - 10

FORECASTING MODELS - SENSITIVITY OF OUTPUT TO CHANGES IN INPUT DATA

FLORIDA PUBLIC SERVICE COMMISSION

FLORIDA POWER & LIGHT COMPANY AND SUBSIDIARIES

DOCKET NO. 001148-EI

EXPLANATION: IF A PROJECTED TEST YEAR IS USED FOR EACH LOAD, FUEL COST, OR SALES FORECASTING MODEL, GIVE A QUANTIFIED EXPLANATION OF THE IMPACT OF CHANGES IN THE INPUTS TO CHANGES IN OUTPUTS.

TYPE OF DATA SHOWN:

___ HISTORIC TEST YEAR ENDED ___
_X_ PROJECTED TEST YEAR ENDED 12/31/02
___ PRIOR YEAR ENDED ___
WITNESS: NA

MODEL: WINTER PEAK

LINE NO.	INPUT VARIABLE	PERCENT CHANGE (INPUT)	OUTPUT VARIABLE AFFECTED	PERCENT CHANGE (OUTPUT)
1	Total Average Customers	10%	Winter Peak Load	10.0%
2	Total Average Customers	-10%	Winter Peak Load	-10.0%
3	Weather	10%	Winter Peak Load	-4.0%
4	Weather	-10%	Winter Peak Load	4.0%
5	Economy	10%	Winter Peak Load	1.4%
6	Economy	-10%	Winter Peak Load	-1.4%
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SUPPORTING SCHEDULES:

RECAP SCHEDULES:

SCHEDULE F - 10

FORECASTING MODELS - SENSITIVITY OF OUTPUT TO CHANGES IN INPUT DATA

FLORIDA PUBLIC SERVICE COMMISSION

FLORIDA POWER & LIGHT COMPANY AND SUBSIDIARIES

DOCKET NO. 001148-EI

EXPLANATION: IF A PROJECTED TEST YEAR IS USED FOR EACH LOAD, FUEL COST, OR SALES FORECASTING MODEL, GIVE A QUANTIFIED EXPLANATION OF THE IMPACT OF CHANGES IN THE INPUTS TO CHANGES IN OUTPUTS.

TYPE OF DATA SHOWN:

____HISTORIC TEST YEAR ENDED ____
_X_PROJECTED TEST YEAR ENDED 12/31/02
____PRIOR YEAR ENDED ____
WITNESS: NA

MODEL: POWRSYM

LINE NO.	INPUT VARIABLE	PERCENT CHANGE (INPUT)	OUTPUT VARIABLE AFFECTED	PERCENT CHANGE (OUTPUT)
1	Fuel Price/Interchange	10.0%	Total Fuel Cost	8.9%
2	Fuel Price/Interchange	-10.0%	Total Fuel Cost	-8.9%
3	Demand/Energy	10.0%	Total Fuel Cost	17.1%
4	Demand/Energy	-10.0%	Total Fuel Cost	-15.0%
5	Heat Rate	1.5%	Total Fuel Cost	1.3%
6	Heat Rate	-1.5%	Total Fuel Cost	-1.3%
7	Availability	3.5%	Total Fuel Cost	-1.8%
8	Availability	-3.5%	Total Fuel Cost	2.5%

SUPPORTING SCHEDULES:

RECAP SCHEDULES:

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 001148-EI

MINIMUM FILING REQUIREMENTS

FLORIDA POWER & LIGHT COMPANY AND SUBSIDIARIES

SCHEDULE NO. F – 11

FLORIDA PUBLIC SERVICE COMMISSION

FLORIDA POWER & LIGHT COMPANY AND SUBSIDIARIES

DOCKET NO. 001148-EI

EXPLANATION: FOR EACH FORECASTING MODEL USED TO ESTIMATE TEST YEAR PROJECTIONS FOR CUSTOMERS, DEMAND, AND ENERGY, PROVIDE THE HISTORICAL AND PROJECTED VALUES FOR THE INPUT VARIABLES AND THE OUTPUT VARIABLES USED IN ESTIMATING AND/OR VALIDATING THE MODEL. ALSO, PROVIDE A DESCRIPTION OF EACH VARIABLE, SPECIFYING THE UNIT OF MEASUREMENT AND THE TIME SPAN OR CROSS SECTIONAL RANGE OF THE DATA.

TYPE OF DATA SHOWN:
_X_HISTORICAL TEST YEAR ENDED 12/31/00
_X_PROJECTED TEST YEAR ENDED 12/31/02
___PRIOR YEAR ENDED __/__/__
WITNESS: NA

See Attachment 1 of 10	Inputs to the Net Energy For Load Model
See Attachment 2 of 10	Inputs to the Residential Sales Model
See Attachment 3 of 10	Inputs to the Commercial Sales Model
See Attachment 4 of 10	Inputs to the Industrial Sales Model
See Attachment 5 of 10	Inputs to the Residential Customer Model
See Attachment 6 of 10	Inputs to the Commercial Customer Model
See Attachment 7 of 10	Inputs to the Industrial Customer Model
See Attachment 8 of 10	Inputs to the Street & Highway Customer Model
See Attachment 9 of 10	Inputs to the Summer Peak Model
See Attachment 10 of 10	Inputs to the Winter Peak Model

SUPPORTING SCHEDULES:

RECAP SCHEDULES:

Attachment 1 of 10
INPUTS FOR THE NET ENERGY FOR LOAD FORECAST

Year	Month	Net Energy For Load	System Price	Consumer Price Index	Real Florida Per Capita Income (96 Chained)	Heating Degree Days	Cooling Degree Days	Cooling Saturation	Heating Saturation	Dummy_Feb	Total Customers
		(mWh)	Cents/kWh	(Base 82-84)	(000's)	(Base - 66)	(Base - 72)				
1990	1	5,147,755	7.42	127.4	23.13341	24.9	25.0	0.9580	0.8660	0	3143305
1990	2	4,846,156	7.23	128.0	23.14217	10.8	58.4	0.9580	0.8660	1	3156536
1990	3	5,125,499	7.23	128.7	23.15093	3.4	24.1	0.9580	0.8660	0	3166277
1990	4	5,323,355	7.34	128.9	23.14442	3.6	68.3	0.9580	0.8660	0	3162286
1990	5	5,958,615	7.32	129.2	23.14554	0.0	203.2	0.9580	0.8660	0	3142492
1990	6	6,846,451	7.34	129.9	23.14666	0.0	292.0	0.9580	0.8660	0	3138589
1990	7	6,741,047	7.41	130.4	23.10586	0.0	301.1	0.9586	0.8662	0	3141228
1990	8	7,180,466	7.40	131.6	23.08602	0.0	309.4	0.9593	0.8664	0	3145324
1990	9	7,173,869	7.42	132.7	23.06618	0.0	310.2	0.9599	0.8665	0	3153378
1990	10	6,406,807	7.41	133.5	22.89652	3.3	232.2	0.9605	0.8667	0	3162736
1990	11	5,231,370	7.39	133.8	22.80177	1.0	58.0	0.9612	0.8669	0	3185460
1990	12	5,047,554	7.40	133.8	22.70702	19.2	29.6	0.9618	0.8671	0	3208196
1991	1	5,302,341	7.87	134.6	22.76044	25.0	36.0	0.9625	0.8673	0	3224326
1991	2	4,873,690	7.95	134.8	22.73978	49.0	22.0	0.9631	0.8675	1	3234722
1991	3	5,401,486	7.98	135.0	22.71912	20.0	44.0	0.9637	0.8676	0	3242845
1991	4	5,910,070	7.48	135.2	22.74717	0.0	140.0	0.9644	0.8678	0	3233172
1991	5	6,454,162	7.43	135.6	22.75086	0.0	248.0	0.9650	0.8680	0	3212970
1991	6	6,902,821	7.41	136.0	22.75456	0.0	282.0	0.9656	0.8682	0	3207144
1991	7	7,043,560	7.45	136.2	22.65337	0.0	301.0	0.9656	0.8683	0	3207227
1991	8	7,532,664	7.44	136.6	22.60462	0.0	341.0	0.9656	0.8685	0	3210321
1991	9	7,113,221	7.37	137.2	22.55588	0.0	289.0	0.9656	0.8686	0	3214505
1991	10	6,058,009	7.48	137.4	22.57063	0.0	166.0	0.9656	0.8687	0	3222678
1991	11	5,379,614	7.42	137.8	22.55364	28.0	47.0	0.9656	0.8689	0	3244184
1991	12	5,188,829	7.52	137.9	22.53664	19.0	37.0	0.9656	0.8690	0	3263370
1992	1	5,412,395	7.56	138.1	22.57578	97.0	1.0	0.9656	0.8691	0	3279470
1992	2	5,061,395	7.46	138.6	22.58685	34.0	19.0	0.9656	0.8693	1	3290137
1992	3	5,303,512	7.34	139.3	22.59792	31.0	20.0	0.9656	0.8694	0	3296648
1992	4	5,481,685	7.16	139.5	22.60375	9.0	62.0	0.9656	0.8696	0	3288200
1992	5	5,589,733	7.12	139.7	22.61220	2.0	112.0	0.9656	0.8697	0	3267113
1992	6	6,904,541	7.09	140.2	22.62064	0.0	254.0	0.9656	0.8698	0	3262067
1992	7	7,573,524	7.92	140.5	21.97598	0.0	349.0	0.9657	0.8700	0	3264307
1992	8	7,295,698	7.14	140.9	21.65787	0.0	330.0	0.9657	0.8702	0	3268605
1992	9	7,154,818	7.15	141.3	21.33977	0.0	293.0	0.9657	0.8704	0	3270387
1992	10	6,087,074	7.31	141.8	22.66229	0.0	162.0	0.9658	0.8706	0	3274980
1992	11	6,021,787	7.28	142.0	23.16450	3.0	131.0	0.9658	0.8708	0	3296948
1992	12	5,211,154	7.30	141.9	23.66670	40.0	13.0	0.9658	0.8710	0	3315995
1993	1	5,589,559	7.30	142.6	22.90262	19.0	37.0	0.9659	0.8711	0	3331185
1993	2	4,839,701	7.35	143.1	22.77169	34.0	4.0	0.9659	0.8713	1	3343984
1993	3	5,469,335	7.37	143.6	22.64075	43.0	11.0	0.9659	0.8715	0	3351722
1993	4	5,531,860	7.54	144.0	22.98580	0.0	43.0	0.9660	0.8717	0	3407955
1993	5	6,040,489	7.49	144.2	23.09286	0.0	150.0	0.9660	0.8719	0	3344344
1993	6	7,281,727	7.48	144.4	23.19992	0.0	290.0	0.9660	0.8721	0	3333683
1993	7	7,518,895	7.53	144.4	23.07457	0.0	335.0	0.9661	0.8723	0	3338089
1993	8	7,875,682	7.54	144.8	23.06542	0.0	348.0	0.9661	0.8725	0	3346275
1993	9	7,561,172	7.47	145.1	23.05627	0.0	303.0	0.9661	0.8727	0	3349064
1993	10	6,510,261	7.15	145.7	23.13184	0.0	194.0	0.9662	0.8729	0	3354219
1993	11	6,100,583	7.18	145.8	23.16505	10.0	102.0	0.9662	0.8731	0	3375891
1993	12	5,455,117	7.16	145.8	23.19826	76.0	6.0	0.9662	0.8734	0	3393118
1994	1	5,623,424	7.28	146.2	23.03946	64.0	7.0	0.9663	0.8736	0	3408346
1994	2	5,307,397	7.07	146.7	22.97667	25.0	38.0	0.9663	0.8738	1	3419751
1994	3	5,931,678	6.99	147.2	22.91388	14.0	63.0	0.9663	0.8740	0	3428668
1994	4	6,556,761	6.70	147.4	23.18373	0.0	132.0	0.9664	0.8742	0	3426781

Attachment 1 of 10
INPUTS FOR THE NET ENERGY FOR LOAD FORECAST

Year	Month	Net Energy For Load (mWh)	System Price Cents/kWh	Consumer Price Index (Base 82-84)	Real Florida Per Capita Income (96 Chained) (000's)	Heating Degree Days (Base - 66)	Cooling Degree Days (Base - 72)	Cooling Saturation	Heating Saturation	Dummy_Feb	Total Customers
1994	5	6,947,868	6.80	147.5	23.28725	0.0	221.0	0.9664	0.8744	0	3412376
1994	6	7,767,128	6.76	148.0	23.39078	0.0	314.0	0.9664	0.8746	0	3405058
1994	7	7,702,101	6.76	148.4	23.30555	0.0	304.0	0.9665	0.8749	0	3403118
1994	8	7,780,326	6.77	149.0	23.31469	0.0	297.0	0.9665	0.8751	0	3412225
1994	9	7,570,981	6.76	149.4	23.32384	0.0	267.0	0.9665	0.8753	0	3416499
1994	10	6,777,915	6.77	149.5	23.50813	0.0	187.0	0.9666	0.8756	0	3423149
1994	11	6,476,022	6.77	149.7	23.60484	0.0	114.0	0.9666	0.8758	0	3445517
1994	12	5,934,178	6.71	149.7	23.70156	31.0	51.0	0.9666	0.8760	0	3464752
1995	1	5,948,183	6.84	150.3	23.73559	82.0	2.0	0.9667	0.8762	0	3479882
1995	2	5,660,954	6.97	150.9	23.80097	100.0	11.0	0.9667	0.8765	1	3489886
1995	3	5,814,881	6.92	151.4	23.86634	5.0	19.0	0.9667	0.8767	0	3495203
1995	4	6,658,131	6.87	151.9	23.84897	0.0	121.0	0.9668	0.8769	0	3489830
1995	5	7,653,879	6.86	152.2	23.87298	0.0	269.0	0.9668	0.8772	0	3476134
1995	6	7,842,934	6.87	152.5	23.89698	0.0	268.0	0.9668	0.8774	0	3474401
1995	7	8,017,846	6.90	152.5	23.96291	0.0	323.0	0.9669	0.8776	0	3474534
1995	8	8,250,061	6.93	152.9	24.00788	0.0	323.0	0.9669	0.8778	0	3477674
1995	9	8,237,197	6.89	153.2	24.05284	0.0	309.0	0.9670	0.8781	0	3484335
1995	10	7,503,781	7.17	153.7	24.11529	0.0	248.0	0.9670	0.8783	0	3491443
1995	11	6,167,614	7.18	153.6	24.16899	15.0	71.0	0.9670	0.8785	0	3508010
1995	12	6,205,481	7.19	153.5	24.22270	115.0	9.0	0.9671	0.8787	0	3524220
1996	1	6,481,980	7.37	154.4	24.33484	111.8	9.5	0.9671	0.8790	0	3542723
1996	2	6,103,047	7.42	154.9	24.41777	113.3	4.6	0.9672	0.8792	1	3549253
1996	3	6,315,032	7.43	155.7	24.50070	79.9	22.6	0.9672	0.8794	0	3554347
1996	4	6,344,161	7.32	156.3	24.49184	6.3	73.9	0.9673	0.8796	0	3554535
1996	5	7,189,408	7.24	156.6	24.52887	0.0	199.8	0.9673	0.8798	0	3541413
1996	6	7,757,840	7.22	156.7	24.56590	0.0	241.9	0.9673	0.8801	0	3537834
1996	7	8,471,803	7.40	157.0	24.61101	0.0	331.3	0.9674	0.8803	0	3538830
1996	8	8,491,123	7.34	157.3	24.65208	0.0	301.6	0.9674	0.8805	0	3542393
1996	9	8,311,329	7.37	157.8	24.69315	0.0	298.4	0.9674	0.8807	0	3546020
1996	10	6,902,444	7.50	158.3	24.64072	0.0	162.6	0.9675	0.8808	0	3551534
1996	11	6,374,722	7.54	158.6	24.63503	6.9	64.3	0.9675	0.8810	0	3565756
1996	12	5,927,770	7.51	158.6	24.62935	48.9	4.7	0.9675	0.8812	0	3584330
1997	1	6,423,046	8.23	159.1	24.81750	83.8	2.9	0.9676	0.8814	0	3598844
1997	2	5,781,266	8.26	159.6	24.90873	24.0	29.9	0.9676	0.8816	1	3608998
1997	3	6,832,114	7.49	160.0	24.99997	0.0	78.5	0.9676	0.8818	0	3618505
1997	4	6,626,765	8.05	160.2	25.01851	1.7	81.9	0.9677	0.8820	0	3616878
1997	5	7,374,831	7.45	160.1	25.07340	0.0	187.3	0.9677	0.8822	0	3604275
1997	6	8,179,854	7.97	160.3	25.12829	0.0	259.1	0.9677	0.8824	0	3600262
1997	7	8,429,044	7.47	160.5	25.21570	0.0	309.9	0.9678	0.8826	0	3605171
1997	8	8,842,495	7.50	160.8	25.28686	0.0	325.5	0.9678	0.8828	0	3609958
1997	9	8,333,776	7.43	161.2	25.35801	0.0	273.3	0.9678	0.8830	0	3617682
1997	10	7,281,919	7.05	161.6	25.40843	0.0	167.7	0.9679	0.8831	0	3622133
1997	11	6,379,230	6.99	161.5	25.46922	9.0	45.9	0.9679	0.8833	0	3633718
1997	12	6,367,648	7.00	161.3	25.53000	79.3	32.7	0.9679	0.8835	0	3649397
1998	1	6,339,040	7.07	161.6	25.71671	57.1	17.3	0.9680	0.8837	0	3659292
1998	2	5,850,246	7.12	161.9	25.84046	85.3	9.4	0.9680	0.8837	1	3670765
1998	3	6,392,059	7.08	162.2	25.96421	74.2	19.2	0.9680	0.8839	0	3679143
1998	4	6,977,447	7.16	162.5	25.98778	2.0	91.4	0.9681	0.8839	0	3681090
1998	5	7,811,598	7.12	162.8	26.06143	0.0	202.8	0.9681	0.8841	0	3669276
1998	6	9,649,455	7.17	163.0	26.13509	0.0	364.2	0.9681	0.8841	0	3670638

Attachment 1 of 10
INPUTS FOR THE NET ENERGY FOR LOAD FORECAST

Year	Month	Net Energy For Load	System Price	Consumer Price Index	Real Florida Per Capita Income (96 Chained)	Heating Degree Days	Cooling Degree Days	Cooling Saturation	Heating Saturation	Dummy_Feb	Total Customers
		(mWh)	Cents/kWh	(Base 82-84)	(000's)	(Base - 66)	(Base - 72)				
1998	7	9,086,962	7.15	163.2	26.15252	0.0	336.6	0.9682	0.8843	0	3675986
1998	8	9,571,772	7.15	163.4	26.19806	0.0	349.1	0.9682	0.8843	0	3678422
1998	9	8,966,437	7.16	163.6	26.24360	0.0	308.1	0.9682	0.8845	0	3682906
1998	10	8,211,615	7.14	164.0	26.24893	0.0	231.8	0.9683	0.8845	0	3686366
1998	11	7,137,139	7.08	164.0	26.27436	1.8	87.7	0.9683	0.8846	0	3699079
1998	12	6,669,767	7.08	163.9	26.29979	24.7	45.1	0.9683	0.8846	0	3712676
1999	1	6,728,739	7.20	164.3	26.28048	68.7	10.7	0.9684	0.8847	0	3728425
1999	2	5,974,369	6.57	164.5	26.28354	57.9	0.7	0.9684	0.8847	1	3739166
1999	3	6,373,053	7.23	165.0	26.28661	22.8	0.8	0.9684	0.8848	0	3749621
1999	4	7,631,087	6.96	166.2	26.38341	0.8	124.7	0.9685	0.8848	0	3750775
1999	5	7,668,203	6.76	166.2	26.43335	1.2	159.7	0.9685	0.8849	0	3744058
1999	6	8,308,484	6.74	166.2	26.48328	0.0	217.9	0.9685	0.8849	0	3744561
1999	7	9,002,698	6.75	166.7	26.47609	0.0	322.3	0.9686	0.8850	0	3747139
1999	8	9,450,762	6.78	167.1	26.49747	0.0	317.2	0.9686	0.8850	0	3754576
1999	9	8,920,985	6.73	167.9	26.51884	0.0	250.0	0.9686	0.8851	0	3762519
1999	10	7,927,794	6.77	168.2	26.53472	0.0	178.6	0.9687	0.8851	0	3769162
1999	11	6,951,148	6.79	168.3	26.55335	2.4	42.9	0.9687	0.8852	0	3782373
1999	12	6,577,297	6.71	168.3	26.57198	67.8	3.0	0.9687	0.8852	0	3799737
2000	1	6,942,789	6.64	168.8	26.55742	97.2	2.1	0.9688	0.8857	0	3813825
2000	2	6,377,135	6.69	169.8	26.55946	67.0	2.3	0.9688	0.8857	1	3827374
2000	3	7,117,056	6.61	171.2	26.56149	0.0	20.7	0.9688	0.8857	0	3839287
2000	4	7,460,221	6.59	171.3	26.75646	1.8	66.5	0.9689	0.8857	0	3844046
2000	5	8,286,679	6.58	171.5	26.85497	0.0	174.9	0.9689	0.8857	0	3837532
2000	6	9,355,407	6.50	172.4	26.95347	0.0	269.3	0.9689	0.8857	0	3838927
2000	7	9,214,868	7.06	172.8	26.92948	0.0	289.6	0.9690	0.8857	0	3842150
2000	8	9,743,216	7.07	172.8	26.96673	0.0	310.5	0.9690	0.8857	0	3850200
2000	9	9,693,981	7.08	173.7	27.00398	0.0	294.3	0.9690	0.8857	0	3857165
2000	10	7,711,842	7.11	174.0	27.04576	0.0	131.9	0.9691	0.8857	0	3864218
2000	11	7,183,513	7.09	174.1	27.08528	17.5	30.6	0.9691	0.8858	0	3875425
2000	12	6,970,883	7.07	174.0	27.12480	57.6	18.7	0.9691	0.8858	0	3890055
2001	1	8,096,663	7.78	175.1	27.24697	263.8	1.8	0.9692	0.8867	0	3906441
2001	2	6,568,064	7.81	175.8	27.32782	33.0	13.4	0.9692	0.8867	1	3917697
2001	3	7,421,133	7.77	176.2	27.40866	26.5	47.8	0.9692	0.8866	0	3927206
2001	4	7,796,724	8.43	176.9	27.40546	0.9	84.7	0.9693	0.8866	0	3933081
2001	5	7,751,273	8.47	177.7	27.44428	0.0	157.9	0.9693	0.8865	0	3927427
2001	6	9,569,475	8.51	178.3	27.48311	0.0	247.0	0.9693	0.8865	0	3924367
2001	7	9,652,523	8.50	178.5	27.47442	0.0	287.4	0.9694	0.8864	0	3927597
2001	8	10,044,676	8.50	179.0	27.48948	0.0	301.9	0.9694	0.8864	0	3935008
2001	9	10,035,504	8.49	179.4	27.50455	0.0	271.9	0.9694	0.8863	0	3942271
2001	10	8,174,423	8.49	179.6	27.56454	0.6	161.6	0.9695	0.8863	0	3948872
2001	11	7,356,321	8.44	180.0	27.60207	18.8	61.3	0.9695	0.8864	0	3958933
2001	12	7,237,388	8.39	180.3	27.63959	77.7	15.8	0.9695	0.8864	0	3973028
2002	1	7,499,298	8.06	180.7	27.76328	101.0	7.6	0.9696	0.8877	0	3999310
2002	2	6,979,285	8.09	181.1	27.84389	77.2	10.5	0.9696	0.8877	1	4009616
2002	3	7,715,799	8.05	181.5	27.92450	37.7	30.6	0.9696	0.8875	0	4019046
2002	4	8,120,580	7.91	181.8	28.00091	5.1	73.7	0.9697	0.8875	0	4024649
2002	5	8,227,530	7.76	182.2	28.07942	0.0	157.9	0.9697	0.8873	0	4012066
2002	6	9,858,622	7.85	182.5	28.15793	0.0	247.0	0.9697	0.8873	0	4011349
2002	7	10,055,608	7.82	182.9	28.21844	0.0	287.4	0.9698	0.8871	0	4014417
2002	8	10,456,564	7.83	183.2	28.28794	0.0	301.9	0.9698	0.8871	0	4017508
2002	9	10,453,065	7.83	183.6	28.35745	0.0	271.9	0.9698	0.8869	0	4023708
2002	10	8,539,300	7.81	184.0	28.42955	0.6	161.6	0.9699	0.8869	0	4027474

Attachment 1 of 10
INPUTS FOR THE NET ENERGY FOR LOAD FORECAST

Year	Month	Net Energy For Load	System Price	Consumer Price Index	Real Florida Per Capita Income (96 Chained)	Heating Degree Days	Cooling Degree Days	Cooling Saturation	Heating Saturation	Dummy_Feb	Total Customers
		(mWh)	Cents/kWh	(Base 82-84)	(000's)	(Base - 66)	(Base - 72)				
2002	11	7,719,096	7.75	184.3	28.50035	18.8	61.3	0.9699	0.8870	0	4038503
2002	12	7,598,153	7.71	184.7	28.57115	77.7	15.8	0.9699	0.8870	0	4051998

Attachment 2 of 10
INPUTS FOR RESIDENTIAL SALES FORECAST

Year	Month	Residential Sales	Residential Price	Consumer Price Index	Real Florida Personal Income (96 Chained)	Heating Degree Days	Cooling Degree Days	Cooling Saturation	Heating Saturation	Dummy_April	Dummy_May	Dummy_June
		(mWh)	Cents/kWh	(Base 82-84)	(Billions)	(Base - 66)	(Base - 72)					
1990	1	2,816,884	7.9	127.4	300.18229	24.9	25.0	0.9580	0.8660	0	0	0
1990	2	2,212,569	7.9	128.0	301.27328	10.8	58.4	0.9580	0.8660	0	0	0
1990	3	2,098,898	7.9	128.7	302.36426	3.4	24.1	0.9580	0.8660	0	0	0
1990	4	2,126,639	8.0	128.9	302.13923	3.6	68.3	0.9580	0.8660	1	0	0
1990	5	2,497,874	8.0	129.2	302.57221	0.0	203.2	0.9580	0.8660	0	1	0
1990	6	3,127,804	8.1	129.9	303.00518	0.0	292.0	0.9580	0.8660	0	0	1
1990	7	3,360,771	8.0	130.4	302.88803	0.0	301.1	0.9586	0.8662	0	0	0
1990	8	3,601,236	8.0	131.6	303.04595	0.0	309.4	0.9593	0.8664	0	0	0
1990	9	3,418,345	8.0	132.7	303.20386	0.0	310.2	0.9599	0.8665	0	0	0
1990	10	3,353,248	8.1	133.5	301.38271	3.3	232.2	0.9605	0.8667	0	0	0
1990	11	2,624,581	8.2	133.8	300.55109	1.0	58.0	0.9612	0.8669	0	0	0
1990	12	2,249,279	8.1	133.8	299.71947	19.2	29.6	0.9618	0.8671	0	0	0
1991	1	2,482,756	8.7	134.6	300.82847	25.0	36.0	0.9625	0.8673	0	0	0
1991	2	2,321,731	8.8	134.8	300.96716	49.0	22.0	0.9631	0.8675	0	0	0
1991	3	2,358,647	8.8	135.0	301.10584	20.0	44.0	0.9637	0.8676	0	0	0
1991	4	2,363,692	8.4	135.2	301.88739	0.0	140.0	0.9644	0.8678	1	0	0
1991	5	2,890,872	8.2	135.6	302.34751	0.0	248.0	0.9650	0.8680	0	1	0
1991	6	3,231,633	8.2	136.0	302.80763	0.0	282.0	0.9656	0.8682	0	0	1
1991	7	3,482,514	8.2	136.2	301.86292	0.0	301.0	0.9656	0.8683	0	0	0
1991	8	3,737,996	8.2	136.6	301.62063	0.0	341.0	0.9656	0.8685	0	0	0
1991	9	3,620,150	8.1	137.2	301.37833	0.0	289.0	0.9656	0.8686	0	0	0
1991	10	3,209,588	8.3	137.4	301.97630	0.0	166.0	0.9656	0.8687	0	0	0
1991	11	2,641,065	8.5	137.8	302.15414	28.0	47.0	0.9656	0.8689	0	0	0
1991	12	2,394,845	8.2	137.9	302.33197	19.0	37.0	0.9656	0.8690	0	0	0
1992	1	2,482,754	8.2	138.1	303.26121	97.0	1.0	0.9656	0.8691	0	0	0
1992	2	2,426,343	8.0	138.6	303.81474	34.0	19.0	0.9656	0.8693	0	0	0
1992	3	2,313,465	8.0	139.3	304.36828	31.0	20.0	0.9656	0.8694	0	0	0
1992	4	2,209,814	7.9	139.5	304.85333	9.0	62.0	0.9656	0.8696	1	0	0
1992	5	2,339,385	7.9	139.7	305.37262	2.0	112.0	0.9656	0.8697	0	1	0
1992	6	2,985,755	7.8	140.2	305.89192	0.0	254.0	0.9656	0.8698	0	0	1
1992	7	3,605,374	7.7	140.5	297.53444	0.0	349.0	0.9657	0.8700	0	0	0
1992	8	3,823,186	7.7	140.9	293.61535	0.0	330.0	0.9657	0.8702	0	0	0
1992	9	3,555,333	7.7	141.3	289.69626	0.0	293.0	0.9657	0.8704	0	0	0
1992	10	3,187,850	7.9	141.8	308.03838	0.0	162.0	0.9658	0.8706	0	0	0
1992	11	2,693,315	8.0	142.0	315.24990	3.0	131.0	0.9658	0.8708	0	0	0
1992	12	2,575,726	8.1	141.9	322.46141	40.0	13.0	0.9658	0.8710	0	0	0
1993	1	2,569,530	8.1	142.6	312.47853	19.0	37.0	0.9659	0.8711	0	0	0
1993	2	2,369,539	8.1	143.1	311.09285	34.0	4.0	0.9659	0.8713	0	0	0
1993	3	2,410,497	8.1	143.6	309.70716	43.0	11.0	0.9659	0.8715	0	0	0
1993	4	2,479,200	8.2	144.0	314.82166	0.0	43.0	0.9660	0.8717	1	0	0
1993	5	2,437,066	8.3	144.2	316.68607	0.0	150.0	0.9660	0.8719	0	1	0
1993	6	3,187,670	8.4	144.4	318.55047	0.0	290.0	0.9660	0.8721	0	0	1
1993	7	3,777,728	8.2	144.4	317.38937	0.0	335.0	0.9661	0.8723	0	0	0
1993	8	4,077,756	8.2	144.8	317.74103	0.0	348.0	0.9661	0.8725	0	0	0
1993	9	3,863,845	8.2	145.1	318.09268	0.0	303.0	0.9661	0.8727	0	0	0
1993	10	3,430,812	8.0	145.7	319.61426	0.0	194.0	0.9662	0.8729	0	0	0
1993	11	2,982,750	7.9	145.8	320.55087	10.0	102.0	0.9662	0.8731	0	0	0
1993	12	2,773,511	7.9	145.8	321.48749	76.0	6.0	0.9662	0.8734	0	0	0
1994	1	2,821,979	8.1	146.2	319.76356	64.0	7.0	0.9663	0.8736	0	0	0
1994	2	2,643,031	7.9	146.7	319.36991	25.0	38.0	0.9663	0.8738	0	0	0
1994	3	2,554,884	7.9	147.2	318.97626	14.0	63.0	0.9663	0.8740	0	0	0
1994	4	2,760,704	7.8	147.4	323.21126	0.0	132.0	0.9664	0.8742	1	0	0
1994	5	3,136,448	7.7	147.5	325.13193	0.0	221.0	0.9664	0.8744	0	1	0
1994	6	3,543,695	7.7	148.0	327.05261	0.0	314.0	0.9664	0.8746	0	0	1
1994	7	4,007,940	7.6	148.4	326.25620	0.0	304.0	0.9665	0.8749	0	0	0
1994	8	3,827,665	7.6	149.0	326.81833	0.0	297.0	0.9665	0.8751	0	0	0
1994	9	3,821,957	7.6	149.4	327.38047	0.0	267.0	0.9665	0.8753	0	0	0
1994	10	3,467,159	7.7	149.5	330.40954	0.0	187.0	0.9666	0.8756	0	0	0

Attachment 2 of 10
INPUTS FOR RESIDENTIAL SALES FORECAST

Year	Month	Residential Sales	Residential Price	Consumer Price Index	Real Florida Personal Income (96 Chained)	Heating Degree Days	Cooling Degree Days	Cooling Saturation	Heating Saturation	Dummy_April	Dummy_May	Dummy_June
		(mWh)	Cents/kWh	(Base 82-84)	(Billions)	(Base - 66)	(Base - 72)					
1994	11	3,190,273	7.7	149.7	332.20515	0.0	114.0	0.9666	0.8758	0	0	0
1994	12	2,940,172	7.7	149.7	334.00075	31.0	51.0	0.9666	0.8760	0	0	0
1995	1	2,810,105	7.7	150.3	334.93223	82.0	2.0	0.9667	0.8762	0	0	0
1995	2	3,032,835	7.6	150.9	336.29578	100.0	11.0	0.9667	0.8765	0	0	0
1995	3	2,569,733	7.7	151.4	337.65932	5.0	19.0	0.9667	0.8767	0	0	0
1995	4	2,645,474	7.8	151.9	337.86379	0.0	121.0	0.9668	0.8769	1	0	0
1995	5	3,266,091	7.8	152.2	338.64779	0.0	269.0	0.9668	0.8772	0	1	0
1995	6	4,012,455	7.7	152.5	339.43180	0.0	268.0	0.9668	0.8774	0	0	1
1995	7	4,002,728	7.7	152.5	340.88987	0.0	323.0	0.9669	0.8776	0	0	0
1995	8	4,014,869	7.7	152.9	342.01091	0.0	323.0	0.9669	0.8778	0	0	0
1995	9	4,128,812	7.7	153.2	343.13196	0.0	309.0	0.9670	0.8781	0	0	0
1995	10	3,967,588	8.0	153.7	344.51390	0.0	248.0	0.9670	0.8783	0	0	0
1995	11	3,336,610	8.1	153.6	345.76539	15.0	71.0	0.9670	0.8785	0	0	0
1995	12	2,768,222	8.1	153.5	347.01688	115.0	9.0	0.9671	0.8787	0	0	0
1996	1	3,665,415	8.0	154.4	349.12095	111.8	9.5	0.9671	0.8790	0	0	0
1996	2	3,081,804	8.0	154.9	350.79873	113.3	4.6	0.9672	0.8792	0	0	0
1996	3	2,902,590	8.1	155.7	352.47651	79.9	22.6	0.9672	0.8794	0	0	0
1996	4	2,727,920	8.1	156.3	352.85013	6.3	73.9	0.9673	0.8796	1	0	0
1996	5	2,999,105	8.1	156.6	353.87583	0.0	199.8	0.9673	0.8798	0	1	0
1996	6	3,632,915	8.1	156.7	354.90154	0.0	241.9	0.9673	0.8801	0	0	1
1996	7	4,017,444	8.2	157.0	356.11450	0.0	331.3	0.9674	0.8803	0	0	0
1996	8	4,396,652	8.2	157.3	357.23383	0.0	301.6	0.9674	0.8805	0	0	0
1996	9	4,189,031	8.2	157.8	358.35317	0.0	298.4	0.9674	0.8807	0	0	0
1996	10	3,810,146	8.4	158.3	358.12203	0.0	162.6	0.9675	0.8808	0	0	0
1996	11	3,090,486	8.3	158.6	358.56613	6.9	64.3	0.9675	0.8810	0	0	0
1996	12	2,788,020	8.3	158.6	359.01023	48.9	4.7	0.9675	0.8812	0	0	0
1997	1	3,096,187	8.3	159.1	362.28656	83.8	2.9	0.9676	0.8814	0	0	0
1997	2	3,048,373	8.3	159.6	364.14678	24.0	29.9	0.9676	0.8816	0	0	0
1997	3	2,971,360	8.5	160.0	366.00699	0.0	78.5	0.9676	0.8818	0	0	0
1997	4	2,894,632	8.2	160.2	366.82326	1.7	81.9	0.9677	0.8820	1	0	0
1997	5	3,047,602	8.3	160.1	368.16150	0.0	187.3	0.9677	0.8822	0	1	0
1997	6	3,806,210	8.2	160.3	369.49974	0.0	259.1	0.9677	0.8824	0	0	1
1997	7	4,222,621	8.3	160.5	371.19876	0.0	309.9	0.9678	0.8826	0	0	0
1997	8	4,331,571	8.3	160.8	372.71739	0.0	325.5	0.9678	0.8828	0	0	0
1997	9	4,304,524	8.3	161.2	374.23602	0.0	273.3	0.9678	0.8830	0	0	0
1997	10	4,009,595	8.0	161.6	375.46390	0.0	167.7	0.9679	0.8831	0	0	0
1997	11	3,153,359	8.1	161.5	376.83716	9.0	45.9	0.9679	0.8833	0	0	0
1997	12	2,963,035	8.1	161.3	378.21042	79.3	32.7	0.9679	0.8835	0	0	0
1998	1	3,381,697	8.1	161.6	381.46761	57.1	17.3	0.9680	0.8837	0	0	0
1998	2	2,952,334	8.1	161.9	383.78283	85.3	9.4	0.9680	0.8837	0	0	0
1998	3	2,915,803	8.1	162.2	386.09806	74.2	19.2	0.9680	0.8839	0	0	0
1998	4	2,942,579	8.2	162.5	386.94750	2.0	91.4	0.9681	0.8839	1	0	0
1998	5	3,229,956	8.1	162.8	388.52984	0.0	202.8	0.9681	0.8841	0	1	0
1998	6	4,430,584	8.0	163.0	390.11217	0.0	364.2	0.9681	0.8841	0	0	1
1998	7	4,913,987	8.0	163.2	390.77416	0.0	336.6	0.9682	0.8843	0	0	0
1998	8	4,730,847	8.0	163.4	391.89632	0.0	349.1	0.9682	0.8843	0	0	0
1998	9	4,751,157	8.0	163.6	393.01848	0.0	308.1	0.9682	0.8845	0	0	0
1998	10	4,358,287	8.0	164.0	393.54626	0.0	231.8	0.9683	0.8845	0	0	0
1998	11	3,548,744	8.1	164.0	394.37123	1.8	87.7	0.9683	0.8846	0	0	0
1998	12	3,326,216	8.2	163.9	395.19620	24.7	45.1	0.9683	0.8846	0	0	0
1999	1	3,473,593	8.0	164.3	395.35245	68.7	10.7	0.9684	0.8847	0	0	0
1999	2	2,910,497	8.0	164.5	395.84307	57.9	0.7	0.9684	0.8847	0	0	0
1999	3	2,798,420	8.0	165.0	396.33368	22.8	0.8	0.9684	0.8848	0	0	0
1999	4	3,142,796	7.7	166.2	398.24152	0.8	124.7	0.9685	0.8848	1	0	0
1999	5	3,461,716	7.5	166.2	399.44075	1.2	159.7	0.9685	0.8849	0	1	0
1999	6	3,965,687	7.5	166.2	400.63997	0.0	217.9	0.9685	0.8849	0	0	1
1999	7	4,264,997	7.5	166.7	401.08095	0.0	322.3	0.9686	0.8850	0	0	0
1999	8	4,937,388	7.5	167.1	401.90105	0.0	317.2	0.9686	0.8850	0	0	0

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INPUTS FOR RESIDENTIAL SALES FORECAST

Year	Month	Residential Sales	Residential Price	Consumer Price Index	Real Florida Personal Income (96 Chained)	Heating Degree Days	Cooling Degree Days	Cooling Saturation	Heating Saturation	Dummy_April	Dummy_May	Dummy_June
		(mWh)	Cents/kWh	(Base 82-84)	(Billions)	(Base - 66)	(Base - 72)					
1999	9	4,709,735	7.5	167.9	402.72115	0.0	250.0	0.9686	0.8851	0	0	0
1999	10	4,142,569	7.5	168.2	403.48349	0.0	178.6	0.9687	0.8851	0	0	0
1999	11	3,284,587	7.5	168.3	404.27471	2.4	42.9	0.9687	0.8852	0	0	0
1999	12	3,095,241	7.5	168.3	405.06593	67.8	3.0	0.9687	0.8852	0	0	0
2000	1	3,338,737	7.4	168.8	405.36807	97.2	2.1	0.9688	0.8857	0	0	0
2000	2	3,324,039	7.3	169.8	405.91475	67.0	2.3	0.9688	0.8857	0	0	0
2000	3	3,031,640	7.4	171.2	406.46143	0.0	20.7	0.9688	0.8857	0	0	0
2000	4	3,136,464	7.3	171.3	409.96071	1.8	66.5	0.9689	0.8857	1	0	0
2000	5	3,431,287	7.3	171.5	411.98368	0.0	174.9	0.9689	0.8857	0	1	0
2000	6	4,496,702	7.2	172.4	414.00666	0.0	269.3	0.9689	0.8857	0	0	1
2000	7	4,725,599	7.8	172.8	414.10462	0.0	289.6	0.9690	0.8857	0	0	0
2000	8	4,889,322	7.8	172.8	415.16509	0.0	310.5	0.9690	0.8857	0	0	0
2000	9	4,933,001	7.8	173.7	416.22556	0.0	294.3	0.9690	0.8857	0	0	0
2000	10	4,325,947	7.8	174.0	417.41533	0.0	131.9	0.9691	0.8857	0	0	0
2000	11	3,281,063	7.8	174.1	418.54046	17.5	30.6	0.9691	0.8858	0	0	0
2000	12	3,406,005	7.8	174.0	419.66558	57.6	18.7	0.9691	0.8858	0	0	0
2001	1	4,323,201	8.4	175.1	422.14433	263.8	1.8	0.9692	0.8867	0	0	0
2001	2	3,544,624	8.5	175.8	423.94627	33.0	13.4	0.9692	0.8867	0	0	0
2001	3	3,229,239	8.5	176.2	425.74820	26.5	47.8	0.9692	0.8866	0	0	0
2001	4	3,300,205	9.1	176.9	426.28107	0.9	84.7	0.9693	0.8866	1	0	0
2001	5	3,351,686	9.1	177.7	427.44847	0.0	157.9	0.9693	0.8865	0	1	0
2001	6	4,580,448	9.2	178.3	428.61587	0.0	247.0	0.9693	0.8865	0	0	1
2001	7	4,844,305	9.2	178.5	429.05528	0.0	287.4	0.9694	0.8864	0	0	0
2001	8	4,987,640	9.2	179.0	429.85868	0.0	301.9	0.9694	0.8864	0	0	0
2001	9	5,010,719	9.2	179.4	430.66209	0.0	271.9	0.9694	0.8863	0	0	0
2001	10	4,574,800	9.1	179.6	432.17613	0.6	161.6	0.9695	0.8863	0	0	0
2001	11	3,497,209	9.1	180.0	433.33485	18.8	61.3	0.9695	0.8864	0	0	0
2001	12	3,573,089	9.1	180.3	434.49358	77.7	15.8	0.9695	0.8864	0	0	0
2002	1	3,874,869	8.8	180.7	436.93784	101.0	7.6	0.9696	0.8877	0	0	0
2002	2	3,762,017	8.8	181.1	438.73933	77.2	10.5	0.9696	0.8877	0	0	0
2002	3	3,257,987	8.8	181.5	440.54082	37.7	30.6	0.9696	0.8875	0	0	0
2002	4	3,539,325	8.6	181.8	442.29212	5.1	73.7	0.9697	0.8875	1	0	0
2002	5	3,629,189	8.5	182.2	444.06851	0.0	157.9	0.9697	0.8873	0	1	0
2002	6	4,763,609	8.5	182.5	445.84491	0.0	247.0	0.9697	0.8873	0	0	1
2002	7	4,990,310	8.5	182.9	447.36266	0.0	287.4	0.9698	0.8871	0	0	0
2002	8	5,203,464	8.5	183.2	449.00973	0.0	301.9	0.9698	0.8871	0	0	0
2002	9	5,237,201	8.5	183.6	450.65680	0.0	271.9	0.9698	0.8869	0	0	0
2002	10	4,832,118	8.5	184.0	452.37759	0.6	161.6	0.9699	0.8869	0	0	0
2002	11	3,720,704	8.5	184.3	454.06152	18.8	61.3	0.9699	0.8870	0	0	0
2002	12	3,768,114	8.5	184.7	455.74545	77.7	15.8	0.9699	0.8870	0	0	0

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INPUTS FOR COMMERCIAL SALES FORECAST

Year	Month	Commercial Sales (mWh)	Commercial Price Cents/kWh	Consumer Price Index (Base 82-84)	Florida Commercial Employment (000s)	Cooling Degree Days (Base - 72)
1990	1	1,917,826	7.84	127.4	4,803	25.0
1990	2	2,006,408	6.74	128.0	4,862	58.4
1990	3	1,982,676	7.94	128.7	4,919	24.1
1990	4	2,002,698	6.87	128.9	4,892	68.3
1990	5	2,196,057	6.79	129.2	4,904	203.2
1990	6	2,378,234	6.73	129.9	4,898	292.0
1990	7	2,399,313	6.75	130.4	4,781	301.1
1990	8	2,503,745	6.70	131.6	4,790	309.4
1990	9	2,374,666	6.79	132.7	4,843	310.2
1990	10	2,434,791	5.62	133.5	4,859	232.2
1990	11	2,262,447	6.76	133.8	4,904	58.0
1990	12	2,084,256	6.91	133.8	4,929	29.6
1991	1	2,067,181	7.32	134.6	4,798	36.0
1991	2	1,947,817	7.41	134.8	4,823	22.0
1991	3	2,017,766	7.35	135.0	4,859	44.0
1991	4	2,079,748	6.93	135.2	4,822	140.0
1991	5	2,281,876	6.79	135.6	4,825	248.0
1991	6	2,428,639	6.70	136.0	4,804	282.0
1991	7	2,441,969	6.72	136.2	4,702	301.0
1991	8	2,569,777	6.63	136.6	4,717	341.0
1991	9	2,516,067	6.62	137.2	4,771	289.0
1991	10	2,453,279	6.74	137.4	4,783	166.0
1991	11	2,333,136	6.86	137.8	4,844	47.0
1991	12	2,064,395	6.98	137.9	4,870	37.0
1992	1	1,990,788	7.02	138.1	4,792	1.0
1992	2	1,920,771	6.91	138.6	4,829	19.0
1992	3	2,051,895	6.81	139.3	4,908	20.0
1992	4	2,019,019	6.67	139.5	4,874	62.0
1992	5	2,133,286	6.62	139.7	4,880	112.0
1992	6	2,381,644	6.50	140.2	4,871	254.0
1992	7	2,514,969	6.49	140.5	4,785	349.0
1992	8	2,491,619	6.43	140.9	4,776	330.0
1992	9	2,546,367	6.47	141.3	4,864	293.0
1992	10	2,398,810	6.64	141.8	4,917	162.0
1992	11	2,351,860	6.71	142.0	4,980	131.0
1992	12	2,189,887	6.77	141.9	5,035	13.0
1993	1	2,188,324	6.67	142.6	4,950	37.0
1993	2	2,042,892	6.77	143.1	5,022	4.0
1993	3	2,027,344	6.78	143.6	5,072	11.0
1993	4	2,172,612	6.96	144.0	5,101	43.0
1993	5	2,201,586	6.97	144.2	5,094	150.0
1993	6	2,487,406	6.76	144.4	5,094	290.0
1993	7	2,619,325	6.81	144.4	5,007	335.0
1993	8	2,719,657	6.78	144.8	5,006	348.0
1993	9	2,694,442	6.79	145.1	5,091	303.0
1993	10	2,570,842	6.51	145.7	5,141	194.0
1993	11	2,427,450	6.54	145.8	5,195	102.0

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INPUTS FOR COMMERCIAL SALES FORECAST

Year	Month	Commercial Sales (mWh)	Commercial Price Cents/kWh	Consumer Price Index (Base 82-84)	Florida Commercial Employment (000s)	Cooling Degree Days (Base - 72)
1993	12	2,356,441	6.55	145.8	5,260	6.0
1994	1	2,129,639	6.56	146.2	5,173	7.0
1994	2	2,140,179	6.38	146.7	5,240	38.0
1994	3	2,266,271	6.26	147.2	5,304	63.0
1994	4	2,491,088	6.08	147.4	5,315	132.0
1994	5	2,328,891	6.20	147.5	5,318	221.0
1994	6	2,637,650	5.97	148.0	5,323	314.0
1994	7	2,745,216	5.91	148.4	5,225	304.0
1994	8	2,674,365	5.94	149.0	5,229	297.0
1994	9	2,695,645	5.40	149.4	5,344	267.0
1994	10	2,667,525	6.00	149.5	5,352	187.0
1994	11	2,622,212	6.03	149.7	5,464	114.0
1994	12	2,547,465	6.05	149.7	5,496	51.0
1995	1	2,268,343	6.27	150.3	5,398	2.0
1995	2	2,135,558	6.41	150.9	5,472	11.0
1995	3	2,224,022	6.36	151.4	5,536	19.0
1995	4	2,337,546	6.39	151.9	5,501	121.0
1995	5	2,575,303	6.32	152.2	5,516	269.0
1995	6	2,819,711	6.20	152.5	5,517	268.0
1995	7	2,788,730	6.21	152.5	5,392	323.0
1995	8	2,734,359	6.23	152.9	5,407	323.0
1995	9	2,868,857	6.19	153.2	5,523	309.0
1995	10	2,836,390	6.49	153.7	5,538	248.0
1995	11	2,671,638	6.60	153.6	5,625	71.0
1995	12	2,458,163	6.66	153.5	5,692	9.0
1996	1	2,377,257	6.75	154.4	5,566	9.5
1996	2	2,254,938	6.87	154.9	5,642	4.6
1996	3	2,260,280	6.82	155.7	5,733	22.6
1996	4	2,284,920	6.85	156.3	5,672	73.9
1996	5	2,517,270	6.72	156.6	5,692	199.8
1996	6	2,757,254	6.61	156.7	5,682	241.9
1996	7	2,834,274	6.71	157.0	5,573	331.3
1996	8	2,961,970	6.63	157.3	5,601	301.6
1996	9	2,925,291	6.68	157.8	5,709	298.4
1996	10	2,849,483	6.87	158.3	5,740	162.6
1996	11	2,643,369	6.91	158.6	5,822	64.3
1996	12	2,544,824	6.96	158.6	5,889	4.7
1997	1	2,490,258	6.98	159.1	5,796	2.9
1997	2	2,449,918	7.03	159.6	5,852	29.9
1997	3	2,600,924	6.84	160.0	5,910	78.5
1997	4	2,565,733	6.93	160.2	5,909	81.9
1997	5	2,579,270	6.74	160.1	5,926	187.3
1997	6	2,899,007	6.77	160.3	5,919	259.1
1997	7	2,941,715	6.67	160.5	5,818	309.9
1997	8	2,980,191	6.65	160.8	5,840	325.5
1997	9	3,056,332	6.62	161.2	5,956	273.3
1997	10	3,002,988	6.32	161.6	5,981	167.7

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INPUTS FOR COMMERCIAL SALES FORECAST

Year	Month	Commercial Sales (mWh)	Commercial Price Cents/kWh	Consumer Price Index (Base 82-84)	Florida Commercial Employment (000s)	Cooling Degree Days (Base - 72)
1997	11	2,721,257	6.24	161.5	6,043	45.9
1997	12	2,653,927	6.33	161.3	6,118	32.7
1998	1	2,628,721	6.34	161.6	6,038	17.3
1998	2	2,441,349	6.45	161.9	6,097	9.4
1998	3	2,445,599	6.45	162.2	6,148	19.2
1998	4	2,567,972	6.56	162.5	6,116	91.4
1998	5	2,724,094	6.49	162.8	6,125	202.8
1998	6	3,085,189	6.35	163.0	6,133	364.2
1998	7	3,283,980	6.27	163.2	6,036	336.6
1998	8	3,154,062	6.29	163.4	6,039	349.1
1998	9	3,188,385	6.30	163.6	6,148	308.1
1998	10	3,127,640	6.33	164.0	6,209	231.8
1998	11	3,035,865	6.36	164.0	6,277	87.7
1998	12	2,935,404	6.34	163.9	6,351	45.1
1999	1	2,799,436	6.58	164.3	6,235	10.7
1999	2	2,588,064	6.72	164.5	6,317	0.7
1999	3	2,542,915	6.81	165.0	6,374	0.8
1999	4	2,734,814	6.45	166.2	6,357	124.7
1999	5	2,952,424	6.19	166.2	6,365	159.7
1999	6	3,092,275	5.99	166.2	6,378	217.9
1999	7	3,172,884	5.96	166.7	6,292	322.3
1999	8	3,371,995	5.97	167.1	6,303	317.2
1999	9	3,363,641	5.95	167.9	6,411	250.0
1999	10	3,134,241	6.04	168.2	6,469	178.6
1999	11	2,873,251	6.08	168.3	6,550	42.9
1999	12	2,894,604	6.11	168.3	6,620	3.0
2000	1	2,807,879	6.03	168.8	6,528	2.1
2000	2	2,644,788	6.15	169.8	6,602	2.3
2000	3	2,789,522	6.05	171.2	6,661	20.7
2000	4	2,837,119	6.10	171.3	6,660	66.5
2000	5	2,930,921	6.06	171.5	6,692	174.9
2000	6	3,316,917	5.79	172.4	6,685	269.3
2000	7	3,385,066	6.34	172.8	6,678	289.6
2000	8	3,452,666	6.33	172.8	6,672	310.5
2000	9	3,524,204	6.28	173.7	6,690	294.3
2000	10	3,274,747	6.42	174.0	6,699	131.9
2000	11	3,001,960	6.51	174.1	6,708	30.6
2000	12	3,035,373	6.44	174.0	6,750	18.7
2001	1	2,916,410	7.10	175.1	6,723	1.8
2001	2	2,777,191	7.27	175.8	6,738	13.4
2001	3	2,898,617	7.20	176.2	6,761	47.8
2001	4	2,915,096	7.91	176.9	6,780	84.7
2001	5	2,976,875	7.86	177.7	6,756	157.9
2001	6	3,363,601	7.81	178.3	6,762	247.0
2001	7	3,449,777	7.77	178.5	6,768	287.4
2001	8	3,509,640	7.76	179.0	6,774	301.9
2001	9	3,612,425	7.76	179.4	6,780	271.9

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INPUTS FOR COMMERCIAL SALES FORECAST

Year	Month	Commercial Sales (mWh)	Commercial Price Cents/kWh	Consumer Price Index (Base 82-84)	Florida Commercial Employment (000s)	Cooling Degree Days (Base - 72)
2001	10	3,360,838	7.81	179.6	6,789	161.6
2001	11	3,117,467	7.86	180.0	6,796	61.3
2001	12	3,178,024	7.82	180.3	6,803	15.8
2002	1	2,962,447	7.37	180.7	6,820	7.6
2002	2	2,950,731	7.45	181.1	6,832	10.5
2002	3	2,965,590	7.44	181.5	6,845	30.6
2002	4	3,098,643	7.39	181.8	6,859	73.7
2002	5	3,191,730	7.21	182.2	6,873	157.9
2002	6	3,478,689	7.14	182.5	6,887	247.0
2002	7	3,588,209	7.10	182.9	6,900	287.4
2002	8	3,633,945	7.09	183.2	6,913	301.9
2002	9	3,727,163	7.10	183.6	6,926	271.9
2002	10	3,427,258	7.14	184.0	6,940	161.6
2002	11	3,186,861	7.19	184.3	6,954	61.3
2002	12	3,302,852	7.15	184.7	6,968	15.8

Attachment 4 of 10
INPUTS FOR THE INDUSTRIAL SALES FORECAST

Year	Month	Industrial Sales (mwh)	Industrial Price Cents/Kwh)	Consumer Price Index (Base 82-84)	Florida Manufacturing Employment ('000's)
1980	1	255,632	3.750	77.800	457.62
1980	2	267,713	4.150	78.900	459.61
1980	3	259,501	4.330	80.100	461.59
1980	4	281,969	4.720	81.000	455.65
1980	5	277,474	4.870	81.800	453.67
1980	6	288,047	4.780	82.700	451.70
1980	7	284,692	4.830	82.700	453.16
1980	8	281,471	4.840	83.300	452.90
1980	9	292,029	4.790	84.000	452.64
1980	10	287,200	4.580	84.800	457.09
1980	11	284,740	4.510	85.500	459.19
1980	12	287,026	4.610	86.300	461.28
1981	1	273,517	4.670	87.000	462.70
1981	2	272,816	4.680	87.900	464.45
1981	3	295,380	5.130	88.500	466.21
1981	4	287,697	5.270	89.100	469.32
1981	5	295,151	6.230	89.800	471.76
1981	6	298,921	6.440	90.600	474.19
1981	7	309,304	6.520	91.600	475.55
1981	8	305,624	6.450	92.300	477.45
1981	9	296,805	6.560	93.200	479.34
1981	10	287,731	6.130	93.400	475.74
1981	11	287,827	6.010	93.700	474.89
1981	12	256,135	6.090	94.000	474.03
1982	1	272,595	6.040	94.300	470.33
1982	2	281,260	6.010	94.600	468.05
1982	3	280,009	6.000	94.500	465.77
1982	4	279,003	5.620	94.900	462.94
1982	5	295,625	5.390	95.800	460.39
1982	6	287,643	5.400	97.000	457.84
1982	7	277,945	5.440	97.500	453.62
1982	8	284,941	5.470	97.700	450.24
1982	9	306,020	5.500	97.900	446.85
1982	10	298,237	5.370	98.200	448.83
1982	11	292,477	5.410	98.000	448.12
1982	12	293,198	5.460	97.600	447.42
1983	1	290,686	5.320	97.800	448.50
1983	2	278,270	5.400	97.900	448.69
1983	3	288,228	5.310	97.900	448.88
1983	4	297,217	5.330	98.600	455.04
1983	5	314,495	5.320	99.200	458.21
1983	6	314,384	5.410	99.500	461.38
1983	7	311,541	5.580	99.900	465.73
1983	8	306,235	5.400	100.200	469.49
1983	9	300,251	5.370	100.700	473.25
1983	10	298,585	5.620	101.000	476.77
1983	11	310,725	5.390	101.200	480.41
1983	12	287,074	5.770	101.300	484.05
1984	1	299,581	5.960	101.900	487.46

Attachment 4 of 10
INPUTS FOR THE INDUSTRIAL SALES FORECAST

Year	Month	Industrial Sales (mwh)	Industrial Price Cents/Kwh)	Consumer Price Index (Base 82-84)	Florida Manufacturing Employment ('000's)
1984	2	298,264	6.050	102.400	490.99
1984	3	306,454	5.910	102.600	494.51
1984	4	303,285	6.580	103.100	496.70
1984	5	313,054	6.700	103.400	499.56
1984	6	321,192	6.970	103.700	502.42
1984	7	317,401	7.060	104.100	504.08
1984	8	314,138	7.160	104.500	506.34
1984	9	296,145	7.230	105.000	508.60
1984	10	318,861	6.630	105.300	509.03
1984	11	317,982	6.510	105.300	510.38
1984	12	300,573	6.530	105.300	511.72
1985	1	304,441	6.510	105.500	512.73
1985	2	308,906	6.750	106.000	513.91
1985	3	315,114	6.790	106.400	515.09
1985	4	324,666	6.910	106.900	514.70
1985	5	322,286	7.000	107.300	515.09
1985	6	329,951	7.010	107.600	515.49
1985	7	324,790	7.010	107.800	514.41
1985	8	337,365	6.930	108.000	514.06
1985	9	330,065	7.030	108.300	513.72
1985	10	331,445	6.810	108.700	514.29
1985	11	331,915	6.770	109.000	514.41
1985	12	324,502	6.770	109.300	514.53
1986	1	316,245	6.720	109.600	516.41
1986	2	316,150	6.810	109.300	517.42
1986	3	329,784	6.000	108.800	518.42
1986	4	330,186	6.385	108.600	516.25
1986	5	339,074	6.280	108.900	515.67
1986	6	356,553	5.870	109.500	515.09
1986	7	333,300	5.785	109.500	516.11
1986	8	342,859	5.790	109.700	516.32
1986	9	335,860	5.765	110.200	516.54
1986	10	332,992	5.865	110.300	518.25
1986	11	323,205	6.040	110.400	519.22
1986	12	343,272	5.220	110.500	520.18
1987	1	322,461	5.862	111.200	522.37
1987	2	323,171	5.844	111.600	523.94
1987	3	323,947	5.842	112.100	525.52
1987	4	312,302	5.587	112.700	527.29
1987	5	347,605	5.427	113.100	528.96
1987	6	345,829	5.868	113.500	530.63
1987	7	339,464	5.952	113.800	531.68
1987	8	345,046	5.901	114.400	533.04
1987	9	336,489	5.949	115.000	534.40
1987	10	326,051	6.380	115.300	536.03
1987	11	313,788	6.437	115.400	537.53
1987	12	326,068	6.415	115.400	539.02
1988	1	325,801	6.414	115.700	537.91
1988	2	331,325	6.381	116.000	538.10

Attachment 4 of 10
INPUTS FOR THE INDUSTRIAL SALES FORECAST

Year	Month	Industrial Sales (mwh)	Industrial Price Cents/Kwh)	Consumer Price Index (Base 82-84)	Florida Manufacturing Employment ('000's)
1988	3	340,659	6.360	116.500	538.29
1988	4	351,066	5.068	117.100	539.54
1988	5	334,695	6.340	117.500	540.26
1988	6	352,769	6.245	118.000	540.99
1988	7	344,179	6.293	118.500	540.03
1988	8	332,484	6.274	119.000	539.91
1988	9	365,130	6.173	119.800	539.79
1988	10	369,083	5.685	120.200	539.70
1988	11	343,352	5.694	120.300	539.60
1988	12	341,106	5.688	120.500	539.49
1989	1	346,955	5.646	121.100	540.42
1989	2	349,979	5.583	121.600	540.84
1989	3	351,375	5.660	122.300	541.25
1989	4	347,694	5.575	123.100	540.76
1989	5	353,502	4.774	123.800	540.72
1989	6	369,950	4.930	124.100	540.68
1989	7	356,111	6.019	124.400	537.31
1989	8	352,071	5.985	124.600	535.60
1989	9	351,259	5.993	125.000	533.89
1989	10	346,522	4.802	125.600	534.59
1989	11	348,240	6.828	125.900	534.08
1989	12	336,198	5.635	126.100	533.58
1990	1	335,737	5.567	127.400	531.57
1990	2	344,731	5.505	128.000	530.31
1990	3	344,856	5.565	128.700	529.05
1990	4	333,075	5.669	128.900	527.37
1990	5	338,527	5.661	129.200	525.89
1990	6	337,126	5.591	129.900	524.42
1990	7	323,539	5.675	130.400	522.66
1990	8	345,992	5.623	131.600	521.04
1990	9	331,341	5.676	132.700	519.43
1990	10	349,307	5.623	133.500	514.29
1990	11	342,958	5.835	133.800	510.92
1990	12	337,716	5.682	133.800	507.55
1991	1	318,711	6.140	134.600	503.56
1991	2	329,416	6.355	134.800	499.87
1991	3	334,590	6.345	135.000	496.19
1991	4	328,003	5.880	135.200	495.26
1991	5	337,026	5.890	135.600	492.96
1991	6	358,751	5.795	136.000	490.65
1991	7	350,231	5.845	136.200	490.96
1991	8	345,370	5.825	136.600	489.96
1991	9	349,911	5.745	137.200	488.96
1991	10	339,143	5.815	137.400	488.91
1991	11	358,028	5.543	137.800	488.39
1991	12	340,779	5.554	137.900	487.87
1992	1	332,719	5.580	138.100	485.64
1992	2	332,049	5.380	138.600	484.27
1992	3	341,562	5.380	139.300	482.89

Attachment 4 of 10
INPUTS FOR THE INDUSTRIAL SALES FORECAST

Year	Month	Industrial Sales (mwh)	Industrial Price Cents/Kwh)	Consumer Price Index (Base 82-84)	Florida Manufacturing Employment ('000's)
1992	4	333,011	5.260	139.500	483.45
1992	5	334,635	5.190	139.700	483.04
1992	6	361,492	5.700	140.200	482.63
1992	7	351,370	5.450	140.500	482.46
1992	8	338,376	5.450	140.900	482.17
1992	9	339,782	5.420	141.300	481.88
1992	10	332,606	5.650	141.800	482.08
1992	11	327,182	5.640	142.000	482.04
1992	12	329,208	5.600	141.900	481.99
1993	1	329,168	5.267	142.600	484.24
1993	2	312,634	5.325	143.100	485.34
1993	3	327,458	5.248	143.600	486.45
1993	4	335,561	5.508	144.000	485.93
1993	5	354,934	5.425	144.200	486.23
1993	6	355,147	5.595	144.400	486.53
1993	7	323,131	5.372	144.400	485.57
1993	8	296,377	5.828	144.800	485.23
1993	9	315,808	5.576	145.100	484.90
1993	10	310,396	5.377	145.700	484.43
1993	11	305,231	5.298	145.800	484.03
1993	12	323,294	5.227	145.800	483.62
1994	1	308,361	5.280	146.200	484.25
1994	2	303,214	5.130	146.700	484.36
1994	3	316,634	5.020	147.200	484.48
1994	4	308,622	4.955	147.400	483.88
1994	5	325,447	4.910	147.500	483.64
1994	6	322,223	4.880	148.000	483.40
1994	7	333,344	4.895	148.400	484.06
1994	8	317,824	4.880	149.000	484.27
1994	9	325,927	4.865	149.400	484.48
1994	10	324,984	4.950	149.500	483.97
1994	11	326,944	4.925	149.700	483.82
1994	12	331,141	4.930	149.700	483.66
1995	1	315,612	4.840	150.300	483.96
1995	2	308,606	4.899	150.900	484.03
1995	3	307,692	4.907	151.400	484.10
1995	4	310,534	4.999	151.900	485.05
1995	5	356,329	4.978	152.200	485.56
1995	6	342,432	4.949	152.500	486.07
1995	7	328,921	4.987	152.500	486.11
1995	8	287,835	5.022	152.900	486.38
1995	9	335,882	5.026	153.200	486.66
1995	10	317,368	5.231	153.700	488.78
1995	11	340,357	5.271	153.600	489.98
1995	12	331,228	5.075	153.500	491.17
1996	1	322,314	5.20	154.400	489.75
1996	2	299,393	5.31	154.900	489.63
1996	3	320,731	5.25	155.700	489.52
1996	4	302,926	5.35	156.300	489.12

Attachment 4 of 10
INPUTS FOR THE INDUSTRIAL SALES FORECAST

Year	Month	Industrial Sales (mwh)	Industrial Price Cents/Kwh)	Consumer Price Index (Base 82-84)	Florida Manufacturing Employment ('000's)
1996	5	320,761	5.33	156.600	488.86
1996	6	329,632	5.22	156.700	488.60
1996	7	277,058	5.50	157.000	489.86
1996	8	342,128	5.28	157.300	490.35
1996	9	329,135	5.35	157.800	490.85
1996	10	310,647	5.47	158.300	490.15
1996	11	314,173	5.61	158.600	490.05
1996	12	323,039	5.48	158.600	489.94
1997	1	307,548	5.52	159.100	490.31
1997	2	338,249	5.48	159.600	490.45
1997	3	334,523	5.56	160.000	490.58
1997	4	320,080	5.41	160.200	490.61
1997	5	321,273	5.54	160.100	490.69
1997	6	331,877	5.36	160.300	490.78
1997	7	321,353	5.51	160.500	492.46
1997	8	313,681	5.52	160.800	493.34
1997	9	339,345	5.47	161.200	494.22
1997	10	314,185	5.10	161.600	493.49
1997	11	332,844	5.00	161.500	493.56
1997	12	319,440	5.03	161.300	493.64
1998	1	317,464	5.01	161.600	492.76
1998	2	292,499	5.15	161.900	492.36
1998	3	325,104	5.08	162.200	491.95
1998	4	338,723	5.13	162.500	494.17
1998	5	328,283	5.15	162.800	495.08
1998	6	336,484	5.12	163.000	495.99
1998	7	315,125	5.17	163.200	494.13
1998	8	342,995	5.13	163.400	493.65
1998	9	310,252	5.17	163.600	493.18
1998	10	317,775	5.14	164.000	493.15
1998	11	360,310	5.09	164.000	492.90
1998	12	366,399	5.04	163.900	492.64
1999	1	335,752	5.02	164.300	491.57
1999	2	299,788	5.18	164.500	490.90
1999	3	339,417	5.09	165.000	490.23
1999	4	290,775	5.18	166.200	489.54
1999	5	335,881	4.78	166.200	488.86
1999	6	324,129	4.73	166.200	488.18
1999	7	298,985	4.77	166.700	486.71
1999	8	319,289	4.71	167.100	485.64
1999	9	393,265	4.72	167.900	484.57
1999	10	357,871	4.78	168.200	485.57
1999	11	315,434	4.80	168.300	485.54
1999	12	337,057	4.79	168.300	485.51
2000	1	319,328	4.67	168.800	486.34
2000	2	300,795	4.59	169.800	486.74
2000	3	308,342	4.60	171.200	487.13
2000	4	302,903	4.56	171.300	486.63
2000	5	308,239	4.64	171.500	486.57

Attachment 4 of 10
INPUTS FOR THE INDUSTRIAL SALES FORECAST

Year	Month	Industrial Sales (mwh)	Industrial Price Cents/Kwh)	Consumer Price Index (Base 82-84)	Florida Manufacturing Employment ('000's)
2000	6	339,906	4.42	172.400	486.52
2000	7	324,199	4.96	172.800	486.64
2000	8	336,798	4.97	172.800	486.68
2000	9	324,733	4.96	173.700	486.71
2000	10	284,977	5.10	174.000	486.42
2000	11	326,674	5.05	174.100	486.30
2000	12	290,712	5.01	174.000	486.17
2001	1	339,381	5.36	175.100	485.89
2001	2	349,555	5.55	175.800	485.69
2001	3	339,419	5.58	176.200	485.49
2001	4	324,617	6.29	176.900	482.53
2001	5	348,974	6.46	177.716	480.96
2001	6	329,229	6.62	178.266	479.38
2001	7	346,610	6.67	178.548	477.42
2001	8	342,544	6.58	178.964	475.65
2001	9	340,383	6.60	179.380	473.88
2001	10	339,589	6.60	179.626	472.55
2001	11	338,525	6.60	179.957	471.00
2001	12	337,556	6.60	180.288	469.46
2002	1	337,106	6.11	180.748	468.64
2002	2	336,413	6.17	181.143	467.45
2002	3	340,075	6.14	181.538	466.27
2002	4	339,639	6.16	181.837	465.85
2002	5	339,318	6.01	182.183	465.04
2002	6	338,800	5.96	182.530	464.24
2002	7	338,648	6.01	182.870	464.05
2002	8	338,576	5.92	183.214	463.55
2002	9	338,141	5.93	183.557	463.05
2002	10	338,461	5.94	183.953	463.01
2002	11	338,292	5.93	184.323	462.74
2002	12	338,155	5.94	184.692	462.47

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INPUTS FOR THE RESIDENTIAL CUSTOMER FORECAST

Year	Month	Florida Population	Residential Customers
1990	1	12,798,531	2,789,309
1990	2	12,825,019	2,801,736
1990	3	12,851,507	2,810,457
1990	4	12,877,995	2,805,566
1990	5	12,904,483	2,785,369
1990	6	12,930,971	2,780,977
1990	7	12,957,406	2,783,339
1990	8	12,983,840	2,787,017
1990	9	13,010,275	2,794,558
1990	10	13,036,709	2,803,417
1990	11	13,038,942	2,825,310
1990	12	13,041,174	2,847,451
1991	1	13,250,880	2,863,612
1991	2	13,252,307	2,873,938
1991	3	13,253,735	2,881,526
1991	4	13,255,163	2,871,191
1991	5	13,256,591	2,850,529
1991	6	13,258,019	2,844,161
1991	7	13,259,447	2,843,789
1991	8	13,260,875	2,846,483
1991	9	13,262,303	2,850,191
1991	10	13,263,731	2,857,859
1991	11	13,265,159	2,878,308
1991	12	13,266,586	2,896,783
1992	1	13,356,183	2,912,885
1992	2	13,382.092	2,923,007
1992	3	13,408,000	2,928,941
1992	4	13,433,908	2,920,001
1992	5	13,459,817	2,897,947
1992	6	13,485,725	2,892,243
1992	7	13,511,001	2,894,196
1992	8	13,536,276	2,898,600
1992	9	13,561,552	2,900,139
1992	10	13,586,828	2,904,309
1992	11	13,612,103	2,925,526
1992	12	13,637,379	2,943,890
1993	1	13,586,364	2,958,573
1993	2	13,612,719	2,970,571
1993	3	13,639,073	2,977,770
1993	4	13,665,428	3,010,037
1993	5	13,691,783	2,967,267
1993	6	13,718,138	2,957,190
1993	7	13,743,849	2,961,143
1993	8	13,769,560	2,968,272
1993	9	13,795,272	2,970,527
1993	10	13,820,983	2,975,728
1993	11	13,846,694	2,996,373
1993	12	13,872,405	3,013,112
1994	1	13,896,757	3,027,857
1994	2	13,923,714	3,038,702
1994	3	13,950,671	3,046,388
1994	4	13,977,628	3,043,543
1994	5	14,004,585	3,028,412
1994	6	14,031,542	3,020,716
1994	7	14,057,840	3,018,690
1994	8	14,084,139	3,026,580

Attachment 5 of 10
INPUTS FOR THE RESIDENTIAL CUSTOMER FORECAST

Year	Month	Florida Population	Residential Customers
1994	9	14,110,437	3,030,160
1994	10	14,136,736	3,036,364
1994	11	14,163,035	3,057,775
1994	12	14,189,333	3,076,365
1995	1	14,185,959	3,091,289
1995	2	14,213,477	3,100,476
1995	3	14,240,995	3,105,323
1995	4	14,268,513	3,099,816
1995	5	14,296,031	3,085,128
1995	6	14,323,549	3,082,695
1995	7	14,350,395	3,082,700
1995	8	14,377,241	3,085,507
1995	9	14,404,087	3,091,480
1995	10	14,430,933	3,098,011
1995	11	14,457,779	3,114,036
1995	12	14,484,625	3,129,838
1996	1	14,470,428	3,147,199
1996	2	14,498,498	3,154,142
1996	3	14,526,567	3,158,499
1996	4	14,554,637	3,157,765
1996	5	14,582,707	3,143,915
1996	6	14,610,777	3,140,094
1996	7	14,638,161	3,140,301
1996	8	14,665,545	3,143,491
1996	9	14,692,930	3,146,569
1996	10	14,720,314	3,151,602
1996	11	14,747,698	3,165,144
1996	12	14,775,082	3,182,783
1997	1	14,782,063	3,196,886
1997	2	14,810,737	3,206,611
1997	3	14,839,412	3,214,954
1997	4	14,868,086	3,212,409
1997	5	14,896,760	3,198,836
1997	6	14,925,434	3,194,640
1997	7	14,953,408	3,198,490
1997	8	14,981,382	3,202,409
1997	9	15,009,356	3,209,319
1997	10	15,037,330	3,213,236
1997	11	15,065,304	3,224,383
1997	12	15,093,278	3,239,398
1998	1	15,071,151	3,248,999
1998	2	15,100,386	3,259,277
1998	3	15,129,621	3,266,915
1998	4	15,158,856	3,267,541
1998	5	15,188,091	3,256,075
1998	6	15,217,326	3,256,616
1998	7	15,245,847	3,261,244
1998	8	15,274,368	3,262,709
1998	9	15,302,889	3,266,548
1998	10	15,331,410	3,269,554
1998	11	15,359,931	3,281,826
1998	12	15,388,452	3,294,826
1999	1	15,461,510	3,309,816
1999	2	15,477,826	3,319,728
1999	3	15,510,055	3,329,454
1999	4	15,526,169	3,329,366

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INPUTS FOR THE RESIDENTIAL CUSTOMER FORECAST

Year	Month	Florida Population	Residential Customers
1999	5	15,542,283	3,321,534
1999	6	15,574,906	3,321,366
1999	7	15,591,217	3,323,325
1999	8	15,607,529	3,329,527
1999	9	15,640,234	3,336,447
1999	10	15,656,586	3,342,147
1999	11	15,672,939	3,354,917
1999	12	15,705,346	3,371,437
2000	1	15,865,285	3,384,081
2000	2	15,881,637	3,397,197
2000	3	15,913,798	3,407,888
2000	4	15,929,879	3,411,552
2000	5	15,945,959	3,404,302
2000	6	15,977,691	3,404,846
2000	7	15,993,557	3,407,511
2000	8	16,009,423	3,414,648
2000	9	16,040,601	3,420,410
2000	10	16,056,190	3,426,807
2000	11	16,071,780	3,437,316
2000	12	16,102,736	3,450,872
2001	1	16,162,115	3,466,059
2001	2	16,177,635	3,476,162
2001	3	16,208,546	3,485,376
2001	4	16,224,001	3,490,194
2001	5	16,239,457	3,483,167
2001	6	16,270,238	3,481,929
2001	7	16,285,628	3,484,771
2001	8	16,301,019	3,491,248
2001	9	16,331,696	3,497,278
2001	10	16,347,035	3,503,152
2001	11	16,362,373	3,512,369
2001	12	16,392,994	3,525,215
2002	1	16,448,872	3,549,316
2002	2	16,464,220	3,558,228
2002	3	16,495,005	3,567,094
2002	4	16,510,397	3,571,699
2002	5	16,525,789	3,557,724
2002	6	16,556,251	3,558,842
2002	7	16,571,482	3,561,433
2002	8	16,586,713	3,563,609
2002	9	16,617,108	3,568,566
2002	10	16,632,305	3,571,609
2002	11	16,647,502	3,581,749
2002	12	16,677,616	3,593,959

Attachment 6 of 10
INPUTS FOR THE COMMERCIAL CUSTOMER FORECAST

Year	Month	Commercial Customers	Florida Commercial Employment
1990	1	333,217	4,803
1990	2	334,142	4,862
1990	3	335,181	4,919
1990	4	336,137	4,892
1990	5	336,651	4,904
1990	6	337,304	4,898
1990	7	337,581	4,781
1990	8	338,021	4,790
1990	9	338,209	4,843
1990	10	338,748	4,859
1990	11	339,791	4,904
1990	12	340,611	4,929
1991	1	340,912	4,798
1991	2	341,101	4,823
1991	3	341,797	4,859
1991	4	342,594	4,822
1991	5	343,104	4,825
1991	6	343,640	4,804
1991	7	344,117	4,702
1991	8	344,526	4,717
1991	9	344,985	4,771
1991	10	345,469	4,783
1991	11	346,486	4,844
1991	12	347,275	4,870
1992	1	347,496	4,792
1992	2	348,069	4,829
1992	3	348,817	4,908
1992	4	349,305	4,874
1992	5	350,122	4,880
1992	6	350,639	4,871
1992	7	350,922	4,785
1992	8	350,634	4,776
1992	9	350,866	4,864
1992	10	351,419	4,917
1992	11	352,159	4,980
1992	12	352,784	5,035
1993	1	353,366	4,950
1993	2	354,218	5,022
1993	3	354,743	5,072
1993	4	357,258	5,101
1993	5	359,772	5,094
1993	6	359,223	5,094
1993	7	359,426	5,007
1993	8	360,459	5,006
1993	9	361,037	5,091
1993	10	360,854	5,141
1993	11	361,579	5,195
1993	12	362,117	5,260
1994	1	362,728	5,173
1994	2	363,288	5,240
1994	3	364,383	5,304

Attachment 6 of 10
INPUTS FOR THE COMMERCIAL CUSTOMER FORECAST

Year	Month	Commercial Customers	Florida Commercial Employment
1994	4	365,207	5,315
1994	5	365,964	5,318
1994	6	366,357	5,323
1994	7	366,291	5,225
1994	8	367,264	5,229
1994	9	367,773	5,344
1994	10	368,314	5,352
1994	11	369,301	5,464
1994	12	370,041	5,496
1995	1	370,371	5,398
1995	2	371,337	5,472
1995	3	372,052	5,536
1995	4	372,421	5,501
1995	5	373,216	5,516
1995	6	373,898	5,517
1995	7	374,339	5,392
1995	8	374,848	5,407
1995	9	375,519	5,523
1995	10	376,141	5,538
1995	11	376,737	5,625
1995	12	377,184	5,692
1996	1	378,338	5,566
1996	2	378,061	5,642
1996	3	378,733	5,733
1996	4	379,637	5,672
1996	5	380,394	5,692
1996	6	380,645	5,682
1996	7	381,291	5,573
1996	8	381,582	5,601
1996	9	382,020	5,709
1996	10	382,415	5,740
1996	11	383,163	5,822
1996	12	384,039	5,889
1997	1	384,601	5,796
1997	2	385,190	5,852
1997	3	386,421	5,910
1997	4	387,450	5,909
1997	5	388,406	5,926
1997	6	388,496	5,919
1997	7	389,418	5,818
1997	8	390,246	5,840
1997	9	390,872	5,956
1997	10	391,380	5,981
1997	11	391,832	6,043
1997	12	392,554	6,118
1998	1	392,861	6,038
1998	2	394,071	6,097
1998	3	394,774	6,148
1998	4	396,193	6,116
1998	5	395,818	6,125
1998	6	396,605	6,133

Attachment 6 of 10
INPUTS FOR THE COMMERCIAL CUSTOMER FORECAST

Year	Month	Commercial Customers	Florida Commercial Employment
1998	7	397,032	6,036
1998	8	397,828	6,039
1998	9	398,361	6,148
1998	10	398,765	6,209
1998	11	399,097	6,277
1998	12	399,587	6,351
1999	1	400,354	6,235
1999	2	401,256	6,317
1999	3	401,912	6,374
1999	4	403,118	6,357
1999	5	404,034	6,365
1999	6	404,536	6,378
1999	7	404,996	6,292
1999	8	406,046	6,303
1999	9	406,998	6,411
1999	10	408,060	6,469
1999	11	408,562	6,550
1999	12	409,431	6,620
2000	1	410,919	6,528
2000	2	411,290	6,602
2000	3	412,265	6,661
2000	4	413,385	6,660
2000	5	414,109	6,692
2000	6	414,878	6,685
2000	7	415,352	6,678
2000	8	416,280	6,672
2000	9	417,493	6,690
2000	10	418,213	6,699
2000	11	419,055	6,708
2000	12	420,276	6,750
2001	1	421,718	6,723
2001	2	423,096	6,738
2001	3	423,639	6,761
2001	4	424,616	6,780
2001	5	426,058	6,756
2001	6	424,294	6,762
2001	7	424,777	6,768
2001	8	425,713	6,774
2001	9	426,934	6,780
2001	10	427,663	6,789
2001	11	428,516	6,796
2001	12	429,773	6,803
2002	1	431,945	6,820
2002	2	433,350	6,832
2002	3	433,911	6,845
2002	4	434,906	6,859
2002	5	436,372	6,873
2002	6	434,461	6,887
2002	7	434,937	6,900
2002	8	435,897	6,913
2002	9	437,145	6,926

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INPUTS FOR THE COMMERCIAL CUSTOMER FORECAST

Year	Month	Commercial Customers	Florida Commercial Employment
2002	10	437,896	6,940
2002	11	438,772	6,954
2002	12	440,057	6,968

Attachment 7 of 10
INPUTS FOR THE INDUSTRIAL CUSTOMER FORECAST

Year	Month	Residential Customers	Industrial Customers
1990	1	2,789,309	17,094
1990	2	2,801,736	16,951
1990	3	2,810,457	16,902
1990	4	2,805,566	16,826
1990	5	2,785,369	16,678
1990	6	2,780,977	16,495
1990	7	2,783,339	16,453
1990	8	2,787,017	16,420
1990	9	2,794,558	16,732
1990	10	2,803,417	16,676
1990	11	2,825,310	16,448
1990	12	2,847,451	16,207
1991	1	2,863,612	15,856
1991	2	2,873,938	15,706
1991	3	2,881,526	15,530
1991	4	2,871,191	15,355
1991	5	2,850,529	15,280
1991	6	2,844,161	15,259
1991	7	2,843,789	15,226
1991	8	2,846,483	15,213
1991	9	2,850,191	15,209
1991	10	2,857,859	15,210
1991	11	2,878,308	15,213
1991	12	2,896,783	15,113
1992	1	2,912,885	14,882
1992	2	2,923,007	14,807
1992	3	2,928,941	14,612
1992	4	2,920,001	14,606
1992	5	2,897,947	14,704
1992	6	2,892,243	14,802
1992	7	2,894,196	14,788
1992	8	2,898,600	14,943
1992	9	2,900,139	14,931
1992	10	2,904,309	14,803
1992	11	2,925,526	14,804
1992	12	2,943,890	14,778
1993	1	2,958,573	14,621
1993	2	2,970,571	14,539
1993	3	2,977,770	14,533
1993	4	3,010,037	15,395
1993	5	2,967,267	14,756
1993	6	2,957,190	14,718
1993	7	2,961,143	14,964
1993	8	2,968,272	14,988
1993	9	2,970,527	14,936
1993	10	2,975,728	15,063
1993	11	2,996,373	15,353
1993	12	3,013,112	15,297
1994	1	3,027,857	15,156
1994	2	3,038,702	15,147
1994	3	3,046,388	15,270

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INPUTS FOR THE INDUSTRIAL CUSTOMER FORECAST

Year	Month	Residential Customers	Industrial Customers
1994	4	3,043,543	15,394
1994	5	3,028,412	15,366
1994	6	3,020,716	15,351
1994	7	3,018,690	15,501
1994	8	3,026,580	15,741
1994	9	3,030,160	15,921
1994	10	3,036,364	16,134
1994	11	3,057,775	16,088
1994	12	3,076,365	15,992
1995	1	3,091,289	15,862
1995	2	3,100,476	15,710
1995	3	3,105,323	15,447
1995	4	3,099,816	15,193
1995	5	3,085,128	15,056
1995	6	3,082,695	15,077
1995	7	3,082,700	15,077
1995	8	3,085,507	14,899
1995	9	3,091,480	14,906
1995	10	3,098,011	14,863
1995	11	3,114,036	14,813
1995	12	3,129,838	14,771
1996	1	3,147,199	14,735
1996	2	3,154,142	14,569
1996	3	3,158,499	14,641
1996	4	3,157,765	14,668
1996	5	3,143,915	14,630
1996	6	3,140,094	14,622
1996	7	3,140,301	14,759
1996	8	3,143,491	14,836
1996	9	3,146,569	14,940
1996	10	3,151,602	15,026
1996	11	3,165,144	14,953
1996	12	3,182,783	15,014
1997	1	3,196,886	14,855
1997	2	3,206,611	14,691
1997	3	3,214,954	14,641
1997	4	3,212,409	14,530
1997	5	3,198,836	14,530
1997	6	3,194,640	14,616
1997	7	3,198,490	14,746
1997	8	3,202,409	14,776
1997	9	3,209,319	14,960
1997	10	3,213,236	14,961
1997	11	3,224,383	14,946
1997	12	3,239,398	14,885
1998	1	3,248,999	14,870
1998	2	3,259,277	14,855
1998	3	3,266,915	14,890
1998	4	3,267,541	14,781
1998	5	3,256,075	14,799
1998	6	3,256,616	14,828

Attachment 7 of 10
INPUTS FOR THE INDUSTRIAL CUSTOMER FORECAST

Year	Month	Residential Customers	Industrial Customers
1998	7	3,261,244	15,122
1998	8	3,262,709	15,279
1998	9	3,266,548	15,391
1998	10	3,269,554	15,464
1998	11	3,281,826	15,567
1998	12	3,294,826	15,671
1999	1	3,309,816	15,661
1999	2	3,319,728	15,593
1999	3	3,329,454	15,666
1999	4	3,329,366	15,695
1999	5	3,321,534	15,894
1999	6	3,321,366	16,054
1999	7	3,323,325	16,207
1999	8	3,329,527	16,406
1999	9	3,336,447	16,466
1999	10	3,342,147	16,334
1999	11	3,354,917	16,271
1999	12	3,371,437	16,235
2000	1	3,384,081	16,190
2000	2	3,397,197	16,230
2000	3	3,407,888	16,442
2000	4	3,411,552	16,406
2000	5	3,404,302	16,407
2000	6	3,404,846	16,487
2000	7	3,407,511	16,572
2000	8	3,414,648	16,554
2000	9	3,420,410	16,574
2000	10	3,426,807	16,506
2000	11	3,437,316	16,357
2000	12	3,450,872	16,206
2001	1	3,466,059	15,975
2001	2	3,476,162	15,744
2001	3	3,485,376	15,485
2001	4	3,490,194	15,554
2001	5	3,483,167	15,486
2001	6	3,478,450	15,420
2001	7	3,481,289	15,320
2001	8	3,487,760	15,312
2001	9	3,493,785	15,315
2001	10	3,499,653	15,309
2001	11	3,508,860	15,294
2001	12	3,521,693	15,279
2002	1	3,535,996	15,275
2002	2	3,544,874	15,261
2002	3	3,553,707	15,257
2002	4	3,558,295	15,254
2002	5	3,544,372	15,175
2002	6	3,545,486	15,242
2002	7	3,548,067	15,239
2002	8	3,550,235	15,190
2002	9	3,555,174	15,177

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INPUTS FOR THE INDUSTRIAL CUSTOMER FORECAST

Year	Month	Residential Customers	Industrial Customers
2002	10	3,558,205	15,144
2002	11	3,568,307	15,155
2002	12	3,580,471	15,147

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INPUTS FOR THE STREET & HIGHWAY CUSTOMER FORECAST

Year	Month	Florida Population	Street & Highway Customers
1990	1	12,798,531	3,325
1990	2	12,825,019	3,348
1990	3	12,851,507	3,379
1990	4	12,877,995	3,400
1990	5	12,904,483	3,437
1990	6	12,930,971	3,456
1990	7	12,957,406	3,498
1990	8	12,983,840	3,510
1990	9	13,010,275	3,523
1990	10	13,036,709	3,542
1990	11	13,038,942	3,559
1990	12	13,041,174	3,578
1991	1	13,250,880	3,597
1991	2	13,252,307	3,630
1991	3	13,253,735	3,645
1991	4	13,255,163	3,685
1991	5	13,256,591	3,710
1991	6	13,258,019	3,737
1991	7	13,259,447	3,749
1991	8	13,260,875	3,754
1991	9	13,262,303	3,775
1991	10	13,263,731	3,796
1991	11	13,265,159	3,832
1991	12	13,266,586	3,854
1992	1	13,356,183	3,861
1992	2	13,382,092	3,908
1992	3	13,408,000	3,934
1992	4	13,433,908	3,945
1992	5	13,459,817	3,996
1992	6	13,485,725	4,039
1992	7	13,511,001	4,059
1992	8	13,536,276	4,088
1992	9	13,561,552	4,110
1992	10	13,586,828	4,108
1992	11	13,612,103	4,118
1992	12	13,637,379	4,202
1993	1	13,586,364	4,284
1993	2	13,612,719	4,316
1993	3	13,639,073	4,336
1993	4	13,665,428	2,217
1993	5	13,691,783	2,213
1993	6	13,718,138	2,216
1993	7	13,743,849	2,221
1993	8	13,769,560	2,220
1993	9	13,795,272	2,228
1993	10	13,820,983	2,241
1993	11	13,846,694	2,253
1993	12	13,872,405	2,260
1994	1	13,896,757	2,273
1994	2	13,923,714	2,282
1994	3	13,950,671	2,294

Attachment 8 of 10
INPUTS FOR THE STREET & HIGHWAY CUSTOMER FORECAST

Year	Month	Florida Population	Street & Highway Customers
1994	4	13,977,628	2,304
1994	5	14,004,585	2,302
1994	6	14,031,542	2,304
1994	7	14,057,840	2,306
1994	8	14,084,139	2,310
1994	9	14,110,437	2,315
1994	10	14,136,736	2,007
1994	11	14,163,035	2,023
1994	12	14,189,333	2,023
1995	1	14,185,959	2,029
1995	2	14,213,477	2,034
1995	3	14,240,995	2,054
1995	4	14,268,513	2,073
1995	5	14,296,031	2,406
1995	6	14,323,549	2,403
1995	7	14,350,395	2,090
1995	8	14,377,241	2,092
1995	9	14,404,087	2,102
1995	10	14,430,933	2,100
1995	11	14,457,779	2,096
1995	12	14,484,625	2,099
1996	1	14,470,428	2,124
1996	2	14,498,498	2,154
1996	3	14,526,567	2,155
1996	4	14,554,637	2,146
1996	5	14,582,707	2,155
1996	6	14,610,777	2,154
1996	7	14,638,161	2,160
1996	8	14,665,545	2,165
1996	9	14,692,930	2,173
1996	10	14,720,314	2,175
1996	11	14,747,698	2,180
1996	12	14,775,082	2,179
1997	1	14,782,063	2,187
1997	2	14,810,737	2,192
1997	3	14,839,412	2,175
1997	4	14,868,086	2,175
1997	5	14,896,760	2,189
1997	6	14,925,434	2,196
1997	7	14,953,408	2,205
1997	8	14,981,382	2,215
1997	9	15,009,356	2,220
1997	10	15,037,330	2,246
1997	11	15,065,304	2,247
1997	12	15,093,278	2,250
1998	1	15,071,151	2,252
1998	2	15,100,386	2,253
1998	3	15,129,621	2,255
1998	4	15,158,856	2,267
1998	5	15,188,091	2,276
1998	6	15,217,326	2,282

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INPUTS FOR THE STREET & HIGHWAY CUSTOMER FORECAST

Year	Month	Florida Population	Street & Highway Customers
1998	7	15,245,847	2,281
1998	8	15,274,368	2,299
1998	9	15,302,889	2,299
1998	10	15,331,410	2,276
1998	11	15,359,931	2,282
1998	12	15,388,452	2,286
1999	1	15,461,510	2,289
1999	2	15,477,826	2,285
1999	3	15,510,055	2,287
1999	4	15,526,169	2,296
1999	5	15,542,283	2,297
1999	6	15,574,906	2,306
1999	7	15,591,217	2,313
1999	8	15,607,529	2,299
1999	9	15,640,234	2,311
1999	10	15,656,586	2,324
1999	11	15,672,939	2,326
1999	12	15,705,346	2,337
2000	1	15,865,285	2,341
2000	2	15,881,637	2,364
2000	3	15,913,798	2,401
2000	4	15,929,879	2,414
2000	5	15,945,959	2,426
2000	6	15,977,691	2,428
2000	7	15,993,557	2,428
2000	8	16,009,423	2,431
2000	9	16,040,601	2,402
2000	10	16,056,190	2,408
2000	11	16,071,780	2,415
2000	12	16,102,736	2,420
2001	1	16,162,115	2,408
2001	2	16,177,635	2,414
2001	3	16,208,546	2,425
2001	4	16,224,001	2,437
2001	5	16,239,457	2,442
2001	6	16,270,238	2,450
2001	7	16,285,628	2,456
2001	8	16,301,019	2,461
2001	9	16,331,696	2,469
2001	10	16,347,035	2,475
2001	11	16,362,373	2,480
2001	12	16,392,994	2,487
2002	1	16,448,872	2,499
2002	2	16,464,220	2,504
2002	3	16,495,005	2,511
2002	4	16,510,397	2,516
2002	5	16,525,789	2,521
2002	6	16,556,251	2,528
2002	7	16,571,482	2,533
2002	8	16,586,713	2,537
2002	9	16,617,108	2,544

Attachment 8 of 10
INPUTS FOR THE STREET & HIGHWAY CUSTOMER FORECAST

Year	Month	Florida Population	Street & Highway Customers
2002	10	16,632,305	2,549
2002	11	16,647,502	2,553
2002	12	16,677,616	2,560

Attachment 9 of 10
INPUTS FOR THE SUMMER PEAK FORECAST

Year	System Summer Peak	Total Average Customers	PRICE OF ELECTRICITY	System Composite Peak Day Maximum Temperature	Florida Non-Agricultural Employment	Florida Personal Income	Consumer Price Index
	(MW)		Cents/kWh	(Fahrenheit)	000's		(Base 82-84)
1965	2,529	949,591	2.06	87.1	1,619.1	14,872,711	31.5
1966	2,827	1,000,020	1.97	86.7	1,726.8	16,388,588	32.4
1967	3,160	1,051,335	1.87	87.9	1,816.4	18,155,097	33.4
1968	3,789	1,050,200	1.83	91.8	1,932.3	20,897,819	34.8
1969	4,329	1,177,347	1.81	89.1	2,069.9	24,297,276	36.7
1970	5,001	1,253,124	1.80	89.7	2,152.1	27,419,366	38.8
1971	5,378	1,340,416	1.88	87.7	2,276.4	30,701,044	40.5
1972	6,011	1,446,114	1.96	88.3	2,513.1	35,365,052	41.8
1973	6,894	1,567,638	2.18	89.7	2,778.6	41,494,668	44.4
1974	7,235	1,676,022	2.87	89.3	2,863.8	46,712,426	49.3
1975	7,076	1,738,071	3.42	88.1	2,746.4	50,353,108	53.8
1976	7,598	1,795,793	3.36	91.7	2,784.3	55,437,981	56.9
1977	7,841	1,875,821	3.86	90.0	2,933.2	62,309,059	60.6
1978	8,345	1,967,352	4.02	88.5	3,180.6	72,332,145	65.2
1979	8,650	2,074,327	4.54	90.2	3,381.2	84,093,751	72.6
1980	9,623	2,184,974	5.19	93.2	3,576.2	98,881,848	82.4
1981	9,738	2,285,187	6.53	95.7	3,736.0	114,109,540	90.9
1982	9,862	2,358,167	6.48	90.8	3,761.9	123,450,308	96.5
1983	10,676	2,429,688	6.62	94.7	3,905.4	135,842,481	99.6
1984	10,270	2,520,523	7.93	91.1	4,204.2	151,951,597	103.9
1985	10,654	2,617,556	8.25	94.5	4,410.0	166,919,255	107.6
1986	11,022	2,723,555	7.50	90.3	4,599.4	179,951,679	109.6
1987	12,394	2,840,207	7.44	92.5	4,848.1	196,939,232	113.6
1988	12,382	2,953,663	7.66	91.1	5,066.6	216,504,523	118.3
1989	13,425	3,064,436	7.36	95.4	5,260.9	240,686,677	124.0
1990	13,754	3,158,817	7.36	95.0	5,387.4	258,479,049	130.7
1991	14,123	3,226,455	7.57	91.9	5,294.3	268,304,176	136.2
1992	14,661	3,281,238	7.32	91.4	5,358.7	279,028,337	140.3
1993	15,266	3,355,794	7.38	91.4	5,571.4	296,927,420	144.5
1994	15,179	3,422,187	6.85	91.6	5,799.4	311,908,852	148.2
1995	16,172	3,488,796	6.96	94.2	5,996.1	333,525,354	152.4
1996	16,064	3,550,747	7.39	90.3	6,183.3	355,135,853	156.9
1997	16,613	3,615,485	7.57	92.0	6,414.4	377,673,158	160.5
1998	17,897	3,680,470	7.12	94.0	6,636.5	401,488,554	163.0
1999	18,040	3,756,009	6.83	94.3	6,827.0	419,800,453	166.6
2000	18,086	3,848,350	6.84	91.6	7,076.4	449,816,610	172.2
2001	18,298	3,935,160	8.30	92.0	7,265.8	480,785,477	177.01
2002	18,903	4,020,804	7.87	92.0	7,430.6	505,765,700	181.41

Attachment 10 of 10
INPUTS FOR THE WINTER PEAK FORECAST

YEAR	System Winter Peak (MW)	Total Average Customers	Heating Saturation	Consumer Price Index (Base 82-84)	Florida Non-Agricultural Employment (000's)	Florida Personal Income	Heating Degree Hours The Day Before The Peak Until 9:00 AM on Peak Day	Minimum Peak Day Temperature (Fahrenheit)	Dummy To Reflect Larger Homes in The 1980s and 1990s	Dummy To Reflect Larger Homes in The 1980s and 1990s * Minimum Peak Day Temperature
1966	2,914	1,000,020	30.1	32.5	1726.8	16,388,588	764	31.9	0	0
1967	2,883	1,051,335	33.1	33.4	1816.4	18,155,097	664	34.5	0	0
1968	3,318	1,050,200	36.2	34.8	1932.3	20,897,819	652	37.2	0	0
1969	3,751	1,177,347	39.4	36.7	2069.9	24,297,276	679	33.2	0	0
1970	4,716	1,253,124	42.7	38.8	2152.1	27,419,366	812	35.6	0	0
1971	5,059	1,340,416	45.9	40.5	2276.4	30,701,044	459	33.0	0	0
1972	4,816	1,446,114	48.4	41.8	2513.1	35,365,052	536	43.2	0	0
1973	5,853	1,567,638	50.8	44.4	2778.6	41,494,668	407	40.3	0	0
1974	6,258	1,676,022	53.3	49.3	2863.8	46,712,426	569	42.4	0	0
1975	5,807	1,738,071	55.8	53.8	2746.4	50,353,108	536	46.0	0	0
1976	7,287	1,795,793	58.2	56.9	2784.3	55,437,981	711	39.6	0	0
1977	8,723	1,875,821	60.6	60.6	2933.2	62,309,059	755	33.2	0	0
1978	8,617	1,967,352	63.0	65.2	3180.6	72,332,145	675	35.0	0	0
1979	8,791	2,074,327	65.4	72.6	3381.2	84,093,751	676	38.8	0	0
1980	9,732	2,184,974	67.8	82.4	3576.2	98,881,848	490	31.0	0	31
1981	11,360	2,285,187	70.3	90.9	3736.0	114,109,540	855	30.6	0	31
1982	11,345	2,358,167	72.1	96.5	3761.9	123,450,308	779	30.9	1	31
1983	9,280	2,429,688	73.9	99.6	3905.4	135,842,481	461	40.2	1	40
1984	11,050	2,520,523	75.7	103.9	4204.2	151,951,597	939	30.0	1	30
1985	12,533	2,617,556	77.5	107.6	4410.0	166,919,255	927	28.8	1	29
1986	12,139	2,723,555	79.3	109.7	4599.4	179,951,679	616	32.7	1	33
1987	10,779	2,840,207	81.1	113.7	4848.1	196,939,232	526	40.1	1	40
1988	12,372	2,953,663	81.7	118.4	5066.6	216,504,523	600	42.4	1	42
1989	12,876	3,064,436	82.4	124.0	5260.9	240,686,677	738	35.3	1	35
1990	16,046	3,158,817	83.0	130.8	5387.4	258,479,049	790	28.4	1	28
1991	11,868	3,226,455	84.8	136.3	5294.3	268,304,176	300	38.6	1	39
1992	13,319	3,281,238	86.6	140.4	5358.7	279,028,337	558	42.7	1	43
1993	12,932	3,355,794	87.1	144.6	5571.4	296,927,420	601	40.8	1	41
1994	12,594	3,422,187	87.5	148.3	5799.4	311,908,852	445	48.2	1	48
1995	16,563	3,488,796	87.9	152.5	5996.1	333,525,354	504	36.0	1	36
1996	18,252	3,550,747	88.3	157.0	6183.3	355,135,853	670	33.5	1	33
1997	17,298	3,615,485	88.5	160.6	6414.4	377,673,158	743	35.3	1	35
1998	13,060	3,680,470	88.7	163.1	6636.5	401,488,554	425	48.2	1	48
1999	16,802	3,756,009	88.9	166.6	6827.0	419,800,453	674	40.0	1	40
2000	17,057	3,848,350	89.1	172.3	7076.4	449,816,610	512	38.8	1	39
2001	18,199	3,935,160	89.4	177.0	7265.8	480,785,477	642	36.0	1	36
2002	18,924	4,020,804	89.2	181.4	7430.6	505,765,700	684	36.0	1	36

BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 001148-EI

MINIMUM FILING REQUIREMENTS

FLORIDA POWER & LIGHT COMPANY AND SUBSIDIARIES

SCHEDULE NO. F – 12

SCHEDULE F - 12

HEATING DEGREE DAYS

FLORIDA PUBLIC SERVICE COMMISSION

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES

DOCKET NO. 001148-EI

EXPLANATION: PROVIDE ACTUAL, PROJECTED (AS APPLICABLE) AND NORMAL MONTHLY HEATING DEGREE DAYS FOR THE UTILITY'S SERVICE TERRITORY FOR THE TEST YEAR AND THE FIVE PREVIOUS YEARS. PROVIDE THIS INFORMATION BOTH BY CALENDAR MONTH AND BY BILLING MONTH. PROVIDE A DESCRIPTION OF HOW THE ACTUAL, PROJECTED AND NORMAL HEATING DEGREE DAYS FOR THE UTILITY'S SERVICE TERRITORY ARE DERIVED.

TYPE OF DATA SHOWN:

_X_HISTORICAL TEST YEAR ENDED 12/31/00
_X_PROJECTED TEST YEAR ENDED 12/31/02
_X_PRIOR YEAR ENDED 12/31/01
WITNESS: NA

The Heating Degree Days below are based on fiscal Calendar month. Heating Degree Days based on Billing Month are not available.

Month/Year	Heating Degree Days
Jan-97	83.8
Feb-97	24.0
Mar-97	0.0
Apr-97	1.7
May-97	0.0
Jun-97	0.0
Jul-97	0.0
Aug-97	0.0
Sep-97	0.0
Oct-97	0.0
Nov-97	9.0
Dec-97	79.3
Jan-98	57.1
Feb-98	85.3
Mar-98	74.2
Apr-98	2.0
May-98	0.0
Jun-98	0.0
Jul-98	0.0
Aug-98	0.0
Sep-98	0.0
Oct-98	0.0
Nov-98	1.8
Dec-98	24.7
Jan-99	68.7
Feb-99	57.9
Mar-99	22.8
Apr-99	0.8
May-99	1.2
Jun-99	0.0
Jul-99	0.0
Aug-99	0.0
Sep-99	0.0
Oct-99	0.0
Nov-99	2.4
Dec-99	67.8

7759

SUPPORTING SCHEDULES:

RECAP SCHEDULES:

SCHEDULE F - 12

HEATING DEGREE DAYS

FLORIDA PUBLIC SERVICE COMMISSION

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES

DOCKET NO. 001148-EI

EXPLANATION: PROVIDE ACTUAL, PROJECTED (AS APPLICABLE) AND NORMAL MONTHLY HEATING DEGREE DAYS FOR THE UTILITY'S SERVICE TERRITORY FOR THE TEST YEAR AND THE FIVE PREVIOUS YEARS. PROVIDE THIS INFORMATION BOTH BY CALENDAR MONTH AND BY BILLING MONTH. PROVIDE A DESCRIPTION OF HOW THE ACTUAL, PROJECTED AND NORMAL HEATING DEGREE DAYS FOR THE UTILITY'S SERVICE TERRITORY ARE DERIVED.

TYPE OF DATA SHOWN:

_X_ HISTORICAL TEST YEAR ENDED 12/31/00
_X_ PROJECTED TEST YEAR ENDED 12/31/02
_X_ PRIOR YEAR ENDED 12/31/01
WITNESS: NA

Month/Year	Heating Degree Days	Normal Heating Degree Days
Jan-00	97.2	
Feb-00	67.0	
Mar-00	0.0	
Apr-00	1.8	
May-00	0.0	
Jun-00	0.0	
Jul-00	0.0	
Aug-00	0.0	
Sep-00	0.0	
Oct-00	0.0	
Nov-00	17.5	
Dec-00	57.6	
Jan-01	264	
Feb-01	33	
Mar-01	27	
Apr-01	1	
May-01	0	0
Jun-01	0	0
Jul-01	0	0
Aug-01	0	0
Sep-01	0	0
Oct-01	1	1
Nov-01	19	19
Dec-01	78	78
Jan-02	101	101
Feb-02	77	77
Mar-02	38	38
Apr-02	5	5
May-02	0	0
Jun-02	0	0
Jul-02	0	0
Aug-02	0	0
Sep-02	0	0
Oct-02	1	1
Nov-02	19	19
Dec-02	78	78

The procedure for calculating heating degree days is as follows:
First a composite system-wide temperature is developed using hourly temperatures from the four weather stations (Miami, Fort Myers, Daytona Beach, West Palm Beach) in our service territory.
The hourly temperatures from the four stations are weighted by the sales in that region to produce a system temperature.
The heating degree day is calculated by subtracting actual daily composite temperature from a base temperature of 66 degrees (ignore the negative values). This will give a value for heating degree days for that day; therefore, for a monthly value the daily heating degree days for the month are summed. Normals are an average of 50 years of heating degree days.

$$\text{Heating Degree Days (HDD)} = \sum_{I=1}^{30} (66° - T_I)$$

SUPPORTING SCHEDULES:

RECAP SCHEDULES:

7760

BEFORE THE
FLORIDA PUBLIC SERVICE
COMMISSION

DOCKET NO. 001148-EI

MINIMUM FILING REQUIREMENTS

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES

SCHEDULE NO. F – 13

SCHEDULE F - 13 COOLING DEGREE DAYS

FLORIDA PUBLIC SERVICE COMMISSION

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES

DOCKET NO. 001148-EI

EXPLANATION: PROVIDE ACTUAL, PROJECTED (AS APPLICABLE) AND NORMAL MONTHLY COOLING DEGREE DAYS FOR THE UTILITY'S SERVICE TERRITORY FOR THE TEST YEAR AND THE FIVE PREVIOUS YEARS. PROVIDE THIS INFORMATION BOTH BY CALENDAR MONTH AND BY BILLING MONTH. PROVIDE A DESCRIPTION OF HOW THE ACTUAL, PROJECTED AND NORMAL COOLING DEGREE DAYS FOR THE UTILITY'S SERVICE TERRITORY ARE DERIVED.

TYPE OF DATA SHOWN:

_X_HISTORICAL TEST YEAR ENDED 12/31/00
_X_PROJECTED TEST YEAR ENDED 12/31/02
_X_PRIOR YEAR ENDED 12/31/01
WITNESS: NA

The Cooling Degree Days below are based on fiscal Calendar Month. Heating Degree Days based on Billing Month are not available.

Month/Year	Cooling Degree Days
Jan-97	2.9
Feb-97	29.9
Mar-97	78.5
Apr-97	81.9
May-97	187.3
Jun-97	259.1
Jul-97	309.9
Aug-97	325.5
Sep-97	273.3
Oct-97	167.7
Nov-97	45.9
Dec-97	32.7
Jan-98	17.3
Feb-98	9.4
Mar-98	19.2
Apr-98	91.4
May-98	202.8
Jun-98	364.2
Jul-98	336.6
Aug-98	349.1
Sep-98	308.1
Oct-98	231.8
Nov-98	87.7
Dec-98	45.1
Jan-99	10.7
Feb-99	0.7
Mar-99	0.8
Apr-99	124.7
May-99	159.7
Jun-99	217.9
Jul-99	322.3
Aug-99	317.2
Sep-99	250.0
Oct-99	178.6
Nov-99	42.9
Dec-99	3.0

SUPPORTING SCHEDULES: E-14, E-17 RECAP SCHEDULES: E-5a, E-5b

SCHEDULE F - 13 COOLING DEGREE DAYS

FLORIDA PUBLIC SERVICE COMMISSION

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES

DOCKET NO. 001148-EI

EXPLANATION: PROVIDE ACTUAL, PROJECTED (AS APPLICABLE) AND NORMAL MONTHLY COOLING DEGREE DAYS FOR THE UTILITY'S SERVICE TERRITORY FOR THE TEST YEAR AND THE FIVE PREVIOUS YEARS. PROVIDE THIS INFORMATION BOTH BY CALENDAR MONTH AND BY BILLING MONTH. PROVIDE A DESCRIPTION OF HOW THE ACTUAL, PROJECTED AND NORMAL COOLING DEGREE DAYS FOR THE UTILITY'S SERVICE TERRITORY ARE DERIVED.

TYPE OF DATA SHOWN:

_X_HISTORICAL TEST YEAR ENDED 12/31/00
_X_PROJECTED TEST YEAR ENDED 12/31/02
_X_PRIOR YEAR ENDED 12/31/01
WITNESS: NA

Month/Year	Cooling Degree Days	Normal Cooling Degree Days
Jan-00	2.1	
Feb-00	2.3	
Mar-00	20.7	
Apr-00	66.5	
May-00	174.9	
Jun-00	269.3	
Jul-00	289.6	
Aug-00	310.5	
Sep-00	294.3	
Oct-00	131.9	
Nov-00	30.6	
Dec-00	18.7	
Jan-01	2	
Feb-01	13	
Mar-01	48	
Apr-01	85	
May-01	158	158
Jun-01	247	247
Jul-01	287	287
Aug-01	302	302
Sep-01	272	272
Oct-01	162	162
Nov-01	61	61
Dec-01	16	16
Jan-02	8	8
Feb-02	11	11
Mar-02	31	31
Apr-02	74	74
May-02	158	158
Jun-02	247	247
Jul-02	287	287
Aug-02	302	302
Sep-02	272	272
Oct-02	162	162
Nov-02	61	61
Dec-02	16	16

The procedure for calculating cooling degree days is as follows:
First, a composite system-wide temperature is developed using hourly temperatures from the four weather stations (Miami, Fort Myers, Daytona Beach, West Palm Beach) in our service territory.
The hourly temperatures from the four stations are weighted by the sales in that region to produce a system temperature.
The cooling degree day is calculated by subtracting a base temperature of 72 degrees from actual daily composite temperature (ignore the negative values). This will give a value for cooling degree day for that day; therefore, for a monthly value the daily cooling degree days for the month are summed. Normals are an average of 50 years of cooling degree days.

$$\underset{\text{(CDD)}}{\text{Cooling Degree Days}} = \sum_{I=1}^{30} (T_I - 72^\circ)$$

SUPPORTING SCHEDULES: E-14, E-17 RECAP SCHEDULES: E-5a, E-5b

BEFORE THE
FLORIDA PUBLIC SERVICE
COMMISSION

DOCKET NO. 001148-EI

MINIMUM FILING REQUIREMENTS

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES

SCHEDULE NO. F – 14

SCHEDULE F - 14

TEMPERATURE AT TIME OF MONTHLY PEAKS

FLORIDA PUBLIC SERVICE COMMISSION

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES

DOCKET NO. 001148-EI

EXPLANATION: PROVIDE THE UTILITY'S SERVICE AREA'S ACTUAL, PROJECTED (AS APPLICABLE), AND NORMAL PEAK HOUR TEMPERATURES FOR EACH MONTH OF THE TEST YEAR AND THE PREVIOUS FIVE YEARS. PROVIDE THE DATE, DAY OF WEEK, AND HOUR OF PEAK. PROVIDE A DESCRIPTION OF HOW ACTUAL, PROJECTED AND NORMAL PEAK HOUR TEMPERATURES FOR THE UTILITY'S SERVICE AREA ARE DERIVED.

TYPE OF DATA SHOWN:

_X_HISTORICAL TEST YEAR ENDED 12/31/00
_X_PROJECTED TEST YEAR ENDED 12/31/02
_X_PRIOR YEAR ENDED 12/31/01
WITNESS: NA

(1) Line No.	(2) Month and Year	(3) Temperature @ Peak Hour	(4) Maximum /Minimum Temperature on Peak Day	(5) Day of Week	(6) Day of Month	(7) Hour
1	Jan-97	43	35	Sat	19-Jan	9:00 AM
2	Feb-97	73	69	Tue	25-Feb	8:00 PM
3	Mar-97	76	70	Tue	4-Mar	8:00 PM
4	Apr-97	85	88	Tue	22-Apr	6:00 PM
5	May-97	86	89	Wed	21-May	5:00 PM
6	Jun-97	89	91	Mon	16-Jun	5:00 PM
7	Jul-97	89	91	Tue	8-Jul	5:00 PM
8	Aug-97	89	92	Thur	14-Aug	5:00 PM
9	Sep-97	87	89	Thur	25-Sep	5:00 PM
10	Oct-97	83	87	Mon	29-Sep	5:00 PM
11	Nov-97	79	82	Thur	13-Nov	7:00 PM
12	Dec-97	75	73	Thur	11-Dec	7:00 PM
13	Jan-98	77	74	Wed	7-Jan	7:00 PM
14	Feb-98	49	48	Mon	9-Feb	8:00 AM
15	Mar-98	49	45	Fri	13-Mar	8:00 AM
16	Apr-98	84	88	Thur	9-Apr	5:00 PM
17	May-98	87	91	Fri	22-May	5:00 PM
18	Jun-98	92	94	Fri	5-Jun	5:00 PM
19	Jul-98	91	95	Thur	2-Jul	5:00 PM
20	Aug-98	89	91	Fri	28-Aug	5:00 PM
21	Sep-98	84	94	Mon	31-Aug	5:00 PM
22	Oct-98	85	89	Mon	5-Oct	5:00 PM
23	Nov-98	78	84	Thur	19-Nov	7:00 PM
24	Dec-98	75	70	Thur	10-Dec	7:00 PM
25	Jan-99	44	40	Wed	6-Jan	8:00 AM
26	Feb-99	49	47	Tue	23-Feb	8:00 AM
27	Mar-99	72	60	Thur	25-Mar	8:00 PM
28	Apr-99	81	88	Mon	26-Apr	5:00 PM
29	May-99	87	90	Wed	26-May	5:00 PM
30	Jun-99	85	88	Mon	14-Jun	4:00 PM
31	Jul-99	85	92	Wed	21-Jul	5:00 PM
32	Aug-99	86	91	Fri	16-Aug	5:00 PM
33	Sep-99	93	93	Mon	30-Aug	4:00 PM
34	Oct-99	82	85	Wed	29-Sep	6:00 PM
35	Nov-99	77	83	Mon	1-Nov	7:00 PM
36	Dec-99	70	68	Mon	13-Dec	7:00 PM

7765

SUPPORTING SCHEDULES:

RECAP SCHEDULES:

FLORIDA PUBLIC SERVICE COMMISSION

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES

DOCKET NO. 001148-EI

EXPLANATION: PROVIDE THE UTILITY'S SERVICE AREA'S ACTUAL, PROJECTED (AS APPLICABLE), AND NORMAL PEAK HOUR TEMPERATURES FOR EACH MONTH OF THE TEST YEAR AND THE PREVIOUS FIVE YEARS. PROVIDE THE DATE, DAY OF WEEK, AND HOUR OF PEAK. PROVIDE A DESCRIPTION OF HOW ACTUAL, PROJECTED AND NORMAL PEAK HOUR TEMPERATURES FOR THE UTILITY'S SERVICE AREA ARE DERIVED.

TYPE OF DATA SHOWN:

_X_HISTORICAL TEST YEAR ENDED 12/31/00
_X_PROJECTED TEST YEAR ENDED 12/31/02
_X_PRIOR YEAR ENDED 12/31/01
WITNESS: NA

(1) Line No.	(2) Month and Year	(3) Temperature @ Peak Hour	(4) Maximum /Minimum Temperature on Peak Day	(5) Day of Week	(6) Day of Month	(7) Hour
1	Jan-00	43	39	Thur	27-Jan	8:00 AM
2	Feb-00	52	47	Thur	10-Feb	8:00 AM
3	Mar-00	72	70	Mon	20-Mar	8:00 PM
4	Apr-00	85	88	Tue	25-Apr	5:00 PM
5	May-00	83	90	Thur	25-May	5:00 PM
6	Jun-00	83	88	Wed	21-Jun	5:00 PM
7	Jul-00	84	91	Thur	20-Jul	5:00 PM
8	Aug-00	86	90	Fri	25-Aug	5:00 PM
9	Sep-00	87	89	Mon	25-Sep	5:00 PM
10	Oct-00	83	83	Thur	5-Oct	5:00 PM
11	Nov-00	75	75	Fri	10-Nov	7:00 PM
12	Dec-00	44	42	Thur	21-Dec	8:00 AM
13	Jan-01	45	36	Fri	5-Jan	9:00 AM
14	Feb-01	73	72	Thur	15-Feb	8:00 PM
15	Mar-01	75	74	Tue	13-Mar	8:00 PM
16	Apr-01	80	85	Fri	13-Apr	6:00 PM
17	May-01	81	86	Mon	21-May	6:00 PM
18	Jun-01	90	91	Wed	13-Jun	4:00 PM
19	Jul-01	N/A	N/A	Fri	13-Jul	5:00 PM
20	Aug-01	N/A	N/A	Thur	16-Aug	5:00 PM
21	Sep-01	N/A	N/A	Fri	7-Sep	5:00 PM
22	Oct-01	N/A	N/A	Tue	9-Oct	5:00 PM
23	Nov-01	N/A	N/A	Wed	7-Nov	7:00 PM
24	Dec-01	N/A	N/A	Mon	3-Dec	9:00 AM
25	Jan-02	N/A	N/A	Thur	10-Jan	8:00 AM
26	Feb-02	N/A	N/A	Tue	5-Feb	8:00 AM
27	Mar-02	N/A	N/A	Mon	25-Mar	8:00 PM
28	Apr-02	N/A	N/A	Thur	11-Apr	5:00 PM
29	May-02	N/A	N/A	Mon	13-May	5:00 PM
30	Jun-02	N/A	N/A	Fri	21-Jun	5:00 PM
31	Jul-02	N/A	N/A	Fri	12-Jul	5:00 PM
32	Aug-02	N/A	N/A	Thur	15-Aug	5:00 PM
33	Sep-02	N/A	N/A	Fri	6-Sep	5:00 PM
34	Oct-02	N/A	N/A	Tue	8-Oct	5:00 PM
35	Nov-02	N/A	N/A	Wed	6-Nov	7:00 PM
36	Dec-02	N/A	N/A	Mon	2-Dec	9:00 AM

The composite system-wide temperature is developed using hourly temperatures from the four weather stations (Miami, Fort Myers, Daytona Beach, West Palm Beach) in our service territory. The hourly temperatures from the four stations are first weighted by the percentage of sales in that region to the system total sales, then all four weighted regional temperatures are summed to produce a system temperature.

Col. 3 is the system composite temperature at the **time** of the monthly Peak.

Col. 4 is the minimum temperature for the months: Jan, Feb, Mar, & Dec, and is the maximum temperature for the months: Apr, May, Jun, Jul Aug, Sep, Oct, Nov, on the **day** of the monthly peak.

The temperatures for the corresponding monthly peaks for the test period are unavailable since FPL does not utilize a monthly peak model in the forecasting process. The monthly peaks are derived from the forecasts of seasonal peaks.

FPL develops a seasonal (winter and summer) normal peak temperature. The winter peak day normal temperature is computed by averaging 50 years of minimum winter day temperatures, resulting in a normal winter peak temperature of 36 degrees. Likewise, the summer peak day normal temperature is computed by averaging 50 years of maximum summer day temperatures, resulting in a normal summer peak temperature of 92 degrees.

SUPPORTING SCHEDULES: RECAP SCHEDULES:

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 001148-EI

MINIMUM FILING REQUIREMENTS

FLORIDA POWER & LIGHT COMPANY AND SUBSIDIARIES

SCHEDULE NO. F – 17

SCHEDULE F - 17

ASSUMPTIONS

FLORIDA PUBLIC SERVICE COMMISSION

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES

DOCKET NO. 001148-EI

EXPLANATION: FOR A PROJECTED TEST YEAR, PROVIDE A SCHEDULE OF ASSUMPTIONS USED IN DEVELOPING PROJECTED OR ESTIMATED DATA. AS A MINIMUM, STATE ASSUMPTIONS USED FOR BALANCE SHEET, INCOME STATEMENT AND SALES FORECAST.

TYPE OF DATA SHOWN:

___HISTORIC TEST YEAR ENDED
_X_PROJECTED TEST YEAR ENDED 12/31/02
___PRIOR YEAR ENDED _____
WITNESS: N/A

SALES, CUSTOMERS, NET ENERGY FOR LOAD

GENERAL ASSUMPTIONS

		2002
A.	Population of FPL Service Territory	7,891,055
B.	Gross Domestic Product (Chained 1996)	9,735
C.	Florida Non-Agricultural Employment (000's)	7,358
D.	Florida Manufacturing Employment (000's)	465
E.	Florida Total Personal Income (Billions of Dollars)	495
F.	Air Conditioning Saturation	97.0%
G.	Electric Heating Saturation	88.7%
H.	FPL Service Territory Cooling Degree Days	1627
I.	FPL Service Territory Heating Degree Days	318
J.	FPL Service Territory Minimum Temperature (Fahrenheit)	36
K.	FPL Service Territory Maximum Temperature (Fahrenheit)	92

L. 2002 Sales by Revenue Class - Most likely (in Million KWH)

Residential	Commercial	Industrial	Street & Highway	Other Authority	Railway	Total Retail	Sales For Resale	Total [1]
50,579	39,514	4,062	429	62	83	94,729	1,207	95,937

M. 2002 Customers by Revenue Class

Residential	Commercial	Industrial	Street & Highway	Other Authority	Railway	Total Retail	Sales For Resale	Total [1]
3,566,986	435,804	15,210	2,530	248	23	4,020,800	4	4,020,804

N. 2002 Net Change in Customers by Revenue Class

Residential	Commercial	Industrial	Street & Highway	Other Authority	Railway	Total Retail	Sales For Resale	Total [2]
75,576	10,238	-248	79	-2	0	85,642	1	85,643

[1] Totals may not add-up due to rounding.
[2] Average customers - sum of the projected customers for each month divided by twelve.

SUPPORTING SCHEDULES: F-9

RECAP SCHEDULES: C-56, E-13

SCHEDULE F - 17

ASSUMPTIONS

FLORIDA PUBLIC SERVICE COMMISSION

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES

DOCKET NO. 001148-EI

EXPLANATION: FOR A PROJECTED TEST YEAR, PROVIDE A SCHEDULE OF ASSUMPTIONS USED IN DEVELOPING PROJECTED OR ESTIMATED DATA. AS A MINIMUM, STATE ASSUMPTIONS USED FOR BALANCE SHEET, INCOME STATEMENT AND SALES FORECAST.

TYPE OF DATA SHOWN:

___HISTORIC TEST YEAR ENDED
_X_PROJECTED TEST YEAR ENDED 12/31/02
___PRIOR YEAR ENDED ____
WITNESS: N/A

SALES, CUSTOMERS, NET ENERGY FOR LOAD (con't)

LINE No.			
1.	O.	Most Likely Forecast of Monthly Net Energy for Load (Million KWH)	
2.			2002
3.		January	7499
4.		February	6979
5.		March	7716
6.		April	8121
7.		May	8228
8.		June	9859
9.		July	10056
10.		August	10457
11.		September	10453
12.		October	8539
13.		November	7719
14.		December	7598
15.			103223
16.			
17.	P.	Most Likely Forecast of System Monthly Peaks (Megawatts)	
18.			2002
19.		January	18924
20.		February	16634
21.		March	14421
22.		April	14738
23.		May	16178
24.		June	17814
25.		July	18496
26.		August	18903
27.		September	18384
28.		October	17076
29.		November	15281
30.		December	15634

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SUPPORTING SCHEDULES: F-9

RECAP SCHEDULES: C-56, E-13

SCHEDULE F - 17

ASSUMPTIONS

FLORIDA PUBLIC SERVICE COMMISSION

FLORIDA POWER & LIGHT COMPANY
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EXPLANATION: FOR A PROJECTED TEST YEAR, PROVIDE A SCHEDULE OF ASSUMPTIONS USED IN DEVELOPING PROJECTED OR ESTIMATED DATA. AS A MINIMUM, STATE ASSUMPTIONS USED FOR BALANCE SHEET, INCOME STATEMENT AND SALES FORECAST.

TYPE OF DATA SHOWN:

___HISTORIC TEST YEAR ENDED
_X_PROJECTED TEST YEAR ENDED 12/31/02
___PRIOR YEAR ENDED _____
WITNESS: N/A

II. INFLATION RATE FORECAST

		Most Likely Annual Rates of Change 2002
A.	Consumer Price Index (CPI) (1)	2.56%
B.	GDP Deflator (2)	1.74%
C.	Producer Price Index (PPI): Materials & Supplies (3)	0.32%
D.	Producer Price Index (PPI) Capital Equipment	0.31%
E.	Compensation Per Hour (Non-FPL) Index: All workers, including pension and benefits	3.25%

(1) The CPI Measures the price change of a constant market basket of goods and services over time. For company purposes it is a useful escalator for determining trends in wage contracts and income payments, excluding construction work (see E above).

(2) The GDP deflator is the broadest of all categories and captures price trends for the four major macro-economic sectors in the nation, which are: the household sector, the business sector, the government sector and the foreign sector. The GDP deflator tends to be more stable than the other indices and is used where very broad price trends are needed.

(3) The PPI for all goods (formerly the Wholesale Price Index) is a comprehensive measure of the average changes in price received in primary markets by producers of commodities in all stages of processing. This index represents price movements in the manufacturing, agriculture, forestry, fishing, mining, gas and electricity, and public utilities sector of the economy.

(4) PPI for Capital Goods reflects changes in the prices of capital equipment such as motor trucks, furniture, generators, hand tools, fans and blowers, machine tools, and construction equipment.

(5) The average Hourly Earnings Index for construction workers reflects percent wage changes in hourly earnings for construction workers.

SCHEDULE F - 17

ASSUMPTIONS

FLORIDA PUBLIC SERVICE COMMISSION

FLORIDA POWER & LIGHT COMPANY
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DOCKET NO. 001148-EI

EXPLANATION: FOR A PROJECTED TEST YEAR, PROVIDE A SCHEDULE OF ASSUMPTIONS USED IN DEVELOPING PROJECTED OR ESTIMATED DATA. AS A MINIMUM, STATE ASSUMPTIONS USED FOR BALANCE SHEET, INCOME STATEMENT AND SALES FORECAST.

TYPE OF DATA SHOWN:

___HISTORIC TEST YEAR ENDED
_X_PROJECTED TEST YEAR ENDED 12/31/02
___PRIOR YEAR ENDED _____
WITNESS: N/A

LINE NO. III. FINANCING AND INTEREST RATE ASSUMPTIONS

General Assumptions

A. Target Capitalization Ratios
During the projected test year, Florida Power & Light Company's capitalization is projected to be as follows: equity (55.83%), a preferred stock (2.30%) and a debt (41.87%), adjusted for off-balance sheet obligations.

B. Preferred Stock Premium and Underwriting Discount
It is assumed that no preferred stock will be issued.

C. First Mortgage Bond Prices and Underwriting Discount
It is assumed that first mortgage bonds will be issued to the public at par with an underwriting commission of .875%.

D. Issuance Costs
First Mortgage Bonds: $1,150,000

Preferred Stock: None

	Interest Rate Assumptions	2002
E.	Long Term Debt	7.45%
	Short Term Debt	4.3%
F.	Pollution Control Bonds	2.8%
G.	Preferred Stock	8.0%
H.	30-Day Commercial Paper	4.3%
I.	Prime Interest Rate	7.1%

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Supporting Schedules: F-9

RECAP SCHEDULES: C-56, E-13

SCHEDULE F - 17

ASSUMPTIONS

FLORIDA PUBLIC SERVICE COMMISSION

FLORIDA POWER & LIGHT COMPANY
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DOCKET NO. 001148-EI

EXPLANATION: FOR A PROJECTED TEST YEAR, PROVIDE A SCHEDULE OF ASSUMPTIONS USED IN DEVELOPING PROJECTED OR ESTIMATED DATA. AS A MINIMUM, STATE ASSUMPTIONS USED FOR BALANCE SHEET, INCOME STATEMENT AND SALES FORECAST.

TYPE OF DATA SHOWN:

___HISTORIC TEST YEAR ENDED
_X_PROJECTED TEST YEAR ENDED 12/31/02
___PRIOR YEAR ENDED _____
WITNESS: N/A

LINE NO. IV. IN SERVICE DATES OF MAJOR PROJECTS

LINE NO.	A. BUDGET ITEM #	PROJECT DESCRIPTION	IN SERVICE DATE
1.	A.		
2.	BUDGET		IN SERVICE
3.	ITEM #	PROJECT DESCRIPTION	DATE
4.			
5.	181	Unit #5 Martin - Combined Cycle	06/2005
6.	279	HR System Project	12/2003
7.	346	St. Lucie Independent Spent Fuel Storage	11/2005
8.	372	CSC Visioning Procurement Project	12/2001
9.	710	Ft. Myers Peaking Combustion Turbines & Transmission Interconnection	06/2003
10.	712	Martin - Peaking Combustion Turbines & Transmission Interconnection	06/2001
11.	715	Martin - Conversion of Simple Cycle to Combined Cycle & Trans. Interconnection	06/2005
12.	716	Ft. Myers- Conversion of Simple Cycle to Combined Cycle & Trans. Interconnection	06/2005
13.	717	Midway Combined Cycle	06/2005
14.	720	Ft. Myers Repowering - Combined Cycle HRSG Steam Plant	06/2002
15.	720	Combustion Turbine "D" Ft. Myers Repowering	04/2001
16.	720	Combustion Turbine "E" Ft. Myers Repowering	05/2001
17.	720	Combustion Turbine "F" Ft. Myers Repowering	05/2001
18.	722	Unit #5 Sanford Repowering - Combined Cycle & Transmission Interconnection	06/2002
19.	722	Unit #4 Sanford Repowering - Combined Cycle & Transmission Interconnection	12/2002
20.	740	Miami - Miami Beach Relocate South Channel	12/2004
21.	761	Brevard - Malabar 230 KV Project	12/2002
22.	763	Dade - Overtown Project	06/2004
23.	780	Broward - Corbett - Yamato - Transmission Line/Substation	12/2003

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SCHEDULE F - 17

ASSUMPTIONS

FLORIDA PUBLIC SERVICE COMMISSION

FLORIDA POWER & LIGHT COMPANY
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EXPLANATION: FOR A PROJECTED TEST YEAR, PROVIDE A SCHEDULE OF ASSUMPTIONS USED IN DEVELOPING PROJECTED OR ESTIMATED DATA. AS A MINIMUM, STATE ASSUMPTIONS USED FOR BALANCE SHEET, INCOME STATEMENT AND SALES FORECAST.

TYPE OF DATA SHOWN:

___HISTORIC TEST YEAR ENDED
_X_PROJECTED TEST YEAR ENDED 12/31/02
___PRIOR YEAR ENDED ____
WITNESS: N/A

LINE NO.				
	V.	MAJOR GENERATING UNIT OUTAGE ASSUMPTIONS		
1.	A.	Nuclear Maintenance Schedules (Including outage period and reason)		
2.				
3.			2002	
4.				
5.		Unit	Outage Period	Outage Description
6.				
7.		St Lucie 1	09/30/02-10/30/02	Refueling/Reactor Head inspection
8.		Turkey Point 4	03/25/02-04/24/02	Refueling/Reactor Head inspection

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Supporting Schedules: F-9

RECAP SCHEDULES: C-56, E-13

SCHEDULE F - 17

ASSUMPTIONS

FLORIDA PUBLIC SERVICE COMMISSION

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES

DOCKET NO. 001148-EI

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TYPE OF DATA SHOWN:

____HISTORIC TEST YEAR ENDED
_X_PROJECTED TEST YEAR ENDED 12/31/02
____PRIOR YEAR ENDED _____
WITNESS: N/A

LINE NO. V. MAJOR GENERATING UNIT OUTAGE ASSUMPTIONS (Cont'd)

LINE NO.	Unit	2002 Outage Period	Outage Description
1.	B. Fossil Units Outage Schedule (including outage period and reason)		
2.			
3.			
4.			
5.	Unit	2002 Outage Period	Outage Description
6.			
7.	Fort Myers 1	01/01/02-06/03/02	PERMANENT SHUTDOWN TO REPOWER TO COMBUSTION TURBINE
8.	Fort Myers 2	01/01/02-06/03/02	PERMANENT SHUTDOWN TO REPOWER TO COMBUSTION TURBINE
9.	Sanford 5	01/01/02-06/30/02	PERMANENT SHUTDOWN TO REPOWER TO COMBUSTION TURBINE
10.	Cape Canaveral 1	01/01/02-05/20/02	MINOR BOILER REPAIRS
11.	Martin 1	01/01/02-05/20/02	MINOR BOILER REPAIRS
12.	Port Everglades 3	01/01/02-05/20/02	MINOR BOILER REPAIRS/CLEAN BOILER TUBES
13.	Putnam 1	01/01/02-05/20/02	MINOR REPAIRS/COMBUSTOR INSPECTION 50% UNIT CURTAILMENT
14.	Putnam 2	01/01/02-05/20/02	MINOR REPAIRS/COMBUSTOR INSPECTION 50% UNIT CURTAILMENT
15.	Riviera 3	01/01/02-05/20/02	MINOR BOILER/INTAKE WATER PUMPS/AIR PREHEATER BASKETS
16.	Ft Myers Gas Turbine 2	02/01/02-02/28/02	EXHAUST STACK/ DUST REPAIR/ COMBUSTOR INSPECTION
17.	Ft Myers Gas Turbine 3	03/01/02-03/07/02	COMBUSTOR INSPECTION
18.	Ft Myers Gas Turbine 7	03/01/02-03/28/02	EXHAUST STACK REPAIR
19.	Martin 2	03/02/02-03/17/02	MINOR BOILER REPAIRS
20.	Fort Lauderdale 4	03/09/02-03/18/02	COMBUSTOR INSPECTION
21.	Sanford 4	03/15/02-12/31/02	PERMANENT SHUTDOWN TO REPOWER TO COMBUSTION TURBINE
22.	St. Johns River Power Park 2	03/16/02-04/15/02	BOILER/SCRUBBER REPAIRS
23.	Putnam 2	03/23/02-04/20/02	COMBUSTION TURBINE MAJOR REPAIR 50% UNIT CURTAILMENT
24.	Cape Canaveral 2	04/03/02-04/17/02	MINOR BOILER/TURBINE VALVE REPAIRS
25.	Port Everglades 2	04/06/02-04/21/02	MINOR BOILER/INTAKE WATER PUMP REPAIRS
26.	Manatee 1	04/15/02-05/12/02	STEAM TURBINE/INTAKE SCREEN REPAIRS
27.	Martin 4	04/20/02-05/14/02	UNIT B COMBUSTION TURBINE MAJOR ROTOR REPAIR
28.	Manatee 2	04/20/02-05/19/02	MAJOR BOILER REPAIR
29.	Ft Myers Gas Turbine 10	05/01/02-05/07/02	COMBUSTION INSPECTION
30.	Port Everglades 1	09/01/02-12/01/02	MINOR BOILER REPAIRS/OVERHAUL INTAKE WATER PUMPS
31.	Riviera 4	09/01/02-12/01/02	MINOR BOILER REPAIRS/OVERHAUL INTAKE WATER PUMPS/REPAIR BOILER BURNERS
32.	Turkey Point 2	09/01/02-12/01/02	MINOR BOILER REPAIRS
33.	Scherer 4	11/09/02-12/22/02	COAL CRUSHERS/BOILER TUBE REPAIRS
34.	Fort Lauderdale 5	09/28/02-10/07/02	UNIT A & B COMBUSTOR INSPECTION
35.	Putnam 2	09/28/02-10/26/02	COMBUSTION TURBINE MAJOR REPAIR 50% UNIT CURTAILMENT
36.	Martin 4	10/01/02-10/08/02	UNIT A COMBUSTOR INSPECTION 50% UNIT CURTAILMENT
37.	Ft Myers Gas Turbine 9	10/12/02-11/08/02	EXHAUST STACK REPAIR/COMBUSTOR INSPECTION
38.	Putnam 1	10/26/02-11/30/02	COMBUSTION TURBINE MAJOR REPAIR 50% UNIT CURTAILMENT
39.	Port Everglades 4	11/02/02-12/01/02	MAJOR BOILER/TURBINE VALVE REPAIR
40.	Sanford 3	11/16/02-11/30/02	TURBINE VALVES/AIR PREHEATER REPAIR
41.	Martin 1	11/30/02-12/15/02	BOILER REPAIRS
42.	Turkey Point 1	11/30/02-12/27/02	MAJOR BOILER REPAIRS

Supporting Schedules: F-9

RECAP SCHEDULES: C-56, E-13

SCHEDULE F - 17

ASSUMPTIONS

FLORIDA PUBLIC SERVICE COMMISSION FLORIDA POWER & LIGHT COMPANY AND SUBSIDIARIES DOCKET NO. 001148-EI	EXPLANATION: FOR A PROJECTED TEST YEAR, PROVIDE A SCHEDULE OF ASSUMPTIONS USED IN DEVELOPING PROJECTED OR ESTIMATED DATA. AS A MINIMUM, STATE ASSUMPTIONS USED FOR BALANCE SHEET, INCOME STATEMENT AND SALES FORECAST.	TYPE OF DATA SHOWN: __ HISTORIC TEST YEAR ENDED _X PROJECTED TEST YEAR ENDED 12/31/02 __ PRIOR YEAR ENDED ____ WITNESS: N/A

LINE NO. VI. INTERCHANGE AND PURCHASED POWER ASSUMPTIONS

A. Contractual Commitments for Scheduled Interchange/Purchased Power

1. Unit Power Purchase (UPS) - Southern Companies

a. Capacity (MW) based on 2000 Net Dependable Capacity Unit Ratings:

2001	928
2002	928

b. Minimum (MW) scheduling requirements

2001	378
2002	378

c. Capacity and energy costs based on Southern's estimate, subject to true up and audit.

d. Energy costs recovered through Fuel Cost Recovery Clause (FCRC) and capacity through Capacity Cost Recovery Clause (CCRC).

2. Unit Power Purchase - St Johns River Power Park

a. 30% of rated net capacity of each unit is considered purchased power.

b. All energy scheduled by FPL in excess of 20% (FPL owned generation) is considered purchased energy.

c. Capacity costs are recovered through CCRC and base rates. Energy costs are recovered through FCRC.

3. Power Sold and Economy Energy Purchases (Schedule "OS")

*Schedule OS sales based upon projected market prices and expected available generation relative to FPL's projected incremental cost of sale (generation and transmission)

*Schedule OS purchases based upon FPL's projected incremental generation cost relative to projected market prices plus incremental costs and transmission associated with short-term purchase power agreements.

*Energy & transmission costs of OS purchases recovered through the FCRC. For OS sales, FCRC credited for incremental generation cost, CCRC credited for FPL transmission incurred to make sale, Base credited for incremental costs of running gas turbines, if applicable, and FCRC credited for gain on sale

4. Interchange related to St Lucie Unit 2 Reliability Exchange agreement based on POWERSYM projection for PSL 1 and PSL 2 output as applied to the contract formula.

5. Schedule of New and Expiring Interchange/Purchase Power Contracts for the period.

*Royster 9 MW, expiring March 31, 2002.

Supporting Schedules: F-9

RECAP SCHEDULES: C-56, E-13

SCHEDULE F - 17 **ASSUMPTIONS**

FLORIDA PUBLIC SERVICE COMMISSION

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES

DOCKET NO. 001148-EI

EXPLANATION: FOR A PROJECTED TEST YEAR, PROVIDE A SCHEDULE OF ASSUMPTIONS USED IN DEVELOPING PROJECTED OR ESTIMATED DATA. AS A MINIMUM, STATE ASSUMPTIONS USED FOR BALANCE SHEET, INCOME STATEMENT AND SALES FORECAST.

TYPE OF DATA SHOWN:

___HISTORIC TEST YEAR ENDED
_X_PROJECTED TEST YEAR ENDED 12/31/02
___PRIOR YEAR ENDED _____
WITNESS: N/A

LINE NO.					
	VI.	INTERCHANGE AND PURCHASED POWER ASSUMPTIONS (con't)			
1.		6. Purchased Power from Qualifying Facilities:			
2.		*Firm		Capacity (MW)	Energy (MWH)
3.			2001	886	6,464,273
4.			2002	877	6,459,001
5.		*As Available			
6.			2001		354,204
7.			2002		335,036
8.					

9. 7. Schedule of Sales and Purchased Power Contracts for the Period (contracts impact 2002)
10. Sales: Utilities Commission - City of New Smyrna Beach dated February 1, 2000 (3/00 to 4/02)
11. Purchases:
12. Florida Power Corporation dated March 1, 2001 (4/01 to 12/04)
13. Oleander Power Project, LP dated April 30, 2001 (6/02 to 5/05) (6/02 to 5/03)
14. Reliant Energy Services dated June 15, 2001 (3/02 to 2/07)
15. Desoto County Generating Company, LLC dated August 6, 2001 (6/02 to 5/05)
16.
17. VII. FUEL ASSUMPTIONS
18. a. Fuel Related Assumptions
19. (Fossil Fuel)
20. The current real and nominal fuel price forecast for light and heavy fuel oil, natural gas, coal,
21. and petroleum coke, and the projection for the availability of natural gas to the FPL system
22. for 2001 and 2002 was issued on July 10, 2001 and was based on current and projected
23. market conditions, and existing supply and transportation contracts. This forecast was
24. used as input into the POWERSYM production costing model for development of the 2002 FPL
25. Rate Case MFR filing, the 2002 FPL Fuel Budget development, and the 2002 FPL Fuel Cost
26. Recovery filing.
27.
28. (Nuclear Fuel)
29. The NUFFS computer code was used to develop the Nuclear Fuel Forecast. The 2002 Nuclear Fuel
30. Operating Budget is consistent with the Fuel Operating Budget POWERSYM extract files. The projected
31. plant operation is based on the Approved Operating Schedule dated August 24, 2000.

Supporting Schedules: F-9 RECAP SCHEDULES: C-56, E-13

SCHEDULE F - 17

ASSUMPTIONS

FLORIDA PUBLIC SERVICE COMMISSION FLORIDA POWER & LIGHT COMPANY AND SUBSIDIARIES DOCKET NO. 001148-EI	EXPLANATION: FOR A PROJECTED TEST YEAR, PROVIDE A SCHEDULE OF ASSUMPTIONS USED IN DEVELOPING PROJECTED OR ESTIMATED DATA. AS A MINIMUM, STATE ASSUMPTIONS USED FOR BALANCE SHEET, INCOME STATEMENT AND SALES FORECAST.	TYPE OF DATA SHOWN: ___HISTORIC TEST YEAR ENDED _X_PROJECTED TEST YEAR ENDED 12/31/02 ___PRIOR YEAR ENDED _____ WITNESS: N/A

VIII. OPERATIONS AND MAINTENANCE AND CAPITAL EXPENDITURES FORECAST ASSUMPTIONS

INFLATION RATE FORECAST

See Section II. Inflation Rate Forecast on Page 3.

PAY PROGRAMS

a. Merit Pay Program Increases

3.5 % - 4% depending on pay classifications.

b. Performance Excellence Rewards Program (PERP) Incentive.

Amounts are determined by Corporate and Business Unit Indicators and individual performance. Exempt Employees only are eligible.

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Supporting Schedules: F-9

RECAP SCHEDULES: C-56, E-13

SCHEDULE F - 17

ASSUMPTIONS

FLORIDA PUBLIC SERVICE COMMISSION

FLORIDA POWER & LIGHT COMPANY
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___PRIOR YEAR ENDED _____
WITNESS: N/A

IX OTHER ASSUMPTIONS

A. Amount of CWIP and NFIP in Rate Base - FPSC

	2002
CWIP	100%
NFIP (Capital Lease)	0

B. Amount of CWIP and NFIP in Rate Base - FERC

	2002
	0

C. AFUDC RATES FOR CAPITAL EXPENDITURES (FPSC & FERC)

FPL did not capitalize AFUDC during 2000 and is not projecting that any will be capitalized during 2001 or 2002.

If FPL were to capitalize AFUDC, the approved rate is 8.26%, approved in Docket No. 930383-EI, Order No. PSC-93-1457-FOF-EI, approved on October 7, 1993.

D. AFUDC DEBT/EQUITY SPLIT - FPSC AND FERC

	FPSC Ratio	FERC Ratio
Debt %	39.59%	46.37%
Equity %	60.41%	53.63%

E. Depreciation Rates

Depreciation Rates are as approved by the Florida Public Service Commission in Docket 971660-EI (Order No. PSC-99-0073-FOF-EI). Depreciation rates specifically applicable to the Ft. Myers Combined Cycle Units were approved in Docket No. 001437-EI (Order No. PSC-00-2434-PAA-EI), and for the Martin Simple Cycle Units in Docket No. 010107-EI (Order No. PSC-01-1337-PAA-EI). For projection purposes, a composite rate was developed to calculate depreciation expense. The composite rate was calculated based on May, 2001 plant balances, at the following level:

For steam, nuclear and other production, the composite rate is at the site level.
For transmission plant, the composite rate is at the function level.
For distribution plant, the composite rate is calculated at the plant account level.
For general plant, the composite rate is calculated for Account 390, structures; Account 392, transportation and all other general plant accounts.
For intangible plant, the rate is calculeted at the composite level.

F. Total Line Losses

	2002	
	6.72%	of Net Energy for Loed

G. Company Usage

	2002	
	0.15%	of Net Energy for Load

H. RESERVE FUND REQUIREMENT AT TIME OF EXPENDITURE

DECOMMISSION

Nuclear Decommissioning Reserve

Nuclear Decommissioning Reserve accruals are based on amounts last authorized by Orders Nos. PSC-95-1531-FOF-EI and PSC-95-1531A-FOF-EI, Docket No. 941350-EI which resulted in monthly accruals of $7,054,371 (annual $84,652,456) effective January 1, 1995.
No change in the level of accrual was forecasted for the period 2001 and 2002. Nuclear Decommissioning

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Supporting Schedules: F-9

RECAP SCHEDULES: C-56, E-13

SCHEDULE F - 17 | ASSUMPTIONS

FLORIDA PUBLIC SERVICE COMMISSION

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES

DOCKET NO. 001148-EI

EXPLANATION: FOR A PROJECTED TEST YEAR, PROVIDE A SCHEDULE OF ASSUMPTIONS USED IN DEVELOPING PROJECTED OR ESTIMATED DATA. AS A MINIMUM, STATE ASSUMPTIONS USED FOR BALANCE SHEET, INCOME STATEMENT AND SALES FORECAST.

TYPE OF DATA SHOWN:

___HISTORIC TEST YEAR ENDED
_X_PROJECTED TEST YEAR ENDED 12/31/02
___PRIOR YEAR ENDED ____
WITNESS: N/A

IX OTHER ASSUMPTIONS (Cont'd)

accruals are currently under review by the Commission in Docket No. 981246-EI. Any change in the authorized accrual approved by the Commission prior to the conclusion of Docket No. 001148-EI will need to be reflected in the test year cost of service.

Storm and Property Damage Reserve

The annual accrual for 2001 is $20.3 million as approved by Commission Order No. PSC-98-0953-FOF-EI, Docket No. 971237-EI. FPL has forecasted an annual accrual of $50.3 million for year 2002, which is the result of an updated study of FPL's potential storm losses. FPL will file this updated study along with a request for the increased accrual separate from this filing.

I. FEDERAL INCOME TAX RATE (REGULAR)
35%

J. State Income Tax Rate
5.5%

K. Regulatory Assessment Fee Rate (FPSC)

0.00072 Per Rule 25.0131,"Investor Owned Electric Company Regulatory Assessment Fee", Florida Administrative Code

L. GROSS RECEIPTS TAX RATE
2.50% 1.5 % of the rate is included in base rates, and 1% is provided as a pass through to customers as provided in in Florida Statute Chapter 203.

M. FRANCHISE FEE RATE
Composite rate is 4.379%

N. PRIOR YEAR
Year 2001

O. TEST YEAR
Year 2002

P. HISTORICAL YEAR
Year 2000

Q. LAST MONTH OF HISTORICAL DATA
May, 2001

R. MILLAGE RATE FOR PROPERTY TAXES
Overall millage rate used for 2001 is 2.093%.
Overall millage rate used for 2002 is 2.1035%

S. STATUTORY SALES TAX RATE
The statutory sales tax rate is 6% for the state and a sur-tax may be provided at the county or municipal level at 1/2% to 11/2%. Based on historical payments a blended rate of 6.317% was developed for use in the projections.

T. FEDERAL AND STATE UNEMPLOYMENT TAX RATES
FUTA .8% on the first $7,000 of wage base per employee
SUTA .28% on the first $7,000 of wage base per employee

U. FICA TAX RATES
Social Security Tax is 6.2% on $80,400 wage base for 2001 and on $84,900 wage base for 2002
Medicare is 1.45% on total compensation.

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Supporting Schedules: F-9 | RECAP SCHEDULES: C-56, E-13

SCHEDULE F - 17

ASSUMPTIONS

FLORIDA PUBLIC SERVICE COMMISSION FLORIDA POWER & LIGHT COMPANY AND SUBSIDIARIES DOCKET NO. 001148-EI	EXPLANATION: FOR A PROJECTED TEST YEAR, PROVIDE A SCHEDULE OF ASSUMPTIONS USED IN DEVELOPING PROJECTED OR ESTIMATED DATA. AS A MINIMUM, STATE ASSUMPTIONS USED FOR BALANCE SHEET, INCOME STATEMENT AND SALES FORECAST.	TYPE OF DATA SHOWN: ___HISTORIC TEST YEAR ENDED _X_PROJECTED TEST YEAR ENDED 12/31/02 ___PRIOR YEAR ENDED _____ WITNESS: N/A

NOTE: FPL is presently reevaluating its sales forecast, the results of which affect some MFRs. In order to comply with the Commission's timetable for filing MFRs, FPL's sales forecast for 2002 was prepared in May 2001, using the best information available at that time, as discussed in this filing. In the past few months, however, the U.S. economy has experienced some unexpected deterioration. In addition, the recent tragedies in New York and Washington may have economic and other consequences that could affect FPL's sales forecast in ways that cannot yet be determined. FPL is continuing to reevaluate its 2002 sales forecast to determine the impact of these national and world events, and will advise the FPSC of any material changes in forecasted data.

07782

BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 001148-EI

MINIMUM FILING REQUIREMENTS

FLORIDA POWER & LIGHT COMPANY AND SUBSIDIARIES

SCHEDULE NO. E – 13

FLORIDA PUBLIC SERVICE COMMISSION

FLORIDA POWER & LIGHT COMPANY AND SUBSIDIARIES

DOCKET NO. 001148-EI

EXPLANATION: DERIVE EACH ALLOCATION FACTOR USED IN THE COST OF SERVICE STUDY. PROVIDE SUPPORTING DATA AND ANY WORKPAPERS USED IN DERIVING THESE ALLOCATION FACTORS, AND A BRIEF NARRATIVE DESCRIPTION OF THE DEVELOPMENT OF EACH ALLOCATION FACTOR. EXPLANATION DUE ON 9/15, SCHEDULE TO BE FILED ON 10/15.

TYPE OF DATA SHOWN:

____HISTORIC TEST YEAR ENDED ____
_X_ PROJECTED TEST YEAR ENDED 12/31/02
____PRIOR YEAR ENDED ____
WITNESS: NA

See Attachment 1 - Explanation of allocation factors used for Jurisdictional Separation and Cost of Service studies.

7782

SUPPORTING SCHEDULES: E-14, F-17

RECAP SCHEDULES: E-5a, E-5b

In compliance with Order No. PSC-01-1535-PCO-EI, issued July 24, 2001, FPL is hereby submitting the explanations of cost allocation factors it plans to use in its 2002 cost of service study to be filed October 15. Following are the definitions of the allocation factors used by FPL.

Name	Description	Explanation
FPL101	Average of the 12 Months CP Demand	The total class contribution to the average of the 12 monthly Coincident Peak (12CP) demands, adjusted for losses.
FPL102	Average 12CP Demand – Excluding FKEC and Key West contracts	The total class contribution to the average of the 12 monthly Coincident Peak (12CP) demands, adjusted for losses, excluding FKEC and Key West contracts.
FPL103	Average 12CP Demand – Adjusted for FKEC and Key West contracts	The total class contribution to the average of the 12 monthly Coincident Peak (12CP) demands, adjusted for both losses, and the increase in cost responsibility of FKEC and Key West contracts.
FPL104	Distribution Group Coincident Peak Demand	The single Group Coincident Peak (GCP) demand, adjusted for losses, for loads at primary and secondary voltage levels.
FPL105	Secondary Group Coincident Peak Demand	The single Group Coincident Peak (GCP) demand, adjusted for losses, for loads at secondary voltage level only.
FPL109	Secondary Customer Non-Coincident Peak Demand	The single customer Non-Coincident Peak (NCP) demand, adjusted for losses, for loads at secondary voltage level only, retail rate classes only.
FPL201	MWH Sales	The total 12 month MWH Sales, adjusted for losses.
FPL202	MWH Sales - Excluding FKEC and Key West contracts	The total 12 month MWH Sales, adjusted for losses, excluding FKEC and Key West contracts.
FPL203	MWH Sales - Adjusted for FKEC and Key West contracts	The total 12 month MWH Sales, adjusted for both losses, and the increase in cost responsibility of FKEC and Key West contracts.
FPL205	Uncollectibles	The 12 month uncollectibles.
FPL206	MWH Sales at Meter	The total 12 month MWH Sales at the meter for retail rate classes.
FPL301	Transmission Customers Pull-offs	The average number of transmission voltage level customers multiplied by the average cost per transmission pull-off for each rate class. Engineering estimates are used to determine the average transmission level pull-off cost.
FPL302	Primary Customers Pull-offs	The average number of primary voltage level customers multiplied by the average primary pull-off cost for each retail rate class. Engineering estimates are used to determine the average primary level pull-off cost.
FPL303	Average Secondary Customers	The average number of secondary voltage level customers for retail rate classes only, excluding all lighting services.
FPL304	Total Meter Costs	The average number of customers per rate class multiplied by the average meter unit cost per rate class, excluding all lighting services.
FPL310	Average Distribution Customers	The average number of primary and secondary voltage level customers for the retail rate classes, excluding street lights and traffic signals.

Name	Description	Explanation
FPL320	Weighted Average Customers – Meter and SSDR Material Cost	The average number of customers per rate class multiplied by the customer weight. Note: The customer weight is calculated by dividing the average meter only material cost for the rate class by the average meter only material cost for the residential rate class. The lighting classes are assumed to have a customer weight equal to residential (which is equal to one).
FPL330	Meter and SSDR Material Costs	The average number of customers per rate class multiplied by the average meter and SSDR material unit cost. The non-metered rate classes are zero.
FPL355	Weighted Average Customers – Material Cost Only	The average number of customers per rate class multiplied by the customer weight. Note: The customer weight is calculated by dividing the average total meter material cost for the rate class by the average total meter material cost for the residential rate class. The lighting classes are assumed to have a customer weight equal to residential (which is equal to one). All classes including OL1 use average customers.
FPL356	Average Customers	The average number of customers for retail rate classes only.
FPL401	Base Revenues	The Base Revenues for the retail rate classes, excluding revenues from clauses.
FPL504	100% Retail	Used for Separation Study, 100% assignment to Retail.
FPL505	100% Resale	Used for Separation Study, 100% assignment to Wholesale.
FPL508	Street Lights and Traffic Signals	The number of lighting fixtures for the street lighting and traffic signal classes.
FPL509	Outdoor Lighting	100% assignment to Outdoor Lighting.

FPL maintains its accounting books and records in compliance with title 18, Part 101, of the Code of Federal Regulations, Part 101. The categorizations of rate base and net operating income (NOI) items described herein are consistent with those contained in Part 101, 18 CFR. The cost of service allocation factors described herein are for base rate items only and exclude clause recoverable items.

Electric Plant In Service

I. Production Plant

A. Jurisdictional Separation

The production system is comprised of Steam Production (plant accounts 310-316), Nuclear Production (plant accounts 320-325), and Other Production (plant accounts 340-346). The wholesale contracts for FKEC and Key West provide for the exclusion of costs associated with nuclear generation. Accordingly, nuclear production plant is assigned allocation factor FPL102 - "Average 12CP Demand – Excluding FKEC and Key West contracts".

The remaining Steam and Other Production plant costs are allocated using allocation factor FPL103 - "Average 12CP Demand – Adjusted for FKEC and Key West contracts". Allocation factor FPL103 includes an adjustment to the wholesale contract rate class for the nuclear capacity not allocated to it with factor FPL102, described above. The use of allocation factors FPL102 and FPL103 is consistent with previous FERC and FPSC rate case filings.

B. FPSC Cost of Service Study

The FPSC jurisdictional production costs are allocated to retail rate classes using the FPSC approved 12 CP and 1/13 methodology. This methodology allocates 12/13 of the costs to demand using allocation factor FPL101 - "Average of the 12 Months CP Demand". The remaining 1/13 of the costs are assigned to energy and allocated to rate classes using allocation factor FPL201 - "MWH Sales". This methodology is being applied to all production costs, including the costs of St. Lucie Unit 2, consistent with all other FPL production plant costs in FPL's last rate case and other FPSC rate proceedings.

II. Transmission Plant – Plant Accounts 350 - 359

A. Jurisdictional Separation

FPL's Transmission Plant is allocated based on allocation factor FPL101 - "Average of the 12 Months CP Demand".

B. FPSC Cost of Service Study

Except for transmission voltage pull-off costs, FPSC jurisdictional transmission costs are allocated to rate classes using the FPSC approved 12 CP and 1/13 methodology.

Transmission voltage pull-off costs are assigned to rate classes using allocation factor FPL301 – "Transmission Customers Pull-offs".

III. Distribution Plant

A. Jurisdictional Separation

All Distribution Plant-in-Service costs, except for Meters (plant account 370), are 100% retail. Meters are allocated to individual customers based on the estimated total installed cost for each type of meter, FPL304 - "Total Meter Costs".

B. FPSC Cost of Service Study

Substations (plant accounts 360 – 362) are allocated to retail rate classes using allocation factor FPL104 - "Distribution Group Coincident Peak Demand".

Poles, Towers, and Fixtures (plant account 364) and Overhead Conductors and Devices (plant account 365) are assigned to primary and secondary voltage levels based on year 2000 cost relationships. Primary voltage level costs, excluding primary pulloffs, are allocated to rate classes using allocation factor FPL104 - "Distribution Group Coincident Peak Demand". Primary pull-off costs are assigned to rate classes using allocation factor FPL302 - "Primary Customers Pull-offs". Secondary voltage level costs are allocated to rate classes using allocation factor FPL105 - "Secondary Group Coincident Peak Demand".

Underground Ducts (plant account 366) and Underground Conductors and Devices (plant account 367) are assigned to primary and secondary voltage levels based on year 2000 cost relationships. Primary voltage level costs are allocated to rate classes using allocation factor FPL104 - "Distribution Group Coincident Peak Demand". Secondary voltage level costs are allocated to rate classes using allocation factor FPL105 - "Secondary Group Coincident Peak Demand".

Line Transformers (plant account 368) costs are assigned to primary and secondary voltage levels based on year 2000 cost relationships. Primary voltage capacitor banks and field voltage regulators are allocated to rate classes using allocation factor FPL104 - "Distribution Group Coincident Peak Demand". Line transformer costs are allocated to rate classes using allocation factor FPL109 - "Secondary Customer Non-Coincident Peak Demand".

Services (plant account 369) are allocated using allocation factor FPL303 - "Average Secondary Customers".

Meters (plant account 370) are allocated to retail rate classes based on the estimated total installed cost for each type of meter, FPL304 - "Total Meter Costs".

Outdoor Lighting (plant account 371) is directly assigned to FPL's Outdoor Lighting rate class (OL-1) using allocation factor FPL509 - "Outdoor Lighting".

Street Lighting and Signal Systems (plant account 373) are assigned to FPL's Street Lighting rate class (SL-1), and Traffic Signal rate class (SL-2) using allocation factor FPL508 - "Street Lights and Traffic Signals".

IV. General and Intangible Plant

A. Jurisdictional Separation

General and intangible plant costs are allocated based on O&M Labor.

B. FPSC Cost of Service Study

General and intangible plant costs are allocated based on O&M Labor.

Accumulated Depreciation

A. Jurisdictional Separation

Accumulated depreciation is allocated to jurisdictions consistent with the allocation of the corresponding Plant-in-Service costs. Investment Tax Credit – Interest Synchronization is allocated based on Gross Plant-in-Service.

B. FPSC Cost of Service Study

Accumulated depreciation is allocated to rate classes consistent with the allocation of the corresponding Plant-in-Service costs. Investment Tax Credit – Interest Synchronization is allocated based on Gross Plant-in-Service.

Construction Work in Progress (CWIP)

A. Jurisdictional Separation

CWIP is allocated in the same manner as the corresponding Plant-in-Service costs

B. FPSC Cost of Service Study

CWIP is allocated in the same manner as the corresponding Plant-in-Service costs.

Future Use Plant

A. Jurisdictional Separation

Future use property is allocated in the same manner as the corresponding Plant-in-Service costs.

B. FPSC Cost of Service Study

Future use property, except for Distribution, is allocated in the same manner as the corresponding Plant-in-Service costs. Distribution future use is allocated to rate classes using allocation factor FPL104 - "Distribution Group Coincident Peak Demand".

Nuclear Fuel

A. Jurisdictional Separation

Nuclear Fuel is allocated to jurisdictions using allocation factor FPL202 - "MWH Sales - Excluding FKEC and Key West contracts".

B. FPSC Cost of Service Study

Nuclear Fuel is allocated to rate classes using factor FPL201 – "MWH Sales".

Working Capital

A. Jurisdictional Separation

Working Capital items are generally allocated based on total operation and maintenance (O&M) expenses and O&M Labor costs for payroll specific items. The following are major exceptions:

Energy related items such as Fuel Stock and Fuel Handling are allocated using allocation factor FPL203 - "MWH Sales - Adjusted for FKEC and Key West contracts". Nuclear Fuel prepayments are allocated using allocation factor FPL202 - "MWH Sales - Excluding FKEC and Key West contracts". Plant related Working Capital items such as Plant Materials and Operating Supplies and Insurance Prepayments are allocated using Gross Plant-in-Service. Working Capital items assigned 100% to retail jurisdiction include Customer Accounts Receivable, Provision for Uncollectible Accounts, Accrued FPSC Unbilled Revenues, FPSC Clause Under/Over-recoveries, and Accrued Retail Refunds and Interest. Working Capital items assigned 100% to wholesale jurisdiction include Accrued FERC Unbilled Revenues, and FERC Fuel Under/Over-recoveries.

B. FPSC Cost of Service Study

Working Capital items are generally allocated based on total O&M and O&M Labor costs for payroll specific items. The following are major exceptions:

Energy related items such as Fuel Stock, Fuel Handling, and Nuclear Fuel Prepayments, are allocated to rate classes using allocation factor FPL201 - "MWH Sales". Plant related Working Capital items such as Plant Materials and Operating Supplies, Insurance Prepayments, and Accumulated Provision for Property Insurance are allocated using Gross Plant-in-Service.

Operating Revenues

I. Sales of Electricity

A. Jurisdictional Separation

All revenues are forecast at the rate class level of detail for wholesale and retail jurisdictions. Retail related revenues, including unbilled revenues, are assigned allocation factor FPL504 – "100% Retail". Wholesale revenues, including unbilled revenues, are assigned allocation factor FPL505 – "100% Resale". Non-Recoverable Interchange Revenues are allocated to jurisdictions using allocation factor FPL103 - "Average 12CP Demand – Adjusted for FKEC and Key West contracts".

B. FPSC Cost of Service Study

Retail base revenues are forecast at the rate class level of detail and form the basis for allocation factor FPL401 - "Base Revenues". FPL401 is used to allocate unbilled revenues and the revenues associated with the 1990 Rate Reduction to retail rate classes. CILC Incentive Offset is also forecast at the retail rate class level.

Provision for Retail Rate Refunds is allocated to retail rate classes using allocation factor FPL206 - "MWH Sales at Meter ". Non-Recoverable Interchange Revenues are allocated to retail rate classes based on allocation factor FPL101 – "Average of the 12 Months CP Demand".

II. Other Operating Revenues

A. Jurisdictional Separation

Revenues assigned 100% to retail jurisdiction (allocation factor FPL504) include Late Payment Charges, Other Electric Revenues – Miscellaneous, and Miscellaneous Service Revenues such as initial connection, reconnection after non-payment, connect/disconnect, returned checks, and current diversion.

Rent from Electric Property is allocated based on Gross Distribution Plant. Other Electric Revenues – Transmission is assigned allocation factor FPL501 - "Average 12 Months Coincident

Peak Demand". Other Electric Revenues – FERC is assigned allocation factor FPL505 – "100% Resale".

B. FPSC Cost of Service Study

The forecast of Late Payment Charges, and Miscellaneous Service Revenues, including initial connection, reconnection after non-payment, connect/disconnect, returned customer checks, and current diversion revenues is allocated to retail rate classes based on historical relationships.

Rent from Electric Property is allocated to retail rate classes based on Gross Plant-in-Service. Other Electric Revenues – Transmission is allocated to retail rate classes using the FPSC approved 12 CP and 1/13 methodology. Other Electric Revenues - Miscellaneous are allocated to retail rate classes based on allocation factor FPL401 – "Base Revenues".

Operating and Maintenance (O&M)

I. Power Production

A. Jurisdictional Separation

The following power production accounts are assigned allocation factor FPL103 - "Average 12CP Demand – Adjusted for FKEC and Key West contracts".

- Steam Power Generation – Accounts 500, 502, 505 through 507 and 511
- Other Power Generation – Accounts 546 and 548 through 554
- Other Power Supply – Accounts 555 through 557

The following power production accounts are assigned allocation factor FPL203 - "MWH Sales - Adjusted for FKEC and Key West contracts".

- Steam Power Generation – Accounts 501, 510, and 512 through 514
- Other Power Generation – Account 547

Nuclear power generation accounts 517, 519, 520, 523, 524, 525, and 529 are assigned allocation factor FPL102 - "Average 12CP Demand – Excluding FKEC and Key West contracts".

Nuclear power generation accounts 518, 528, 530, 531, and 532 are assigned allocation factor FPL202 - "MWH Sales - Excluding FKEC and Key West contracts".

B. FPSC Cost of Service Study.

The following are power production accounts allocated to retail rate classes based on allocation factor FPL101 - "Average of the 12 Months CP Demand".

- Steam Power Generation – Accounts 506, 507 and 511
- Nuclear Power Generation – Accounts 524, 525 and 529
- Other Power Generation – Accounts 546, 548, and 549 through 554
- Other Power Supply Expenses – Accounts 555 (costs not recovered through the capacity cost recovery clause), 556 and 557

The following are power production accounts allocated to retail rate classes based on allocation factor FPL201 - "MWH Sales".

- Steam Power Generation – Accounts 501and 512 through 514
- Nuclear Power Generation – Accounts 518 and 530 through 532
- Other Power Generation Account 547

Labor expenses included in the following power production accounts are allocated to retail rate classes using allocation factor FPL101 - "Average of the 12 Months CP Demand". The remaining non-labor expenses included in these accounts are allocated using allocation factor FPL201 - "MWH Sales".

- Steam Power Generation – Accounts 502 and 505
- Nuclear Power Generation – Accounts 519 and 520

Account 500 is allocated to retail rate classes based on the classification of accounts 501-507. Account 510 is allocated based on the classification of accounts 511-514. Account 517 is allocated based on the classification of accounts 518-525. Account 528 is allocated based on the classification of accounts 529-532.

II. Transmission

A. Jurisdictional Separation

Accounts 560 to 573 are assigned allocation factor FPL101 – "Average of the 12 Months CP Demand".

B. FPSC Cost of Service Study.

Accounts 560 to 573 are allocated to rate classes consistent with the allocation of Transmission Plant-in-Service, plant accounts 350 – 359.

III. Distribution

A. Jurisdictional Separation

Accounts 580, 588, 589, 590, and 598 are allocated to jurisdictions based on total distribution plant in service. Accounts 586, and 597 are assigned allocation factor FPL304 – "Total Meter Costs". All other Distribution expenses are allocated 100% to retail.

B. FPSC Cost of Service Study.

Accounts 582, 591, and 592 are allocated to retail rate classes using allocation factor FPL104 - "Distribution Group Coincident Peak Demand". Accounts 580, 588, 589, and 590 are allocated based on total distribution plant in service. Accounts 586, and 597 are allocated using allocation factor FPL304 – "Total Meter Costs".

Accounts 585, and 596 are allocated to retail rate classes using allocation factor FPL508 – "Street Lights and Traffic Signals". Account 587 is allocated between outdoor lights and other Distribution expenses using historical relationships. Expenses associated with Outdoor lights are directly assigned to the Outdoor Lighting rate class (OL-1). The remaining expenses in Account 587 are assigned allocation factor FPL310 - "Average Distribution Customers".

Account 595 is assigned the same allocation factors as those used for plant account 368 – Line Transformers. The expenses associated with Outdoor Lighting within account 598 are directly assigned to rate class (OL-1). The remaining expenses in account 598 are allocated based on total distribution plant-in-service.

Account 583 is based on the classification of plant accounts 364, 365, and 369-OH. Account 584 is based on plant accounts 366, 367, and 369-UG. Account 593 is based on plant accounts 364, 365, and 369-OH. Account 594 is based on plant accounts 366, 367, and 369-UG.

IV. Customer Accounts and Information

A. Jurisdictional Separation

Accounts 901, 903, and 905 are assigned allocation factor FPL355 - "Weighted Average Customers – Material Cost Only". Accounts 907 through 912 are assigned allocation factor FPL356 – "Average Customers". Account 902 is assigned allocation factor FPL304 - "Total Meter Costs". Account 904 is assigned allocation factor FPL401 - "Base Revenues".

B. FPSC Cost of Service Study.

Accounts 901, 903, and 905 are allocated to retail rate classes based on allocation factor FPL320 – "Weighted Average Customers – Meter and SSDR Material Cost". Accounts 907 through 912 are allocated based on allocation factor FPL356 – "Average Customers". Account 902 is allocated using allocation factor FPL330 - "Meter and SSDR Material Costs". Account 904 is allocated based on allocation factor FPL205 - "Uncollectibles".

V. Administrative and General Expenses

A. Jurisdictional Separation

Accounts 920 through 923, 925, 926, 930, 931, and 935 are allocated to jurisdictions based on O&M Labor. Account 924 is based on gross plant-in-service. Account 928 expenses related to FPSC dockets are assigned 100% to retail while account 928 expenses related to FERC dockets are assigned to resale.

B. FPSC Cost of Service Study.

Accounts 920 through 923, 925, 926, 928, 930, and 931 are allocated to retail rate classes based on O&M Labor. Account 924 is allocated based on Gross Plant-in-Service. Account 935 is allocated based on General Plant-in-Service.

Depreciation Expenses

A. Jurisdictional Separation

Depreciation expense is allocated to jurisdictions in the same manner as Accumulated Depreciation.

B. FPSC Cost of Service Study

Depreciation expense is allocated to rate classes in the same manner as Accumulated Depreciation.

Taxes Other Than Income Taxes

A. Jurisdictional Separation

Property taxes are allocated based on Plant-in-Service. Non-revenue taxes are allocated based on O&M Labor. Revenue taxes are assigned allocation factor FPL401 – "Base Revenues".

B. FPSC Cost of Service Study

Property taxes are allocated based on Plant-in-Service. Non-revenue taxes are allocated based on O&M Labor. Revenue taxes are assigned allocation factor FPL401 – "Base Revenues".

Income Taxes

A. Jurisdictional Separation

Income Taxes are calculated by applying the effective income tax rate to jurisdictional pre-tax book income.

B. FPSC Cost of Service Study

Income Taxes are calculated by applying the effective income tax rate to pre-tax book income for each retail rate class.