ORIGINAL

STEEL HECTOR & DAVIS

REGISTERED LIMITED LIABILITY PARTNERSHIP

Steel Hector & Davis LLP
215 South Monroe, Suite 601
Tallahassee, Florida 32301-1804
850.222.2300
850.222.8410 Fax
www.steelhector.com

Charles A. Guyton
850.222.3423

March 29, 2005

VIA HAND DELIVERY

Blanca S. Bayó, Director
Division of the Commission Clerk &
Administrative Services
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

RECEIVED-FPSC
05 MAR 29 PM 3:59
COMMISSION CLERK

Re: Florida Power & Light Company's Report of Consummation
Docket No. 031000-EI

Dear Ms. Bayó:

Enclosed are one signed and three conformed copies of Florida Power & Light Company's Report of Consummation in connection with the Application for Authority to Issue and Sell Securities during 2004, pursuant to Florida Statutes, Section 366.04 (Docket No. 031000-EI).

If there are any questions regarding this transmittal, please contact me at 222-2300.

CMP ____
COM ____
CTR ____
ECR 1
GCL ____
OPC ____
MMS ____
RCA ____
SCR ____
SEC 1
OTH ____

Very truly yours,

Charles A. Guyton

CAG:gcm
Enclosure
Copy to: W.G. Walker, III (w/o exhibits)

TAL_1998 51599v1

RECEIVED & FILED
FPSC-BUREAU OF RECORDS

DOCUMENT NUMBER-DATE
03063 MAR 29 05

DOCKET NO. 031000-EI
ORDER NO. PSC-03-1409-FOF-EI

FLORIDA PUBLIC SERVICE COMMISSION
TALLAHASSEE, FLORIDA

REPORT OF CONSUMMATION

IN CONNECTION WITH

APPLICATION OF
FLORIDA POWER & LIGHT COMPANY
FOR AUTHORITY TO ISSUE AND SELL SECURITIES DURING 2004

Address communications in connection with this Report of Consummation to:

Paul I. Cutler
Treasurer
Florida Power & Light Company
700 Universe Boulevard
Juno Beach, Florida 33408
Telephone (561) 694-6204

Date: March 29, 2005

DOCUMENT NUMBER-DATE
03063 MAR 29 05
FPSC-COMMISSION CLERK

BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

IN RE: APPLICATION OF FLORIDA POWER & LIGHT COMPANY
FOR AUTHORITY TO ISSUE AND SELL SECURITIES DURING 2004

REPORT OF CONSUMMATION

In compliance with the requirements of Rule 25-8.009, Florida Administrative Code and Order No. PSC-03-1409-FOF-EI, issued by the Commission on December 15, 2003 in the above-captioned matter (Docket No. 031000-EI), the Applicant, Florida Power & Light Company ("FPL"), hereby submits its Report of Consummation regarding transactions involving (i) the issuance and sale of $240,000,000 principal amount of First Mortgage Bonds, 5.65% Series due February 1, 2035 (the "Mortgage Bonds") under FPL's registration statement filed pursuant to Rule 415 of the Rules and Regulations under the Securities Act of 1933, as amended (the "Securities Act"), (Registration No. 333-102172, as amended by Amendment No. 1 to Form S-3, which became effective March 28, 2003) and FPL's registration statement filed pursuant to Rule 462(b) of the Rules and Regulations under the Securities Act (Registration No. 333-112199 which became effective January 26, 2004), (ii) the issuance and sale of 200,000 shares of its 4 1/2% Preferred Stock, Series V (the "Preferred Stock") with an aggregate par value of $20,000,000, and (iii) the issuance and sale of commercial paper.

This Report of Consummation deals with the Mortgage Bonds, the Preferred Stock and the commercial paper. It provides the information required for submission by Rule 25-8.009 of the Florida Administrative Code as follows (all references to proceeds are before expenses):

(1) On January 20, 2004, FPL sold through a private transaction to its parent company, FPL Group, Inc., the Preferred Stock with an aggregate par value of $20,000,000. The proceeds received by FPL were $20,000,000 in cash.

(2) On January 29, 2004 (the closing date of the transaction), FPL sold through a negotiated underwritten sale, $240,000,000 principal amount of the Mortgage Bonds. The proceeds received by FPL were $237,237,600 in cash covering principal less underwriting discount.

(3) FPL regularly issues commercial paper for terms up to but not exceeding 270 days from the date of issuance. During 2004, the commercial paper was issued pursuant to a Commercial Paper Dealer Agreement dated as of July 22, 1994, with Banc One Capital Markets, Inc. (successor to First Chicago Capital Markets, Inc.), which agreement was assigned to J.P. Morgan Securities Inc. in June, 2004, and pursuant to a similar arrangement with Merrill Lynch Money Markets Inc. The commercial paper is sold at a discount, including the underwriting discount of the commercial paper dealers, at a rate comparable to rates being paid in the commercial paper market by borrowers of similar creditworthiness. Given the frequency of these sales, it is not practicable to provide the details of each issue. However, FPL's 2004 commercial paper activity can be summarized as follows:

2004 Commercial Paper Activity
($ in thousands)

Commercial paper issued:	$3,590,500
Commercial paper matured:	$3,745,700
Average outstanding:	$ 173,000
Weighted average yield:	1.39%
Weighted average term:	18 days

FPL's credit facilities provide backup support for its commercial paper program. As of October 15, 2004, FPL entered into a new $1 billion 5-year revolving credit facility with banks and other lenders and modified its existing $500 million 3-year revolving credit facility. Borrowings under both facilities are available for general corporate purposes, including support of FPL's commercial paper program and to provide additional liquidity in the event of a transmission and distribution property loss. The 5-year revolving credit facility provides for, in addition to direct borrowings thereunder, the issuance of letters of credit up to $750 million in aggregate amount at any one time outstanding for general corporate purposes. During 2004, no loans were made to FPL pursuant to, and no letters of credit were issued under, the 5-year revolving credit facility or the 3-year revolving credit facility.

FPL's nuclear fuel leases obligate FPL to purchase portions of the nuclear fuel from the non-affiliated (but consolidated) lessor company (the "Fuel Company") at the net investment value of such fuel, if required to enable the Fuel Company to pay maturing notes or other borrowings. Also, upon the occurrence of certain events which constitute a default by FPL under such nuclear fuel leases or give rise to termination of such fuel leases, FPL may be required to purchase all of the Fuel Company's interest in such leased nuclear fuel at a purchase price equal to (i) the net investment value of such fuel, plus (ii) such additional amounts as are sufficient to enable the Fuel Company to retire all of its debt obligations and any other charges or fees under the appropriate financing agreements which correspond to such fuel leases and to which the Fuel Company is a party. As of June 1, 2004, the Fuel Company amended and restated its senior secured revolving credit facility, which provides backup support to the Fuel Company's commercial paper program, pursuant to which the commitments were increased from $65 million to $100 million and the expiration date was extended from June 16, 2004 until June 14, 2009 (the "Fuel Facility") (as the same may be extended from time to time with the consent of the lenders thereunder). As of June 1, 2004, FPL entered into an agreement to directly and unconditionally guarantee the payment obligations of the Fuel Company under the Fuel Facility. At December 31, 2004, there were no outstanding borrowings under the Fuel Facility, and approximately $35 million under the Fuel Company's commercial paper program. The guaranteed obligations duplicate FPL's obligations under the nuclear fuel leases, such that FPL's satisfaction of its obligations under the nuclear fuel leases will discharge the guaranteed indebtedness, and conversely, direct payment on the guarantees reduces the amounts due under the nuclear fuel leases.

In March 2003, FPL established an uncommitted credit facility with a single bank (the "Uncommitted Credit Facility"), whereby the bank may, at its discretion, upon the request of FPL, make a short-term loan or loans to FPL from time to time in an aggregate amount at any one time outstanding determined by the bank, which is subject to change at any time. The terms of the specific borrowings under the Uncommitted Credit Facility, including maturity, are set at the time borrowing requests are made by FPL. During 2004, there were no borrowings under the Uncommitted Credit Facility.

For terms and conditions of issues: See Exhibits (c)-1A, (c)-1B, (a)-6, (a)-7, (a)-8 and (a)-9, as the case may be.

For a consolidated statement of capitalization: See Exhibit (c)-2.

For a statement of pretax interest coverage, together with debt interest: See Exhibit (c)-3.

Annual Preferred Stock dividend requirement for the fiscal year ended as of December 31, 2004: $1,080,000.

The other costs incurred to date by FPL in connection with the Mortgage Bonds are tabulated as follows:

	Mortgage Bonds
Filing Fees for Registration Statements	$21,636
Legal, Accounting, Rating Agency and Trustee Fees	$356,452
Printing & Miscellaneous (S-3, Prospectus, etc.)	$9,795
Florida Taxes and Recording Fees	$903,463
Underwriters' Discounts and Commissions	$2,100,000
Total Costs	$3,391,346

The other costs incurred to date by FPL in connection with the issuance of the Preferred Stock include legal fees. The aggregate of these costs is $61,756.

The other costs incurred to date by FPL in connection with the 2004 commercial paper issuances include fees relating to banking and credit ratings. The aggregate of these costs is $125,393.

There are other miscellaneous costs, which have not been reported to FPL as of this date, but it is the belief of FPL that any costs not so reported would be minor.

List of Exhibits (Corresponds to sections of Rule 25-8.009)

* (a)-1	Restated Articles of Incorporation of FPL dated March 23, 1992 were filed with the Florida Public Service Commission (FPSC) in connection with Docket No. 910904-EI as Exhibit (a)-1 of Report of Consummation No. 2.
* (a)-1A	Amendment to FPL's Restated Articles of Incorporation dated March 23, 1992 was filed with the FPSC in connection with Docket No. 910904-EI as Exhibit (a)-1A of Report of Consummation No. 2.
* (a)-1B	Amendment to FPL's Restated Articles of Incorporation dated May 11, 1992 was filed with the FPSC in connection

	with Docket No. 910904-EI as Exhibit (a)-1B of Report of Consummation No. 2.
* (a)-1C	Amendment to FPL's Restated Articles of Incorporation dated March 12, 1993 was filed with the FPSC in connection with Docket No. 920955-EI as Exhibit (a)-1C of Report of Consummation No. 1.
* (a)-1D	Amendment to FPL's Restated Articles of Incorporation dated June 16, 1993 was filed with the FPSC in connection with the 1994 Application of FPL for Authority to Issue and Sell Securities Docket No. 930855-EI.
* (a)- 1E	Amendment to FPL's Restated Articles of Incorporation dated August 31, 1993 was filed with the FPSC in connection with Docket No. 920955-EI as Exhibit (a)-1E of Report of Consummation No. 6.
* (a)-1F	Amendment to FPL's Restated Articles of Incorporation dated November 30, 1993 was filed with the FPSC in connection with Docket No. 920955-EI as Exhibit (a)-1F of Report of Consummation No. 7.
(a)-1G	Amendment to FPL's Restated Articles of Incorporation dated January 20, 2004.
(a)-1H	Amendment to FPL's Restated Articles of Incorporation dated January 20, 2004.
* (a)-2	Mortgage and Deed of Trust dated as of January 1, 1944 (the "Mortgage"), between FPL and Deutsche Bank Trust Company Americas (formerly known as Bankers Trust Company), the Trustee, and One hundred and six Supplements thereto were filed with the FPSC as follows: Exhibit D, Docket No. 3417-EU; Exhibit D-1, Docket No. 3758-EU; Exhibit D-1A, Docket No. 4147-EU; Exhibit D-1B, Docket No. 4685-EU; Exhibit D-1C, Docket No. 4922-EU; Exhibit D-1D, Docket No. 5057-EU; Exhibit D-1E, Docket No. 5315-EU; Exhibit D-1F, Docket No. 5745-EU; Exhibit D-1G, Docket No. 5872-EU; Exhibit D-1H, Docket No. 6659-EU; Exhibit D-1I, Docket No. 7427-EU; Exhibit D-1J, Docket No. 7831-EU; Exhibit D-1K, Docket No. 8308-EU; Exhibit D-1L, Docket No. 8738-EU; Exhibit D-1M, Docket No. 9097-EU; Exhibit D-1N, Docket No. 9676-EU; Exhibit D-1O, Docket No. 9892-EU; Exhibit D-IP, Docket No. 69262-EU; Exhibit D-IQ, Docket No. 70255-EU; Exhibit D-1R, Docket No. 70565-EU; Exhibit D-1S, Docket No. 71363-EU; Exhibit D-1T, Docket No. 72281-EU; Exhibit D-1U, Docket No. 72685-EU; Exhibit D-1V, Docket No. 73428-EU; Exhibit D-1W, Docket No. 73743-EU; Exhibit D-1X, Docket No.

74249-EU; Exhibit D-1Y, Docket No. 750108-EU; Exhibit D-1Z, Docket No. 750201-EU; Exhibit D-2A, Docket No. 750439-EU; Exhibit D-3A, Docket No. 760335-EU; Exhibit D-3B, Docket No. 770929-EU (F1); Exhibit D-3C, Docket No. 770928-EU (F1); Exhibit D-3D, Docket No. 790592-EU; Exhibit D-3E, Docket No. 790830-EU; Exhibit D-3F, Docket No. 800082-EU(MC); Exhibit D-3G, Docket No. 800319-EU; Exhibit D-3H, Docket No. 800591-EU; Exhibits D-3I, D-3J, D-3K and D-3L, Docket No. 800755-EU(SS), Reports of Consummation Nos. 1, 3, 5 and 6 respectively; Exhibits (a)-3, (a)-4, Docket No. 810421-EU (SS), Reports of Consummation Nos. 1, 3 and 5 respectively; Exhibits (a)-3, Docket No. 820403-EU, Reports of Consummation Nos. 2 and 4, respectively; Exhibit (a)-4, Docket No. 830491-EI, Report of Consummation No. 3; Exhibits (a)-3, Docket No. 830445-EU, Reports of Consummation Nos. 1 and 4, respectively; Exhibits (a)-2A, (a)-2B and (a)-2A, Docket No. 840353-EI, Reports of Consummation Nos. 1, 2 and 3, respectively; Exhibits (a)-2A and (a)-2B, Docket No. 850664-EI, Reports of Consummation Nos. 1, 2, 4 and 5, respectively; Exhibits (a)-2A, Docket No. 861209-EI, Reports of Consummation Nos. 2 and 3, respectively; Exhibits (a)-2A, Docket No. 870952-EI, Reports of Consummation Nos. 1, 2 and 3, respectively; Exhibit (a)-2A, Docket No. 881158-EI, Reports of Consummation Nos. 1 and 2, respectively; Exhibit (a)-2A and Exhibit (a)-2B, Docket No. 891104-EI, Report of Consummation No. 2; Exhibit (a)-2A, Docket No. 891104-EI, Report of Consummation No. 3; Exhibit (a)-2A, Exhibit (a)-2B, Exhibit (a)-2C and Exhibit (a)-2D, Docket No. 900736-EI, Report of Consummation No. 2; Exhibit (a)-2A, Docket No. 900736-EI, Report of Consummation No. 3; Exhibit (a)-2A, Docket No. 910904-EI, Report of Consummation No. 3; Exhibit (a)-2A, Docket No. 910904-EI, Report of Consummation No. 2; Exhibit (a)-2B, Docket No. 910904-EI, Report of Consummation No. 3; Exhibit (a)-2A, Docket No. 910904-EI, Report of Consummation No. 5; Exhibit (a)-2A, Docket No. 910904-EI, Report of Consummation No. 7; Exhibit (a)-2A, Docket No. 920955-EI, Report of Consummation No. 1; Exhibit (a)-2A, Docket No. 920955-EI, Report of Consummation No. 3; Exhibit (a)-2B, Docket No. 920955-EI, Report of Consummation No. 3; Exhibit (a)-2C, Docket No. 920955-EI, Report of Consummation No. 3, Exhibit (a)-2B, Docket No. 920955-EI, Report of Consummation No. 3; Exhibit (a)-2A, Docket No. 920955-EI, Report of Consummation No. 4; Exhibit (a)-2B, Docket No. 920955-EI, Report of Consummation No. 4; Exhibit (a)-2C, Docket No. 920955-EI, Report of Consummation No. 4; Exhibit (a)-2A, Docket No. 920955-EI, Report of

Consummation No. 6; Exhibit (a)-2B, Docket No. 920955-EI, Report of Consummation No. 6; Exhibit (a)-2A, Docket No. 920955-EI, Report of Consummation No. 7; Exhibit (a)-2A, Docket No. 930855-EI, Report of Consummation No. 1; Exhibit (a)-2A, Docket No. 940912-EI, Report of Consummation No. 1; Exhibit (a)-2A, Docket No. 971304-EI, Report of Consummation; Exhibit (a)-3, Docket No. 981242-EI, Report of Consummation; Exhibit (a)-3D, Docket No. 991287-EI, Report of Consummation; Exhibit (a)-3E, Docket No. 991287-EI, Report of Consummation; Exhibit (a)-3, Docket No. 011340-EI, Report of Consummation; Exhibit (a)-3B, Docket No. 021084-EI, Report of Consummation; and Exhibit (a)-3C, Docket No. 021084-EI, Report of Consummation.

(a)-3 One Hundred Fifth Supplemental Indenture dated as of January 1, 2004 between FPL and Deutsche Bank Trust Company Americas, as Trustee, with respect to the Mortgage Bonds.

(a)-4 One Hundred Sixth Supplemental Indenture and Mortgage dated as of September 1, 2004 between FPL and Deutsche Bank Trust Company Americas, as Trustee, to record the lien of the Mortgage, as supplemented, on an interest in property in New Hampshire.

(a)-5 For the Purchase Agreement relating to the Preferred Stock, see Exhibit (c)-1B.

(a)-6 For the Prospectus and Prospectus Supplement relating to the Mortgage Bonds, see Exhibit (c)-1A.

* (a)-7 Commercial Paper Offering Memorandum dated November 16, 2001 of Banc One Capital Markets, Inc. was filed with the FPSC in connection with Docket No. 001510-EI as Exhibit (a)-1 of Report of Consummation.

* (a)-8 Commercial Paper Offering Memorandum dated November 16, 2001 of Merrill Lynch Money Markets Inc. was filed with the FPSC in connection with Docket No. 001510-EI as Exhibit (a)-2 of Report of Consummation.

(a)-9 U.S. Commercial Paper Offering Memorandum dated July, 2004 of J.P. Morgan Securities Inc.

(b)-1 Signed opinion of FPL's legal counsel with respect to the legality of the issue of the Mortgage Bonds.

(b)-1A Signed opinion of FPL's legal counsel with respect to the legality of the issuance of the Preferred Stock.

(b)-1B Signed opinion of FPL's legal counsel in respect to the legality of the issuance of the commercial paper.

(c)-1	Form S-3 Registration Statements pursuant to which the Mortgage Bonds were issued (Registration No. 333-102172, filed with the Securities and Exchange Commission on December 23, 2002, as amended by Amendment No. 1 to Form S-3 filed with the Securities and Exchange Commission on March 18, 2003, and Registration No. 333-112199 filed with the Securities and Exchange Commission on January 26, 2004).
(c)-1A	Prospectus Supplement dated January 26, 2004 (including Prospectus) with respect to the Mortgage Bonds.
(c)-1B	Purchase Agreement, dated January 20, 2004, between FPL and FPL Group, Inc., with respect to the Preferred Stock.
(c)-1C	Quarterly Report on Form 10-Q for the quarter ended March 31, 2004
(c)-1D	Quarterly Report on Form 10-Q for the quarter ended June 30, 2004.
(c)-1E	Quarterly Report on Form 10-Q for the quarter ended September 30, 2004.
(c)-1F	Quarterly Report on Form 10-Q/A for the quarter ended September 30, 2004.
(c)-1G	Annual Report on Form 10-K for the year ended December 31, 2004.
(c)-2	Consolidated Statement of Capitalization.
(c)-3	Computation of Ratio of Earnings to Fixed Charges and Ratio of Earnings to Combined Fixed Charges and Preferred Stock Dividends.
(d)-1	Underwriting Agreement, dated January 26, 2004, with respect to the Mortgage Bonds.
* (d)-2	Commercial Paper Dealer Agreement dated as of July 22, 1994 between FPL and Banc One Capital Markets, Inc. (successor to First Chicago Capital Markets, Inc.) was filed with the FPSC in connection with Docket No. 001510-EI as Exhibit (d)-1 of Report of Consummation.
(d)-3	Letter, dated June 23, 2004, from FPL appointing J.P. Morgan Securities Inc. as a commercial paper dealer, and consenting to the assignment by Banc One Capital Markets, Inc. to J.P. Morgan Securities Inc. of its rights and obligations under the Commercial Paper Dealer Agreement, dated as of July 22, 1994.
(e)	Statement as to Underwriters' Fees. See Exhibit (c)-1A, Page S-1 (as to fee) and Page S-11 (as to Underwriters) of the Prospectus Supplement with respect to the Mortgage Bonds.

Banc of America Securities LLC
9 West 57th Street
New York, NY 10019

Banc One Capital Markets, Inc.
1 Bank One Plaza
Chicago, IL 60670

J.P. Morgan Securities Inc.
270 Park Avenue
New York, NY 10017

Lazard Fréres & Co. LLC
30 Rockefeller Plaza
New York, NY 10020

ABN AMRO Incorporated
55 East 52nd Street
New York, NY 10055

McDonald Investments Inc.
127 Public Square, 4th Floor
Cleveland, OH 44114

Scotia Capital (USA) Inc.
1 Liberty Plaza, 25th Floor
New York, NY 10006

The Royal Bank of Scotland plc
101 Park Avenue, 10th Floor
New York, NY 10178

* (e)-1 Statement as to Placement Agents/Dealers' Fees.

(1) J.P. Morgan Securities Inc. and Merrill Lynch Money Markets Inc. act, and until June, 2004, Banc One Capital Markets, Inc. acted, as private placement agents and/or dealers with respect to the commercial paper, in return for which they receive fees based on the differential between the bid and ask price for the commercial paper.

J.P. Morgan Securities Inc.
270 Park Avenue, 7th Floor
New York, New York 10017

Merrill Lynch Money Markets Inc.
World Financial Center
North Tower
New York, NY 10281-1311

Banc One Capital Markets, Inc.
1 Bank One Plaza
Mail Suite 1L1-0033
Chicago, IL 60670-0033

(2) None.

(3) No affiliation.

(4) Commercial paper dealers' agreements, and the use of placement agents/dealers in public company commercial paper programs, is standard practice, and the fees charged are consistent with fees charged to companies of similar creditworthiness for commercial paper transactions. The services provided by the placement agents/dealers are described in Exhibit (d)-2.

---

* Incorporated by reference.

Respectfully submitted this 29th day of March, 2005.

FLORIDA POWER & LIGHT COMPANY

By: Paul Cutler
Paul I. Cutler
Treasurer

FLORIDA POWER & LIGHT COMPANY

REPORT OF CONSUMMATION

DOCKET NO. 031000-EI

EXHIBIT (a)-1G

ARTICLES OF AMENDMENT
TO THE
RESTATED ARTICLES OF INCORPORATION
OF
FLORIDA POWER & LIGHT COMPANY

FILED
04 JAN 20 AM 9:
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

These Articles of Amendment to the Restated Articles of Incorporation, as amended, of Florida Power & Light Company were adopted by the Finance Committee of the Board of Directors of Florida Power & Light Company pursuant to the due authorization of the Board of Directors, on July 29, 2003, and no shareholder action was required in accordance with Section 607.0631 of the Florida Business Corporation Act.

I.

The name of the corporation is Florida Power & Light Company.

II.

The reduction in the number of authorized shares is (i) 100,000 shares of 4 1/2% Preferred Stock, par value of $100 per share, (ii) 4,097,500 shares of Preferred Stock, par value of $100 per share, and (iii) 5,000,000 shares of Preferred Stock without par value (No Par Preferred Stock), which shares are itemized under the following series:

100,000 shares of 4 1/2% Preferred Stock, par value of $100 per share;

50,000 shares of 4 1/2% Preferred Stock, Series B, par value of $100 per share;

62,500 shares of 4 1/2% Preferred Stock, Series C, par value of $100 per share;

50,000 shares of 4.32% Preferred Stock, Series D, par value of $100 per share;

50,000 shares of 4.35% Preferred Stock, Series E, par value of $100 per share;

600,000 shares of 7.28% Preferred Stock, Series F, par value of $100 per share;

400,000 shares of 7.40% Preferred Stock, Series G, par value of $100 per share;

485,000 shares of 6.84% Preferred Stock, Series Q, par value of $100 per share;

500,000 shares of 8.625% Preferred Stock, Series R, par value of $100 per share;

750,000 shares of 6.98% Preferred Stock, Series S, par value of $100 per share;

500,000 shares of 7.05% Preferred Stock, Series T, par value of $100 per share;

650,000 shares of 6.75% Preferred Stock, Series U, par value of $100 per share; and

5,000,000 shares of $2.00 No Par Preferred Stock, Series A (Involuntary Liquidation Value $25 per Share).

III.

After giving effect to such reduction of shares, the total number of shares which the corporation is authorized to issue, itemized by class and series, is as follows:

(1) 50,000 shares of 4 1/2% Preferred Stock, Series A, par value of $100 per share;

(2) 10,614,100 shares of Preferred Stock, par value of $100 per share, without serial designation;

(3) 5,000,000 shares of Preferred Stock without par value (No Par Preferred Stock) without serial designation;

(4) 5,000,000 shares of Subordinated Preferred Stock without par value; and

(5) 1,000 shares of Common Stock without par value.

Dated: January 20, 2004

FLORIDA POWER & LIGHT COMPANY

By: _____

Paul I. Cutler
Treasurer and Assistant Secretary

FLORIDA POWER & LIGHT COMPANY

REPORT OF CONSUMMATION

DOCKET NO. 031000-EI

EXHIBIT (a)-1H

FILED
04 JAN 20 AM 9:27
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

ARTICLES OF AMENDMENT TO THE RESTATED ARTICLES OF INCORPORATION OF FLORIDA POWER & LIGHT COMPANY

These Articles of Amendment to the Restated Articles of Incorporation, as amended, of Florida Power & Light Company were adopted by the Stock Issuance Committee of the Board of Directors of Florida Power & Light Company pursuant to the Florida Business Corporation Act, Sections 607.0602 and 607.0825, Florida Statutes, for the purpose of establishing and designating a series within a class of its shares before the issuance of any shares of that series and determining the preferences, limitations and relative rights of such series. No shareholder action was required in accordance with Section 607.0602.

1. The name of the corporation is Florida Power & Light Company.

2. The text of the amendment determining the terms of Series V of Florida Power & Light Company's Preferred Stock, $100 par value ("Preferred Stock"), is set forth below:

(a) The series of Preferred Stock established by this resolution is hereby designated "4 1/2% Preferred Stock, Series V."

(b) The 4 1/2% Preferred Stock, Series V, is hereby authorized to be issued in the amount of 200,000 shares.

(c) The dividend rate of the 4 1/2% Preferred Stock, Series V, shall be $4.50 per share per annum and no more, payable quarterly on March 1, June 1, September 1, and December 1, of each year, commencing on March 1, 2004, and dividends on the 200,000 shares of 4 1/2% Preferred Stock, Series V, shall commence to accrue from and after January 12, 2004, or such other date as the shares are actually issued.

(d) The Company, by a majority vote of its Board of Directors, may at any time, on and after the date of issuance of the shares of the 4 1/2% Preferred Stock, Series V, upon not less than 30 days' notice redeem all of the 4 1/2% Preferred Stock, Series V, or may from time to time, on and after the date of such issuance, redeem any part thereof by paying in cash a redemption price consisting of the sum of:

(i) $100.00 per share; and

(ii) an amount equivalent to the accrued and unpaid dividends, if any, to the date of redemption.

(e) The manner of effecting such redemption shall be that which is applicable to the Company's 4 1/2% Preferred Stock, Series A.

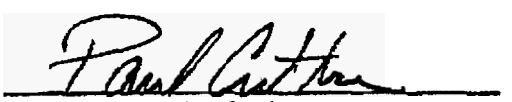
(f) The Company may deposit the aggregate redemption price (or the portion thereof not already paid) with any bank or trust company in the City of New York, New York or in the City of Miami, Florida or with Computershare Investor Services, LLC, Transfer Agent and Registrar for the 4 1/2% Preferred Stock, Series V (or any successor transfer agent) or an affiliate thereof.

(g) Except as above set forth, the 4 1/2% Preferred Stock, Series V, shall possess all of the characteristics of the Company's 4 1/2% Preferred Stock, Series A.

3. The above amendment was duly adopted by the Stock Issuance Committee of the Board of Directors of Florida Power & Light Company, pursuant to the due authorization of the Board of Directors, on December 11, 2003.

Dated: January 20, 2004

FLORIDA POWER & LIGHT COMPANY

By: 

Paul I. Cutler
Treasurer and Assistant Secretary

FLORIDA POWER & LIGHT COMPANY

REPORT OF CONSUMMATION

DOCKET NO. 031000-EI

EXHIBIT (a)-3

This instrument was prepared by:
Paul I. Cutler
Florida Power & Light Company
700 Universe Boulevard
Juno Beach, Florida 33408

EXECUTED IN 60 COUNTERPARTS OF WHICH THIS IS COUNTERPART NO. 5

FLORIDA POWER & LIGHT COMPANY

to

DEUTSCHE BANK TRUST COMPANY AMERICAS

(formerly known as Bankers Trust Company)

As Trustee under Florida Power & Light Company's Mortgage and Deed of Trust, Dated as of January 1, 1944.

One Hundred Fifth Supplemental Indenture

Relating to $240,000,000 Principal Amount of First Mortgage Bonds, 5.65% Series due February 1, 2035

Dated as of January 1, 2004

This Supplemental Indenture has been executed in several counterparts, all of which constitute but one and the same instrument. This Supplemental Indenture has been recorded in several counties and documentary stamp taxes as required by law in the amount of $840,000.00, and non-recurring intangible taxes as required by law in the amount of $60,977.00 were paid on the Supplemental Indenture recorded in the public records of Palm Beach County, Florida.

Note to Examiner: The new bonds ("New Bonds") being issued in connection with this Supplemental Indenture are secured by real property and personal property located both within Florida and outside of Florida. The aggregate fair market value of the collateral exceeds the aggregate principal amount of (y) the New Bonds plus (z) the other outstanding bonds secured by the mortgage supplemented hereby and all previous supplemental indentures thereto. The intangible tax has been computed pursuant to Section 199.133 (2), Florida Statutes, by (i) determining the percentage of the aggregate fair market value of the collateral constituting real property situated in Florida and by multiplying that percentage times the principal amount of the New Bonds (the result hereinafter defined as the "Tax Base") and (ii) multiplying the tax rate times the Tax Base.

ONE HUNDRED FIFTH SUPPLEMENTAL INDENTURE

INDENTURE, dated as of the first day of January, 2004, made and entered into by and between FLORIDA POWER & LIGHT COMPANY, a corporation of the State of Florida, whose post office address is 700 Universe Boulevard, Juno Beach, Florida 33408 (hereinafter sometimes called FPL), and DEUTSCHE BANK TRUST COMPANY AMERICAS (formerly known as Bankers Trust Company), a corporation of the State of New York, whose post office address is 60 Wall Street, 27th Floor, New York, New York 10005 (hereinafter called the Trustee), as the one hundred fifth supplemental indenture (hereinafter called the One Hundred Fifth Supplemental Indenture) to the Mortgage and Deed of Trust, dated as of January 1, 1944 (hereinafter called the Mortgage), made and entered into by FPL, the Trustee and The Florida National Bank of Jacksonville, as Co-Trustee (now resigned), the Trustee now acting as the sole trustee under the Mortgage, which Mortgage was executed and delivered by FPL to secure the payment of bonds issued or to be issued under and in accordance with the provisions thereof, reference to which Mortgage is hereby made, this One Hundred Fifth Supplemental Indenture being supplemental thereto;

WHEREAS, by an instrument, dated as of April 15, 2002, filed with the Banking Department of the State of New York, Bankers Trust Company effected a corporate name change pursuant to which, effective such date, it is known as Deutsche Bank Trust Company Americas;

WHEREAS, Section 8 of the Mortgage provides that the form of each series of bonds (other than the first series) issued thereunder shall be established by Resolution of the Board of Directors of FPL and that the form of such series, as established by said Board of Directors, shall specify the descriptive title of the bonds and various other terms thereof, and may also contain such provisions not inconsistent with the provisions of the Mortgage as the Board of Directors may, in its discretion, cause to be inserted therein expressing or referring to the terms and conditions upon which such bonds are to be issued and/or secured under the Mortgage; and

WHEREAS, Section 120 of the Mortgage provides, among other things, that any power, privilege or right expressly or impliedly reserved to or in any way conferred upon FPL by any provision of the Mortgage, whether such power, privilege or right is in any way restricted or is unrestricted, may be in whole or in part waived or surrendered or subjected to any restriction if at the time unrestricted or to additional restriction if already restricted, and FPL may enter into any further covenants, limitations or restrictions for the benefit of any one or more series of bonds issued thereunder, or FPL may cure any ambiguity contained therein, or in any supplemental indenture, or may establish the terms and provisions of any series of bonds other than said first series, by an instrument in writing executed and acknowledged by FPL in such manner as would be necessary to entitle a conveyance of real estate to be recorded in all of the states in which any property at the time subject to the Lien of the Mortgage shall be situated; and

WHEREAS, FPL now desires to create the series of bonds described in Article I hereof and to add to its covenants and agreements contained in the Mortgage certain other covenants and agreements to be observed by it and to alter and amend in certain respects the covenants and provisions contained in the Mortgage; and

WHEREAS, the execution and delivery by FPL of this One Hundred Fifth Supplemental Indenture, and the terms of the bonds, hereinafter referred to in Article I, have been duly authorized by the Board of Directors of FPL by appropriate resolutions of said Board of Directors;

NOW, THEREFORE, THIS INDENTURE WITNESSETH: That FPL, in consideration of the premises and of One Dollar to it duly paid by the Trustee at or before the ensealing and delivery of these presents, the receipt whereof is hereby acknowledged, and in further evidence of assurance of the estate, title and rights of the Trustee and in order further to secure the payment of both the principal of and interest and premium, if any, on the bonds from time to time issued under the Mortgage, according to their tenor and effect, and the performance of all the provisions of the Mortgage (including any instruments supplemental thereto and any modification made as in the Mortgage provided) and of said bonds, hereby grants, bargains, sells, releases, conveys, assigns, transfers, mortgages, pledges, sets over and confirms (subject, however, to Excepted Encumbrances as defined in Section 6 of the Mortgage) unto Deutsche Bank Trust Company Americas, as Trustee under the Mortgage, and to its successor or successors in said trust, and to said Trustee and its successors and assigns forever, all property, real, personal and mixed, acquired by FPL after the date of the execution and delivery of the Mortgage (except any herein or in the Mortgage, as heretofore supplemented, expressly excepted), now owned (except any properties heretofore released pursuant to any provisions of the Mortgage and in the process of being sold or disposed of by FPL) or, subject to the provisions of Section 87 of the Mortgage, hereafter acquired by FPL and wheresoever situated, including (without in anywise limiting or impairing by the enumeration of the same the scope and intent of the foregoing) all lands, power sites, flowage rights, water rights, water locations, water appropriations, ditches, flumes, reservoirs, reservoir sites, canals, raceways, dams, dam sites, aqueducts, and all rights or means for appropriating, conveying, storing and supplying water; all rights of way and roads; all plants for the generation of electricity by steam, water and/or other power; all power houses, gas plants, street lighting systems, standards and other equipment incidental thereto, telephone, radio and television systems, air-conditioning systems and equipment incidental thereto, water works, water systems, steam heat and hot water plants, substations, lines, service and supply systems, bridges, culverts, tracks, ice or refrigeration plants and equipment, offices, buildings and other structures and the equipment thereof; all machinery, engines, boilers, dynamos, electric, gas and other machines, regulators, meters, transformers, generators, motors, electrical, gas and mechanical appliances, conduits, cables, water, steam heat, gas or other pipes, gas mains and pipes, service pipes, fittings, valves and connections, pole and transmission lines, wires, cables, tools, implements, apparatus, furniture, chattels, and choses in action; all municipal and other franchises, consents or permits; all lines for the transmission and distribution of electric current, gas, steam heat or water for any purpose including towers, poles, wires, cables, pipes, conduits, ducts and all apparatus for use in connection therewith; all real estate, lands, easements, servitudes, licenses, permits, franchises, privileges, rights of way and other rights in or relating to real estate or the occupancy of the same and (except as herein or in the Mortgage, as heretofore supplemented, expressly excepted) all the right, title and interest of FPL in and to all other property of any kind or nature appertaining to and/or used and/or occupied and/or enjoyed in connection with any property hereinbefore or in the Mortgage, as heretofore supplemented, described.

TOGETHER WITH all and singular the tenements, hereditaments and appurtenances belonging or in anywise appertaining to the aforesaid property or any part thereof, with the reversion and reversions, remainder and remainders and (subject to the provisions of Section 57 of the Mortgage) the tolls, rents, revenues, issues, earnings, income, products and profits thereof, and all the estate, right, title and interest and claim whatsoever, at law as well as in equity, which FPL now has or may hereinafter acquire in and to the aforesaid property and franchises and every part and parcel thereof.

IT IS HEREBY AGREED by FPL that, subject to the provisions of Section 87 of the Mortgage, all the property, rights, and franchises acquired by FPL after the date hereof (except any herein or in the Mortgage, as heretofore supplemented, expressly excepted) shall be and are as fully granted and conveyed hereby and as fully embraced within the Lien of the Mortgage, as if such property, rights and franchises were now owned by FPL and were specifically described herein and conveyed hereby.

PROVIDED that the following are not and are not intended to be now or hereafter granted, bargained, sold, released, conveyed, assigned, transferred, mortgaged, pledged, set over or confirmed hereunder and are hereby expressly excepted from the Lien and operation of this One Hundred Fifth Supplemental Indenture and from the Lien and operation of the Mortgage, as heretofore supplemented, viz: (1) cash, shares of stock, bonds, notes and other obligations and other securities not hereafter specifically pledged, paid, deposited, delivered or held under the Mortgage or covenanted so to be; (2) merchandise, equipment, materials or supplies held for the purpose of sale in the usual course of business and fuel (including Nuclear Fuel unless expressly subjected to the Lien and operation of the Mortgage by FPL in a future Supplemental Indenture), oil and similar materials and supplies consumable in the operation of any properties of FPL; rolling stock, buses, motor coaches, automobiles and other vehicles; (3) bills, notes and accounts receivable, and all contracts, leases and operating agreements not specifically pledged under the Mortgage or covenanted so to be; (4) the last day of the term of any lease or leasehold which may hereafter become subject to the Lien of the Mortgage; (5) electric energy, gas, ice, and other materials or products generated, manufactured, produced or purchased by FPL for sale, distribution or use in the ordinary course of its business; all timber, minerals, mineral rights and royalties; (6) FPL's franchise to be a corporation; and (7) the properties already sold or in the process of being sold by FPL and heretofore released from the Mortgage and Deed of Trust, dated as of January 1, 1926, from Florida Power & Light Company to Bankers Trust Company and The Florida National Bank of Jacksonville, trustees, and specifically described in three separate releases executed by Bankers Trust Company and The Florida National Bank of Jacksonville, dated July 28, 1943, October 6, 1943 and December 11, 1943, which releases have heretofore been delivered by the said trustees to FPL and recorded by FPL among the Public Records of all Counties in which such properties are located; provided, however, that the property and rights expressly excepted from the Lien and operation of the Mortgage in the above subdivisions (2) and (3) shall (to the extent permitted by law) cease to be so excepted in the event and as of the date that the Trustee or a receiver or trustee shall enter upon and take possession of the Mortgaged and Pledged Property in the manner provided in Article XIII of the Mortgage by reason of the occurrence of a Default as defined in Section 65 thereof.

TO HAVE AND TO HOLD all such properties, real, personal and mixed, granted, bargained, sold, released, conveyed, assigned, transferred, mortgaged, pledged, set over or confirmed by

FPL as aforesaid, or intended so to be, unto Deutsche Bank Trust Company Americas, the Trustee, and its successors and assigns forever.

IN TRUST NEVERTHELESS, for the same purposes and upon the same terms, trusts and conditions and subject to and with the same provisos and covenants as are set forth in the Mortgage, as heretofore supplemented, this One Hundred Fifth Supplemental Indenture being supplemental thereto.

AND IT IS HEREBY COVENANTED by FPL that all terms, conditions, provisos, covenants and provisions contained in the Mortgage shall affect and apply to the property hereinbefore described and conveyed and to the estate, rights, obligations and duties of FPL and the Trustee and the beneficiaries of the trust with respect to said property, and to the Trustee and its successors as Trustee of said property in the same manner and with the same effect as if said property had been owned by FPL at the time of the execution of the Mortgage, and had been specifically and at length described in and conveyed to said Trustee, by the Mortgage as a part of the property therein stated to be conveyed.

FPL further covenants and agrees to and with the Trustee and its successors in said trust under the Mortgage, as follows:

ARTICLE I
One Hundred Third Series of Bonds

Section 1. (I) There shall be a series of bonds designated "5.65% Series due February 1, 2035", herein sometimes referred to as the "One Hundred Third Series", each of which shall also bear the descriptive title First Mortgage Bond, and the form thereof, which shall be established by Resolution of the Board of Directors of FPL, shall contain suitable provisions with respect to the matters hereinafter in this Section specified. Bonds of the One Hundred Third Series shall mature on February 1, 2035 and shall be issued as fully registered bonds in denominations of One Thousand Dollars and, at the option of FPL, in any multiple or multiples of One Thousand Dollars (the exercise of such option to be evidenced by the execution and delivery thereof); they shall bear interest at the rate of 5.65% per annum, payable semi-annually on February 1 and August 1 of each year (each an "Interest Payment Date") commencing on August 1, 2004; the principal of and interest on each said bond to be payable at the office or agency of FPL in the Borough of Manhattan, The City of New York, in such coin or currency of the United States of America as at the time of payment is legal tender for public and private debts. Bonds of the One Hundred Third Series shall be dated as in Section 10 of the Mortgage provided. The record date for payments of interest on any Interest Payment Date shall be the close of business on (1) the business day immediately preceding such Interest Payment Date so long as the bonds of the One Hundred Third Series are in book-entry only form, registered in the name of The Depository Trust Company or any other successor depositary or a nominee thereof or (2) the 15th calendar day immediately preceding each Interest Payment Date if the bonds of the One Hundred Third Series are not in book-entry only form, registered in the name of The Depository Trust Company or any other successor depositary or a nominee thereof. Interest on the bonds of the One Hundred Third Series will accrue from and including January 29, 2004 to but excluding August 1, 2004 and, thereafter, from and including the last Interest Payment Date to which interest has been paid or duly provided for (and if no interest has been paid on the bonds of the One Hundred

Third Series, from January 29, 2004 to, but excluding, the next succeeding Interest Payment Date. No interest will accrue on a bond of the One Hundred Third Series for the day on which such bond matures. The amount of interest payable for any period will be computed on the basis of a 360-day year consisting of twelve 30-day months. The amount of interest payable for any period shorter than a full semi-annual period for which interest is computed will be computed on the basis of the number of days in the period using 30-day calendar months.

(II) Bonds of the One Hundred Third Series shall be redeemable either at the option of FPL or pursuant to the requirements of the Mortgage (including, among other requirements, the application of cash delivered to or deposited with the Trustee pursuant to the provisions of Section 64 of the Mortgage or with proceeds of Released Property) in whole at any time, or in part from time to time, prior to maturity, upon notice, as provided in Section 52 of the Mortgage, mailed at least thirty (30) days prior to the date fixed for redemption (the "Redemption Date"), at a price (the "Redemption Price") equal to 100% of the principal amount thereof plus accrued and unpaid interest, if any, to the Redemption Date plus a premium, if any (the "Make-Whole Premium"). In no event will the Redemption Price be less than 100% of the principal amount of the bonds of the One Hundred Third Series being redeemed plus accrued and unpaid interest to the Redemption Date.

The amount of the Make-Whole Premium with respect to any bond of the One Hundred Third Series (or portion thereof) to be redeemed will be equal to the excess, if any, of:

(1) the sum of the present values, calculated as of the Redemption Date, of:

a. each interest payment that, but for such redemption, would have been payable on the bond of the One Hundred Third Series (or portion thereof) being redeemed on each Interest Payment Date occurring after the Redemption Date (excluding any accrued interest for the period prior to the Redemption Date); and

b. the principal amount that, but for such redemption, would have been payable at the final maturity of the bond of the One Hundred Third Series (or portion thereof) being redeemed; over

(2) the principal amount of the bond of the One Hundred Third Series (or portion thereof) being redeemed.

The present values of interest and principal payments referred to in clause (1) above will be determined in accordance with generally accepted principles of financial analysis. Such present values will be calculated by discounting the amount of each payment of interest or principal from the date that each such payment would have been payable, but for the redemption, to the Redemption Date at a discount rate equal to the Treasury Yield (as defined below) plus 15 basis points.

The Make-Whole Premium will be calculated by an independent investment banking institution of national standing appointed by FPL; *provided* that if FPL fails to make such appointment at least 30 days prior to the Redemption Date, or if the institution so appointed is unwilling or unable to make such calculation, such calculation will be made by Banc of America

Securities LLC or J.P. Morgan Securities Inc. or, if such firms are unwilling or unable to make such calculation, by an independent investment banking institution of national standing appointed by the Trustee at the expense of FPL (in any such case, an "Independent Investment Banker").

For purposes of determining the Make-Whole Premium, "Treasury Yield" means a rate of interest per annum equal to the weekly average yield to maturity of United States Treasury Notes that have a constant maturity that corresponds to the remaining term to maturity of the bonds of the One Hundred Third Series to be redeemed, calculated to the nearest 1/12th of a year (the "Remaining Term"). The Treasury Yield will be determined as of the third business day immediately preceding the applicable Redemption Date.

The weekly average yields of United States Treasury Notes will be determined by reference to the most recent statistical release published by the Federal Reserve Bank of New York and designated "H.15(519) Selected Interest Rates" or any successor release (the "H.15 Statistical Release"). If the H.15 Statistical Release sets forth a weekly average yield for the United States Treasury Notes having a constant maturity that is the same as the Remaining Term, then the Treasury Yield will be equal to such weekly average yield. In all other cases, the Treasury Yield will be calculated by interpolation, on a straight-line basis, between the weekly average yields on the United States Treasury Notes that have a constant maturity closest to and greater than the Remaining Term and the United States Treasury Notes that have a constant maturity closest to and less than the Remaining Term (in each case as set forth in the H.15 Statistical Release). Any weekly average yields so calculated by interpolation will be rounded to the nearest 1/100th of 1%, with any figure of 1/200th of 1% or above being rounded upward. If weekly average yields for United States Treasury Notes are not available in the H.15 Statistical Release or otherwise, then the Treasury Yield will be calculated by interpolation of comparable rates selected by the Independent Investment Banker.

(III) At the option of the registered owner, any bonds of the One Hundred Third Series, upon surrender thereof for exchange at the office or agency of FPL in the Borough of Manhattan, The City of New York, together with a written instrument of transfer wherever required by FPL, duly executed by the registered owner or by his duly authorized attorney, shall (subject to the provisions of Section 12 of the Mortgage) be exchangeable for a like aggregate principal amount of bonds of the same series of other authorized denominations.

Bonds of the One Hundred Third Series shall be transferable (subject to the provisions of Section 12 of the Mortgage) at the office or agency of FPL in the Borough of Manhattan, The City of New York.

Upon any exchange or transfer of bonds of the One Hundred Third Series, FPL may make a charge therefor sufficient to reimburse it for any tax or taxes or other governmental charge, as provided in Section 12 of the Mortgage, but FPL hereby waives any right to make a charge in addition thereto for any exchange or transfer of bonds of the One Hundred Third Series.

ARTICLE II
Dividend Covenant

Section 2. Section 3 of the Third Supplemental Indenture, as heretofore amended, is hereby further amended by inserting the words "or One Hundred Third Series" immediately before the words "remain Outstanding".

ARTICLE III
Miscellaneous Provisions

Section 3. Subject to the amendments provided for in this One Hundred Fifth Supplemental Indenture, the terms defined in the Mortgage, as heretofore supplemented, shall, for all purposes of this One Hundred Fifth Supplemental Indenture, have the meanings specified in the Mortgage, as heretofore supplemented.

Section 4. The holders of bonds of the One Hundred Third Series consent that FPL may, but shall not be obligated to, fix a record date for the purpose of determining the holders of bonds of the One Hundred Third Series entitled to consent to any amendment, supplement or waiver. If a record date is fixed, those persons who were holders at such record date (or their duly designated proxies), and only those persons, shall be entitled to consent to such amendment, supplement or waiver or to revoke any consent previously given, whether or not such persons continue to be holders after such record date. No such consent shall be valid or effective for more than 90 days after such record date.

Section 5. The Trustee hereby accepts the trust herein declared, provided, created or supplemented and agrees to perform the same upon the terms and conditions herein and in the Mortgage, as heretofore supplemented, set forth and upon the following terms and conditions:

The Trustee shall not be responsible in any manner whatsoever for or in respect of the validity or sufficiency of this One Hundred Fifth Supplemental Indenture or for or in respect of the recitals contained herein, all of which recitals are made by FPL solely. In general, each and every term and condition contained in Article XVII of the Mortgage, as heretofore amended, shall apply to and form part of this One Hundred Fifth Supplemental Indenture with the same force and effect as if the same were herein set forth in full with such omissions, variations and insertions, if any, as may be appropriate to make the same conform to the provisions of this One Hundred Fifth Supplemental Indenture.

Section 6. Whenever in this One Hundred Fifth Supplemental Indenture either of the parties hereto is named or referred to, this shall, subject to the provisions of Articles XVI and XVII of the Mortgage, as heretofore amended, be deemed to include the successors and assigns of such party, and all the covenants and agreements in this One Hundred Fifth Supplemental Indenture contained by or on behalf of FPL, or by or on behalf of the Trustee, or either of them, shall, subject as aforesaid, bind and inure to the respective benefits of the respective successors and assigns of such parties, whether so expressed or not.

Section 7. Nothing in this One Hundred Fifth Supplemental Indenture, expressed or implied, is intended, or shall be construed, to confer upon, or to give to, any person, firm or corporation, other than the parties hereto and the holders of the bonds and coupons Outstanding

under the Mortgage, any right, remedy or claim under or by reason of this One Hundred Fifth Supplemental Indenture or any covenant, condition, stipulation, promise or agreement hereof, and all the covenants, conditions, stipulations, promises and agreements in this One Hundred Fifth Supplemental Indenture contained by or on behalf of FPL shall be for the sole and exclusive benefit of the parties hereto, and of the holders of the bonds and coupons Outstanding under the Mortgage.

Section 8. The Mortgage, as heretofore supplemented and amended and as supplemented hereby, is intended by the parties hereto, as to properties now or hereafter encumbered thereby and located within the State of Georgia, to operate and is to be construed as granting a lien only on such properties and not as a deed passing title thereto.

Section 9. This One Hundred Fifth Supplemental Indenture shall be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, FPL has caused its corporate name to be hereunto affixed, and this instrument to be signed and sealed by its President or one of its Vice Presidents, and its corporate seal to be attested by its Secretary or one of its Assistant Secretaries for and in its behalf, and DEUTSCHE BANK TRUST COMPANY AMERICAS has caused its corporate name to be hereunto affixed, and this instrument to be signed and sealed by one of its Vice Presidents or Assistant Vice Presidents, and its corporate seal to be attested by one of its Assistant Vice Presidents, one of its Assistant Secretaries or one of its Associates, all as of the day and year first above written.

FLORIDA POWER & LIGHT COMPANY

By: _____
K. Michael Davis
Vice President, Accounting, Controller
and Chief Accounting Officer
9250 West Flagler Street
Miami, FL 33102

Attest:

_____
Paul I. Cutler
Treasurer and Assistant Secretary
700 Universe Boulevard
Juno Beach, FL 33408

Executed, sealed and delivered by
FLORIDA POWER & LIGHT COMPANY
in the presence of:

_____

_____

DEUTSCHE BANK TRUST COMPANY AMERICAS
As Trustee

By: Wanda Camacho

Wanda Camacho
Vice President
60 Wall Street, 27th Floor
New York, NY 10005

Attest:

Irina Golovashchuk
Associate
60 Wall Street, 27th Floor
New York, NY 10005

Executed, sealed and delivered by
DEUTSCHE BANK TRUST COMPANY AMERICAS
in the presence of:

Jennifer Davis

David J Rosen

STATE OF FLORIDA
COUNTY OF PALM BEACH } SS:

On the 26th day of January, in the year 2004, before me personally came K. Michael Davis, to me known, who, being by me duly sworn, did depose and say that he resides at 1101 N.W. 115th Ave., Plantation, FL 33323; that he is the Vice President, Accounting, Controller and Chief Accounting Officer of FLORIDA POWER & LIGHT COMPANY, one of the corporations described in and which executed the above instrument; that he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said corporation, and that he signed his name thereto by like order.

I HEREBY CERTIFY, that on this 26th day of January, 2004, before me personally appeared K. Michael Davis and Paul I. Cutler, respectively, the Vice President, Accounting, Controller and Chief Accounting Officer and the Treasurer and Assistant Secretary of FLORIDA POWER & LIGHT COMPANY, a corporation under the laws of the State of Florida, to me known to be the persons described in and who executed the foregoing instrument and severally acknowledged the execution thereof to be their free act and deed as such officers, for the uses and purposes therein mentioned; and that they affixed thereto the official seal of said corporation, and that said instrument is the act and deed of said corporation.

K. Michael Davis and Paul I. Cutler produced Florida Driver's License No. D120-513-46-467-0 and Florida Driver's License No. C346-689-59-470 as identification, respectively.

WITNESS my signature and official seal at Juno Beach, in the County of Palm Beach, and State of Florida, the day and year last aforesaid.

LISA BREEZE-FOX
Commission # DD0116785
Expires 5/19/2006
Bonded through
(800-432-4254) Florida Notary Assn., Inc.

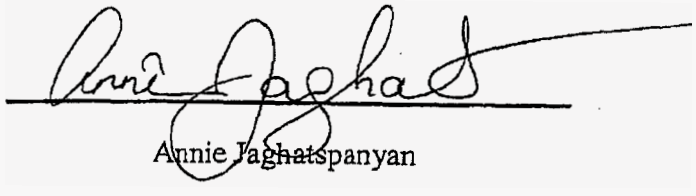
STATE OF NEW YORK
COUNTY OF NEW YORK SS:

On the 26th day of January, in the year 2004, before me personally came Wanda Camacho, to me known, who, being by me duly sworn, did depose and say that she resides at 86 Sheldon Avenue, Tarrytown, NY 10591; that she is a Vice President of DEUTSCHE BANK TRUST COMPANY AMERICAS, one of the corporations described in and which executed the above instrument; that she knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said corporation, and that she signed her name thereto by like order.

I HEREBY CERTIFY, that on this 26th day of January, 2004, before me personally appeared Wanda Camacho and Irina Golovashchuk, respectively, a Vice President and an Associate of DEUTSCHE BANK TRUST COMPANY AMERICAS, a corporation under the laws of the state of New York, to me known to be the persons described in and who executed the foregoing instrument and severally acknowledged the execution thereof to be their free act and deed as such officers, for the uses and purposes therein mentioned; and that they affixed thereto the official seal of said corporation, and that said instrument is the act and deed of said corporation.

Wanda Camacho and Irina Golovashchuk produced New York Driver's License No. 645 045 185 and New Jersey Driver's License No. G6294 36600 54724 as identification, respectively

WITNESS my signature and official seal at New York, in the County of New York, and State of New York, the day and year last aforesaid.



Annie Jaghatspanyan

Notary Public, State of New York

No. 01J6062022

Qualified in New York County

Commission Expires July 30, 2005

FLORIDA POWER & LIGHT COMPANY

REPORT OF CONSUMMATION

DOCKET NO. 031000-EI

EXHIBIT (a)-4

This instrument was prepared by:
Paul I. Cutler

EXECUTED IN 5 COUNTERPARTS OF WHICH THIS IS COUNTERPART NO. 3

FLORIDA POWER & LIGHT COMPANY

to

DEUTSCHE BANK TRUST COMPANY AMERICAS

(formerly known as Bankers Trust Company)

As Trustee under Florida Power & Light Company's Mortgage and Deed of Trust, Dated as of January 1, 1944.

One Hundred Sixth Supplemental Indenture and Mortgage

Relating to the Purchase of Interest in Property in New Hampshire

Dated as of September 1, 2004

This Supplemental Indenture and Mortgage has been executed in several counterparts, all of which constitute but one and the same instrument.

ONE HUNDRED SIXTH SUPPLEMENTAL INDENTURE AND MORTGAGE

INDENTURE AND MORTGAGE, dated as of the 1st day of September, 2004, made and entered into by and between FLORIDA POWER & LIGHT COMPANY, a corporation of the State of Florida, whose post office address is 700 Universe Boulevard, Juno Beach, Florida 33408 (hereinafter sometimes called FPL), and DEUTSCHE BANK TRUST COMPANY AMERICAS (formerly known as Bankers Trust Company), a corporation of the State of New York, whose post office address is 60 Wall Street, 27th Floor, New York, New York 10005 (hereinafter called the Trustee), as the one hundred sixth supplemental indenture and mortgage (hereinafter called the One Hundred Sixth Supplemental Indenture and Mortgage) to the Mortgage and Deed of Trust, dated as of January 1, 1944 (hereinafter called the Mortgage), made and entered into by FPL, the Trustee and The Florida National Bank of Jacksonville, as Co-Trustee (now resigned), the Trustee now acting as the sole trustee under the Mortgage, which Mortgage was executed and delivered by FPL to secure the payment of bonds issued or to be issued under and in accordance with the provisions thereof, reference to which Mortgage is hereby made, this One Hundred Sixth Supplemental Indenture and Mortgage being supplemental thereto;

WHEREAS, by an instrument, dated as of April 15, 2002, filed with the Banking Department of the State of New York, Bankers Trust Company effected a corporate name change pursuant to which, effective such date, it is known as Deutsche Bank Trust Company Americas; and

WHEREAS, Section 120 of the Mortgage provides, among other things, that any power, privilege or right expressly or impliedly reserved to or in any way conferred upon FPL by any provision of the Mortgage, whether such power, privilege or right is in any way restricted or is unrestricted, may be in whole or in part waived or surrendered or subjected to any restriction if at the time unrestricted or to additional restriction if already restricted, and FPL may enter into any further covenants, limitations or restrictions for the benefit of any one or more series of bonds issued thereunder, or FPL may cure any ambiguity contained therein, or in any supplemental indenture, or may establish the terms and provisions of any series of bonds other than said first series, by an instrument in writing executed and acknowledged by FPL in such manner as would be necessary to entitle a conveyance of real estate to be recorded in all of the states in which any property at the time subject to the Lien of the Mortgage shall be situated; and

WHEREAS, FPL has acquired certain interests in real property, fixtures and personal property within, associated with or otherwise related to the Seabrook 345 kv Substation located at Seabrook, New Hampshire as hereinafter more particularly described (the "Seabrook Substation Property"); and

WHEREAS, the execution and delivery by FPL of this One Hundred Sixth Supplemental Indenture and Mortgage has been duly authorized by the Board of Directors of FPL by appropriate resolutions of said Board of Directors;

NOW, THEREFORE, THIS INDENTURE AND MORTGAGE WITNESSETH: That FPL, in consideration of the premises and of One Dollar to it duly paid by the Trustee at or before the ensealing and delivery of these presents, the receipt whereof is hereby acknowledged, and in further evidence of assurance of the estate, title and rights of the Trustee and in order further to secure the payment of both the principal of and interest and premium, if any, on the bonds from time to time issued under the Mortgage, according to their tenor and effect, and the performance of all the provisions of the Mortgage (including any instruments supplemental thereto and any modification made as in the Mortgage provided) and of said bonds, hereby grants, bargains, sells, releases, conveys, assigns, transfers, mortgages, pledges, sets over and confirms (subject, however, to Excepted Encumbrances as defined in Section 6 of the Mortgage) unto Deutsche Bank Trust Company Americas, as Trustee under the Mortgage, and to its successor or successors in said trust, and to said Trustee and its successors and assigns forever, all of the properties described in Schedule "NH1" attached hereto and hereby made a part hereof; all property, real, personal and mixed, acquired by FPL after the date of the execution and delivery of the Mortgage (except any herein or in the Mortgage, as heretofore supplemented, expressly excepted), now owned (except any properties heretofore released pursuant to any provisions of the Mortgage and in the process of being sold or disposed of by FPL) or, subject to the provisions of Section 87 of the Mortgage, hereafter acquired by FPL and wheresoever situated, including (without in anywise limiting or impairing by the enumeration of the same the scope and intent of the foregoing) all lands, power sites, flowage rights, water rights, water locations, water appropriations, ditches, flumes, reservoirs, reservoir sites, canals, raceways, dams, dam sites, aqueducts, and all rights or means for appropriating, conveying, storing and supplying water; all rights of way and roads; all plants for the generation of electricity by steam, water and/or other power; all power houses, gas plants, street lighting systems, standards and other equipment incidental thereto, telephone, radio and television systems, air conditioning systems and equipment incidental thereto, water works, water systems, steam heat and hot water plants, substations, lines, service and supply systems, bridges, culverts, tracks, ice or refrigeration plants and equipment, offices, buildings and other structures and the equipment thereof; all machinery, engines, boilers, dynamos, electric, gas and other machines, regulators, meters, transformers, generators, motors, electrical, gas and mechanical appliances, conduits, cables, water, steam heat, gas or other pipes, gas mains and pipes, service pipes, fittings, valves and connections, pole and transmission lines, wires, cables, tools, implements, apparatus, furniture, chattels, and choses in action; all municipal and other franchises, consents or permits; all lines for the transmission and distribution of electric current, gas, steam heat or water for any purpose including towers, poles, wires, cables, pipes, conduits, ducts and all apparatus for use in connection therewith; all real estate, lands, easements, servitudes, licenses, permits, franchises, privileges, rights of way and other rights in or relating to real estate or the occupancy of the same and (except as herein or in the Mortgage, as heretofore supplemented, expressly excepted) all the right, title and interest of FPL in and to all other property of any kind or nature appertaining to and/or used and/or occupied and/or enjoyed in connection with any property hereinbefore or in the Mortgage, as heretofore supplemented, described.

TOGETHER WITH all and singular the tenements, hereditaments and appurtenances belonging or in anywise appertaining to the aforesaid property or any part thereof, with the

reversion and reversions, remainder and remainders and (subject to the provisions of Section 57 of the Mortgage) the tolls, rents, revenues, issues, earnings, income, products and profits thereof, and all the estate, right, title and interest and claim whatsoever, at law as well as in equity, which FPL now has or may hereinafter acquire in and to the aforesaid property and franchises and every part and parcel thereof.

IT IS HEREBY AGREED by FPL that, subject to the provisions of Section 87 of the Mortgage, all the property, rights, and franchises acquired by FPL after the date hereof (except any herein or in the Mortgage, as heretofore supplemented, expressly excepted) shall be and are as fully granted and conveyed hereby and as fully embraced within the Lien of the Mortgage, as if such property, rights and franchises were now owned by FPL and were specifically described herein and conveyed hereby.

PROVIDED that the following are not and are not intended to be now or hereafter granted, bargained, sold, released, conveyed, assigned, transferred, mortgaged, pledged, set over or confirmed hereunder and are hereby expressly excepted from the Lien and operation of this One Hundred Sixth Supplemental Indenture and Mortgage and from the Lien and operation of the Mortgage, as heretofore supplemented, viz: (1) cash, shares of stock, bonds, notes and other obligations and other securities not hereafter specifically pledged, paid, deposited, delivered or held under the Mortgage or covenanted so to be; (2) merchandise, equipment, materials or supplies held for the purpose of sale in the usual course of business and fuel (including Nuclear Fuel unless expressly subjected to the Lien and operation of the Mortgage by FPL in a future Supplemental Indenture), oil and similar materials and supplies consumable in the operation of any properties of FPL; rolling stock, buses, motor coaches, automobiles and other vehicles; (3) bills, notes and accounts receivable, and all contracts, leases and operating agreements not specifically pledged under the Mortgage or covenanted so to be; (4) the last day of the term of any lease or leasehold which may hereafter become subject to the Lien of the Mortgage; (5) electric energy, gas, ice, and other materials or products generated, manufactured, produced or purchased by FPL for sale, distribution or use in the ordinary course of its business; all timber, minerals, mineral rights and royalties; (6) FPL's franchise to be a corporation; and (7) the properties already sold or in the process of being sold by FPL and heretofore released from the Mortgage and Deed of Trust, dated as of January 1, 1926, from Florida Power & Light Company to Bankers Trust Company and The Florida National Bank of Jacksonville, trustees, and specifically described in three separate releases executed by Bankers Trust Company and The Florida National Bank of Jacksonville, dated July 28, 1943, October 6, 1943 and December 11, 1943, which releases have heretofore been delivered by the said trustees to FPL and recorded by FPL among the Public Records of all Counties in which such properties are located; provided, however, that the property and rights expressly excepted from the Lien and operation of the Mortgage in the above subdivisions (2) and (3) shall (to the extent permitted by law) cease to be so excepted in the event and as of the date that the Trustee or a receiver or trustee shall enter upon and take possession of the Mortgaged and Pledged Property in the manner provided in Article XIII of the Mortgage by reason of the occurrence of a Default as defined in Section 65 thereof.

TO HAVE AND TO HOLD all such properties, real, personal and mixed, granted, bargained, sold, released, conveyed, assigned, transferred, mortgaged, pledged, set over or

confirmed by FPL as aforesaid, or intended so to be, unto Deutsche Bank Trust Company Americas, the Trustee, and its successors and assigns forever.

IN TRUST NEVERTHELESS, for the same purposes and upon the same terms, trusts and conditions and subject to and with the same provisos and covenants as are set forth in the Mortgage, as heretofore supplemented, this One Hundred Sixth Supplemental Indenture and Mortgage being supplemental thereto.

AND IT IS HEREBY COVENANTED by FPL that all terms, conditions, provisos, covenants and provisions contained in the Mortgage shall affect and apply to the property hereinbefore described and conveyed and to the estate, rights, obligations and duties of FPL and the Trustee and the beneficiaries of the trust with respect to said property, and to the Trustee and its successors as Trustee of said property in the same manner and with the same effect as if said property had been owned by FPL at the time of the execution of the Mortgage, and had been specifically and at length described in and conveyed to said Trustee, by the Mortgage as a part of the property therein stated to be conveyed.

FPL further covenants and agrees to and with the Trustee and its successors in said trust under the Mortgage, as follows:

ARTICLE I

Mortgage Conditions

SECTION 1. The mortgage granted herein in the Seabrook Substation Property is upon the statutory conditions as defined in New Hampshire RSA §477:29, and upon the further condition that all covenants and agreements of FPL contained herein and in the Mortgage (as hereinbefore defined) shall be kept and fully performed, for any breach of which the Trustee shall have the statutory power of sale as defined in New Hampshire RSA §477:29.

ARTICLE II

Maximum Indebtedness

SECTION 2. The aggregate principal amount of bonds which may be secured by the lien of the Mortgage upon the Seabrook Substation Property located in New Hampshire shall be unlimited.

ARTICLE III

Miscellaneous Provisions

SECTION 3. Subject to the amendments provided for in this One Hundred Sixth Supplemental Indenture, the terms defined in the Mortgage, as heretofore supplemented, shall, for all purposes of this One Hundred Sixth Supplemental Indenture, have the meanings specified in the Mortgage, as heretofore supplemented.

SECTION 4. The Trustee hereby accepts the trust herein declared, provided, created or supplemented and agrees to perform the same upon the terms and conditions herein and in the Mortgage, as heretofore supplemented, set forth and upon the following terms and conditions:

The Trustee shall not be responsible in any manner whatsoever for or in respect of the validity or sufficiency of this One Hundred Sixth Supplemental Indenture and Mortgage or for or in respect of the recitals contained herein, all of which recitals are made by FPL solely. In general, each and every term and condition contained in Article XVII of the Mortgage, as heretofore amended, shall apply to and form part of this One Hundred Sixth Supplemental Indenture and Mortgage with the same force and effect as if the same were herein set forth in full with such omissions, variations and insertions, if any, as may be appropriate to make the same conform to the provisions of this One Hundred Sixth Supplemental Indenture and Mortgage.

SECTION 5. Whenever in this One Hundred Sixth Supplemental Indenture and Mortgage either of the parties hereto is named or referred to, this shall, subject to the provisions of Articles XVI and XVII of the Mortgage, as heretofore amended, be deemed to include the successors and assigns of such party, and all the covenants and agreements in this One Hundred Sixth Supplemental Indenture and Mortgage contained by or on behalf of FPL, or by or on behalf of the Trustee, or either of them, shall, subject as aforesaid, bind and inure to the respective benefits of the respective successors and assigns of such parties, whether so expressed or not.

SECTION 6. Nothing in this One Hundred Sixth Supplemental Indenture, expressed or implied, is intended, or shall be construed, to confer upon, or to give to, any person, firm or corporation, other than the parties hereto and the holders of the bonds and coupons Outstanding under the Mortgage, any right, remedy or claim under or by reason of this One Hundred Sixth Supplemental Indenture and Mortgage or any covenant, condition, stipulation, promise or agreement hereof, and all the covenants, conditions, stipulations, promises and agreements in this One Hundred Sixth Supplemental Indenture and Mortgage contained by or on behalf of FPL shall be for the sole and exclusive benefit of the parties hereto, and of the holders of the bonds and coupons Outstanding under the Mortgage.

SECTION 7. The Mortgage, as heretofore supplemented and amended and as supplemented hereby, is intended by the parties hereto, as to properties now or hereafter encumbered thereby and located within the State of Florida, Georgia and New Hampshire, to operate and is to be construed as granting a lien only on such properties and not as a deed passing title thereto.

SECTION 8. This One Hundred Sixth Supplemental Indenture and Mortgage shall be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, FPL has caused its corporate name to be hereunto affixed, and this instrument to be signed and sealed by its President or one of its Vice Presidents, and its corporate seal to be attested by its Secretary or one of its Assistant Secretaries for and in its behalf, and DEUTSCHE BANK TRUST COMPANY AMERICAS has caused its corporate name to be hereunto affixed, and this instrument to be signed and sealed by one of its Vice Presidents or Assistant Vice Presidents, and its corporate seal to be attested by one of its Assistant Vice Presidents, one of its Assistant Secretaries or one of its Associates, all as of the day and year first above written.

FLORIDA POWER & LIGHT COMPANY

By: _____
K. Michael Davis
Vice President, Accounting, Controller
and Chief Accounting Officer
9250 West Flagler Street
Miami, FL 33102

Attest:

_____
Paul I. Cutler
Treasurer and Assistant Secretary
700 Universe Boulevard
Juno Beach, FL 33408

Executed, sealed and delivered by
FLORIDA POWER & LIGHT COMPANY
in the presence of:

_____

_____

DEUTSCHE BANK TRUST COMPANY AMERICAS
As Trustee

By: Wanda Camacho

Wanda Camacho
Vice President
60 Wall Street, 27th Floor
New York, NY 10005

Attest:

Irina Golovashchuk
Associate
60 Wall Street, 27th Floor
New York, NY 10005

Executed, sealed and delivered by
DEUTSCHE BANK TRUST COMPANY AMERICAS
in the presence of:

David J Rocco

STATE OF FLORIDA
COUNTY OF MIAMI-DADE } SS:

On the 10th day of September, in the year 2004, before me personally came K. Michael Davis, to me known, who, being by me duly sworn, did depose and say that he resides at 1101 N.W. 115th Ave., Plantation, FL 33323; that he is the Vice President, Accounting, Controller and Chief Accounting Officer of FLORIDA POWER & LIGHT COMPANY, one of the corporations described in and which executed the above instrument; that he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said corporation, and that he signed his name thereto by like order.

I HEREBY CERTIFY, that on this 10th day of September, 2004, before me personally appeared K. Michael Davis, Vice President, Accounting, Controller and Chief Accounting Officer of FLORIDA POWER & LIGHT COMPANY, a corporation under the laws of the State of Florida, to me known to be the person described in and who executed the foregoing instrument and acknowledged the execution thereof to be his free act and deed as such officer, for the uses and purposes therein mentioned; and that he affixed thereto the official seal of said corporation, and that said instrument is the act and deed of said corporation.

K. Michael Davis produced Florida Driver's License No. D120-513-46-467-0 as identification.

WITNESS my signature and official seal at Miami-Dade County in the State of Florida, the day and year last aforesaid.

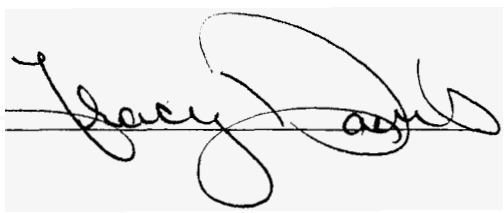
Petra Nunez
Commission #DD231919
Expires: Aug 30, 2007
Bonded Thru
Atlantic Bonding Co., Inc.

STATE OF FLORIDA
COUNTY OF PALM BEACH } :SS:

I HEREBY CERTIFY, that on this 13th day of September, 2004, before me personally appeared Paul I. Cutler, Treasurer and Assistant Secretary of FLORIDA POWER & LIGHT COMPANY, a corporation under the laws of the State of Florida, to me known to be the person described in and who executed the foregoing instrument and acknowledged the execution thereof to be his free act and deed as such officer, for the uses and purposes therein mentioned; and that he affixed thereto the official seal of said corporation, and that said instrument is the act and deed of said corporation.

Paul I. Cutler produced Florida Driver's License No. D120-513-46-467-0 as identification.

WITNESS my signature and official seal at Juno Beach, in the County of Palm Beach, and State of Florida, the day and year last aforesaid.





STATE OF NEW YORK
COUNTY OF NEW YORK } SS:

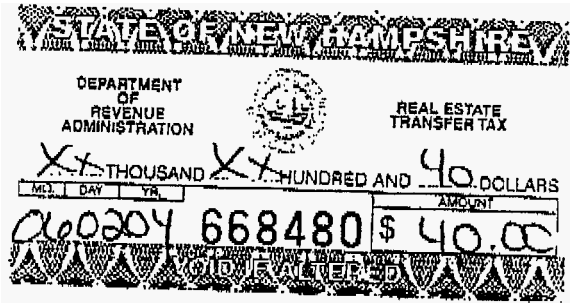
On the 10th day of September, in the year 2004, before me personally came Wanda Camacho, to me known, who, being by me duly sworn, did depose and say that she resides at 86 Sheldon Avenue, Tarrytown, NY 10591; that she is a Vice President of DEUTSCHE BANK TRUST COMPANY AMERICAS, one of the corporations described in and which executed the above instrument; that she knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said corporation, and that she signed her name thereto by like order.

I HEREBY CERTIFY, that on this 10th day of September, 2004, before me personally appeared Wanda Camacho and Irina Golovashchuk, respectively, a Vice President and an Associate of DEUTSCHE BANK TRUST COMPANY AMERICAS, a corporation under the laws of the state of New York, to me known to be the persons described in and who executed the foregoing instrument and severally acknowledged the execution thereof to be their free act and deed as such officers, for the uses and purposes therein mentioned; and that they affixed thereto the official seal of said corporation, and that said instrument is the act and deed of said corporation.

Wanda Camacho and Irina Golovashchuk produced New York Driver's License No. 645 045 185 and New Jersey Driver's License No. G6294 36600 54724 as identification, respectively.

WITNESS my signature and official seal at New York, in the County of New York, and State of New York, the day and year last aforesaid.

Annie Jaghatspanyan
Notary Public, State of New York
No. 01JA6062022
Qualified in New York County
Commission Expires July 30, 2005



046052

2004 JUL -2 P 12:26

ROCKINGHAM COUNTY REGISTRY OF DEEDS

EASEMENT

FPL ENERGY SEABROOK, LLC, a Delaware limited liability company with an address of 700 Universe Boulevard, Juno Beach, Florida 33408, owner of an 88.22889% interest as tenant in common of land and other rights conveyed by deed from North Atlantic Energy Corporation et al. recorded at Book 3875, Page 2205 of the Rockingham County Registry of Deeds (hereinafter "the Registry"), and owner of land and other rights conveyed by deed of North Atlantic Energy Corporation by deed recorded at Book 3875, Page 2231 of the Registry, for consideration paid, grants an easement to **FLORIDA POWER & LIGHT COMPANY**, a Florida corporation, with an address of 700 Universe Boulevard, Juno Beach, Florida 33408, for any and all purposes related to the ownership, operation, and maintenance of the equipment, facilities, and structures of the 345 KV Seabrook Substation, including but not limited to maintaining, operating, modifying, re-installing, and removing equipment and other improvements for an interconnection facility, including but not limited to foundations, fences, buses, capacitors, couplings, circuit breakers, conduits, manholes, lightning arresters, cabinets, instruments, transformers, batteries, switches, communication equipment, grates, and other structures, machinery, and apparatus used or useful for the interconnection facility (hereinafter "the Substation Equipment"), the location of which is as follows:

On land in Seabrook, Rockingham County, New Hampshire, more particularly described as follows:

The area known as the "Switchyard Area" on the parcel known as "Lot 1" to which reference is made below, which area is rectangular and approximately 25 feet northwesterly of the Administration Building, approximately 130 feet in length parallel to the building, and approximately 80 feet wide.

The area known as the "345KV Terminal Yard" or the "High Yard," which area is situated approximately 720 feet northwesterly from the above-described Switchyard Area, is partly on the above-referenced "Lot 1," and partly on the parcel known as "Lot 2" to which reference is made below, the location of which is shown as enclosed by a chain link fence on a plan entitled "AUR Areas Former Landfills, Seabrook Nuclear Power Station, Seabrook, New Hampshire," recorded as Plan D-29834 of the Registry.

The area between the above-described Switchyard Area and 345KV Terminal Yard, which area is approximately 30 feet wide, within which above-ground and below-ground conduit, lines, and connections connect the facilities in the two areas.

Subject to the conditions stated herein, together with the right to install, maintain, replace, operate, and remove overhead and underground power, data, and communications lines within the above-described easement areas; the right to park vehicles and store equipment and materials within the above-described easement areas; the right to clear, maintain, excavate, grade, fill, and otherwise improve the above-described easement areas; the right to enclose the above-described easement areas with fences; and the right, in common with others, of access by foot and vehicle over the grantor's roads and driveways at reasonable times and in reasonable locations, to and from the above-described easement areas, for the exercise of the rights granted hereby.

The easement rights granted herein are subject to all exclusion area, use, activity, and other restrictions of record and as may apply under local, state, or federal law. The restrictions include, but are not limited to, the Activities and Use Restriction described in the Notice of Activity and Use Restriction for Seabrook Station recorded at Book 3772, Page 2765 of the Registry, and as shown on above-referenced plan recorded as D-29834 at the Registry, which

restrict, among other things, excavation within the 345KV Terminal Yard. The rights granted herein are further subject to the restrictions of an "exclusion area" as defined in the Nuclear Regulatory Commission regulations with respect to Seabrook Station, and to other controls and exclusions of persons and property pursuant to federal law and regulations including the Atomic Energy Act and Nuclear Regulatory Commission regulations.

The rights granted herein are further subject to such other security and safety requirements as may apply to Seabrook Station.

The rights and conditions stated herein are not intended to affect the rights of access and conditions thereon ("IOA Access Rights") set forth in Sections 6.1, 6.2 and 6.3 of the Interconnection and Operation Agreement between Florida Power and Light Company and FPL Energy Seabrook, LLC, dated September 1, 2003, ("IOA"). A further condition and reservation of this easement is application of such IOA Access Rights with respect to the owner of the easement rights granted herein and the owner of the real property on which the easement is granted (hereinafter the "Parties"), which shall run with the land, and are as follows (defined terms not otherwise defined herein are as defined in the IOA):

> IOA Access Rights. The Parties shall have such other access rights, including right-of-way access, to such of their respective facilities (including but not limited to the 345 kV Substation, RTU, any terminal structures for transmission lines and any disconnect switches), properties and equipment as may be necessary to enable each Party to (i) maintain its facilities, properties and equipment in a manner consistent with Good Utility Practice and (ii) perform all of its obligations under the IOA or any agreements related to, contemplated by, or identified in the IOA. Such access shall be provided in accordance with and subject to applicable NRC Requirements & Commitments, and shall not unreasonably interfere with the ongoing business operations, rights and obligations of the Party providing access. Notwithstanding the foregoing, each Party, its Affiliates, and their employees, contractors, subcontractors and agents may gain access to the other Party's facilities for purposes associated with the ongoing business of the Party seeking access only upon prior notice and consent of the other Party and in compliance with applicable NRC Requirements & Commitments, and NEIL/NSO requirements provided such consent shall not be unreasonably withheld.

Scope of Access Rights. Subject to NRC Requirements & Commitments, the IOA Access Rights are intended to be permanent and shall not be revoked, nor shall either Party take any action that would impede, restrict, diminish, or terminate the rights of access or use granted by the IOA Access Rights, except that either Party may suspend or revoke the IOA Access Rights of any individual if such individual is unqualified or unfit to perform the services for which such individual seeks access to the other Party's facilities, properties and equipment or if such individual engages in acts of negligence or misconduct while on the other Party's site. Notwithstanding the foregoing, subject to NRC Requirements & Commitments (a) should either Party or its successor decide to permanently abandon the use of any IOA Access Rights or portion thereof such Party shall give the other Party written notice of its abandonment, shall remove its properties from the area to be abandoned, and shall cause a release of such IOA Access Rights or any portion thereof to be recorded in the appropriate registry of deeds; (b) the Parties may mutually agree to relocate or expand any or all of the IOA Access Rights locations, provided, however, that the Party requesting the relocation or expansion shall pay all reasonable costs and expenses associated therewith, and the Parties shall execute or obtain, in a form reasonably satisfactory to both Parties, all instruments necessary to establish the new IOA Access Rights location(s); and (c) the Parties may mutually agree in writing to modify or terminate any of the IOA Access Rights.

Additional IOA Access Rights. Subject to NRC Requirements & Commitments, the grantor and grantee shall grant to each other such additional access rights as each may grant under applicable law or regulation as are reasonably necessary for ownership, possession, maintenance, operation or repair of the respective party's equipment and facilities as long as such conveyances, easements or licenses (a) do not have a material adverse effect upon the other party's operations and (b) are consistent with the purpose of the IOA.

The location of this easement, and the description above, is intended to encompass all of the area in which the Substation Equipment is presently situated, which is on the following parcels: land known as the "First and Second Unit Site," as shown on a plan entitled "Subdivision Plan of Land, Properties, Inc. & Public Service Co. of N.H., Seabrook, N.H.," recorded as Plan D8560 of the Registry; land known as "Lot 1" as shown on the plan entitled "Property Survey Seabrook Nuclear Power Station, Seabrook, Hampton Falls & Hampton, New Hampshire" recorded as Plan D-30241 of the Registry; and land known as "Lot 2" as shown on the plan entitled "Subdivision Plan of Land, Properties, Inc. & Public Service Co. of N.H., Seabrook, N.H.," recorded as Plan D8560 of the Registry.

Further subject to rights, conditions, and other matters described in the above-referenced deeds at Book 3875, Page 2205, and Book 3875, Page 2231 of the Registry.

The rights granted hereunder may be assigned or transferred by grantee in whole or in part.

FPL Energy Seabrook LLC

June 1, 2004
Dated

By: Charles S. Schultz
Its Secretary
Duly Authorized

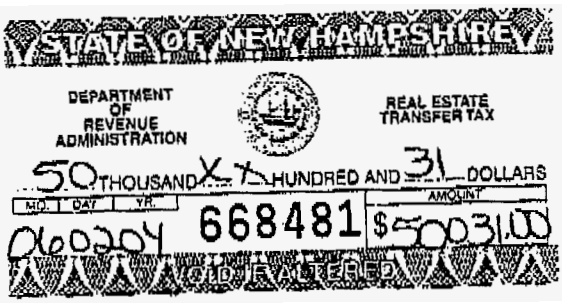
STATE OF FLORIDA
PALM BEACH COUNTY

The foregoing instrument was acknowledged before me this 1st day of June, 2004, by Charles S. Schultz, Secretary of FPL Energy Seabrook, LLC, in behalf of the company.

Name: Rita W. Costantino
Notary Public
Commission Expires:

RITA W. COSTANTINO
MY COMMISSION # DD 171712
EXPIRES: December 15, 2006
1-800-3-NOTARY FL Notary Service & Bonding, Inc.

046053



2004 JUN -2 P 12:26

ROCKINGHAM COUNTY REGISTRY OF DEEDS

DEED OF TRANSFER

FPL ENERGY SEABROOK, LLC, a Delaware limited liability company with an address of 700 Universe Boulevard, Juno Beach, Florida 33408, owner of an 88.22889% interest as tenant in common of land, improvements, and other rights conveyed by deed from North Atlantic Energy Corporation et al. recorded at Book 3875, Page 2205 of the Rockingham County Registry of Deeds (hereinafter "the Registry"), and owner of land, improvements, and other rights conveyed by deed of North Atlantic Energy Corporation by deed recorded at Book 3875, Page 2231 of the Registry, for consideration paid, conveys all of its rights, title, and interest to **FLORIDA POWER & LIGHT COMPANY**, a Florida corporation, with an address of 700 Universe Boulevard, Juno Beach, Florida 33408, certain fixtures located on the land described in the above-referenced deeds, off Lafayette Road in Seabrook, Rockingham County, New Hampshire, which fixtures are more particularly described in Schedule A attached hereto.

FPL Energy Seabrook LLC

June 1, 2004
Dated

By: Charles S. Schultz
Its Secretary
Duly Authorized

STATE OF FLORIDA
PALM BEACH COUNTY

The foregoing instrument was acknowledged before me this 1st day of June, 2004, by Charles S. Schultz, Secretary of FPL Energy Seabrook, LLC, in behalf of the company.

Rita W. Costantino

Name: Rita W. Costantino
Notary Public
Commission Expires:

RITA W. COSTANTINO
MY COMMISSION # DD 171712
EXPIRES: December 15, 2006
1-800-3-NOTARY FL Notary Service & Bonding, Inc.

SCHEDULE A
TO DEED OF TRANSFER
FPL ENERGY SEABROOK, LLC, to FLORIDA POWER & LIGHT COMPANY

Quantity	Asset ID	Description
307	1,683,361	345 KV duct - 11 conducts, complete run of underground duct including concrete, forms and rebar
377	1,683,362	345 KV Duct - 18 conducts. Complete run of underground duct including concrete, rebar, forms and duct
45	1,683,364	345 KV Duct - 2 conduits, complete run of underground duct including forms, rebar, concrete and duct
1,266	1,683,366	345 KV duct - 4 conduit - complete run of underground duct including concrete, rebar and forms
82	1,683,359	345 KV duct - 4 conduits, complete run of underground duct including concrete, forms and rebar
424	1,683,358	345 KV duct - 6 conduit - complete run of underground duct including concrete, rebar, forms and duct
207	1,683,360	345 KV duct - 7 conduits, complete run of underground duct including concrete, forms and rebar.
329	1,683,363	345kv duct - 1 conduit, complete run of underground duct including forms, rebar, concrete and duct
154	1,683,365	345kv duct - 3 conduits - complete run of underground duct including forms, rebar, concrete and duct.
89	1,683,357	Conduit - size 1 inch, type rigid, 345kv includes supports, small and large boxes and box supports.
1	1,683,374	345 KV manholes - (w79, w90, w78, w80) volume 651 cubic ft. Grouping range 560 - 659 cubic ft. Complete underground manhole includes forms, rebar, concrete
1	1,683,376	345kv manhole - (w81,w91) Total volume 1,536 cubic feet. Complete underground manhole including forms, rebar, concrete, embeds and ladder.
2	1,683,377	345kv manholes - w82, w92 total volume 1,536 cubic ft. complete underground manhole including concrete, rebar, forms, embeds and ladder.
10	1,683,375	345kv manholes - w94, w84, w85, w95, w86, w96, w87, w97, w88, w98 - volume 234 cubic ft per manhole - complete manhole includes forms, rebar and concrete
2,241	1,683,385	345 kv foundation - includes all rock prep, backfill, forms, rebar, concrete and embeds
362	1,683,382	Foundations for GSU Transformers includes form work, rebar, concrete and embedments
1,031	1,683,384	SF6 bus foundations - complete including all forms, rebar, concrete, embeds and backfill
119	1,683,386	Spare main transformer foundation - includes all forms, rebar, concrete and embeds
1	1,683,390	Transmission structure for Newington line - includes cables,

		arrestors, steel and anchor bolts
1	1,683,392	Transmission structure for Skobie Line - includes cables, arrestors, steel, anchor bolts etc.
1	1,683,391	Transmission Structure for the Tewksbury line - includes cables, arrestors, steel and anchor bolts

FLORIDA POWER & LIGHT COMPANY

REPORT OF CONSUMMATION

DOCKET NO. 031000-EI

EXHIBIT (a)-5

See Exhibit (c)-1B

FLORIDA POWER & LIGHT COMPANY

REPORT OF CONSUMMATION

DOCKET NO. 031000-EI

EXHIBIT (a)-6

See Exhibit (c)-1B

FLORIDA POWER & LIGHT COMPANY

REPORT OF CONSUMMATION

DOCKET NO. 031000-EI

EXHIBIT (a)-9



U.S. Commercial Paper
Offering Memorandum

July 2004

FLORIDA POWER & LIGHT COMPANY

$1,000,000,000

Commercial Paper Notes

DEALER
J.P. MORGAN SECURITIES INC.

The Dealer does not warrant the completeness or accuracy of the information herein and does not undertake to update such information. Prospective purchasers should conduct their own inquiry into the creditworthiness of Florida Power & Light Company before purchasing any Notes.

J. P. MORGAN SECURITIES INC.

SUMMARY OF TERMS

ISSUER:	Florida Power & Light Company ("FPL"), a Florida corporation.
SECURITIES:	Unsecured notes (the "Notes"). Ranking *pari passu* with FPL's other unsecured and unsubordinated liabilities. No indenture of trust will be entered into with respect to the Notes.
PROGRAM SIZE:	Authorized to a maximum principal amount outstanding at any time of US $1,000,000,000.
PLACEMENT AGENTS:	J.P. Morgan Securities Inc. ("JPMSI") and Merrill Lynch Money Markets Inc.
EXEMPTION:	The Notes are exempt from registration under the Securities Act of 1933, as amended, pursuant to Section 3(a)(3) thereof and cannot be resold unless registered or an exemption from registration is available.
MATURITIES:	Up to 270 days from the date of issue. The Notes are not redeemable or subject to voluntary prepayment by FPL prior to maturity.
DENOMINATIONS:	The Notes will be issued in minimum denominations of $100,000 with integral increments of $1,000 in excess thereof.
OFFERING PRICE:	The Notes will be sold at par less a discount representing an interest factor or, if interest bearing, at par.
FORM OF ISSUANCE:	Each Note will be evidenced by (i) a note certificate issued in bearer form or (ii) one of two master notes (interest bearing or discount) registered in the name of the nominee of The Depository Trust Company ("DTC"). Each master note (the "Book Entry Notes") will be deposited with the Issuing and Paying Agent as subcustodian for DTC or its successor. DTC will record, by appropriate entries on its book entry registration and transfer system, the respective amounts payable in respect of Book Entry Notes. Payments by DTC participants to purchasers for whom a DTC participant is acting as agent in respect of Book Entry Notes will be governed by the standing instructions and customary practices under which securities are held at DTC through DTC participants.
SETTLEMENT:	Unless otherwise agreed, settlement will be made on a same-day basis in immediately available funds.
USE OF PROCEEDS:	The proceeds of the Notes will be used by FPL for current transactions.
ISSUING & PAYING AGENT:	JPMorgan Chase Bank
LIQUIDITY FACILITY:	FPL currently maintains lines of credit in amounts sufficient to meet its current needs for lines of credit and expects to continue to maintain such lines of credit but is not required to do so.

FLORIDA POWER & LIGHT COMPANY

FPL was incorporated under the laws of Florida in 1925 and is a rate-regulated utility engaged in the generation, transmission, distribution and sale of electric energy. FPL supplies electric service to a population of more than 8 million throughout most of the east and lower west coasts of the State of Florida. During 2003, FPL served approximately 4.1 million customer accounts. FPL Group, Inc. ("FPL Group") owns all of FPL's common stock. FPL's operating revenues for 2003 amounted to approximately $8.3 billion, of which about 56% was derived from residential customers, 37% from commercial customers, 3% from industrial customers and 4% from other sources.

FPL Group is a public utility holding company as defined in the Public Utility Holding Company Act of 1935, as amended, but is exempt from substantially all of the provisions thereof.

CREDIT RATINGS

As of July 23, 2004, the Notes are rated by Standard & Poor's Ratings Services, Moody's Investors Service, Inc. and Fitch Ratings. Ratings are not a recommendation to purchase, hold or sell the Notes, inasmuch as the ratings do not comment as to market price or suitability for a particular investor. The ratings are based on current information furnished to the rating agencies by FPL and information obtained by the rating agencies from other sources. The ratings may be changed, superseded or withdrawn as a result of changes in, or unavailability of, such information, and therefore a prospective purchaser should check the current ratings before purchasing the Notes.

WHERE YOU CAN FIND MORE INFORMATION

FPL files annual, quarterly and other reports and other information with the Securities and Exchange Commission ("SEC"). You can read and copy any information filed by FPL with the SEC at the SEC's Public Reference Room at 450 Fifth Street, N.W., Washington, D.C. 20549. You can obtain additional information about the Public Reference Room by calling the SEC at 1-800-SEC-0330.

In addition, the SEC maintains an Internet site (http://www.sec.gov) that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC, including FPL.

INFORMATION INCORPORATED BY REFERENCE

FPL is "incorporating by reference" certain information that FPL files with the SEC, which means that FPL may, in this Offering Memorandum, disclose important information to you by referring you to those documents. The information incorporated by reference is an important part of this Offering Memorandum. Information that FPL files in the future with the SEC will automatically update and supersede this information. FPL is incorporating by reference the documents listed below, as each may be amended, and any future filings FPL makes with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, as amended.

- FPL's most recent Annual Report on Form 10-K;
- FPL's Quarterly Reports on Form 10-Q filed since the filing of the most recent Form 10-K; and
- FPL's Current Reports on Form 8-K filed since the filing of the most recent Form 10-K.

FPL will provide without charge to each person, including any beneficial owner, to whom this Offering Memorandum is delivered, upon written or oral request of any such person, a copy of any incorporated document referred to above excluding the exhibits thereto (unless such exhibits are specifically incorporated by reference into such documents). Requests for such copies should be directed to Florida Power & Light Company, Attention: Treasurer, 700 Universe Boulevard, Juno Beach, Florida 33408-0420, telephone (561) 694-4000.

GENERAL

In making an investment decision, investors must rely on their own examination of FPL and the terms of the offering, including the merits and risks involved. This examination should include the review of FPL's filings with the SEC, including information provided under the heading "Cautionary Statements and Risk Factors That May Affect Future Results" in such filings with the SEC. Your investment decision should not be based solely on this Offering Memorandum since it is not intended to be a complete explanation of the nature and risks of investing in FPL and its Notes. These securities have not been recommended by any federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this document. Any representation to the contrary is a criminal offense. Neither JPMSI nor FPL makes any representation or warranty as to the accuracy or completeness of the

No person has been authorized to give any information or to make any representations other than those contained in this Offering Memorandum in connection with the offer contained in this Offering Memorandum, and, if given or made, such information or representations must not be relied upon as having been authorized by FPL or JPMSI. Neither the delivery of this Offering Memorandum nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of FPL since the date as of which information is given in this Offering Memorandum. This Offering Memorandum does not constitute an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to anyone to whom it is unlawful to make such offer or solicitation.

THE DEALER

JPMSI and its affiliates may perform various investment banking, commercial banking and financial advisory services from time to time for FPL and its affiliates. Prospective purchasers of the Notes are advised that JPMSI has no obligation to disclose any non-public information concerning FPL and its affiliates that may be furnished to JPMSI and its affiliates in connection with performing such services.

If you require any other information or have any questions, please contact the Dealer at:

Investor Marketing
Short-Term Fixed Income Division
J.P. Morgan Securities Inc.
270 Park Avenue, 8th Floor
New York, NY 10017
Phone: (212) 834-4704
Fax: (212) 834-6945

The information under the caption "The Dealer" has been furnished by JPMSI. All other information contained in this memorandum has been furnished by FPL.

J. P. MORGAN SECURITIES INC.

OFFERING MEMORANDUM APPROVAL

Approved: **FLORIDA POWER & LIGHT COMPANY**

By: _____
Name: Paul I. Cutler
Title: Treasurer and Assistant Secretary

Date: July __, 2004

FLORIDA POWER & LIGHT COMPANY

REPORT OF CONSUMMATION

DOCKET NO. 031000-EI

EXHIBIT (b)-1

STEEL
HECTOR
&DAVIS
LIMITED LIABILITY PARTNERSHIP

Steel Hector & Davis LLP
200 South Biscayne Boulevard
Miami, Florida 33131-2398
305.577.7000
305.577.7001 Fax
www.steelhector.com

March 29, 2005

Florida Power & Light Company
700 Universe Boulevard
Juno Beach, Florida 33408

Re: Issuance and sale by Florida Power & Light Company (the "Company") of $240,000,000 Principal Amount of First Mortgage Bonds, 5.65% Series due February 1, 2035 (Florida Public Service Commission Docket No. 031000-EI)

Ladies and Gentlemen:

This opinion relates to: (a) the application filed by you with the Florida Public Service Commission (the "Commission") on October 23, 2003; (b) Order No. PSC-03-1409-FOF-EI issued by the Commission on December 15, 2003 (the "Order"); and (c) the issuance and sale by the Company of $240,000,000 principal amount of its First Mortgage Bonds, 5.65% Series due February 1, 2035 (the "Bonds"), authorized to be issued by the Order.

The Bonds have been duly and validly authorized by all necessary corporate action on the part of the Board of Directors of the Company, have been duly issued for value and are valid and binding obligations of the Company in accordance with their terms, except as limited or affected by bankruptcy, insolvency, reorganization, fraudulent conveyance, receivership, moratorium or other laws affecting mortgagees' and other creditors' rights and remedies generally and general principles of equity.

In rendering the foregoing opinion, we have assumed that the Bonds conform to specimens examined by us and have been duly authenticated by Deutsche Bank Trust Company Americas (formerly known as Bankers Trust Company), the Trustee under the Mortgage and Deed of Trust dated as of January 1, 1944, as the same is supplemented by one hundred and six indentures supplemental thereto, and that the signatures on all documents examined by us are genuine, assumptions which we have not independently verified.

We are members of the Florida Bar and do not hold ourselves out as experts on the laws of any other state, and accordingly, this opinion is limited to the laws of Florida and the federal laws of the United States insofar as they bear on matters covered hereby. As to all matters of New York law, we have relied, with your consent, upon an opinion dated January 29, 2004 by Thelen Reid & Priest LLP, New York, New York addressed to the underwriters of the initial sale of the Bonds, and we have assumed that there have been no changes in fact or law since the date of such opinion that would impact the conclusions of law contained therein.

STEEL
HECTOR
& DAVIS
REGISTERED LIMITED LIABILITY PARTNERSHIP

We hereby consent to the delivery of this opinion to the Florida Public Service Commission.

Very truly yours,

Steel Hector & Davis LLP

Steel Hector & Davis LLP

MIA 2001: 394392v1

FLORIDA POWER & LIGHT COMPANY

REPORT OF CONSUMMATION

DOCKET NO. 031000-EI

EXHIBIT (b)-1A

STEEL
HECTOR
&DAVIS
LIMITED LIABILITY PARTNERSHIP

Steel Hector & Davis LLP
200 South Biscayne Boulevard
Miami, Florida 33131-2398
305.577.7000
305.577.7001 Fax
www.steelhector.com

March 29, 2005

Florida Power & Light Company
700 Universe Boulevard
Juno Beach, Florida 33408

Re: Issuance and sale by Florida Power & Light Company (the "Company") of 200,000 shares of its 4 1/2% Preferred Stock, Series V with an aggregate par value of $20,000,000 (Florida Public Service Commission Docket No. 031000-EI)

Ladies and Gentlemen:

This opinion relates to: (a) the application filed by you with the Florida Public Service Commission (the "Commission") on October 23, 2003; (b) Order No. PSC-03-1409-FOF-EI issued by the Commission on December 15, 2003 (the "Order"); and (c) the issuance and sale by the Company of 200,000 shares of its 4 1/2% Preferred Stock, Series V with an aggregate par value of $20,000,000 (the "Preferred Stock"), authorized to be issued by the Order.

The Preferred Stock was duly and validly authorized by all necessary corporate action on the part of the Board of Directors of the Company, and was validly issued, fully paid and non-assessable.

In rendering the foregoing opinion, we have assumed that the certificate or certificates representing the Preferred Stock conformed to specimens examined by us, were duly countersigned by the transfer agent and duly registered by the registrar thereof and were delivered against payment of the purchase price as provided in the Purchase Agreement dated January 20, 2004, between the Company and FPL Group, Inc., and that the signatures on all documents examined by us are genuine, assumptions which we have not independently verified.

We are members of the Florida Bar and do not hold ourselves out as experts on the laws of any other state, and accordingly, this opinion is limited to the laws of Florida and the federal laws of the United States insofar as they bear on matters covered hereby. As to all matters of New York law, we have relied, with your consent, upon an opinion dated January 20, 2004 by Thelen Reid & Priest LLP, New York, New York addressed to FPL Group, Inc. with respect to the sale of the Preferred Stock, and we have assumed that there have been no changes in fact or law since the date of such opinion that would impact the conclusions of law contained therein.

We hereby consent to the delivery of this opinion to the Florida Public Service Commission.

Very truly yours,

Steel Hector & Davis LLP

Steel Hector & Davis LLP

MIA 2001: 394393v1

FLORIDA POWER & LIGHT COMPANY

REPORT OF CONSUMMATION

DOCKET NO. 031000-EI

EXHIBIT (b)-1B

REID & PRIEST
40 WEST 57TH STREET
NEW YORK, N.Y. 10019-4097
212 603-2000

WASHINGTON OFFICE
MARKET SQUARE
701 PENNSYLVANIA AVENUE, N.W.
WASHINGTON, D.C. 20004
202 508-4000
TELEX: 440536 RP WASH
FACSIMILE: 202 508-4321

NEW YORK OFFICE
CABLE ADDRESS: "REIDART"
TELEX: 710581 REPT NYK
220534 REPT UR
FACSIMILE: 212 603-2299
DIRECT DIAL NUMBER

New York, New York
July 22, 1994

First Chicago Capital Markets, Inc.
One First National Plaza
Suite 0595
Chicago, Illinois 60670-0595

Ladies and Gentlemen:

We are counsel to Florida Power & Light Company (the "Company") and have represented the Company in connection with the proposed issuance of short-term notes (the "Notes") by the Company pursuant to (i) the Commercial Paper Dealer Agreement dated July 22, 1994 (the "Dealer Agreement"), between the Company and First Chicago Capital Markets, Inc., as dealer and (ii) the Depositary Agreement, dated January 25, 1984, as amended as of May 28, 1987 and as further amended by a letter dated July 19, 1994 (the "Depositary Agreement"), between the Company and Chemical Bank, as issuing and paying agent. We have reviewed (a) the Dealer Agreement, (b) the Depositary Agreement, (c) the form of Note, (d) the Company's Application to the Florida Public Service Commission for the authorization, among other things, of the issuance and sale of short-term securities during 1994 and 1995, including the Notes, (e) the Company's no-action letters dated July 12, 1974 and July 30, 1974, received from the Securities and Exchange Commission, copies of which are attached hereto (the "No-action Letters"), (f) the Offering Circular, dated July 1, 1994 (the "Offering Circular"), and (g) all corporate proceedings with respect to the authorization, issuance and sale of the Notes. This opinion is furnished to you pursuant to Section 5(A)(iv) of the Dealer Agreement.

Based upon the foregoing, we are of the opinion that:

1. The Company is a corporation duly incorporated, validly existing and in good standing under the laws of the State of Florida and has all requisite power and authority, corporate or otherwise, to conduct its business, to own its properties and to execute and deliver, and to perform all of its obligations under, the Dealer Agreement, the Depositary Agreement and the Notes.

2. The Dealer Agreement and the Depositary Agreement have each been duly and validly authorized, executed and delivered by the Company.

3. The issuance of the Notes has been duly authorized by the Company; and each of the Notes, when executed, authenticated and delivered in accordance with the terms of the Depositary Agreement and the order of the Florida Public Service Commission referred to below, will constitute a legal, valid and binding obligation of the Company enforceable against the Company in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, or other laws affecting creditors' rights generally and equitable limitations on the enforceability of specific remedies.

4. The Notes are being issued and sold pursuant to the authority contained in the order of the Florida Public Service Commission dated October 19, 1993, as amended November 4, 1993, which authority is adequate to permit the issuance and sale of the Notes during 1994 and 1995 in an amount outstanding at the time of sale, when aggregated with all other short-term securities issued by the Company, not to exceed 25% of the Company's gross revenues during the preceding twelve months of operation. To the best of our knowledge, said authorization is still in full force and effect, and no further approval, authorization, consent or order of any public board or body (other than in connection or in compliance with the provisions of the blue sky laws of any jurisdiction, as to which we express no opinion) is legally required for the authorization of the issuance and sale of the Notes during 1994 and 1995.

5. Provided that the sale of the Notes is made for the purposes stated in and in compliance with the limitations set forth in the No-action Letters, the Notes may be issued and sold in the manner contemplated by the Dealer Agreement, without registration thereof under the Securities Act of 1933, as amended.

We have not ourselves checked the accuracy or completeness of, or otherwise verified, the information furnished in the Offering Circular. We have generally reviewed and discussed with certain officers and employees of FPL the information furnished, whether or not subject to our check and verification. On the basis of such review and discussion, but without independent check or verification, nothing has come to our attention that would lead us to believe that the Offering Circular (except as to the financial or statistical data contained or incorporated by reference therein, as to which we express no opinion), at the date hereof, contains any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

We are members of the New York Bar and do not hold ourselves out as experts on, or express any opinion herein concerning, any law other than the laws of the State of New York and the federal law of the United States.

Very truly yours,

Reid & Priest

REID & PRIEST

FLORIDA POWER & LIGHT COMPANY

REPORT OF CONSUMMATION

DOCKET NO. 031000-EI

EXHIBIT (c)-1

As filed with the Securities and Exchange Commission on December 23, 2002
Registration Statement No. 333-102172

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM S-3

REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

FLORIDA POWER & LIGHT COMPANY

(Exact name of registrant as specified in its charter)

Florida	59-0247775
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

700 Universe Boulevard
Juno Beach, Florida 33408
(561) 694-4000

(Address, including zip code, and telephone number, including area code, of registrant's principal executive office)

Dennis P. Coyle, Esq.	Thomas R. McGuigan, P.A.	Robert J. Reger, Jr., Esq.
General Counsel and Secretary	Steel Hector & Davis LLP	Thelen Reid & Priest LLP
Florida Power & Light Company	200 South Biscayne Boulevard	875 Third Avenue
700 Universe Boulevard	Suite 4000	New York, New York 10022
Juno Beach, Florida 33408	Miami, Florida 33131	(212) 603-2000
(561) 694-4000	(305) 577-7000	

(Names and addresses, including zip codes, and telephone numbers, including area codes, of agents for service)

It is respectfully requested that the Commission also send copies of all notices, orders and communications to:

Richard L. Harden, Esq.
Hunton & Williams
200 Park Avenue
New York, New York 10166
(212) 309-1000

Approximate date of commencement of proposed sale to the public: From time to time after the effective date of this registration statement as determined by market conditions and other factors.

If the only securities being registered on this Form are being offered pursuant to dividend or interest reinvestment plans, please check the following box. ☐

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or interest reinvestment plans, check the following box. ☒

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If delivery of the prospectus is expected to be made pursuant to Rule 434, please check the following box. ☐

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Proposed Maximum Aggregate Offering Price (*)	Amount of Registration Fee
First Mortgage Bonds	$1,000,000,000	$92,000

* Estimated solely for purposes of calculating the registration fee pursuant to Rule 457(o) under the Securities Act of 1933, as amended (the "Securities Act").

The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act or until this registration statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

The information in this prospectus is not complete and may be changed. Florida Power & Light Company may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

Subject to completion, dated December 23, 2002

PROSPECTUS

$1,000,000,000

Florida Power & Light Company

First Mortgage Bonds

Florida Power & Light Company may offer from time to time up to $1,000,000,000 of its first mortgage bonds.

Florida Power & Light Company will provide specific terms of these securities, including their offering prices, in supplements to this prospectus. The supplements may also add, update or change information contained in this prospectus. You should read this prospectus and any supplements carefully before you invest.

Florida Power & Light Company may offer these securities directly or through underwriters, agents or dealers. The supplements to this prospectus will describe the terms of any particular plan of distribution, including any underwriting arrangements. The "Plan of Distribution" section beginning on page 10 of this prospectus also provides more information on this topic.

See "Cautionary Statements and Risk Factors that May Affect Future Results" beginning on page 3 of this prospectus to read about certain factors you should consider before making an investment in these securities.

Florida Power & Light Company's principal executive offices are located at 700 Universe Boulevard, Juno Beach, Florida 33408, telephone number (561) 694-4000, and its mailing address is P.O. Box 14000, Juno Beach, Florida 33408-0420.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

_____, ____

ABOUT THIS PROSPECTUS

This prospectus is part of a registration statement that Florida Power & Light Company ("FPL") has filed with the Securities and Exchange Commission ("SEC") using a "shelf" registration process. Under this shelf registration process, FPL may sell the securities described in this prospectus in one or more offerings up to a total dollar amount of $1,000,000,000. This prospectus provides you with a general description of the securities that FPL may offer. Each time FPL sells securities, FPL will provide a prospectus supplement that will contain specific information about the terms of that offering. The prospectus supplement may also add, update or change information contained in this prospectus. You should read both this prospectus and any prospectus supplement together with additional information described under the headings "Where You Can Find More Information" and "Incorporation by Reference."

For more detailed information about the securities, you can read the exhibits to the registration statement. Those exhibits have been either filed with the registration statement or incorporated by reference to earlier SEC filings listed in the registration statement.

WHERE YOU CAN FIND MORE INFORMATION

FPL files annual, quarterly and other reports and other information with the SEC. You can read and copy any information filed by FPL with the SEC at the SEC's Public Reference Room at 450 Fifth Street, N.W., Washington, D.C. 20549. You can obtain additional information about the Public Reference Room by calling the SEC at 1-800-SEC-0330.

In addition, the SEC maintains an Internet site (http://www.sec.gov) that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC, including FPL. FPL also maintains an Internet site (http://www.fpl.com).

INCORPORATION BY REFERENCE

The SEC allows FPL to "incorporate by reference" the information that FPL files with the SEC, which means that FPL may, in this prospectus, disclose important information to you by referring you to those documents. The information incorporated by reference is an important part of this prospectus. Information that FPL files in the future with the SEC will automatically update and supersede this information. FPL is incorporating by reference the documents listed below and any future filings FPL makes with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, until FPL sells all of these securities:

(1) FPL's Annual Report on Form 10-K for the year ended December 31, 2001;

(2) FPL's Quarterly Reports on Form 10-Q for the quarters ended March 31, 2002, June 30, 2002 and September 30, 2002; and

(3) FPL's Current Reports on Form 8-K, filed with the SEC on April 5, 2002 (excluding that portion furnished under Item 9), September 27, 2002 and September 30, 2002.

You may request a copy of these documents, at no cost to you, by writing or calling Robert J. Reger, Jr., Esq., Thelen Reid & Priest LLP, 875 Third Avenue, New York, New York, 10022, (212) 603-2000.

CAUTIONARY STATEMENTS AND RISK FACTORS THAT MAY AFFECT FUTURE RESULTS

In connection with the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, FPL is hereby filing cautionary statements identifying important factors that could cause FPL's actual results to differ materially from those projected in forward-looking statements (as such term is defined in the Private Securities Litigation Reform Act of 1995) made by or on behalf of FPL in this prospectus or any supplement to this prospectus, 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," "target," "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 (in addition to any assumptions and other factors referred to specifically in connection with such forward-looking statements) that could cause FPL's actual results to differ materially from those contained in forward-looking statements made by or on behalf of FPL.

Any forward-looking statement speaks only as of the date on which that statement is made, and FPL undertakes no obligation to update any forward-looking statement to reflect events or circumstances after the date on which that 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 those factors, nor can it assess the impact of each of those factors 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.

The following are some important factors that could have a significant impact on FPL's operations and financial results, and could cause FPL's actual results or outcomes to differ materially from those discussed in the forward-looking statements:

- FPL is subject to changes in laws or regulations, including the Public Utility Regulatory Policies Act of 1978 and the Public Utility Holding Company Act of 1935, changing governmental policies and regulatory actions, including those of the Federal Energy Regulatory Commission, the Florida Public Service Commission, and the U.S. Nuclear Regulatory Commission, with respect to, among other things, allowed rates of return, industry and rate structure, operation of nuclear power facilities, operation and construction of plant facilities, operation and construction of transmission facilities, acquisition, disposal, depreciation and amortization of assets and facilities, recovery of fuel and purchased power costs, decommissioning costs, return on common equity and equity ratio limits, and present or prospective wholesale and retail competition (including but not limited to retail wheeling and transmission costs). The Florida Public Service Commission has the authority to disallow recovery of costs that it considers excessive or imprudently incurred.

- The regulatory process generally restricts FPL's ability to grow earnings and does not provide any assurance as to achievement of earnings levels.

- FPL is subject to extensive federal, state and local environmental statutes, rules and regulations relating to air quality, water quality, waste management, natural resources and health and safety that could, among other things, restrict or limit the use of certain fuels required for the production of electricity. There are significant capital, operating and other costs associated with compliance with these environmental statutes, rules and regulations, and those costs could be even more significant in the future.

- FPL operates in a changing market environment influenced by various legislative and regulatory initiatives regarding deregulation, regulation or restructuring of the energy industry, including deregulation of the production and sale of electricity. FPL will need to adapt to these changes and may face increasing competitive pressure.

- The operation of power generation facilities involves many risks, including start up risks, breakdown or failure of equipment, transmission lines, pipelines, the dependence on a specific fuel source or the impact of unusual or adverse weather conditions (including natural disasters such as hurricanes), as well as the risk of performance below expected levels of output or efficiency. This could result in lost revenues and/or increased expenses. Insurance, warranties or performance guarantees may not cover any or all of the lost revenues or increased expenses, including the cost of replacement power. In addition to these risks, FPL's nuclear units face certain risks that are unique to the nuclear industry including additional regulatory actions up to and including shut down of the units stemming from public safety concerns both at FPL's plants, as well as at the plants of other nuclear operators.

- FPL's ability to successfully and timely complete its power generation facilities currently under construction, those projects yet to begin construction or capital improvements to existing facilities is contingent upon many variables and subject to substantial risks. Should any such efforts be unsuccessful, FPL could be subject to additional costs, termination payments under committed contracts and/or the write off of its investment in the project or improvement.

- FPL uses derivative instruments, such as swaps, options, futures and forwards to manage its commodity and financial market risks, and to a lesser extent, engages in limited trading activities. FPL could recognize financial losses as a result of volatility in the market values of these contracts, or if a counterparty fails to perform. In addition, FPL's use of such instruments could be subject to prudency challenges by the Florida Public Service Commission and if found imprudent, cost disallowance.

- FPL as well as FPL Group, Inc., which owns all of the common stock of FPL, rely on access to capital markets as a significant source of liquidity for capital requirements not satisfied by operating cash flows. The inability to raise capital on favorable terms, particularly during times of uncertainty in the capital markets, could impact FPL's ability to grow its businesses and would likely increase its interest costs.

- FPL is subject to costs and other effects of legal and administrative proceedings, settlements, investigations and claims; as well as the effect of new, or changes in, tax rates or policies, rates of inflation or accounting standards.

- FPL is subject to direct and indirect effects of terrorist threats and activities. Generation and transmission facilities, in general, have been identified as potential targets. The effects of terrorist threats and activities include, among other things, actions or responses to such actions or threats, the inability to generate, purchase or transmit power, the risk of a significant slowdown in growth or a decline in the U.S. economy, delay in economic recovery in the U.S., and the increased cost and adequacy of security and insurance.

- FPL's ability to obtain insurance, and the cost of and coverage provided by such insurance, could be affected by national events as well as company-specific events.

- FPL is subject to employee workforce factors, including loss or retirement of key executives, availability of qualified personnel, collective bargaining agreements with union employees or work stoppage.

The issues and associated risks and uncertainties described above are not the only ones FPL may face. Additional issues may arise or become material as the energy industry evolves. The risks and uncertainties associated with these additional issues could impair FPL's businesses in the future.

FPL

FPL was incorporated under the laws of Florida in 1925 and is engaged in the generation, transmission, distribution and sale of electric energy. FPL supplies electric service throughout most of the east and lower west coasts of the State of Florida, serving a population of nearly 8 million. At September 30, 2002, FPL served approximately 4.0 million customer accounts. FPL Group, Inc. owns all of FPL's common stock.

USE OF PROCEEDS

Unless otherwise stated in a prospectus supplement, FPL will add the net proceeds from the sale of these securities to its general funds. FPL uses its general funds for corporate purposes, including to repay, redeem or purchase outstanding debt and preferred stock, to repay short-term borrowings and to finance the acquisition or construction of additional electric facilities. FPL will temporarily invest any proceeds that it does not need to use immediately in short-term instruments.

RATIO OF EARNINGS TO FIXED CHARGES

The following table shows FPL's ratio of earnings to fixed charges for each of its last five fiscal years:

Years Ended December 31,				
2001	2000	1999	1998	1997
6.44	6.02	6.26	5.69	4.95

FPL's ratio of earnings to fixed charges for the nine months ended September 30, 2002 was 8.28.

DESCRIPTION OF THE BONDS

General. FPL will issue these securities, in one or more series, under its Mortgage and Deed of Trust dated as of January 1, 1944, with Deutsche Bank Trust Company Americas, as Trustee, which has been amended and supplemented in the past and which will be supplemented again by one or more supplemental indentures relating to these securities. This Mortgage and Deed of Trust, as amended and supplemented, is referred to in this prospectus as the "Mortgage." These securities are referred to in this prospectus as the "Bonds." All first mortgage bonds issued or to be issued under the Mortgage, including the Bonds, are referred to herein as "First Mortgage Bonds."

This section briefly summarizes some of the provisions of the Mortgage and uses some terms that are not defined in this prospectus but that are defined in the Mortgage. This summary is not complete. The Mortgage is on file with the SEC and is incorporated by reference in this prospectus. You should read the Mortgage for a complete understanding of the provisions that may be important to you and for the definitions of some terms used in this summary.

Each series of Bonds may have different terms. FPL will include some or all of the following information about a specific series of Bonds in the prospectus supplement relating to those Bonds:

(1) the designation and series of those Bonds,

(2) the aggregate principal amount of those Bonds,

(3) the offering price of those Bonds,

(4) the date(s) on which those Bonds will mature,

(5) the interest rate(s) for those Bonds, or how the interest rate(s) will be determined,

(6) the dates on which FPL will pay the interest on those Bonds,

(7) the denominations in which FPL may issue those Bonds, if other than denominations of $1,000 or multiples of $1,000,

(8) the place where the principal of and interest on those Bonds will be payable, if other than at Deutsche Bank Trust Company Americas in New York City,

(9) the currency or currencies in which payment of the principal of and interest on those Bonds may be made, if other than U.S. dollars,

(10) the terms pursuant to which FPL may redeem any of those Bonds,

(11) whether all or a portion of those Bonds will be in global form, and

(12) any other terms or provisions relating to those Bonds that are not inconsistent with the provisions of the Mortgage.

FPL will issue the Bonds in fully registered form without coupons, unless otherwise stated in a prospectus supplement. A holder of Bonds may exchange those Bonds, without charge, for an equal aggregate principal amount of Bonds of the same series, having the same issue date and with identical terms and provisions, unless otherwise stated in a prospectus supplement. A holder of Bonds may transfer those Bonds without cost to the holder, other than for applicable stamp taxes or other governmental charges, unless otherwise stated in a prospectus supplement. FPL may issue all or some of the Bonds in "book-entry" form, which means that they will be represented by global notes, instead of certificates. If FPL issues global notes representing any Bonds, then a depository selected by FPL will keep a record of the beneficial interests in those global notes and record any transfers of those beneficial interests and the depository, or its custodian, will hold those global notes. Any additional requirements as to the form and method of exchange of Bonds will be described in a prospectus supplement.

Special Provisions for Retirement of Bonds. If, during any 12 month period, any governmental body orders FPL to dispose of mortgaged property, or buys mortgaged property from FPL, and FPL receives $10 million or more from the sale or disposition, then, in most cases, FPL must use that money to redeem First Mortgage Bonds. If this occurs, FPL may redeem First Mortgage Bonds of any series that are redeemable at the redemption prices applicable to those First Mortgage Bonds. If any Bonds are redeemable, the redemption prices applicable to those Bonds will be set forth in a prospectus supplement.

Security. The Mortgage secures the Bonds as well as all other First Mortgage Bonds already issued under the Mortgage and still outstanding. FPL may issue more First Mortgage Bonds in the future and those First Mortgage Bonds will also be secured by the Mortgage. The Mortgage constitutes a first mortgage lien on all of the properties and franchises that FPL owns, except as discussed below.

The lien of the Mortgage is or may be subject to the following:

(1) leases of minor portions of FPL's property to others for uses that do not interfere with FPL's business,

(2) leases of certain property that is not used in FPL's electric business,

(3) Excepted Encumbrances, which include certain tax and real estate liens, and specified rights, easements, restrictions and other obligations, and

(4) vendors' liens, purchase money mortgages and liens on property that already exist at the time FPL acquires that property.

The Mortgage does not create a lien on the following "excepted property":

(1) cash and securities,

(2) certain equipment, materials or supplies and fuel (including nuclear fuel unless it is expressly subjected to the lien of the Mortgage),

(3) automobiles and other vehicles,

(4) receivables, contracts, leases and operating agreements,

(5) materials or products, including electric energy, that FPL generates, produces or purchases for sale or use by FPL, and

(6) timber, minerals, mineral rights and royalties.

The Mortgage will generally also create a lien on property that FPL acquires after the date of this prospectus, other than "excepted property". However, if FPL consolidates or merges with, or sells substantially all of its assets to, another corporation, the lien created by the Mortgage will generally not cover the property of the successor company, other than the property that it acquires from FPL and improvements, replacements and additions to that property.

The Mortgage provides that the Trustee has a lien on the mortgaged property for the payment of its reasonable compensation and expenses and for indemnity against certain liabilities. This lien takes priority over the lien securing the Bonds.

Issuance of Additional Bonds. FPL may issue an unlimited amount of First Mortgage Bonds under the Mortgage so long as it meets the issuance tests set forth in the Mortgage, which are generally described below. FPL may issue Bonds from time to time in an amount equal to:

(1) 60% of unfunded Property Additions after adjustments to offset retirements,

(2) the amount of retired First Mortgage Bonds or Qualified Lien Bonds, and

(3) the amount of cash that FPL deposits with the Trustee.

Property Additions generally include the following:

(1) plants, lines, pipes, mains, cables, machinery, boilers, transmission lines, pipe lines, distribution systems, service systems and supply systems,

(2) nuclear fuel that has been expressly subjected to the lien of the Mortgage,

(3) railroad cars, barges and other transportation equipment (other than trucks) for the transportation of fuel, and

(4) other property, real or personal, and improvements, extensions, additions, renewals or replacements located within the United States of America or its coastal waters.

FPL may use any property of the type described in (1) through (4) above as Property Additions whether or not that property is in operation and prior to obtaining permits or licenses relating to that property. Securities, fuel (including nuclear fuel unless expressly subjected to the lien of the Mortgage), automobiles or other vehicles, or property used principally for the production or gathering of natural gas will not qualify as Property Additions. The Mortgage contains restrictions on the issuance of First Mortgage Bonds based on Property Additions that are subject to other liens and upon the increase of the amount of those liens.

In most cases, FPL may not issue Bonds unless it meets the "net earnings" test set forth in the Mortgage, which requires, generally, that FPL's adjusted net earnings (before income taxes) for 12 consecutive months out of the 15 months preceding the issuance must have been either:

(1) at least twice the annual interest requirements on all First Mortgage Bonds at the time outstanding, including the Bonds that FPL proposes to issue at the time, and all indebtedness of FPL that ranks prior or equal to the First Mortgage Bonds, or

(2) at least 10% of the principal amount of all First Mortgage Bonds at the time outstanding, including the Bonds that FPL proposes to issue at the time, and all indebtedness of FPL that ranks prior or equal to the First Mortgage Bonds.

The Mortgage requires FPL to replace obsolete or worn out property and specifies certain deductions to FPL's adjusted net earnings for property repairs, retirement, additions and maintenance. With certain exceptions, FPL does not need to meet the "net earnings" test to issue Bonds if the issuance is based on retired First Mortgage Bonds or Qualified Lien Bonds.

As of December 31, 2001, FPL could issue under the Mortgage approximately $4.8 billion of additional First Mortgage Bonds based on unfunded Property Additions and $5.0 billion of additional First Mortgage Bonds based on retired First Mortgage Bonds.

Release and Substitution of Property. FPL may release property from the lien of the Mortgage if it does any of the following in an aggregate amount equal to the fair value of the property to be released:

(1) deposits with the Trustee, cash or, to a limited extent, purchase money mortgages,

(2) uses unfunded Property Additions acquired by FPL in the last five years, or

(3) waives its right to issue First Mortgage Bonds

in each case without satisfying any net earnings requirement.

If FPL deposits cash so that it may release property from the lien of the Mortgage or so that it may issue additional First Mortgage Bonds, it may withdraw that cash if it uses unfunded Property Additions or waives its right to issue First Mortgage Bonds without satisfying any net earnings requirement in an amount equal to the cash that FPL seeks to withdraw.

When property released from the lien of the Mortgage is not Funded Property, then, if FPL acquires new Property Additions within two years:

(1) Property Additions used for the release of that property will not (subject to some exceptions) be considered Funded Property, and

(2) any waiver by FPL of its right to issue First Mortgage Bonds, which is used for the release of that property, will cease to be an effective waiver and FPL will regain the right to issue those First Mortgage Bonds.

The Mortgage contains provisions relating to cash proceeds of property that is not Funded Property that are similar to the provisions relating to release of that property. The Mortgage contains special provisions relating to pledged Qualified Lien Bonds and the disposition of money received on those Qualified Lien Bonds.

FPL does not need a release from the Mortgage in order to use its nuclear fuel even if that nuclear fuel has been expressly subjected to the lien and operation of the Mortgage.

Dividend Restrictions. In some cases, the Mortgage restricts the amount of retained earnings that FPL can use to pay cash dividends on its common stock. The restricted amount may change depending on factors set out in the Mortgage. Other than this restriction on the payment of common stock dividends, the Mortgage does not restrict FPL's use of retained earnings. As of October 31, 2002, no retained earnings were restricted by these provisions of the Mortgage.

Modification of the Mortgage. Generally the rights of all of the holders of First Mortgage Bonds may be modified with the consent of the holders of 66-2/3% of the principal amount of all of the outstanding First Mortgage Bonds. However, if less than all series of First Mortgage Bonds are affected by a modification, that modification also requires the consent of the holders of 66-2/3% of the principal amount of all of the outstanding First Mortgage Bonds of each series affected.

FPL has reserved the right to amend the Mortgage without the consent of the holders of any series of First Mortgage Bonds created after April 30, 1992 (including the Bonds) to permit modification of the Mortgage generally with the consent of the holders of only a majority of the First Mortgage Bonds affected by the modification.

In most cases, the following modifications will not be effective against any holder of First Mortgage Bonds affected by the modification unless that holder consents:

(1) modification of the terms of payment of principal and interest payable to that holder,

(2) modification creating an equal or prior lien on the mortgaged property or depriving that holder of the benefit of the lien of the Mortgage, and

(3) modification reducing the percentage vote required for modification (except as described above).

Default and Notice Thereof. The following are defaults under the Mortgage:

(1) failure to pay the principal of any First Mortgage Bond,

(2) failure to pay interest on any First Mortgage Bond for 60 days after that interest is due,

(3) failure to pay principal of or interest on any Qualified Lien Bond beyond any applicable grace period for the payment of that principal or interest,

(4) failure to pay any installments of funds for retirement of First Mortgage Bonds for 60 days after that installment is due,

(5) certain events in bankruptcy, insolvency or reorganization, and

(6) the expiration of 90 days following notice by the Trustee or the holders of 15% of the First Mortgage Bonds relating to other covenants of FPL.

Except in the case of failure to pay principal, interest or any installment for retirement of First Mortgage Bonds, the Trustee may withhold notice of default if it believes that withholding the notice is in the interests of the holders of First Mortgage Bonds.

Holders of 25% of the First Mortgage Bonds may declare the principal and the interest due on default. A majority of the holders of First Mortgage Bonds may annul that declaration if the default has been cured. No holder of First Mortgage Bonds may enforce the lien of the Mortgage unless the following things have occurred:

(1) the holder has given the Trustee written notice of a default,

(2) the holders of 25% of the First Mortgage Bonds have requested the Trustee to act and offered it reasonable opportunity to act and indemnity satisfactory to the Trustee for the costs, expenses and liabilities that the Trustee may incur by acting, and

(3) the Trustee has failed to act.

Notwithstanding the foregoing, a holder of First Mortgage Bonds has the right to sue FPL if FPL fails to pay, when due, interest or principal on those First Mortgage Bonds, unless that holder gives up that right.

The Trustee is not required to risk its funds or incur personal liability if there is reasonable ground for believing that the repayment is not reasonably assured. The holders of a majority of the First Mortgage Bonds may direct the time, method, and place of conducting any proceedings for any remedy available to the Trustee, or exercising any of the Trustee's powers.

Satisfaction and Discharge of Mortgage. The Mortgage may be satisfied and discharged if and when FPL provides for the payment of all of the First Mortgage Bonds and all other sums due under the Mortgage.

Evidence to be Furnished to the Trustee. FPL furnishes written statements of FPL's officers, or persons selected or paid by FPL, annually (and when certain events occur) to the Trustee to show that FPL is in compliance with Mortgage provisions and that there are no defaults under the Mortgage. In some cases, these written statements must be provided by an independent accountant, appraiser, engineer or counsel.

Concerning the Trustee. In the regular course of business, FPL may obtain short-term funds from several banks, including Deutsche Bank Trust Company Americas.

PLAN OF DISTRIBUTION

FPL may sell the Bonds:

(1) through underwriters or dealers,

(2) through agents, or

(3) directly to one or more purchasers.

Through Underwriters or Dealers. If FPL uses underwriters in the sale of the Bonds, the underwriters will acquire the Bonds for their own account. The underwriters may resell the Bonds in one or more transactions, including negotiated transactions, at a fixed public offering price or at varying prices determined at the time of sale. The underwriters may sell the Bonds directly or through underwriting syndicates represented by managing underwriters. Unless otherwise stated in the prospectus supplement relating to the Bonds, the obligations of the underwriters to purchase those Bonds will be subject to certain conditions, and the underwriters will be obligated to purchase all of those Bonds if they purchase any of them. If FPL uses a dealer in the sale, FPL will sell the Bonds to the dealer as principal. The dealer may then resell those Bonds at varying prices determined at the time of resale.

Any initial public offering price and any discounts or concessions allowed or reallowed or paid to dealers may be changed from time to time.

Through Agents. FPL may designate one or more agents to sell the Bonds. Unless otherwise stated in a prospectus supplement, the agents will agree to use their best efforts to solicit purchases for the period of their appointment.

Directly. FPL may sell the Bonds directly to one or more purchasers. In this case, no underwriters, dealers or agents would be involved.

General Information. A prospectus supplement will state the name of any underwriter, dealer or agent and the amount of any compensation, underwriting discounts or concessions paid, allowed or reallowed to them. A prospectus supplement will also state the proceeds to FPL from the sale of the Bonds, any initial public offering price and other terms of the offering of those Bonds.

FPL may authorize underwriters, dealers or agents to solicit offers by certain institutions to purchase the Bonds from FPL at the public offering price and on the terms described in the related prospectus supplement pursuant to delayed delivery contracts providing for payment and delivery on a specified date in the future.

FPL may have agreements to indemnify underwriters, dealers and agents against, or to contribute to payments which the underwriters, dealers and agents may be required to make in respect of, certain civil liabilities, including liabilities under the Securities Act of 1933.

EXPERTS

The consolidated financial statements incorporated by reference in this prospectus from FPL's Annual Report on Form 10-K have been audited by Deloitte & Touche LLP, independent auditors, as stated in their report, which is incorporated by reference herein, and have been so incorporated in reliance upon the report of such firm given upon their authority as experts in accounting and auditing.

Legal conclusions and opinions specifically attributed to counsel, if any, in the documents incorporated by reference in this prospectus have been reviewed by Steel Hector & Davis LLP, Miami, Florida, counsel to FPL, and are set forth on the authority of that firm as experts.

LEGAL OPINIONS

Steel Hector & Davis LLP, Miami, Florida, and Thelen Reid & Priest LLP, New York, New York, co-counsel to FPL, will pass upon the legality of the Bonds for FPL. Hunton & Williams, New York, New York, will pass upon the legality of the Bonds for any underwriter, dealer or agent. Thelen Reid & Priest LLP and Hunton & Williams may rely as to all matters of Florida law upon the opinion of Steel Hector & Davis LLP. Steel Hector & Davis LLP may rely as to all matters of New York law upon the opinion of Thelen Reid & Priest LLP.

You should rely only on the information incorporated by reference or provided in this prospectus or any prospectus supplement. FPL has not authorized anyone else to provide you with additional or different information. FPL is not making an offer of these securities in any jurisdiction where the offer is not permitted. You should not assume that the information in this prospectus or any prospectus supplement is accurate as of any date other than the date on the front of those documents or that the information incorporated by reference is accurate as of any date other than the date of the document incorporated by reference.

PART II. INFORMATION NOT REQUIRED IN PROSPECTUS

Item 14. ***Other Expenses of Issuance and Distribution.***

The expenses in connection with the issuance and distribution of the securities being registered, other than underwriting and/or agents compensation, are:

Filing Fee for Registration Statement	$92,000
Legal and Accounting Fees	$500,000*
Printing (S-3, prospectus, prospectus supplement, etc.)	$50,000*
Fees of Trustee	$25,000*
Florida Taxes	$4,000,000*
Rating Agencies' Fees	$300,000*
Miscellaneous	$13,000*
Total	$4,980,000*

* Estimated

Item 15. ***Indemnification of Directors and Officers.***

Section 607.0850 of the Florida Statutes generally permits FPL to indemnify its directors, officers, employees or other agents who are subject to any third-party actions because of their service to FPL if such persons acted in good faith and in a manner they reasonably believed to be in, or not opposed to, the best interests of FPL. If the proceeding is a criminal one, such person must also have had no reasonable cause to believe his conduct was unlawful. In addition, FPL may indemnify its directors, officers, employees or other agents who are subject to derivative actions against expenses and amounts paid in settlement which do not exceed, in the judgment of the board of directors, the estimated expense of litigating the proceeding to conclusion, including any appeal thereof, actually and reasonably incurred in connection with the defense or settlement of such proceeding, if such person acted in good faith and in a manner such person reasonably believed to be in, or not opposed to, the best interests of FPL. To the extent that a director, officer, employee or other agent is successful on the merits or otherwise in defense of a third-party or derivative action, such person will be indemnified against expenses actually and reasonably incurred in connection therewith. This Section also permits FPL to further indemnify such persons by other means unless a judgment or other final adjudication establishes that such person's actions or omissions which were material to the cause of action constitute (1) a crime (unless such person had reasonable cause to believe his conduct was lawful or had no reasonable cause to believe it unlawful), (2) a transaction from which he derived an improper personal benefit, (3) an action in violation of Florida Statutes Section 607.0834 (unlawful distributions to shareholders), or (4) willful misconduct or a conscious disregard for the best interests of the corporation in a proceeding by or in the right of the corporation to procure a judgment in its favor or in a proceeding by or in the right of a shareholder.

Furthermore, Florida Statutes Section 607.0831 provides, in general, that no director shall be personally liable for monetary damages to FPL or any other person for any statement, vote, decision, or failure to act, regarding corporate management or policy, unless: (a) the director breached or failed to perform his duties as a director; and (b) the director's breach of, or failure to perform, those duties constitutes (i) a violation of criminal law, unless the director had reasonable cause to believe his conduct was lawful or had no reasonable cause to believe his conduct was unlawful, (ii) a transaction from which the director derived an improper personal benefit, either directly or indirectly, (iii) a circumstance under which the liability provisions of Florida Statutes Section 607.0834 are applicable, (iv) in a proceeding by or in the right of FPL to procure a judgment in its favor or by or in the right of a shareholder, conscious disregard for the best interest of FPL, or willful misconduct, or (v) in a proceeding by or in the right of someone other than FPL or a shareholder, recklessness or an act or omission which was committed in bad faith or with malicious purpose or in a manner exhibiting wanton and willful disregard of human rights, safety, or property. The term "recklessness," as used above, means the action, or omission to act, in conscious disregard of a risk: (a) known, or so obvious that it should have been known, to the director; and (b) known to the director, or so obvious that it should have been known, to be so great as to make it highly probable that harm would follow from such action or omission.

FPL's bylaws provide generally that FPL shall, to the fullest extent permitted by law, indemnify all directors and officers of FPL, directors, officers, or other employees serving as a fiduciary of an employee benefit plan of FPL, as well as any employees or agents of FPL or other persons serving at the request of FPL in any capacity with any entity or enterprise other than FPL to whom FPL has agreed to grant indemnification (each, an "Indemnified Person") to the extent that any such person is made a party or threatened to be made a party or called as a witness or is otherwise involved in any action, suit, or proceeding in connection with his status as an Indemnified Person. Such indemnification covers all expenses incurred by any Indemnified Person (including attorneys' fees) and all liabilities and losses (including judgments, fines and amounts to be paid in settlement) incurred thereby in connection with any such action, suit or proceeding.

In addition, FPL carries insurance permitted by the laws of Florida on behalf of directors, officers, employees or agents which may cover, among other things, liabilities under the Securities Act.

Item 16. ***Exhibits.***

1(a) - Form of Underwriting Agreement.

1(b) - Form of Distribution Agreement.

*4(a) - 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).

*4(b) - 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).

*4(c) 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).

*4(d) - 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).

*4(e) - 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).

*4(f) - 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).

*4(g) - 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).

*4(h) - Bylaws of FPL dated May 11, 1992 (filed as Exhibit 3 to Form 8-K dated May 1, 1992, File No. 1-3545).

*4(i) - Mortgage and Deed of Trust dated as of January 1, 1944, and One hundred-two Supplements thereto, between FPL and Deutsche Bank Trust Company Americas, Trustee (the "Mortgage") (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; Exhibit 4 to Form 10-Q for the quarter ended March 31, 1999, File No. 1-3545; Exhibit 4(f) to Form 10-K for the year ended December 31, 2000, File No. 1-3545; Exhibit 4(g) to Form 10-K for the year ended December 31, 2000, File No. 1-3545; and Exhibit 4(o), File No. 333-102169.

4(j)		Form of Supplemental Indenture relating to First Mortgage Bonds.
5(a)		Opinion and Consent of Steel Hector & Davis LLP, counsel to FPL.
5(b)	-	Opinion and Consent of Thelen Reid & Priest LLP, co-counsel to FPL.
*12		Computation of Ratio of Earnings to Fixed Charges (filed as Exhibit 12(b) to Form 10-K for the year ended December 31, 2001, File No. 1-3545 and Exhibit 12(b) to Form 10-Q for the quarter September 30, 2002, File No. 1-3545).
23(a)	-	Independent Auditors' Consent of Deloitte & Touche LLP.
23(b)	-	Consent of Steel Hector & Davis LLP (included in opinion, attached hereto as Exhibit 5(a)).
23(c)	-	Consent of Thelen Reid & Priest LLP (included in opinion, attached hereto as Exhibit 5(b)).
24	-	Power of Attorney (included on the signature page of this registration statement).
25		Statement of Eligibility on Form T-1 of Deutsche Bank Trust Company Americas with respect to the Mortgage.

*Incorporated herein by reference as indicated.

Item 17. ***Undertakings.***

The undersigned registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

(i) to include any prospectus required by Section 10(a)(3) of the Securities Act;

(ii) to reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement; and

(iii) to include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement;

provided, however, that the registrant need not file a post-effective amendment to include the information required to be included by subsection (i) or (ii) if such information is contained in periodic reports filed by the registrant pursuant to Section 13 or Section 15(d) of the Securities Exchange Act of 1934, which are incorporated by reference in the registration statement.

(2) That, for the purpose of determining any liability under the Securities Act, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

(4) That, for purposes of determining any liability under the Securities Act, each filing of the registrant's Annual Report pursuant to Section 13(a) of the Securities Exchange Act of 1934 that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered herein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the registrant pursuant to the provisions described under Item 15 above, or otherwise, the registrant has been advised that in the opinion of the SEC such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

POWER OF ATTORNEY

Each director and/or officer of the registrant whose signature appears below hereby appoints the agents for service named in this registration statement, and each of them severally, as his attorney-in-fact to sign in his name and behalf, in any and all capacities stated below and to file with the Securities and Exchange Commission, any and all amendments, including post-effective amendments, to this registration statement, and the registrant hereby also appoints each such agent for service as its attorney-in-fact with like authority to sign and file any such amendments in its name and behalf.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Juno Beach, State of Florida on the 23rd day of December, 2002.

FLORIDA POWER & LIGHT COMPANY

By: /s/ Paul J. Evanson
Paul J. Evanson
President and Director

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons in the capacities and on the dates indicated.

Signature	Title	Date
/s/ Lewis Hay III Lewis Hay III	Chairman of the Board, Chief Executive Officer and Director (Principal Executive Officer)	December 23, 2002
/s/ Moray P. Dewhurst Moray P. Dewhurst	Senior Vice President, Finance and Chief Financial Officer and Director (Principal Financial Officer)	December 23, 2002
/s/ K. Michael Davis K. Michael Davis	Vice President, Accounting, Controller and Chief Accounting Officer (Principal Accounting Officer)	December 23, 2002
/s/ Dennis P. Coyle Dennis P. Coyle	Director	December 23, 2002
/s/ Paul J. Evanson Paul J. Evanson	Director	December 23, 2002
/s/ Lawrence J. Kelleher Lawrence J. Kelleher	Director	December 23, 2002
/s/ Armando J. Olivera Armando J. Olivera	Director	December 23, 2002
/s/ Antonio Rodriguez Antonio Rodriguez	Director	December 23, 2002
/s/ John Stall John Stall	Director	December 23, 2002

Exhibit Index

1(a)	Form of Underwriting Agreement.
1(b)	Form of Distribution Agreement.
4(j)	Form of Supplemental Indenture relating to First Mortgage Bonds.
5(a)	Opinion and Consent of Steel Hector & Davis LLP, counsel to FPL.
5(b)	Opinion and Consent of Thelen Reid & Priest LLP, co-counsel to FPL.
23(a)	Independent Auditors' Consent of Deloitte & Touche LLP.
23(b)	Consent of Steel Hector & Davis LLP (included in opinion, attached hereto as Exhibit 5(a)).
23(c)	Consent of Thelen Reid & Priest LLP (included in opinion, attached hereto as Exhibit 5(b)).
24	Power of Attorney (included on the signature page of this registration statement).
25	Statement of Eligibility on Form T-1 of Deutsche Bank Trust Company Americas with respect to the Mortgage.

EXHIBIT 1(a)

FLORIDA POWER & LIGHT COMPANY

FIRST MORTGAGE BONDS

UNDERWRITING AGREEMENT

[Date]

To the Representatives named in Schedule I
hereto of the Underwriters
named in Schedule II hereto

Ladies and Gentlemen:

1. Introductory. Florida Power & Light Company, a Florida corporation ("FPL"), proposes to issue and sell its First Mortgage Bonds of the series designation[s], with the terms and in the principal amount[s] specified in Schedule I hereto (the "Bonds"). FPL hereby confirms its agreement with the several Underwriters (as defined below) as set forth herein.

The term "Underwriters" as used herein shall be deemed to mean the entity or several entities named in Schedule II hereto and any underwriter substituted as provided in Section 5 hereof and the term "Underwriter" shall be deemed to mean one of such Underwriters. If the entity or entities listed in Schedule I hereto (the "Representatives") are the same as the entity or entities listed in Schedule II hereto, then the terms "Underwriters" and "Representatives," as used herein, shall each be deemed to refer to such entity or entities. The Representatives represent that they have been authorized by each Underwriter to enter into this agreement on behalf of such Underwriter and to act for it in the manner herein provided. All obligations of the Underwriters hereunder are several and not joint. If more than one entity is named in Schedule I hereto, any action under or in respect of this agreement may be taken by such entities jointly as the Representatives or by one of the entities acting on behalf of the Representatives and such action will be binding upon all the Underwriters.

2. Description of the Bonds. The Bonds [of each series] will be a series of first mortgage bonds ("First Mortgage Bonds") issued by FPL under its Mortgage and Deed of Trust, dated as of January 1, 1944, to Deutsche Bank Trust Company Americas (formerly known as Bankers Trust Company), as Trustee (the "Mortgage Trustee"), and The Florida National Bank of Jacksonville (now resigned), as heretofore supplemented and as it will be further supplemented by a supplemental indenture relating to the Bonds ("Supplemental Indenture") in substantially the form heretofore delivered to the Representatives. Such Mortgage and Deed of Trust as it has been and will be so supplemented is hereinafter called the "Mortgage."

3. Representations and Warranties of FPL. FPL represents and warrants to the several Underwriters that:

(a) FPL has filed with the Securities and Exchange Commission (the "Commission") a registration statement on Form S-3, including a prospectus ("Registration Statement No. 333-_____"), for the registration under the Securities Act of 1933, as amended (the "Securities Act"), of $_____ aggregate principal amount of its First Mortgage Bonds. Such registration statement has been declared effective by the Commission and no stop order suspending such effectiveness has been issued under the Securities Act and no proceedings for that purpose have been instituted or are pending or, to the knowledge of FPL, threatened by the Commission. References herein to the term "Registration Statement" as of any given date shall mean Registration Statement No. 333-_____, as amended or supplemented to such date, including all documents incorporated by reference therein as of such date pursuant to Item 12 of Form S-3 ("Incorporated Documents"); provided that if FPL files a registration statement pursuant to Rule 462(b) under the Securities Act (the "Rule 462(b) Registration Statement"), then after such filing, all references to "Registration Statement" shall be deemed to include the Rule 462(b) Registration Statement. References herein to the term "Prospectus" as of any given date shall mean the prospectus forming a part of Registration Statement No. 333-_____, as supplemented by a prospectus supplement relating to the Bonds proposed to be filed pursuant to Rule 424 of the general rules and regulations of the Securities Act ("Rule 424"), and as further amended or supplemented as of such date (other than amendments or supplements relating to First Mortgage Bonds other than the Bonds), including all Incorporated Documents. References herein to the term "Effective Date" shall be deemed to refer to the later of the time and date that Registration Statement No. 333-_____ was declared effective and the time and date of the filing thereafter of FPL's most recent Annual Report on Form 10-K, if such filing is made prior to the Closing Date (as hereinafter defined). Prior to the termination of the offering of the Bonds, FPL will not file any amendment to the Registration Statement or any amendment or supplement to the Prospectus without prior notice to the Representatives and to Hunton & Williams, who are acting as counsel for the several Underwriters ("Counsel for the Underwriters"), or any such amendment or supplement to which the Representatives shall reasonably object in writing, or which shall be unsatisfactory to Counsel for the Underwriters.

(b) The Registration Statement, at the Effective Date, fully complied and the Prospectus both on the date it is filed with the Commission pursuant to Rule 424 (such date, the "424 Date") and at the Closing Date, and the Registration Statement and the Mortgage at the Closing Date, will fully comply, in all material respects with the applicable provisions of the Securities Act and the Trust Indenture Act of 1939, as amended (the "1939 Act"), respectively, and, in each case, the applicable instructions, rules and regulations of the Commission thereunder; the Registration Statement at the Effective Date, did not, and at the Closing Date, will not, contain any untrue statement of a material fact, or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading; the Prospectus, on the 424 Date and at the Closing Date, will not include any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements contained therein, in the light of

the circumstances under which they were made, not misleading; and the Incorporated Documents, when filed with the Commission, fully complied or will fully comply in all material respects with the applicable provisions of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and the applicable instructions, rules and regulations of the Commission thereunder; provided, that the foregoing representations and warranties in this subsection (b) shall not apply to statements or omissions made in reliance upon and in conformity with information furnished in writing to FPL by or on behalf of any Underwriter through the Representatives expressly for use in connection with the preparation of the Registration Statement or the Prospectus, or to any statements in or omissions from the Statement of Eligibility on Form T-1, or amendments thereto, of the Mortgage Trustee or to any statements or omissions made in the Registration Statement or Prospectus relating to The Depository Trust Company ("DTC") Book-Entry Only System that are based solely on information contained in published reports of DTC.

(c) The financial statements included as part of or incorporated by reference in the Registration Statement present fairly the financial condition and results of operations of FPL at the respective dates or for the respective periods to which they apply; such financial statements have been prepared in each case in accordance with generally accepted accounting principles consistently applied throughout the periods involved except as otherwise indicated in the Registration Statement; and Deloitte & Touche LLP, who have audited the audited financial statements, are independent public accountants as required by the Securities Act and the Exchange Act and the rules and regulations of the Commission thereunder.

(d) Except as reflected in or contemplated by the Registration Statement and the Prospectus, since the respective most recent dates as of which information is given in the Registration Statement and Prospectus, there has not been any material adverse change in the business, properties or financial condition of FPL, whether or not in the ordinary course of business, nor has any transaction been entered into by FPL that is material to FPL, other than changes and transactions contemplated by the Registration Statement and Prospectus, and transactions in the ordinary course of business. FPL has no material contingent obligation which is not disclosed in or contemplated by the Registration Statement and Prospectus.

(e) The execution and delivery of this agreement, the consummation of the transactions herein contemplated and the fulfillment of the terms hereof on the part of FPL to be fulfilled have been duly authorized by all necessary corporate action of FPL in accordance with the provisions of its Restated Articles of Incorporation, as amended (the "Charter"), by-laws and applicable law, and the Bonds when issued and delivered as provided herein will constitute valid and binding obligations of FPL enforceable in accordance with their terms, except as limited or affected by bankruptcy, insolvency, reorganization, receivership, moratorium or other laws affecting mortgagees' and other creditors' rights and remedies generally and general principles of equity.

(f) The execution and delivery of this agreement, the consummation of the transactions herein contemplated, the fulfillment of the terms hereof and the compliance by FPL with all the terms and provisions of the Mortgage will not result in a breach of

any of the terms or provisions of, or constitute a default under, FPL's Charter or by-laws, or any indenture, mortgage, deed of trust or other agreement or instrument to which FPL is now a party, or violate any law or any order, rule, decree or regulation applicable to FPL of any federal or state court, regulatory board or body or administrative agency having jurisdiction over FPL or any of its property, except where such breach, default or violation would not have a material adverse effect on the business, properties or financial condition of FPL.

(g) All the property to be subjected to the lien of the Mortgage will be adequately described therein.

(h) FPL is not an "investment company" within the meaning of the Investment Company Act of 1940, as amended.

4. Purchase and Sale. On the basis of the representations and warranties herein contained, and subject to the terms and conditions in this agreement, FPL agrees to sell to the respective Underwriters named in Schedule II hereto, severally and not jointly, and the respective Underwriters agree, severally and not jointly, to purchase from FPL, the respective principal amounts of the Bonds set forth opposite their respective names in Schedule II hereto at the purchase prices for those Bonds set forth in Schedule I hereto.

The Underwriters agree to make a *bona fide* public offering of the Bonds as set forth in the Prospectus, such public offering to be made as soon after the execution of this agreement as practicable, subject, however, to the terms and conditions of this agreement. The Underwriters have advised FPL that the Bonds will be offered to the public at the amount per Bond as set forth in Schedule I hereto and to certain dealers selected by the Representatives at a price which represents a concession not in excess of the amount per Bond under the public offering price as set forth in Schedule I hereto.

5. Time, Date and Place of Closing, Default of Underwriter. Delivery of the Bonds [of each series] and payment therefor by wire transfer in federal funds shall be made at the time, date and place set forth in Schedule I hereto, or at such other time, date or place as may be agreed upon in writing by FPL and the Representatives. The time and date of such delivery and payment are herein called the "Closing Date."

The Bonds shall be delivered to the Representatives for the respective accounts of the Underwriters against payment by the several Underwriters through the Representatives of the purchase price therefor. Delivery of the Bonds shall be made through the facilities of DTC unless FPL and the Representatives shall otherwise agree. For the purpose of expediting the checking of the Bonds by the Representatives on behalf of the Underwriters, FPL agrees to make such Bonds available to the Representatives for such purpose at the offices of Thelen Reid & Priest LLP, 875 Third Avenue, New York, New York 10022, not later than 2:00 P.M., New York City time, on the business day preceding the Closing Date, or at such other time, date or place as may be agreed upon by FPL and the Representatives.

If any Underwriter shall fail to purchase and pay for the principal amount of the Bonds [of any series] which such Underwriter has agreed to purchase and pay for hereunder (otherwise

than by reason of any failure on the part of FPL to comply with any of the provisions contained herein), the non-defaulting Underwriters shall be obligated to purchase and pay for (in addition to the respective principal amount of the Bonds set forth opposite their respective names in Schedule II hereto) the principal amount of the Bonds [of each series] which such defaulting Underwriter or Underwriters failed to purchase and pay for, up to a principal amount thereof equal to, in the case of each such remaining Underwriter, ten percent (10%) of the aggregate principal amount of the Bonds [of each series] as to which there is a default and which are set forth opposite the name of such remaining Underwriter in said Schedule II, and such remaining Underwriters shall have the right, within 24 hours of receipt of such notice, either to (i) purchase and pay for (in such proportion as may be agreed upon among them) the remaining principal amount of the Bonds [of each series] which the defaulting Underwriter or Underwriters agreed but failed to purchase, or (ii) substitute another Underwriter or Underwriters, satisfactory to FPL, to purchase and pay for the remaining principal amount of the Bonds [of each series] which the defaulting Underwriter or Underwriters agreed but failed to purchase. If any of the Bonds would still remain unpurchased, then FPL shall be entitled to a further period of 24 hours within which to procure another party or other parties, members of the National Association of Securities Dealers, Inc. (or, if not members of such Association, who are not eligible for membership in said Association and who agree (i) to make no sales within the United States, its territories or its possessions or to persons who are citizens thereof or residents therein and (ii) in making sales to comply with said Association's Conduct Rules) and satisfactory to the Representatives to purchase such Bonds on the terms herein set forth. In the event that, within the respective prescribed periods, (i) the non-defaulting Underwriters notify FPL that they have arranged for the purchase of such Bonds or (ii) FPL notifies the non-defaulting Underwriters that it has arranged for the purchase of such Bonds, the non-defaulting Underwriters or FPL shall have the right to postpone the Closing Date for a period of not more than three full business days beyond the expiration of the respective prescribed periods in order to effect whatever changes may thus be made necessary in the Registration Statement, the Prospectus or in any other documents or arrangements. In the event that neither the non-defaulting Underwriters nor FPL has arranged for the purchase of such Bonds by another party or parties as above provided, then this agreement shall terminate without any liability on the part of FPL or any Underwriter (other than an Underwriter which shall have failed or refused, otherwise than for some reason sufficient to justify, in accordance with the terms hereof, the cancellation or termination of its obligations hereunder, to purchase and pay for the Bonds which such Underwriter has agreed to purchase as provided in Section 4 hereof), except as otherwise provided in Section 9 and subsections (c) and (e) of Section 6 hereof.

6. Covenants of FPL. FPL agrees with the several Underwriters that:

(a) FPL will promptly file the Prospectus with the Commission pursuant to Rule 424 under the Securities Act.

(b) FPL will deliver to the Representatives and to Counsel for the Underwriters one signed copy of the Registration Statement or, if a signed copy is not available, one conformed copy of the Registration Statement certified by an officer of FPL to be in the form as originally filed, including all Incorporated Documents and exhibits, except those incorporated by reference, which relate to the Bonds, including a signed or conformed copy of each consent and certificate included therein or filed as an

exhibit thereto. As soon as practicable after the date of this agreement, FPL will deliver to the Underwriters through the Representatives as many copies of the Prospectus as the Representatives may reasonably request for the purposes contemplated by the Securities Act.

(c) FPL will pay or cause to be paid all expenses in connection with the (i) preparation and filing of the Registration Statement and Prospectus, (ii) issuance and delivery of the Bonds as provided in Section 5 hereof, (iii) preparation, execution, filing and recording of the Supplemental Indenture and (iv) printing and delivery to the Representatives for the account of the Underwriters, in reasonable quantities, of copies of the Registration Statement, the Prospectus and the Supplemental Indenture. FPL will pay or cause to be paid all taxes, if any (but not including any transfer taxes), on the issuance of the Bonds and recordation of the Supplemental Indenture. FPL shall not, however, be required to pay any amount for any expenses of the Representatives or any of the Underwriters, except as provided in Sections 7 and 8 hereof and except that if this agreement shall be terminated in accordance with the provisions of Sections 7, 8 or 10 hereof, FPL will pay the fees and disbursements of Counsel for the Underwriters, whose fees and disbursements the Underwriters agree to pay in any other event. FPL shall not in any event be liable to any of the several Underwriters for damages on account of loss of anticipated profits.

(d) During a period of nine months after the date of this agreement, if any event relating to or affecting FPL shall occur which, in the opinion of FPL, should be set forth in a supplement to or an amendment of the Prospectus in order to make the Prospectus not misleading in the light of the circumstances when it is delivered to a purchaser, FPL will forthwith at its expense prepare and furnish to the Representatives a reasonable number of copies of a supplement or supplements or an amendment or amendments to the Prospectus which will supplement or amend the Prospectus so that as supplemented or amended it will not include any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements contained therein, in the light of the circumstances when the Prospectus is delivered to a purchaser, not misleading; provided that should such event relate solely to activities of any of the Underwriters, then the Underwriters shall assume the expense of preparing and furnishing copies of any such amendment or supplement. In case any Underwriter is required to deliver a Prospectus after the expiration of nine months after the date of this agreement, FPL upon the request of the Representatives will furnish to the Representatives, at the expense of such Underwriter, a reasonable quantity of a supplemented or amended Prospectus or supplements or amendments to the Prospectus complying with Section 10 of the Securities Act.

(e) FPL will furnish such proper information as may be lawfully required and otherwise cooperate in qualifying the Bonds for offer and sale under the blue sky laws of such jurisdictions as the Representatives may designate and will pay or cause to be paid filing fees and expenses (including fees and expenses of counsel) in the aggregate not exceeding $5,000, provided that FPL shall not be required to qualify as a foreign corporation or dealer in securities, or to file any consents to service of process under the

laws of any jurisdiction, or to meet other requirements deemed by FPL to be unduly burdensome.

(f) FPL will timely file such reports pursuant to the Exchange Act as are necessary in order to make generally available to its security holders (including holders of the Bonds) as soon as practicable an earnings statement (which need not be audited, unless required so to be under Section 11(a) of the Securities Act) for the purposes of, and to provide the benefits contemplated by, the last paragraph of Section 11(a) of the Securities Act.

(g) FPL will advise the Representatives promptly of the filing of the Prospectus pursuant to Rule 424 and of any amendment or supplement to the Prospectus or Registration Statement or, prior to the termination of the offering of the Bonds hereunder, of official notice of the institution of proceedings for, or the entry of, a stop order suspending the effectiveness of the Registration Statement and, if such a stop order should be entered, use every commercially reasonable effort to obtain the prompt removal thereof.

(h) On or before the Closing Date, FPL will, if applicable, cause (i) at least one counterpart of the Supplemental Indenture to be duly recorded in the States of Florida or Georgia and (ii) all intangible and documentary stamp taxes due in connection with the issuance of the Bonds and the recording of the Supplemental Indenture to be paid. Within 30 days following the Closing Date, FPL will, if applicable, cause the Supplemental Indenture to be duly recorded in all other counties in which property of FPL is located.

7. Conditions of Underwriters' Obligations to Purchase and Pay for the Bonds. The several obligations of the Underwriters to purchase and pay for the Bonds shall be subject to the performance by FPL of its obligations to be performed hereunder on or prior to the Closing Date and to the following conditions:

(a) The representations and warranties made by FPL herein shall be true and correct in all material respects as of the Closing Date as if made on and as of such date and the Representatives shall have received, prior to payment for the Bonds, a certificate from FPL dated the Closing Date and signed by an officer of FPL to that effect.

(b) No stop order suspending the effectiveness of the Registration Statement shall be in effect on the Closing Date; no order of the Commission directed to the adequacy of any Incorporated Document shall be in effect on the Closing Date; no proceedings for either such purpose shall be pending before, or threatened by, the Commission on such date; and the Representatives shall have received, prior to payment for the Bonds, a certificate from FPL dated the Closing Date and signed by an officer of FPL to the effect that, to the best of his or her knowledge, no such order is in effect and no proceedings for either such purpose are pending before, or to the knowledge of FPL threatened by, the Commission.

(c) On the Closing Date, there shall be in full force and effect an authorization of the Florida Public Service Commission with respect to the issuance and sale of the Bonds on the terms herein stated or contemplated, and containing no provision unacceptable to the Representatives by reason of the fact that it is materially adverse to FPL, it being understood that no authorization provided to Counsel for the Underwriters and in effect at the date of this agreement contains any such unacceptable provision.

(d) On the Closing Date, the Representatives shall have received from Steel Hector & Davis LLP, counsel to FPL, Thelen Reid & Priest LLP, co-counsel to FPL, and Hunton & Williams, Counsel for the Underwriters, opinions (with a copy for each of the Underwriters) in substantially the form and substance prescribed in Schedules III, IV and V hereto (i) with such changes therein as may be agreed upon by FPL and the Representatives, with the approval of Counsel for the Underwriters, and (ii) if the Prospectus relating to the Bonds shall be supplemented or amended after the Prospectus shall have been filed with the Commission pursuant to Rule 424, with any changes therein necessary to reflect such supplementation or amendment.

(e) At the Closing Date, the Representatives shall have received from Deloitte & Touche LLP a letter (with copies thereof for each of the Underwriters) to the effect that (i) they are independent public accountants with respect to FPL within the meaning of the Securities Act and the Exchange Act and the applicable published rules and regulations thereunder; (ii) in their opinion, the consolidated financial statements audited by them and incorporated by reference in the Prospectus comply as to form in all material respects with the applicable accounting requirements of the Securities Act and the Exchange Act and the published rules and regulations thereunder; (iii) on the basis of performing a review of interim financial information as described in Statement on Auditing Standards No. 71, Interim Financial Information, on the unaudited condensed consolidated financial statements of FPL incorporated by reference in the Prospectus, a reading of the latest available interim unaudited condensed consolidated financial statements of FPL since the close of FPL's most recent audited fiscal year, the minutes and consents of the Board of Directors, the Finance Committee of the Board of Directors, the Stock Issuance Committee of the Board of Directors, and the sole common shareholder of FPL since the end of the most recent audited fiscal year, and inquiries of officials of FPL who have responsibility for financial and accounting matters (it being understood that the foregoing procedures do not constitute an audit made in accordance with generally accepted auditing standards and they would not necessarily reveal matters of significance with respect to the comments made in such letter, and accordingly that Deloitte & Touche LLP makes no representation as to the sufficiency of such procedures for the several Underwriters' purposes), nothing has come to their attention which caused them to believe that (a) the unaudited condensed consolidated financial statements of FPL incorporated by reference in the Prospectus (1) do not comply as to form in all material respects with the applicable accounting requirements of the Securities Act and the Exchange Act and the published rules and regulations thereunder and (2) except as disclosed in the Prospectus, are not in conformity with generally accepted accounting principles applied on a basis substantially consistent with that of the audited consolidated financial statements of FPL incorporated by reference in the Prospectus, (b) at the date of the latest available interim balance sheet read by them and at a specified date not more

than five days prior to the Closing Date there was any change in the common stock or additional paid-in capital, increase in the preferred stock or long-term debt of FPL and its subsidiaries, or decrease in its shareholders' equity, in each case as compared with amounts shown in the most recent condensed consolidated balance sheet incorporated by reference in the Prospectus, except in all instances for changes, increases or decreases which the Prospectus discloses have occurred or may occur, or as occasioned by the declaration, provision for, or payment of dividends, or which are described in such letter, or (c) for the period from the date of the most recent condensed consolidated balance sheet incorporated by reference in the Prospectus to the latest available interim balance sheet read by them and for the period from the date of the latest available interim balance sheet read by them to a specified date not more than five days prior to the Closing Date, there were any decreases, as compared with the corresponding period in the preceding year, in total consolidated operating revenues or in net income or net income available to FPL Group, Inc., except in all instances for decreases which the Prospectus discloses have occurred or may occur, or which are described in such letter; and (iv) they have carried out certain procedures and made certain findings, as specified in such letter, with respect to certain amounts included in the Prospectus and Exhibit 12 to the Registration Statement and such other items as the Representatives may reasonably request.

(f) Since the respective most recent dates as of which information is given in the Registration Statement and Prospectus, and up to the Closing Date, (i) there shall have been no material adverse change in the business, properties or financial condition of FPL, except as disclosed in or contemplated by the Registration Statement and Prospectus, and (ii) there shall have been no material transaction entered into by FPL other than transactions disclosed in or contemplated by the Registration Statement and the Prospectus, and transactions in the ordinary course of business; and at the Closing Date, the Representatives shall have received a certificate to such effect from FPL signed by an officer of FPL.

(g) All legal proceedings to be taken in connection with the issuance and sale of the Bonds shall have been satisfactory in form and substance to Counsel for the Underwriters.

In case any of the conditions specified above in this Section 7 shall not have been fulfilled, this agreement may be terminated by the Representatives upon mailing or delivering written notice thereof to FPL. Any such termination shall be without liability of any party to any other party except as otherwise provided in subsections (c) and (e) of Section 6 hereof and except that in the event of such termination by the Representatives, FPL shall reimburse the Underwriters for out-of-pocket expenses reasonably incurred by them in connection with the transactions contemplated by this agreement, not in excess, however, of an aggregate of $5,000.

8. Condition of FPL's Obligations. The obligation of FPL to deliver the Bonds shall be subject to the following conditions:

(a) No stop order suspending the effectiveness of the Registration Statement shall be in effect on the Closing Date; no order of the Commission directed to the adequacy of any Incorporated Document shall be in effect on the Closing Date, and no

proceedings for either such purpose shall be pending before, or threatened by, the Commission on such date.

(b) On the Closing Date there shall be in full force and effect an authorization of the Florida Public Service Commission with respect to the issuance and sale of the Bonds on the terms herein stated or contemplated, and containing no provision unacceptable to FPL by reason of the fact that it is materially adverse to FPL, it being understood that no authorization in effect at the date of this agreement contains any such unacceptable provision.

In case the conditions specified above in this Section 8 shall not have been fulfilled, this agreement may be terminated by FPL upon mailing or delivering written notice thereof to the Representatives. Any such termination shall be without liability of any party to any other party except as otherwise provided in subsections (c) and (e) of Section 6 hereof and except that in the event of such termination by FPL, FPL shall reimburse the Underwriters for out-of-pocket expenses reasonably incurred by them in connection with the transactions contemplated by this agreement, not in excess, however, of an aggregate of $5,000.

9. Indemnification.

(a) FPL agrees to indemnify and hold harmless each Underwriter, each officer and director of each Underwriter and each person who controls any Underwriter within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act against any and all losses, claims, damages or liabilities, joint or several, to which they or any of them may become subject under the Securities Act or any other statute or common law and to reimburse each such Underwriter, officer, director and controlling person for any legal or other expenses (including, to the extent hereinafter provided, reasonable counsel fees) when and as incurred by them in connection with investigating any such losses, claims, damages or liabilities or in connection with defending any actions, insofar as such losses, claims, damages, liabilities, expenses or actions arise out of or are based upon any untrue statement or alleged untrue statement of a material fact contained in any preliminary prospectus [(if used prior to the Effective Date of the Registration Statement)], including all Incorporated Documents, or in the Registration Statement or the Prospectus, or the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading; provided, however, that the indemnity agreement contained in this subsection (a) of Section 9 shall not apply to any such losses, claims, damages, liabilities, expenses or actions arising out of, or based upon, any such untrue statement or alleged untrue statement, or any such omission or alleged omission, if such statement or omission was made in reliance upon and in conformity with information furnished in writing, to FPL by or on behalf of any Underwriter, through the Representatives, expressly for use in connection with the preparation of the Registration Statement or the Prospectus or any amendment or supplement to either thereof, or arising out of, or based upon, statements in or omissions from the Statement of Eligibility on Form T-1 of the Mortgage Trustee; and provided, further, that the indemnity agreement contained in this subsection (a) of Section 9 in respect of any preliminary prospectus (and for purposes of clause (ii) below, the Prospectus) shall not inure to the benefit of any Underwriter (or of any person

controlling such Underwriter) on account of any such losses, claims, damages, liabilities, expenses or actions arising from the sale of the Bonds [of any series] to any person if such Underwriter shall have failed to send or give to such person (i) with or prior to the written confirmation of such sale, a copy of the Prospectus or the Prospectus as amended or supplemented, if any amendments or supplements thereto shall have been furnished at or prior to the time of written confirmation of the sale involved, but exclusive of any Incorporated Documents, unless the alleged omission or alleged untrue statement with respect to such preliminary prospectus is not corrected in the Prospectus or the Prospectus as amended or supplemented at the time of confirmation, or (ii) with or prior to the delivery of such Bonds to such person, a copy of any amendment or supplement to the Prospectus which shall have been furnished subsequent to such written confirmation and prior to the delivery of such Bonds to such person, but exclusive of any Incorporated Documents, unless the alleged omission or alleged untrue statement with respect to such preliminary prospectus or the Prospectus was not corrected in the Prospectus or in such amendment or supplement at the time of such delivery of such Bonds. The indemnity agreement of FPL contained in this subsection (a) of Section 9 and the representations and warranties of FPL contained in Section 3 hereof shall remain operative and in full force and effect, regardless of any investigation made by or on behalf of any Underwriter, officer, director or any such controlling person, and shall survive the delivery of the Bonds [of each series]. The Underwriters agree promptly to notify FPL, and each other Underwriter, of the commencement of any litigation or proceedings against them or any of them or any such officer, director or controlling person in connection with the issuance and sale of the Bonds [of any series].

(b) Each Underwriter, severally and not jointly, agrees to indemnify and hold harmless FPL, its officers and directors, and each person who controls FPL within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act against any and all losses, claims, damages or liabilities, joint or several, to which they or any of them may become subject under the Securities Act or any other statute or common law and to reimburse each of them for any legal or other expenses (including, to the extent hereinafter provided, reasonable counsel fees) when and as incurred by them in connection with investigating any such losses, claims, damages or liabilities or in connection with defending any actions, insofar as such losses, claims, damages, liabilities, expenses or actions arise out of or are based upon any untrue statement or alleged untrue statement of a material fact contained in the Registration Statement or the Prospectus, or the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading if such statement or omission was made in reliance upon and in conformity with information furnished in writing, to FPL by or on behalf of such Underwriter, through the Representatives, expressly for use in connection with the preparation of the Registration Statement or the Prospectus or any amendment or supplement to either thereof. The Underwriters hereby furnish to FPL in writing expressly for use in the Registration Statement and Prospectus [insert information provided by the Underwriters]. FPL acknowledges that the statements set forth in the preceding sentence constitute the only information furnished in writing by or on behalf of the several Underwriters expressly for inclusion in any preliminary prospectus or the Prospectus. The indemnity agreement of the respective Underwriters contained in this subsection (b) of Section 9 shall remain

operative and in full force and effect, regardless of any investigation made by or on behalf of FPL or any of its officers or directors or any such other Underwriter or any such controlling person, and shall survive the delivery of the Bonds [of each series]. FPL agrees promptly to notify the Representatives of the commencement of any litigation or proceedings against FPL (or any controlling person thereof) or any of its officers or directors in connection with the issuance and sale of the Bonds [of any series].

(c) FPL and the several Underwriters each agree that, upon the receipt of notice of the commencement of any action against it, its officers and directors, or any person controlling it as aforesaid, in respect of which indemnity or contribution may be sought under the provisions of this Section 9, it will promptly give written notice of the commencement thereof to the party or parties against whom indemnity or contribution shall be sought thereunder, but the omission so to notify such indemnifying party or parties of any such action shall not relieve such indemnifying party or parties from any liability which it or they may have to the indemnified party otherwise than on account of such indemnity agreement. In case such notice of any such action shall be so given, such indemnifying party or parties shall be entitled to participate at its own expense in the defense or, if it so elects, to assume (in conjunction with any other indemnifying parties) the defense of such action, in which event such defense shall be conducted by counsel chosen by such indemnifying party or parties and reasonably satisfactory to the indemnified party or parties who shall be defendant or defendants in such action, and such defendant or defendants shall bear the fees and expenses of any additional counsel retained by them; but if the indemnifying party shall elect not to assume the defense of such action, such indemnifying party will reimburse such indemnified party or parties for the reasonable fees and expenses of any counsel retained by them; provided, however, if the defendants in any such action include both the indemnified party and the indemnifying party and counsel for the indemnifying party shall have reasonably concluded that there may be a conflict of interest in the representation by such counsel of both the indemnifying party and the indemnified party, the indemnified party or parties shall have the right to select separate counsel, satisfactory to the indemnifying party or parties, to participate in the defense of such action on behalf of such indemnified party or parties at the expense of the indemnifying party or parties (it being understood, however, that the indemnifying party or parties shall not be liable for the expenses of more than one separate counsel representing the indemnified parties who are parties to such action). FPL and the several Underwriters each agree that without the prior written consent of the other parties to such action who are parties to this agreement, which consent shall not be unreasonably withheld, it will not settle, compromise or consent to the entry of any judgment in any claim or proceeding in respect of which such party intends to seek indemnity or contribution under the provisions of this Section 9, unless such settlement, compromise or consent (i) includes an unconditional release of such other parties from all liability arising out of such claim or proceeding and (ii) does not include a statement as to or an admission of fault, culpability or a failure to act by or on behalf of such other parties.

(d) If, or to the extent, the indemnification provided for in subsections (a) or (b) above shall be unenforceable under applicable law by an indemnified party, each indemnifying party agrees to contribute to such indemnified party with respect to any and

all losses, claims, damages, liabilities and expenses for which each such indemnification provided for in subsections (a) or (b) above shall be unenforceable, in such proportion as shall be appropriate to reflect (i) the relative fault of FPL on the one hand and the Underwriters on the other in connection with the statements or omissions which have resulted in such losses, claims, damages, liabilities and expenses, (ii) the relative benefits received by FPL on the one hand and the Underwriters on the other hand from the offering of the Bonds pursuant to this agreement, and (iii) any other relevant equitable considerations; provided, however, that no indemnified party guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution with respect thereto from any indemnifying party not guilty of such fraudulent misrepresentation. Relative fault shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by FPL or the Underwriters and each such party's relative intent, knowledge, access to information and opportunity to correct or prevent such untrue statement or omission. FPL and each of the Underwriters agree that it would not be just and equitable if contribution pursuant to this subsection (d) were to be determined by pro rata allocation or by any other method of allocation which does not take account of the equitable considerations referred to above. Notwithstanding the provisions of this subsection (d), no Underwriter shall be required to contribute in excess of the amount equal to the excess of (i) the total price at which the Bonds underwritten by it were offered to the public, over (ii) the amount of any damages which such Underwriter has otherwise been required to pay by reason of any such untrue or alleged untrue statement or omission or alleged omission. The obligations of each Underwriter to contribute pursuant to this subsection (d) are several and not joint and shall be in the same proportion as such Underwriter's obligation to underwrite the Bonds [of the series] with respect to which contribution is sought is to the total principal amount of the Bonds [of such series] set forth in Schedule II hereto.

10. Termination. This agreement may be terminated by the Representatives by delivering written notice thereof to FPL, at any time prior to the Closing Date if after the date hereof and at or prior to the Closing Date:

(a) (i) there shall have occurred any general suspension of trading in securities on The New York Stock Exchange, Inc. (the "NYSE") or there shall have been established by the NYSE or by the Commission or by any federal or state agency or by the decision of any court any limitation on prices for such trading or any general restrictions on the distribution of securities, or trading in any securities of FPL shall have been suspended or limited by any exchange located in the United States or on the over-the-counter market located in the United States or a general banking moratorium declared by New York or federal authorities or (ii) there shall have occurred any new material outbreak of hostilities, including, but not limited to, an escalation of hostilities which existed prior to the date of this agreement, or other national or international calamity or crisis, the effect of any such event specified in (i) or (ii) above on the financial markets of the United States shall be such as to make it impracticable for the Underwriters to enforce contracts for the sale of the Bonds [of any series]; or

(b) (i) there shall have been any downgrading or any notice of any intended or potential downgrading in the ratings accorded to the Bonds [of any series] or any securities of FPL which are of the same class as the Bonds by either [Moody's Investor Service, Inc. ("Moody's")] or [Standard & Poor's Ratings Services, a division of McGraw-Hill Companies, Inc. ("S&P")], or (ii) either [Moody's] or [S&P] shall have publicly announced that either has under surveillance or review, with possible negative implications, its ratings of the Bonds [of any series] or any securities of FPL which are of the same class as the Bonds, the effect of any such event specified in (i) or (ii) above which, in the reasonable judgment of the Representatives, makes it impracticable or inadvisable to consummate the sale of the Bonds and the delivery of the Bonds by the several Underwriters at the initial public offering price.

This agreement may also be terminated at any time prior to the Closing Date if in the judgment of the Representatives the subject matter of any amendment or supplement to the Registration Statement or the Prospectus prepared and furnished by FPL after the date hereof reflects a material adverse change in the business, properties or financial condition of FPL which renders it either inadvisable to proceed with such offering, if any, or inadvisable to proceed with the delivery of the Bonds [of any series] to be purchased hereunder. Any termination of this agreement pursuant to this Section 10 shall be without liability of any party to any other party except as otherwise provided in subsections (c) and (e) of Section 6 hereof.

11. Miscellaneous. The validity and interpretation of this agreement shall be governed by the laws of the State of New York. This agreement shall inure to the benefit of FPL, the several Underwriters and, with respect to the provisions of Section 9 hereof, each officer, director or controlling person referred to in said Section 9, and their respective successors. Nothing in this agreement is intended or shall be construed to give to any other person or entity any legal or equitable right, remedy or claim under or in respect of this agreement or any provision herein contained. The term "successors" as used in this agreement shall not include any purchaser, as such purchaser, of any Bonds from any of the several Underwriters.

12. Notices. All communications hereunder shall be in writing or by telegram and, if to the Underwriters, shall be mailed or delivered to the Representatives at the address set forth in Schedule I hereto, or if to FPL, shall be mailed or delivered to it at 700 Universe Boulevard, Juno Beach, Florida 33408, Attention: Treasurer.

If the foregoing correctly sets forth our understanding, please indicate your acceptance thereof in the space provided below for that purpose, whereupon this letter and your acceptance shall constitute a binding agreement between us.

Very truly yours,

Florida Power & Light Company

By: _____
Name:
Title:

Accepted and delivered as of
the date first above written:

By: _____
Name:
Title:

Acting on their own behalf and on behalf of the other several Underwriters referred to in the foregoing agreement.

SCHEDULE I

Underwriting Agreement dated _____, 200_
Registration Statement No. 333-_____
Representatives and Addresses:

Bonds:

Designation:
Principal Amount:
Date of Maturity:
Interest Rate:
Purchase Price:
Underwriting Discount:
Price to the Public:
Dealers' Concession:

Closing Date, Time
and Location:

SCHEDULE II

Underwriter	**Principal Amount of ____% Bonds**	**[Principal Amount of ____% Bonds]**
Total		

SCHEDULE III

[LETTERHEAD OF STEEL HECTOR & DAVIS LLP]

[Date]

as Representatives of the Underwriters
named in Schedule II to the Agreement,
as herein described

Ladies and Gentlemen:

We have acted as counsel for Florida Power & Light Company ("FPL") (a) in connection with the authorization and issuance by FPL of $_____ principal amount of First Mortgage Bonds, ____% Series due _____, 20__ [and $_____ principal amount of First Mortgage Bonds, ____% Series due _____, 20__] ([collectively,] the "Bonds"), issued under the Mortgage and Deed of Trust dated as of January 1, 1944, as the same is supplemented by one hundred and [three] indentures supplemental thereto, the latest of which (the "One Hundred [Third] Supplemental Indenture") is dated as of _____, 200_ (such Mortgage as so supplemented being hereinafter called the "Mortgage") from FPL to Deutsche Bank Trust Company Americas (formerly known as Bankers Trust Company), as Trustee ("Mortgage Trustee"), and (b) in connection with the sale of the Bonds to you in accordance with the underwriting agreement dated _____, 200_, between you and FPL (the "Agreement"). Capitalized terms used in this opinion but not defined shall have the meanings set forth in the Agreement.

We have participated in the preparation of or reviewed (1) Registration Statement No. 333-_____ which became effective on _____, 200_, which registration statement was filed by FPL with the Securities and Exchange Commission (the "Commission") under the Securities Act of 1933, as amended (the "Securities Act"), (references herein to the term "Registration Statement" as of any given date shall mean Registration Statement No. 333-_____, as amended and supplemented to such date, including those documents incorporated by reference therein as of such date pursuant to Item 12 of Form S-3 under the Securities Act (the "Incorporated Documents")); (2) the prospectus dated _____, 200_ forming a part of the Registration Statement, as supplemented by a prospectus supplement dated _____, 200_ relating to the Bonds, both such prospectus and prospectus supplement filed pursuant to Rule 424(b) under the Securities Act ("Rule 424" and references herein to the "Prospectus" as of any given date shall refer to such prospectus, as supplemented by the prospectus supplement relating to the Bonds filed pursuant to Rule 424, and as further amended and supplemented to such date, including the Incorporated Documents); (3) the Mortgage; (4) the corporate proceedings with respect to the Registration Statement and with respect to the authorization, issuance and sale of the Bonds; (5) FPL's Restated Articles of Incorporation, as amended to the date hereof (the

"Charter"), and Bylaws, as amended to the date hereof (the "Bylaws"); and (6) such other corporate records, certificates and other documents and such questions of law as we have considered necessary or appropriate for the purposes of this opinion. We have also participated in the preparation of FPL's Application to the Florida Public Service Commission ("FPSC") for the authorization of, among other things, the issuance and sale of debt securities in 200_, including the Bonds.

Upon the basis of the foregoing, we advise you that:

I.

FPL is a validly organized and existing corporation and is in good standing under the laws of the State of Florida and has valid franchises, licenses and permits adequate for the conduct of its business.

II.

FPL is a corporation duly authorized by its Charter to conduct the business which it is now conducting as set forth in the Prospectus; FPL is subject, as to retail rates and services, issuance of securities, accounting and certain other matters, to the jurisdiction of the FPSC; and FPL is subject, as to wholesale rates, accounting and certain other matters, to the jurisdiction of the Federal Energy Regulatory Commission.

III.

The Mortgage has been duly authorized by FPL by all necessary corporate action, has been duly and validly executed and delivered by FPL, and is a valid and binding obligation of FPL enforceable in accordance with its terms, except as limited or affected by bankruptcy, insolvency, reorganization, receivership, moratorium or other laws affecting mortgagees' and other creditors' rights and remedies generally and general principles of equity.

IV.

The Bonds [of each series] are valid and binding obligations of FPL enforceable in accordance with their respective terms, except as limited or affected by bankruptcy, insolvency, reorganization, receivership, moratorium or other laws affecting mortgagees' and other creditors' rights and remedies generally and general principles of equity, and are entitled to the benefit of the security afforded by the Mortgage.

V.

Except as to the financial statements and other financial or statistical data contained or incorporated by reference therein, as to which we express no opinion, and except for those parts of the Registration Statement that constitute the Statement of Eligibility on Form T-1, as to which we express no opinion, the Registration Statement, at the Effective Date, and the Prospectus, at the 424 Date, complied as to form in all material respects with the applicable requirements of the Securities Act and the applicable instructions, rules and regulations of the Commission thereunder. The Incorporated Documents (except as to the financial statements and

other financial or statistical data contained or incorporated by reference therein, as to which we express no opinion), at the time they were filed with the Commission, complied as to form in all material respects with the applicable requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and the applicable instructions, rules and regulations of the Commission thereunder. The Registration Statement became, and is, at the date hereof, effective under the Securities Act, and to the best of our knowledge, no proceedings for a stop order with respect thereto are pending or threatened under Section 8 of the Securities Act.

VI.

The consummation of the transactions contemplated in the Agreement and the fulfillment of the terms contained in the Agreement and the compliance by FPL with all the terms and provisions of the Mortgage will not result in a breach of any of the terms or provisions of, or constitute a default under, the Charter or the Bylaws or any indenture, mortgage, deed of trust or other agreement or instrument the terms of which are known to us to which FPL is now a party, except where such breach or default would not have a material adverse effect on the business, properties or financial condition of FPL.

VII.

The Bonds are being issued and sold pursuant to the authority contained in an order of the FPSC, which authority is adequate to permit the issuance and sale of the Bonds. To the best of our knowledge, said authorization is still in full force and effect, and no further approval, authorization, consent or order of any public board or body (other than in connection or in compliance with the provisions of the blue sky laws of any jurisdiction as to which we express no opinion, and other than those which have been already obtained) is legally required for the authorization of the issuance and sale of the Bonds.

VIII.

The statements made in the Prospectus under the headings ["Description of the Bonds" and "Certain Terms of the Offered Bonds,"] [and _____] insofar as they purport to constitute summaries of the terms of the documents referred to therein, constitute accurate summaries of the terms of such documents in all material respects.

IX.

The Mortgage is duly qualified under the Trust Indenture Act of 1939, as amended.

X.

The Agreement has been duly and validly authorized, executed and delivered by FPL.

XI.

As to the Mortgaged and Pledged Property, as defined in the Mortgage, FPL has satisfactory title to any easements and personal properties, and good and marketable or insurable title in fee simple to any other real properties (except as FPL's interest is stated to be otherwise),

subject only to Excepted Encumbrances, as defined in the Mortgage, to any lien, if any, existing or placed thereon at the time of acquisition thereof by FPL, to minor defects and encumbrances customarily found in the case of properties of like size and character and which, in our opinion, would not impair the use thereof by FPL (all of which title exceptions, encumbrances, liens and defects are hereinafter referred to as "Exceptions"), and to the lien of the Mortgage; the Mortgage constitutes a valid, direct, and first mortgage lien upon the Mortgaged and Pledged Property now owned by FPL, subject, however, to the Exceptions and as set forth in the last sentence of this paragraph; and the description of properties in the Mortgage is adequate to constitute the Mortgage a lien on Mortgaged and Pledged Property hereafter acquired by FPL, subject, however, to the Exceptions and except as limited or affected by bankruptcy, insolvency, reorganization, receivership, moratorium or other laws affecting mortgagees' and other creditors' rights and remedies generally and general principles of equity. The [One Hundred Third] Supplemental Indenture is in proper form for recording in all places required; and upon such recording, the [One Hundred Third] Supplemental Indenture will constitute adequate record notice to perfect the lien of the Mortgage as to all Mortgaged and Pledged Property acquired by FPL subsequent to the recording of the [One Hundred Second] Supplemental Indenture to the Mortgage and prior to the recording of the [One Hundred Third] Supplemental Indenture.

XII.

Except as stated or referred to in the Prospectus, there is no material pending legal proceeding to which FPL is a party or of which property of FPL is the subject which is reasonably likely to be determined adversely and, if determined adversely, might reasonably be expected to have a material adverse effect on FPL and, to the best of our knowledge, no such proceeding is known to be contemplated by governmental authorities.

In rendering the foregoing opinion, we have assumed that the certificates representing the Bonds will conform to specimens examined by us and that the Bonds will be duly authenticated by the Mortgage Trustee under the Mortgage and will be delivered against payment of the purchase price as provided in the Agreement and that the signatures on all documents examined by us are genuine, assumptions which we have not independently verified.

Other than with respect to the opinion expressed in Paragraph VIII hereof, we have not ourselves checked the accuracy or completeness of, or otherwise verified, the information furnished with respect to matters in the Registration Statement or the Prospectus. We have generally reviewed and discussed such information with certain officers and employees of FPL, certain of its other legal counsel, its independent public accountants and your representatives. Additionally, as counsel to FPL, we have responsibility for certain of its legal matters. On the basis of such consideration, review and discussion, but without independent check or verification except as stated, nothing has come to our attention that would lead us to believe (except as to the financial statements and other financial or statistical data contained or incorporated by reference therein, as to which we express no belief, and except for those parts of the Registration Statement that constitute the Statement of Eligibility on Form T-1, as to which we express no belief), that the Registration Statement, at the Effective Date, contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the statements contained therein not misleading or (except as aforesaid) that the Prospectus at the 424 Date included, or at the date hereof includes, any untrue statement of a material fact or the

Prospectus at the 424 Date omitted, or at the date hereof omits, to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

We are members of the Florida Bar and do not hold ourselves out as experts on the laws of New York or Georgia, and accordingly, this opinion is limited to the laws of Florida and the federal laws of the United States insofar as they bear on matters covered hereby. As to all matters of New York law, we have relied, with your consent, upon an opinion of even date herewith addressed to you by Thelen Reid & Priest LLP, New York, New York. As to all matters of law affecting Mortgaged and Pledged Property located in the State of Georgia, we have relied, with your consent, upon an opinion of even date herewith addressed to you and us by McDaniel & Haugaard, P.C., Decatur, Georgia. As to all matters of Florida law, Thelen Reid & Priest LLP and Hunton & Williams are hereby authorized to rely upon this opinion as though it were rendered to each of them.

This opinion is rendered to you in connection with the above-described transaction. This opinion may not be relied upon by you for any other purpose, or relied upon or furnished to any other person, firm or corporation without our prior written permission. This opinion is expressed as of the date hereof, and we do not assume any obligation to update or supplement it to reflect any fact or circumstance that hereafter comes to our attention, or any change in law that hereafter occurs.

Very truly yours,

STEEL HECTOR & DAVIS LLP

SCHEDULE IV

[LETTERHEAD OF THELEN REID & PRIEST LLP]

[Date]

as Representatives of the Underwriters
named in Schedule II to the Agreement,
as herein described

Ladies and Gentlemen:

We have acted as special counsel for Florida Power & Light Company ("FPL") (a) in connection with the authorization and issuance by FPL of $_____ principal amount of First Mortgage Bonds, ____% Series due _____, 20__ [and $_____ principal amount of First Mortgage Bonds, ____% Series due _____, 20__] ([collectively,] the "Bonds"), issued under the Mortgage and Deed of Trust dated as of January 1, 1944, as the same is supplemented by one hundred and [three] indentures supplemental thereto, the latest of which (the "One Hundred [Third] Supplemental Indenture") is dated as of _____, 200_ (such Mortgage as so supplemented being hereinafter called the "Mortgage") from FPL to Deutsche Bank Trust Company Americas (formerly known as Bankers Trust Company), as Trustee ("Mortgage Trustee"), and (b) in connection with the sale of the Bonds to you in accordance with the underwriting agreement dated _____, 200_, between you and FPL (the "Agreement"). Capitalized terms used in this opinion but not defined shall have the meanings set forth in the Agreement.

We have participated in the preparation of or reviewed (1) Registration Statement No. 333-_____ which became effective on _____, 200_, which registration statement was filed by FPL with the Securities and Exchange Commission (the "Commission") under the Securities Act of 1933, as amended (the "Securities Act"), (references herein to the term "Registration Statement" as of any given date shall mean Registration Statement No. 333-_____, as amended and supplemented to such date, including those documents incorporated by reference therein as of such date pursuant to Item 12 of Form S-3 under the Securities Act (the "Incorporated Documents")); (2) the prospectus dated _____, 200_ forming a part of the Registration Statement, as supplemented by a prospectus supplement dated _____, 200_ relating to the Bonds, both such prospectus and prospectus supplement filed pursuant to Rule 424(b) under the Securities Act ("Rule 424" and references herein to the "Prospectus" as of any given date shall refer to such prospectus, as supplemented by the prospectus supplement relating to the Bonds filed pursuant to Rule 424, and as further amended and supplemented to such date, including the Incorporated Documents); (3) the Mortgage; (4) the corporate proceedings with respect to the Registration Statement and with respect to the authorization, issuance and sale of the Bonds; (5) FPL's Restated Articles of Incorporation, as amended to the date hereof (the "Charter"), and Bylaws, as amended to the date hereof (the

"Bylaws"); and (6) such other corporate records, certificates and other documents and such questions of law as we have considered necessary or appropriate for the purposes of this opinion. We have also participated in the preparation of FPL's Application to the Florida Public Service Commission ("FPSC") for the authorization of, among other things, the issuance and sale of debt securities in 200__, including the Bonds.

Upon the basis of the foregoing, we advise you that:

I.

The Mortgage has been duly authorized by FPL by all necessary corporate action, has been duly and validly executed and delivered by FPL, and is a valid and binding obligation of FPL enforceable in accordance with its terms, except as limited or affected by bankruptcy, insolvency, reorganization, receivership, moratorium or other laws affecting mortgagees' and other creditors' rights and remedies generally and general principles of equity.

II.

The Bonds [of each series] are valid and binding obligations of FPL enforceable in accordance with their respective terms, except as limited or affected by bankruptcy, insolvency, reorganization, receivership, moratorium or other laws affecting mortgagees' and other creditors' rights and remedies generally and general principles of equity, and are entitled to the benefit of the security afforded by the Mortgage.

III.

Except as to the financial statements and other financial or statistical data contained or incorporated by reference therein, as to which we express no opinion, and except for those parts of the Registration Statement that constitute the Statement of Eligibility on Form T-1, as to which we express no opinion, the Registration Statement, at the Effective Date, and the Prospectus, at the 424 Date, complied as to form in all material respects with the applicable requirements of the Securities Act and the applicable instructions, rules and regulations of the Commission thereunder. The Incorporated Documents (except as to the financial statements and other financial or statistical data contained or incorporated by reference therein, as to which we express no opinion), at the time they were filed with the Commission, complied as to form in all material respects with the applicable requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and the applicable instructions, rules and regulations of the Commission thereunder. The Registration Statement became, and is, at the date hereof, effective under the Securities Act, and to the best of our knowledge, no proceedings for a stop order with respect thereto are pending or threatened under Section 8 of the Securities Act.

IV

The consummation of the transactions contemplated in the Agreement and the fulfillment of the terms contained in the Agreement and the compliance by FPL with all the terms and provisions of the Mortgage will not result in a breach of any of the terms or provisions of, or constitute a default under, the Charter or the Bylaws or any indenture, mortgage, deed of trust or other agreement or instrument the terms of which are known to us to which FPL is now a party,

except where such breach or default would not have a material adverse effect on the business, properties or financial condition of FPL.

V.

The Bonds are being issued and sold pursuant to the authority contained in an order of the FPSC, which authority is adequate to permit the issuance and sale of the Bonds. To the best of our knowledge, said authorization is still in full force and effect, and no further approval, authorization, consent or order of any public board or body (other than in connection or in compliance with the provisions of the blue sky laws of any jurisdiction as to which we express no opinion, and other than those which have been already obtained) is legally required for the authorization of the issuance and sale of the Bonds.

VI.

The statements made in the Prospectus under the headings ["Description of the Bonds" and "Certain Terms of the Offered Bonds,"] [and _____] insofar as they purport to constitute summaries of the terms of the documents referred to therein, constitute accurate summaries of the terms of such documents in all material respects.

VII.

The Mortgage is duly qualified under the Trust Indenture Act of 1939, as amended.

VIII.

The Agreement has been duly and validly authorized, executed and delivered by FPL.

In rendering the foregoing opinion, we have assumed that the certificates representing the Bonds will conform to specimens examined by us and that the Bonds will be duly authenticated by the Mortgage Trustee under the Mortgage and will be delivered against payment of the purchase price as provided in the Agreement and that the signatures on all documents examined by us are genuine, assumptions which we have not independently verified.

Other than with respect to the opinion expressed in Paragraph VI hereof, we have not ourselves checked the accuracy or completeness of, or otherwise verified, the information furnished with respect to matters in the Registration Statement or the Prospectus. We have generally reviewed and discussed such information with certain officers and employees of FPL, certain of its other legal counsel, its independent public accountants and your representatives. On the basis of such consideration, review and discussion, but without independent check or verification except as stated, nothing has come to our attention that would lead us to believe (except as to the financial statements and other financial or statistical data contained or incorporated by reference therein, as to which we express no belief, and except for those parts of the Registration Statement that constitute the Statement of Eligibility on Form T-1, as to which we express no belief), that the Registration Statement, at the Effective Date, contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the statements contained therein not misleading or (except as aforesaid) that the Prospectus at the 424 Date included, or at the date hereof includes, any untrue

statement of a material fact or the Prospectus at the 424 Date omitted, or at the date hereof omits, to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

We are members of the New York Bar and do not hold ourselves out as experts on the laws of Florida. We do not pass upon matters governed by Florida law, including without limitation the incorporation of FPL, titles to property, franchises or the lien of the Mortgage. As to all matters of Florida law, we have relied, with your consent, upon an opinion of even date herewith addressed to you by Steel Hector & Davis LLP, Miami, Florida. As to all matters of New York law, Steel Hector & Davis LLP is hereby authorized to rely upon this opinion as though it were rendered to Steel Hector & Davis LLP.

This opinion is rendered to you in connection with the above-described transaction. This opinion may not be relied upon by you for any other purpose, or relied upon or furnished to any other person, firm or corporation without our prior written permission. This opinion is expressed as of the date hereof, and we do not assume any obligation to update or supplement it to reflect any fact or circumstance that hereafter comes to our attention, or any change in law that hereafter occurs.

Very truly yours,

THELEN REID & PRIEST LLP

SCHEDULE V

[LETTERHEAD OF HUNTON & WILLIAMS]

[Date]

as Representatives of the Underwriters
named in Schedule II to the Agreement,
as herein described

Ladies and Gentlemen:

We have acted as your counsel in connection with your several purchases from Florida Power & Light Company ("FPL") of $_____ principal amount of First Mortgage Bonds, ____% Series due _____, 20__ [and $_____ principal amount of First Mortgage Bonds, ____% Series due _____, 20__] ([collectively,] the "Bonds"), issued under FPL's Mortgage and Deed of Trust dated as of January 1, 1944, with Deutsche Bank Trust Company Americas (formerly known as Bankers Trust Company), as Trustee, which has been amended and supplemented in the past and which will be supplemented again by one or more supplemental indentures relating to these Bonds (as so amended and supplemented, the "Mortgage"), pursuant to the Underwriting Agreement, dated _____, 200_, between you and FPL (the "Agreement"). Capitalized terms used and not otherwise defined herein have the meaning ascribed to them in the Agreement.

In connection with the foregoing we have examined the following:

a) FPL's registration statement on Form S-3 (Registration Statement No. 333-_____ relating to $1,000,000,000 aggregate principal amount of First Mortgage Bonds filed with the Commission on _____, 200_ (the "Registration Statement");

b) the prospectus dated _____, 200_ (the "Prospectus") and the prospectus supplement dated _____, 200_ (the "Prospectus Supplement"), filed pursuant to Rule 424(b)(__) under the Securities Act of 1933, as amended (the "Securities Act");

c) the Restated Articles of Incorporation of FPL, as amended to date, and the Bylaws of FPL, as amended to date;

d) the unanimous consent[s] of the Board of Directors of FPL dated _____ and the unanimous consent[s] of the Finance Committee of the Board of Directors of FPL, dated _____, with respect to the offering of the Bonds, as certified by the Secretary of FPL on the date hereof;

e) the Agreement; and

f) the Mortgage.

We have also examined originals or copies, certified or otherwise identified to our satisfaction, of such other documents, agreements, certificates, corporate records, certificates of public officials and other instruments as we have deemed necessary or appropriate for the purposes of this opinion.

For purposes of the opinions expressed below, we have assumed without verification (i) the authenticity of all documents submitted to us as originals; (ii) the conformity to the originals of all documents submitted as certified or photostatic copies and the authenticity of the originals of such documents; (iii) the genuineness of signatures not witnessed by us; and (iv) the legal capacity of natural persons.

In rendering the following opinion, we have assumed that the certificates representing the Bonds will conform to specimens examined by us and that the Bonds will be duly authenticated by the Mortgage Trustee under the Mortgage and will be delivered against payment of the purchase price as provided in the Agreement.

As to factual matters, we have relied upon representations and warranties included in the Agreement and upon certificates of officers of FPL being delivered to you today pursuant to Section 7(a) of the Agreement, and upon certificates of public officials, without independent investigation. Whenever the phrase "to the best of our knowledge" or "has come to our attention" is used herein, it refers to the actual knowledge of the attorneys involved in this transaction, without independent investigation.

We do not purport to express an opinion on any laws other than the laws of the State of New York, the United States of America and, to the extent set forth herein, the laws of the State of Florida. As to all matters of Florida law, we have, with your consent, relied upon the opinion of even date herewith addressed to you by Steel Hector & Davis LLP, counsel for FPL. We express no opinion or belief as to the incorporation of FPL, titles to property, franchises or the lien of the Mortgage.

Based upon the foregoing and such other information and documents as we have considered necessary for the purposes hereof, we are of the opinion that:

I.

1. The Mortgage has been duly authorized by FPL by all necessary corporate action, has been duly and validly executed and delivered by FPL, and is a valid and binding obligation of FPL enforceable against FPL in accordance with its terms, except as limited or affected by bankruptcy, insolvency, reorganization, receivership, moratorium or other laws affecting mortgagees' and other creditors' rights and remedies generally and general principles of equity.

2. The Bonds [of each series] are valid and binding obligations of FPL enforceable against FPL in accordance with their [respective] terms, except as limited or affected by bankruptcy, insolvency, reorganization, receivership, moratorium or other laws affecting

mortgagees' and other creditors' rights and remedies generally and general principles of equity, and are entitled to the benefit of the security afforded by the Mortgage.

3. The statements made in the Prospectus under the headings ["Description of the Bonds" and "Certain Terms of the Offered Bonds,"] [and _____] insofar as such statements purport to constitute summaries of the terms of the documents referred to therein, constitute accurate summaries of the terms of such documents in all material respects.

4. The Registration Statement has become, and is, at the date hereof, effective under the Securities Act, and to the best of our knowledge, no proceedings for a stop order with respect thereto are pending or threatened under Section 8 of the Securities Act.

5. The Mortgage is duly qualified under the Trust Indenture Act of 1939, as amended.

6. The Agreement has been duly and validly authorized, executed and delivered by FPL.

II.

Other than with respect to the opinion expressed in paragraph 3 of Part I hereof, we have not ourselves checked the accuracy or completeness of, or otherwise verified, the information furnished with respect to matters in the Registration Statement, the Prospectus or the Prospectus Supplement. We have, however, participated in the preparation of the Registration Statement, the Prospectus and the Prospectus Supplement. In this context, we have participated in various conferences with the officers and employees of FPL, certain of its legal counsel and its independent certified public accountants and your representatives. At those conferences, the contents of the Prospectus Supplement were discussed and revised. Since the dates of those conferences, we have inquired of certain officers whether there has been any material change in the affairs of FPL.

Except as to the financial statements and other financial or statistical data contained or incorporated by reference therein, as to which we express no opinion, and except for those parts of the Registration Statement that constitute the Statement of Eligibility on Form T-1, as to which we express no opinion, Registration Statement No. 333-_____, at the Effective Date, and the Prospectus and the Prospectus Supplement, each at the 424 Date, complied as to form in all material respects with the applicable requirements of the Securities Act and the applicable instructions, rules and regulations of the Commission thereunder. The Incorporated Documents (except as to the financial statements and other financial or statistical data contained or incorporated by reference therein, as to which we express no opinion), at the time they were filed with the Commission, complied as to form in all material respects with the applicable requirements of the Securities Exchange Act of 1934, as amended, and the applicable instructions, rules and regulations of the Commission thereunder.

Because of the inherent limitations in the independent verification of factual matters, and the character of determinations involved in the preparation of registration statement[s] under the Securities Act, we are not passing upon, and do not assume any responsibility for, and make no representation that we have independently verified, the accuracy, completeness or fairness of the

statements contained in the Registration Statement, the Prospectus or the Prospectus Supplement, except as specifically set forth in paragraph 3 of Part I of our opinion above. Also, we do not express any opinion or belief as to the financial statements or other financial or statistical information contained in the Registration Statement, the Prospectus and the Prospectus Supplement. However, subject to the foregoing, on the basis of our participation in the conferences referred to above and our examination of the documents referred to herein, we advise you that nothing has come to our attention that would lead us to believe (except as to the financial statements and other financial or statistical data contained or incorporated by reference therein, as to which we express no belief, and except for those parts of the Registration Statement that constitute the Statement of Eligibility on Form T-1, as to which we express no belief), that the Registration Statement, at the Effective Date, contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the statements contained therein not misleading or (except as aforesaid) that the Prospectus or the Prospectus Supplement at the 424 Date included, or at the date hereof includes, any untrue statement of a material fact or the Prospectus or the Prospectus Supplement at the 424 Date omitted, or at the date hereof omits, to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

This opinion is furnished solely for your benefit, and it is not to be quoted, in whole or in part, or otherwise referred to, nor is it to be filed with any governmental agency or any other person, and no person or entity other than you shall be entitled to rely upon this opinion without our express written consent. This opinion is given as of the date hereof, and we assume no obligation to advise you after the date hereof of facts or circumstances that come to our attention or changes in law that occur which could affect the opinion contained herein.

Very truly yours,

HUNTON & WILLIAMS

EXHIBIT 1(b)

FLORIDA POWER & LIGHT COMPANY

Secured Medium-Term Notes, Series __

Distribution Agreement

[Date]

[Names and Addresses of Agents]

Ladies and Gentlemen:

The undersigned, FLORIDA POWER & LIGHT COMPANY, a Florida corporation ("FPL"), hereby confirms its agreement with each of you (individually, an "Agent" and collectively, the "Agents") as follows:

1. **Appointment of Agents.**

(a) FPL has authorized by appropriate corporate action and proposes to issue and sell in the manner contemplated by this agreement up to $_____ aggregate principal amount of Securities (as defined in Section 3(a) hereof) registered pursuant to the Registration Statement (as defined in Section 3(a) hereof).

(b) Subject to the terms and conditions stated in this agreement, FPL hereby appoints each of you as Agent for the purpose of offering and selling the Securities. FPL reserves the right to sell the Securities on its own behalf directly to investors and, from time to time, to appoint additional agents to sell the Securities, provided that FPL shall furnish the Agents with reasonable advance notification of the addition of any agent to sell the Securities and further provided that each such additional agent shall be required to execute a distribution agreement in form and substance substantially similar to this agreement, except that FPL and each such additional agent may change the form and substance of the commission rate schedule contained in each respective distribution agreement in any manner acceptable to FPL and such additional agent. FPL further reserves the right to change the principal amount of Securities to be sold by the Agents pursuant to this agreement, provided that FPL shall furnish the Agents with reasonable advance notification of such change. The foregoing shall not be construed to prevent FPL from selling at any time any of its securities, including the Securities in a firm commitment underwriting pursuant to an underwriting agreement that does not provide for a continuous offering of such securities. In the event that FPL shall sell securities during the period between the time at which FPL has accepted an offer to purchase Securities solicited by an Agent from such purchaser under the terms and conditions of this agreement and the Settlement Date (as defined in Section 4 hereof) and such sale directly results in the failure of such purchaser to accept delivery or pay for the Securities, FPL shall be obligated to pay the Agent a commission in respect of such Securities to be calculated in accordance with Exhibit B attached hereto.

(c) On the basis of the representations and warranties contained herein, but subject to the terms and conditions herein set forth, each Agent agrees, as agent of FPL, to use its reasonable best efforts when requested by FPL to solicit offers to purchase the Securities upon the terms and conditions set forth in the Prospectus (as defined in Section 3(a) hereof) and the Administrative Procedures attached hereto as Exhibit A, as they may be amended from time to time (the "Procedures").

(d) Administrative procedures relating to the offer and sale of the Securities, the issue and delivery of certificates representing the Securities and payment for the Securities are set forth in the Procedures. Each Agent and FPL agree to perform the respective duties and obligations to be performed by each of them as provided in the Procedures. The Procedures may be amended only by a written agreement between FPL and the Agents. The Agents agree that the principal amount of Securities to be offered and sold from time to time, the prices, the interest rates or the method, if any, of determining such interest rates, the

maturities, redemption provisions, and other terms at which the Securities are to be offered and sold will be in compliance with limitations established by FPL with the Agents in accordance with the Procedures.

(e) Promptly upon the Settlement Date, each Agent will be paid a commission for such Agent's services in acting as an agent for FPL in the sale of the Securities and not for a purchase by such Agent as principal, in accordance with the schedule set forth in Exhibit B hereto.

(f) Upon execution of this agreement by FPL and each Agent, it is agreed that the Distribution Agreement, dated _____ ("Prior Distribution Agreement"), among FPL and each of the Agents is terminated in accordance with Section 11 of such Prior Distribution Agreement.

2. Description of Securities. FPL proposes to issue the Securities under its Mortgage and Deed of Trust, dated as of January 1, 1944, to Deutsche Bank Trust Company Americas (formerly known as Bankers Trust Company), as Trustee (the "Mortgage Trustee"), and The Florida National Bank of Jacksonville (now resigned), as heretofore supplemented, pursuant to the _____ Supplemental Indenture relating to an aggregate principal amount not to exceed $_____ of First Mortgage Bonds, designated Secured Medium-Term Notes, Series __ (the "Series __ Notes") dated as of _____ (the "Supplemental Indenture"), previously delivered to the Agents. On the date hereof, $_____ aggregate principal amount of such Series __ Notes remain unissued under the Supplemental Indenture. The Mortgage and Deed of Trust as it may be supplemented as of any Settlement Date is hereafter called the "Mortgage".

The Securities shall have the maturities, interest rates or the method, if any, of determining interest rates, redemption provisions, and other terms as set forth in the Prospectus. The Securities will be issued, and the terms thereof established, from time to time by FPL in accordance with the Mortgage and the Procedures.

3. Representations and Warranties of FPL. FPL represents and warrants to each Agent that:

(a) FPL has filed with the Securities and Exchange Commission (the "Commission") a registration statement on Form S-3, including a prospectus ("registration statement No. 333-_____"), for the registration under the Securities Act of 1933, as amended (the "Securities Act"), of $_____ aggregate principal amount of its First Mortgage Bonds. Such registration statement has been declared effective by the Commission and no stop order suspending such effectiveness has been issued under the Securities Act and no proceedings for that purpose have been instituted or are pending or, to the knowledge of FPL, threatened by the Commission. Subsequent to the date hereof, it will file with the Commission any additional registration statement or registration statements ("Subsequent Registration Statement") with respect to its First Mortgage Bonds necessary to assure that Securities (as defined below) offered and sold in accordance with the terms of this agreement are registered under the Securities Act. References herein to the term "Registration Statement" as of any given date shall initially mean registration statement No. 333-_____, as amended or supplemented to such date, including all documents incorporated by reference therein as of such date pursuant to Item 12 of Form S-3 ("Incorporated Documents"). If FPL files a Subsequent Registration Statement with respect to its First Mortgage Bonds which FPL has notified the Agents will be available for offer and sale in accordance with the terms of this agreement ("Future Bonds"), at and after the time such Subsequent Registration Statement is declared effective by the Commission, references herein to the term "Registration Statement" as of any given date shall mean such Subsequent Registration Statement and, until such time as all First Mortgage Bonds registered pursuant to registration statement No. 333-_____ ("Current Bonds") have been issued and sold (assuming that all Current Bonds are issued and sold before any Future Bonds) or deregistered, as the case may be, said registration statement No. 333-_____, as it may be amended or supplemented at such time, including as of such time all Incorporated Documents. References herein to the term "Prospectus" at a particular time shall mean the prospectus forming a part of registration statement No. 333-_____ or, after the Subsequent Registration Statement is declared effective by the Commission, the prospectus or combined prospectus forming a part of the Subsequent Registration Statement, each as may be supplemented by a prospectus supplement or prospectus supplements relating to, as the case may be, Current Bonds or Future Bonds, designated as Secured Medium-Term Notes, Series ("Securities"), proposed to be filed pursuant to Rule 424(b) of the general rules and regulations of the

Securities Act ("Rule 424"), and as further amended or supplemented at such time (other than, when referring to the Prospectus relating to a particular offering of Securities, amendments or supplements relating to Securities other than the Securities being offered at a particular time), including all Incorporated Documents. References herein to the term "Effective Date" shall be deemed initially to refer to the later of the time and date registration statement No. 333-_____ was declared effective or the time and date of the filing thereafter of FPL's most recent Annual Report on Form 10-K and, after any Subsequent Registration Statement has been declared effective by the Commission, references to the term "Effective Date" shall be deemed to refer to the later of the time and date the Subsequent Registration Statement was declared effective or the time and date of the filing thereafter of FPL's most recent Annual Report on Form 10-K. For purposes of this agreement, any Incorporated Document filed with the Commission shall be deemed an amendment to the Registration Statement and a supplement to the Prospectus.

(b) At the Effective Date, the Registration Statement fully complied, and on each date the Prospectus is filed with, or transmitted for filing to, the Commission pursuant to Rule 424 (such date, the "Rule 424 Date") and on any Settlement Date, the Prospectus and the Mortgage will fully comply, in all material respects with the applicable provisions of the Securities Act and the Trust Indenture Act of 1939, as amended (the "1939 Act"), respectively, and, in each case, the applicable instructions, rules and regulations of the Commission thereunder; the Registration Statement at the Effective Date, did not contain, and on any Settlement Date, will not contain, any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading; on each Rule 424 Date and on any Settlement Date, the Prospectus will not include any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements contained therein, in the light of the circumstances under which they were made, not misleading; and the Incorporated Documents when filed with the Commission, fully complied or will fully comply in all material respects with the applicable provisions of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and the applicable instructions, rules and regulations of the Commission thereunder; provided, that the foregoing representations and warranties in this subsection (b) shall not apply to statements or omissions made in reliance upon and in conformity with information furnished in writing to FPL by or on behalf of any Agents for use in connection with the preparation of the Registration Statement or the Prospectus, or to any statements in or omissions from the Statement of Eligibility on Form T-1, or amendments thereto, of the Mortgage Trustee or to any statements or omissions made in the Registration Statement or Prospectus relating to the Depository Trust Company ("DTC") Book-Entry Only System that are based solely on information contained in published reports of DTC.

(c) The financial statements included as part of or incorporated by reference in the Prospectus present fairly the financial condition and results of operations of FPL at the respective dates or for the respective periods to which they apply; such financial statements have been prepared in each case in accordance with generally accepted accounting principles consistently applied throughout the periods involved except as otherwise indicated in the Registration Statement; and Deloitte & Touche LLP, who have audited the audited financial statements, are independent public accountants as required by the Securities Act and the Exchange Act and the rules and regulations of the Commission thereunder.

(d) Except as reflected in or contemplated by the Registration Statement and the Prospectus, since the respective most recent dates as of which information is given in the Registration Statement and Prospectus, there has not been any material adverse change in the business, properties or financial condition of FPL, whether or not in the ordinary course of business, nor has any transaction been entered into by FPL that is material to FPL, other than changes and transactions contemplated by the Registration Statement and Prospectus, and transactions in the ordinary course of business. FPL has no material contingent obligation which is not disclosed in or contemplated by the Registration Statement and Prospectus.

(e) The execution and delivery of this agreement, the consummation of the transactions herein contemplated and the fulfillment of the terms hereof on the part of FPL to be fulfilled have been duly authorized by all necessary corporate action of FPL in accordance with the provisions of its Restated Articles of Incorporation, as amended (the "Charter"), by-laws and applicable law, and the Securities when issued and delivered as provided herein will constitute valid and binding obligations of FPL

enforceable in accordance with their terms, except as limited or affected by bankruptcy, insolvency, reorganization, receivership, moratorium or other laws affecting mortgagees' and other creditors' rights and remedies generally and general principles of equity.

(f) The execution and delivery of this agreement, the consummation of the transactions herein contemplated, the fulfillment of the terms hereof and the compliance by FPL with all the terms and provisions of the Mortgage will not result in a breach of any of the terms or provisions of, or constitute a default under, FPL's Charter or by-laws or any indenture, mortgage, deed of trust or other agreement or instrument to which FPL is now a party, or violate any law or any order, rule, decree or regulation applicable to FPL of any federal or state court, regulatory board or body or administrative agency having jurisdiction over FPL or any of its property, except where such breach, default or violation would not have a material adverse effect on the business, properties or financial condition of FPL.

(g) All the property to be subjected to the lien of the Mortgage will be adequately described therein.

(h) FPL is not an "investment company" within the meaning of the Investment Company Act of 1940, as amended.

4. Settlement. Delivery of Securities in fully registered form shall be made in accordance with the Procedures. The date of authentication and issuance of the Global Security (as defined in the Procedures attached hereto) sold against delivery to FPL of funds in payment therefor is herein called the "Settlement Date." Delivery of, and payment for, Securities sold to the Agents as principal shall be made in accordance with the Terms Agreement (as defined in Section 12 hereof) relating to such Securities.

5. Obligations of Agents.

(a) In soliciting purchases of the Securities from FPL by others (including customers of the Agents), each Agent will be acting as sales agent for FPL and not as principal. Each Agent will use its reasonable best efforts to solicit and receive offers to purchase the Securities on behalf of FPL as contemplated hereby; provided, that each Agent in its sole discretion may suspend from time to time its efforts in offering for sale, and soliciting purchases of, the Securities. In any transaction where an Agent has acted as agent for FPL and has not purchased as principal, the Agent will make reasonable efforts to obtain performance by each purchaser of Securities from FPL, but the Agent will not have any liability to FPL in the event any such purchase is not consummated for any reason. FPL also understands that under no circumstances shall an Agent be obligated to purchase any Securities for its own account except to the extent that such Agent has acted as principal in purchasing Securities or has made a firm commitment with FPL in connection with an offering which has been expressly authorized by FPL and agreed to by such Agent. Unless FPL and the Agents shall otherwise agree, all purchases by an Agent as principal shall be made pursuant to a Terms Agreement.

(b) Each Agent agrees that in carrying out the transactions contemplated by this agreement, it will observe and comply with all securities or blue sky laws, regulations, rules and ordinances in any jurisdiction in which the Securities may be offered, sold or delivered applicable to it as Agent hereunder. Each Agent agrees not to cause any advertisement of the Securities to be published in any newspaper or periodical or posted in any public place and not to publicly issue any circular relating to the Securities other than the Prospectus, except in any case with the express consent of FPL.

6. Covenants of FPL. FPL agrees with each Agent that:

(a) FPL will advise the Agents promptly (i) when any amendment to the Registration Statement, except any Incorporated Documents, has become effective or any supplement to the Prospectus has been filed, (ii) of any request by the Commission for any amendment of the Registration Statement or the Prospectus or for any additional information with respect to the Registration Statement or the Prospectus, (iii) of the issuance by the Commission of any "stop order" suspending the effectiveness of the Registration Statement or the institution, or advice from the Commission that it is considering the institution, of any

proceeding for that purpose, and (iv) of the receipt by FPL of any official notification with respect to the suspension of the qualification of the Securities for sale in any jurisdiction or the initiation or threatening of any proceeding for such purpose. FPL will use its every commercially reasonable effort to prevent the issuance of any such "stop order" and, if issued, to obtain as soon as possible the withdrawal thereof. FPL will not file any amendment to the Registration Statement or supplement to the Prospectus unless FPL has furnished the Agents through Hunton & Williams, who are acting as counsel for the Agents ("Counsel for the Agents") copies for its review prior to filing, except that FPL is not required to so furnish the Agents with copies of any amendment to the Registration Statement or supplement to the Prospectus if such amendment or supplement is a Form 8-K filed solely for the purpose of filing, pursuant to Item 601 of Regulation S-K, exhibits unrelated to the transactions contemplated by this agreement.

(b) FPL will furnish such proper information as may be lawfully required and otherwise cooperate in qualifying the Securities for offer and sale under the blue sky laws of such jurisdictions as the Agents may reasonably designate after consultation with FPL and will pay or cause to be paid filing fees and expenses (including fees and expenses of counsel), in the aggregate not exceeding $5,000, provided that FPL shall not be required to qualify as a foreign corporation or dealer in securities, or to file any consents to service of process under the laws of any jurisdiction, or to meet other requirements deemed by FPL to be unduly burdensome.

(c) FPL will timely file such statements and reports as are or may be required of it as the issuer of the Securities to continue such qualifications under such securities laws in effect for so long as this agreement remains in effect.

(d) FPL will furnish to the Agents and Counsel for the Agents one signed copy of the Registration Statement, or if a signed copy is not available, one conformed copy of the Registration Statement certified by an officer of FPL to be in the form as originally filed, including Incorporated Documents and all exhibits except those incorporated by reference, relating to the Securities, including a signed or conformed copy of each consent and certificate included therein or filed as an exhibit thereto. FPL will furnish the Agents as soon as practicable after the date of this agreement as many copies of the Prospectus as the Agents may reasonably request for the purposes contemplated by the Securities Act.

(e) FPL will deliver to the Agents without charge as soon as practicable after the Registration Statement and each post-effective amendment thereto becomes effective, and as soon as practicable after each supplement to the Prospectus has been filed, as many copies of the Prospectus as then amended or supplemented as the Agents may reasonably request for the purposes contemplated by the Securities Act.

(f) FPL will timely file all reports, and amendments thereto, required to be filed by FPL with the Commission pursuant to Section 13 or 15(d) of the Exchange Act subsequent to the original effective date of the Registration Statement and for so long as this agreement shall remain in effect and to deliver to the Agents without charge promptly after the filing thereof as many copies of each such report and amendment (excluding exhibits) as the Agents may reasonably request.

(g) FPL will deliver to the Agents, so long as this agreement shall remain in effect, as promptly as possible copies of any published reports of FPL to its security holders, including any annual report and quarterly reports of FPL, and any other financial reports made generally available to its security holders.

(h) If an earnings statement is not included in a quarterly report of FPL to its security holders, FPL will make generally available to its security holders once in each calendar quarter, commencing with the quarter beginning after the date of this agreement and ending with the first calendar quarter after the quarter which ends twelve consecutive months after the end of the calendar quarter in which the last sale of Securities effected pursuant hereto occurs, an earnings statement (which need not be audited) of FPL in reasonable detail, covering a period of twelve consecutive months ending at the close of the next preceding calendar quarter, which earnings statement shall satisfy the provisions of Section 11(a) of the Securities Act.

(i) So long as this agreement remains in effect and at any time thereafter when delivery of a prospectus shall be required by the Securities Act in connection with the sale of any of the Securities or resale of any Securities purchased by the Agents as principal hereunder, if any event relating to or affecting FPL, which, in the opinion of FPL, should be set forth in a supplement to or an amendment of the Prospectus in order to make the Prospectus not misleading in the light of the circumstances when it is delivered, FPL will forthwith (i) notify the Agents promptly to suspend offers for sale and solicitations of purchases of the Securities, and promptly after the receipt of such notice the Agents will suspend offers for sale and solicitations of purchases of the Securities and cease using the Prospectus and (ii) at its expense prepare and furnish to the Agents a reasonable number of copies of a supplement or supplements or an amendment or amendments to the Prospectus which will supplement or amend the Prospectus so that as so supplemented or amended it will not include any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements contained therein, in the light of the circumstances when the Prospectus is delivered, not misleading (provided that should such event relate solely to the activities of any of the Agents, then the Agents shall assume the expense of preparing and furnishing copies of any such amendment or supplement) and will advise the Agents when they may resume offers for sale and solicitations of purchases of the Securities.

(j) FPL will pay or cause to be paid all expenses, fees and taxes (but not including any transfer taxes) in connection with (i) the preparation and filing and printing of copies of the Registration Statement and amendments thereto and the Prospectus and amendments and supplements thereto, including in each case all Incorporated Documents, and this agreement, (ii) the issuance and delivery of the Securities, (iii) the qualification for offer and sale of the Securities under securities laws as aforesaid (subject to the limit on such expenses and fees specified in Section 6(b) hereof) and (iv) the preparation, execution, filing and recording of the Supplemental Indenture. FPL also agrees to pay or reimburse the Agents for the reasonable fees and expenses of Counsel for the Agents for their continuing advice and services in connection with the transactions contemplated hereby including advice and services in connection with any Subsequent Registration Statement and (unless otherwise specified in a Terms Agreement) any purchase by the Agents or any Agent pursuant to Section 12 hereof. The Agents agree to notify FPL semi-annually in writing in reasonable detail of such fees and expenses of Counsel for the Agents.

(k) Promptly after the execution of this agreement FPL will reimburse the Agents for the reasonable fees and expenses of Counsel for the Agents and other out-of-pocket expenses of the Agents related to the Agents' services in connection with the implementation of the program for the offer and sale of the Securities as contemplated hereby not exceeding in the aggregate $_____ (exclusive of fees and expenses referred to in Sections 6(b) and 6(j) hereof).

7. Conditions of Agents' Obligations. The obligations of the Agents to act and continue to act as Agents hereunder, and the obligation of the Agents to purchase Securities as principal pursuant to any Terms Agreement, shall be subject to the accuracy of, and compliance with, in all material respects, the representations and warranties of FPL contained herein at the date of this agreement and any Settlement Date, to the performance by FPL, in all material respects, of its obligations to be performed hereunder and to the following conditions:

(a) No stop order suspending the effectiveness of the Registration Statement shall be in effect; no order of the Commission directed to the adequacy of any Incorporated Document shall have been issued; no proceedings for either such purpose shall be pending before, or threatened by, the Commission; at the date of this agreement the Agents shall have received a certificate of FPL signed by an officer of FPL to the effect that, to the best of his or her knowledge, no such order is in effect and no proceedings for such purpose are pending before, or, to the knowledge of FPL threatened by, the Commission; and all requests for additional information with respect to the Registration Statement or the Prospectus on the part of the Commission shall have been complied with by FPL to the reasonable satisfaction of the Agent.

(b) At the date of this agreement, the Agents shall have received from Steel Hector & Davis LLP, counsel to FPL, a favorable opinion (with a copy thereof for each of the Agents), which opinion will not pass upon compliance with provisions of the blue sky laws of any jurisdiction, in form and substance satisfactory to Counsel for the Agents, to the effect that:

(i) FPL is a validly organized and existing corporation and is in good standing under the laws of the State of Florida, and has valid franchises, licenses and permits adequate for the conduct of its business.

(ii) FPL is a corporation duly authorized by its Charter to conduct the business which it is now conducting as set forth in the Prospectus; FPL is subject, as to retail rates and services, issuance of securities, accounting and certain other matters, to the jurisdiction of the Florida Public Service Commission ("FPSC"); and FPL is subject, as to wholesale rates, accounting and certain other matters to the jurisdiction of the Federal Energy Regulatory Commission.

(iii) The Mortgage has been duly authorized by FPL by all necessary corporate action, has been duly and validly executed and delivered by FPL, and is a valid and binding obligation of FPL enforceable in accordance with its terms, except as limited or affected by bankruptcy, insolvency, reorganization, receivership, moratorium or other laws affecting mortgagees' and other creditors' rights and remedies generally and general principles of equity.

(iv) The Securities will, when issued and paid for as contemplated herein, be valid and binding obligations of FPL and, assuming payment of intangible tax and document excise tax in accordance with the Procedures, such Securities will be enforceable in accordance with their terms, except as limited or affected by bankruptcy, insolvency, reorganization, receivership, moratorium or other laws affecting mortgagees' and other creditors' rights and remedies generally and general principles of equity, and will be entitled to the benefit of the security afforded by the Mortgage.

(v) Except as to the financial statements and other financial or statistical data contained or incorporated by reference therein, upon which such opinion need not pass, and except for those parts of the Registration Statement that constitute a Statement of Eligibility on Form T-1, or amendments thereto, upon which such opinion need not pass, the Registration Statement, at the Effective Date, and the Prospectus, at the Rule 424 Date, complied as to form in all material respects with the applicable requirements of the Securities Act and the applicable instructions, rules and regulations of the Commission thereunder. The Incorporated Documents (except as to the financial statements and other financial or statistical data contained or incorporated by reference therein, upon which such opinion need not pass), at the time they were filed with the Commission, complied as to form in all material respects with the applicable requirements of the Exchange Act and the applicable instructions, rules and regulations of the Commission thereunder. The Registration Statement is, at the date of this agreement, effective under the Securities Act, and to the best of the knowledge of said counsel, no proceedings for a stop order with respect thereto are pending or threatened under Section 8 of the Securities Act.

(vi) The consummation of the transactions herein contemplated and the fulfillment of the terms hereof and the compliance by FPL with all the terms and provisions of the Mortgage will not result in a breach of any of the terms or provisions of, or constitute a default under, the Charter or Bylaws of FPL, or any indenture, mortgage, deed of trust or other agreement or instrument the terms of which are known to such counsel to which FPL is now a party, except where such breach or default would not have a material adverse effect on the business, properties or financial condition of FPL.

(vii) Except as to the financial statements and other financial or statistical data contained or incorporated by reference therein and except for those parts of the Registration Statement that constitute a Statement of Eligibility on Form T-1, or amendments thereto, upon which such opinion need not pass, nothing has come to the attention of said counsel that would lead them to believe that the Registration Statement, at the Effective Date, contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein not misleading or that the Prospectus, at the Rule 424 Date and at the date of such opinion (except as aforesaid), included or includes any untrue statement of a material fact or omitted or omits to state a material fact necessary in order to make the

statements contained therein, in the light of the circumstances under which they were made, not misleading, provided that such counsel may state that their belief is based upon their participation in the preparation of the Registration Statement and the Prospectus and any supplements and amendments thereto and review and discussion of the contents thereof, but is without independent check or verification except as specified.

(viii) The Securities are being issued and sold pursuant to the authority contained in an order of the FPSC, which authority is adequate to permit the issuance and sale of the Securities during [calendar year]. To the best of the knowledge of said counsel, said authorization is still in full force and effect, and no further approval, authorization, consent or order of any public board or body (other than in connection or in compliance with the provisions of the blue sky laws of any jurisdiction upon which such opinion need not pass) is legally required for the authorization of the issuance and sale of the Securities.

(ix) The statements made in the Prospectus under the headings ["Description of the Bonds"] and ["Certain Terms of the Offered Bonds"] [and _____], insofar as they purport to constitute summaries of the terms of the documents referred to therein, constitute accurate summaries of the terms of such documents in all material respects.

(x) The Mortgage is duly qualified under the 1939 Act.

(xi) This agreement has been duly and validly authorized, executed and delivered by FPL.

(xii) As to the Mortgaged and Pledged Property, as defined in the Mortgage, FPL has satisfactory title to any easements and personal properties, and good and marketable or insurable title in fee simple to any other real properties (except as FPL's interest is stated to be otherwise), subject only to Excepted Encumbrances, as defined in the Mortgage, to any lien, if any, existing or placed thereon at the time of acquisition thereof by FPL, to minor defects and encumbrances customarily found in the case of properties of like size and character and which, in the opinion of said counsel, would not impair the use thereof by FPL (all of which title exceptions, encumbrances, liens and defects are hereinafter referred to as "Exceptions"), and to the lien of the Mortgage; the Mortgage constitutes a valid, direct, and first mortgage lien upon the Mortgaged and Pledged Property now owned by FPL, subject, however, to the Exceptions and as set forth in the last sentence of this paragraph; and the description of properties in the Mortgage is adequate to constitute the Mortgage a lien on Mortgaged and Pledged Property hereafter acquired by FPL, subject, however, to the Exceptions and except as limited or affected by bankruptcy, insolvency, reorganization, receivership, moratorium or other laws affecting mortgagees' and other creditors' rights and remedies generally and general principles of equity. Mortgaged and Pledged Property acquired after the most recent recording of a supplemental indenture may also be subject to possible rights of others which may attach prior to recordation of a supplemental indenture subsequent to the acquisition of such property.

(xiii) Except as stated or referred to in the Prospectus, there is no material pending legal proceeding to which FPL is a party or of which property of FPL is the subject which is reasonably likely to be determined adversely and, if determined adversely, might reasonably be expected to have a material adverse effect on FPL, and, to the best of the knowledge of said counsel, no such proceeding is known to be contemplated by governmental authorities.

(xiv) The information contained in the Prospectus which is stated therein to have been made in reliance upon the authority of said counsel or is specifically attributed to them, has been reviewed by them and is correct.

In said opinion such counsel may rely as to all matters of New York law on an opinion of Thelen Reid & Priest LLP and as to matters relating to Mortgaged and Pledged Property located in the State of Georgia on (i) prior opinions provided to FPL on matters of Georgia law and (ii) a current opinion from Georgia counsel.

(c) At the date of this agreement, the Agents shall have received from Thelen Reid & Priest LLP, co-counsel to FPL, a favorable opinion (with a copy thereof for each of the Agents), which opinion will not pass upon compliance with provisions of the blue sky laws of any jurisdiction, in form and substance satisfactory to Counsel for the Agents, to the same effect with respect to matters enumerated in paragraphs (iii) - (xi) of subsection (b) of this Section 7. In said opinion such counsel may rely as to all matters of Florida law on the opinion of Steel Hector & Davis LLP, and will not pass upon the incorporation of FPL, titles to property, franchises or the lien of the Mortgage.

(d) At the date of this agreement, the Agents shall have received from Hunton & Williams, Counsel for the Agents, a favorable opinion (with a copy thereof for each of the Agents) to the same effect with respect to the matters enumerated in (iii) - (v), (vii) and (ix) - (xi) of Subsection (b) of this Section 7. In said opinion such counsel may rely as to all matters of Florida law on the opinion of Steel Hector & Davis LLP, and will not pass upon the incorporation of FPL, titles to property, franchises or the lien of the Mortgage.

(e) At the date of this agreement, each of the Agents shall have received from Deloitte & Touche LLP a letter to the effect that (i) they are independent public accountants with respect to FPL within the meaning of the Securities Act and the Exchange Act and the applicable published rules and regulations thereunder; (ii) in their opinion, the consolidated financial statements audited by them and incorporated by reference in the Prospectus comply as to form in all material respects with the applicable accounting requirements of the Securities Act and the Exchange Act and the published rules and regulations thereunder; (iii) on the basis of performing a review of interim financial information as described in Statement on Auditing Standards No. 71, Interim Financial Information, on the unaudited condensed consolidated financial statements of FPL incorporated by reference in the Prospectus, a reading of the latest available interim unaudited condensed consolidated financial statements of FPL since the close of FPL's most recent audited fiscal year, the minutes and consents of the Board of Directors, the Finance Committee of the Board of Directors, the Stock Issuance Committee of the Board of Directors, and the sole common shareholder of FPL since the end of the most recent audited fiscal year, and inquiries of officials of FPL who have responsibility for financial and accounting matters (it being understood that the foregoing procedures do not constitute an audit made in accordance with generally accepted auditing standards and they would not necessarily reveal matters of significance with respect to the comments made in such letter, and accordingly that Deloitte & Touche LLP makes no representation as to the sufficiency of such procedures for the several Agents' purposes), nothing has come to their attention which caused them to believe that (a) the unaudited condensed consolidated financial statements of FPL incorporated by reference in the Prospectus (1) do not comply as to form in all material respects with the applicable accounting requirements of the Securities Act and the Exchange Act and the published rules and regulations thereunder and (2) except as disclosed in the Prospectus, are not in conformity with generally accepted accounting principles applied on a basis substantially consistent with that of the audited consolidated financial statements of FPL incorporated by reference in the Prospectus, (b) at the date of the latest available interim balance sheet read by them and at a specified date not more than five days prior to the date of this agreement there was any change in the common stock or additional paid-in capital, increase in the preferred stock or long-term debt of FPL and its subsidiaries, or decrease in its shareholders' equity, in each case as compared with amounts shown in the most recent condensed consolidated balance sheet incorporated by reference in the Prospectus, except in all instances for changes, increases or decreases which the Prospectus discloses have occurred or may occur, or as occasioned by the declaration, provision for, or payment of dividends, or which are described in such letter, or (c) for the period from the date of the most recent condensed consolidated balance sheet incorporated by reference in the Prospectus to the latest available interim balance sheet read by them and for the period from the date of the latest available interim balance sheet read by them to a specified date not more than five days prior to the date of this agreement, there were any decreases, as compared with the corresponding period in the preceding year, in total consolidated operating revenues or in net income or net income available to FPL Group, Inc., except in all instances for decreases which the Prospectus discloses have occurred or may occur, or which are described in such letter; and (iv) they have carried out certain procedures and made certain findings, as specified in such letter, with respect to certain amounts included in the Prospectus and Exhibit 12 to the Registration Statement and such other items as the Agents may reasonably request.

(f) Since the respective most recent dates as of which information is given in the Registration Statement and Prospectus, and up to any Settlement Date, there shall have been no material adverse change in the business, properties or financial condition of FPL, except as disclosed in or contemplated by the Registration Statement and Prospectus, and since such dates there shall have been no material transaction entered into by FPL other than transactions disclosed in or contemplated by the Registration Statement and the Prospectus, and transactions in the ordinary course of business; and at the date of this agreement the Agents shall have received a certificate to such effect from FPL signed by an officer of FPL.

(g) The Agents shall have received any certificate required by Section 8(b) hereof.

(h) On the first Settlement Date occurring in each calendar year, Steel Hector & Davis LLP and Thelen Reid & Priest LLP shall each provide to the Agents an opinion dated the Settlement Date to the effect provided in Section 7(b)(viii).

(i) There shall be in full force and effect an authorization of the FPSC with respect to the issuance and sale of the Securities on the terms herein stated or contemplated, and containing no provision unacceptable to the Agents by reason of the fact that it is materially adverse to FPL; and at the date of this agreement the Agents shall have received a certificate to such effect, signed by FPL.

(j) All legal proceedings to be taken in connection with the issuance and sale of the Securities shall have been satisfactory in form and substance to Counsel for the Agents.

In case any of the conditions specified above in this Section 7 shall not have been fulfilled, the Agents shall have no further obligation to proceed with any offering, sale, or any solicitation of purchase of the Securities or any purchase by the Agents as principal of the Securities pursuant to any Terms Agreement or otherwise.

8. Further Representations and Warranties by FPL. FPL represents and warrants, and agrees with the Agents, that:

(a) Each authorization by FPL to the Agents to offer for sale, or solicit purchases of, the Securities as provided in the Procedures and each purchase of Securities by the Agent as principal pursuant to any Terms Agreement shall be deemed to be an affirmation that the representations and warranties of FPL contained in this agreement are true and correct at the time of such authorization or at the date of such Terms Agreement, as the case may be, and an undertaking that such representations and warranties will be true and correct at the time of delivery of and payment for Securities sold pursuant to such authorization or Terms Agreement as provided in Section 4 hereof or in such Terms Agreement, in each case as though made at and as of each such time or date (except that such representations and warranties shall be deemed to relate to the Registration Statement and the Prospectus as amended and supplemented to each such time or date);

(b) Delivery for Securities at each Settlement Date shall be deemed to be a certification by FPL that (i) all intangible and document excise taxes payable in accordance with Settlement Procedure E of the Procedures have been duly paid and (ii) any resolutions of the Board of Directors of FPL or the Finance Committee of FPL's Board of Directors establishing the Securities and authorizing their execution, authentication and delivery pursuant to this agreement have not been amended or superseded and remain in full force and effect; provided that if such resolutions have been amended or superseded, at each such Settlement Date occurring on or after such resolutions shall be amended or superseded, FPL shall provide the Agents with a certificate signed by FPL to the effect that such resolutions have been so amended or superseded and attaching to such certificate a copy of the resolutions as amended or the superseding resolutions together with the opinions of Steel Hector & Davis LLP and Thelen Reid & Priest LLP, each dated the Settlement Date, to the effect provided in Section 7(b)(iv).

(c) Each time that the Registration Statement or the Prospectus shall be amended or supplemented, or a document shall be filed under the Exchange Act which is incorporated by reference in the Registration Statement or Prospectus (except (i) supplements or amendments relating solely to the sale of the

Securities, (ii) supplements or amendments relating solely to a change in the interest rates or maturities of the Securities or a change in the principal amount of Securities remaining to be sold or similar changes and (iii) Forms 8-K that are filed solely for the purpose of filing exhibits pursuant to Item 601 of Regulation S-K) or FPL shall sell Securities to the Agents pursuant to a Terms Agreement (if required by the Agents with respect to a particular Terms Agreement), FPL shall furnish or cause to be furnished forthwith to the Agents a certificate in form and substance satisfactory to the Agents in their reasonable judgment to the effect that the statements contained in the certificate referred to in Section 7(f) hereof which were last furnished to the Agents are true and correct at the time of such amendment or supplement or filing or sale, as the case may be, as though made at and as of such time (except that such statements shall be deemed to relate to the Registration Statement and the Prospectus as amended and supplemented to such time) or, in lieu of such a certificate, a certificate, in form and substance satisfactory to the Agents in their reasonable judgment, of the same general tenor as the certificate referred to in said Section 7(f) but modified to relate to the Registration Statement and the Prospectus as amended and supplemented to the time of delivery of such certificate;

(d) Each time that the Registration Statement or the Prospectus shall be amended or supplemented, or a document shall be filed under the Exchange Act which is incorporated by reference in the Registration Statement or Prospectus (except (i) supplements or amendments relating solely to the sale of the Securities, (ii) supplements or amendments relating solely to a change in the interest rates or maturities of the Securities or a change in the principal amount of Securities remaining to be sold or similar changes and (iii) Forms 8-K that are filed solely for the purpose of filing exhibits pursuant to Item 601 of Regulation S-K) or FPL shall sell Securities to the Agents pursuant to a Terms Agreement (if required by the Agents with respect to a particular Terms Agreement), FPL shall furnish or cause to be furnished forthwith to the Agents written opinions of Steel Hector & Davis LLP and Thelen Reid & Priest LLP, dated the date of delivery thereof and in form and substance satisfactory to Counsel for the Agents, of the same tenor as the opinions required by clauses (v), (vii) and (ix) of Section 7(b) hereof but modified to relate to the Registration Statement and the Prospectus as amended and supplemented to the date of such opinions or, in lieu of such opinions, such counsel may furnish to the Agents a letter to the effect that the Agents may rely on such last opinions to the same extent as though they were dated the date of such letter authorizing reliance (except that statements in such last opinions shall be deemed to relate to the Registration Statement and the Prospectus as amended and supplemented to the time of delivery of such letters authorizing reliance);

(e) Each time that the Registration Statement or the Prospectus shall be amended or supplemented to set forth financial information included in or derived from FPL's financial statements, or any document containing financial information so included or derived shall be filed under the Exchange Act and incorporated by reference in the Prospectus or FPL shall sell Securities to the Agents pursuant to a Terms Agreement (if required by the Agents with respect to a particular Terms Agreement), FPL shall cause Deloitte & Touche LLP to furnish to the Agents a letter, dated five business days after the date of filing such amendment or supplement or document with the Commission, in form and substance satisfactory to the Agents in their reasonable judgment, of the same general tenor as the letter referred to in Section 7(e) hereof but with appropriate modifications to relate to the Registration Statement and the Prospectus as amended and supplemented to the date of such letter and as may be necessary to reflect changes in the financial information included or incorporated by reference in the Registration Statement and the Prospectus as then amended or supplemented since the date of the last previous such letter furnished to the Agents; provided, however, that no letter need be furnished (except that if the Agents reasonably request, a letter addressing solely the matters described in Section 7(e)(iv) hereof shall be furnished) with respect to year-end audited financial statements of FPL if copies of such audited financial statements are delivered to the Agents; and

(f) Notwithstanding the foregoing, it is agreed that if, at any time and from time to time during the term of this agreement, FPL should deliver to the Agents notification of its decision to suspend any sale of Securities hereunder, then during the period of any such suspension or suspensions FPL shall be relieved of its obligation to provide to the Agents the certificate, opinions and letter required pursuant to Sections 8(c), 8(d) and 8(e) hereof. However, whenever such a suspension is lifted, FPL shall be required to deliver

to the Agents, prior to the resumption of any sale of Securities hereunder, the most recent certificate, opinions and letter which would have been required except for the suspension.

9. Indemnification.

(a) FPL agrees to indemnify and hold harmless each Agent, each officer and director of each Agent and each person who controls such Agent within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act against any and all losses, claims, damages or liabilities, joint or several, to which they or any of them may become subject under the Securities Act or any other statute or common law, and to reimburse each such Agent, officer, director and controlling person for any legal or other expenses (including, to the extent hereinafter provided, reasonable counsel fees) when and as incurred by them in connection with investigating any such losses, claims, damages or liabilities or in connection with defending any actions, insofar as such losses, claims, damages, liabilities, expenses or actions arise out of or are based upon any untrue statement or alleged untrue statement of a material fact contained in any preliminary prospectus (if used prior to the Effective Date of the Registration Statement), including all Incorporated Documents, or in the Registration Statement or the Prospectus, or in the Registration Statement or Prospectus, as amended or supplemented (if any amendments or supplements thereto shall have been furnished), or the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading; provided, however, that the indemnity agreement contained in this subsection (a) of Section 9 shall not apply to any such losses, claims, damages, liabilities, expenses or actions arising out of, or based upon, any such untrue statement or alleged untrue statement, or any such omission or alleged omission, if such statement or omission was made in reliance upon and in conformity with information furnished in writing, to FPL or on behalf of any such Agent, expressly for use in connection with the preparation of the Registration Statement or the Prospectus or any amendment or supplement to either thereof, or arising out of, or based upon, statements in or omissions from the Statement of Eligibility on Form T-1 of the Mortgage Trustee; and provided, further, that the indemnity agreement contained in this subsection (a) of Section 9 in respect of any preliminary prospectus shall not inure to the benefit of such Agent (or of any person controlling such Agent) on account of any such losses, claims, damages, liabilities, expenses or actions arising from the sale of the Securities to any person if such Agent shall have failed to send or give to such person (i) with or prior to the written confirmation of such sale, a copy of the Prospectus or the Prospectus as amended or supplemented, if any amendments or supplements thereto shall have been furnished at or prior to the time of written confirmation of the sale involved, but exclusive of any Incorporated Documents unless, with respect to the delivery of any amendment or supplement, the alleged omission or alleged untrue statement is not corrected in such amendment or supplement at the time of confirmation, or (ii) with or prior to the delivery of such Securities to such person, a copy of any amendment or supplement to the Prospectus which shall have been furnished subsequent to such written confirmation and prior to the delivery of such Securities to such person, exclusive of any Incorporated Documents unless, with respect to the delivery of any amendment or supplement, the alleged omission or alleged untrue statement was not corrected in such amendment or supplement at the time of such delivery of such Securities. The indemnity agreement of FPL contained in this subsection (a) of Section 9 and the representations and warranties of FPL contained in Section 3 hereof shall remain operative and in full force and effect, regardless of any investigation made by or on behalf of any Agent, officer, director or any such controlling person, and shall survive delivery of the Securities. Each Agent agrees promptly to notify FPL, and each other Agent, of the commencement of any litigation or proceedings against it or any such officer, director or controlling person in connection with the issuance and sale of the Securities.

(b) Each Agent, severally and not jointly, agrees to indemnify and hold harmless FPL, its officers and directors, and each person who controls FPL within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act against any and all losses, claims, damages or liabilities, joint or several, to which they or any of them may become subject under the Securities Act or any other statute or common law, and to reimburse each of them for any legal or other expenses (including, to the extent hereinafter provided, reasonable counsel fees) when and as incurred by them in connection with investigating any such losses, claims, damages or liabilities, or in connection with defending any actions, insofar as such losses, claims, damages, liabilities, expenses or actions arise out of or are based upon any untrue statement or alleged untrue statement of a material fact contained in the Registration Statement or Prospectus as

amended or supplemented (if any amendments or supplements thereto shall have been furnished) or the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading if such statement or omission was made in reliance upon and in conformity with information furnished in writing to FPL by or on behalf of such Agent, expressly for use in connection with the preparation of the Registration Statement or the Prospectus or any amendment or supplement to either thereof. The indemnity agreement of each Agent contained in this subsection (b) of Section 9 shall remain operative and in full force and effect, regardless of any investigation made by or on behalf of FPL or any of its officers or directors or any such controlling person, and shall survive the delivery of the Securities. FPL agrees promptly to notify each Agent of the commencement of any litigation or proceedings against FPL (or any controlling person thereof) or any of its officers or directors in connection with the issuance and sale of the Securities.

(c) FPL and each of the Agents agree that, upon the receipt of notice of the commencement of any action against it, its officers and directors, or any person controlling it as aforesaid, in respect of which indemnity or contribution may be sought under the provisions of this Section 9, it will promptly give written notice of the commencement thereof to the party or parties against whom indemnity or contribution shall be sought thereunder, but the omission so to notify such indemnifying party or parties of any such action shall not relieve such indemnifying party or parties from any liability which it or they may have to the indemnified party otherwise than on account of such indemnity agreement. In case such notice of any such action shall be so given, such indemnifying party or parties shall be entitled to participate at its own expense in the defense or, if it so elects, to assume (in conjunction with any other indemnifying parties) the defense of such action, in which event such defense shall be conducted by counsel chosen by such indemnifying party or parties and reasonably satisfactory to the indemnified party or parties who shall be the defendant or defendants in such action, and such defendant or defendants shall bear the fees and expenses of any additional counsel retained by them; but if the indemnifying party shall elect not to assume the defense of such action, such indemnifying party will reimburse such indemnified party or parties for the reasonable fees and expenses of any counsel retained by them; provided, however, if the defendants in any such action include both the indemnified party and the indemnifying party and counsel for the indemnifying party shall have reasonably concluded that there may be a conflict of interest in the representation by such counsel of both the indemnifying party and the indemnified party, the indemnified party or parties shall have the right to select separate counsel, satisfactory to the indemnifying party or parties, to participate in the defense of such action on behalf of such indemnified party or parties at the expense of the indemnifying party or parties (it being understood, however, that the indemnifying party shall not be liable for the expenses of more than one separate counsel representing the indemnified parties who are parties to such action). FPL and each of the Agents agree that without the prior written consent of the other parties to such action who are parties to this agreement, which consent shall not be unreasonably withheld, it will not settle, compromise or consent to the entry of any judgment in any claim or proceeding in respect of which such party intends to seek indemnity or contribution under the provisions of this Section 9, unless such settlement, compromise or consent (i) includes an unconditional release of such other parties from all liability arising out of such claim or proceeding and (ii) does not include a statement as to or an admission of fault, culpability or a failure to act by or on behalf of such other parties.

(d) If, or to the extent, the indemnification provided for in subsections (a) or (b) above shall be unenforceable under applicable law by an indemnified party, each indemnifying party agrees to contribute to such indemnified party with respect to any and all losses, claims, damages, liabilities and expenses for which each such indemnification provided for in subsections (a) or (b) above shall be unenforceable, in such proportion as shall be appropriate to reflect (i) the relative fault of FPL on the one hand and the Agents on the other in connection with the statements or omissions which have resulted in such losses, claims, damages, liabilities and expenses, (ii) the relative benefits received by FPL on the one hand and the Agents on the other hand from the offering of the Securities pursuant to this agreement, and (iii) any other relevant equitable considerations; provided, however, that no indemnified party guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution with respect thereto from any indemnifying party not guilty of such fraudulent misrepresentation. Relative fault shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by FPL or the Agents and each such party's relative intent, knowledge,

access to information and opportunity to correct or prevent such untrue statement or omission. FPL and each of the Agents agree that it would not be just and equitable if contribution pursuant to this subsection (d) were to be determined by pro rata allocation or by any other method of allocation which does not take account of the equitable considerations referred to above. [Notwithstanding the provisions of this subsection (d), no Agent shall be required to contribute in excess of the amount equal to the excess of (i) the total price at which the Securities _____ by it were offered to the public, over (ii) the amount of any damages which such Agent has otherwise been required to pay by reason of any such untrue or alleged untrue statement or omission or alleged omission. The obligations of each Agent to contribute pursuant to this subsection (d) are several and not joint and shall be in the same proportion as such Agent's obligation to _____ the Securities with respect to which contribution is sought is to the total principal amount of the Securities.]

10. Survival. The indemnity agreements contained in Section 9 hereof and the representations, warranties and other statements of FPL and the Agents set forth in this agreement or any Terms Agreement or made by FPL and the Agents pursuant to this agreement or any Terms Agreement shall remain in full force and effect, regardless of (i) any termination of this agreement, (ii) any investigation made by or on behalf of the Agents or any of their controlling persons or by or on behalf of FPL or any of its officers, directors or controlling persons or (iii) acceptance of delivery of and payment for Securities sold hereunder.

11. Termination.

(a) This agreement may be terminated at any time by any party hereto upon the giving of written notice of such termination to the other parties hereto effective at the close of business on the date such notice is received. In the event of any such termination, no party shall have any liability to any other party hereto, except as provided in Section 1(e), Section 5(b), Section 6(b), (i), (j) and (k) and Section 9 hereof and except that, if at the time of any such termination the Agents shall have previously confirmed sales of Securities for which delivery and payment has not yet been made, FPL shall remain obligated in respect of such sales as provided in Section 4 hereof and shall continue to have the obligations provided in Section 8 hereof until delivery of and payment for all Securities so sold have been completed.

(b) The Agents may terminate a Terms Agreement by delivering written notice thereof to FPL, at any time after the date of the Terms Agreement and prior to the Settlement Date specified therein if:

(i) there shall have occurred any general suspension of trading in securities on The New York Stock Exchange, Inc. (the "NYSE") or there shall have been established by the NYSE or by the Commission or by any federal or state agency or by the decision of any court any limitation on prices for such trading or any general restrictions on the distribution of securities, or trading in any securities of FPL shall have been suspended or limited by any exchange located in the United States or on the over-the-counter market located in the United States or a general banking moratorium declared by New York or federal authorities or (ii) there shall have occurred any new material outbreak of hostilities, including, but not limited to, an escalation of hostilities which existed prior to the date of the Terms Agreement, or other national or international calamity or crisis, the effect of any such event specified in (i) or (ii) above on the financial markets of the United States shall be such as to make it impracticable for the Agent to enforce contracts for the sale of Securities; or

(ii) there shall have been any downgrading or any notice of any intended or potential downgrading in the ratings accorded to the Securities or any securities of FPL which are of the same class as the Securities by either [Moody's Investor Service, Inc. ("Moody's")] or [Standard & Poor's Ratings Services, a division of McGraw-Hill Companies, Inc. ("S&P")], or (ii) either [Moody's] or [S&P] shall have publicly announced that either has under surveillance or review, with possible negative implications, its ratings of the Securities or any securities of FPL which are of the same class as the Securities, the effect of any such event specified in (i) or (ii) above which, in the reasonable judgment of the Agents, makes it impracticable or inadvisable market the Securities.

A Terms Agreement may also be terminated at any time prior to the Settlement Date specified therein if in the judgment of the Agents the subject matter of any amendment or supplement to the Registration Statement or the Prospectus prepared and furnished by FPL after the date of the Terms Agreement reflects a material adverse change in the business, properties or financial condition of FPL which renders it either inadvisable to proceed with such offering, if any, or inadvisable to proceed with the delivery of the Securities to be purchased under such Terms Agreement. Any termination of a Terms Agreement shall be without liability of any party to any other party except as otherwise provided in Section 6(i), the first sentence of Section 6(j), Section 9 and Section 10 hereof.

12. Purchases as Principal. Unless FPL and the Agents shall otherwise agree, each sale of Securities to the Agents as principal for resale to others shall be made in accordance with the terms of this agreement and any separate agreement specified by FPL which will provide for the sale of such Securities to, and the purchase and reoffering thereof by, the Agents. Each such separate agreement, herein referred to as a "Terms Agreement," whether oral (it being understood that such oral agreement shall be confirmed in writing prior to the Settlement Date) or in writing shall be with respect to such information (as applicable) as is specified in Exhibit C hereto. Any such writing may take the form of an exchange of any standard form of written telecommunication between the Agents and FPL. The Agents' commitment to purchase Securities pursuant to any Terms Agreement shall be deemed to have been made on the basis of the representations and warranties of FPL herein contained and shall be subject to the terms and conditions herein set forth. Such Terms Agreement may also specify any requirements for the opinions of counsel, accountants' letters and officers' certificates pursuant to Section 8 hereof.

13. Miscellaneous. The validity and interpretation of this agreement shall be governed by the laws of the State of New York. This agreement shall inure to the benefit of FPL, the Agents and, with respect to the provisions of Section 9 hereof, each officer, director or controlling person referred to in said Section 9, and their respective successors. Nothing in this agreement is intended or shall be construed to give to any other person or entity any legal or equitable right, remedy or claim under or in respect of this agreement or any provision herein contained. The term "successors" as used in this agreement shall not include any purchaser, as such purchaser, of any Securities from the Agents.

14. Notices. Except as otherwise specifically provided herein or in the Procedures, all communications hereunder shall be in writing, or by telegram and, if to the Agents, shall be mailed or delivered to:

or, if to FPL, shall be mailed or delivered to it at 700 Universe Boulevard, Juno Beach, Florida 33408, Attention: Treasurer.

15. Counterparts. This agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which when taken together shall constitute one and the same agreement.

If the foregoing correctly sets forth our understanding, please indicate your acceptance thereof in the space provided below for that purpose, whereupon this letter and your acceptance shall constitute a binding agreement between us.

Very truly yours,

FLORIDA POWER & LIGHT COMPANY

By _____

Accepted and delivered as of
the date first written above

_____

_____

_____

EXHIBIT A

FLORIDA POWER & LIGHT COMPANY
Secured Medium-Term Notes, Series ___
Administrative Procedures for Fixed and Variable Rate Securities Issued in Book-Entry Form

Secured Medium-Term Notes, Series ___, due from nine months to thirty years from date of issue (the "Securities") are to be offered on a continuing basis by Florida Power & Light Company ("FPL"). _____ as agents (each an "Agent" and collectively, the "Agents"), have agreed to use their reasonable best efforts to solicit offers to purchase the Securities. The Securities are being sold pursuant to a Distribution Agreement between FPL and the Agents dated _____, 200_ (the "Distribution Agreement") to which these administrative procedures are attached as an exhibit. The Securities will be issued under FPL's Mortgage and Deed of Trust, dated as of January 1, 1944, to Deutsche Bank Trust Company Americas (formerly known as Bankers Trust Company), as Trustee (the "Mortgage Trustee"), and The Florida National Bank of Jacksonville (now resigned), as supplemented, pursuant to the _____ Supplemental Indenture dated as of _____, 200_ (the "Mortgage"). The Securities will either bear interest at a fixed rate (the "Fixed Rate Securities") or at a variable rate (the "Variable Rate Securities"). Deutsche Bank Trust Company Americas will act as the paying agent (the "Paying Agent") for the payment of principal of and premium, if any, and interest on the Securities and will perform, as the Paying Agent, unless otherwise specified, the other duties specified herein. Terms defined in the Distribution Agreement shall have the same meaning when used in this exhibit.

Each Security will be represented by a Global Security (as defined below) delivered to Deutsche Bank Trust Company Americas, as agent for The Depository Trust Company ("DTC") and recorded in the book-entry system maintained by DTC. An owner of a Security represented by a Global Security will not be entitled to receive a certificate representing such a Security.

Administrative procedures and specific terms of the offering are explained below. Administrative responsibilities and record-keeping functions will be performed by FPL's Treasurer or its Assistant Treasurer.

In connection with the qualification of the Securities for eligibility in the book-entry system maintained by DTC, Deutsche Bank Trust Company Americas will perform the custodial, document control and administrative functions described below, in accordance with its respective obligations under a Letter of Representations from FPL and Deutsche Bank Trust Company Americas (formerly known as Deutsche Bank Trust Company Americas) to DTC dated as of June 19, 1992, and a Medium-Term Note Certificate Agreement between Deutsche Bank Trust Company Americas (formerly known as Deutsche Bank Trust Company Americas) and DTC dated as of October 21, 1988, and its obligations as a participant in DTC, including DTC's Same-Day Funds Settlement System ("SDFS").

Price to Public

Each Security will be issued at 100% of principal amount, unless otherwise determined by FPL and specified in a supplement to the Prospectus ("Pricing Supplement").

Issuance

On any date of Settlement (as defined under "Settlement" below) for all Fixed Rate Securities, FPL will issue one or more global securities in fully registered form without coupons (a "Global Security") representing up to $_____ principal amount of all such Fixed Rate Securities that have the same Issue Price, Issue Date, Maturity Date, Interest Rate, Interest Payment Dates and terms for redemption, if any (in each case, and for all purposes of these administrative procedures, as defined in the Prospectus (as defined in Section 3(a) of the

Distribution Agreement)) (collectively the "Fixed Rate Terms"). On any date of Settlement for all Variable Rate Securities, FPL will issue one or more Global Securities representing up to $_____ principal amount of all such Variable Rate Securities that have the same Issue Price, Issue Date, Maturity Date, base rate upon which interest may be determined (a "Base Rate"), which may be the Commercial Paper Rate, the Treasury Rate, LIBOR, the Cost of Funds Rate, the CD Rate, the Federal Funds Rate, the Prime Rate or any other rate set forth by FPL, Initial Interest Rate, Index Maturity, Spread or Alternate Rate Event Spread, if any, minimum interest rate, if any, maximum interest rate, if any, Interest Payment Dates and terms for redemption, if any (collectively, the "Variable Rate Terms"). Each Global Security will be dated and issued as of the date of its authentication by the Mortgage Trustee. No Global Security will represent any securities in certificated form.

Maturities

Each Security will mature on a date mutually agreed upon by the purchaser and FPL, such date being at least nine months but not more than thirty years from the date of issuance.

Denominations

The Securities will be initially issued in denominations of $100,000 and any larger denomination which is an integral multiple of $1,000. Global Securities will be denominated in principal amounts not in excess of $[500,000,000]. If one or more Securities having an aggregate principal amount in excess of $[500,000,000] would, but for the preceding sentence, be represented by a single Global Security, then one Global Security will be issued to represent each $[500,000,000] principal amount of such Security or Securities and an additional Global Security will be issued to represent any remaining principal amount of such Security or Securities. In such a case, each of the Global Securities representing such Security or Securities shall be assigned the same CUSIP number.

Identification Numbers

FPL has arranged with the CUSIP Service Bureau of Standard & Poor's Corporation (the "CUSIP Service Bureau") for the reservation of one series of CUSIP numbers (including tranche numbers), which series consists of approximately 900 CUSIP numbers and relates to Global Securities representing the Securities. FPL has obtained from the CUSIP Service Bureau a written list of such series of reserved CUSIP numbers and has delivered to Deutsche Bank Trust Company Americas and to DTC's Underwriting Department a written list of such 900 CUSIP numbers. Deutsche Bank Trust Company Americas will assign CUSIP numbers to Global Securities as described below under Settlement Procedure "B". DTC will notify the CUSIP Service Bureau periodically of the CUSIP numbers that Deutsche Bank Trust Company Americas has assigned to Global Securities. At any time when fewer than 100 of the reserved CUSIP numbers of the series remain unassigned to Global Securities, and if it deems necessary, or Deutsche Bank Trust Company Americas FPL will reserve additional CUSIP numbers for assignment to Global Securities representing the Securities. Upon obtaining such additional CUSIP numbers, Deutsche Bank Trust Company Americas or FPL shall deliver a list of such additional CUSIP numbers to DTC's Underwriting Department.

Registration

Each Global Security will be registered in the name of Cede & Co., as nominee for DTC, on the bond register maintained under the Mortgage. The beneficial owner of a Security (or one or more indirect participants in DTC designated by such owner) will designate one or more participants in DTC (with respect to such Security, the "Participants") to act as agent or agents for such owner in connection with the book-entry system maintained by DTC, and DTC will record in book-entry form, in accordance with instructions provided by such Participants, a credit balance with respect to such beneficial owner in such Security in the account of such Participants. The ownership interest of such beneficial owner in such Security will be recorded through the records of such Participants or through the separate records of such Participants and one or more indirect participants in DTC.

Transfers

Transfers of a Security will be accomplished by book entries made by DTC and, in turn, by Participants (and in certain cases, one or more indirect participants in DTC) acting on behalf of beneficial transferees and transferors of such Security.

Consolidations

After the first Interest Payment Date on individual issues of the Securities, Deutsche Bank Trust Company Americas will deliver to DTC's Reorganization Department, Interactive Data Corporation and the CUSIP Service Bureau [at least 30 days before the day on which the consolidation is to be effective, as determined by Deutsche Bank Trust Company Americas (the "Exchange Date"),] a written notice of consolidation specifying (i) the CUSIP numbers of two or more outstanding Global Securities that represent Securities having different original Issue Dates but otherwise the same Fixed Rate Terms or Variable Rate Terms, as the case may be, and for which interest has been paid to the same date, (ii) a date, occurring at least thirty days after such written notice is delivered and at least thirty days before the next Interest Payment Date for such Securities, on which such Global Securities shall be exchanged for a single replacement Global Security, (iii) a new CUSIP number to be assigned to such replacement Global Security and (iv) that the CUSIP numbers of the Global Securities to be exchanged will no longer be valid. Upon receipt of such a notice, DTC will send to its Participants (including Deutsche Bank Trust Company Americas) a written reorganization notice to the effect that such exchange will occur on such date. On the specified Exchange Date, Deutsche Bank Trust Company Americas will exchange such Global Securities for a single Global Security bearing the new CUSIP number, the original Issue Dates, together with the respective principal amounts to which they relate, for all exchanged Global Securities and the CUSIP numbers of the exchanged Global Securities will, in accordance with CUSIP Service Bureau procedures, be canceled and not immediately reassigned. Notwithstanding the foregoing, if the Global Securities to be exchanged exceed $[500,000,000] in aggregate principal amount, one Global Security will be authenticated and issued to represent each $[500,000,000] of principal amount of the exchanged Global Security and an additional Global Security will be authenticated and issued to represent any remaining principal amount of such Global Securities (see "Denominations" above).

Interest

Interest on each Security will accrue from and including the original Issue Date of, or the last date to which interest has been paid on, the Global Security representing such Security. Each payment of interest on a Security will include interest accrued through the day preceding, as the case may be, the Interest Payment Date (provided, however, that in the case of Variable Rate Securities which reset daily or weekly, interest payments will include interest accrued to but excluding the Record Date (as defined below) immediately preceding the Interest Payment Date), date of redemption or Maturity Date. Interest payable on the Maturity Date or date of redemption of a Security will be payable to the person to whom the principal of such Security is payable. DTC will arrange for each pending deposit message described under Settlement Procedure "C" below to be transmitted to Standard & Poor's Corporation, which will use the information in the message to include certain terms of the related Global Security in the appropriate bond report published by Standard & Poor's Corporation.

The Record Date with respect to any Interest Payment Date for a Fixed Rate Security shall be the fifteenth business day preceding such Interest Payment Date. The Record Date with respect to any Interest Payment Date for a Variable Rate Security shall be the date 15 calendar days (whether or not a business day) preceding such Interest Payment Date.

Interest payments will be made on each Interest Payment Date commencing with the first Interest Payment Date following the original Issue Date; provided, however, that the first payment of interest on any Global Security originally issued between a Record Date and an Interest Payment Date will occur on the Interest Payment Date following the next Record Date.

If an Interest Payment Date with respect to any Variable Rate Security would otherwise fall on a day that is not a business day with respect to such Security, such Interest Payment Date will be the following day that is a business

day with respect to such Security (and no interest shall accrue on such payment for the period from and after such Interest Payment Date), except that in the case of a LIBOR Security, if such day falls in the next calendar month, such Interest Payment Date will be the preceding day that is a business day in London.

Calculation of Interest

In the case of Fixed Rate Securities, interest (including payments for partial periods) will be calculated on the basis of a 360-day year of twelve 30-day months. Interest does not accrue on the 31st day of any month. Interest rates on Variable Rate Securities will be determined as set forth in the related Global Security. Interest will be calculated in the case of (a) Commercial Paper Rate, Prime Rate, LIBOR, Federal Funds Rate, Cost of Funds Rate, and CD Rate Securities on the basis of the actual number of days in the interest period divided by 360; and (b) Treasury Rate Securities, on the basis of the actual number of days in the interest period divided by the actual number of days in the year.

Interest Payments

Interest on Fixed Rate Securities will be payable semiannually on [January 1 and July 1] and at maturity. Interest will be payable, in the case of the Variable Rate Securities which reset (a) daily, weekly or monthly (other than Cost of Funds Rate Securities), on [the third Wednesday of each month or on the third Wednesday of March, June, September and December of each year], as specified pursuant to Settlement Procedure "A" below, or, in the case of the Cost of Funds Rate Securities, all of which reset monthly, on [the first business day of each month or the first business day of each March, June, September and December], as specified pursuant to Settlement Procedure "A" below; (b) quarterly, on [the third Wednesday of March, June, September and December] of each year; (c) semiannually, on [the third Wednesday] of each of the two months of each year specified pursuant to Settlement Procedure "A" below; and (d) annually, on [the third Wednesday] of the month specified pursuant to Settlement Procedure "A" below and, in each case, at maturity.

With regard to Variable Rate Securities on which the interest rate is reset daily or weekly, Deutsche Bank Trust Company Americas shall deliver to DTC's Dividend Department, Standard & Poor's Corporation and Interactive Data Corporation on each day on which the amount of interest to be paid on the following Interest Payment Date (including the issue's first Interest Payment Date) is determined a listing of the CUSIP number assigned to each such issue along with corresponding specifications of the Record Date, Interest Payment Date, and dollar amount of interest per $1,000 principal amount of the Securities to be paid on such Interest Payment Date. For Variable Rate Securities on which the interest rate is reset monthly, quarterly, semiannually, or annually, Deutsche Bank Trust Company Americas shall deliver a similar listing to Standard & Poor's Corporation and Interactive Data Corporation on the day interest payment amounts are determined.

Promptly after each Record Date for each issue of Fixed Rate Securities, Deutsche Bank Trust Company Americas will furnish FPL and DTC's Dividend Department a written notice specifying by CUSIP number the amount of interest to be paid on each Global Security on the following Interest Payment Date (other than an Interest Payment Date coinciding with the Maturity Date) and the total of such amounts. DTC will confirm the amount payable on each Global Security on such Interest Payment Date by reference to the appropriate bond reports published by Standard & Poor's Corporation. FPL will pay to Deutsche Bank Trust Company Americas the total amount of interest due on such Interest Payment Date (other than on the Maturity Date), and Deutsche Bank Trust Company Americas will pay such amount to DTC at the times and in the manner set forth under "Manner of Payment" below. The Participant, indirect participant in DTC or other person responsible for forwarding payments and materials directly to the beneficial owner of such Security, will assume responsibility for withholding taxes on interest paid as required by law.

Deutsche Bank Trust Company Americas will take all action necessary so that the Interest Payment Dates and the Record Dates with respect thereto, for each Global Security, together with the amount of interest payable on each of such Interest Payment Dates, shall be listed in the appropriate daily bond report published by Standard & Poor's Corporation.

Maturity

On or about the first business day of each month, Deutsche Bank Trust Company Americas will deliver to FPL and DTC a written list of principal, interest and premium, if any, to be paid on each Global Security maturing either on the Maturity Date or the date of redemption in the following month. FPL and DTC will confirm with Deutsche Bank Trust Company Americas the amounts of such principal, interest and premium, if any, payments with respect to each such Global Security on or about the fifth business day preceding the Maturity Date or the date of redemption, as the case may be, of such Global Security. FPL will pay to Deutsche Bank Trust Company Americas the principal amount of such Global Security, together with interest and premium, if any, due on such Maturity Date or date of redemption. Deutsche Bank Trust Company Americas will pay such amounts to DTC at the times and in the manner set forth below under "Manner of Payment". Promptly after payment to DTC of the principal, interest and premium, if any, due at the Maturity Date or the date of redemption of such Global Security, Deutsche Bank Trust Company Americas will cancel such Global Security in accordance with the terms of the Mortgage. On the first business day of each month, Deutsche Bank Trust Company Americas will deliver to FPL a written statement indicating the total principal amount of outstanding Global Securities as of the immediately preceding business day.

Manner of Payment

The total amount of any principal, interest and premium, if any, due on Global Securities on any Interest Payment Date or on the Maturity Date or the date of redemption shall be paid by FPL to Deutsche Bank Trust Company Americas in immediately available funds for use by Deutsche Bank Trust Company Americas on such date. FPL will make such payment on such Global Securities by wire transfer to Deutsche Bank Trust Company Americas or by Deutsche Bank Trust Company Americas' debiting the account of FPL maintained with Deutsche Bank Trust Company Americas. FPL will confirm such instructions in writing to Deutsche Bank Trust Company Americas. Prior to 10:00 a.m. (New York City time) on each Maturity Date or date of redemption or as soon as possible thereafter, Deutsche Bank Trust Company Americas will pay by separate wire transfer (using Fedwire message entry instructions in a form previously agreed to with DTC) to an account at the Federal Reserve Bank of New York previously agreed to with DTC, in funds available for immediate use by DTC, each payment of principal (together with interest thereon) and premium, if any, due on Global Securities on any Maturity Date or date of redemption. On each Interest Payment Date, interest payments shall be made to DTC in same day funds in accordance with existing arrangements between Deutsche Bank Trust Company Americas and DTC. Thereafter, on each such date, DTC will pay, in accordance with its SDFS operating procedures then in effect, such amounts in funds available for immediate use to the respective Participants in whose names the Securities represented by such Global Securities are recorded in the book-entry system maintained by DTC. Neither FPL nor Deutsche Bank Trust Company Americas shall have any direct responsibility or liability for the payment by DTC to such Participants of the principal of, interest on and premium, if any, on the Securities.

Procedure for Posting

FPL and the Agents will discuss from time to time the rates of interest per annum to be borne by, the maturity, and other terms of, Securities that may be sold as a result of the solicitation of offers to purchase by the Agents.

Acceptance and Rejection of Offers; Authorized Persons

Oral instructions regarding sales of Securities will be given for FPL by _____, or such other persons as may be designated from time to time. Oral instructions to _____ will be accepted by _____, or such other persons as may be designated from time to time. Oral instructions to _____ will be accepted by _____, or such other persons as may be designated from time to time. Oral instructions to _____ will be accepted by _____, or such other persons as may be designated from time to time. Oral instructions to _____ will be accepted by _____ or such other persons as may be designated from time to time.

FPL shall have the sole right to accept offers to purchase Securities from FPL and may reject any such offer in whole or in part. Each Agent shall promptly communicate to FPL, orally or in writing, each reasonable offer to

purchase Securities from FPL received by it other than those rejected by such Agent. Each Agent shall have the right, in its discretion reasonably exercised without advising FPL, to reject any offers in whole or in part.

Settlement

The receipt of immediately available funds by FPL in payment for a Security (less the applicable commission) and the authentication and issuance of the Global Security representing such Security shall, with respect to such Security, constitute "Settlement". All offers accepted by FPL will be settled three business days from the date of acceptance by FPL pursuant to the timetable for Settlement set forth below unless FPL and the purchaser agree to Settlement on another day that shall be no earlier than the next business day.

Settlement Procedures

In the event of a purchase of Securities by an Agent, as principal, appropriate settlement details will be set forth in a Terms Agreement to be entered into between such Agent and FPL.

Settlement procedures with regard to each Security sold through each Agent shall be as follows:

A. Such Agent will advise FPL by telephone (confirmed in writing, which may include telex or facsimile) or by telex or facsimile, of the following sale information:

1. Exact name of the purchaser.
2. Principal amount of the Security.
3. Issue price of the Security.
4. Issue date of the Security.
5. Settlement date.
6. Maturity date.
7. Interest rate.

(a) Fixed Rate Securities:

i) interest rate

(b) Variable Rate Securities:

i) base rate

ii) initial interest rate

iii) spread or alternate rate event spread, if any

iv) interest reset dates

v) interest reset period

vi) interest payment dates

vii) interest payment period

viii) interest determination dates

ix) index maturity

x) maximum and minimum interest rates, if any

xi) calculation date

8. Redemption dates, if any, including any initial redemption date, par date and limitation date

9. Redemption premium, if any, including any initial percentage and reduction percentage.

10. Agent's commission (to be paid in the form of a discount from the proceeds remitted to FPL upon Settlement) and its certification that the purchasers of the Security have been solicited solely by such Agent.

11. Net proceeds to FPL.

B. Deutsche Bank Trust Company Americas will assign a CUSIP number to the Global Security representing such Security and FPL will advise Deutsche Bank Trust Company Americas by telephone or by telex or facsimile of the information set forth in Settlement Procedure "A" above to be confirmed in a written request for the authentication and delivery of such Global Security, such CUSIP number and the name of such Agent. Deutsche Bank Trust Company Americas will also notify the Agent of such CUSIP number by telephone as soon as practicable. Each such communication by FPL shall constitute a representation and warranty by FPL to Deutsche Bank Trust Company Americas and each Agent that (i) such Security is then, and at the time of issuance and sale thereof will be, duly authorized for issuance and sale by FPL, (ii) the Global Security representing such Security will conform with the terms of the Mortgage pursuant to which such Security and Global Security are issued and (iii) upon authentication and delivery of such Global Security, the aggregate principal amount of all Securities initially offered and issued under the Mortgage will not exceed $_____ (except for Global Securities or Securities represented by and authenticated and delivered in exchange for or in lieu of Securities in accordance with the Mortgage).

C. Deutsche Bank Trust Company Americas will enter a pending deposit message through DTC's Participant Terminal System, providing the following settlement information to DTC, and such information will be routed to Standard & Poor's Corporation through DTC:

1. The information set forth in Settlement Procedure "A".

2. Identification as a Fixed Rate Security or a Variable Rate Security.

3. Initial Interest Payment Date for such Security, number of days by which such date succeeds the related Record Date (or, in the case of Variable Rate Securities which reset daily or weekly, the date five calendar days preceding the Interest Payment Date) and amount of interest payable on such Interest Payment Date.

4. CUSIP number of the Global Security representing such Security.

5. Whether such Global Security will represent any other Security (to the extent known at such time).

6. Interest payment period.

D. Deutsche Bank Trust Company Americas will complete and authenticate the Global Security representing such Security.

E. FPL will cause the appropriate amount of intangible tax and document excise tax to be paid in accordance with applicable Florida law and Georgia law.

F. Steel Hector & Davis LLP will (by telecopy followed by an original copy) provide Deutsche Bank Trust Company Americas with an opinion regarding authentication.

G. DTC will credit such Security to Deutsche Bank Trust Company Americas' participant account at DTC.

H. Deutsche Bank Trust Company Americas will enter an SDFS deliver order through DTC's Participant Terminal System instructing DTC to (i) debit such Security to Deutsche Bank Trust Company Americas' participant account and credit such Security to such Agent's participant account and (ii) debit such Agent's settlement account and credit Deutsche Bank Trust Company Americas' settlement account for an amount equal to the price of such Security less such Agent's commission. The entry of such a deliver order shall constitute a representation and warranty by Deutsche Bank Trust Company Americas to DTC that (a) the Global Security representing such Security has been issued and authenticated and (b) Deutsche Bank Trust Company Americas is holding such Global Security pursuant to the Secured Medium-Term Note Certificate Agreement between Deutsche Bank Trust Company Americas and DTC.

I. Such Agent will enter an SDFS deliver order through DTC's Participant Terminal System instructing DTC (i) to debit such Security to such Agent's participant account and credit such Security to the participant accounts of the Participants with respect to such Security and (ii) to debit the settlement accounts of such Participants and credit the settlement account of such Agent for an amount equal to the price of such Security.

J. Deutsche Bank Trust Company Americas will transfer to the account of FPL maintained at Deutsche Bank Trust Company Americas of [New York, New York], in immediately available funds in the amount transferred to Deutsche Bank Trust Company Americas in accordance with Settlement Procedure "H" upon receipt of such funds.

K. Such Agent will confirm the purchase of such Security to the purchaser either by transmitting to the Participants with respect to such Security a confirmation order or orders through DTC's institutional delivery system or by mailing a written confirmation to such purchaser. Such Agent will deliver to the purchaser a copy of the most recent Prospectus applicable to the Security with or prior to any written offer of Securities and the confirmation and payment by the purchaser for the Security.

L. Transfers of funds in accordance with SDFS deliver orders described in Settlement Procedures "H" and "I" will be settled in accordance with SDFS operating procedures in effect on the Settlement Date.

M. Deutsche Bank Trust Company Americas will send a copy of the Global Security by first-class mail to FPL together with a statement setting forth the principal amount of Securities outstanding as of the related Settlement Date after giving effect to such transaction and all other offers to purchase Securities of which FPL has advised Deutsche Bank Trust Company Americas but which have not yet been settled.

Settlement Procedures Timetable

Settlement Procedure	Time (New York)
A (1-11)	11 a.m. on the sale date
B	12 Noon on the sale date
C	2 p.m. on the sale date
D-F	9 a.m. on the Settlement Date
G	10 a.m. on the Settlement Date
H-I	2 p.m. on the Settlement Date
J-K	4:45 p.m. on the Settlement Date
L	3:30 p.m. on the Settlement Date

If a sale is to be settled more than one business day after the sale date, Settlement Procedures "A", "B" and "C" shall be completed as soon as practicable but no later than 11 a.m., 12 Noon and 2:00 p.m., as the case may be, on the first business day after the sale date. In connection with a sale which is to be settled more than one business day after the sale date, if the initial interest rate for a Variable Rate Note is not known at the time that Settlement Procedure "A" is completed, Settlement Procedures "B" and "C" shall be completed as soon as such rates have been determined, but no later than 12 Noon and 2:00 p.m., as the case may be, on the second business day before the Settlement Date. Settlement Procedures "L" and "J" are subject to extension in accordance with any extension of Fedwire closing deadlines and in other events specified in the SDFS operating procedures in effect on the Settlement Date.

If Settlement of a Security is rescheduled or canceled, FPL will instruct Deutsche Bank Trust Company Americas to deliver to DTC a cancellation message to such effect by no later than 12 Noon on the business day immediately preceding the scheduled Settlement Date and Deutsche Bank Trust Company Americas will enter such order by 2:00 p.m. through DTC's Participation Terminal System.

Pricing Supplement

If FPL accepts an offer to purchase a Security, FPL will prepare a Pricing Supplement reflecting the terms of such Security and will arrange to have ten copies of the Pricing Supplement filed with the Commission not later than the close of business on the second Business Day following such acceptance of an offer to purchase such Security and will supply at least ten copies of the Pricing Supplement to the Agent. The Agent will cause the Prospectus and Pricing Supplement to be delivered to the purchaser of the Security in accordance with the procedures set forth in "Delivery of Prospectus" below.

Failure to Settle

If Deutsche Bank Trust Company Americas or the Agent fails to enter an SDFS deliver order with respect to a Security pursuant to Settlement Procedure "H" or "I", Deutsche Bank Trust Company Americas may deliver to DTC, through DTC's Participant Terminal System, as soon as practicable, a withdrawal message instructing DTC to debit such Security to Deutsche Bank Trust Company Americas' participant account, provided that Deutsche Bank Trust Company Americas' participant account contains a principal amount of the Global Security representing such Security that is at least equal to the principal amount to be debited. If a withdrawal message is processed with respect to all the Securities represented by a Global Security, Deutsche Bank Trust Company Americas will mark such Global Security "canceled", make appropriate entries in Deutsche Bank Trust Company Americas' records and send such canceled Global Security to FPL. The CUSIP number assigned to such Global Security shall, in accordance with CUSIP Service Bureau procedures, be canceled and not immediately reassigned. If a withdrawal message is processed with respect to one or more, but not all, of the Securities represented by a Global Security, Deutsche Bank Trust Company Americas will exchange such Global Security for another Global Security, which shall represent the Securities previously represented by the surrendered Global Security with respect to which a withdrawal message has not been processed and shall bear the CUSIP number of the surrendered Global Security.

If the purchase price for any Security is not timely paid to the Participants with respect to such Security by the beneficial purchaser thereof (or a person, including an indirect participant in DTC, acting on behalf of such purchaser), such Participants and, in turn, the Agent for such Security may enter SDFS deliver orders through DTC's Participant Terminal System reversing the orders entered pursuant to Settlement Procedures "I" and "H", respectively. The Agent will notify _____ of FPL by telephone, confirmed in writing, of such failure. Thereafter, Deutsche Bank Trust Company Americas will deliver the withdrawal message and take the related actions described in the preceding paragraph.

Notwithstanding the foregoing, upon any failure to settle with respect to a Security, DTC may take any actions in accordance with its SDFS operating procedures then in effect. In the event of a failure to settle with respect to one or more, but not all, of the Securities to have been represented by a Global Security, the Mortgage Trustee will provide, in accordance with Settlement Procedure "D", for the authentication and issuance of a Global Security

representing the other Securities to have been represented by such Global Security and will make appropriate entries in its records.

Procedure for Rate Changes

When a decision has been reached to change interest rates on or other variable terms with respect to any Securities being sold by FPL, FPL will promptly advise the Agents and the Agents will forthwith suspend solicitation of offers to purchase such Securities. The Agents will telephone FPL with recommendations as to the changed interest rates or other variable terms. At such time as FPL has advised each of the Agents of the new interest rates on or other variable terms with respect to the Securities, the Agents may resume solicitation of offers to purchase such Securities. Until such time only "indications of interest" may be recorded.

Suspension of Solicitation; Amendment or Supplement

If, during any period in which, in the opinion of Counsel for the Agents, a prospectus relating to the Securities is required to be delivered under the Securities Act, any event occurs as a result of which the Prospectus would include any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, or if it is necessary at any time to amend the Prospectus to comply with the Securities Act, FPL will notify the Agents promptly to suspend solicitation of purchases of the Securities and each Agent shall suspend its solicitations of purchases of Securities; and if FPL shall decide to amend or supplement the Registration Statement or the Prospectus, it will promptly advise the Agents by telephone (with confirmation in writing) and will promptly prepare and file with the Commission an amendment or supplement which will correct such statement or omission or an amendment which will effect such compliance. Upon the Agents' receipt of such amendment or supplement and advice from FPL that solicitations may be resumed, the Agents will resume solicitations of purchases of the Securities.

In addition, FPL may instruct the Agents to suspend solicitation of offers to purchase at any time. Upon receipt of such instructions the Agents will forthwith suspend solicitation of offers to purchase from FPL until such time as FPL has advised them that solicitation of offers to purchase may be resumed. If FPL decides to amend or supplement the Registration Statement or the Prospectus relating to the Securities (other than to change interest rates, maturity dates and/or redemption terms), it will promptly advise the Agents and Deutsche Bank Trust Company Americas and will furnish the Agents and Deutsche Bank Trust Company Americas copies of the proposed amendment or supplement.

In the event that at the time the Agents, at the direction of FPL, suspend solicitation of offers to purchase from FPL there shall be any orders outstanding which have been accepted but which have not been settled, FPL will promptly advise the Agents and Deutsche Bank Trust Company Americas whether such orders may be settled and whether copies of the Prospectus as theretofore amended and/or supplemented as in effect at the time of the suspension may be delivered in connection with the settlement of such orders. FPL will have the sole responsibility for such decision and for any arrangement which may be made in the event that FPL determines that such orders may not be settled or that copies of such Prospectus may not be so delivered.

Delivery of Prospectus

Each Agent will provide a copy of the relevant Prospectus, appropriately amended or supplemented, which must accompany or precede each written offer of a Security by such Agent, each written confirmation of a sale sent to a purchaser or his agent by such Agent and payment for each Security by a purchaser.

Authenticity of Signatures

FPL will cause Deutsche Bank Trust Company Americas to furnish the Agents from time to time with the specimen signatures of each of Deutsche Bank Trust Company Americas' officers, employees and agents who have been authorized by Deutsche Bank Trust Company Americas to authenticate Securities, but the Agents will have no

obligation or liability to FPL or Deutsche Bank Trust Company Americas in respect of the authenticity of the signature of any officer, employee or agent of FPL or Deutsche Bank Trust Company Americas on any Security.

Advertising Costs

FPL will determine with the Agents the amount and nature of advertising that may be appropriate in offering the Securities. Advertising expenses in connection with solicitation of offers to purchase Securities from FPL will be paid by FPL.

EXHIBIT B

FPL agrees to pay each Agent a commission in the range of the following percentages of the aggregate principal amount of Securities sold to purchasers solicited by such Agent or, in the event the Securities are being sold at a discount, the issue price thereof. The actual commission to be paid by FPL to each Agent will be set forth in separate agreements between FPL and each of the Agents.

Term	Commission Rate Range (as a percentage of aggregate principal amount of Securities sold or the issue price, as the case may be)
9 months to less than 12 months	
12 months to less than 18 months	
18 months to less than 24 months	
2 years to less than 3 years	
3 years to less than 4 years	
4 years to less than 5 years	
5 years to less than 6 years	
6 years to less than 7 years	
7 years to less than 8 years	
8 years to less than 9 years	
9 years to less than 10 years	
10 years to less than 15 years	
15 years to less than 20 years	
20 years to 30 years	

EXHIBIT C

TERMS AGREEMENT

_____, 20_

Florida Power & Light Company
700 Universe Boulevard
Juno Beach, Florida 33408

Attention: Treasurer

The undersigned agrees to purchase $_____ **principal** amount of the Securities of Florida Power & Light Company pursuant to the terms and conditions set forth in the Distribution Agreement dated _____, ___(the "Distribution Agreement") and in the Schedule attached hereto.

[Indicate whether the officer's certificate, legal opinions and/or the accountant's letter described in Sections 8(c), 8(d) and 8(e), respectively, will or will not be required.]

[Additional terms]

This agreement shall be governed by and construed in accordance with the laws of New York.

By _____

Accepted: , 20
Florida Power & Light Company

By _____

SCHEDULE 1 TO EXHIBIT C

Registration Statement:

No. 333-_____

Mortgage:

Mortgage and Deed of Trust dated as of January 1, 1944, between FPL and Deutsche Bank Trust Company Americas (formerly known as Bankers Trust Company), as Trustee, and The Florida National Bank of Jacksonville (now resigned) as supplemented.

Aggregate Principal Amount:

Price to Public:

Purchase Price by _____

___% of the principal amount of the purchased Securities, plus accrued interest from _____ to _____

Purchase Date and Time:

Settlement Date:

Method of and Specified Funds for
Payment of Purchase Price:

Closing Location:

Redemption Provisions:

Maturity:

If fixed rate securities

Interest Rate: (%)

Interest Payment Date(s):

If variable rate securities

Base Rate:

Initial Interest Rate:

Interest Determination Dates:

Interest Reset Dates

Interest Reset Period:

Interest Payment Dates:

Index Maturity:

Interest Payment Period:

Maximum Interest Rate:

Minimum Interest Rate:

Calculation Date:

Spread or Alternate Rate Event Spread:

Spread Multiplier:

Syndicate Provisions:

(Set forth any provisions relating to underwriters' default and step-up of amounts to be purchased by underwriters acting with _____ or _____, as the case may be).

Additional terms:

EXHIBIT 4(j)

This instrument was prepared by:

Florida Power & Light Company
700 Universe Boulevard
Juno Beach, Florida 33408

FLORIDA POWER & LIGHT COMPANY

to

DEUTSCHE BANK TRUST COMPANY AMERICAS

(formerly known as Bankers Trust Company)

As Trustee under Florida Power & Light Company's Mortgage and Deed of Trust, Dated as of January 1, 1944.

_____*Supplemental Indenture*

Relating to a Principal Amount Not To Exceed $____ of First Mortgage Bonds, designated Secured Medium-Term Notes, Series ____.

****[Relating to $_____ Principal Amount of First Mortgage Bonds, ____% Series due _____, ____.]***

Dated as of _____, ____

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* *These three lines will be inserted, in lieu of the four lines immediately preceding them, in any supplemental indenture relating to the issuance of First Mortgage Bonds other than those designated Secured Medium-Term Notes*

FLORIDA POWER & LIGHT COMPANY

Reconciliation and Tie of Provisions of Trust Indenture Act of 1939 to provisions of Mortgage and Deed of Trust to Deutsche Bank Trust Company Americas (formerly known as Bankers Trust Company) and The Florida National Bank of Jacksonville (now resigned), as Trustees, dated as of January 1, 1944, as amended.

Sections of Act:	Sections of Mortgage and Supplemental Indentures
310(a) (1) (2) (3)	Mortgage, 35(a), 88 and 103
310(a) (4)	Not Applicable
310(b)	Mortgage, 99; First Supplemental, 14; Seventh Supplemental, 6
310(c)	Not Applicable
311(a)	Mortgage, 98
311(b)	Mortgage, 98
311(c)	Not Applicable
312(a)	Mortgage, 43(a) and 43(b)
312(b)	Mortgage, 43(c)
312(c)	Mortgage, 43(d)
313(a)	Mortgage, 100(a)
313(b)	Mortgage, 100(b); First Supplemental, 15
313(c)	Mortgage, 100(c)
313(d)	Mortgage, 100(d)
314(a)	Mortgage, 44
314(b)	Mortgage, 42
314(c)	Mortgage, 121, 3, 61 and 7
314(d)	Mortgage, 59(3), 60, 3 and 28(4)
314(e)	Mortgage, 121, 3 and 61
314(f)	Omitted
315(a)	Mortgage, 89 and 88; First Supplemental, 13
315(b)	Mortgage, 66 and 3; First Supplemental, 11
315(c)	Mortgage, 88
315(d)	Mortgage, 89; First Supplemental, 13
315(e)	Mortgage, 122
316(a) (1)	Mortgage, 71; First Supplemental, 12
316(a) (2)	Omitted
316(b)	Mortgage, 80
317(a)	Mortgage, 78
317(b)	Mortgage, 35(c) and 95; First Supplemental, 7
318(a)	Mortgage, 124

_____ SUPPLEMENTAL INDENTURE

INDENTURE, dated as of the _____ day of _____, ___, made and entered into by and between FLORIDA POWER & LIGHT COMPANY, a corporation of the State of Florida, whose post office address is 700 Universe Boulevard, Juno Beach, Florida 33408 (hereinafter sometimes called FPL), and DEUTSCHE BANK TRUST COMPANY AMERICAS (formerly known as Bankers Trust Company), a corporation of the State of New York, whose post office address is _____, New York, New York _____, Attention: _____ (hereinafter called the Trustee), as the _____ supplemental indenture (hereinafter called the _____ Supplemental Indenture) to the Mortgage and Deed of Trust, dated as of January 1, 1944 (hereinafter called the Mortgage), made and entered into by FPL, the Trustee and The Florida National Bank of Jacksonville, as Co-Trustee (now resigned), the Trustee now acting as the sole trustee under the Mortgage, which Mortgage was executed and delivered by FPL to secure the payment of bonds issued or to be issued under and in accordance with the provisions thereof, reference to which Mortgage is hereby made, this _____ Supplemental Indenture being supplemental thereto;

WHEREAS, Section 8 of the Mortgage provides that the form of each series of bonds (other than the first series) issued thereunder shall be established by Resolution of the Board of Directors of FPL and that the form of such series, as established by said Board of Directors, shall specify the descriptive title of the bonds and various other terms thereof, and may also contain such provisions not inconsistent with the provisions of the Mortgage as the Board of Directors may, in its discretion, cause to be inserted therein expressing or referring to the terms and conditions upon which such bonds are to be issued and/or secured under the Mortgage; and

WHEREAS, Section 120 of the Mortgage provides, among other things, that any power, privilege or right expressly or impliedly reserved to or in any way conferred upon FPL by any provision of the Mortgage, whether such power, privilege or right is in any way restricted or is unrestricted, may be in whole or in part waived or surrendered or subjected to any restriction if at the time unrestricted or to additional restriction if already restricted, and FPL may enter into any further covenants, limitations or restrictions for the benefit of any one or more series of bonds issued thereunder, or FPL may cure any ambiguity contained therein, or in any supplemental indenture, or may establish the terms and provisions of any series of bonds other than said first series, by an instrument in writing executed and acknowledged by FPL in such manner as would be necessary to entitle a conveyance of real estate to be recorded in all of the states in which any property at the time subject to the Lien of the Mortgage shall be situated; and

WHEREAS, FPL now desires to create the series of bonds described in Article I hereof and to add to its covenants and agreements contained in the Mortgage certain other covenants and agreements to be observed by it and to alter

and amend in certain respects the covenants and provisions contained in the Mortgage; and

WHEREAS, the execution and delivery by FPL of this _____ Supplemental Indenture, and the terms of the bonds, hereinafter referred to in Article I, have been duly authorized by the Board of Directors of FPL by appropriate resolutions of said Board of Directors;

NOW, THEREFORE, THIS INDENTURE WITNESSETH: That FPL, in consideration of the premises and of One Dollar to it duly paid by the Trustee at or before the ensealing and delivery of these presents, the receipt whereof is hereby acknowledged, and in further evidence of assurance of the estate, title and rights of the Trustee and in order further to secure the payment of both the principal of and interest and premium, if any, on the bonds from time to time issued under the Mortgage, according to their tenor and effect, and the performance of all the provisions of the Mortgage (including any instruments supplemental thereto and any modification made as in the Mortgage provided) and of said bonds, hereby grants, bargains, sells, releases, conveys, assigns, transfers, mortgages, pledges, sets over and confirms (subject, however, to Excepted Encumbrances as defined in Section 6 of the Mortgage) unto Deutsche Bank Trust Company Americas, as Trustee under the Mortgage, and to its successor or successors in said trust, and to said Trustee and its successors and assigns forever, all property, real, personal and mixed, acquired by FPL after the date of the execution and delivery of the Mortgage (except any herein or in the Mortgage, as heretofore supplemented, expressly excepted), now owned (except any properties heretofore released pursuant to any provisions of the Mortgage and in the process of being sold or disposed of by FPL) or, subject to the provisions of Section 87 of the Mortgage, hereafter acquired by FPL and wheresoever situated, including (without in anywise limiting or impairing by the enumeration of the same the scope and intent of the foregoing) all lands, power sites, flowage rights, water rights, water locations, water appropriations, ditches, flumes, reservoirs, reservoir sites, canals, raceways, dams, dam sites, aqueducts, and all rights or means for appropriating, conveying, storing and supplying water; all rights of way and roads; all plants for the generation of electricity by steam, water and/or other power; all power houses, gas plants, street lighting systems, standards and other equipment incidental thereto, telephone, radio and television systems, air-conditioning systems and equipment incidental thereto, water works, water systems, steam heat and hot water plants, substations, lines, service and supply systems, bridges, culverts, tracks, ice or refrigeration plants and equipment, offices, buildings and other structures and the equipment thereof; all machinery, engines, boilers, dynamos, electric, gas and other machines, regulators, meters, transformers, generators, motors, electrical, gas and mechanical appliances, conduits, cables, water, steam heat, gas or other pipes, gas mains and pipes, service pipes, fittings, valves and connections, pole and transmission lines, wires, cables, tools, implements, apparatus, furniture, chattels, and choses in action; all municipal and other franchises, consents or permits; all lines for the transmission and distribution of electric current, gas, steam heat or water for any purpose

including towers, poles, wires, cables, pipes, conduits, ducts and all apparatus for use in connection therewith; all real estate, lands, easements, servitudes, licenses, permits, franchises, privileges, rights of way and other rights in or relating to real estate or the occupancy of the same and (except as herein or in the Mortgage, as heretofore supplemented, expressly excepted) all the right, title and interest of FPL in and to all other property of any kind or nature appertaining to and/or used and/or occupied and/or enjoyed in connection with any property hereinbefore or in the Mortgage, as heretofore supplemented, described.

TOGETHER WITH all and singular the tenements, hereditaments and appurtenances belonging or in anywise appertaining to the aforesaid property or any part thereof, with the reversion and reversions, remainder and remainders and (subject to the provisions of Section 57 of the Mortgage) the tolls, rents, revenues, issues, earnings, income, products and profits thereof, and all the estate, right, title and interest and claim whatsoever, at law as well as in equity, which FPL now has or may hereinafter acquire in and to the aforesaid property and franchises and every part and parcel thereof.

IT IS HEREBY AGREED by FPL that, subject to the provisions of Section 87 of the Mortgage, all the property, rights, and franchises acquired by FPL after the date hereof (except any herein or in the Mortgage, as heretofore supplemented, expressly excepted) shall be and are as fully granted and conveyed hereby and as fully embraced within the Lien of the Mortgage, as if such property, rights and franchises were now owned by FPL and were specifically described herein and conveyed hereby.

PROVIDED that the following are not and are not intended to be now or hereafter granted, bargained, sold, released, conveyed, assigned, transferred, mortgaged, pledged, set over or confirmed hereunder and are hereby expressly excepted from the Lien and operation of this _____ Supplemental Indenture and from the Lien and operation of the Mortgage, as heretofore supplemented, viz: (1) cash, shares of stock, bonds, notes and other obligations and other securities not hereafter specifically pledged, paid, deposited, delivered or held under the Mortgage or covenanted so to be; (2) merchandise, equipment, materials or supplies held for the purpose of sale in the usual course of business and fuel (including Nuclear Fuel unless expressly subjected to the Lien and operation of the Mortgage by FPL in a future Supplemental Indenture), oil and similar materials and supplies consumable in the operation of any properties of FPL; rolling stock, buses, motor coaches, automobiles and other vehicles; (3) bills, notes and accounts receivable, and all contracts, leases and operating agreements not specifically pledged under the Mortgage or covenanted so to be; (4) the last day of the term of any lease or leasehold which may hereafter become subject to the Lien of the Mortgage; (5) electric energy, gas, ice, and other materials or products generated, manufactured, produced or purchased by FPL for sale, distribution or use in the ordinary course of its business; all timber, minerals, mineral rights and royalties; (6) FPL's franchise to be a corporation; and (7) the properties already sold or in the process of being sold by FPL and heretofore

released from the Mortgage and Deed of Trust, dated as of January 1, 1926, from Florida Power & Light Company to Bankers Trust Company and The Florida National Bank of Jacksonville, trustees, and specifically described in three separate releases executed by Bankers Trust Company and The Florida National Bank of Jacksonville, dated July 28, 1943, October 6, 1943 and December 11, 1943, which releases have heretofore been delivered by the said trustees to FPL and recorded by FPL among the Public Records of all Counties in which such properties are located; provided, however, that the property and rights expressly excepted from the Lien and operation of the Mortgage in the above subdivisions (2) and (3) shall (to the extent permitted by law) cease to be so excepted in the event and as of the date that the Trustee or a receiver or trustee shall enter upon and take possession of the Mortgaged and Pledged Property in the manner provided in Article XIII of the Mortgage by reason of the occurrence of a Default as defined in Section 65 thereof.

TO HAVE AND TO HOLD all such properties, real, personal and mixed, granted, bargained, sold, released, conveyed, assigned, transferred, mortgaged, pledged, set over or confirmed by FPL as aforesaid, or intended so to be, unto Deutsche Bank Trust Company Americas, the Trustee, and its successors and assigns forever.

IN TRUST NEVERTHELESS, for the same purposes and upon the same terms, trusts and conditions and subject to and with the same provisos and covenants as are set forth in the Mortgage, as heretofore supplemented, this _____ Supplemental Indenture being supplemental thereto.

AND IT IS HEREBY COVENANTED by FPL that all terms, conditions, provisos, covenants and provisions contained in the Mortgage shall affect and apply to the property hereinbefore described and conveyed and to the estate, rights, obligations and duties of FPL and the Trustee and the beneficiaries of the trust with respect to said property, and to the Trustee and its successors as Trustee of said property in the same manner and with the same effect as if said property had been owned by FPL at the time of the execution of the Mortgage, and had been specifically and at length described in and conveyed to said Trustee, by the Mortgage as a part of the property therein stated to be conveyed.

FPL further covenants and agrees to and with the Trustee and its successors in said trust under the Mortgage, as follows:

ARTICLE I

_____ Series of Bonds

**SECTION 1. (I) There shall be a series of bonds designated "Secured Medium-Term Notes, Series ___", herein sometimes referred to as the _____ Series", herein sometimes referred to as the _____ Series, each of which shall also bear the descriptive title First Mortgage Bond, and the form thereof, which shall be established by Resolution of the Board of Directors of FPL, shall contain suitable provisions with respect to the matters hereinafter in this Section specified. Bonds of the _____ Series shall be issued from time to time in an aggregate principal amount not to exceed $_____ at any one time Outstanding except as provided in Section 16 of the Mortgage. [The amount which may be Outstanding from time to time will be stated in one or more notices of receipt of advance under mortgage providing for future advances (a form of which is annexed hereto) executed by the Company and recorded in Palm Beach County, Florida, and in one or more acknowledgements of future advance (a form of which is annexed hereto) executed by FPL and the Trustee and recorded in Monroe County, Georgia.] Bonds of the _____ Series shall be issued as fully registered bonds in the denominations of [One] Thousand Dollars and, at the option of FPL, in any larger amount that is an integral multiple of [One] Thousand Dollars or any other denominations (the exercise of such option to be evidenced by the execution and delivery thereof); each bond of the _____ Series shall mature on [such date not less than _____ months nor more than _____ years from date of issue,] shall bear interest at [such rate or rates (which may be either fixed or variable) and have such other terms and provisions not inconsistent with the Mortgage as the Board of Directors may determine in accordance with a Resolution filed with the Trustee referring to this _____ Supplemental Indenture]; interest on bonds of the _____ Series [which bear interest at a fixed rate] shall be payable [semi-annually on _____ and _____ of each year] and at maturity (each an interest payment date); interest on bonds of the _____ Series [which bear interest at a variable rate] shall be payable [on the dates established on the Issue Date [or the Original Interest Accrual Date] with respect to such bonds and shall be set forth in such bonds.] [Notwithstanding the foregoing, so long as there is no existing default in the payment of interest on the bonds of the _____ Series, all bonds of the _____ Series authenticated by the Trustee after the Record Date hereinafter specified for any interest payment date, and prior to such interest payment date (unless the Issue Date [or the Original Interest Accrual Date] is after such Record Date), shall be dated the date of authentication, but shall bear interest from such interest payment date, and the person in whose name any bond of the _____ Series is registered at the close of business on any Record Date with respect to any interest payment date shall be entitled to receive the interest payable on such

** The provisions in this Section 1 will be inserted in supplemental indentures relating to the issuance of First Mortgage Bonds designated Secured Medium Term Notes, provided that the bracketed language may change

interest payment date, notwithstanding the cancellation of such bond of the _____ Series, upon any transfer or exchange thereof subsequent to the Record Date and on or prior to such interest payment date. If the Issue Date [or the Original Interest Accrual Date] of the bonds of the _____ Series of a designated interest rate and maturity is after the Record Date, such bonds shall bear interest from the Issue Date [or the Original Interest Accrual Date] but payment of interest shall commence on the second interest payment date succeeding the Issue Date [or the Original Interest Accrual Date]. "Record Date" for bonds of the _____ Series which bear interest at a fixed rate shall mean _____ for interest payable _____ and _____ for interest payable _____, and for bonds of the _____ Series which bear interest at a variable rate, the date 15 calendar days prior to any interest payment date, provided that, interest payable on the maturity date will be payable to the person to whom the principal thereof shall be payable. "Issue Date" [or "Original Interest Accrual Date"] with respect to bonds of the _____ Series of a designated interest rate and maturity [unless a Resolution filed with the Trustee on or before such date shall specify another date from which interest shall accrue, then such other date for bonds of such designated interest rate and maturity.] shall mean the date of first authentication of bonds of such designated interest rate and maturity.] The principal of and interest on each said bond is payable at the office or agency of FPL in the Borough of Manhattan, The City of New York, in such coin or currency of the United States of America as at the time of payment is legal tender for public and private debts. Bonds of the _____ Series shall be dated as in Section 10 of the Mortgage provided.

***[(II) Bonds of the _____ Series may be redeemable either at the option of FPL or pursuant to the requirements of the Mortgage (including, among other requirements, the application of cash delivered to or deposited with the Trustee pursuant to the provisions of Section 39 or Section 64 of the Mortgage or with proceeds of Released Property) in whole at any time, or in part from time to time, prior to maturity, upon notice, as provided in Section 52 of the Mortgage, mailed at least thirty (30) days prior to the date fixed for redemption, as the Board of Directors may determine in accordance with a Resolution filed with the Trustee referring to this _____ Supplemental Indenture.]

[(III) At the option of the registered owner, any bonds of the _____ Series, upon surrender thereof for exchange at the office or agency of FPL in the Borough of Manhattan, The City of New York, together with a written instrument of transfer wherever required by FPL, duly executed by the registered owner or by his duly authorized attorney, shall (subject to the provisions of Section 12 of the Mortgage) be exchangeable for a like aggregate principal amount of bonds of the same series of other authorized denominations which have the same issue date, maturity date, and redemption provisions, if any, and which bear interest at the same rate.]

*** These or other redemption provisions or other terms and conditions relating to the series of First Mortgage Bonds may be inserted here.

Bonds of the _____ Series shall be transferrable (subject to the provisions of Section 12 of the Mortgage) at the office or agency of FPL in the Borough of Manhattan, The City of New York.

Upon any exchange or transfer of bonds of the _____ Series, FPL may make a charge therefor sufficient to reimburse it for any tax or taxes or other governmental charge, as provided in Section 12 of the Mortgage, but FPL hereby waives any right to make a charge in addition thereto for any exchange or transfer of bonds of the _____ Series.

*****SECTION 1. (I) There shall be a series of bonds designated "__% Series due _____, ___", herein sometimes referred to as the "_____ Series", each of which shall also bear the descriptive title First Mortgage Bond, and the form thereof, which shall be established by Resolution of the Board of Directors of FPL, shall contain suitable provisions with respect to the matters hereinafter in this Section specified. Bonds of the _____ Series shall mature on _____, ___ and shall be issued as fully registered bonds in denominations of [One] Thousand Dollars and, at the option of FPL, in any multiple or multiples of [One] Thousand Dollars or any other denominations (the exercise of such option to be evidenced by the execution and delivery thereof); they shall bear interest from _____, __ [at the rate of ___% per annum, payable semi-annually on _____ and _____ of each year;] the principal of and interest on each said bond to be payable at the office or agency of FPL in the Borough of Manhattan, The City of New York, in such coin or currency of the United States of America as at the time of payment is legal tender for public and private debts. Bonds of the _____ Series shall be dated as in Section 10 of the Mortgage provided.*

[(II) Bonds of the _____ Series shall be redeemable either at the option of FPL or pursuant to the requirements of the Mortgage (including, among other requirements, the application of cash delivered to or deposited with the Trustee pursuant to the provisions of Section 39 or Section 64 of the Mortgage or with proceeds of Released Property) in whole at any time, or in part from time to time, prior to maturity, upon notice, as provided in Section 52 of the Mortgage, mailed at least thirty (30) days prior to the date fixed for redemption, at the following general redemption prices, expressed in percentages of the principal amount of the bonds to be redeemed:

General Redemption Prices

If redeemed during the 12 month period ending _____,

**** *These provisions will be inserted in any supplemental indentures relating to the issuance of First Mortgage Bonds other than those designated Secured Medium-Term Notes, provided that the bracketed language may change.*

in each case, together with accrued interest to the date fixed for redemption.][*****]

(III) At the option of the registered owner, any bonds of the _____ Series, upon surrender thereof for exchange at the office or agency of FPL in the Borough of Manhattan, The City of New York, together with a written instrument of transfer wherever required by FPL, duly executed by the registered owner or by his duly authorized attorney, shall (subject to the provisions of Section 12 of the Mortgage) be exchangeable for a like aggregate principal amount of bonds of the same series of other authorized denominations.

Bonds of the _____ Series shall be transferable (subject to the provisions of Section 12 of the Mortgage) at the office or agency of FPL in the Borough of Manhattan, The City of New York.

Upon any exchange or transfer of bonds of the _____ Series, FPL may make a charge therefor sufficient to reimburse it for any tax or taxes or other governmental charge, as provided in Section 12 of the Mortgage, but FPL hereby waives any right to make a charge in addition thereto for any exchange or transfer of bonds of the _____ Series.]

ARTICLE II

Dividend Covenant

SECTION 2. Section 3 of the Third Supplemental Indenture, as heretofore amended, is hereby further amended by inserting the words "or _____ Series" immediately before the words "remain Outstanding".

[*****] *These or other redemption provisions or other terms and conditions relating to the series of First Mortgage Bonds may be inserted here.*

ARTICLE III

Miscellaneous Provisions

SECTION 3. Subject to the amendments provided for in this _____ Supplemental Indenture, the terms defined in the Mortgage, as heretofore supplemented, shall, for all purposes of this _____ Supplemental Indenture, have the meanings specified in the Mortgage, as heretofore supplemented.

******SECTION 4. The holders of bonds of the _____ Series consent that FPL may, but shall not be obligated to, fix a record date for the purpose of determining the holders of bonds of the _____ Series entitled to consent to any amendment, supplement or waiver. If a record date is fixed, those persons who were holders at such record date (or their duly designated proxies), and only those persons, shall be entitled to consent to such amendment, supplement or waiver or to revoke any consent previously given, whether or not such persons continue to be holders after such record date. No such consent shall be valid or effective for more than 90 days after such record date.

SECTION 5. The Trustee hereby accepts the trust herein declared, provided, created or supplemented and agrees to perform the same upon the terms and conditions herein and in the Mortgage, as heretofore supplemented, set forth and upon the following terms and conditions:

The Trustee shall not be responsible in any manner whatsoever for or in respect of the validity or sufficiency of this _____ Supplemental Indenture or for or in respect of the recitals contained herein, all of which recitals are made by FPL solely. In general, each and every term and condition contained in Article XVII of the Mortgage, as heretofore amended, shall apply to and form part of this _____ Supplemental Indenture with the same force and effect as if the same were herein set forth in full with such omissions, variations and insertions, if any, as may be appropriate to make the same conform to the provisions of this _____ Supplemental Indenture.

SECTION 6. Whenever in this _____ Supplemental Indenture either of the parties hereto is named or referred to, this shall, subject to the provisions of Articles XVI and XVII of the Mortgage, as heretofore amended, be deemed to include the successors and assigns of such party, and all the covenants and agreements in this _____ Supplemental Indenture contained by or on behalf of FPL, or by or on behalf of the Trustee, or either of them, shall, subject as aforesaid, bind and inure to the respective benefits of the respective successors and assigns of such parties, whether so expressed or not.

****** This provision may be deleted in any supplemental indenture relating to the issuance of First Mortgage Bonds other than those which are issued to The Depository Trust Company, or its successor. The remaining sections will be renumbered accordingly.

SECTION 7. Nothing in this _____ Supplemental Indenture, expressed or implied, is intended, or shall be construed, to confer upon, or to give to, any person, firm or corporation, other than the parties hereto and the holders of the bonds and coupons Outstanding under the Mortgage, any right, remedy or claim under or by reason of this _____ Supplemental Indenture or any covenant, condition, stipulation, promise or agreement hereof, and all the covenants, conditions, stipulations, promises and agreements in this _____ Supplemental Indenture contained by or on behalf of FPL shall be for the sole and exclusive benefit of the parties hereto, and of the holders of the bonds and coupons Outstanding under the Mortgage.

SECTION 8. The Mortgage, as heretofore supplemented and amended and as supplemented hereby, is intended by the parties hereto, as to properties now or hereafter encumbered thereby and located within the State of Georgia, to operate and is to be construed as granting a lien only on such properties and not as a deed passing title thereto.

SECTION 9. This _____ Supplemental Indenture shall be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, FPL has caused its corporate name to be hereunto affixed, and this instrument to be signed and sealed by its President or one of its Vice Presidents, and its corporate seal to be attested by its Secretary or one of its Assistant Secretaries for and in its behalf, and DEUTSCHE BANK TRUST COMPANY AMERICAS has caused its corporate name to be hereunto affixed, and this instrument to be signed and sealed by one of its Vice Presidents or Assistant Vice Presidents, and its corporate seal to be attested by one of its Assistant Vice Presidents, one of its Assistant Secretaries or one of its Associates, all as of the day and year first above written.

FLORIDA POWER & LIGHT COMPANY

By:_____

Attest:_____

Executed, sealed and delivered by
FLORIDA POWER & LIGHT COMPANY
in the presence of:

_____

_____

DEUTSCHE BANK TRUST COMPANY AMERICAS,
As Trustee

By:_____

Attest:_____

Executed, sealed and delivered by
DEUTSCHE BANK TRUST COMPANY AMERICAS
in the presence of:

_____

_____

STATE OF FLORIDA
COUNTY OF PALM BEACH } SS:

On the _____ day of _____, in the year ___, before me personally came _____, to me known, who, being by me duly sworn, did depose and say that he resides at _____; that he is a _____ of FLORIDA POWER & LIGHT COMPANY, one of the corporations described in and which executed the above instrument; that he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said corporation, and that he signed his name thereto by like order.

I HEREBY CERTIFY, that on this _____ day of _____, ___, before me personally appeared _____ and _____, respectively, the _____and an _____ of FLORIDA POWER & LIGHT COMPANY, a corporation under the laws of the State of Florida, to me known to be the persons described in and who executed the foregoing instrument and severally acknowledged the execution thereof to be their free act and deed as such officers, for the uses and purposes therein mentioned; and that they affixed thereto the official seal of said corporation, and that said instrument is the act and deed of said corporation.

_____ and _____ produced Florida Driver's License No. _____ and Florida Driver's License No. _____ as identification, respectively[, and did take an oath].

WITNESS my signature and official seal at Juno Beach, in the County of Palm Beach, and State of Florida, the day and year last aforesaid.

Notary Public, State of Florida
Commission No. _____
My Commission Expires _____

STATE OF NEW YORK)
COUNTY OF NEW YORK) SS:

On the _____ day of _____, in the year ____, before me personally came _____, to me known, who, being by me duly sworn, did depose and say that he resides at _____; that he is a _____ of DEUTSCHE BANK TRUST COMPANY AMERICAS, one of the corporations described in and which executed the above instrument; that he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said corporation, and that he signed his name thereto by like order.

I HEREBY CERTIFY, that on this _____ day of _____, ___, before me personally appeared _____ and _____, respectively, a _____ and an _____ of DEUTSCHE BANK TRUST COMPANY AMERICAS, a corporation under the laws of the state of New York, to me known to be the persons described in and who executed the foregoing instrument and severally acknowledged the execution thereof to be their free act and deed as such officers, for the uses and purposes therein mentioned; and that they affixed thereto the official seal of said corporation, and that said instrument is the act and deed of said corporation.

_____ and _____ produced _____ Driver's License No. _____ and _____ Driver's License No. _____ as identification, respectively[, and did take an oath].

WITNESS my signature and official seal at New York City, in the County of New York, and State of New York, the day and year last aforesaid.

Notary Public, State of New York
Commission No. _____
Qualified in _____ County
My Commission Expires _____

EXHIBIT 5(a)

STEEL HECTOR & DAVIS

Steel Hector & Davis LLP
200 South Biscayne Boulevard
Miami, Florida 33131-2398
305.577.7000
305.577.7001 Fax
www.steelhector.com

December 23, 2002

Florida Power & Light Company
700 Universe Boulevard
Juno Beach, Florida 33408

Ladies and Gentlemen:

As counsel for Florida Power & Light Company, a Florida corporation (the "Company"), we have participated in the preparation of a registration statement on Form S-3 (the "Registration Statement"), to be filed with the Securities and Exchange Commission under the Securities Act of 1933, as amended, on or about the date hereof, in connection with the proposed offering of up to $1,000,000,000 in principal amount of the Company's First Mortgage Bonds (the "Bonds"). In connection therewith, we have reviewed such documents and records as we have deemed necessary to enable us to express an opinion on the matters covered hereby.

Based on the foregoing, we are of the opinion that the Bonds will be valid, legal and binding obligations of the Company, except as limited or affected by bankruptcy, insolvency, reorganization, receivership, moratorium or other laws affecting mortgagees' and creditors' rights and remedies generally and general principles of equity, when:

1. the Bonds are issued and sold pursuant to the authority contained in an order of the Florida Public Service Commission;

2. a duly-authorized officer of the Company, acting within the authority granted by resolutions of the Board of Directors and the Finance Committee of the Board of Directors, approves and establishes the terms and provisions of the Bonds in accordance with the Mortgage and Deed of Trust dated as of January 1, 1944, as amended and supplemented, from the Company to Deutsche Bank Trust Company Americas, as Trustee; and

3. the Bonds are issued and sold in accordance with their terms and as contemplated by the Registration Statement.

We hereby consent to the filing of this opinion as an exhibit to the Registration Statement. We also consent to the reference to us in the prospectus included in the Registration Statement under the captions "Experts" and "Legal Opinions."

We are members of the Florida Bar and this opinion is limited to the laws of the State of Florida and the federal laws of the United States insofar as they bear on the matters covered hereby. As to all matters of New York law, we have relied, with your consent, upon the opinion of even date herewith rendered to you by Thelen Reid & Priest LLP, New York, New York. As to all matters of Florida law, Thelen Reid & Priest LLP is authorized to rely upon this opinion as if it were addressed to it.

Very truly yours,

Steel Hector & Davis LLP

STEEL HECTOR & DAVIS LLP

MIA2001:179046

EXHIBIT 5(b)

Thelen Reid & Priest LLP
Attorneys At Law

875 Third Avenue
New York, NY 10022-6225

Tel. 212.603.2000
Fax 212.603.2001

www.thelenreid.com

December 23, 2002

Florida Power & Light Company
700 Universe Boulevard
Juno Beach, Florida 33408

Ladies and Gentlemen:

As counsel for Florida Power & Light Company, a Florida corporation (the "Company"), we have participated in the preparation of a registration statement on Form S-3 (the "Registration Statement"), to be filed with the Securities and Exchange Commission under the Securities Act of 1933, as amended, on or about the date hereof, in connection with the proposed offering of up to $1,000,000,000 in principal amount of the Company's First Mortgage Bonds (the "Bonds"). In connection therewith, we have reviewed such documents and records as we have deemed necessary to enable us to express an opinion on the matters covered hereby.

Based on the foregoing, we are of the opinion that the Bonds will be valid, legal and binding obligations of the Company, except as limited or affected by bankruptcy, insolvency, reorganization, receivership, moratorium or other laws affecting mortgagees' and creditors' rights and remedies generally and general principles of equity, when:

1. the Bonds are issued and sold pursuant to the authority contained in an order of the Florida Public Service Commission;

2. a duly-authorized officer of the Company, acting within the authority granted by resolutions of the Board of Directors and the Finance Committee of the Board of Directors, approves and establishes the terms and provisions of the Bonds in accordance with the Mortgage and Deed of Trust dated as of January 1, 1944, as amended and supplemented, from the Company to Deutsche Bank Trust Company Americas, as Trustee; and

3. the Bonds are issued and sold in accordance with their terms and as contemplated by the Registration Statement.

We hereby consent to the filing of this opinion as an exhibit to the Registration Statement. We also consent to the reference to us in the prospectus included in the Registration Statement under the caption "Legal Opinions."

We are members of the New York Bar and this opinion is limited to the laws of the State of New York and the federal laws of the United States insofar as they bear on the matters covered hereby. As to all matters of Florida law, we have relied, with your consent, upon the opinion of even date herewith rendered to you by Steel Hector & Davis LLP, Miami, Florida. As to all matters of New York law, Steel Hector & Davis LLP is authorized to rely upon this opinion as if it were addressed to it.

Very truly yours,

Thelen Reid & Priest LLP

THELEN REID & PRIEST LLP

EXHIBIT 23(a)

INDEPENDENT AUDITORS' CONSENT

We consent to the incorporation by reference in this Registration Statement of Florida Power & Light Company on Form S-3 of our report dated February 8, 2002, except for Note 18, as to which the date is March 25, 2002, appearing in the Annual Report on Form 10-K of Florida Power & Light Company for the year ended December 31, 2001 and to the reference to us under the heading "Experts" in the Prospectus, which is part of this Registration Statement.

Deloitte & Touche LLP

DELOITTE & TOUCHE LLP
Miami, Florida
December 20, 2002

EXHIBIT 25

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM T-1

STATEMENT OF ELIGIBILITY UNDER THE TRUST INDENTURE ACT OF 1939
OF A CORPORATION DESIGNATED TO ACT AS TRUSTEE

CHECK IF AN APPLICATION TO DETERMINE ELIGIBILITY OF A TRUSTEE
PURSUANT TO SECTION 305(b)(2)

DEUTSCHE BANK TRUST COMPANY AMERICAS
(formerly known as BANKERS TRUST COMPANY)

(Exact name of trustee as specified in its charter)

NEW YORK (Jurisdiction of Incorporation or organization if not a U.S. national bank)	**13-4941247** (I.R.S. Employer Identification no.)
60 WALL STREET **NEW YORK, NEW YORK** (Address of principal executive offices)	**10005** (Zip Code)

Deutsche Bank Trust Company Americas
Attention: Will Christoph
Legal Department
1301 6th Avenue, 8th Floor
New York, New York 10019
(212) 469-0378
(Name, address and telephone number of agent for service)

FLORIDA POWER & LIGHT COMPANY

(Exact name of obligor as specified in its charter)

Florida (State or other jurisdiction of Incorporation or organization)	**59-0247775** (I.R.S. employer Identification no.)

700 Universe Boulevard
Juno Beach, FL 33408
561-694-4000
(Address of principal executive offices)

First Mortgage Bonds
(Title of indenture securities)

Item 1. General Information.

Furnish the following information as to the trustee.

(a) Name and address of each examining or supervising authority to which it is subject.

Name	Address
Federal Reserve Bank (2nd District)	New York, NY
Federal Deposit Insurance Corporation	Washington, D.C.
New York State Banking Department	Albany, NY

(b) Whether it is authorized to exercise corporate trust powers.

Yes.

Item 2. Affiliations with Obligor.

If the obligor is an affiliate of the Trustee, describe each such affiliation.

None.

Item 3. -15. Not Applicable

Item 16. List of Exhibits.

Exhibit 1 - Restated Organization Certificate of Bankers Trust Company dated August 6, 1998, Certificate of Amendment of the Organization Certificate of Bankers Trust Company dated September 25, 1998, Certificate of Amendment of the Organization Certificate of Bankers Trust Company dated December 16, 1998, and Certificate of Amendment of the Organization Certificate of Bankers Trust Company dated February 22, 2002, copies attached.

Exhibit 2 - Certificate of Authority to commence business - Incorporated herein by reference to Exhibit 2 filed with Form T-1 Statement, Registration No. 33-21047.

Exhibit 3 - Authorization of the Trustee to exercise corporate trust powers - Incorporated herein by reference to Exhibit 2 filed with Form T-1 Statement, Registration No. 33-21047.

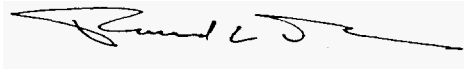
Exhibit 4 - Existing By-Laws of Deutsche Bank Trust Company Americas, as amended on April 15, 2002. Copy attached.

Exhibit 5 -	Not applicable
Exhibit 6 -	Consent of Bankers Trust Company required by Section 321(b) of the Act. - Incorporated herein by reference to Exhibit 4 filed with Form T-1 Statement, Registration No. 22-18864.
Exhibit 7 -	The latest report of condition of Deutsche Bank Trust Company Americas dated as of September 30, 2002. Copy attached.
Exhibit 8 -	Not Applicable.
Exhibit 9 -	Not Applicable.

SIGNATURE

Pursuant to the requirements of the Trust Indenture Act of 1939, as amended, the trustee, Deutsche Bank Trust Company Americas, a corporation organized and existing under the laws of the State of New York, has duly caused this statement of eligibility to be signed on its behalf by the undersigned, thereunto duly authorized, all in The City of New York, and State of New York, on this 18th day of December, 2002.

DEUTSCHE BANK TRUST COMPANY AMERICAS



By: _____
Richard L. Buckwalter
Vice President

State of New York,

Banking Department

I, **MANUEL KURSKY**, Deputy Superintendent of Banks of the State of New York, **DO HEREBY APPROVE** the annexed Certificate entitled **"CERTIFICATE OF AMENDMENT OF THE ORGANIZATION CERTIFICATE OF BANKERS TRUST COMPANY Under Section 8005 of the Banking Law,"** dated September 16, 1998, providing for an increase in authorized capital stock from $3,001,666,670 consisting of 200,166,667 shares with a par value of $10 each designated as Common Stock and 1,000 shares with a par value of $1,000,000 each designated as Series Preferred Stock to $3,501,666,670 consisting of 200,166,667 shares with a par value of $10 each designated as Common Stock and 1,500 shares with a par value of $1,000,000 each designated as Series Preferred Stock.

Witness, *my hand and official seal of the Banking Department at the City of New York,*

this ***25th*** *day of* ***September*** *in the Year of our Lord one thousand nine hundred and* ***ninety-eight.***

Manuel Kursky
Deputy Superintendent of Banks

RESTATED ORGANIZATION CERTIFICATE OF BANKERS TRUST COMPANY

Under Section 8007
Of the Banking Law

Bankers Trust Company
1301 6th Avenue, 8th Floor
New York, N.Y. 10019

Counterpart Filed in the Office of the Superintendent of Banks, State of New York, August 31, 1998

RESTATED ORGANIZATION CERTIFICATE
OF
BANKERS TRUST
Under Section 8007 of the Banking Law

We, James T. Byrne, Jr. and Lea Lahtinen, being respectively a Managing Director and an Assistant Secretary and a Vice President and an Assistant Secretary of BANKERS TRUST COMPANY, do hereby certify:

1. The name of the corporation is Bankers Trust Company.

2. The organization certificate of the corporation was filed by the Superintendent of Banks of the State of New York on March 5, 1903.

3. The text of the organization certificate, as amended heretofore, is hereby restated without further amendment or change to read as herein-set forth in full, to wit:

"Certificate of Organization
of
Bankers Trust Company

Know All Men By These Presents That we, the undersigned, James A. Blair, James G. Cannon, E. C. Converse, Henry P. Davison, Granville W. Garth, A. Barton Hepburn, Will Logan, Gates W. McGarrah, George W. Perkins, William H. Porter, John F. Thompson, Albert H. Wiggin, Samuel Woolverton and Edward F. C. Young, all being persons of full age and citizens of the United States, and a majority of us being residents of the State of New York, desiring to form a corporation to be known as a Trust Company, do hereby associate ourselves together for that purpose under and pursuant to the laws of the State of New York, and for such purpose we do hereby, under our respective hands and seals, execute and duly acknowledge this Organization Certificate in duplicate, and hereby specifically state as follows, to wit:

I. The name by which the said corporation shall be known is Bankers Trust Company.

II. The place where its business is to be transacted is the City of New York, in the State of New York.

III. Capital Stock: The amount of capital stock which the corporation is hereafter to have is Three Billion One Million, Six Hundred Sixty-Six Thousand, Six Hundred Seventy Dollars ($3,001,666,670), divided into Two Hundred Million, One Hundred Sixty-Six Thousand, Six Hundred Sixty-Seven (200,166,667) shares with a par value of $10 each designated as Common Stock and 1,000 shares with a par value of One Million Dollars ($1,000,000) each designated as Series Preferred Stock.

(a) *Common Stock*

1. Dividends: Subject to all of the rights of the Series Preferred Stock, dividends may be declared and paid or set apart for payment upon the Common Stock out of any assets or funds of the corporation legally available for the payment of dividends.

2. Voting Rights: Except as otherwise expressly provided with respect to the Series Preferred Stock or with respect to any series of the Series Preferred Stock, the Common Stock shall have the exclusive right to vote for the election of directors and for all other purposes, each holder of the Common Stock being entitled to one vote for each share thereof held.

3. Liquidation: Upon any liquidation, dissolution or winding up of the corporation, whether voluntary or involuntary, and after the holders of the Series Preferred Stock of each series shall have been paid in full the amounts to which they respectively shall be entitled, or a sum sufficient for the payment in full set aside, the remaining net assets of the corporation shall be distributed pro rata to the holders of the Common Stock in accordance with their respective rights and interests, to the exclusion of the holders of the Series Preferred Stock.

4. Preemptive Rights: No holder of Common Stock of the corporation shall be entitled, as such, as a matter of right, to subscribe for or purchase any part of any new or additional issue of stock of any class or series whatsoever, any rights or options to purchase stock of any class or series whatsoever, or any securities convertible into, exchangeable for or carrying rights or options to purchase stock of any class or series whatsoever, whether now or hereafter authorized, and whether issued for cash or other consideration, or by way of dividend or other distribution.

(b) *Series Preferred Stock*

1. Board Authority: The Series Preferred Stock may be issued from time to time by the Board of Directors as herein provided in one or more series. The designations, relative rights, preferences and limitations of the Series Preferred Stock, and particularly of the shares of each series thereof, may, to the extent permitted by law, be similar to or may differ from those of any other series. The Board of Directors of the corporation is hereby expressly granted authority, subject to the provisions of this Article III, to issue from time to time Series Preferred Stock in one or more series and to fix from time to time before issuance thereof, by filing a certificate pursuant to the Banking Law, the number of shares in each such series of such class and all designations, relative rights (including the right, to the extent permitted by law, to convert into shares of any class or into shares of any series of any class), preferences and limitations of the shares in each such series, including, buy without limiting the generality of the foregoing, the following:

(i) The number of shares to constitute such series (which number may at any time, or from time to time, be increased or decreased by the Board of Directors, notwithstanding that shares of the series may be outstanding at the time of such increase or decrease, unless the Board of Directors shall have otherwise provided in creating such series) and the distinctive designation thereof;

(ii) The dividend rate on the shares of such series, whether or not dividends on the shares of such series shall be cumulative, and the date or dates, if any, from which dividends thereon shall be cumulative;

(iii) Whether or not the share of such series shall be redeemable, and, if redeemable, the date or dates upon or after which they shall be redeemable, the amount or amounts per share (which shall be, in the case of each share, not less than its preference upon involuntary liquidation, plus an amount equal to all dividends thereon accrued and unpaid, whether or not earned or declared) payable thereon in the case of the redemption thereof, which amount may vary at different redemption dates or otherwise as permitted by law;

(iv) The right, if any, of holders of shares of such series to convert the same into, or exchange the same for, Common Stock or other stock as permitted by law, and the terms and conditions of such conversion or exchange, as well as provisions for adjustment of the conversion rate in such events as the Board of Directors shall determine;

(v) The amount per share payable on the shares of such series upon the voluntary and involuntary liquidation, dissolution or winding up of the corporation;

(vi) Whether the holders of shares of such series shall have voting power, full or limited, in addition to the voting powers provided by law and, in case additional voting powers are accorded, to fix the extent thereof; and

(vii) Generally to fix the other rights and privileges and any qualifications, limitations or restrictions of such rights and privileges of such series, provided, however, that no such rights, privileges, qualifications, limitations or restrictions shall be in conflict with the organization certificate of the corporation or with the resolution or resolutions adopted by the Board of Directors providing for the issue of any series of which there are shares outstanding.

All shares of Series Preferred Stock of the same series shall be identical in all respects, except that shares of any one series issued at different times may differ as to dates, if any, from which dividends thereon may accumulate. All shares of Series Preferred Stock of all series shall be of equal rank and shall be identical in all respects except that to the extent not otherwise limited in this Article III any series may differ from any other series with respect to any one or more of the designations, relative rights, preferences and limitations described or referred to in subparagraphs (I) to (vii) inclusive above.

2. Dividends: Dividends on the outstanding Series Preferred Stock of each series shall be declared and paid or set apart for payment before any dividends shall be declared and paid or set apart for payment on the Common Stock with respect to the same quarterly dividend period. Dividends on any shares of Series Preferred Stock shall be cumulative only if and to the extent set forth in a certificate filed pursuant to law. After dividends on all shares of Series Preferred Stock (including cumulative dividends if and to the extent any such shares shall be entitled thereto) shall have been declared and paid or set apart for payment with respect to any quarterly dividend period, then and not otherwise so long as any shares of Series Preferred Stock shall remain outstanding, dividends may be declared and paid or set apart for payment with respect to the same quarterly dividend period on the Common Stock out the assets or funds of the corporation legally available therefor.

All Shares of Series Preferred Stock of all series shall be of equal rank, preference and priority as to dividends irrespective of whether or not the rates of dividends to which the same shall be entitled shall be the same and when the stated dividends are not paid in full, the shares of all series of the Series Preferred Stock shall share ratably in the payment thereof in accordance with the sums which would be payable on such shares if all dividends were paid in full, provided, however, that any two or more series of the Series Preferred Stock may differ from each other as to the existence and extent of the right to cumulative dividends, as aforesaid.

3. Voting Rights: Except as otherwise specifically provided in the certificate filed pursuant to law with respect to any series of the Series Preferred Stock, or as otherwise provided by law, the Series Preferred Stock shall not have any right to vote for the election of directors or for any other purpose and the Common Stock shall have the exclusive right to vote for the election of directors and for all other purposes.

4. Liquidation: In the event of any liquidation, dissolution or winding up of the corporation, whether voluntary or involuntary, each series of Series Preferred Stock shall have preference and priority over the Common Stock for payment of the amount to which each outstanding series of Series Preferred Stock shall be entitled in accordance with the provisions thereof and each holder of Series Preferred Stock shall be entitled to be paid in full such amount, or have a sum sufficient for the payment in full set aside, before any payments shall be made to the holders of the Common Stock. If, upon liquidation, dissolution or winding up of the corporation, the assets of the corporation or proceeds thereof, distributable among the holders of the shares of all series of the Series Preferred Stock shall be insufficient to pay in full the preferential amount aforesaid, then such assets, or the proceeds thereof, shall be distributed among such holders ratably in accordance with the respective amounts which would be payable if all amounts payable thereon were paid in full. After the payment to the holders of Series Preferred Stock of all such amounts to which they are entitled, as above provided, the remaining assets and funds of the corporation shall be divided and paid to the holders of the Common Stock.

5. Redemption: In the event that the Series Preferred Stock of any series shall be made redeemable as provided in clause (iii) of paragraph 1 of section (b) of this Article III, the corporation, at the option of the Board of Directors, may redeem at any time or times, and from time to time, all or any part of any one or more series of Series Preferred Stock outstanding by paying for each share the then applicable redemption price fixed by the Board of Directors as provided herein, plus an amount equal to accrued and unpaid dividends to the date fixed for redemption, upon such notice and terms as may be specifically provided in the certificate filed pursuant to law with respect to the series.

6. Preemptive Rights: No holder of Series Preferred Stock of the corporation shall be entitled, as such, as a matter or right, to subscribe for or purchase any part of any new or additional issue of stock of any class or series whatsoever, any rights or options to purchase stock of any class or series whatsoever, or any securities convertible into, exchangeable for or carrying rights or options to purchase stock of any class or series whatsoever, whether now or hereafter authorized, and whether issued for cash or other consideration, or by way of dividend.

(c) *Provisions relating to Floating Rate Non-Cumulative Preferred Stock, Series A. (Liquidation value $1,000,000 per share.)*

1. Designation: The distinctive designation of the series established hereby shall be "Floating Rate Non-Cumulative Preferred Stock, Series A" (hereinafter called "Series A Preferred Stock").

2. Number: The number of shares of Series A Preferred Stock shall initially be 250 shares. Shares of Series A Preferred Stock redeemed, purchased or otherwise acquired by the corporation shall be cancelled and shall revert to authorized but unissued Series Preferred Stock undesignated as to series.

3. Dividends:

(a) Dividend Payments Dates. Holders of the Series A Preferred Stock shall be entitled to receive non-cumulative cash dividends when, as and if declared by the Board of Directors of the corporation, out of funds legally available therefor, from the date of original issuance of such shares (the "Issue Date") and such dividends will be payable on March 28, June 28, September 28 and December 28 of each year ("Dividend Payment Date") commencing September 28, 1990, at a rate per annum as determined in paragraph 3(b) below. The period beginning on the Issue Date and ending on the day preceding the first Dividend Payment Date and each successive period beginning on a Dividend Payment Date and ending on the date preceding the next succeeding Dividend Payment Date is herein called a "Dividend Period". If any Dividend Payment Date shall be, in The City of New York, a Sunday or a legal holiday or a day on which banking institutions are authorized by law to close, then payment will be postponed to the next succeeding business day with the same force and effect as if made on the Dividend Payment Date, and no interest shall accrue for such Dividend Period after such Dividend Payment Date.

(b) Dividend Rate. The dividend rate from time to time payable in respect of Series A Preferred Stock (the "Dividend Rate") shall be determined on the basis of the following provisions:

(i) On the Dividend Determination Date, LIBOR will be determined on the basis of the offered rates for deposits in U.S. dollars having a maturity of three months commencing on the second London Business Day immediately following such Dividend Determination Date, as such rates appear on the Reuters Screen LIBO Page as of 11:00 A.M. London time, on such Dividend Determination Date. If at least two such offered rates appear on the Reuters Screen LIBO Page, LIBOR in respect of such Dividend Determination Dates will be the arithmetic mean (rounded to the nearest one-hundredth of a percent, with five one-thousandths of a percent rounded upwards) of such offered rates. If fewer than those offered rates appear, LIBOR in respect of such Dividend Determination Date will be determined as described in paragraph (ii) below.

(ii) On any Dividend Determination Date on which fewer than those offered rates for the applicable maturity appear on the Reuters Screen LIBO Page as specified in paragraph (I) above, LIBOR will be determined on the basis of the rates at which deposits in U.S. dollars having a maturity of three months commencing on the second London Business Day immediately following such Dividend Determination Date and in a principal amount of not less than $1,000,000 that is representative of a single transaction in such market at such time are offered by three major banks in the London interbank market selected by the corporation at approximately 11:00 A.M., London time, on such Dividend Determination Date to prime banks in the London market. The corporation will request the principal London office of each of such banks to provide a quotation of its rate. If at least two such quotations are provided, LIBOR in respect of such Dividend Determination Date will be the arithmetic mean (rounded to the nearest one-hundredth of a percent, with five one-thousandths of a percent rounded upwards) of such quotations. If fewer than two quotations are provided, LIBOR in respect of such Dividend Determination Date will be the arithmetic mean (rounded to the nearest one-hundredth of a percent, with five one-thousandths of a percent rounded upwards) of the rates quoted by three major banks in New York City selected by the corporation at approximately 11:00 A.M., New York City time, on such Dividend Determination Date for loans in U.S. dollars to leading European banks having a maturity of three months commencing on the second London Business Day immediately following such Dividend Determination Date and in a principal amount of not less than $1,000,000 that is representative of a single transaction in such market at such time; provided, however, that if the banks selected as aforesaid by the corporation are not quoting as aforementioned in this sentence, then, with respect to such Dividend Period, LIBOR for the preceding Dividend Period will be continued as LIBOR for such Dividend Period.

(ii) The Dividend Rate for any Dividend Period shall be equal to the lower of 18% or 50 basis points above LIBOR for such Dividend Period as LIBOR is determined by sections (I) or (ii) above.

As used above, the term "Dividend Determination Date" shall mean, with respect to any Dividend Period, the second London Business Day prior to the commencement of such Dividend Period; and the term "London Business Day" shall mean any day that is not a Saturday or Sunday and that, in New York City, is not a day on which banking

institutions generally are authorized or required by law or executive order to close and that is a day on which dealings in deposits in U.S. dollars are transacted in the London interbank market.

4. Voting Rights: The holders of the Series A Preferred Stock shall have the voting power and rights set forth in this paragraph 4 and shall have no other voting power or rights except as otherwise may from time to time be required by law.

So long as any shares of Series A Preferred Stock remain outstanding, the corporation shall not, without the affirmative vote or consent of the holders of at least a majority of the votes of the Series Preferred Stock entitled to vote outstanding at the time, given in person or by proxy, either in writing or by resolution adopted at a meeting at which the holders of Series A Preferred Stock (alone or together with the holders of one or more other series of Series Preferred Stock at the time outstanding and entitled to vote) vote separately as a class, alter the provisions of the Series Preferred Stock so as to materially adversely affect its rights; provided, however, that in the event any such materially adverse alteration affects the rights of only the Series A Preferred Stock, then the alteration may be effected with the vote or consent of at least a majority of the votes of the Series A Preferred Stock; provided, further, that an increase in the amount of the authorized Series Preferred Stock and/or the creation and/or issuance of other series of Series Preferred Stock in accordance with the organization certificate shall not be, nor be deemed to be, materially adverse alterations. In connection with the exercise of the voting rights contained in the preceding sentence, holders of all series of Series Preferred Stock which are granted such voting rights (of which the Series A Preferred Stock is the initial series) shall vote as a class (except as specifically provided otherwise) and each holder of Series A Preferred Stock shall have one vote for each share of stock held and each other series shall have such number of votes, if any, for each share of stock held as may be granted to them.

The foregoing voting provisions will not apply if, in connection with the matters specified, provision is made for the redemption or retirement of all outstanding Series A Preferred Stock.

5. Liquidation: Subject to the provisions of section (b) of this Article III, upon any liquidation, dissolution or winding up of the corporation, whether voluntary or involuntary, the holders of the Series A Preferred Stock shall have preference and priority over the Common Stock for payment out of the assets of the corporation or proceeds thereof, whether from capital or surplus, of $1,000,000 per share (the "liquidation value") together with the amount of all dividends accrued and unpaid thereon, and after such payment the holders of Series A Preferred Stock shall be entitled to no other payments.

6. Redemption: Subject to the provisions of section (b) of this Article III, Series A Preferred Stock may be redeemed, at the option of the corporation in whole or part, at any time or from time to time at a redemption price of $1,000,000 per share, in each case plus accrued and unpaid dividends to the date of redemption.

At the option of the corporation, shares of Series A Preferred Stock redeemed or otherwise acquired may be restored to the status of authorized but unissued shares of Series Preferred Stock.

In the case of any redemption, the corporation shall give notice of such redemption to the holders of the Series A Preferred Stock to be redeemed in the following manner: a notice specifying the shares to be redeemed and the time and place of redemption (and, if less than the total outstanding shares are to be redeemed, specifying the certificate numbers and number of shares to be redeemed) shall be mailed by first class mail, addressed to the holders of record of the Series A Preferred Stock to be redeemed at their respective addresses as the same shall appear upon the books of the corporation, not more than sixty (60) days and not less than thirty (30) days previous to the date fixed for redemption. In the event such notice is not given to any shareholder such failure to give notice shall not affect the notice given to other shareholders. If less than the whole amount of outstanding Series A Preferred Stock is to be redeemed, the shares to be redeemed shall be selected by lot or pro rata in any manner determined by resolution of the Board of Directors to be fair and proper. From and after the date fixed in any such notice as the date of redemption (unless default shall be made by the corporation in providing moneys at the time and place of redemption for the payment of the redemption price) all dividends upon the Series A Preferred Stock so called for redemption shall cease to accrue, and all rights of the holders of said Series A Preferred Stock as stockholders in the corporation, except the right to receive the redemption price (without interest) upon surrender of the certificate representing the Series A Preferred Stock so called for redemption, duly endorsed for transfer, if required, shall cease and terminate. The corporation's obligation to provide moneys in accordance with the preceding sentence shall be deemed fulfilled if, on or before the redemption date, the corporation shall deposit with a bank or trust company (which may be an affiliate of the corporation) having an office in the Borough of Manhattan, City of New York, having a capital and surplus of at least $5,000,000 funds necessary for such redemption, in trust with irrevocable instructions that such funds be applied to the redemption of the shares of Series A Preferred Stock

so called for redemption. Any interest accrued on such funds shall be paid to the corporation from time to time. Any funds so deposited and unclaimed at the end of two (2) years from such redemption date shall be released or repaid to the corporation, after which the holders of such shares of Series A Preferred Stock so called for redemption shall look only to the corporation for payment of the redemption price.

IV. The name, residence and post office address of each member of the corporation are as follows:

Name	***Residence***	***Post Office Address***
James A. Blair	9 West 50th Street, Manhattan, New York City	33 Wall Street, Manhattan, New York City
James G. Cannon	72 East 54th Street, Manhattan New York City	14 Nassau Street, Manhattan, New York City
E. C. Converse	3 East 78th Street, Manhattan, New York City	139 Broadway, Manhattan, New York City
Henry P. Davison	Englewood, New Jersey	2 Wall Street, Manhattan, New York City
Granville W. Garth	160 West 57th Street, Manhattan, New York City	33 Wall Street Manhattan, New York City
A. Barton Hepburn	205 West 57th Street Manhattan, New York City	83 Cedar Street Manhattan, New York City
William Logan	Montclair, New Jersey	13 Nassau Street Manhattan, New York City
George W. Perkins	Riverdale, New York	23 Wall Street, Manhattan, New York City
William H. Porter	56 East 67th Street Manhattan, New York City	270 Broadway, Manhattan, New York City
John F. Thompson	Newark, New Jersey	143 Liberty Street, Manhattan, New York City
Albert H. Wiggin	42 West 49th Street, Manhattan, New York City	214 Broadway, Manhattan, New York City
Samuel Woolverton	Mount Vernon, New York	34 Wall Street, Manhattan, New York City
Edward F.C. Young	85 Glenwood Avenue, Jersey City, New Jersey	1 Exchange Place, Jersey City, New Jersey

V. The existence of the corporation shall be perpetual.

VI. The subscribers, the members of the said corporation, do, and each for himself does, hereby declare that he will accept the responsibilities and faithfully discharge the duties of a director therein, if elected to act as such, when authorized accordance with the provisions of the Banking Law of the State of New York.

VII. The number of directors of the corporation shall not be less than 10 nor more than 25."

4. The foregoing restatement of the organization certificate was authorized by the Board of Directors of the corporation at a meeting held on July 21, 1998.

IN WITNESS WHEREOF, we have made and subscribed this certificate this 6th day of August, 1998.

IN WITNESS WHEREOF, we have made and subscribed this certificate this 6th day of August, 1998.

James T. Byrne, Jr.
James T. Byrne, Jr.
Managing Director and Secretary

Lea Lahtinen
Lea Lahtinen
Vice President and Assistant Secretary

Lea Lahtinen
Lea Lahtinen

State of New York)
) ss:
County of New York)

Lea Lahtinen, being duly sworn, deposes and says that she is a Vice President and an Assistant Secretary of Bankers Trust Company, the corporation described in the foregoing certificate; that she has read the foregoing certificate and knows the contents thereof, and that the statements herein contained are true.

Lea Lahtinen
Lea Lahtinen

Sworn to before me this
6th day of August, 1998.

Sandra L. West
Notary Public

SANDRA L. WEST
Notary Public State of New York
No. 31-4942101
Qualified in New York County
Commission Expires September 19, 1998

State of New York,

Banking Department

I, MANUEL KURSKY, Deputy Superintendent of Banks of the State of New York, **DO HEREBY APPROVE** the annexed Certificate entitled **"RESTATED ORGANIZATION CERTIFICATE OF BANKERS TRUST COMPANY Under Section 8007 of the Banking Law,"** dated August 6, 1998, providing for the restatement of the Organization Certificate and all amendments into a single certificate.

Witness, *my hand and official seal of the Banking Department at the City of New York, this* ***31st*** *day of* ***August*** *in the Year of our Lord one thousand nine hundred and* ***ninety-eight.***

Manuel Kursky
Deputy *Superintendent of Banks*

CERTIFICATE OF AMENDMENT

OF THE

ORGANIZATION CERTIFICATE

OF BANKERS TRUST

Under Section 8005 of the Banking Law

We, James T. Byrne, Jr. and Lea Lahtinen, being respectively a Managing Director and Secretary and a Vice President and an Assistant Secretary of Bankers Trust Company, do hereby certify:

1. The name of the corporation is Bankers Trust Company.

2. The organization certificate of said corporation was filed by the Superintendent of Banks on the 5th of March, 1903.

3. The organization certificate as heretofore amended is hereby amended to increase the aggregate number of shares which the corporation shall have authority to issue and to increase the amount of its authorized capital stock in conformity therewith.

4. Article III of the organization certificate with reference to the authorized capital stock, the number of shares into which the capital stock shall be divided, the par value of the shares and the capital stock outstanding, which reads as follows:

> "III. The amount of capital stock which the corporation is hereafter to have is Three Billion, One Million, Six Hundred Sixty-Six Thousand, Six Hundred Seventy Dollars ($3,001,666,670), divided into Two Hundred Million, One Hundred Sixty-Six Thousand, Six Hundred Sixty-Seven (200,166,667) shares with a par value of $10 each designated as Common Stock and 1000 shares with a par value of One Million Dollars ($1,000,000) each designated as Series Preferred Stock."

is hereby amended to read as follows:

> "III. The amount of capital stock which the corporation is hereafter to have is Three Billion, Five Hundred One Million, Six Hundred Sixty-Six Thousand, Six Hundred Seventy Dollars ($3,501,666,670), divided into Two Hundred Million, One Hundred Sixty-Six Thousand, Six Hundred Sixty-Seven (200,166,667) shares with a par value of $10 each designated as Common Stock and 1500 shares with a par value of One Million Dollars ($1,000,000) each designated as Series Preferred Stock."

5. The foregoing amendment of the organization certificate was authorized by unanimous written consent signed by the holder of all outstanding shares entitled to vote thereon.

IN WITNESS WHEREOF, we have made and subscribed this certificate this 25th day of September, 1998

James T. Byrne, Jr.
James T. Byrne, Jr.
Managing Director and Secretary

Lea Lahtinen
Lea Lahtinen
Vice President and Assistant Secretary

State of New York)
) ss:
County of New York)

Lea Lahtinen, being fully sworn, deposes and says that she is a Vice President and an Assistant Secretary of Bankers Trust Company, the corporation described in the foregoing certificate; that she has read the foregoing certificate and knows the contents thereof, and that the statements herein contained are true.

Lea Lahtinen
Lea Lahtinen

Sworn to before me this 25th day
of September, 1998

Sandra L. West
Notary Public

SANDRA L. WEST
Notary Public State of New York
No. 31-4942101
Qualified in New York County
Commission Expires September 19, 2000

State of New York,

Banking Department

I, P. VINCENT CONLON, Deputy Superintendent of Banks of the State of New York, **DO HEREBY APPROVE** the annexed Certificate entitled **"CERTIFICATE OF AMENDMENT OF THE ORGANIZATION CERTIFICATE OF BANKERS TRUST COMPANY Under Section 8005 of the Banking Law,"** dated December 16, 1998, providing for an increase in authorized capital stock from $3,501,666,670 consisting of 200,166,667 shares with a par value of $10 each designated as Common Stock and 1,500 shares with a par value of $1,000,000 each designated as Series Preferred Stock to $3,627,308,670 consisting of 212,730,867 shares with a par value of $10 each designated as Common Stock and 1,500 shares with a par value of $1,000,000 each designated as Series Preferred Stock.

Witness, *my hand and official seal of the Banking Department at the City of New York, this* ***18th*** *day of* ***December*** *in the Year of our Lord one thousand nine hundred and* ***ninety-eight.***

P. Vincent Conlon
Deputy Superintendent of Banks

CERTIFICATE OF AMENDMENT

OF THE

ORGANIZATION CERTIFICATE

OF BANKERS TRUST

Under Section 8005 of the Banking Law

We, James T. Byrne, Jr. and Lea Lahtinen, being respectively a Managing Director and Secretary and a Vice President and an Assistant Secretary of Bankers Trust Company, do hereby certify:

1. The name of the corporation is Bankers Trust Company.

2. The organization certificate of said corporation was filed by the Superintendent of Banks on the 5th of March, 1903.

3. The organization certificate as heretofore amended is hereby amended to increase the aggregate number of shares which the corporation shall have authority to issue and to increase the amount of its authorized capital stock in conformity therewith.

4. Article III of the organization certificate with reference to the authorized capital stock, the number of shares into which the capital stock shall be divided, the par value of the shares and the capital stock outstanding, which reads as follows:

> "III. The amount of capital stock which the corporation is hereafter to have is Three Billion, Five Hundred One Million, Six Hundred Sixty-Six Thousand, Six Hundred Seventy Dollars ($3,501,666,670), divided into Two Hundred Million, One Hundred Sixty-Six Thousand, Six Hundred Sixty-Seven (200,166,667) shares with a par value of $10 each designated as Common Stock and 1500 shares with a par value of One Million Dollars ($1,000,000) each designated as Series Preferred Stock."

is hereby amended to read as follows:

> "III. The amount of capital stock which the corporation is hereafter to have is Three Billion, Six Hundred Twenty-Seven Million, Three Hundred Eight Thousand, Six Hundred Seventy Dollars ($3,627,308,670), divided into Two Hundred Twelve Million, Seven Hundred Thirty Thousand, Eight Hundred Sixty- Seven (212,730,867) shares with a par value of $10 each designated as Common Stock and 1500 shares with a par value of One Million Dollars ($1,000,000) each designated as Series Preferred Stock."

5. The foregoing amendment of the organization certificate was authorized by unanimous written consent signed by the holder of all outstanding shares entitled to vote thereon.

IN WITNESS WHEREOF, we have made and subscribed this certificate this 16th day of December, 1998

James T. Byrne, Jr.
James T. Byrne, Jr.
Managing Director and Secretary

Lea Lahtinen
Lea Lahtinen
Vice President and Assistant Secretary

State of New York)
) ss:
County of New York)

Lea Lahtinen, being fully sworn, deposes and says that she is a Vice President and an Assistant Secretary of Bankers Trust Company, the corporation described in the foregoing certificate; that she has read the foregoing certificate and knows the contents thereof, and that the statements herein contained are true.

Lea Lahtinen
Lea Lahtinen

Sworn to before me this 16th day
of December, 1998

Sandra L. West
Notary Public

SANDRA L. WEST
Notary Public State of New York
No. 31-4942101
Qualified in New York County
Commission Expires September 19, 2000

BANKERS TRUST COMPANY

ASSISTANT SECRETARY'S CERTIFICATE

I, Lea Lahtinen, Vice President and Assistant Secretary of Bankers Trust Company, a corporation duly organized and existing under the laws of the State of New York, the United States of America, do hereby certify that attached copy of the Certificate of Amendment of the Organization Certificate of Bankers Trust Company, dated February 27, 2002, providing for a change of name of Bankers Trust Company to Deutsche Bank Trust Company Americas and approved by the New York State Banking Department on March 14, 2002 to effective on April 15, 2002, is a true and correct copy of the original Certificate of Amendment of the Organization Certificate of Bankers Trust Company on file in the Banking Department, State of New York.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of Bankers Trust Company this 4th day of April, 2002.

[SEAL]

/s/ Lea Lahtinen
Lea Lahtinen, Vice President and Assistant Secretary
Bankers Trust Company

State of New York)
) ss.:
County of New York)

On the 4th day of April in the year 2002 before me, the undersigned, a Notary Public in and for said state, personally appeared Lea Lahtinen, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that she executed the same in her capacity, and that by her signature on the instrument, the individual, or the person on behalf of which the individual acted, executed the instrument.

/s/ Sonja K. Olsen
Notary Public

SONJA K. OLSEN
Notary Public, State of New York
No. 01OL4974457
Qualified in New York County
Commission Expires November 13, 2002

State of New York,

Banking Department

I, P. VINCENT CONLON, Deputy Superintendent of Banks of the State of New York, DO HEREBY APPROVE the annexed Certificate entitled "CERTIFICATE OF AMENDMENT OF THE ORGANIZATION CERTIFICATE OF BANKERS TRUST COMPANY under Section 8005 of the Banking Law" dated February 27, 2002, providing for a change of name of BANKERS TRUST COMPANY to DEUTSCHE BANK TRUST COMPANY AMERICAS.

Witness, my hand and official seal of the Banking Department at the City of New York, this 14th day of March two thousand and two.

/s/ P. Vincent Conlon
Deputy Superintendent of Banks

CERTIFICATE OF AMENDMENT

OF THE

ORGANIZATION CERTIFICATE

OF

BANKERS TRUST COMPANY

Under Section 8005 of the Banking Law

We, James T. Byrne Jr., and Lea Lahtinen, being respectively the Secretary, and Vice President and an Assistant Secretary of Bankers Trust Company, do hereby certify:

1. The name of corporation is Bankers Trust Company.

2. The organization certificate of said corporation was filed by the Superintendent of Banks on the 5th day of March, 1903.

3. Pursuant to Section 8005 of the Banking Law, attached hereto as Exhibit A is a certificate issued by the State of New York, Banking Department listing all of the amendments to the Organization Certificate of Bankers Trust Company since its organization that have been filed in the Office of the Superintendent of Banks.

4. The organization certificate as heretofore amended is hereby amended to change the name of Bankers Trust Company to Deutsche Bank Trust Company Americas to be effective on April 15, 2002.

5. The first paragraph number 1 of the organization of Bankers Trust Company with the reference to the name of the Bankers Trust Company, which reads as follows:

> "1. The name of the corporation is Bankers Trust Company."

is hereby amended to read as follows effective on April 15, 2002:

> "1. The name of the corporation is Deutsche Bank Trust Company Americas."

6. The foregoing amendment of the organization certificate was authorized by unanimous written consent signed by the holder of all outstanding shares entitled to vote thereon.

IN WITNESS WHEREOF, we have made and subscribed this certificate this 27th day of February, 2002.

/s/ James T. Byrne Jr.
James T. Byrne Jr.
Secretary

/s/ Lea Lahtinen
Lea Lahtinen
Vice President and Assistant Secretary

State of New York)
) ss.:
County of New York)

Lea Lahtinen, being duly sworn, deposes and says that she is a Vice President and an Assistant Secretary of Bankers Trust Company, the corporation described in the foregoing certificate; that she has read the foregoing certificate and knows the contents thereof, and that the statements therein contained are true.

/s/ Lea Lahtinen
Lea Lahtinen

Sworn to before me this 27th day
of February, 2002

/s/ Sandra L. West
Notary Public

SANDRA L. WEST
Notary Public, State of New York
No. 01WE4942401
Qualified in New York County
Commission Expires September 19, 2002

EXHIBIT A

State of New York

Banking Department

I, P. VINCENT CONLON, Deputy Superintendent of Banks of the State of New York, DO HEREBY CERTIFY:

THAT, the records in the Office of the Superintendent of Banks indicate that BANKERS TRUST COMPANY is a corporation duly organized and existing under the laws of the State of New York as a trust company, pursuant to Article III of the Banking Law; and

THAT, the Organization Certificate of BANKERS TRUST COMPANY was filed in the Office of the Superintendent of Banks on March 5, 1903, and such corporation was authorized to commence business on March 24, 1903; and

THAT, the following amendments to its Organization Certificate have been filed in the Office of the Superintendent of Banks as of the dates specified:

Certificate of Amendment of Certificate of Incorporation providing for an increase in number of directors - filed on January 14, 1905

Certificate of Amendment of Certificate of Incorporation providing for an increase in capital stock - filed on August 4, 1909

Certificate of Amendment of Certificate of Incorporation providing for an increase in number of directors - filed on February 1, 1911

Certificate of Amendment of Certificate of Incorporation providing for an increase in number of directors - filed on June 17, 1911

Certificate of Amendment of Certificate of Incorporation providing for an increase in capital stock - filed on August 8, 1911

Certificate of Amendment of Certificate of Incorporation providing for an increase in number of directors - filed on August 8, 1911

Certificate of Amendment of Certificate of Incorporation providing for an increase in capital stock - filed on March 21, 1912

Certificate of Amendment of Certificate of Incorporation providing for a decrease in number of directors - filed on January 15, 1915

Certificate of Amendment of Certificate of Incorporation providing for a decrease in number of directors - filed on December 18, 1916

Certificate of Amendment of Certificate of Incorporation providing for an increase in capital stock - filed on April 20, 1917

Certificate of Amendment of Certificate of Incorporation providing for an increase in number of directors - filed on April 20, 1917

Certificate of Amendment of Certificate of Incorporation providing for an increase in capital stock - filed on December 28, 1918

Certificate of Amendment of Certificate of Incorporation providing for an increase in capital stock - filed on December 4, 1919

Certificate of Amendment of Certificate of Incorporation providing for an increase in number of directors - filed on January 15, 1926

Certificate of Amendment of Certificate of Incorporation providing for an increase in capital stock - filed on June 12, 1928

Certificate of Amendment of Certificate of Incorporation providing for a change in shares - filed on April 4, 1929

Certificate of Amendment of Certificate of Incorporation providing for a minimum and maximum number of directors - filed on January 11, 1934

Certificate of Extension to perpetual - filed on January 13, 1941

Certificate of Amendment of Certificate of Incorporation providing for a minimum and maximum number of directors - filed on January 13, 1941

Certificate of Amendment of Certificate of Incorporation providing for an increase in capital stock - filed on December 11, 1944

Certificate of Amendment of Certificate of Incorporation providing for an increase in capital stock - filed January 30, 1953

Restated Certificate of Incorporation - filed November 6, 1953

Certificate of Amendment of Certificate of Incorporation providing for an increase in capital stock - filed on April 8, 1955

Certificate of Amendment of Certificate of Incorporation providing for an increase in capital stock - filed on February 1, 1960

Certificate of Amendment of Certificate of Incorporation providing for an increase in capital stock - filed on July 14, 1960

Certificate of Amendment of Certificate of Incorporation providing for a change in shares - filed on September 30, 1960

Certificate of Amendment of Certificate of Incorporation providing for an increase in capital stock - filed on January 26, 1962

Certificate of Amendment of Certificate of Incorporation providing for a change in shares - filed on September 9, 1963

Certificate of Amendment of Certificate of Incorporation providing for an increase in capital stock - filed on February 7, 1964

Certificate of Amendment of Certificate of Incorporation providing for an increase in capital stock - filed on February 24, 1965

Certificate of Amendment of the Organization Certificate providing for a decrease in capital stock - filed January 24, 1967

Restated Organization Certificate - filed June 1, 1971

Certificate of Amendment of the Organization Certificate providing for an increase in capital stock - filed October 29, 1976

Certificate of Amendment of the Organization Certificate providing for an increase in capital stock - filed December 22, 1977

Certificate of Amendment of the Organization Certificate providing for an increase in capital stock - filed August 5, 1980

Restated Organization Certificate - filed July 1, 1982

Certificate of Amendment of the Organization Certificate providing for an increase in capital stock - filed December 27, 1984

Certificate of Amendment of the Organization Certificate providing for an increase in capital stock - filed September 18, 1986

Certificate of Amendment of the Organization Certificate providing for a minimum and maximum number of directors - filed January 22, 1990

Certificate of Amendment of the Organization Certificate providing for an increase in capital stock - filed June 28, 1990

Restated Organization Certificate - filed August 20, 1990

Certificate of Amendment of the Organization Certificate providing for an increase in capital stock - filed June 26, 1992

Certificate of Amendment of the Organization Certificate providing for an increase in capital stock - filed March 28, 1994

Certificate of Amendment of the Organization Certificate providing for an increase in capital stock - filed June 23, 1995

Certificate of Amendment of the Organization Certificate providing for an increase in capital stock - filed December 27, 1995

Certificate of Amendment of the Organization Certificate providing for an increase in capital stock - filed March 21, 1996

Certificate of Amendment of the Organization Certificate providing for an increase in capital stock - filed December 27, 1996

Certificate of Amendment to the Organization Certificate providing for an increase in capital stock - filed June 27, 1997

Certificate of Amendment of the Organization Certificate providing for an increase in capital stock - filed September 26, 1997

Certificate of Amendment of the Organization Certificate providing for an increase in capital stock - filed December 29, 1997

Certificate of Amendment of the Organization Certificate providing for an increase in capital stock - filed March 26, 1998

Certificate of Amendment of the Organization Certificate providing for an increase in capital stock - filed June 23, 1998

Restated Organization Certificate - filed August 31, 1998

Certificate of Amendment of the Organization Certificate providing for an increase in capital stock - filed September 25, 1998

Certificate of Amendment of the Organization Certificate providing for an increase in capital stock - filed December 18, 1998; and

Certificate of Amendment of the Organization Certificate providing for a change in the number of directors - filed September 3, 1999; and

THAT, no amendments to its Restated Organization Certificate have been filed in the Office of the Superintendent of Banks except those set forth above; and attached hereto; and

I DO FURTHER CERTIFY THAT, BANKERS TRUST COMPANY is validly existing as a banking organization with its principal office and place of business located at 130 Liberty Street, New York, New York.

WITNESS, my hand and official seal of the Banking Department at the City of New York this 16th day of October in the Year Two Thousand and One.

/s/ P. Vincent Conlon
Deputy Superintendent of Banks

DEUTSCHE BANK TRUST COMPANY AMERICAS

BY-LAWS

APRIL 15, 2002

Deutsche Bank Trust Company Americas

New York

BY-LAWS

of

Deutsche Bank Trust Company Americas

ARTICLE I

MEETINGS OF STOCKHOLDERS

SECTION 1. The annual meeting of the stockholders of this Company shall be held at the office of the Company in the Borough of Manhattan, City of New York, in January of each year, for the election of directors and such other business as may properly come before said meeting.

SECTION 2. Special meetings of stockholders other than those regulated by statute may be called at any time by a majority of the directors. It shall be the duty of the Chairman of the Board, the Chief Executive Officer, the President or any Co-President to call such meetings whenever requested in writing to do so by stockholders owning a majority of the capital stock.

SECTION 3. At all meetings of stockholders, there shall be present, either in person or by proxy, stockholders owning a majority of the capital stock of the Company, in order to constitute a quorum, except at special elections of directors, as provided by law, but less than a quorum shall have power to adjourn any meeting.

SECTION 4. The Chairman of the Board or, in his absence, the Chief Executive Officer or, in his absence, the President or any Co-President or, in their absence, the senior officer present, shall preside at meetings of the stockholders and shall direct the proceedings and the order of business. The Secretary shall act as secretary of such meetings and record the proceedings.

ARTICLE II

DIRECTORS

SECTION 1. The affairs of the Company shall be managed and its corporate powers exercised by a Board of Directors consisting of such number of directors, but not less than seven nor more than fifteen, as may from time to time be fixed by resolution adopted by a majority of the directors then in office, or by the stockholders. In the event of any increase in the number of directors, additional directors may be elected within the limitations so fixed, either by the stockholders or within the limitations imposed by law, by a majority of directors then in office. One-third of the number of directors, as fixed from time to time, shall constitute a quorum. Any one or more members of the Board of Directors or any Committee thereof may participate in a meeting of the Board of Directors or Committee thereof by means of a conference telephone, video conference or similar communications equipment which allows all persons participating in the meeting to hear each other at the same time. Participation by such means shall constitute presence in person at such a meeting.

All directors hereafter elected shall hold office until the next annual meeting of the stockholders and until their successors are elected and have qualified.

No Officer-Director who shall have attained age 65, or earlier relinquishes his responsibilities and title, shall be eligible to serve as a director.

SECTION 2. Vacancies not exceeding one-third of the whole number of the Board of Directors may be filled by the affirmative vote of a majority of the directors then in office, and the directors so elected shall hold office for the balance of the unexpired term.

SECTION 3. The Chairman of the Board shall preside at meetings of the Board of Directors. In his absence, the Chief Executive Officer or, in his absence the President or any Co-President or, in their absence such other director as the Board of Directors from time to time may designate shall preside at such meetings.

SECTION 4. The Board of Directors may adopt such Rules and Regulations for the conduct of its meetings and the management of the affairs of the Company as it may deem proper, not inconsistent with the laws of the State of New York, or these By-Laws, and all officers and employees shall strictly adhere to, and be bound by, such Rules and Regulations.

SECTION 5. Regular meetings of the Board of Directors shall be held from time to time provided, however, that the Board of Directors shall hold a regular meeting not less than six times a year, provided that during any three consecutive calendar months the Board of Directors shall meet at least once, and its Executive Committee shall not be required to meet at least once in each thirty day period during which the Board of Directors does not meet. Special meetings of the Board of Directors may be called upon at least two day's notice whenever it may be deemed proper by the Chairman of the Board or, the Chief Executive Officer or, the President or any Co-President or, in their absence, by such other director as the Board of Directors may have designated pursuant to Section 3 of this Article, and shall be called upon like notice whenever any three of the directors so request in writing.

SECTION 6. The compensation of directors as such or as members of committees shall be fixed from time to time by resolution of the Board of Directors.

ARTICLE III

COMMITTEES

SECTION 1. There shall be an Executive Committee of the Board consisting of not less than five directors who shall be appointed annually by the Board of Directors. The Chairman of the Board shall preside at meetings of the Executive Committee. In his absence, the Chief Executive Officer or, in his absence, the President or any Co-President or, in their absence, such other member of the Committee as the Committee from time to time may designate shall preside at such meetings.

The Executive Committee shall possess and exercise to the extent permitted by law all of the powers of the Board of Directors, except when the latter is in session, and shall keep minutes of its proceedings, which shall be presented to the Board of Directors at its next subsequent meeting. All acts done and powers and authority conferred by the Executive Committee from time to time shall be and be deemed to be, and may be certified as being, the act and under the authority of the Board of Directors.

A majority of the Committee shall constitute a quorum, but the Committee may act only by the concurrent vote of not less than one-third of its members, at least one of who must be a director other than an officer. Any one or more directors, even though not members of the Executive Committee, may attend any meeting of the Committee, and the member or members of the Committee present, even though less than a quorum, may designate any one or more of such directors as a substitute or substitutes for any absent member or members of the Committee, and each such substitute or substitutes shall be counted for quorum, voting, and all other purposes as a member or members of the Committee.

SECTION 2. There shall be an Audit Committee appointed annually by resolution adopted by a majority of the entire Board of Directors which shall consist of such number of directors, who are not also officers of the Company, as may from time to time be fixed by resolution adopted by the Board of Directors. The Chairman shall be designated by the Board of Directors, who shall also from time to time fix a quorum for meetings of the Committee. Such Committee shall conduct the annual directors' examinations of the Company as required by the New York State Banking Law; shall review the reports of all examinations made of the Company by public authorities and report thereon to the Board of Directors; and shall report to the Board of Directors such other matters as it deems advisable with respect to the Company, its various departments and the conduct of its operations.

In the performance of its duties, the Audit Committee may employ or retain, from time to time, expert assistants, independent of the officers or personnel of the Company, to make studies of the Company's assets and liabilities as the Committee may request and to make an examination of the accounting and auditing methods of the Company and its system of internal protective controls to the extent considered necessary or advisable in order to determine that the operations of the Company, including its fiduciary departments, are being audited by the General Auditor in such a manner as to provide prudent and adequate protection. The Committee also may direct the General Auditor to make such investigation as it deems necessary or advisable with respect to the Company, its various departments and the conduct of its operations. The Committee shall hold regular quarterly meetings and during the intervals thereof shall meet at other times on call of the Chairman.

SECTION 3. The Board of Directors shall have the power to appoint any other Committees as may seem necessary, and from time to time to suspend or continue the powers and duties of such Committees. Each Committee appointed pursuant to this Article shall serve at the pleasure of the Board of Directors.

ARTICLE IV

OFFICERS

SECTION 1. The Board of Directors shall elect from among their number a Chairman of the Board and a Chief Executive Officer; and shall also elect a President, or two or more Co-Presidents, and may also elect, one or more Vice Chairmen, one or more Executive Vice Presidents, one or more Managing Directors, one or more Senior Vice Presidents, one or more Directors, one or more Vice Presidents, one or more General Managers, a Secretary, a Controller, a Treasurer, a General Counsel, a General Auditor, a General Credit Auditor, who need not be directors. The officers of the corporation may also include such other officers or assistant officers as shall from time to time be elected or appointed by the Board. The Chairman of the Board or the Chief Executive Officer or, in their absence, the President or any Co-President, or any Vice Chairman, may from time to time appoint assistant officers. All officers elected or appointed by the Board of Directors shall hold their respective offices during the pleasure of the Board of Directors, and all assistant officers shall hold office at the pleasure of the Board or the Chairman of the Board or the Chief Executive Officer or, in their absence, the President, or any Co-President or any Vice Chairman. The Board of Directors may require any and all officers and employees to give security for the faithful performance of their duties.

SECTION 2. The Board of Directors shall designate the Chief Executive Officer of the Company who may also hold the additional title of Chairman of the Board, or President, or any Co-President, and such person shall have, subject to the supervision and direction of the Board of Directors or the Executive Committee, all of the powers vested in such Chief Executive Officer by law or by these By-Laws, or which usually attach or pertain to such office. The other officers shall have, subject to the supervision and direction of the Board of Directors or the Executive Committee or the Chairman of the Board or, the Chief Executive Officer, the powers vested by law or by these By-Laws in them as holders of their respective offices and, in addition, shall perform such other duties as shall be assigned to them by the Board of Directors or the Executive Committee or the Chairman of the Board or the Chief Executive Officer.

The General Auditor shall be responsible, through the Audit Committee, to the Board of Directors for the determination of the program of the internal audit function and the evaluation of the adequacy of the system of internal controls. Subject to the Board of Directors, the General Auditor shall have and may exercise all the powers and shall perform all the duties usual to such office and shall have such other powers as may be prescribed or assigned to him from time to time by the Board of Directors or vested in him by law or by these By-Laws. He shall perform such other duties and shall make such investigations, examinations and reports as may be prescribed or required by the Audit Committee. The General Auditor shall have unrestricted access to all records and premises of the Company and shall delegate such authority to his subordinates. He shall have the duty to report to the Audit Committee on all matters concerning the internal audit program and the adequacy of the system of internal controls of the Company which he deems advisable or which the Audit Committee may request. Additionally, the General Auditor shall have the duty of reporting independently of all officers of the Company to the Audit Committee at least quarterly on any matters concerning the internal audit program and the adequacy of the system of internal controls of the Company that should be brought to the attention of the directors except those matters responsibility for which has been vested in the General Credit Auditor. Should the General

Auditor deem any matter to be of special immediate importance, he shall report thereon forthwith to the Audit Committee. The General Auditor shall report to the Chief Financial Officer only for administrative purposes.

The General Credit Auditor shall be responsible to the Chief Executive Officer and, through the Audit Committee, to the Board of Directors for the systems of internal credit audit, shall perform such other duties as the Chief Executive Officer may prescribe, and shall make such examinations and reports as may be required by the Audit Committee. The General Credit Auditor shall have unrestricted access to all records and may delegate such authority to subordinates.

SECTION 3. The compensation of all officers shall be fixed under such plan or plans of position evaluation and salary administration as shall be approved from time to time by resolution of the Board of Directors.

SECTION 4. The Board of Directors, the Executive Committee, the Chairman of the Board, the Chief Executive Officer or any person authorized for this purpose by the Chief Executive Officer, shall appoint or engage all other employees and agents and fix their compensation. The employment of all such employees and agents shall continue during the pleasure of the Board of Directors or the Executive Committee or the Chairman of the Board or the Chief Executive Officer or any such authorized person; and the Board of Directors, the Executive Committee, the Chairman of the Board, the Chief Executive Officer or any such authorized person may discharge any such employees and agents at will.

ARTICLE V

INDEMNIFICATION OF DIRECTORS, OFFICERS AND OTHERS

SECTION 1. The Company shall, to the fullest extent permitted by Section 7018 of the New York Banking Law, indemnify any person who is or was made, or threatened to be made, a party to an action or proceeding, whether civil or criminal, whether involving any actual or alleged breach of duty, neglect or error, any accountability, or any actual or alleged misstatement, misleading statement or other act or omission and whether brought or threatened in any court or administrative or legislative body or agency, including an action by or in the right of the Company to procure a judgment in its favor and an action by or in the right of any other corporation of any type or kind, domestic or foreign, or any partnership, joint venture, trust, employee benefit plan or other enterprise, which any director or officer of the Company is servicing or served in any capacity at the request of the Company by reason of the fact that he, his testator or intestate, is or was a director or officer of the Company, or is serving or served such other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise in any capacity, against judgments, fines, amounts paid in settlement, and costs, charges and expenses, including attorneys' fees, or any appeal therein; provided, however, that no indemnification shall be provided to any such person if a judgment or other final adjudication adverse to the director or officer establishes that (i) his acts were committed in bad faith or were the result of active and deliberate dishonesty and, in either case, were material to the cause of action so adjudicated, or (ii) he personally gained in fact a financial profit or other advantage to which he was not legally entitled.

SECTION 2. The Company may indemnify any other person to whom the Company is permitted to provide indemnification or the advancement of expenses by applicable law, whether pursuant to rights granted pursuant to, or provided by, the New York Banking Law or other rights created by (i) a resolution of stockholders, (ii) a resolution of directors, or (iii) an agreement providing for such indemnification, it being expressly intended that these By-Laws authorize the creation of other rights in any such manner.

SECTION 3. The Company shall, from time to time, reimburse or advance to any person referred to in Section 1 the funds necessary for payment of expenses, including attorneys' fees, incurred in connection with any action or proceeding referred to in Section 1, upon receipt of a written undertaking by or on behalf of such person to repay such amount(s) if a judgment or other final adjudication adverse to the director or officer establishes that (i) his acts were committed in bad faith or were the result of active and deliberate dishonesty and, in either case, were material to the cause of action so adjudicated, or (ii) he personally gained in fact a financial profit or other advantage to which he was not legally entitled.

SECTION 4. Any director or officer of the Company serving (i) another corporation, of which a majority of the shares entitled to vote in the election of its directors is held by the Company, or (ii) any employee benefit plan of the Company or any corporation referred to in clause (i) in any capacity shall be deemed to be doing so at the request of the Company. In all other cases, the provisions of this Article V will apply (i) only if the person serving another corporation or any partnership, joint venture, trust, employee benefit plan or other enterprise so served at the specific request of the Company, evidenced by a written communication signed by the Chairman of the Board, the Chief Executive Officer, the President or any Co-President, and (ii) only if and to the extent that, after making such efforts as the Chairman of the Board, the Chief Executive Officer, the President or any Co-President shall deem adequate in the circumstances, such person shall be unable to obtain indemnification from such other enterprise or its insurer.

SECTION 5. Any person entitled to be indemnified or to the reimbursement or advancement of expenses as a matter of right pursuant to this Article V may elect to have the right to indemnification (or advancement of expenses) interpreted on the basis of the applicable law in effect at the time of occurrence of the event or events giving rise to the action or proceeding, to the extent permitted by law, or on the basis of the applicable law in effect at the time indemnification is sought.

SECTION 6. The right to be indemnified or to the reimbursement or advancement of expense pursuant to this Article V (i) is a contract right pursuant to which the person entitled thereto may bring suit as if the provisions hereof were set forth in a separate written contract between the Company and the director or officer, (ii) is intended to be retroactive and shall be available with respect to events occurring prior to the adoption hereof, and (iii) shall continue to exist after the rescission or restrictive modification hereof with respect to events occurring prior thereto.

SECTION 7. If a request to be indemnified or for the reimbursement or advancement of expenses pursuant hereto is not paid in full by the Company within thirty days after a written claim has been received by the Company, the claimant may at any time thereafter bring suit against the Company to recover the unpaid amount of the claim and, if successful in whole or in part, the claimant shall be entitled also to be paid the expenses of prosecuting such claim. Neither the failure of the Company

(including its Board of Directors, independent legal counsel, or its stockholders) to have made a determination prior to the commencement of such action that indemnification of or reimbursement or advancement of expenses to the claimant is proper in the circumstance, nor an actual determination by the Company (including its Board of Directors, independent legal counsel, or its stockholders) that the claimant is not entitled to indemnification or to the reimbursement or advancement of expenses, shall be a defense to the action or create a presumption that the claimant is not so entitled.

SECTION 8. A person who has been successful, on the merits or otherwise, in the defense of a civil or criminal action or proceeding of the character described in Section 1 shall be entitled to indemnification only as provided in Sections 1 and 3, notwithstanding any provision of the New York Banking Law to the contrary.

ARTICLE VI

SEAL

SECTION 1. The Board of Directors shall provide a seal for the Company, the counterpart dies of which shall be in the charge of the Secretary of the Company and such officers as the Chairman of the Board, the Chief Executive Officer or the Secretary may from time to time direct in writing, to be affixed to certificates of stock and other documents in accordance with the directions of the Board of Directors or the Executive Committee.

SECTION 2. The Board of Directors may provide, in proper cases on a specified occasion and for a specified transaction or transactions, for the use of a printed or engraved facsimile seal of the Company.

ARTICLE VII

CAPITAL STOCK

SECTION 1. Registration of transfer of shares shall only be made upon the books of the Company by the registered holder in person, or by power of attorney, duly executed, witnessed and filed with the Secretary or other proper officer of the Company, on the surrender of the certificate or certificates of such shares properly assigned for transfer.

ARTICLE VIII

CONSTRUCTION

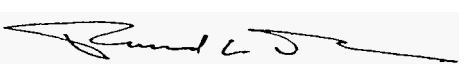
SECTION 1. The masculine gender, when appearing in these By-Laws, shall be deemed to include the feminine gender.

ARTICLE IX

AMENDMENTS

SECTION 1. These By-Laws may be altered, amended or added to by the Board of Directors at any meeting, or by the stockholders at any annual or special meeting, provided notice thereof has been given.

I, Richard L. Buckwalter, Vice President, of Deutsche Bank Trust Company Americas, New York, New York, hereby certify that the foregoing is a complete, true and correct copy of the By-Laws of Deutsche Bank Trust Company Americas, and that the same are in full force and effect at this date.



Vice President

DATED AS OF: December 18, 2002

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Consolidated Report of Condition for Insured Commercial and State-Chartered Savings Banks for September 30, 2002

All schedules are to be reported in thousands of dollars. Unless otherwise indicated, reported the amount outstanding as of the last business day of the quarter.

Schedule RC--Balance Sheet

	Dollar Amounts in Thousands		RCFD		
ASSETS					
1. Cash and balances due from depository institutions (from Schedule RC-A):					
a. Noninterest-bearing balances and currency and coin (1)			0081	2,138,000	1.a.
b. Interest-bearing balances (2)			0071	371,000	1.b.
2. Securities:					
a. Held-to-maturity securities (from Schedule RC-B, column A)			1754	0	2.a.
b. **Available-for-sale securities (from Schedule RC-B, column D)**			1773	84,000	2.b.
3. **Federal funds sold and securities purchased under agreements to resell**			RCON		3.
a. Federal funds sold in domestic offices			B987	2,894,000	3.a
			RCFD		
b. Securities purchased under agreements to resell (3)			B989	5,439,000	3.b
4. Loans and lease financing receivables (from Schedule RC-C):					
a. Loans and leases held for sale			5369	0	4.a.
b. Loans and leases, net unearned income	B528	13,672,000			4.b.
c. LESS: Allowance for loan and lease losses	3123	462,000			4.c.
d. Loans and leases, net of unearned income and allowance (item 4.b minus 4.c)			B529	13,210,000	4.d.
5. Trading Assets (from schedule RC-D)			3545	10,466,000	5.
6. Premises and fixed assets (including capitalized leases)			2145	642,000	6.
7. Other real estate owned (from Schedule RC-M)			2150	90,000	7.
8. Investments in unconsolidated subsidiaries and associated companies (from Schedule RC-M)			2130	2,977,000	8.
9. Customers' liability to this bank on acceptances outstanding			2155	0	9.
10. Intangible assets					
a. Goodwill			3163	55,000	10.a
b. Other intangible assets (from Schedule RC-M)			0426	8,000	10.b
11. Other assets (from Schedule RC-F)			2160	2,073,000	11.
12. Total assets (sum of items 1 through 11)			2170	40,447,000	12.

(1) Includes cash items in process of collection and unposted debits.
(2) Includes time certificates of deposit not held for trading.
(3) Includes all securities resale agreements in domestic and foreign offices, regardless of maturity.

Schedule RC--Continued

			Dollar Amounts in Thousands		
LIABILITIES					
13. Deposits:					
a. In domestic offices (sum of totals of columns A and C from Schedule RC-E, part I)			RCON 2200	10,578,000	13.a.
(1) Noninterest-bearing(1)	RCON 6631	3,365,000			13.a.(1)
(2) Interest-bearing	RCON 6636	7,213,000			13.a.(2)
b. In foreign offices, Edge and Agreement subsidiaries, and IBFs (from Schedule RC-E part II)			RCFN 2200	9,334,000	13.b.
(1) Noninterest-bearing	RCFN 6631	1,984,000			13.b.(1)
(2) Interest-bearing	RCFN 6636	7,350,000			13.b.(2)
14. Federal funds purchased and securities sold under agreements to repurchase:					
a. Federal Funds purchased in domestic offices (2)			RCON B993	7,897,000	14.a
b. **Securities sold under agreements to repurchase (3)**			RCFD 8995	0	14.b
15. *Trading liabilities (from Schedule RC-D)*			RCFD 3548	1,348,000	15.
16. Other borrowed money (includes mortgage indebtedness and obligations under capitalized leases): (from Schedule RC-M):			RCFD 3190	1,839,000	16.
17. Not Applicable.					17.
18. **Bank's liability** on acceptances executed and outstanding			RCFD 2920	0	18.
19. **Subordinated notes and debentures (2)**			RCFD 3200	258,000	19.
20. **Other liabilities** (from Schedule RC-G)			RCFD 2930	1,727,000	20.
21. **Total liabilities** (sum of items 13 through 20)			RCFD 2948	32,981,000	21.
22. **Minority interest** in consolidated subsidiaries			RCFD 3000	627,000	22.
EQUITY CAPITAL					
23. Perpetual preferred stock and related surplus			RCFD 3838	1,500,000	23.
24. Common stock			RCFD 3230	2,127,000	24.
25. Surplus (exclude all surplus related to preferred stock)			RCFD 3839	584,000	25.
26. a. Retained earnings			RCFD 3632	2,712,000	26.a.
b. Accumulated other comprehensive Income (3)			RCFD B530	(84,000)	26.b.
27. Other equity capital components (4)			RCFD A130	0	27.
28. Total equity capital (sum of items 23 through 27)			RCFD 3210	6,839,000	28.
29. **Total liabilities, minority interest, and equity capital (sum of items 21, 22, and 28)**			RCFD 3300	40,447,000	29.

Memorandum

To be reported only with the March Report of Condition

			Number	
1.	Indicate in the box at the right the number of the statement below that best describes the most comprehensive level of auditing work performed for the bank by independent external auditors as of any date during 2000	RCFD 6724	N/A	M.1

1 = *Independent audit of the bank conducted in accordance* with generally accepted auditing standards by a certified public accounting firm which submits a report on the bank

2 = Independent audit of the bank's parent holding company conducted in accordance with generally accepted auditing standards by a certified public accounting firm which submits a report on the consolidated holding company (but not on the bank separately)

3 = *Attestation on bank management's assertion on the* effectiveness of the bank's internal control over financial reporting by a certified public accounting firm

4 = Directors' examination of the bank conducted in accordance with generally accepted auditing standards by a certified public accounting firm (may be required by state chartering authority)

5 = Directors' examination of the bank performed by other external auditors (may be required by state chartering authority)

6 = Review of the bank's financial statements by external auditors

7 = Compilation of the bank's financial statements by external auditors

8 = Other audit procedures (excluding tax preparation work)

9 = No external audit work

(1) Includes total demand deposits and noninterest-bearing time and savings deposits.

(2) Report overnight Federal Home Loan Bank advances in Schedule RC, Item 16, "other borrowed money."

(3) Includes all securities repurchase agreements in domestic and foreign offices, regardless of maturity.

(4) Includes limited-life preferred stock and related surplus.

(5) Includes net unrealized holding gains (losses) on available-for-sale securities, accumulated net gains (losses) on cash flow hedges, cumulative foreign currency translation adjustments, and minimum pension liability adjustments.

(6) Includes treasury stock and unearned Employee Stock Plan shares.

As filed with the Securities and Exchange Commission on March 18, 2003
Registration Statement No. 333-102172

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

AMENDMENT NO. 1 TO

FORM S-3

REGISTRATION STATEMENT UNDER
THE SECURITIES ACT OF 1933

FLORIDA POWER & LIGHT COMPANY

(Exact name of registrant as specified in its charter)

Florida	59-0247775
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

700 Universe Boulevard
Juno Beach, Florida 33408
(561) 694-4000

(Address, including zip code, and telephone number, including area code, of registrant's principal executive office)

Dennis P. Coyle, Esq.	Thomas R. McGuigan, P.A.	Robert J. Reger, Jr., Esq.
General Counsel and Secretary	Steel Hector & Davis LLP	Thelen Reid & Priest LLP
Florida Power & Light Company	200 South Biscayne Boulevard	875 Third Avenue
700 Universe Boulevard	Suite 4000	New York, New York 10022
Juno Beach, Florida 33408	Miami, Florida 33131	(212) 603-2000
(561) 694-4000	(305) 577-7000	

(Names and addresses, including zip codes, and telephone numbers, including area codes, of agents for service)

It is respectfully requested that the Commission also send copies of all notices, orders and communications to:

Richard L. Harden, Esq.
Hunton & Williams
200 Park Avenue
New York, New York 10166
(212) 309-1000

The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act or until this registration statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

The information in this prospectus is not complete and may be changed. Florida Power & Light Company may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

Subject to completion, dated March 18, 2003

PROSPECTUS

$1,000,000,000

Florida Power & Light Company

First Mortgage Bonds

Florida Power & Light Company may offer from time to time up to $1,000,000,000 of its first mortgage bonds.

Florida Power & Light Company will provide specific terms of these securities, including their offering prices, in supplements to this prospectus. The supplements may also add, update or change information contained in this prospectus. You should read this prospectus and any supplements carefully before you invest.

Florida Power & Light Company may offer these securities directly or through underwriters, agents or dealers. The supplements to this prospectus will describe the terms of any particular plan of distribution, including any underwriting arrangements. The "Plan of Distribution" section on page 11 of this prospectus also provides more information on this topic.

See "Risk Factors" beginning on page 2 of this prospectus to read about certain factors you should consider before making an investment in these securities.

Florida Power & Light Company's principal executive offices are located at 700 Universe Boulevard, Juno Beach, Florida 33408, telephone number (561) 694-4000, and its mailing address is P.O. Box 14000, Juno Beach, Florida 33408-0420.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

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ABOUT THIS PROSPECTUS

This prospectus is part of a registration statement that Florida Power & Light Company ("FPL") has filed with the Securities and Exchange Commission ("SEC") using a "shelf" registration process. Under this shelf registration process, FPL may sell the securities described in this prospectus in one or more offerings up to a total dollar amount of $1,000,000,000. This prospectus provides you with a general description of the securities that FPL may offer. Each time FPL sells securities, FPL will provide a prospectus supplement that will contain specific information about the terms of that offering. The prospectus supplement may also add, update or change information contained in this prospectus. You should read both this prospectus and any prospectus supplement together with additional information described under the headings "Where You Can Find More Information" and "Incorporation by Reference."

For more detailed information about the securities, you can read the exhibits to the registration statement. Those exhibits have been either filed with the registration statement or incorporated by reference to earlier SEC filings listed in the registration statement.

RISK FACTORS

Before purchasing the securities, investors should carefully consider the following risk factors together with the other information incorporated by reference or provided in this prospectus or in a prospectus supplement in order to evaluate an investment in the securities.

FPL is subject to complex laws and regulations and to changes in laws and regulations, including initiatives regarding restructuring of the energy industry. These factors may have a negative impact on the business and results of operations of FPL.

FPL is subject to changes in laws or regulations, including the Public Utility Regulatory Policies Act of 1978 and the Public Utility Holding Company Act of 1935, changing governmental policies and regulatory actions, including those of the Federal Energy Regulatory Commission, the Florida Public Service Commission, and the U.S. Nuclear Regulatory Commission, with respect to, among other things, allowed rates of return, industry and rate structure, operation of nuclear power facilities, operation and construction of plant facilities, operation and construction of transmission facilities, acquisition, disposal, depreciation and amortization of assets and facilities, recovery of fuel and purchased power costs, decommissioning costs, return on common equity and equity ratio limits, and present or prospective wholesale and retail competition (including but not limited to retail wheeling and transmission costs). The Florida Public Service Commission has the authority to disallow recovery of costs that it considers excessive or imprudently incurred.

The regulatory process generally restricts FPL's ability to grow earnings and does not provide any assurance as to achievement of earnings levels.

FPL is subject to extensive federal, state and local environmental statutes, rules and regulations relating to air quality, water quality, waste management, natural resources and health and safety that could, among other things, restrict or limit the use of certain fuels required for the production of electricity. There are significant capital, operating and other costs associated with compliance with these environmental statutes, rules and regulations, and those costs could be even more significant in the future.

FPL operates in a changing market environment influenced by various legislative and regulatory initiatives regarding deregulation, regulation or restructuring of the energy industry, including deregulation of the production and sale of electricity. FPL will need to adapt to these changes and may face increasing competitive pressure.

The operation of power generation facilities, including nuclear facilities, involves significant risks that could adversely affect the results of operations and financial condition of FPL.

The operation of power generation facilities involves many risks, including start up risks, breakdown or failure of equipment, transmission lines or pipelines, the dependence on a specific fuel source or the impact of

unusual or adverse weather conditions (including natural disasters such as hurricanes), as well as the risk of performance below expected levels of output or efficiency. This could result in lost revenues and/or increased expenses. Insurance, warranties or performance guarantees may not cover any or all of the lost revenues or increased expenses, including the cost of replacement power. In addition to these risks, FPL's nuclear units face certain risks that are unique to the nuclear industry including additional regulatory actions up to and including shut down of the units stemming from public safety concerns, whether at FPL's plants or at the plants of other nuclear operators.

The construction of, and capital improvements to, power generation facilities involve substantial risks. Should construction or capital improvement efforts be unsuccessful, the results of operations and financial condition of FPL could be negatively affected.

FPL's ability to successfully and timely complete its power generation facilities currently under construction, those projects yet to begin construction or capital improvements to existing facilities is contingent upon many variables and subject to substantial risks. Should any such efforts be unsuccessful, FPL could be subject to additional costs, termination payments under committed contracts and/or the write off of its investment in the project or improvement.

The use of derivative contracts by FPL in the normal course of business could result in financial losses that negatively impact the results of operations of FPL.

FPL uses derivative instruments, such as swaps, options, futures and forwards to manage its commodity and financial market risks, and to a lesser extent, engages in limited trading activities. FPL could recognize financial losses as a result of volatility in the market values of these contracts, or if a counterparty fails to perform. In addition, FPL's use of such instruments could be subject to prudency challenges by the Florida Public Service Commission and if found imprudent, cost disallowance.

Because FPL and FPL Group rely on access to capital markets, the inability to access capital markets on favorable terms may limit the ability of FPL to grow its business and would likely increase interest costs.

FPL as well as FPL Group, Inc., which owns all of the common stock of FPL, rely on access to capital markets as a significant source of liquidity for capital requirements not satisfied by operating cash flows. The inability of FPL and FPL Group to maintain their current credit ratings could affect FPL's ability to raise capital on favorable terms, particularly during times of uncertainty in the capital markets which, in turn, could impact FPL's ability to grow its business and would likely increase its interest costs.

Weather conditions can affect FPL's results of operations.

FPL's results of operations can be affected by changes in the weather. Weather conditions directly influence the demand for electricity and natural gas and affect the price of energy commodities. In addition, severe weather can be destructive, causing outages and/or property damage, which could require additional costs to be incurred.

FPL is subject to costs and other effects of legal proceedings, changes in tax and inflation rates, and changes in or additions to applicable tax policies, rates of inflation and accounting standards.

FPL is subject to costs and other effects of legal and administrative proceedings, settlements, investigations and claims; as well as the effect of new, or changes in, tax rates or policies, rates of inflation or accounting standards.

Threats of terrorism and catastrophic events that could result from terrorism may impact the operations of FPL in unpredictable ways.

FPL is subject to direct and indirect effects of terrorist threats and activities. Generation and transmission facilities, in general, have been identified as potential targets. The effects of terrorist threats and activities include,

among other things, terrorist actions or responses to such actions or threats, the inability to generate, purchase or transmit power, the risk of a significant slowdown in growth or a decline in the U.S. economy, delay in economic recovery in the U.S., and the increased cost and adequacy of security and insurance.

The ability of FPL to obtain insurance and the terms of any available insurance coverage could be affected by national and company-specific events.

FPL's ability to obtain insurance, and the cost of and coverage provided by such insurance, could be affected by national events as well as company-specific events.

FPL is subject to employee workforce factors that could affect the business and financial condition of FPL.

FPL is subject to employee workforce factors, including loss or retirement of key executives, availability of qualified personnel, collective bargaining agreements with union employees or work stoppage that could affect the business and financial condition of FPL.

FPL

FPL was incorporated under the laws of Florida in 1925 and is engaged in the generation, transmission, distribution and sale of electric energy. FPL supplies electric service throughout most of the east and lower west coasts of the State of Florida, serving a population of nearly 8 million. At September 30, 2002, FPL served approximately 4.0 million customer accounts. FPL Group, Inc. owns all of FPL's common stock.

USE OF PROCEEDS

Unless otherwise stated in a prospectus supplement, FPL will add the net proceeds from the sale of these securities to its general funds. FPL uses its general funds for corporate purposes, including to repay, redeem or purchase outstanding debt and preferred stock, to repay short-term borrowings and to finance the acquisition or construction of additional electric facilities. FPL will temporarily invest any proceeds that it does not need to use immediately in short-term instruments.

RATIO OF EARNINGS TO FIXED CHARGES

The following table shows FPL's ratio of earnings to fixed charges for each of its last five fiscal years:

Years Ended December 31,				
2001	2000	1999	1998	1997
6.44	6.02	6.26	5.69	4.95

FPL's ratio of earnings to fixed charges for the nine months ended September 30, 2002 was 8.28.

WHERE YOU CAN FIND MORE INFORMATION

FPL files annual, quarterly and other reports and other information with the SEC. You can read and copy any information filed by FPL with the SEC at the SEC's Public Reference Room at 450 Fifth Street, N.W., Washington, D.C. 20549. You can obtain additional information about the Public Reference Room by calling the SEC at 1-800-SEC-0330.

In addition, the SEC maintains an Internet site (http://www.sec.gov) that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC, including FPL. FPL also maintains an Internet site (http://www.fpl.com).

INCORPORATION BY REFERENCE

The SEC allows FPL to "incorporate by reference" the information that FPL files with the SEC, which means that FPL may, in this prospectus, disclose important information to you by referring you to those documents. The information incorporated by reference is an important part of this prospectus. Information that FPL files in the future with the SEC will automatically update and supersede this information. FPL is incorporating by reference the documents listed below and any future filings FPL makes with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934 between the date of the initial filing of the amendment to the registration statement of which this prospectus is a part and the effectiveness of the registration statement, as well as after the date of this prospectus until FPL sells all of these securities:

(1) FPL's Annual Report on Form 10-K for the year ended December 31, 2001;

(2) FPL's Quarterly Reports on Form 10-Q for the quarters ended March 31, 2002, June 30, 2002 and September 30, 2002; and

(3) FPL's Current Reports on Form 8-K, filed with the SEC on April 5, 2002 (excluding that portion furnished under Item 9), September 27, 2002 and September 30, 2002.

You may request a copy of these documents, at no cost to you, by writing or calling Robert J. Reger, Jr., Esq., Thelen Reid & Priest LLP, 875 Third Avenue, New York, New York, 10022, (212) 603-2000. FPL will provide to each person, including any beneficial owner, to whom this prospectus is delivered, a copy of any or all of the information that has been incorporated by reference in this prospectus but not delivered with this prospectus.

CAUTIONARY STATEMENTS

In connection with the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, FPL is hereby filing cautionary statements identifying important factors that could cause FPL's actual results to differ materially from those projected in forward-looking statements (as such term is defined in the Private Securities Litigation Reform Act of 1995) made by or on behalf of FPL in this prospectus or any supplement to this prospectus, 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," "target," "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 specific factors discussed in "Risk Factors" herein and in the reports that are incorporated herein by reference (in addition to any assumptions and other factors referred to specifically in connection with such forward-looking statements) that could cause FPL's actual results to differ materially from those contained in forward-looking statements made by or on behalf of FPL.

Any forward-looking statement speaks only as of the date on which that statement is made, and FPL undertakes no obligation to update any forward-looking statement to reflect events or circumstances after the date on which that 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 those factors, nor can it assess the impact of each of those factors 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.

The issues and associated risks and uncertainties discussed in "Risk Factors" herein and in the reports that are incorporated by reference herein are not the only ones FPL may face. Additional issues may arise or become material as the energy industry evolves. The risks and uncertainties associated with those additional issues could impair FPL's business in the future.

DESCRIPTION OF THE BONDS

General. FPL will issue these securities, in one or more series, under its Mortgage and Deed of Trust dated as of January 1, 1944, with Deutsche Bank Trust Company Americas, as Trustee, which has been amended and supplemented in the past and which will be supplemented again by one or more supplemental indentures relating to these securities. This Mortgage and Deed of Trust, as amended and supplemented, is referred to in this prospectus as the "Mortgage." These securities are referred to in this prospectus as the "Bonds." All first mortgage bonds issued or to be issued under the Mortgage, including the Bonds, are referred to herein as "First Mortgage Bonds."

This section briefly summarizes some of the terms of the Bonds and some of the provisions of the Mortgage and uses some terms that are not defined in this prospectus but that are defined in the Mortgage. This summary is not complete. You should read this summary together with the Mortgage and the supplemental indenture establishing the Bonds for a complete understanding of all the provisions. The Mortgage and the form of supplemental indenture have been previously filed with the SEC, and are exhibits to the registration statement filed with the SEC of which this prospectus is a part. In addition, the Mortgage is qualified as an indenture under the Trust Indenture Act of 1939 and is therefore subject to the provisions of the Trust Indenture Act of 1939. You should read the Trust Indenture Act of 1939 for a complete understanding of its provisions.

Each series of Bonds may have different terms. FPL will include some or all of the following information about a specific series of Bonds in the prospectus supplement relating to those Bonds:

(1) the designation and series of those Bonds,

(2) the aggregate principal amount of those Bonds,

(3) the offering price of those Bonds,

(4) the date(s) on which those Bonds will mature,

(5) the interest rate(s) for those Bonds, or how the interest rate(s) will be determined,

(6) the dates on which FPL will pay the interest on those Bonds,

(7) the denominations in which FPL may issue those Bonds, if other than denominations of $1,000 or multiples of $1,000,

(8) the place where the principal of and interest on those Bonds will be payable, if other than at Deutsche Bank Trust Company Americas in New York City,

(9) the currency or currencies in which payment of the principal of and interest on those Bonds may be made, if other than U.S. dollars,

(10) the terms pursuant to which FPL may redeem any of those Bonds,

(11) whether all or a portion of those Bonds will be in global form, and

(12) any other terms or provisions relating to those Bonds that are not inconsistent with the provisions of the Mortgage.

FPL will issue the Bonds in fully registered form without coupons, unless otherwise stated in a prospectus supplement. A holder of Bonds may exchange those Bonds, without charge, for an equal aggregate principal amount of Bonds of the same series, having the same issue date and with identical terms and provisions, unless otherwise stated in a prospectus supplement. A holder of Bonds may transfer those Bonds without cost to the holder, other than for applicable stamp taxes or other governmental charges, unless otherwise stated in a prospectus

supplement. FPL may issue all or some of the Bonds in "book-entry" form, which means that they will be represented by global notes, instead of certificates. If FPL issues global notes representing any Bonds, then a depository selected by FPL will keep a record of the beneficial interests in those global notes and record any transfers of those beneficial interests and the depository, or its custodian, will hold those global notes. Any additional requirements as to the form and method of exchange of Bonds will be described in a prospectus supplement.

Special Provisions for Retirement of Bonds. If, during any 12 month period, any governmental body orders FPL to dispose of mortgaged property, or buys mortgaged property from FPL, and FPL receives $10 million or more from the sale or disposition, then, in most cases, FPL must use that money to redeem First Mortgage Bonds. If this occurs, FPL may redeem First Mortgage Bonds of any series that are redeemable at the redemption prices applicable to those First Mortgage Bonds. If any Bonds are redeemable, the redemption prices applicable to those Bonds will be set forth in a prospectus supplement.

Security. The Mortgage secures the Bonds as well as all other First Mortgage Bonds already issued under the Mortgage and still outstanding. FPL may issue more First Mortgage Bonds in the future and those First Mortgage Bonds will also be secured by the Mortgage. The Mortgage constitutes a first mortgage lien on all of the properties and franchises that FPL owns, except as discussed below.

The lien of the Mortgage is or may be subject to the following:

(1) leases of minor portions of FPL's property to others for uses that do not interfere with FPL's business,

(2) leases of certain property that is not used in FPL's electric business,

(3) Excepted Encumbrances, which include certain tax and real estate liens, and specified rights, easements, restrictions and other obligations, and

(4) vendors' liens, purchase money mortgages and liens on property that already exist at the time FPL acquires that property.

The Mortgage does not create a lien on the following "excepted property":

(1) cash and securities,

(2) certain equipment, materials or supplies and fuel (including nuclear fuel unless it is expressly subjected to the lien of the Mortgage),

(3) automobiles and other vehicles,

(4) receivables, contracts, leases and operating agreements,

(5) materials or products, including electric energy, that FPL generates, produces or purchases for sale or use by FPL, and

(6) timber, minerals, mineral rights and royalties.

The Mortgage will generally also create a lien on property that FPL acquires after the date of this prospectus, other than "excepted property". However, if FPL consolidates or merges with, or sells substantially all of its assets to, another corporation, the lien created by the Mortgage will generally not cover the property of the successor company, other than the property that it acquires from FPL and improvements, replacements and additions to that property.

The Mortgage provides that the Trustee has a lien on the mortgaged property for the payment of its reasonable compensation and expenses and for indemnity against certain liabilities. This lien takes priority over the lien securing the Bonds.

Issuance of Additional Bonds. FPL may issue an unlimited amount of First Mortgage Bonds under the Mortgage so long as it meets the issuance tests set forth in the Mortgage, which are generally described below. FPL may issue Bonds from time to time in an amount equal to:

(1) 60% of unfunded Property Additions after adjustments to offset retirements,

(2) the amount of retired First Mortgage Bonds or Qualified Lien Bonds, and

(3) the amount of cash that FPL deposits with the Trustee.

Property Additions generally include the following:

(1) plants, lines, pipes, mains, cables, machinery, boilers, transmission lines, pipe lines, distribution systems, service systems and supply systems,

(2) nuclear fuel that has been expressly subjected to the lien of the Mortgage,

(3) railroad cars, barges and other transportation equipment (other than trucks) for the transportation of fuel, and

(4) other property, real or personal, and improvements, extensions, additions, renewals or replacements located within the United States of America or its coastal waters.

FPL may use any property of the type described in (1) through (4) above as Property Additions whether or not that property is in operation and prior to obtaining permits or licenses relating to that property. Securities, fuel (including nuclear fuel unless expressly subjected to the lien of the Mortgage), automobiles or other vehicles, or property used principally for the production or gathering of natural gas will not qualify as Property Additions. The Mortgage contains restrictions on the issuance of First Mortgage Bonds based on Property Additions that are subject to other liens and upon the increase of the amount of those liens.

In most cases, FPL may not issue Bonds unless it meets the "net earnings" test set forth in the Mortgage, which requires, generally, that FPL's adjusted net earnings (before income taxes) for 12 consecutive months out of the 15 months preceding the issuance must have been either:

(1) at least twice the annual interest requirements on all First Mortgage Bonds at the time outstanding, including the Bonds that FPL proposes to issue at the time, and all indebtedness of FPL that ranks prior or equal to the First Mortgage Bonds, or

(2) at least 10% of the principal amount of all First Mortgage Bonds at the time outstanding, including the Bonds that FPL proposes to issue at the time, and all indebtedness of FPL that ranks prior or equal to the First Mortgage Bonds.

The Mortgage requires FPL to replace obsolete or worn out property and specifies certain deductions to FPL's adjusted net earnings for property repairs, retirement, additions and maintenance. With certain exceptions, FPL does not need to meet the "net earnings" test to issue Bonds if the issuance is based on retired First Mortgage Bonds or Qualified Lien Bonds.

As of December 31, 2001, FPL could issue under the Mortgage approximately $4.8 billion of additional First Mortgage Bonds based on unfunded Property Additions and $5.0 billion of additional First Mortgage Bonds based on retired First Mortgage Bonds.

Release and Substitution of Property. FPL may release property from the lien of the Mortgage if it does any of the following in an aggregate amount equal to the fair value of the property to be released:

(1) deposits with the Trustee, cash or, to a limited extent, purchase money mortgages,

(2) uses unfunded Property Additions acquired by FPL in the last five years, or

(3) waives its right to issue First Mortgage Bonds

in each case without satisfying any net earnings requirement.

If FPL deposits cash so that it may release property from the lien of the Mortgage or so that it may issue additional First Mortgage Bonds, it may withdraw that cash if it uses unfunded Property Additions or waives its right to issue First Mortgage Bonds without satisfying any net earnings requirement in an amount equal to the cash that FPL seeks to withdraw.

When property released from the lien of the Mortgage is not Funded Property, then, if FPL acquires new Property Additions within two years:

(1) Property Additions used for the release of that property will not (subject to some exceptions) be considered Funded Property, and

(2) any waiver by FPL of its right to issue First Mortgage Bonds, which is used for the release of that property, will cease to be an effective waiver and FPL will regain the right to issue those First Mortgage Bonds.

The Mortgage contains provisions relating to cash proceeds of property that is not Funded Property that are similar to the provisions relating to release of that property. The Mortgage contains special provisions relating to pledged Qualified Lien Bonds and the disposition of money received on those Qualified Lien Bonds.

FPL does not need a release from the Mortgage in order to use its nuclear fuel even if that nuclear fuel has been expressly subjected to the lien and operation of the Mortgage.

Dividend Restrictions. In some cases, the Mortgage restricts the amount of retained earnings that FPL can use to pay cash dividends on its common stock. The restricted amount may change depending on factors set out in the Mortgage. Other than this restriction on the payment of common stock dividends, the Mortgage does not restrict FPL's use of retained earnings. As of October 31, 2002, no retained earnings were restricted by these provisions of the Mortgage.

Modification of the Mortgage. Generally the rights of all of the holders of First Mortgage Bonds may be modified with the consent of the holders of 66-2/3% of the principal amount of all of the outstanding First Mortgage Bonds. However, if less than all series of First Mortgage Bonds are affected by a modification, that modification also requires the consent of the holders of 66-2/3% of the principal amount of all of the outstanding First Mortgage Bonds of each series affected.

FPL has reserved the right to amend the Mortgage without the consent of the holders of any series of First Mortgage Bonds created after April 30, 1992 (including the Bonds) to permit modification of the Mortgage generally with the consent of the holders of only a majority of the First Mortgage Bonds affected by the modification.

In most cases, the following modifications will not be effective against any holder of First Mortgage Bonds affected by the modification unless that holder consents:

(1) modification of the terms of payment of principal and interest payable to that holder,

(2) modification creating an equal or prior lien on the mortgaged property or depriving that holder of the benefit of the lien of the Mortgage, and

(3) modification reducing the percentage vote required for modification (except as described above).

Default and Notice Thereof. The following are defaults under the Mortgage:

(1) failure to pay the principal of any First Mortgage Bond,

(2) failure to pay interest on any First Mortgage Bond for 60 days after that interest is due,

(3) failure to pay principal of or interest on any Qualified Lien Bond beyond any applicable grace period for the payment of that principal or interest,

(4) failure to pay any installments of funds for retirement of First Mortgage Bonds for 60 days after that installment is due,

(5) certain events in bankruptcy, insolvency or reorganization, and

(6) the expiration of 90 days following notice by the Trustee or the holders of 15% of the First Mortgage Bonds relating to other covenants of FPL.

Except in the case of failure to pay principal, interest or any installment for retirement of First Mortgage Bonds, the Trustee may withhold notice of default if it believes that withholding the notice is in the interests of the holders of First Mortgage Bonds.

Holders of 25% of the First Mortgage Bonds may declare the principal and the interest due on default. A majority of the holders of First Mortgage Bonds may annul that declaration if the default has been cured. No holder of First Mortgage Bonds may enforce the lien of the Mortgage unless the following things have occurred:

(1) the holder has given the Trustee written notice of a default,

(2) the holders of 25% of the First Mortgage Bonds have requested the Trustee to act and offered it reasonable opportunity to act and indemnity satisfactory to the Trustee for the costs, expenses and liabilities that the Trustee may incur by acting, and

(3) the Trustee has failed to act.

Notwithstanding the foregoing, a holder of First Mortgage Bonds has the right to sue FPL if FPL fails to pay, when due, interest or principal on those First Mortgage Bonds, unless that holder gives up that right.

The Trustee is not required to risk its funds or incur personal liability if there is reasonable ground for believing that the repayment is not reasonably assured. The holders of a majority of the First Mortgage Bonds may direct the time, method, and place of conducting any proceedings for any remedy available to the Trustee, or exercising any of the Trustee's powers.

Satisfaction and Discharge of Mortgage. The Mortgage may be satisfied and discharged if and when FPL provides for the payment of all of the First Mortgage Bonds and all other sums due under the Mortgage.

Evidence to be Furnished to the Trustee. FPL furnishes written statements of FPL's officers, or persons selected or paid by FPL, annually (and when certain events occur) to the Trustee to show that FPL is in compliance with Mortgage provisions and that there are no defaults under the Mortgage. In some cases, these written statements must be provided by an independent accountant, appraiser, engineer or counsel.

Concerning the Trustee. In the regular course of business, FPL may obtain short-term funds from several banks, including Deutsche Bank Trust Company Americas.

PLAN OF DISTRIBUTION

FPL may sell the Bonds:

(1) through underwriters or dealers,

(2) through agents, or

(3) directly to one or more purchasers.

Through Underwriters or Dealers. If FPL uses underwriters in the sale of the Bonds, the underwriters will acquire the Bonds for their own account. The underwriters may resell the Bonds in one or more transactions, including negotiated transactions, at a fixed public offering price or at varying prices determined at the time of sale. The underwriters may sell the Bonds directly or through underwriting syndicates represented by managing underwriters. Unless otherwise stated in the prospectus supplement relating to the Bonds, the obligations of the underwriters to purchase those Bonds will be subject to certain conditions, and the underwriters will be obligated to purchase all of those Bonds if they purchase any of them. If FPL uses a dealer in the sale, FPL will sell the Bonds to the dealer as principal. The dealer may then resell those Bonds at varying prices determined at the time of resale.

Any initial public offering price and any discounts or concessions allowed or reallowed or paid to dealers may be changed from time to time.

Through Agents. FPL may designate one or more agents to sell the Bonds. Unless otherwise stated in a prospectus supplement, the agents will agree to use their best efforts to solicit purchases for the period of their appointment.

Directly. FPL may sell the Bonds directly to one or more purchasers. In this case, no underwriters, dealers or agents would be involved.

General Information. A prospectus supplement will state the name of any underwriter, dealer or agent and the amount of any compensation, underwriting discounts or concessions paid, allowed or reallowed to them. A prospectus supplement will also state the proceeds to FPL from the sale of the Bonds, any initial public offering price and other terms of the offering of those Bonds.

FPL may authorize underwriters, dealers or agents to solicit offers by certain institutions to purchase the Bonds from FPL at the public offering price and on the terms described in the related prospectus supplement pursuant to delayed delivery contracts providing for payment and delivery on a specified date in the future.

FPL may have agreements to indemnify underwriters, dealers and agents against, or to contribute to payments which the underwriters, dealers and agents may be required to make in respect of, certain civil liabilities, including liabilities under the Securities Act of 1933.

EXPERTS

The consolidated financial statements incorporated by reference in this prospectus from FPL's Annual Report on Form 10-K have been audited by Deloitte & Touche LLP, independent auditors, as stated in their report, which is incorporated by reference herein, and have been so incorporated in reliance upon the report of such firm given upon their authority as experts in accounting and auditing.

LEGAL OPINIONS

Steel Hector & Davis LLP, Miami, Florida, and Thelen Reid & Priest LLP, New York, New York, co-counsel to FPL, will pass upon the legality of the Bonds for FPL. Hunton & Williams, New York, New York, will pass upon the legality of the Bonds for any underwriter, dealer or agent. Thelen Reid & Priest LLP and Hunton & Williams may rely as to all matters of Florida law upon the opinion of Steel Hector & Davis LLP. Steel Hector & Davis LLP may rely as to all matters of New York law upon the opinion of Thelen Reid & Priest LLP.

You should rely only on the information incorporated by reference or provided in this prospectus or any prospectus supplement. FPL has not authorized anyone else to provide you with additional or different information. FPL is not making an offer of these securities in any jurisdiction where the offer is not permitted. You should not assume that the information in this prospectus or any prospectus supplement is accurate as of any date other than the date on the front of those documents or that the information incorporated by reference is accurate as of any date other than the date of the document incorporated by reference.

PART II. INFORMATION NOT REQUIRED IN PROSPECTUS

Item 14. ***Other Expenses of Issuance and Distribution.***

The expenses in connection with the issuance and distribution of the securities being registered, other than underwriting and/or agents compensation, are:

Filing Fee for Registration Statement	$92,000
Legal and Accounting Fees	$600,000*
Printing (S-3, prospectus, prospectus supplement, etc.)	$50,000*
Fees of Trustee	$25,000*
Florida Taxes	$4,000,000*
Rating Agencies' Fees	$300,000*
Miscellaneous	$13,000*
Total	$5,080,000*

* Estimated

Item 15. ***Indemnification of Directors and Officers.***

Section 607.0850 of the Florida Statutes generally permits FPL to indemnify its directors, officers, employees or other agents who are subject to any third-party actions because of their service to FPL if such persons acted in good faith and in a manner they reasonably believed to be in, or not opposed to, the best interests of FPL. If the proceeding is a criminal one, such person must also have had no reasonable cause to believe his conduct was unlawful. In addition, FPL may indemnify its directors, officers, employees or other agents who are subject to derivative actions against expenses and amounts paid in settlement which do not exceed, in the judgment of the board of directors, the estimated expense of litigating the proceeding to conclusion, including any appeal thereof, actually and reasonably incurred in connection with the defense or settlement of such proceeding, if such person acted in good faith and in a manner such person reasonably believed to be in, or not opposed to, the best interests of FPL. To the extent that a director, officer, employee or other agent is successful on the merits or otherwise in defense of a third-party or derivative action, such person will be indemnified against expenses actually and reasonably incurred in connection therewith. This Section also permits FPL to further indemnify such persons by other means unless a judgment or other final adjudication establishes that such person's actions or omissions which were material to the cause of action constitute (1) a crime (unless such person had reasonable cause to believe his conduct was lawful or had no reasonable cause to believe it unlawful), (2) a transaction from which he derived an improper personal benefit, (3) an action in violation of Florida Statutes Section 607.0834 (unlawful distributions to shareholders), or (4) willful misconduct or a conscious disregard for the best interests of the corporation in a proceeding by or in the right of the corporation to procure a judgment in its favor or in a proceeding by or in the right of a shareholder.

Furthermore, Florida Statutes Section 607.0831 provides, in general, that no director shall be personally liable for monetary damages to FPL or any other person for any statement, vote, decision, or failure to act, regarding corporate management or policy, unless: (a) the director breached or failed to perform his duties as a director; and (b) the director's breach of, or failure to perform, those duties constitutes (i) a violation of criminal law, unless the director had reasonable cause to believe his conduct was lawful or had no reasonable cause to believe his conduct was unlawful, (ii) a transaction from which the director derived an improper personal benefit, either directly or indirectly, (iii) a circumstance under which the liability provisions of Florida Statutes Section 607.0834 are applicable, (iv) in a proceeding by or in the right of FPL to procure a judgment in its favor or by or in the right of a shareholder, conscious disregard for the best interest of FPL, or willful misconduct, or (v) in a proceeding by or in the right of someone other than FPL or a shareholder, recklessness or an act or omission which was committed in bad faith or with malicious purpose or in a manner exhibiting wanton and willful disregard of human rights, safety, or property. The term "recklessness," as used above, means the action, or omission to act, in conscious disregard of a risk: (a) known, or so obvious that it should have been known, to the director; and (b) known to the director, or so obvious that it should have been known, to be so great as to make it highly probable that harm would follow from such action or omission.

FPL's bylaws provide generally that FPL shall, to the fullest extent permitted by law, indemnify all directors and officers of FPL, directors, officers, or other employees serving as a fiduciary of an employee benefit plan of FPL, as well as any employees or agents of FPL or other persons serving at the request of FPL in any capacity with any entity or enterprise other than FPL to whom FPL has agreed to grant indemnification (each, an "Indemnified Person") to the extent that any such person is made a party or threatened to be made a party or called as a witness or is otherwise involved in any action, suit, or proceeding in connection with his status as an Indemnified Person. Such indemnification covers all expenses incurred by any Indemnified Person (including attorneys' fees) and all liabilities and losses (including judgments, fines and amounts to be paid in settlement) incurred thereby in connection with any such action, suit or proceeding.

In addition, FPL carries insurance permitted by the laws of Florida on behalf of directors, officers, employees or agents which may cover, among other things, liabilities under the Securities Act.

Item 16. ***Exhibits.***

**1(a) - Form of Underwriting Agreement.

**1(b) - Form of Distribution Agreement.

*4(a) - 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).

*4(b) - 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).

*4(c) - 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).

*4(d) - 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).

*4(e) - 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).

*4(f) - 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).

*4(g) - 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).

*4(h) - Bylaws of FPL dated May 11, 1992 (filed as Exhibit 3 to Form 8-K dated May 1, 1992, File No. 1-3545).

*4(i) - Mortgage and Deed of Trust dated as of January 1, 1944, and One hundred and two Supplements thereto, between FPL and Deutsche Bank Trust Company Americas, Trustee (the "Mortgage") (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; Exhibit 4 to Form 10-Q for the quarter ended March 31, 1999, File No. 1-3545; Exhibit 4(f) to Form 10-K for the year ended December 31, 2000, File No. 1-3545; Exhibit 4(g) to Form 10-K for the year ended December 31, 2000, File No. 1-3545; and Exhibit 4(o), File No. 333-102169.

**4(j) - Form of Supplemental Indenture relating to First Mortgage Bonds.

**5(a) - Opinion and Consent of Steel Hector & Davis LLP, counsel to FPL.

**5(b) - Opinion and Consent of Thelen Reid & Priest LLP, co-counsel to FPL.

*12 - Computation of Ratio of Earnings to Fixed Charges (filed as Exhibit 12(b) to Form 10-K for the year ended December 31, 2001, File No. 1-3545 and Exhibit 12(b) to Form 10-Q for the quarter September 30, 2002, File No. 1-3545).

23(a) - Independent Auditors' Consent of Deloitte & Touche LLP.

**23(b) - Consent of Steel Hector & Davis LLP (included in opinion, attached hereto as Exhibit 5(a)).

**23(c) - Consent of Thelen Reid & Priest LLP (included in opinion, attached hereto as Exhibit 5(b)).

**24 - Power of Attorney.

**25 - Statement of Eligibility on Form T-1 of Deutsche Bank Trust Company Americas with respect to the Mortgage.

*Incorporated herein by reference as indicated.

**Previously filed with the original registration statement on December 23, 2002.

Item 17. Undertakings.

The undersigned registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

(i) to include any prospectus required by Section 10(a)(3) of the Securities Act;

(ii) to reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement; and

(iii) to include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement;

provided, however, that the registrant need not file a post-effective amendment to include the information required to be included by subsection (i) or (ii) if such information is contained in periodic reports filed by the registrant pursuant to Section 13 or Section 15(d) of the Securities Exchange Act of 1934, which are incorporated by reference in the registration statement.

(2) That, for the purpose of determining any liability under the Securities Act, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

(4) That, for purposes of determining any liability under the Securities Act, each filing of the registrant's Annual Report pursuant to Section 13(a) of the Securities Exchange Act of 1934 that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered herein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the registrant pursuant to the provisions described under Item 15 above, or otherwise, the registrant has been advised that in the opinion of the SEC such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this amendment to the registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Juno Beach, State of Florida on the 18th day of March, 2003.

FLORIDA POWER & LIGHT COMPANY

By: /s/ Paul J. Evanson*
Paul J. Evanson
President and Director

Pursuant to the requirements of the Securities Act of 1933, this amendment to the registration statement has been signed by the following persons in the capacities and on the dates indicated.

Signature	Title	Date
/s/ Lewis Hay III* Lewis Hay III	Chairman of the Board, Chief Executive Officer and Director (Principal Executive Officer)	March 18, 2003
/s/ Moray P. Dewhurst* Moray P. Dewhurst	Senior Vice President, Finance and Chief Financial Officer and Director (Principal Financial Officer)	March 18, 2003
/s/ K. Michael Davis* K. Michael Davis	Vice President, Accounting, Controller and Chief Accounting Officer (Principal Accounting Officer)	March 18, 2003
/s/ Dennis P. Coyle* Dennis P. Coyle	Director	March 18, 2003
/s/ Paul J. Evanson* Paul J. Evanson	Director	March 18, 2003
/s/ Lawrence J. Kelleher* Lawrence J. Kelleher	Director	March 18, 2003
/s/ Armando J. Olivera* Armando J. Olivera	Director	March 18, 2003
/s/ Antonio Rodriguez* Antonio Rodriguez	Director	March 18, 2003
/s/ John Stall* John Stall	Director	March 18, 2003

*By: /s/ Dennis P. Coyle
Dennis P. Coyle, Attorney-in-Fact

Exhibit Index

23(a) Independent Auditors' Consent of Deloitte & Touche LLP.

Exhibit 23(a)

INDEPENDENT AUDITORS' CONSENT

We consent to the incorporation by reference in this Amendment No. 1 to the Registration Statement of Florida Power & Light Company on Form S-3 of our report dated February 8, 2002, except for Note 18, as to which the date is March 25, 2002, appearing in the Annual Report on Form 10-K of Florida Power & Light Company for the year ended December 31, 2001 and to the reference to us under the heading "Experts" in the Prospectus, which is part of this Registration Statement.

Deloitte & Touche LLP

DELOITTE & TOUCHE LLP
Miami, Florida

March 14, 2003

As filed with the Securities and Exchange Commission on January 26, 2004
Registration Statement No. 333-112199

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM S-3

REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

FLORIDA POWER & LIGHT COMPANY

(Exact name of registrant as specified in its charter)

Florida	59-0247775
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

700 Universe Boulevard
Juno Beach, Florida 33408
(561) 694-4000

(Address, including zip code, and telephone number, including area code, of registrant's principal executive office)

Dennis P. Coyle, Esq.	Thomas R. McGuigan, P.A.	Robert J. Reger, Jr., Esq.
General Counsel and Secretary	Steel Hector & Davis LLP	Thelen Reid & Priest LLP
Florida Power & Light Company	200 South Biscayne Boulevard	875 Third Avenue
700 Universe Boulevard	Suite 4000	New York, New York 10022
Juno Beach, Florida 33408	Miami, Florida 33131	(212) 603-2000
(561) 694-4000	(305) 577-7000	

(Names and addresses, including zip codes, and telephone numbers, including area codes, of agents for service)

It is respectfully requested that the Commission also send copies of all notices, orders and communications to:

Richard L. Harden, Esq.
Hunton & Williams LLP
200 Park Avenue
New York, New York 10166
(212) 309-1000

Approximate date of commencement of proposed sale to the public: From time to time after the effective date of this registration statement as determined by market conditions and other factors.

If the only securities being registered on this Form are being offered pursuant to dividend or interest reinvestment plans, please check the following box. ☐

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or interest reinvestment plans, check the following box. ☒

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☒ No. 333-102172

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If delivery of the prospectus is expected to be made pursuant to Rule 434, please check the following box. ☐

CALCULATION OF REGISTRATION FEE

First Mortgage Bonds	$40,000,000	$3,236

* Estimated solely for purposes of calculating the registration fee pursuant to Rule 457(o) under the Securities Act of 1933, as amended (the "Securities Act").

Incorporation of Certain Information by Reference

This registration statement is being filed pursuant to Rule 462(b) under the Securities Act of 1933, as amended, with respect to the proposed offering by Florida Power & Light Company of up to $40 million in principal amount of its First Mortgage Bonds. In accordance with the provisions of General Instruction IV of Form S-3, the contents of the registration statement of Florida Power & Light Company, Registration Statement No. 333-102172, which was filed with the Securities and Exchange Commission on December 23, 2002, including all amendments and exhibits thereto, are incorporated by reference into this registration statement.

Item 16. Exhibits.

5(a)	Opinion and Consent of Steel Hector & Davis LLP, counsel to Florida Power & Light Company
5(b)	Opinion and Consent of Thelen Reid & Priest LLP, co-counsel to Florida Power & Light Company
23(a)	Independent Auditors' Consent of Deloitte & Touche LLP.
23(b)	Consent of Steel Hector & Davis LLP (included in opinion, attached hereto as Exhibit 5(a)).
23(c)	Consent of Thelen Reid & Priest LLP (included in opinion, attached hereto as Exhibit 5(b)).
24	Powers of Attorney (included on the signature pages of this registration statement).

POWER OF ATTORNEY

Each director and/or officer of the registrant whose signature appears below hereby appoints the agents for service named in this registration statement, and each of them severally, as his attorney-in-fact to sign in his name and behalf, in any and all capacities stated below and to file with the Securities and Exchange Commission, any and all amendments, including post-effective amendments, to this registration statement, and the registrant hereby also appoints each such agent for service as its attorney-in-fact with like authority to sign and file any such amendments in its name and behalf.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Juno Beach, State of Florida on the 26th day of January, 2004.

FLORIDA POWER & LIGHT COMPANY

By: _____
Armando J. Olivera
President and Director

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities and on the dates indicated.

Signature	Title	Date
_____ Lewis Hay III	Chairman of the Board, Chief Executive Officer and Director (Principal Executive Officer)	January 26, 2004
_____ Moray P. Dewhurst	Senior Vice President, Finance and Chief Financial Officer and Director (Principal Financial Officer)	January 26, 2004
_____ K. Michael Davis	Vice President, Accounting, Controller and Chief Accounting Officer (Principal Accounting Officer)	January 26, 2004
_____ Dennis P. Coyle	Director	January 26, 2004
_____ Lawrence J. Kelleher	Director	January 26, 2004
_____ Armando J. Olivera	Director	January 26, 2004
_____ Antonio Rodriguez	Director	January 26, 2004
_____ John A. Stall	Director	

Exhibit Index

5(a)	Opinion and Consent of Steel Hector & Davis LLP, counsel to Florida Power & Light Company.
5(b)	Opinion and Consent of Thelen Reid & Priest LLP, counsel to Florida Power & Light Company.
23(a)	Independent Auditors' Consent of Deloitte & Touche LLP.
23(b)	Consent of Steel Hector & Davis LLP (included in opinion, attached hereto as Exhibit 5(a)).
23(c)	Consent of Thelen Reid & Priest LLP (included in opinion, attached hereto as Exhibit 5(b)).
24	Powers of Attorney (included on the signature pages of this registration statement).

Exhibit 5(a)

Thelen Reid & Priest LLP
Attorneys At Law

875 Third Avenue
New York, NY 10022-6225

Tel. 212.603.2000
Fax 212.603.2001

www.thelenreid.com

January 26, 2004

Florida Power & Light Company
700 Universe Boulevard
Juno Beach, Florida 33408

Ladies and Gentlemen:

As counsel for Florida Power & Light Company, a Florida corporation (the "Company"), we have participated in the preparation of a registration statement on Form S-3 (the "Registration Statement") to be filed with the Securities and Exchange Commission pursuant to Rule 462(b) under the Securities Act of 1933, as amended, on or about the date hereof, in connection with the proposed offering of up to $40,000,000 in principal amount of the Company's First Mortgage Bonds (the "Bonds"). In connection therewith, we have reviewed such documents and records as we have deemed necessary to enable us to express an opinion on the matters covered hereby.

Based on the foregoing, we are of the opinion that the Bonds will be valid, legal and binding obligations of the Company, except as limited or affected by bankruptcy, insolvency, reorganization, receivership, moratorium or other laws affecting mortgagees' and other creditors' rights and remedies generally and general principles of equity, when:

1. the Bonds are issued and sold pursuant to the authority contained in an order of the Florida Public Service Commission;

2. a duly-authorized officer of the Company, acting within the authority granted by resolutions of the Board of Directors and the Finance Committee of the Board of Directors, approves and establishes the terms and provisions of the Bonds in accordance with the Mortgage and Deed of Trust dated as of January 1, 1944, as amended and supplemented, from the Company to Deutsche Bank Trust Company Americas, as Trustee; and

3. the Bonds are issued and sold in accordance with their terms and as contemplated by the Registration Statement.

We hereby consent to the filing of this opinion as an exhibit to the Registration Statement. We also consent to the reference to us in the prospectus incorporated by reference in the Registration Statement under the caption "Legal Opinions."

We are members of the New York Bar and this opinion is limited to the laws of the State of New York and the federal laws of the United States insofar as they bear on matters covered hereby. As to all matters of Florida law, we have relied, with your consent, upon the opinion of even date herewith rendered to you by Steel Hector & Davis LLP, Miami, Florida. As to all matters of New York law, Steel Hector & Davis LLP is authorized to rely upon this opinion as if it were addressed to it.

Very truly yours,

Thelen Reid & Priest LLP

THELEN REID & PRIEST LLP

NY #576522 v1

Exhibit 5(b)

STEEL HECTOR & DAVIS
LIMITED LIABILITY PARTNERSHIP

Steel Hector & Davis LLP
200 South Biscayne Boulevard
Miami, Florida 33131-2398
305.577.7000
305.577.7001 Fax
www.steelhector.com

January 26, 2004

Florida Power & Light Company
700 Universe Boulevard
Juno Beach, Florida 33408

Ladies and Gentlemen:

As counsel for Florida Power & Light Company, a Florida corporation (the "Company"), we have participated in the preparation of a registration statement on Form S-3 (the "Registration Statement") to be filed with the Securities and Exchange Commission pursuant to Rule 462(b) under the Securities Act of 1933, as amended, on or about the date hereof, in connection with the proposed offering of up to $40,000,000 in principal amount of the Company's First Mortgage Bonds (the "Bonds"). In connection therewith, we have reviewed such documents and records as we have deemed necessary to enable us to express an opinion on the matters covered hereby.

Based on the foregoing, we are of the opinion that the Bonds will be valid, legal and binding obligations of the Company, except as limited or affected by bankruptcy, insolvency, reorganization, receivership, moratorium or other laws affecting mortgagees' and other creditors' rights and remedies generally and general principles of equity, when:

1. the Bonds are issued and sold pursuant to the authority contained in an order of the Florida Public Service Commission;

2. a duly-authorized officer of the Company, acting within the authority granted by resolutions of the Board of Directors and the Finance Committee of the Board of Directors, approves and establishes the terms and provisions of the Bonds in accordance with the Mortgage and Deed of Trust dated as of January 1, 1944, as amended and supplemented, from the Company to Deutsche Bank Trust Company Americas, as Trustee; and

3. the Bonds are issued and sold in accordance with their terms and as contemplated by the Registration Statement.

We hereby consent to the filing of this opinion as an exhibit to the Registration Statement. We also consent to the reference to us in the prospectus incorporated by reference in the Registration Statement under the caption "Legal Opinions."

We are members of the Florida Bar and this opinion is limited to the laws of the State of Florida and the federal laws of the United States insofar as they bear on matters covered hereby. As to all matters of New York law, we have relied, with your consent, upon the opinion of even date herewith rendered to you by Thelen Reid & Priest LLP, New York, New York. As to all matters of Florida law, Thelen Reid & Priest LLP is authorized to rely upon this opinion as if it were addressed to it.

Very truly yours,

Steel Hector & Davis LLP

STEEL HECTOR & DAVIS LLP

MIA2001:262008

Exhibit 23(a)

INDEPENDENT AUDITORS' CONSENT

We consent to the incorporation by reference in this Registration Statement of Florida Power & Light Company on Form S-3 of our report dated February 13, 2003, appearing in the Annual Report on Form 10-K of Florida Power & Light Company for the year ended December 31, 2002 and to the reference to us under the heading "Experts" in the Prospectus, which is incorporated by reference in this Registration Statement.

Deloitte & Touche LLP

DELOITTE & TOUCHE LLP

Miami, Florida
January 23, 2004

Jan-26-04 01:10pm From-FPL Finance 561 694 3707 T-907 P.002/002 F-515

FLORIDA POWER & LIGHT COMPANY

REPORT OF CONSUMMATION

DOCKET NO. 031000-EI

EXHIBIT (c)-1A

PROSPECTUS SUPPLEMENT
(To prospectus dated March 28, 2003)



Florida Power & Light Company

First Mortgage Bonds, $240,000,000 5.65% Series due February 1, 2035

Florida Power & Light Company will pay interest on the securities on February 1 and August 1 of each year, beginning August 1, 2004. Florida Power & Light Company may redeem some or all of the securities at any time before their maturity date at the redemption prices discussed under "Certain Terms of the Offered Bonds—Redemption" beginning on page S-7 of this prospectus supplement.

Florida Power & Light Company does not plan to list the securities on any securities exchange. The securities are secured by the lien of Florida Power & Light Company's mortgage and rank equally with all of Florida Power & Light Company's first mortgage bonds. The lien of the mortgage is discussed under "Description of the Bonds—Security" on page 7 of the accompanying prospectus.

See "Risk Factors" beginning on page S-3 to read about certain factors you should consider before making an investment in these securities.

Florida Power & Light Company's principal executive offices are located at 700 Universe Boulevard, Juno Beach, Florida 33408, telephone number (561) 694-4000, and its mailing address is P.O. Box 14000, Juno Beach, Florida 33408-0420.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the accompanying prospectus are truthful or complete. Any representation to the contrary is a criminal offense.

	Per First Mortgage Bond	Total
Price to Public	99.724%	$239,337,600
Underwriting Discount	.875%	$ 2,100,000
Proceeds to Florida Power & Light Company (before expenses)	98.849%	$237,237,600

In addition to the Price to Public set forth above, each purchaser will pay an amount equal to the interest accrued, if any, on these securities from the date that these securities are originally issued to the date that they are delivered to that purchaser.

These securities are expected to be delivered to the underwriters in book-entry only form through The Depository Trust Company, on or about January 29, 2004.

Joint Book-Running Managers

Banc of America Securities LLC **JPMorgan**

Co-Managers

ABN AMRO Incorporated
Banc One Capital Markets, Inc.
Lazard
McDonald Investments Inc.
The Royal Bank of Scotland
Scotia Capital

The date of this prospectus supplement is January 26, 2004.

The accompanying prospectus is part of a registration statement filed with the Securities and Exchange Commission. You should rely only on the information incorporated by reference or provided in this prospectus supplement and in the accompanying prospectus. Neither Florida Power & Light Company ("FPL") nor the underwriters has authorized anyone else to provide you with additional or different information. Neither FPL nor the underwriters is making an offer of these securities in any jurisdiction where the offer is not permitted. You should not assume that the information in this prospectus supplement or in the accompanying prospectus is accurate as of any date other than the date on the front of those documents or that the information incorporated by reference is accurate as of any date other than the date of the document incorporated by reference.

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RISK FACTORS

The information in this section replaces the information in the "Risk Factors" section beginning on page 2 of the accompanying prospectus.

Before purchasing the securities, investors should carefully consider the following risk factors together with the other information incorporated by reference or provided in this prospectus supplement or in the prospectus in order to evaluate an investment in the securities.

FPL is subject to complex laws and regulations and to changes in laws and regulations, including initiatives regarding restructuring of the energy industry. These factors may have a negative impact on the business and results of operations of FPL.

FPL is subject to changes in laws or regulations, including the Public Utility Regulatory Policies Act of 1978 and the Public Utility Holding Company Act of 1935, changing governmental policies and regulatory actions, including those of the Federal Energy Regulatory Commission, the Florida Public Service Commission, and the U.S Nuclear Regulatory Commission, with respect to, among other things, allowed rates of return, industry and rate structure, operation of nuclear power facilities, operation and construction of plant facilities, operation and construction of transmission facilities, acquisition, disposal, depreciation and amortization of assets and facilities, recovery of fuel and purchased power costs, decommissioning costs, return on common equity and equity ratio limits, and present or prospective wholesale and retail competition (including but not limited to retail wheeling and transmission costs). The Florida Public Service Commission has the authority to disallow recovery of costs that it considers excessive or imprudently incurred.

The regulatory process generally restricts FPL's ability to grow earnings and does not provide any assurance as to achievement of earnings levels.

FPL is subject to extensive federal, state and local environmental statutes, rules and regulations relating to air quality, water quality, waste management, natural resources and health and safety that could, among other things, restrict or limit the output of certain facilities or the use of certain fuels required for the production of electricity and/or increase costs. There are significant capital, operating and other costs associated with compliance with these environmental statutes, rules and regulations, and those costs could be even more significant in the future.

FPL operates in a changing market environment influenced by various legislative and regulatory initiatives regarding deregulation, regulation or restructuring of the energy industry, including deregulation of the production and sale of electricity. FPL will need to adapt to these changes and may face increasing competitive pressure.

The operation of power generation facilities, including nuclear facilities, involves significant risks that could adversely affect the results of operations and financial condition of FPL.

The operation of power generation facilities involves many risks, including start up risks, breakdown or failure of equipment, transmission lines or pipelines, use of new technology, the dependence on a specific fuel source or the impact of unusual or adverse weather conditions (including natural disasters such as hurricanes), as well as the risk of performance below expected levels of output or efficiency. This could result in lost revenues and/or increased expenses. Insurance, warranties or performance guarantees may not cover any or all of the lost revenues or increased expenses, including the cost of replacement power. In addition to these risks, FPL's nuclear units face certain risks that are unique to the nuclear industry including the ability to dispose of spent nuclear fuel, as well as additional regulatory actions up to and including shutdown of the units stemming from public safety concerns, whether at FPL's plants or at the plants of other nuclear operators.

The construction of, and capital improvements to, power generation facilities involve substantial risks. Should construction or capital improvement efforts be unsuccessful, the results of operations and financial condition of FPL could be negatively affected.

FPL's ability to successfully and timely complete its power generation facilities currently under construction, those projects yet to begin construction or capital improvements to existing facilities is contingent upon many variables and subject to substantial risks. Should any such efforts be unsuccessful, FPL could be subject to additional costs, termination payments under committed contracts and/or the write-off of its investment in the project or improvement.

The use of derivative contracts by FPL in the normal course of business could result in financial losses that negatively impact the results of operations of FPL.

FPL uses derivative instruments, such as swaps, options, futures and forwards to manage its commodity price risks. FPL could recognize financial losses if a counterparty fails to perform. In the absence of actively quoted market prices and pricing information from external sources, the valuation of these derivative instruments involves management's judgment or use of estimates. As a result, changes in the underlying assumptions or use of alternative valuation methods could affect the value of the reported fair value of these contracts. In addition, FPL's use of such instruments could be subject to prudency challenges by the Florida Public Service Commission and if found imprudent, cost recovery disallowance.

Because FPL and FPL Group rely on access to capital markets, the inability to access capital markets on favorable terms may limit the ability of FPL to grow its business and would likely increase interest costs.

FPL as well as FPL Group, Inc., which owns all of the common stock of FPL, rely on access to capital markets as a significant source of liquidity for capital requirements not satisfied by operating cash flows. The inability of FPL and FPL Group to maintain their current credit ratings could affect FPL's ability to raise capital on favorable terms, particularly during times of uncertainty in the capital markets which, in turn, could impact FPL's ability to grow its business and would likely increase its interest costs.

Weather conditions can affect FPL's results of operations.

FPL's results of operations can be affected by changes in the weather. Weather conditions directly influence the demand for electricity and natural gas and affect the price of energy commodities. In addition, severe weather can be destructive, causing outages and/or property damage, which could require additional costs to be incurred.

FPL is subject to costs and other effects of legal proceedings, changes in tax and inflation rates, and changes in or additions to applicable tax policies, rates of inflation, accounting standards, securities laws and corporate governance requirements.

FPL is subject to costs and other effects of legal and administrative proceedings, settlements, investigations and claims; as well as the effect of new, or changes in, tax rates or policies, rates of inflation, accounting standards, securities laws or corporate governance requirements.

Threats of terrorism and catastrophic events that could result from terrorism may impact the operations of FPL in unpredictable ways.

FPL is subject to direct and indirect effects of terrorist threats and activities. Generation and transmission facilities, in general, have been identified as potential targets. The effects of terrorist threats and activities include, among other things, terrorist actions or responses to such actions or threats, the inability to generate, purchase or transmit power, the risk of a significant slowdown in growth or a decline in the U.S. economy, delay in economic recovery in the U.S., and the increased cost and adequacy of security and insurance.

The ability of FPL to obtain insurance and the terms of any available insurance coverage could be affected by national and company-specific events.

FPL's ability to obtain insurance, and the cost of and coverage provided by such insurance, could be affected by national events as well as company-specific events.

FPL is subject to employee workforce factors that could affect the business and financial condition of FPL.

FPL is subject to employee workforce factors, including loss or retirement of key executives, availability of qualified personnel, collective bargaining agreements with union employees or work stoppage that could affect the business and financial condition of FPL.

USE OF PROCEEDS

The information in this section adds to the information in the "Use of Proceeds" section on page 4 of the accompanying prospectus. Please read these two sections together.

The First Mortgage Bonds, 5.65% Series due February 1, 2035 are referred to in this prospectus supplement as the "Offered Bonds." FPL will add the net proceeds from the sale of the Offered Bonds to its general funds. FPL expects to use its general funds to repay FPL's short-term borrowings and for other corporate purposes. As of December 31, 2003, FPL's short-term indebtedness consisted of $630 million of commercial paper outstanding, which had maturities of up to 82 days and which had annual interest rates ranging from 1.07% to 1.17%. FPL will temporarily invest in short-term instruments any proceeds that are not immediately required for these purposes.

RATIO OF EARNINGS TO FIXED CHARGES

The information in this section adds to the information in the "Ratio of Earnings to Fixed Charges" section on page 4 of the accompanying prospectus. Please read these two sections together. For the nine months ended September 30, 2003, FPL's ratio of earnings to fixed charges was 8.09.

CAPITALIZATION OF FPL

The following table shows FPL's capitalization as of December 31, 2003, and as adjusted. This table, which is presented in this prospectus supplement solely to provide limited introductory information, is qualified in its entirety by, and should be considered in conjunction with, the more detailed information incorporated by reference or provided in this prospectus supplement or in the accompanying prospectus.

		Adjusted(a)	
	December 31, 2003	Amount	Percent
	(Unaudited) (In Millions)		
Common Shareholder's Equity	$6,004	$6,004	64.26%
Long-term debt (excluding current maturities)	$3,074	$3,314	35.47%
Preferred stock without sinking fund requirements	$ 5	$ 25	0.27%
Total Capitalization	$9,083	$9,343	100.00%

(a) To give effect to (i) the issuance of the Offered Bonds offered by this prospectus supplement and (ii) the issuance of 200,000 shares, $100 par value per share, of FPL's 4 ½% Preferred Stock, Series V to FPL Group, Inc. on January 20, 2004. Adjusted amounts do not reflect any discounts in connection with the issuance of the Offered Bonds. Adjusted amounts also do not reflect any possible issuance and sale from time to time after the date of this prospectus supplement by FPL of additional securities.

CERTAIN TERMS OF THE OFFERED BONDS

The information in this section adds to the information in the "Description of the Bonds" section beginning on page 5 of the accompanying prospectus. Please read these two sections together.

General. FPL will issue $240,000,000 aggregate principal amount of the Offered Bonds as a new series of First Mortgage Bonds under the Mortgage (as defined in the accompanying prospectus). The One Hundred Fifth Supplemental Indenture, dated as of January 1, 2004, supplements the Mortgage and establishes the specific terms of the Offered Bonds.

Interest and Payment. FPL will pay interest semi-annually on the Offered Bonds at 5.65% per annum. The Offered Bonds will mature on February 1, 2035. FPL will pay interest on the Offered Bonds on February 1 and August 1 of each year (each an "Interest Payment Date"). The first Interest Payment Date will be August 1, 2004. The record date for interest payable on any Interest Payment Date on the Offered Bonds shall be the close of business (1) on the business day immediately preceding such Interest Payment Date so long as the Offered Bonds remain in book-entry only form, or (2) on the 15th calendar day before each Interest Payment Date if the Offered Bonds do not remain in book-entry only form. See "—Book-Entry Only Issuance—The Depository Trust Company."

Interest on the Offered Bonds will accrue from and including the date of original issuance to but excluding the first Interest Payment Date. Starting on the first Interest Payment Date, interest on each Offered Bond will accrue from and including the last Interest Payment Date to which FPL has paid, or duly provided for the payment of, interest on that Offered Bond to but excluding the next succeeding Interest Payment Date. No interest will accrue on an Offered Bond for the day that the Offered Bond matures. The amount of interest payable for any period will be computed on the basis of a 360-day year consisting of twelve 30-day months. The amount of interest

payable for any period shorter than a full semi-annual period for which interest is computed will be computed on the basis of the number of days in the period using 30-day calendar months.

FPL will pay interest on any overdue principal and (to the extent that payment of such interest is enforceable under applicable law) on any overdue installment of interest on the Offered Bonds at the rate of 6% per annum.

Dividend Restrictions. As of September 30, 2003, no retained earnings were restricted by provisions of the Mortgage described in the accompanying prospectus which restrict the amount of retained earnings that FPL can use to pay cash dividends on its common stock.

Redemption. FPL may redeem any of the Offered Bonds at its option or if and when required by the Mortgage. FPL may redeem any of the Offered Bonds at any time or from time to time, on any date prior to their maturity (each a "Redemption Date"). FPL will give notice of its intent to redeem Offered Bonds at least 30 days prior to a Redemption Date. If FPL redeems all or any part of the Offered Bonds, it will pay a redemption price ("Redemption Price") equal to the sum of:

(1) 100% of the principal amount of the Offered Bonds being redeemed plus

(2) accrued and unpaid interest thereon, if any, to the Redemption Date plus

(3) any applicable "make-whole premium."

The Redemption Price for the Offered Bonds will never be less than 100% of the principal amount of those Offered Bonds plus accrued and unpaid interest on those Offered Bonds to the Redemption Date.

The amount of the make-whole premium with respect to any Offered Bonds to be redeemed will be equal to the excess, if any, of:

(1) the sum of the present values, calculated as of the Redemption Date, of:

  (a) each interest payment that, but for such redemption, would have been payable on the Offered Bonds being redeemed on each Interest Payment Date occurring after the Redemption Date (excluding any accrued interest for the period prior to the Redemption Date); and

  (b) the principal amount that, but for such redemption, would have been payable at the final maturity of the Offered Bonds being redeemed; over

(2) the principal amount of the Offered Bonds being redeemed.

The present values of interest and principal payments referred to in clause (1) above will be determined in accordance with generally accepted principles of financial analysis. Such present values will be calculated by discounting the amount of each payment of interest or principal from the date that each such payment would have been payable, but for the redemption, to the Redemption Date at a discount rate equal to the Treasury Yield (as defined below) plus 15 basis points.

FPL will appoint an independent investment banking institution of national standing to calculate the make-whole premium; provided that Banc of America Securities LLC or J.P. Morgan Securities Inc. will make such calculation if (1) FPL fails to make such appointment at least 30 days prior to the Redemption Date, or (2) the institution so appointed is unwilling or unable to make such calculation. If Banc of America Securities LLC or J.P. Morgan Securities Inc. is to make such calculation but is unwilling or unable to do so, then the Trustee will appoint an independent investment banking institution of national standing to make such calculation. In any case,

the institution making such calculation is referred to in this prospectus supplement as an "Independent Investment Banker."

For purposes of determining the make-whole premium, "Treasury Yield" means a rate of interest per annum equal to the weekly average yield to maturity of United States Treasury Notes that have a constant maturity that corresponds to the remaining term to maturity of the Offered Bonds to be redeemed, calculated to the nearest 1/12th of a year (the "Remaining Term"). The Independent Investment Banker will determine the Treasury Yield as of the third business day immediately preceding the applicable Redemption Date.

The Independent Investment Banker will determine the weekly average yields of United States Treasury Notes by reference to the most recent statistical release published by the Federal Reserve Bank of New York and designated "H.15(519) Selected Interest Rates" or any successor release (the "H.15 Statistical Release"). If the H.15 Statistical Release sets forth a weekly average yield for United States Treasury Notes having a constant maturity that is the same as the Remaining Term, then the Treasury Yield will be equal to such weekly average yield. In all other cases, the Independent Investment Banker will calculate the Treasury Yield by interpolation, on a straight-line basis, between the weekly average yields on the United States Treasury Notes that have a constant maturity closest to and greater than the Remaining Term and the United States Treasury Notes that have a constant maturity closest to and less than the Remaining Term (in each case as set forth in the H.15 Statistical Release). The Independent Investment Banker will round any weekly average yields so calculated to the nearest 1/100th of 1%, and will round upward for any figure of 1/200th of 1% or above. If weekly average yields for United States Treasury Notes are not available in the H.15 Statistical Release or otherwise, then the Independent Investment Banker will select comparable rates and calculate the Treasury Yield by reference to those rates.

The Mortgage provides that if FPL at any time elects to redeem only a part of the Offered Bonds, the Trustee will select the particular Offered Bonds to be redeemed by proration among registered holders of the Offered Bonds or, in some cases, by such other method that it deems proper as provided in the Mortgage. However, if the Offered Bonds are solely registered in the name of Cede & Co. and traded through DTC, then DTC will select the Offered Bonds to be redeemed in accordance with its practices as described below in "—Book-Entry Only Issuance—The Depository Trust Company."

If at the time notice of redemption is given, the redemption moneys are not on deposit with the Trustee, then the redemption shall be subject to their receipt before the Redemption Date and such notice shall be of no effect unless such moneys are received.

Cash deposited under any provisions of the Mortgage (with certain exceptions) may be applied to the purchase of First Mortgage Bonds of any series.

Modification of the Mortgage. FPL has reserved a right to amend the Mortgage without the consent of any series of first mortgage bonds created after April 30, 1992, including the Offered Bonds, to permit modification of the Mortgage generally with the consent of the holders of a majority of the first mortgage bonds affected by the modification. See "Description of the Bonds—Modification of the Mortgage" on page 9 of the accompanying prospectus. Since all of the first mortgage bonds issued on or prior to April 30, 1992 have matured or have been redeemed and are no longer outstanding under the Mortgage, FPL may exercise this right to amend the Mortgage at any time.

Book-Entry Only Issuance—The Depository Trust Company. The Offered Bonds will trade through DTC. The Offered Bonds will be represented by one or more global certificates and registered in the name of Cede & Co., DTC's nominee.

DTC is a New York clearing corporation and a clearing agency registered under Section 17A of the Securities Exchange Act of 1934. DTC holds securities for its participants. DTC also facilitates the post-trade settlement of securities transactions among its participants through electronic computerized book-entry transfers and pledges in the participants' accounts. This eliminates the need for physical movement of securities certificates. The participants include securities brokers and dealers, banks, trust companies, clearing corporations and certain other

organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC, in turn, is owned by a number of participants of DTC, members of other clearing corporations and by the New York Stock Exchange, Inc., the American Stock Exchange LLC, and the National Association of Securities Dealers, Inc. Others who maintain a custodial relationship with a participant can use the DTC system. The rules that apply to DTC and those using its systems are on file with the Securities and Exchange Commission.

Purchases of the Offered Bonds within the DTC system must be made through participants, which will receive a credit for the Offered Bonds on DTC's records. The beneficial ownership interest of each purchaser will be recorded on the participants' records. Beneficial owners will not receive written confirmation from DTC of their purchases, but beneficial owners should receive written confirmations of the transactions, as well as periodic statements of their holdings, from the participants through which they purchased Offered Bonds. Transfers of ownership in the Offered Bonds are to be accomplished by entries made on the books of the participants acting on behalf of beneficial owners. Beneficial owners will not receive certificates for their Offered Bonds, except if use of the book-entry system for the Offered Bonds is discontinued.

To facilitate subsequent transfers, all Offered Bonds deposited by participants with DTC are registered in the name of DTC's nominee, Cede & Co. The deposit of the Offered Bonds with DTC and their registration in the name of Cede & Co. effects no change in beneficial ownership. DTC has no knowledge of the actual beneficial owners of the Offered Bonds. DTC's records reflect only the identity of the participants to whose accounts such Offered Bonds are credited. These participants may or may not be the beneficial owners. Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to participants, and by participants to beneficial owners, will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial owners of Offered Bonds may wish to take certain steps to augment transmission to them of notices of significant events with respect to the Offered Bonds, such as redemptions, tenders, defaults and proposed amendments to the Offered Bonds. Beneficial owners of the Offered Bonds may wish to ascertain that the nominee holding the Offered Bonds has agreed to obtain and transmit notices to the beneficial owners.

Redemption notices will be sent to Cede & Co., as registered holder of the Offered Bonds. If less than all of the Offered Bonds are being redeemed, DTC's practice is to determine by lot the amount of Offered Bonds of each participant to be redeemed.

Neither DTC nor Cede & Co. will itself consent or vote with respect to Offered Bonds, unless authorized by a participant in accordance with DTC's procedures. Under its usual procedures, DTC would mail an omnibus proxy to FPL as soon as possible after the record date. The omnibus proxy assigns the consenting or voting rights of Cede & Co. to those participants to whose accounts the Offered Bonds are credited on the record date. FPL believes that these arrangements will enable the beneficial owners to exercise rights equivalent in substance to the rights that can be directly exercised by a registered holder of the Offered Bonds.

Payments of redemption proceeds, principal of, and interest on the Offered Bonds will be made to Cede & Co., or such other nominee as may be requested by DTC. DTC's practice is to credit participants' accounts upon DTC's receipt of funds and corresponding detail information from FPL or its agent, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by participants to beneficial owners will be governed by standing instructions and customary practices. Payments will be the responsibility of participants and not of DTC, Deutsche Bank Trust Company Americas (the Trustee under the Mortgage) or FPL, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, principal and interest to Cede & Co. (or such other nominee as may be requested by DTC) is the responsibility of FPL. Disbursement of payments to participants is the responsibility of DTC, and disbursement of payments to the beneficial owners is the responsibility of participants.

Except as provided in this prospectus supplement, a beneficial owner will not be entitled to receive physical delivery of the Offered Bonds. Accordingly, each beneficial owner must rely on the procedures of DTC to exercise any rights under the Offered Bonds.

DTC may discontinue providing its services as securities depositary with respect to the Offered Bonds at any time by giving reasonable notice to FPL. In the event no successor securities depositary is obtained, certificates for the Offered Bonds will be printed and delivered. FPL may decide to replace DTC or any successor depositary. Additionally, FPL may decide to discontinue use of the system of book-entry transfers through DTC (or a successor depositary) with respect to the Offered Bonds. In that event, certificates for the Offered Bonds will be printed and delivered.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that FPL believes to be reliable, but FPL does not take responsibility for the accuracy of this information.

UNDERWRITING

FPL is selling the Offered Bonds to the underwriters named in the table below pursuant to an underwriting agreement dated the date of this prospectus supplement between FPL and the underwriters named below, for whom Banc of America Securities LLC and J.P. Morgan Securities Inc. are acting as representatives. Subject to certain conditions, FPL has agreed to sell to each of the underwriters, and each of the underwriters has severally agreed to purchase, the principal amount of Offered Bonds set forth opposite that underwriter's name in the table below:

Underwriter	Principal Amount of Offered Bonds
Banc of America Securities LLC	$84,000,000
J.P. Morgan Securities Inc.	$84,000,000
ABN AMRO Incorporated	$12,000,000
Banc One Capital Markets, Inc.	$12,000,000
Lazard Frères & Co. LLC	$12,000,000
McDonald Investments Inc.	$12,000,000
The Royal Bank of Scotland plc	$12,000,000
Scotia Capital (USA) Inc.	$12,000,000
Total	$240,000,000

Under the terms and conditions of the underwriting agreement, the underwriters must buy all of the Offered Bonds if they buy any of them. The underwriting agreement provides that the obligations of the underwriters pursuant thereto are subject to certain conditions. In the event of a default by an underwriter, the underwriting agreement provides that, in certain circumstances, the purchase commitment of the non-defaulting underwriters may be increased or the underwriting agreement may be terminated. The underwriters will sell the Offered Bonds to the public when and if the underwriters buy the Offered Bonds from FPL.

FPL will compensate the underwriters by selling the Offered Bonds to them at a price that is less than the price to the public by the amount of the "Underwriting Discount" set forth in the table below. The underwriters will sell the Offered Bonds to the public at the respective price to the public set forth on the cover page of this prospectus supplement and may sell the Offered Bonds to certain dealers at a price that is less than the price to the public by no more than the amount of the "Initial Dealers' Concession" set forth in the table below. The underwriters and such dealers may sell the Offered Bonds to certain other dealers at a price that is less than the price to the public by no more than the amounts of the "Initial Dealers' Concession" and the "Reallowed Dealers' Concession" set forth in the table below.

	(expressed as a percentage of principal amount)
Underwriting Discount	0.875%
Initial Dealers' Concession	0.500%
Reallowed Dealers' Concession	0.250%

An underwriter may reject offers for the Offered Bonds. After the initial public offering of the Offered Bonds, the underwriters may change the offering price and other selling terms of the Offered Bonds.

There is currently no established trading market for the Offered Bonds. The underwriters have advised FPL that they intend to make a trading market in the Offered Bonds but are not obligated to do so and may discontinue such market-making activities at any time without notice. FPL cannot give any assurance as to the maintenance of the trading market for, or the liquidity of, the Offered Bonds.

In connection with the offering, Banc of America Securities LLC and J.P. Morgan Securities Inc. on behalf of the underwriters may purchase and sell the Offered Bonds in the open market. These transactions may include over-allotment, syndicate covering transactions and stabilizing transactions. Over-allotment includes syndicate sales of Offered Bonds in excess of the principal amount of Offered Bonds to be purchased by the underwriters in the offering, which creates a syndicate short position. Syndicate covering transactions involve purchases of the Offered Bonds in the open market after the distribution has been completed in order to cover syndicate short positions. Stabilizing transactions consist of certain bids or purchases of Offered Bonds made for the purpose of preventing or retarding a decline in the market price of the Offered Bonds while the offering is in progress.

The underwriters may also impose a penalty bid. Penalty bids permit the underwriters to reclaim an initial dealers' concession from a syndicate member when Banc of America Securities LLC or J.P. Morgan Securities Inc., in covering syndicate short positions or making stabilizing purchases, repurchases the Offered Bonds originally sold by that syndicate member.

Any of these activities may cause the price of the Offered Bonds to be higher than the price that otherwise would exist in the open market in the absence of such transactions. These transactions may be effected in the over-the-counter market or otherwise and, if commenced, may be discontinued at any time.

Certain of the underwriters will make the Offered Bonds available for distribution on the Internet through a proprietary Web site and/or a third-party system operated by Market Axess Inc., an Internet-based communications technology provider. Market Axess Inc. is providing the system as a conduit for communications between those underwriters and their customers and is not a party to any transactions. Market Axess Inc., a registered broker-dealer, will receive compensation from those underwriters based on transactions those underwriters conduct through the system. Those underwriters will make the Offered Bonds available to their customers through Internet distributions, whether made through a proprietary or third-party system, on the same terms as distributions made through other channels.

FPL estimates that its expenses in connection with the sale of the Offered Bonds, other than underwriting discounts, will be $1.5 million. This estimate includes expenses relating to Florida taxes, printing, rating agency fees, trustee's fees and legal fees, among other expenses.

FPL has agreed to indemnify the underwriters against, or to contribute to payments the underwriters may be required to make in respect of, certain liabilities, including liabilities under the Securities Act of 1933.

Lazard Frères & Co. LLC ("Lazard") has entered into an agreement with Mitsubishi Securities (USA), Inc. ("Mitsubishi") pursuant to which Mitsubishi provides certain advisory and/or other services to Lazard, including in respect of this offering. In return for the provision of such services by Mitsubishi to Lazard, Lazard will pay to Mitsubishi a mutually agreed upon fee.

Certain of the underwriters or their affiliates may engage from time to time in various general financing and commercial banking transactions with FPL and its affiliates. Affiliates of certain of the underwriters are lenders to FPL and/or affiliates of FPL under various short-term and multi-year credit agreements.

LEGAL OPINIONS

The information in this section replaces the information in the "Legal Opinions" section on page 12 of the accompanying prospectus.

Steel Hector & Davis LLP, Miami, Florida, and Thelen Reid & Priest LLP, New York, New York, co-counsel to FPL, will pass upon the legality of the Offered Bonds for FPL. Hunton & Williams LLP, New York, New York, will pass upon the legality of the Offered Bonds for the underwriters. Thelen Reid & Priest LLP and Hunton & Williams LLP may rely as to all matters of Florida law upon the opinion of Steel Hector & Davis LLP, and Steel Hector & Davis LLP may rely as to all matters of New York law upon the opinion of Thelen Reid & Priest LLP.

PROSPECTUS

$1,000,000,000

Florida Power & Light Company

First Mortgage Bonds

Florida Power & Light Company may offer from time to time up to $1,000,000,000 of its first mortgage bonds.

Florida Power & Light Company will provide specific terms of these securities, including their offering prices, in supplements to this prospectus. The supplements may also add, update or change information contained in this prospectus. You should read this prospectus and any supplements carefully before you invest.

Florida Power & Light Company may offer these securities directly or through underwriters, agents or dealers. The supplements to this prospectus will describe the terms of any particular plan of distribution, including any underwriting arrangements. The "Plan of Distribution" section on page 11 of this prospectus also provides more information on this topic.

See "Risk Factors" beginning on page 2 of this prospectus to read about certain factors you should consider before making an investment in these securities.

Florida Power & Light Company's principal executive offices are located at 700 Universe Boulevard, Juno Beach, Florida 33408, telephone number (561) 694-4000, and its mailing address is P.O. Box 14000, Juno Beach, Florida 33408-0420.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

March 28, 2003

ABOUT THIS PROSPECTUS

This prospectus is part of a registration statement that Florida Power & Light Company ("FPL") has filed with the Securities and Exchange Commission ("SEC") using a "shelf" registration process. Under this shelf registration process, FPL may sell the securities described in this prospectus in one or more offerings up to a total dollar amount of $1,000,000,000. This prospectus provides you with a general description of the securities that FPL may offer. Each time FPL sells securities, FPL will provide a prospectus supplement that will contain specific information about the terms of that offering. The prospectus supplement may also add, update or change information contained in this prospectus. You should read both this prospectus and any prospectus supplement together with additional information described under the headings "Where You Can Find More Information" and "Incorporation by Reference."

For more detailed information about the securities, you can read the exhibits to the registration statement. Those exhibits have been either filed with the registration statement or incorporated by reference to earlier SEC filings listed in the registration statement.

RISK FACTORS

Before purchasing the securities, investors should carefully consider the following risk factors together with the other information incorporated by reference or provided in this prospectus or in a prospectus supplement in order to evaluate an investment in the securities.

FPL is subject to complex laws and regulations and to changes in laws and regulations, including initiatives regarding restructuring of the energy industry. These factors may have a negative impact on the business and results of operations of FPL.

FPL is subject to changes in laws or regulations, including the Public Utility Regulatory Policies Act of 1978 and the Public Utility Holding Company Act of 1935, changing governmental policies and regulatory actions, including those of the Federal Energy Regulatory Commission, the Florida Public Service Commission, and the U.S. Nuclear Regulatory Commission, with respect to, among other things, allowed rates of return, industry and rate structure, operation of nuclear power facilities, operation and construction of plant facilities, operation and construction of transmission facilities, acquisition, disposal, depreciation and amortization of assets and facilities, recovery of fuel and purchased power costs, decommissioning costs, return on common equity and equity ratio limits, and present or prospective wholesale and retail competition (including but not limited to retail wheeling and transmission costs). The Florida Public Service Commission has the authority to disallow recovery of costs that it considers excessive or imprudently incurred.

The regulatory process generally restricts FPL's ability to grow earnings and does not provide any assurance as to achievement of earnings levels.

FPL is subject to extensive federal, state and local environmental statutes, rules and regulations relating to air quality, water quality, waste management, natural resources and health and safety that could, among other things, restrict or limit the use of certain fuels required for the production of electricity. There are significant capital, operating and other costs associated with compliance with these environmental statutes, rules and regulations, and those costs could be even more significant in the future.

FPL operates in a changing market environment influenced by various legislative and regulatory initiatives regarding deregulation, regulation or restructuring of the energy industry, including deregulation of the production and sale of electricity. FPL will need to adapt to these changes and may face increasing competitive pressure.

The operation of power generation facilities, including nuclear facilities, involves significant risks that could adversely affect the results of operations and financial condition of FPL.

The operation of power generation facilities involves many risks, including start up risks, breakdown or failure of equipment, transmission lines or pipelines, the dependence on a specific fuel source or the impact of

unusual or adverse weather conditions (including natural disasters such as hurricanes), as well as the risk of performance below expected levels of output or efficiency. This could result in lost revenues and/or increased expenses. Insurance, warranties or performance guarantees may not cover any or all of the lost revenues or increased expenses, including the cost of replacement power. In addition to these risks, FPL's nuclear units face certain risks that are unique to the nuclear industry including additional regulatory actions up to and including shut down of the units stemming from public safety concerns, whether at FPL's plants or at the plants of other nuclear operators.

The construction of, and capital improvements to, power generation facilities involve substantial risks. Should construction or capital improvement efforts be unsuccessful, the results of operations and financial condition of FPL could be negatively affected.

FPL's ability to successfully and timely complete its power generation facilities currently under construction, those projects yet to begin construction or capital improvements to existing facilities is contingent upon many variables and subject to substantial risks. Should any such efforts be unsuccessful, FPL could be subject to additional costs, termination payments under committed contracts and/or the write off of its investment in the project or improvement.

The use of derivative contracts by FPL in the normal course of business could result in financial losses that negatively impact the results of operations of FPL.

FPL uses derivative instruments, such as swaps, options, futures and forwards to manage its commodity and financial market risks, and to a lesser extent, engages in limited trading activities. FPL could recognize financial losses as a result of volatility in the market values of these contracts, or if a counterparty fails to perform. In addition, FPL's use of such instruments could be subject to prudency challenges by the Florida Public Service Commission and if found imprudent, cost disallowance.

Because FPL and FPL Group rely on access to capital markets, the inability to access capital markets on favorable terms may limit the ability of FPL to grow its business and would likely increase interest costs.

FPL as well as FPL Group, Inc., which owns all of the common stock of FPL, rely on access to capital markets as a significant source of liquidity for capital requirements not satisfied by operating cash flows. The inability of FPL and FPL Group to maintain their current credit ratings could affect FPL's ability to raise capital on favorable terms, particularly during times of uncertainty in the capital markets which, in turn, could impact FPL's ability to grow its business and would likely increase its interest costs.

Weather conditions can affect FPL's results of operations.

FPL's results of operations can be affected by changes in the weather. Weather conditions directly influence the demand for electricity and natural gas and affect the price of energy commodities. In addition, severe weather can be destructive, causing outages and/or property damage, which could require additional costs to be incurred.

FPL is subject to costs and other effects of legal proceedings, changes in tax and inflation rates, and changes in or additions to applicable tax policies, rates of inflation and accounting standards.

FPL is subject to costs and other effects of legal and administrative proceedings, settlements, investigations and claims; as well as the effect of new, or changes in, tax rates or policies, rates of inflation or accounting standards.

Threats of terrorism and catastrophic events that could result from terrorism may impact the operations of FPL in unpredictable ways.

FPL is subject to direct and indirect effects of terrorist threats and activities. Generation and transmission facilities, in general, have been identified as potential targets. The effects of terrorist threats and activities include,

among other things, terrorist actions or responses to such actions or threats, the inability to generate, purchase or transmit power, the risk of a significant slowdown in growth or a decline in the U.S. economy, delay in economic recovery in the U.S., and the increased cost and adequacy of security and insurance.

The ability of FPL to obtain insurance and the terms of any available insurance coverage could be affected by national and company-specific events.

FPL's ability to obtain insurance, and the cost of and coverage provided by such insurance, could be affected by national events as well as company-specific events.

FPL is subject to employee workforce factors that could affect the business and financial condition of FPL.

FPL is subject to employee workforce factors, including loss or retirement of key executives, availability of qualified personnel, collective bargaining agreements with union employees or work stoppage that could affect the business and financial condition of FPL.

FPL

FPL was incorporated under the laws of Florida in 1925 and is engaged in the generation, transmission, distribution and sale of electric energy. FPL supplies electric service throughout most of the east and lower west coasts of the State of Florida, serving a population of nearly 8 million. At December 31, 2002, FPL served approximately 4.0 million customer accounts. FPL Group, Inc. owns all of FPL's common stock. FPL Group is a public utility holding company, as defined in the Public Utility Holding Company Act of 1935. FPL Group is exempt from substantially all of the provisions of the Public Utility Holding Company Act of 1935 on the basis that FPL Group's and FPL's businesses are predominantly intrastate in character.

USE OF PROCEEDS

Unless otherwise stated in a prospectus supplement, FPL will add the net proceeds from the sale of these securities to its general funds. FPL uses its general funds for corporate purposes, including to repay, redeem or purchase outstanding debt and preferred stock, to repay short-term borrowings and to finance the acquisition or construction of additional electric facilities. FPL will temporarily invest any proceeds that it does not need to use immediately in short-term instruments.

RATIO OF EARNINGS TO FIXED CHARGES

The following table shows FPL's ratio of earnings to fixed charges for each of its last five fiscal years:

Years Ended December 31,				
2002	2001	2000	1999	1998
7.47	6.44	6.02	6.26	5.69

WHERE YOU CAN FIND MORE INFORMATION

FPL files annual, quarterly and other reports and other information with the SEC. You can read and copy any information filed by FPL with the SEC at the SEC's Public Reference Room at 450 Fifth Street, N.W., Washington, D.C. 20549. You can obtain additional information about the Public Reference Room by calling the SEC at 1-800-SEC-0330.

In addition, the SEC maintains an Internet site (http://www.sec.gov) that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC, including FPL. FPL also maintains an Internet site (http://www.fpl.com).

INCORPORATION BY REFERENCE

The SEC allows FPL to "incorporate by reference" the information that FPL files with the SEC, which means that FPL may, in this prospectus, disclose important information to you by referring you to those documents. The information incorporated by reference is an important part of this prospectus. Information that FPL files in the future with the SEC will automatically update and supersede this information. FPL is incorporating by reference the document listed below and any future filings FPL makes with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934 between the date of this prospectus until FPL sells all of these securities:

(1) FPL's Annual Report on Form 10-K for the year ended December 31, 2002.

You may request a copy of these documents, at no cost to you, by writing or calling Robert J. Reger, Jr., Esq., Thelen Reid & Priest LLP, 875 Third Avenue, New York, New York, 10022, (212) 603-2000. FPL will provide to each person, including any beneficial owner, to whom this prospectus is delivered, a copy of any or all of the information that has been incorporated by reference in this prospectus but not delivered with this prospectus.

CAUTIONARY STATEMENTS

In connection with the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, FPL is hereby filing cautionary statements identifying important factors that could cause FPL's actual results to differ materially from those projected in forward-looking statements (as such term is defined in the Private Securities Litigation Reform Act of 1995) made by or on behalf of FPL in this prospectus or any supplement to this prospectus, 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," "target," "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 specific factors discussed in "Risk Factors" herein and in the reports that are incorporated herein by reference (in addition to any assumptions and other factors referred to specifically in connection with such forward-looking statements) that could cause FPL's actual results to differ materially from those contained in forward-looking statements made by or on behalf of FPL.

Any forward-looking statement speaks only as of the date on which that statement is made, and FPL undertakes no obligation to update any forward-looking statement to reflect events or circumstances after the date on which that 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 those factors, nor can it assess the impact of each of those factors 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.

The issues and associated risks and uncertainties discussed in "Risk Factors" herein and in the reports that are incorporated by reference herein are not the only ones FPL may face. Additional issues may arise or become material as the energy industry evolves. The risks and uncertainties associated with those additional issues could impair FPL's business in the future.

DESCRIPTION OF THE BONDS

General. FPL will issue these securities, in one or more series, under its Mortgage and Deed of Trust dated as of January 1, 1944, with Deutsche Bank Trust Company Americas, as Trustee, which has been amended and supplemented in the past and which will be supplemented again by one or more supplemental indentures relating to these securities. This Mortgage and Deed of Trust, as amended and supplemented, is referred to in this prospectus as the "Mortgage." These securities are referred to in this prospectus as the "Bonds." All first mortgage bonds issued or to be issued under the Mortgage, including the Bonds, are referred to herein as "First Mortgage Bonds."

This section briefly summarizes some of the terms of the Bonds and some of the provisions of the Mortgage and uses some terms that are not defined in this prospectus but that are defined in the Mortgage. This summary is not complete. You should read this summary together with the Mortgage and the supplemental indenture establishing the Bonds for a complete understanding of all the provisions. The Mortgage and the form of supplemental indenture have been previously filed with the SEC, and are exhibits to the registration statement filed with the SEC of which this prospectus is a part. In addition, the Mortgage is qualified as an indenture under the Trust Indenture Act of 1939 and is therefore subject to the provisions of the Trust Indenture Act of 1939. You should read the Trust Indenture Act of 1939 for a complete understanding of its provisions.

Each series of Bonds may have different terms. FPL will include some or all of the following information about a specific series of Bonds in the prospectus supplement relating to those Bonds:

(1) the designation and series of those Bonds,

(2) the aggregate principal amount of those Bonds,

(3) the offering price of those Bonds,

(4) the date(s) on which those Bonds will mature,

(5) the interest rate(s) for those Bonds, or how the interest rate(s) will be determined,

(6) the dates on which FPL will pay the interest on those Bonds,

(7) the denominations in which FPL may issue those Bonds, if other than denominations of $1,000 or multiples of $1,000,

(8) the place where the principal of and interest on those Bonds will be payable, if other than at Deutsche Bank Trust Company Americas in New York City,

(9) the currency or currencies in which payment of the principal of and interest on those Bonds may be made, if other than U.S. dollars,

(10) the terms pursuant to which FPL may redeem any of those Bonds,

(11) whether all or a portion of those Bonds will be in global form, and

(12) any other terms or provisions relating to those Bonds that are not inconsistent with the provisions of the Mortgage.

FPL will issue the Bonds in fully registered form without coupons, unless otherwise stated in a prospectus supplement. A holder of Bonds may exchange those Bonds, without charge, for an equal aggregate principal amount of Bonds of the same series, having the same issue date and with identical terms and provisions, unless otherwise stated in a prospectus supplement. A holder of Bonds may transfer those Bonds without cost to the holder, other than for applicable stamp taxes or other governmental charges, unless otherwise stated in a prospectus supplement. FPL may issue all or some of the Bonds in "book-entry" form, which means that they will be represented by global notes, instead of certificates. If FPL issues global notes representing any Bonds, then a depository selected by FPL will keep a record of the beneficial interests in those global notes and record any transfers of those beneficial interests and the depository, or its custodian, will hold those global notes. Any additional requirements as to the form and method of exchange of Bonds will be described in a prospectus supplement.

Special Provisions for Retirement of Bonds. If, during any 12 month period, any governmental body orders FPL to dispose of mortgaged property, or buys mortgaged property from FPL, and FPL receives $10 million or more from the sale or disposition, then, in most cases, FPL must use that money to redeem First Mortgage Bonds.

If this occurs, FPL may redeem First Mortgage Bonds of any series that are redeemable at the redemption prices applicable to those First Mortgage Bonds. If any Bonds are redeemable, the redemption prices applicable to those Bonds will be set forth in a prospectus supplement.

Security. The Mortgage secures the Bonds as well as all other First Mortgage Bonds already issued under the Mortgage and still outstanding. FPL may issue more First Mortgage Bonds in the future and those First Mortgage Bonds will also be secured by the Mortgage. The Mortgage constitutes a first mortgage lien on all of the properties and franchises that FPL owns, except as discussed below.

The lien of the Mortgage is or may be subject to the following:

(1) leases of minor portions of FPL's property to others for uses that do not interfere with FPL's business,

(2) leases of certain property that is not used in FPL's electric business,

(3) Excepted Encumbrances, which include certain tax and real estate liens, and specified rights, easements, restrictions and other obligations, and

(4) vendors' liens, purchase money mortgages and liens on property that already exist at the time FPL acquires that property.

The Mortgage does not create a lien on the following "excepted property":

(1) cash and securities,

(2) certain equipment, materials or supplies and fuel (including nuclear fuel unless it is expressly subjected to the lien of the Mortgage),

(3) automobiles and other vehicles,

(4) receivables, contracts, leases and operating agreements,

(5) materials or products, including electric energy, that FPL generates, produces or purchases for sale or use by FPL, and

(6) timber, minerals, mineral rights and royalties.

The Mortgage will generally also create a lien on property that FPL acquires after the date of this prospectus, other than "excepted property". However, if FPL consolidates or merges with, or sells substantially all of its assets to, another corporation, the lien created by the Mortgage will generally not cover the property of the successor company, other than the property that it acquires from FPL and improvements, replacements and additions to that property.

The Mortgage provides that the Trustee has a lien on the mortgaged property for the payment of its reasonable compensation and expenses and for indemnity against certain liabilities. This lien takes priority over the lien securing the Bonds.

Issuance of Additional Bonds. FPL may issue an unlimited amount of First Mortgage Bonds under the Mortgage so long as it meets the issuance tests set forth in the Mortgage, which are generally described below. FPL may issue Bonds from time to time in an amount equal to:

(1) 60% of unfunded Property Additions after adjustments to offset retirements,

(2) the amount of retired First Mortgage Bonds or Qualified Lien Bonds, and

(3) the amount of cash that FPL deposits with the Trustee.

Property Additions generally include the following:

(1) plants, lines, pipes, mains, cables, machinery, boilers, transmission lines, pipe lines, distribution systems, service systems and supply systems,

(2) nuclear fuel that has been expressly subjected to the lien of the Mortgage,

(3) railroad cars, barges and other transportation equipment (other than trucks) for the transportation of fuel, and

(4) other property, real or personal, and improvements, extensions, additions, renewals or replacements located within the United States of America or its coastal waters.

FPL may use any property of the type described in (1) through (4) above as Property Additions whether or not that property is in operation and prior to obtaining permits or licenses relating to that property. Securities, fuel (including nuclear fuel unless expressly subjected to the lien of the Mortgage), automobiles or other vehicles, or property used principally for the production or gathering of natural gas will not qualify as Property Additions. The Mortgage contains restrictions on the issuance of First Mortgage Bonds based on Property Additions that are subject to other liens and upon the increase of the amount of those liens.

In most cases, FPL may not issue Bonds unless it meets the "net earnings" test set forth in the Mortgage, which requires, generally, that FPL's adjusted net earnings (before income taxes) for 12 consecutive months out of the 15 months preceding the issuance must have been either:

(1) at least twice the annual interest requirements on all First Mortgage Bonds at the time outstanding, including the Bonds that FPL proposes to issue at the time, and all indebtedness of FPL that ranks prior or equal to the First Mortgage Bonds, or

(2) at least 10% of the principal amount of all First Mortgage Bonds at the time outstanding, including the Bonds that FPL proposes to issue at the time, and all indebtedness of FPL that ranks prior or equal to the First Mortgage Bonds.

The Mortgage requires FPL to replace obsolete or worn out property and specifies certain deductions to FPL's adjusted net earnings for property repairs, retirement, additions and maintenance. With certain exceptions, FPL does not need to meet the "net earnings" test to issue Bonds if the issuance is based on retired First Mortgage Bonds or Qualified Lien Bonds.

As of December 31, 2002, FPL could issue under the Mortgage approximately $5.5 billion of additional First Mortgage Bonds based on unfunded Property Additions and $5.4 billion of additional First Mortgage Bonds based on retired First Mortgage Bonds.

Release and Substitution of Property. FPL may release property from the lien of the Mortgage if it does any of the following in an aggregate amount equal to the fair value of the property to be released:

(1) deposits with the Trustee, cash or, to a limited extent, purchase money mortgages,

(2) uses unfunded Property Additions acquired by FPL in the last five years, or

(3) waives its right to issue First Mortgage Bonds

in each case without satisfying any net earnings requirement.

If FPL deposits cash so that it may release property from the lien of the Mortgage or so that it may issue additional First Mortgage Bonds, it may withdraw that cash if it uses unfunded Property Additions or waives its right to issue First Mortgage Bonds without satisfying any net earnings requirement in an amount equal to the cash that FPL seeks to withdraw.

When property released from the lien of the Mortgage is not Funded Property, then, if FPL acquires new Property Additions within two years:

(1) Property Additions used for the release of that property will not (subject to some exceptions) be considered Funded Property, and

(2) any waiver by FPL of its right to issue First Mortgage Bonds, which is used for the release of that property, will cease to be an effective waiver and FPL will regain the right to issue those First Mortgage Bonds.

The Mortgage contains provisions relating to cash proceeds of property that is not Funded Property that are similar to the provisions relating to release of that property. The Mortgage contains special provisions relating to pledged Qualified Lien Bonds and the disposition of money received on those Qualified Lien Bonds.

FPL does not need a release from the Mortgage in order to use its nuclear fuel even if that nuclear fuel has been expressly subjected to the lien and operation of the Mortgage.

Dividend Restrictions. In some cases, the Mortgage restricts the amount of retained earnings that FPL can use to pay cash dividends on its common stock. The restricted amount may change depending on factors set out in the Mortgage. Other than this restriction on the payment of common stock dividends, the Mortgage does not restrict FPL's use of retained earnings. As of December 31, 2002, no retained earnings were restricted by these provisions of the Mortgage.

Modification of the Mortgage. Generally the rights of all of the holders of First Mortgage Bonds may be modified with the consent of the holders of 66-2/3% of the principal amount of all of the outstanding First Mortgage Bonds. However, if less than all series of First Mortgage Bonds are affected by a modification, that modification also requires the consent of the holders of 66-2/3% of the principal amount of all of the outstanding First Mortgage Bonds of each series affected.

FPL has reserved the right to amend the Mortgage without the consent of the holders of any series of First Mortgage Bonds created after April 30, 1992 (including the Bonds) to permit modification of the Mortgage generally with the consent of the holders of only a majority of the First Mortgage Bonds affected by the modification.

In most cases, the following modifications will not be effective against any holder of First Mortgage Bonds affected by the modification unless that holder consents:

(1) modification of the terms of payment of principal and interest payable to that holder,

(2) modification creating an equal or prior lien on the mortgaged property or depriving that holder of the benefit of the lien of the Mortgage, and

(3) modification reducing the percentage vote required for modification (except as described above).

Default and Notice Thereof. The following are defaults under the Mortgage:

(1) failure to pay the principal of any First Mortgage Bond,

(2) failure to pay interest on any First Mortgage Bond for 60 days after that interest is due,

(3) failure to pay principal of or interest on any Qualified Lien Bond beyond any applicable grace period for the payment of that principal or interest,

(4) failure to pay any installments of funds for retirement of First Mortgage Bonds for 60 days after that installment is due,

(5) certain events in bankruptcy, insolvency or reorganization, and

(6) the expiration of 90 days following notice by the Trustee or the holders of 15% of the First Mortgage Bonds relating to other covenants of FPL.

Except in the case of failure to pay principal, interest or any installment for retirement of First Mortgage Bonds, the Trustee may withhold notice of default if it believes that withholding the notice is in the interests of the holders of First Mortgage Bonds.

Holders of 25% of the First Mortgage Bonds may declare the principal and the interest due on default. A majority of the holders of First Mortgage Bonds may annul that declaration if the default has been cured. No holder of First Mortgage Bonds may enforce the lien of the Mortgage unless the following things have occurred:

(1) the holder has given the Trustee written notice of a default,

(2) the holders of 25% of the First Mortgage Bonds have requested the Trustee to act and offered it reasonable opportunity to act and indemnity satisfactory to the Trustee for the costs, expenses and liabilities that the Trustee may incur by acting, and

(3) the Trustee has failed to act.

Notwithstanding the foregoing, a holder of First Mortgage Bonds has the right to sue FPL if FPL fails to pay, when due, interest or principal on those First Mortgage Bonds, unless that holder gives up that right.

The Trustee is not required to risk its funds or incur personal liability if there is reasonable ground for believing that the repayment is not reasonably assured. The holders of a majority of the First Mortgage Bonds may direct the time, method, and place of conducting any proceedings for any remedy available to the Trustee, or exercising any of the Trustee's powers.

Satisfaction and Discharge of Mortgage. The Mortgage may be satisfied and discharged if and when FPL provides for the payment of all of the First Mortgage Bonds and all other sums due under the Mortgage.

Evidence to be Furnished to the Trustee. FPL furnishes written statements of FPL's officers, or persons selected or paid by FPL, annually (and when certain events occur) to the Trustee to show that FPL is in compliance with Mortgage provisions and that there are no defaults under the Mortgage. In some cases, these written statements must be provided by an independent accountant, appraiser, engineer or counsel.

Concerning the Trustee. In the regular course of business, FPL may obtain short-term funds from several banks, including Deutsche Bank Trust Company Americas.

PLAN OF DISTRIBUTION

FPL may sell the Bonds:

(1) through underwriters or dealers,

(2) through agents, or

(3) directly to one or more purchasers.

Through Underwriters or Dealers. If FPL uses underwriters in the sale of the Bonds, the underwriters will acquire the Bonds for their own account. The underwriters may resell the Bonds in one or more transactions, including negotiated transactions, at a fixed public offering price or at varying prices determined at the time of sale. The underwriters may sell the Bonds directly or through underwriting syndicates represented by managing underwriters. Unless otherwise stated in the prospectus supplement relating to the Bonds, the obligations of the underwriters to purchase those Bonds will be subject to certain conditions, and the underwriters will be obligated to purchase all of those Bonds if they purchase any of them. If FPL uses a dealer in the sale, FPL will sell the Bonds to the dealer as principal. The dealer may then resell those Bonds at varying prices determined at the time of resale.

Any initial public offering price and any discounts or concessions allowed or reallowed or paid to dealers may be changed from time to time.

Through Agents. FPL may designate one or more agents to sell the Bonds. Unless otherwise stated in a prospectus supplement, the agents will agree to use their best efforts to solicit purchases for the period of their appointment.

Directly. FPL may sell the Bonds directly to one or more purchasers. In this case, no underwriters, dealers or agents would be involved.

General Information. A prospectus supplement will state the name of any underwriter, dealer or agent and the amount of any compensation, underwriting discounts or concessions paid, allowed or reallowed to them. A prospectus supplement will also state the proceeds to FPL from the sale of the Bonds, any initial public offering price and other terms of the offering of those Bonds.

FPL may authorize underwriters, dealers or agents to solicit offers by certain institutions to purchase the Bonds from FPL at the public offering price and on the terms described in the related prospectus supplement pursuant to delayed delivery contracts providing for payment and delivery on a specified date in the future.

FPL may have agreements to indemnify underwriters, dealers and agents against, or to contribute to payments which the underwriters, dealers and agents may be required to make in respect of, certain civil liabilities, including liabilities under the Securities Act of 1933.

EXPERTS

The consolidated financial statements incorporated by reference in this prospectus from FPL's Annual Report on Form 10-K have been audited by Deloitte & Touche LLP, independent auditors, as stated in their report, which is incorporated by reference herein, and have been so incorporated in reliance upon the report of such firm given upon their authority as experts in accounting and auditing.

LEGAL OPINIONS

Steel Hector & Davis LLP, Miami, Florida, and Thelen Reid & Priest LLP, New York, New York, co-counsel to FPL, will pass upon the legality of the Bonds for FPL. Hunton & Williams, New York, New York, will pass upon the legality of the Bonds for any underwriter, dealer or agent. Thelen Reid & Priest LLP and Hunton & Williams may rely as to all matters of Florida law upon the opinion of Steel Hector & Davis LLP. Steel Hector & Davis LLP may rely as to all matters of New York law upon the opinion of Thelen Reid & Priest LLP.

You should rely only on the information incorporated by reference or provided in this prospectus or any prospectus supplement. FPL has not authorized anyone else to provide you with additional or different information. FPL is not making an offer of these securities in any jurisdiction where the offer is not permitted. You should not assume that the information in this prospectus or any prospectus supplement is accurate as of any date other than the date on the front of those documents or that the information incorporated by reference is accurate as of any date other than the date of the document incorporated by reference.

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Florida Power & Light Company

First Mortgage Bonds,
$240,000,000 5.65% Series due February 1, 2035



PROSPECTUS SUPPLEMENT
January 26, 2004

Joint Book-Running Managers

Banc of America Securities LLC **JPMorgan**

Co-Managers

ABN AMRO Incorporated
Banc One Capital Markets, Inc.
Lazard
McDonald Investments Inc.
The Royal Bank of Scotland
Scotia Capital

FLORIDA POWER & LIGHT COMPANY

REPORT OF CONSUMMATION

DOCKET NO. 031000-EI

EXHIBIT (c)-1B

FLORIDA POWER & LIGHT COMPANY

$100 Par Preferred Stock, Series V

PURCHASE AGREEMENT

January 20, 2004

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

Ladies and Gentlemen:

Florida Power & Light Company, a Florida corporation ("FPL"), proposes to issue and sell the number of shares of its Preferred Stock, $100 par value, with the terms specified in Schedule I hereto (the "Shares"), having the designation, rights, preferences, and limitations as set forth in the Articles of Amendment to the Restated Articles of Incorporation of FPL, in substantially the form and substance attached hereto as Schedule IV, and hereby confirms its agreements with FPL Group, Inc., a Florida corporation ("FPL Group"), as set forth herein.

1. Representations and Warranties of FPL. FPL represents and warrants to FPL Group as follows:

(a) The execution and delivery of this agreement, the consummation of the transactions herein contemplated and the fulfillment of the terms hereof on the part of FPL to be fulfilled have been duly authorized by all necessary corporate action of FPL in accordance with the provisions of its Restated Articles of Incorporation, as amended (the "Charter"), its by-laws and applicable law.

(b) The execution and delivery of this agreement, the consummation of the transactions herein contemplated, the fulfillment of the terms hereof and the sale by FPL to FPL Group of the Shares for the consideration specified herein upon the terms and conditions in this agreement will not result in a breach of any of the terms or provisions of, or constitute a default under, FPL's Charter or by-laws, or any indenture, mortgage, deed of trust or other agreement or instrument to which FPL is now a party, or violate any law or any order, rule, decree or regulation applicable to FPL of any Federal or state court, regulatory board or body or administrative agency having jurisdiction over FPL or any of its property, except where such breach, default or violation would not adversely affect FPL's obligations hereunder or with respect to the Shares.

(c) The Shares when delivered to FPL Group pursuant to this agreement will be duly authorized and validly issued, fully paid and non-assessable.

(d) FPL has not, directly or indirectly, solicited any offer to buy or offered to sell, and will not, directly or indirectly, solicit any offer to buy or offer to sell, in the United States or to any United States citizen or resident, any security which is or would be integrated with the sale of the Shares in a manner that would require the Shares to be registered under the Securities Act of 1933, as amended ("Securities Act").

(e) None of FPL, its affiliates, as such term is defined in Rule 501(b) promulgated under the Securities Act ("Affiliates"), or any person acting on its or any of their behalf has engaged or will engage, in connection with the offering of the Shares, in any form of general solicitation or general advertising within the meaning of Rule 502(c) promulgated under the Securities Act.

2. Purchase and Sale.

(a) On the basis of the representations and warranties herein contained, and subject to the terms and conditions in this agreement, FPL agrees to sell to FPL Group, and FPL Group agrees to purchase from FPL the number of shares set forth in Schedule I hereto at the purchase price set forth in Schedule I hereto.

(b) The Shares will be offered and sold to FPL Group pursuant to one or more exemptions from the registration requirements under the Securities Act. Upon original issuance thereof, and until such time as the same is no longer required pursuant to the securities laws, the Shares shall bear the following legend:

> "The securities represented by this certificate may not be sold, transferred, pledged, hypothecated or otherwise disposed of in the absence of (i) an effective registration statement for the securities under the Securities Act of 1933, (ii) compliance with Rule 144 under said Act or (iii) an opinion of counsel satisfactory to the issuer that such registration is not required."

3. Time and Place of Closing. Delivery of the Shares and payment therefor shall be made in such manner as may be agreed upon by FPL Group and FPL and shall be made at the time, date and place set forth on Schedule I hereto, or at such other time, date or place as shall be agreed upon in writing by FPL Group and FPL. The time and date of such delivery and payment are herein called the "Closing Date."

4. Representations and Warranties of FPL Group. FPL Group represents and warrants to FPL as follows:

(a) FPL Group is an "accredited investor" as such term is defined in Rule 501(a) of Regulation D promulgated under the Securities Act, with such knowledge and experience in financial and business matters as is necessary in order to evaluate the merits and risks of an investment in the Shares. FPL Group is the owner of all the outstanding shares of common stock, without par value, of FPL.

(b) FPL Group is not acquiring the Shares with a view to any distribution (as such term is used under the Securities Act) thereof or with any present intention of

offering or selling any of the Shares in a transaction that would violate the Securities Act or the securities laws of any state of the United States or any other applicable jurisdiction.

(c) The execution and delivery of this agreement, the consummation of the transactions herein contemplated and the fulfillment of the terms hereof on the part of FPL Group to be fulfilled have been duly authorized by all necessary corporate action of FPL Group in accordance with the provisions of its Restated Articles of Incorporation, as amended, its by-laws and applicable law.

(d) The execution and delivery of this agreement, the consummation of the transactions herein contemplated, the fulfillment of the terms hereof and the purchase by FPL Group from FPL of the Shares for the consideration specified herein upon the terms and conditions herein will not result in a breach of any of the terms or provisions of, or constitute a default under, FPL Group's Restated Articles of Incorporation, as amended, or by-laws, or any indenture, mortgage, deed of trust or other agreement or instrument to which FPL Group is now a party, or violate any law or any order, rule, decree or regulation applicable to FPL Group of any Federal or state court, regulatory board or body or administrative agency having jurisdiction over FPL Group or any of its property, except where such breach, default or violation would not adversely affect FPL Group's obligations hereunder.

5. Covenants of FPL. FPL agrees that:

(a) FPL will pay or cause to be paid all expenses in connection with the issuance and delivery of the Shares as provided in Section 3 hereof, including taxes, if any (but not including any transfer taxes), on the issuance of the Shares.

(b) FPL will furnish such proper information as may be lawfully required and otherwise cooperate in qualifying the Shares for offer and sale, or exemption therefrom, under the blue sky laws of the State of Florida and will pay filing fees and expenses in connection with such qualification or exemption, in the aggregate not exceeding $5,000, provided that FPL shall not be required to qualify as a foreign corporation or dealer in securities, or to file any consents to service of process under the laws of any jurisdiction, or to meet other requirements deemed by FPL to be unduly burdensome.

(c) FPL will use its best efforts to deliver, in appropriate form for filing, to the Department of State of the State of Florida on or before, and effective as of, the Closing Date the articles of amendment to its Charter required by Section 607.0602, Florida Statutes, which are effective to establish and designate the Shares and determine their relative rights, preferences and limitations, and will use its best efforts to have such amendment accepted for filing by such Department of State.

(d) FPL will use its best efforts promptly to do and perform all things to be done and performed by it hereunder prior to the Closing Date and to satisfy all conditions precedent to the delivery by it of the Shares.

6. Conditions of FPL Group's Obligations. FPL Group's obligation to purchase and pay for the Shares shall be subject to the accuracy of, and compliance with, the representations and warranties of FPL contained herein on the Closing Date and to the following conditions:

(a) On the Closing Date, there shall be in full force and effect an authorization of the Florida Public Service Commission with respect to the issuance and sale of the Shares on the terms herein stated or contemplated, and containing no provision unacceptable to FPL Group by reason of the fact that it is materially adverse to FPL, it being understood that no authorization provided to FPL Group and in effect at the date of this agreement contains any such unacceptable provision.

(b) On the Closing Date, FPL Group shall have received from Steel Hector & Davis LLP, counsel to FPL, and Thelen Reid & Priest LLP, co-counsel to FPL, opinions in substantially the form and substance prescribed in Schedules II and III hereto.

In case any of the conditions specified above in this Section 6 shall not have been fulfilled at the Closing Date, this agreement may be terminated by FPL Group, upon mailing or delivering written notice thereof to FPL. Any such termination shall be without liability of any party to any other party.

7. Conditions of FPL's Obligations. The obligation of FPL to deliver and sell the Shares shall be subject to the accuracy of, and compliance with, the representations and warranties of FPL Group contained herein on the Closing Date, to the performance by FPL Group of its obligations to be performed hereunder on or prior to the Closing Date and to the following conditions:

(a) On the Closing Date, there shall be in full force and effect an authorization of the Florida Public Service Commission with respect to the issuance and sale of the Shares on the terms herein stated or contemplated, and containing no provision unacceptable to FPL by reason of the fact that it is materially adverse to FPL, it being understood that no authorization in effect at the date of this agreement contains any such unacceptable provision.

(b) On or before the Closing Date, the Department of State of the State of Florida shall have accepted for filing and filed the articles of amendment described in Section 5(c) hereof.

In case any of the conditions specified above in this Section 7 shall not have been fulfilled at the Closing Date, this agreement may be terminated by FPL, upon mailing or delivering written notice thereof to FPL Group. Any such termination shall be without liability of any party to any other party.

8. Termination. FPL Group may terminate this agreement by delivering written notice thereof to FPL, at any time prior to the Closing Date. Any termination of this agreement pursuant to this Section 8 shall be without liability of any party to any other party.

9. Miscellaneous. The validity and interpretation of this agreement shall be governed by the law of the State of New York without regard to conflict of laws principles

thereunder. This agreement shall inure to the benefit of FPL and FPL Group, and their respective successors. Nothing in this agreement is intended or shall be construed to give to any other person, firm or corporation any legal or equitable right, remedy or claim under or in respect of this agreement or any provision herein contained. The term "successors" as used in this agreement shall not include any purchaser, as such purchaser, of any Shares from FPL Group.

10. Notices. All communications hereunder shall be in writing or by telegram and, if to FPL Group, shall be mailed or delivered to FPL Group at the address set forth above, or if to FPL, shall be mailed or delivered to it at 700 Universe Boulevard, Juno Beach, Florida 33408, Attention: Treasurer.

If the foregoing correctly sets forth our understanding, please indicate your acceptance thereof in the space provided below for that purpose, whereupon this letter and your acceptance shall constitute a binding agreement between us.

Very truly yours,

Florida Power & Light Company

By: _____
Name: Paul I. Cutler
Title: Treasurer and Assistant Secretary

Accepted and delivered as of
the date first above written:

FPL Group, Inc.

By: _____
Name: Paul I. Cutler
Title: Treasurer and Assistant Secretary

SCHEDULE I

Shares:

Designation:	4 1/2% Preferred Stock, Series V
Number of Shares:	200,000 shares
Dividend Rate:	4 1/2%
Purchase Price Per Share:	$100.00
Closing Date, Time and Location:	January 20, 2004 at the offices of Florida Power & Light Company, 700 Universe Boulevard, Juno Beach, Florida 33408 at 10:00 A.M. .

SCHEDULE II

[LETTERHEAD OF STEEL HECTOR & DAVIS LLP]

January 20, 2004

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

Ladies and Gentlemen:

We have acted as counsel for Florida Power & Light Company ("FPL") in connection with the issuance and sale of the 200,000 shares of FPL's 4 1/2% Preferred Stock, Series V, $100 par value ("Shares") to you in accordance with the Purchase Agreement dated January 20, 2004, between you and FPL (the "Agreement"). Capitalized terms used in this opinion but not defined shall have the meanings set forth in the Agreement.

We have participated in the preparation of or reviewed (1) the corporate proceedings of FPL with respect to the authorization, issuance and sale of the Shares; (2) FPL's Restated Articles of Incorporation, as amended to the date hereof (the "Charter"), and Bylaws, as amended to the date hereof (the "Bylaws"); (3) the Agreement; (4) the Articles of Amendment to the Charter with respect to the Shares, as filed with the Department of State of the State of Florida; (5) a specimen of the certificate representing the Shares; (6) FPL's Application to the Florida Public Service Commission ("FPSC") for the authorization of, among other things, the issuance and sale of equity securities in 2004, including the Shares; and (7) such other corporate records, certificates and other documents and such questions of law as we have considered necessary or appropriate for the purposes of this opinion (collectively, the "Documents").

Upon the basis of the foregoing, we advise you that:

I.

FPL is a validly organized and existing corporation and is in good standing under the laws of the State of Florida.

II.

The Shares have been duly authorized by FPL by all necessary corporate action and will, upon the issuance and sale thereof to you against payment of the consideration specified in the Agreement, be validly issued, fully paid and nonassessable.

III.

The consummation of the transactions contemplated in the Agreement and the fulfillment of the terms contained in the Agreement will not result in a breach of any of the terms or provisions of, or constitute a default under, the Charter or the Bylaws or any indenture, mortgage, deed of trust or other agreement or instrument the terms of which are known to us to which FPL is now a party, except where such breach or default would not have a material adverse effect on the business, properties or financial condition of FPL.

IV.

The Shares are being issued and sold pursuant to the authority contained in an order of the FPSC, which authority is adequate to permit the issuance and sale of the Shares. To the best of our knowledge, said authorization is still in full force and effect, and no further approval, authorization, consent or order of any public board or body (other than in connection or in compliance with the provisions of the blue sky laws of any jurisdiction as to which we express no opinion, and other than those which have been already obtained) is legally required for the authorization of the issuance and sale of the Shares.

V.

The Agreement has been duly and validly authorized by FPL by all necessary corporate action, and has been duly executed and delivered by FPL.

VI.

The holders of FPL's outstanding shares of Preferred Stock, par value of $100 per share, have no preemptive rights to subscribe for any of the Shares.

VII.

Assuming the accuracy of the representations and warranties, and compliance with the covenants, made by you and by FPL in the Agreement, the issuance, sale and delivery of the Shares in accordance with the Agreement do not require the registration of the Shares under the Securities Act of 1933, as amended.

In rendering the foregoing opinion, we have assumed that the certificates representing the Shares will conform to specimens examined by us, that the Shares will be duly countersigned by the transfer agent and duly registered by the registrar thereof and will be delivered against payment of the purchase price as provided in the Agreement and that the signatures on all documents examined by us are genuine, assumptions which we have not independently verified.

As used in the opinions expressed herein, the phrase "to the best of our knowledge" or "known to us" refers only to the actual current knowledge of those attorneys in our firm who have given substantive attention to FPL in connection with the transactions contemplated pursuant to the Agreement (the "Transaction") and does not (i) include constructive notice of matters or information, or (ii) imply that we have undertaken any independent investigation (a) with any persons outside our firm, or (b) as to the accuracy or completeness of any factual

representation or other information made or furnished in connection with the Transaction. Furthermore, such reference means only that we do not know of any fact or circumstance contradicting the statement that follows the reference, and does not imply that we know the statement to be correct or have any basis (other than the Documents) for that statement.

We are members of the Florida Bar and do not hold ourselves out as experts on the laws of New York, and accordingly, this opinion is limited to the laws of Florida and the federal laws of the United States insofar as they bear on matters covered hereby. As to all matters of New York law, we have relied, with your consent, upon an opinion of even date herewith addressed to you by Thelen Reid & Priest LLP, New York, New York. As to all matters of Florida law, Thelen Reid & Priest LLP is hereby authorized to rely upon this opinion as though it were rendered to Thelen Reid & Priest LLP.

This opinion is rendered to you in connection with the above-described transaction. This opinion may not be relied upon by you for any other purpose, or relied upon or furnished to any other person, firm or corporation without our prior written permission. This opinion is expressed as of the date hereof, and we do not assume any obligation to update or supplement it to reflect any fact or circumstance that hereafter comes to our attention, or any change in law that hereafter occurs.

Very truly yours,

STEEL HECTOR & DAVIS LLP

SCHEDULE III

[LETTERHEAD OF THELEN REID & PRIEST LLP]

January 20, 2004

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

Ladies and Gentlemen:

We have acted as special counsel for Florida Power & Light Company ("FPL") in connection with the issuance and sale of the 200,000 shares of FPL's 4 1/2% Preferred Stock, Series V, $100 par value ("Shares") to you in accordance with the Purchase Agreement dated January 20, 2004, between you and FPL (the "Agreement"). Capitalized terms used in this opinion but not defined shall have the meanings set forth in the Agreement.

We have participated in the preparation of or reviewed (1) the corporate proceedings of FPL with respect to the authorization, issuance and sale of the Shares; (2) FPL's Restated Articles of Incorporation, as amended to the date hereof (the "Charter"), and Bylaws, as amended to the date hereof (the "Bylaws"); (3) the Agreement; (4) the Articles of Amendment to the Charter with respect to the Shares, as filed with the Department of State of the State of Florida; (5) a specimen of the certificate representing the Shares; (6) FPL's Application to the Florida Public Service Commission ("FPSC") for the authorization of, among other things, the issuance and sale of equity securities in 2004, including the Shares; and (7) such other corporate records, certificates and other documents and such questions of law as we have considered necessary or appropriate for the purposes of this opinion (collectively, the "Documents").

Upon the basis of the foregoing, we advise you that:

I.

The Shares have been duly authorized by FPL by all necessary corporate action and will, upon the issuance and sale thereof to you against payment of the consideration specified in the Agreement, be validly issued, fully paid and nonassessable.

II.

The consummation of the transactions contemplated in the Agreement and the fulfillment of the terms contained in the Agreement will not result in a breach of any of the terms or provisions of, or constitute a default under, the Charter or the Bylaws or any indenture, mortgage, deed of trust or other agreement or instrument the terms of which are known to us to

which FPL is now a party, except where such breach or default would not have a material adverse effect on the business, properties or financial condition of FPL.

III.

The Shares are being issued and sold pursuant to the authority contained in an order of the FPSC, which authority is adequate to permit the issuance and sale of the Shares. To the best of our knowledge, said authorization is still in full force and effect, and no further approval, authorization, consent or order of any public board or body (other than in connection or in compliance with the provisions of the blue sky laws of any jurisdiction as to which we express no opinion, and other than those which have been already obtained) is legally required for the authorization of the issuance and sale of the Shares.

IV.

The Agreement has been duly and validly authorized by FPL by all necessary corporate action, and has been duly executed and delivered by FPL.

V.

The holders of FPL's outstanding shares of Preferred Stock, par value of $100 per share, have no preemptive rights to subscribe for any of the Shares.

VI.

Assuming the accuracy of the representations and warranties, and compliance with the covenants, made by you and by FPL in the Agreement, the issuance, sale and delivery of the Shares in accordance with the Agreement do not require the registration of the Shares under the Securities Act of 1933, as amended.

In rendering the foregoing opinion, we have assumed that the certificates representing the Shares will conform to specimens examined by us, that the Shares will be duly countersigned by the transfer agent and duly registered by the registrar thereof and will be delivered against payment of the purchase price as provided in the Agreement and that the signatures on all documents examined by us are genuine, assumptions which we have not independently verified.

As used in the opinions expressed herein, the phrase "to the best of our knowledge" or "known to us" refers only to the actual current knowledge of those attorneys in our firm who have given substantive attention to FPL in connection with the transactions contemplated pursuant to the Agreement (the "Transaction") and does not (i) include constructive notice of matters or information, or (ii) imply that we have undertaken any independent investigation (a) with any persons outside our firm, or (b) as to the accuracy or completeness of any factual representation or other information made or furnished in connection with the Transaction. Furthermore, such reference means only that we do not know of any fact or circumstance contradicting the statement that follows the reference, and does not imply that we know the statement to be correct or have any basis (other than the Documents) for that statement.

We are members of the New York Bar and do not hold ourselves out as experts on the laws of Florida. We do not pass upon matters governed by Florida law, including without limitation the incorporation of FPL, titles to property or franchises. As to all matters of Florida law, we have relied, with your consent, upon an opinion of even date herewith addressed to you by Steel Hector & Davis LLP, Miami, Florida. As to all matters of New York law, Steel Hector & Davis LLP is hereby authorized to rely upon this opinion as though it were rendered to Steel Hector & Davis LLP.

This opinion is rendered to you in connection with the above-described transaction. This opinion may not be relied upon by you for any other purpose, or relied upon or furnished to any other person, firm or corporation without our prior written permission. This opinion is expressed as of the date hereof, and we do not assume any obligation to update or supplement it to reflect any fact or circumstance that hereafter comes to our attention, or any change in law that hereafter occurs.

Very truly yours,

THELEN REID & PRIEST LLP

SCHEDULE IV

ARTICLES OF AMENDMENT
TO THE
RESTATED ARTICLES OF INCORPORATION
OF
FLORIDA POWER & LIGHT COMPANY

ARTICLES OF AMENDMENT
TO THE
RESTATED ARTICLES OF INCORPORATION
OF
FLORIDA POWER & LIGHT COMPANY

These Articles of Amendment to the Restated Articles of Incorporation, as amended, of Florida Power & Light Company were adopted by the Stock Issuance Committee of the Board of Directors of Florida Power & Light Company pursuant to the Florida Business Corporation Act, Sections 607.0602 and 607.0825, Florida Statutes, for the purpose of establishing and designating a series within a class of its shares before the issuance of any shares of that series and determining the preferences, limitations and relative rights of such series. No shareholder action was required in accordance with Section 607.0602.

1. The name of the corporation is Florida Power & Light Company.

2. The text of the amendment determining the terms of Series V of Florida Power & Light Company's Preferred Stock, $100 par value ("Preferred Stock"), is set forth below:

(a) The series of Preferred Stock established by this resolution is hereby designated "4 1/2% Preferred Stock, Series V."

(b) The 4 1/2% Preferred Stock, Series V, is hereby authorized to be issued in the amount of 200,000 shares.

(c) The dividend rate of the 4 1/2% Preferred Stock, Series V, shall be $4.50 per share per annum and no more, payable quarterly on March 1, June 1, September 1, and December 1, of each year, commencing on March 1, 2004, and dividends on the 200,000 shares of 4 1/2% Preferred Stock, Series V, shall commence to accrue from and after January 12, 2004, or such other date as the shares are actually issued.

(d) The Company, by a majority vote of its Board of Directors, may at any time, on and after the date of issuance of the shares of the 4 1/2% Preferred Stock, Series V, upon not less than 30 days' notice redeem all of the 4 1/2% Preferred Stock, Series V, or may from time to time, on and after the date of such issuance, redeem any part thereof by paying in cash a redemption price consisting of the sum of:

(i) $100.00 per share; and

(ii) an amount equivalent to the accrued and unpaid dividends, if any, to the date of redemption.

(e) The manner of effecting such redemption shall be that which is applicable to the Company's 4 1/2% Preferred Stock, Series A.

(f) The Company may deposit the aggregate redemption price (or the portion thereof not already paid) with any bank or trust company in the City of New York, New York or in the City of Miami, Florida or with Computershare Investor Services, LLC, Transfer Agent and Registrar for the 4 1/2% Preferred Stock, Series V (or any successor transfer agent) or an affiliate thereof.

(g) Except as above set forth, the 4 1/2% Preferred Stock, Series V, shall possess all of the characteristics of the Company's 4 1/2% Preferred Stock, Series A.

3. The above amendment was duly adopted by the Stock Issuance Committee of the Board of Directors of Florida Power & Light Company, pursuant to the due authorization of the Board of Directors, on December 11, 2003.

Dated: January 20, 2004

FLORIDA POWER & LIGHT COMPANY

By: _____
Paul I. Cutler
Treasurer and Assistant Secretary

FLORIDA POWER & LIGHT COMPANY

REPORT OF CONSUMMATION

DOCKET NO. 031000-EI

EXHIBIT (c)-1C





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, 2004**

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**	59-0247775
	700 Universe Boulevard Juno Beach, Florida 33408 (561) 694-4000	

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 ___

Indicate by check mark whether FPL Group, Inc. is an accelerated filer as defined in Rule 12b-2 of the Securities Exchange Act of 1934. Yes X No ___

Indicate by check mark whether Florida Power & Light Company is an accelerated filer as defined in Rule 12b-2 of the Securities Exchange Act of 1934. Yes ___ No X

APPLICABLE ONLY TO CORPORATE ISSUERS:

The number of shares outstanding of FPL Group, Inc. common stock, as of the latest practicable date: Common Stock, $0.01 par value, outstanding at March 31, 2004: 184,812,342 shares.

As of March 31, 2004, 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.

CAUTIONARY STATEMENTS AND RISK FACTORS THAT MAY AFFECT FUTURE RESULTS

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) are hereby filing cautionary statements identifying important factors that could cause FPL Group's or FPL'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 FPL Group and FPL 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, believe, could, estimated, may, plan, potential, projection, target, 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 (in addition to any assumptions and other factors referred to specifically in connection with such forward-looking statements) that could cause FPL Group's or FPL's actual results to differ materially from those contained in forward-looking statements made by or on behalf of FPL Group and FPL.

Any forward-looking statement speaks only as of the date on which such statement is made, and FPL Group and FPL undertake 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.

The following are some important factors that could have a significant impact on FPL Group's and FPL's operations and financial results, and could cause FPL Group's and FPL's actual results or outcomes to differ materially from those discussed in the forward-looking statements:

- FPL Group and FPL are subject to changes in laws or regulations, including the Public Utility Regulatory Policies Act of 1978, as amended (PURPA), and the Public Utility Holding Company Act of 1935, as amended (Holding Company Act), changing governmental policies and regulatory actions, including those of the Federal Energy Regulatory Commission (FERC), the Florida Public Service Commission (FPSC) and the utility commissions of other states in which FPL Group has operations, and the U.S. Nuclear Regulatory Commission (NRC), with respect to, among other things, allowed rates of return, industry and rate structure, operation of nuclear power facilities, operation and construction of plant facilities, operation and construction of transmission facilities, acquisition, disposal, depreciation and amortization of assets and facilities, recovery of fuel and purchased power costs, decommissioning costs, return on common equity and equity ratio limits, and present or prospective wholesale and retail competition (including but not limited to retail wheeling and transmission costs). The FPSC has the authority to disallow recovery by FPL of costs that it considers excessive or imprudently incurred.
- The regulatory process generally restricts FPL's ability to grow earnings and does not provide any assurance as to achievement of earnings levels.
- FPL Group and FPL are subject to extensive federal, state and local environmental statutes, rules and regulations relating to air quality, water quality, waste management, wildlife mortality, natural resources and health and safety that could, among other things, restrict or limit the output of certain facilities or the use of certain fuels required for the production of electricity and/or increase costs. There are significant capital, operating and other costs associated with compliance with these environmental statutes, rules and regulations, and those costs could be even more significant in the future.
- FPL Group and FPL operate in a changing market environment influenced by various legislative and regulatory initiatives regarding deregulation, regulation or restructuring of the energy industry, including deregulation of the production and sale of electricity. FPL Group and its subsidiaries will need to adapt to these changes and may face increasing competitive pressure.
- FPL Group's and FPL's results of operations could be affected by FPL's ability to renegotiate franchise agreements with municipalities and counties in Florida.
- The operation of power generation facilities involves many risks, including start up risks, breakdown or failure of equipment, transmission lines or pipelines, use of new technology, the dependence on a specific fuel source or the impact of unusual or adverse weather conditions (including natural disasters such as hurricanes), as well as the risk of performance below expected or contracted levels of output or efficiency. This could result in lost revenues and/or increased expenses. Insurance, warranties or performance guarantees may not cover any or all of the lost revenues or increased expenses, including the cost of replacement power. In addition to these risks, FPL Group's and FPL's nuclear units face certain risks that are unique to the nuclear industry including the ability to dispose of spent nuclear fuel, as well as additional regulatory actions up to and including shutdown of the units stemming from public safety concerns, whether at FPL Group's and FPL's plants, or at the plants of other nuclear operators. Breakdown or failure of an FPL Energy, LLC (FPL Energy) operating facility may prevent the facility from performing under applicable power sales agreements which, in certain situations, could result in termination of the agreement or incurring a liability for liquidated damages.

- FPL Group's and FPL's ability to successfully and timely complete their power generation facilities currently under construction, those projects yet to begin construction or capital improvements to existing facilities is contingent upon many variables and subject to substantial risks. Should any such efforts be unsuccessful, FPL Group and FPL could be subject to additional costs, termination payments under committed contracts, and/or the write-off of their investment in the project or improvement.

- FPL Group and FPL use derivative instruments, such as swaps, options, futures and forwards to manage their commodity and financial market risks, and to a lesser extent, engage in limited trading activities. FPL Group could recognize financial losses as a result of volatility in the market values of these contracts, or if a counterparty fails to perform. In the absence of actively quoted market prices and pricing information from external sources, the valuation of these derivative instruments involves management's judgment or use of estimates. As a result, changes in the underlying assumptions or use of alternative valuation methods could affect the reported fair value of these contracts. In addition, FPL's use of such instruments could be subject to prudency challenges and if found imprudent, cost recovery could be disallowed by the FPSC.

- There are other risks associated with FPL Group's non-rate regulated businesses, particularly FPL Energy. In addition to risks discussed elsewhere, risk factors specifically affecting FPL Energy's success in competitive wholesale markets include the ability to efficiently develop and operate generating assets, the successful and timely completion of project restructuring activities, maintenance of the qualifying facility status of certain projects, the price and supply of fuel, transmission constraints, competition from new sources of generation, excess generation capacity and demand for power. There can be significant volatility in market prices for fuel and electricity, and there are other financial, counterparty and market risks that are beyond the control of FPL Energy. FPL Energy's inability or failure to effectively hedge its assets or positions against changes in commodity prices, interest rates, counterparty credit risk or other risk measures could significantly impair its future financial results. In keeping with industry trends, a portion of FPL Energy's power generation facilities operate wholly or partially without long-term power purchase agreements. As a result, power from these facilities is sold on the spot market or on a short-term contractual basis, which may affect the volatility of FPL Group's financial results. In addition, FPL Energy's business depends upon transmission facilities owned and operated by others; if transmission is disrupted or capacity is inadequate or unavailable, FPL Energy's ability to sell and deliver its wholesale power may be limited.

- FPL Group is likely to encounter significant competition for acquisition opportunities that may become available as a result of the consolidation of the power industry. In addition, FPL Group may be unable to identify attractive acquisition opportunities at favorable prices and to successfully and timely complete and integrate them.

- FPL Group and FPL rely on access to capital markets as a significant source of liquidity for capital requirements not satisfied by operating cash flows. The inability of FPL Group and FPL to maintain their current credit ratings could affect their ability to raise capital on favorable terms, particularly during times of uncertainty in the capital markets, which, in turn, could impact FPL Group's and FPL's ability to grow their businesses and would likely increase interest costs.

- FPL Group's and FPL's results of operations can be affected by changes in the weather. Weather conditions directly influence the demand for electricity and natural gas and affect the price of energy commodities, and can affect the production of electricity at wind and hydro-powered facilities. In addition, severe weather can be destructive, causing outages and/or property damage, which could require additional costs to be incurred.

- FPL Group and FPL are subject to costs and other effects of legal and administrative proceedings, settlements, investigations and claims, as well as the effect of new, or changes in, tax rates or policies, rates of inflation, accounting standards, securities laws or corporate governance requirements.

- FPL Group and FPL are subject to direct and indirect effects of terrorist threats and activities. Generation and transmission facilities, in general, have been identified as potential targets. The effects of terrorist threats and activities include, among other things, terrorist actions or responses to such actions or threats, the inability to generate, purchase or transmit power, the risk of a significant slowdown in growth or a decline in the U.S. economy, delay in economic recovery in the United States, and the increased cost and adequacy of security and insurance.

- FPL Group's and FPL's ability to obtain insurance, and the cost of and coverage provided by such insurance, could be affected by national events as well as company-specific events.

- FPL Group and FPL are subject to employee workforce factors, including loss or retirement of key executives, availability of qualified personnel, collective bargaining agreements with union employees or work stoppage.

The issues and associated risks and uncertainties described above are not the only ones FPL Group and FPL may face. Additional issues may arise or become material as the energy industry evolves. The risks and uncertainties associated with these additional issues could impair FPL Group's and FPL's businesses in the future.

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,	
	2004	2003
OPERATING REVENUES	$2,331	$2,082
OPERATING EXPENSES		
Fuel, purchased power and interchange	1,159	944
Other operations and maintenance	398	393
Depreciation and amortization	301	259
Taxes other than income taxes	212	192
Total operating expenses	2,070	1,788
OPERATING INCOME	261	294
OTHER INCOME (DEDUCTIONS)		
Interest charges	(122)	(77)
Preferred stock dividends – FPL	-	(4)
Equity in earnings of equity method investees	15	34
Other – net	12	6
Total other deductions – net	(95)	(41)
INCOME BEFORE INCOME TAXES	166	253
INCOME TAXES	28	78
NET INCOME	$ 138	$ 175
Earnings per share of common stock:		
Basic	$ 0.78	$ 0.99
Assuming dilution	$ 0.77	$ 0.99
Dividends per share of common stock	$ 0.62	$ 0.60
Weighted-average number of common shares outstanding:		
Basic	178.4	176.8
Assuming dilution	179.6	177.1

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 for the fiscal year ended December 31, 2003 (2003 Form 10-K) for FPL Group and FPL.

FPL GROUP, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(millions)
(unaudited)

	March 31, 2004	December 31, 2003
PROPERTY, PLANT AND EQUIPMENT		
Electric utility plant in service and other property	$ 28,616	$ 28,445
Nuclear fuel	486	463
Construction work in progress	1,559	1,364
Less accumulated depreciation and amortization	(10,192)	(9,975)
Total property, plant and equipment – net	20,469	20,297
CURRENT ASSETS		
Cash and cash equivalents	232	129
Customer receivables, net of allowances of $22 and $25, respectively	774	809
Other receivables	233	379
Materials, supplies and fossil fuel inventory – at average cost	410	458
Deferred clause and franchise expenses	166	348
Derivative assets	273	188
Other	178	159
Total current assets	2,266	2,470
OTHER ASSETS		
Special use funds	2,335	2,248
Other investments	855	810
Regulatory assets:		
Unamortized loss on reacquired debt	48	48
Litigation settlement	78	89
Other	19	22
Other	1,008	951
Total other assets	4,343	4,168
TOTAL ASSETS	$ 27,078	$ 26,935
CAPITALIZATION		
Common stock	$ 2	$ 2
Additional paid-in capital	3,255	3,216
Retained earnings	3,773	3,745
Accumulated other comprehensive income (loss)	(19)	4
Total common shareholders' equity	7,011	6,967
Preferred stock of FPL without sinking fund requirements	5	5
Long-term debt	8,667	8,723
Total capitalization	15,683	15,695
CURRENT LIABILITIES		
Commercial paper	248	708
Notes payable	50	212
Current maturities of long-term debt	971	367
Accounts payable	566	542
Customers' deposits	371	357
Accrued interest and taxes	294	226
Deferred clause and franchise revenues	38	48
Derivative regulatory liability	146	93
Other	561	800
Total current liabilities	3,245	3,353
OTHER LIABILITIES AND DEFERRED CREDITS		
Asset retirement obligations	2,116	2,086
Accumulated deferred income taxes	2,188	2,155
Regulatory liabilities:		
Accrued asset removal costs	1,930	1,902
Storm and property insurance reserve	338	327
Asset retirement obligation regulatory expense difference	221	180
Unamortized investment tax credits	96	100
Other	139	160
Other	1,122	977
Total other liabilities and deferred credits	8,150	7,887
COMMITMENTS AND CONTINGENCIES		
TOTAL CAPITALIZATION AND LIABILITIES	$ 27,078	$ 26,935

This report should be read in conjunction with the Notes herein and the Notes to Consolidated Financial Statements appearing in the 2003 Form 10-K for FPL Group and FPL.

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

	Three Months Ended March 31,	
	2004	2003
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	$ 138	$ 175
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	290	248
Nuclear fuel amortization	24	-
Deferred income taxes and related regulatory credit	47	132
Cost recovery clauses and franchise fees	183	(171)
Equity in earnings of equity method investees	(15)	(34)
Distribution of earnings from equity method investees	1	8
Changes in operating assets and liabilities:		
Restricted cash	25	(16)
Customer receivables	34	(31)
Other receivables	26	(32)
Material, supplies and fossil fuel inventory	15	41
Other current assets	9	(33)
Deferred pension cost	(30)	(26)
Accounts payable	21	288
Customers' deposits	14	9
Interest, income taxes and other taxes	188	43
Other current liabilities	(103)	71
Other liabilities	3	(45)
Other – net	77	59
Net cash provided by operating activities	947	686
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures of FPL	(401)	(299)
Independent power investments	(120)	(302)
Nuclear fuel purchases	(22)	-
Capital expenditures of FPL FiberNet, LLC	(1)	(1)
Contributions to special use funds	(41)	(69)
Other – net	(45)	(17)
Net cash used in investing activities	(630)	(688)
CASH FLOWS FROM FINANCING ACTIVITIES		
Issuances of long-term debt	536	-
Retirements of long-term debt	(3)	-
Net change in short-term debt	(616)	167
Issuances of common stock	19	16
Dividends on common stock	(111)	(106)
Other – net	(39)	(9)
Net cash provided by (used in) financing activities	(214)	68
Net increase in cash and cash equivalents	103	66
Cash and cash equivalents at beginning of period	129	266
Cash and cash equivalents at end of period	$ 232	$ 332
SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES		
Additions to capital lease obligations	$ -	$ 14

This report should be read in conjunction with the Notes herein and the Notes to Consolidated Financial Statements appearing in the 2003 Form 10-K for FPL Group and FPL.

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

	Three Months Ended March 31,	
	2004	2003
OPERATING REVENUES	$ 1,942	$ 1,757
OPERATING EXPENSES		
Fuel, purchased power and interchange	1,024	810
Other operations and maintenance	296	301
Depreciation and amortization	231	218
Taxes other than income taxes	192	176
Total operating expenses	1,743	1,505
OPERATING INCOME	199	252
OTHER INCOME (DEDUCTIONS)		
Interest charges	(46)	(38)
Other – net	4	(1)
Total other deductions – net	(42)	(39)
INCOME BEFORE INCOME TAXES	157	213
INCOME TAXES	52	74
NET INCOME	105	139
PREFERRED STOCK DIVIDENDS		4
NET INCOME AVAILABLE TO FPL GROUP	$ 105	$ 135

This report should be read in conjunction with the Notes herein and the Notes to Consolidated Financial Statements appearing in the 2003 Form 10-K for FPL Group and FPL.

FLORIDA POWER & LIGHT COMPANY
CONDENSED CONSOLIDATED BALANCE SHEETS
(millions)
(unaudited)

	March 31, 2004	December 31, 2003
ELECTRIC UTILITY PLANT		
Plant in service	$ 21,550	$ 21,368
Nuclear fuel	403	380
Construction work in progress	874	741
Less accumulated depreciation and amortization	(9,384)	(9,237)
Electric utility plant – net	13,443	13,252
CURRENT ASSETS		
Cash and cash equivalents	41	4
Customer receivables, net of allowances of $8 and $11, respectively	556	636
Other receivables	95	151
Materials, supplies and fossil fuel inventory – at average cost	337	355
Deferred clause and franchise expenses	166	348
Derivative assets	174	130
Other	58	49
Total current assets	1,427	1,673
OTHER ASSETS		
Special use funds	2,054	1,974
Other investments	9	9
Regulatory assets:		
Unamortized loss on reacquired debt	48	48
Litigation settlement	78	89
Other	19	22
Other	779	750
Total other assets	2,987	2,892
TOTAL ASSETS	$ 17,857	$ 17,817
CAPITALIZATION		
Common stock	$ 1,373	$ 1,373
Additional paid-in capital	4,318	4,318
Retained earnings	327	313
Total common shareholder's equity	6,018	6,004
Preferred stock without sinking fund requirements	25	5
Long-term debt	3,311	3,074
Total capitalization	9,354	9,083
CURRENT LIABILITIES		
Commercial paper	238	630
Accounts payable	446	435
Customers' deposits	361	346
Accrued interest and taxes	202	160
Deferred clause and franchise revenues	38	48
Derivative regulatory liability	146	93
Other	270	423
Total current liabilities	1,701	2,135
OTHER LIABILITIES AND DEFERRED CREDITS		
Asset retirement obligations	1,934	1,908
Accumulated deferred income taxes	1,455	1,415
Regulatory liabilities:		
Accrued asset removal costs	1,930	1,902
Storm and property insurance reserve	338	327
Asset retirement obligation regulatory expense difference	221	180
Unamortized investment tax credits	96	100
Other	139	160
Other	689	607
Total other liabilities and deferred credits	6,802	6,599
COMMITMENTS AND CONTINGENCIES		
TOTAL CAPITALIZATION AND LIABILITIES	$ 17,857	$ 17,817

This report should be read in conjunction with the Notes herein and the Notes to Consolidated Financial Statements appearing in the 2003 Form 10-K for FPL Group and FPL.

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

	Three Months Ended March 31,	
	2004	2003
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	$ 105	$ 139
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	220	207
Nuclear fuel amortization	17	-
Deferred income taxes and related regulatory credit	34	117
Cost recovery clauses and franchise fees	183	(171)
Changes in operating assets and liabilities:		
Customer receivables	79	(4)
Other receivables	15	(49)
Material, supplies and fossil fuel inventory	18	32
Other current assets	(7)	(14)
Deferred pension cost	(25)	(25)
Accounts payable	9	247
Customers' deposits	15	9
Interest, income taxes and other taxes	83	-
Other current liabilities	(54)	(4)
Other liabilities	(21)	(28)
Other – net	52	54
Net cash provided by operating activities	723	510
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures	(401)	(299)
Nuclear fuel purchases	(22)	-
Contributions to special use funds	(37)	(65)
Other – net	1	-
Net cash used in investing activities	(459)	(364)
CASH FLOWS FROM FINANCING ACTIVITIES		
Issuances of long-term debt	236	-
Issuances of preferred stock	20	-
Net change in short-term debt	(392)	68
Dividends	(91)	(100)
Net cash used in financing activities	(227)	(32)
Net increase in cash and cash equivalents	37	114
Cash and cash equivalents at beginning of period	4	-
Cash and cash equivalents at end of period	$ 41	$ 114
SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES		
Additions to capital lease obligations	$ -	$ 14

This report should be read in conjunction with the Notes herein and the Notes to Consolidated Financial Statements appearing in the 2003 Form 10-K for FPL Group and FPL.

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 2003 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. Employee Retirement Benefits

FPL Group sponsors a noncontributory defined benefit pension plan for substantially all employees of FPL Group and its subsidiaries. In addition, FPL Group sponsors a substantially contributory postretirement plan for health care and life insurance benefits (other benefits) for retirees of FPL Group and its subsidiaries meeting certain eligibility requirements who elect participation at the time of retirement.

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

	Pension Benefits		Other Benefits	
	Three Months Ended March 31,		Three Months Ended March 31,	
	2004	2003	2004	2003
	(millions)			
Service cost	$ 13	$ 13	$ 2	$ 2
Interest cost	21	21	7	7
Expected return on plan assets	(52)	(50)	(1)	(1)
Amortization of transition (asset) obligation	(6)	(6)	1	1
Amortization of prior service benefit	(1)	(1)	-	-
Amortization of (gains) losses	(6)	(8)	1	1
Net periodic benefit (income) cost at FPL Group	$ (31)	$ (31)	$ 10	$ 10
Net periodic benefit (income) cost at FPL	$ (25)	$ (25)	$ 9	$ 9

During the three months ended March 31, 2004, FPL Group contributed $5 million to the other benefits plan, with a total of $24 million anticipated in calendar year 2004. FPL Group does not expect to make any contributions to the pension plan in calendar year 2004.

In December 2003, the Medicare Prescription Drug, Improvement and Modernization Act of 2003 (Act) was signed into law. The Act introduces a voluntary prescription drug benefit under Medicare as well as a federal subsidy to sponsors of retiree health care plans that provide at least an actuarially equivalent benefit. The Act became law after FPL Group's September 30, 2003 measurement date. As a result of this Act, in January 2004, the Financial Accounting Standards Board (FASB) issued Staff Position FAS 106-1, "Accounting and Disclosure Requirements Related to the Medicare Prescription Drug, Improvement and Modernization Act of 2003." Under Staff Position FAS 106-1, FPL Group has elected to defer recognizing the effects of the Act, pending authoritative guidance on the appropriate accounting treatment for the federal subsidy. Accordingly, the net periodic benefit cost does not reflect the effects of the Act on the other benefits plan, and could change when such authoritative guidance is issued.

2. Derivative Instruments

FPL Group and its subsidiaries segregate unrealized mark-to-market gains and losses on derivative transactions into two categories. The first category, referred to as trading and managed hedge activities, represents the net unrealized effect of actively traded positions entered into to take advantage of market price movements and to optimize the value of generation assets and related contracts. The second category, referred to as non-qualifying hedges, represents the net unrealized effect of derivative transactions entered into as economic hedges (but which do not qualify for hedge accounting under Financial Accounting Standards No. (FAS) 133, "Accounting for Derivative Instruments and Hedging Activities," as amended) and the ineffective portion of transactions accounted for as cash flow hedges. These transactions have been entered into to reduce FPL Group's aggregate risk. At FPL, substantially all changes in fair value are deferred as a regulatory asset or liability until the contracts are settled. Upon settlement, any gains or losses are passed through the fuel and purchased power cost recovery clause (fuel clause) and the capacity cost recovery clause (capacity clause). For FPL Group's non-rate regulated operations, predominantly FPL Energy, essentially all changes in the derivatives' fair value for power purchases and sales and trading activities are recognized net in operating revenues, fuel purchases and sales are recognized net in fuel, purchased power and interchange expense and the equity method investees' related activity is recognized in equity in earnings of equity method investees in FPL Group's condensed consolidated statements of income unless hedge accounting is applied. Any position that is moved between non-qualifying hedge activity and trading and managed hedge activity is transferred at its fair value on the date of reclassification.

Unrealized mark-to-market gains (losses) on derivative transactions for both consolidated subsidiaries and equity method investees are as follows:

	Three Months Ended March 31,	
	2004	2003
	(millions)	
Consolidated subsidiaries	$ (12)	$ (18)
Equity method investees	$ 11	$ 19

3. Comprehensive Income

At March 31, 2004, substantially all of the transactions that FPL Group has designated as hedges are cash flow hedges with expiration dates through December 2008 for energy contract derivative instruments. Approximately $8 million of losses included in FPL Group's accumulated other comprehensive income at March 31, 2004 will be reclassified into earnings within the next 12 months as the hedged fuel is consumed or as electricity is sold. Accumulated other comprehensive income (loss) is separately displayed on the condensed consolidated balance sheets of FPL Group.

FPL Group's comprehensive income is as follows:

	Three Months Ended March 31,	
	2004	2003
	(millions)	
Net income of FPL Group	$ 138	$ 175
Net unrealized gains (losses) on cash flow hedges:		
Effective portion of net unrealized gains (losses) (net of $12 tax benefit and $16 tax expense, respectively)	(19)	24
Reclassification from OCI to net income (net of $1 and $9 tax benefit, respectively)	(2)	(14)
Net unrealized gains (losses) on available for sale securities (net of $2 tax expense and $2 tax benefit, respectively)	3	(3)
Net unrealized loss on interest rate swaps (net of $3 tax benefit)	(5)	-
Comprehensive income of FPL Group	$ 115	$ 182

4. Stock-Based Compensation

Effective January 1, 2004, FPL Group adopted the fair value recognition provisions of FAS 123, "Accounting for Stock-Based Compensation." FPL Group selected the modified prospective method of adoption described in FAS 148, "Accounting for Stock-Based Compensation – Transition and Disclosure." Under that method, stock-based employee compensation cost recognized in 2004 is the same as that which would have been recognized had the fair value recognition provisions of FAS 123 been applied from its original effective date. Prior to 2004, FPL Group accounted for its stock-based compensation plans under the intrinsic value based method as permitted by FAS 123.

The following table illustrates the effect on net income and earnings per share of common stock as if FPL Group's compensation expense had been determined using the fair value based method in each period:

	Three Months Ended March 31,		Years Ended December 31,		
	2004	2003	2003	2002	2001
	(millions, except per share amounts)				
Net income, as reported	$ 138	$ 175	$ 890	$ 473	$ 781
Add: total stock-based employee compensation expense included in reported net income, net of related income tax effects	4	2	12	14	13
Deduct: total stock-based employee compensation expense determined under fair value based method, net of related income tax effects	(4)	(4)	(19)	(21)	(19)
Pro forma net income	$ 138	$ 173	$ 883	$ 466	$ 775
Earnings per share of common stock:					
Basic – as reported	$ 0.78	$ 0.99	$ 5.01	$ 2.74	$ 4.63
Basic – pro forma	$ 0.78	$ 0.98	$ 4.97	$ 2.69	$ 4.60
Assuming dilution – as reported	$ 0.77	$ 0.99	$ 5.00	$ 2.73	$ 4.62
Assuming dilution – pro forma	$ 0.77	$ 0.98	$ 4.96	$ 2.69	$ 4.59

5. Earnings Per Share of Common Stock

The reconciliation of FPL Group's basic and diluted earnings per share of common stock is shown below:

	Three Months Ended March 31,	
	2004	2003
	(millions, except per share amounts)	
Numerator (basic and assuming dilution):		
Net income	$ 138	$ 175
Denominator:		
Weighted-average number of common shares outstanding – basic	178.4	176.8
Restricted stock, performance share and shareholder value awards, options and equity units [a]	1.2	0.3
Weighted-average number of common shares outstanding – assuming dilution	179.6	177.1
Earnings per share of common stock:		
Basic	$ 0.78	$ 0.99
Assuming dilution	$ 0.77	$ 0.99

[a] Performance share awards and shareholder value awards are included in diluted weighted-average number of common shares outstanding based upon what would be issued if the end of the reporting period was the end of the term of the award. Restricted stock, performance share awards, shareholder value awards, options and equity units (known as Corporate Units) are included in diluted weighted-average number of common shares outstanding by applying the treasury stock method.

Common shares issuable upon the exercise of stock options, which were not included in the denominator above due to their antidilutive effect, were approximately 0.4 million and 1.6 million for the three months ended March 31, 2004 and 2003, respectively.

6. Variable Interest Entities

Effective March 31, 2004, FPL Group and FPL completed the adoption of FASB Interpretation No. (FIN) 46, as revised (FIN 46R). FIN 46R requires the consolidation of entities which are determined to be variable interest entities (VIEs) when the reporting company determines that it will absorb a majority of the VIE's expected losses, receive a majority of the VIE's residual returns, or both. The company that is required to consolidate the VIE is called the primary beneficiary. Conversely, the reporting company would be required to deconsolidate VIEs that are currently consolidated when the company is not considered to be the primary beneficiary. Variable interests are contractual, ownership or other monetary interests in an entity

that change as the fair value of the entity's net assets exclusive of variable interests change. An entity is considered to be a VIE when its capital is insufficient to permit it to finance its activities without additional subordinated financial support or its equity investors, as a group, lack the characteristics of having a controlling financial interest.

FPL has identified two potential VIEs (Projects), both of which are considered qualifying facilities as defined by PURPA. PURPA requires FPL to enter into long-term power purchase agreements with the Projects to take substantially all of the electricity output of the Projects over a substantial portion of their estimated useful lives. For each megawatt-hour (mwh) provided, FPL pays a per mwh price (energy payment) based upon FPL's avoided cost, which is the cost avoided by neither generating the electricity nor purchasing it from another source. With regard to the Projects, FPL's avoided cost is primarily based on the cost of coal at an FPL jointly-owned coal-fired facility. The Projects have capacities of 136 and 250 megawatts (mw). After making exhaustive efforts, FPL was unable to obtain the information from the Projects necessary to determine whether the Projects are VIEs or whether FPL is the Projects' primary beneficiary. The power purchase agreements with these Projects contain no provisions which legally obligate the Projects to release this information to FPL. The energy payments paid by FPL will fluctuate as coal prices change; however, this does not expose FPL to losses since the energy payments paid by FPL to the Projects are passed on to FPL's customers through the fuel clause as approved by the FPSC. During the three months ended March 31, 2004, FPL purchased 583,802 mwh from these Projects at a total cost of approximately $50 million compared to 616,765 mwh at a total cost of approximately $49 million for the three months ended March 31, 2003. FPL will continue to make exhaustive efforts to obtain the necessary information from the Projects in order to determine if the Projects are VIEs and if so, whether FPL is the primary beneficiary.

In March 2004, a trust created by FPL Group sold 12 million shares of 5 7/8% preferred trust securities to the public and common trust securities to FPL Group. The trust is considered a VIE because FPL Group's investment through the common trust securities is not considered equity at risk in accordance with FIN 46R. The proceeds from the sale of the preferred and common trust securities were used to buy 5 7/8% junior subordinated debentures maturing in March 2044, from FPL Group Capital Inc (FPL Group Capital). The trust exists only to issue its preferred trust securities and common trust securities and to hold the junior subordinated debentures of FPL Group Capital as trust assets. Since FPL Group, as the common security holder, is not considered to have equity at risk and will therefore not absorb any variability of the trust, FPL Group is not the primary beneficiary and does not consolidate the trust in accordance with FIN 46R. FPL Group includes the junior subordinated debentures issued by FPL Group Capital on its condensed consolidated balance sheets. See Note 8.

FPL Group and FPL expect additional implementation guidance to be issued regarding FIN 46R and are unable to determine what effect, if any, this additional guidance might have on FPL Group's and FPL's financial statements.

7. Investments in Partnerships and Joint Ventures

During the first quarter of 2004, FPL Energy recorded a net gain of approximately $52 million ($31 million after tax) related to the termination of a gas supply contract and a steam agreement at one of its investments in joint ventures. These agreements were terminated in connection with an amended power purchase agreement that allows the investee to source power from the wholesale market.

Also during the first quarter of 2004, FPL Energy recorded an impairment loss of $50 million ($30 million after tax) to write down its investment in a combined-cycle power plant in Texas to its fair value as a result of agreeing to sell its interest in the project. The sale is expected to close by the third quarter of 2004 and is subject to various federal approvals.

The results of the above transactions are reflected in equity in earnings of equity method investees in FPL Group's condensed consolidated statements of income.

8. Debt and Preferred Stock

Long-term Debt – In January 2004, FPL issued $240 million principal amount of 5.65% first mortgage bonds maturing in February 2035. The proceeds were used to repay a portion of its short-term borrowings and for other corporate purposes.

In March 2004, FPL Group Capital sold $309 million of 5 7/8% junior subordinated debentures maturing in March 2044, which are included in long-term debt on FPL Group's condensed consolidated balance sheets. The proceeds were used to repay a portion of commercial paper issued to fund investments by FPL Group Capital in independent power projects. The junior subordinated debentures were purchased by an unconsolidated 100%-owned finance subsidiary of FPL Group using proceeds from the March 2004 sale by that finance subsidiary of $300 million of preferred trust securities to the public and $9 million of common trust securities to FPL Group. FPL Group has fully and unconditionally guaranteed the junior subordinated debentures and the preferred trust securities.

Preferred Stock – In January 2004, FPL sold 200,000 shares of 4 1/2% Series V preferred stock with an aggregate par value of $20 million to FPL Group.

9. Commitments and Contingencies

Commitments – FPL Group and its subsidiaries have made commitments in connection with a portion of their projected capital expenditures. Capital expenditures at FPL consist of the cost for construction or acquisition of additional facilities and equipment to meet customer demand, as well as capital improvements to and maintenance of existing facilities. At FPL Energy, capital expenditures include, among other things, the construction of a gas-fired power plant and the procurement of nuclear fuel (including capitalized interest). FPL FiberNet, LLC's (FPL FiberNet) capital expenditures primarily include costs to sustain its fiber-optic network and meet customer specific requirements. At March 31, 2004, capital expenditures for the remainder of 2004 through 2008 are estimated to be as follows:

	2004	2005	2006	2007	2008	Total
			(millions)			
FPL:						
Generation: [a]						
New [b]	$ 260	$ 300	$ 260	$ 105	$ -	$ 925
Existing	360	480	350	450	275	1,915
Transmission and distribution	445	700	690	700	715	3,250
Nuclear fuel	60	75	80	100	80	395
General and other	100	155	175	180	160	770
Total	$ 1,225	$ 1,710	$ 1,555	$ 1,535	$ 1,230	$ 7,255
FPL Energy: [c]						
Gas	$ 110	$ 10	$ 5	$ -	$ -	$ 125
Nuclear fuel and other	85	35	60	60	15	255
Total	$ 195	$ 45	$ 65	$ 60	$ 15	$ 380
FPL FiberNet	$ 5	$ 10	$ 10	$ 10	$ 10	$ 45

[a] Includes allowance for funds used during construction (AFUDC) of approximately $52 million, $53 million, $37 million and $39 million in 2004, 2005, 2006 and 2007, respectively.
[b] Includes generating structures, transmission interconnection and integration, licensing and AFUDC.
[c] Estimated capital expenditures exclude estimates for the development of new wind projects pending the enactment of legislation reestablishing the production tax credits for new wind facilities.

In addition to estimated capital expenditures listed above, FPL and FPL Energy have long-term contracts related to purchased power and/or fuel (see Contracts below). At March 31, 2004, FPL Energy had approximately $1.2 billion in firm commitments primarily for natural gas transportation and storage, firm transmission service, nuclear fuel and a portion of its capital expenditures. Additionally, during 2003, a subsidiary of FPL Group Capital committed to lend up to $250 million under a secured loan to a third party, which matures no later than June 30, 2006. At March 31, 2004, $62 million had been drawn on under the loan. FPL Group has guaranteed certain payment obligations of FPL Group Capital, including most payment obligations under FPL Group Capital's debt.

FPL Group and FPL each account for payment guarantees and related contracts, for which it or a subsidiary is the guarantor, under FIN 45, "Guarantor's Accounting and Disclosure Requirements for Guarantees Including Indirect Guarantees of Indebtedness of Others," which requires that the fair value of guarantees provided to unconsolidated entities entered into after December 31, 2002, be recorded on the balance sheet. At March 31, 2004, subsidiaries of FPL Group, other than FPL, have guaranteed debt service payments relating to agreements that existed at December 31, 2002. The term of the guarantees is equal to the term of the related debt, with remaining terms ranging from 1 year to 14 years. The maximum potential amount of future payments that could be required under these guarantees at March 31, 2004 was approximately $14 million. At March 31, 2004, FPL Group did not have any liabilities recorded for these guarantees. In certain instances, FPL Group can seek recourse from third parties for 50% of any amount paid under the guarantees. Guarantees entered into subsequent to December 31, 2002, and the related fair value, were not material as of March 31, 2004.

FPL Energy has guaranteed certain performance obligations of a power plant owned by a wholly-owned subsidiary as part of a power purchase agreement (PPA) that expires in 2027. Under the PPA, the subsidiary could incur market-based liquidated damages for failure to meet contractual minimum outputs. In addition, certain subsidiaries of FPL Energy have contracts that require certain projects to meet annual minimum generation amounts. Failure to meet the annual minimum generation amounts would result in the FPL Energy subsidiary incurring specified liquidated damages. Based on past performance of these and similar projects and current forward prices, management believes that the exposure associated with these guarantees is not material.

An FPL Energy subsidiary is committed to purchase oil and gas inventory remaining in certain storage facilities at December 31, 2005 at its weighted-average cost. At April 30, 2004, FPL Energy's commitment is estimated to be from $0 to approximately $60 million, based on a potential range of zero to full storage volume at the current average forward price of oil and gas.

Contracts – FPL has entered into long-term purchased power and fuel contracts. FPL is obligated under take-or-pay purchased power contracts with JEA (formerly known as the Jacksonville Electric Authority) and with subsidiaries of The Southern Company (Southern Companies) to pay for approximately 1,300 mw of power through mid-2010 and 381 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 2005 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. FPL has various agreements with several electricity suppliers to purchase an aggregate of up to approximately 1,200 mw of power with expiration dates ranging from 2004 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 medium- to long-term contracts for the transportation and supply of natural gas, coal and oil with various expiration dates through 2028.

FPL Energy has long-term contracts primarily for the transportation and storage of natural gas and firm transmission service with expiration dates ranging from 2005 through 2033. FPL Energy also has several contracts for the supply, conversion, enrichment and fabrication of Seabrook's nuclear fuel with expiration dates ranging from 2004 to 2014.

The remaining required capacity and minimum payments under these contracts as of March 31, 2004 are estimated to be as follows:

	2004	2005	2006	2007	2008	Thereafter
			(millions)			
FPL:						
Capacity payments:						
JEA and Southern Companies	$ 140	$ 190	$ 200	$ 200	$ 200	$ 920
Qualifying facilities	$ 260	$ 350	$ 300	$ 300	$ 320	$ 4,000
Other electricity suppliers	$ 85	$ 75	$ 70	$ 20	$ -	$ -
Minimum payments, at projected prices:						
Southern Companies – energy	$ 45	$ 60	$ 60	$ 60	$ 60	$ 90
Natural gas, including transportation	$ 1,360	$ 1,280	$ 645	$ 260	$ 250	$ 2,940
Coal	$ 30	$ 35	$ 20	$ 15	$ -	$ -
Oil	$ 450	$ -	$ -	$ -	$ -	$ -
FPL Energy	$ 85	$ 60	$ 50	$ 50	$ 50	$ 735

Charges under these contracts were as follows:

	Three Months Ended March 31,			
	2004		2003	
	Capacity	Energy/ Fuel	Capacity	Energy/ Fuel
		(millions)		
FPL:				
JEA and Southern Companies	$ 52[a]	$ 40[b]	$ 49[a]	$ 38[b]
Qualifying facilities	$ 88[c]	$ 34[b]	$ 85[c]	$ 35[b]
Other electricity suppliers	$ 18[c]	$ 9[b]	$ 14[c]	$ 4[b]
Natural gas, including transportation	$ -	$ 339[b]	$ -	$ 392[b]
Coal	$ -	$ 11[b]	$ -	$ 13[b]
Oil	$ -	$ 96[b]	$ -	120[b]
FPL Energy	$ -	$ 12	$ -	$ 8

[a] Majority is recoverable through the capacity clause.
[b] Recoverable through the fuel clause.
[c] Recoverable through the capacity clause.

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 insurance available from both private sources and an industry retrospective payment plan. In accordance with this act, FPL Group maintains $300 million of private liability insurance per site, which is the maximum obtainable, and participates in a secondary financial protection system under which it is subject to retrospective assessments of up to $518 million ($414 million for FPL) per incident at any nuclear utility reactor in the United States, payable at a rate not to exceed $52 million ($41 million for FPL) per incident per year. FPL Group and FPL are contractually entitled to recover a proportionate share of such assessments from the owners of minority interests in Seabrook and St. Lucie Unit No. 2, which approximates $12 million and $15 million per incident, respectively. The Price-Anderson Act expired on August 1, 2002 but the liability limitations did not change for plants, including FPL's four nuclear units and Seabrook, with operating licenses issued by the NRC prior to August 1, 2002.

FPL Group participates in nuclear insurance mutual companies that provide $2.75 billion of limited insurance coverage per occurrence per site 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 Group also participates in an insurance program that provides limited coverage for replacement power costs if a nuclear plant is out of service for an extended period of time because of an accident. In the event of an accident at one of FPL Group's or another participating insured's nuclear plants, FPL Group could be assessed up to $93 million ($70 million for FPL) in retrospective premiums. FPL Group and FPL are contractually entitled to recover a proportionate share of such assessments from the owners of minority interests in Seabrook and St. Lucie Unit No. 2, which approximates $2 million and $3 million, respectively.

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

FPL self-insures 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 storm and property insurance reserve for uninsured property storm damage or assessments under the nuclear insurance program. At March 31, 2004, the storm and property insurance reserve (approximately $338 million) equals the amount in the storm fund (approximately $208 million) plus related deferred income taxes (approximately $130 million). The current annual accrual approved by the FPSC is approximately $20 million. 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 provide additional liquidity in the event of a T&D property loss. In addition, FPL Group is self-insured for FPL FiberNet's fiber-optic cable located throughout Florida.

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 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. Under a proposed EPA rule, the maximum penalty would increase to $32,500 per day for each violation after publication of the final rule. 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, a federal district 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. In August 2001, the MDL panel denied the motion for consolidation. In September 2001, the EPA moved that the federal district court reopen this case for purposes of discovery. Georgia Power Company opposed that motion asking that the case remain closed until the Eleventh Circuit Court of Appeals rules on the Tennessee Valley Authority's (TVA) appeal of an EPA administrative compliance order relating to legal issues that are also central to this case. In August 2002, the federal district court denied without prejudice the EPA's motion to reopen. In June 2003, the Eleventh Circuit issued its order dismissing the TVA's appeal because it found the provision of the Clean Air Act allowing the EPA to issue binding administrative compliance orders was unconstitutional, and hence found that the TVA order was a non-final order that courts of appeal do not have jurisdiction to review. In September 2003, the Eleventh Circuit denied the EPA's motion for rehearing. In May 2004, the U.S. Supreme Court denied the EPA's petition for review of the Eleventh Circuit order. The EPA has not yet moved to reopen the Georgia Power Company case.

In 2001, J. W. and Ernestine M. Thomas, Chester and Marie Jenkins (since substituted for by Hazel and Lamar Jenkins), and Ray Norman and Jack Teague, as Co-Personal Representatives on behalf of the Estate of Robert L. Johns, served FPL Group, FPL, FPL FiberNet, FPL Group Capital and FPL Investments, Inc. (FPL Investments) as defendants in a civil action filed in the Florida circuit court. This action is purportedly on behalf of all property owners in Florida (excluding railroad and public rights of way) whose property is encumbered by easements in favor of FPL, and on whose property defendants have installed or intend to install fiber-optic cable which defendants currently lease, license or convey or intend to lease, license or convey for non-electric transmission or distribution purposes. The lawsuit alleges that FPL's easements do not permit the installation and use of fiber-optic cable for general communication purposes. The plaintiffs have asserted claims for unlawful detainer, unjust enrichment and constructive trust and seek injunctive relief and compensatory damages. In May 2002, plaintiffs filed an amended complaint, adding allegations regarding the installation of wireless communications equipment on some easements, and adding a claim for declaratory relief. Defendants filed an answer and affirmative defenses to the amended complaint in August 2002. Motions for summary judgment by FPL Group, FPL Group Capital and FPL Investments have been granted, and they have been dismissed from this lawsuit. The court is currently scheduled to hear argument on whether this case will proceed as a class action sometime in late June 2004.

In August 2001, Florida Municipal Power Agency (FMPA) filed with the U.S. Court of Appeals for the District of Columbia (DC Circuit) a petition for review asking the DC Circuit to reverse and remand orders of the FERC denying FMPA's request for

credits for transmission facilities owned by FMPA members. The transmission credits sought by FMPA would offset the transmission charges that FPL bills FMPA for network transmission service to FMPA's member cities. FMPA member cities have been taking network transmission service under FPL's open access transmission tariff since 1996. In the orders appealed by FMPA, FERC ruled that FMPA would be entitled to credits for any FMPA facilities that were "integrated" with the FPL transmission system. Based on the evidence submitted, FERC concluded that none of the FMPA facilities met the integration test and, therefore, FMPA was not entitled to credits against FPL's charges for transmission service. In January 2003, the DC Circuit upheld FERC's order denying FMPA credits for its facilities; in March 2003, the DC Circuit denied FMPA's rehearing request of the DC Circuit's decision; and in October 2003, the U.S. Supreme Court denied FMPA's petition for review of the DC Circuit's decision.

FMPA also has requested that FERC decide the same crediting issue in a separate FERC proceeding. That proceeding dates back to a filing by FPL in 1993 of a comprehensive restructuring of its then-existing tariff structure. All issues in that case were settled in September 2000 except for three issues reserved by FMPA: (i) the crediting issue, (ii) treatment of behind-the-meter generation and load ratio pricing for network integration transmission service, and (iii) exclusions from FPL's transmission rates of the costs of FPL's facilities that failed to meet the same integration test that was applied to FMPA's facilities with respect to the crediting issue. In December 2003, FERC issued an order addressing the three reserved issues. With respect to the crediting issue, FERC stated that it had previously determined that FMPA was not entitled to credits for its facilities in the related proceeding discussed above and saw no persuasive reason to revisit that determination in this proceeding. Regarding the issue of behind-the-meter generation, FERC stated that they had addressed the issue of load ratio pricing for network integration transmission service in Order Nos. 888 and 888-A and saw no persuasive reason to revisit that determination in this proceeding. With respect to the third issue, FERC directed FPL to make a compliance filing of a proposed rate schedule that does not include those facilities of FPL that fail to meet the same integration test applied to the FMPA facilities. In January 2004, FMPA requested a "conditional rehearing on the Commission's failure to order rate credits solely in the event that Commission does not adequately reduce FPL's rate base to achieve comparability," and challenging FERC's determination not to revisit the issue of behind-the-meter generation and load ratio pricing for network integration transmission service. In March 2004, FERC issued an order denying FMPA's rehearing request. In April 2004, FMPA petitioned the DC Circuit for review of FERC's December 2003 order and March 2004 order. FPL previously estimated the exposure for the crediting issue at $65 million. With the passage of time, the exposure has grown to $74 million as of March 31, 2004. Unless the DC Circuit remands the decision back to FERC and FERC changes its position regarding its denial of FMPA's rehearing request, FPL's exposure will be limited to refunds arising from the exclusion of FPL facilities that fail to meet the integration test from its rate schedule.

In February 2003, Scott and Rebecca Finestone brought an action on behalf of themselves and their son Zachary Finestone in the U.S. District Court for the Southern District of Florida alleging that their son has developed cancer (neuroblastoma) as a result of the release and/or dissipation into the air, water, soil and underground areas of radioactive and non-radioactive hazardous materials, including strontium 90, and the release of other toxic materials from FPL's St. Lucie nuclear power plant. The complaint includes counts against FPL for strict liability for allegedly engaging in an ultra-hazardous activity and for alleged negligence in operating the plant in a manner that allowed emissions of the foregoing materials and failing to limit its release of nuclear fission products as prescribed by federal and state laws and regulations. The plaintiffs seek damages in excess of $1 million. FPL moved to dismiss the complaint. In September 2003, the court entered an order denying FPL's motion to dismiss. Following FPL's motion for reconsideration in the Blake and Lowe lawsuit, discussed below, the court entered a similar order vacating its order denying the motion to dismiss the count for strict liability and upon reconsideration granted FPL's motion to dismiss the count for strict liability. Discovery is proceeding.

In May 2003, Tish Blake and John Lowe, as personal representatives of the Estate of Ashton Lowe, on behalf of the estate and themselves, as surviving parents, brought an action in the U.S. District Court for the Southern District of Florida alleging that their son developed cancer (medulo-blastoma) as a result of the release and/or dissipation into the air, water, soil and underground areas of radioactive and non-radioactive hazardous materials, including strontium 90, and the release of other toxic materials from FPL's St. Lucie nuclear power plant. The allegations, counts and damages demanded in the complaint are virtually identical to those contained in the Finestone lawsuit described above. FPL moved to dismiss the complaint. In September 2003, the court entered an order denying FPL's motion to dismiss. FPL moved for reconsideration of the court's order as to the count for strict liability. The court then entered an order vacating the order denying the motion to dismiss as to the count for strict liability, and upon reconsideration granted FPL's motion to dismiss the count for strict liability. Discovery is proceeding.

In March 2003, James J. and Lori Bradstreet brought an action on behalf of themselves and their son, Matthew Bradstreet, in the Circuit Court of the 18th Judicial Circuit in and for Brevard County, Florida, against Aventis Pasteur and a number of other named and unnamed drug manufacturing and distribution companies, the American Dental Association, the Florida Dental Association, FPL and the Orlando Utilities Commission (OUC), alleging that their son has suffered toxic neurological effects from mercury poisoning. An amended complaint was filed in May 2003. The sources of mercury exposure are alleged to be vaccines containing a preservative called thimerosal that were allegedly manufactured and distributed by the drug companies, mercury amalgam dental fillings, and emissions from FPL and OUC power plants in Florida, including Brevard County. The complaint includes counts against all defendants for civil battery and against FPL for alleged negligence in operating the plants such that the son was exposed to mercury and other heavy metals emissions. The damages demanded from FPL are for

injuries and losses allegedly suffered by the son as a result of his exposure to the plants' mercury emissions and the parents' alleged pain and suffering, medical expenses, loss of wages, and loss of their son's services and companionship. No amount of damages is specified. FPL has moved to dismiss the complaint. In July 2003, the Bradstreets brought an identical action in the same court on behalf of themselves and their daughter, Elizabeth Bradstreet. FPL moved to dismiss the complaint, and the Bradstreets have voluntarily dismissed both lawsuits without prejudice.

In June 2003, Monty and Kathryn Wooldridge brought an action on behalf of themselves and their son, Kevin Allen Wooldridge, in the Circuit Court of the 9th Judicial Circuit in and for Orange County, Florida, against Aventis Pasteur and a number of other named and unnamed drug manufacturing and distribution companies, the American Dental Association, the Florida Dental Association, FPL and the OUC, alleging that their son has suffered toxic neurological effects from mercury poisoning. The allegations, counts and damages demanded in the complaint are virtually identical to those contained in the Bradstreet lawsuits described above. FPL has moved to dismiss the complaint.

In August 2003, Pedro C. and Emilia Roig brought an action on behalf of themselves and their son, Pedro Anthony Roig, in the Circuit Court of the 11th Judicial Circuit in and for Miami-Dade County, Florida (the state court), which was removed in October 2003 to the U.S. District Court for the Southern District of Florida, against Aventis Pasteur and a number of other named and unnamed drug manufacturing and distribution companies and FPL, alleging that their son has suffered toxic neurological effects from mercury poisoning. The allegations, counts and damages demanded in the complaint with respect to FPL are virtually identical to those contained in the Bradstreet and Wooldridge lawsuits described above. The plaintiffs have moved to remand the action back to the state court. The motion has been briefed by both parties and is pending in the U.S. District Court, which has stayed all discovery in the action. FPL will be moving to dismiss the case once the remand motion is decided.

In December 2003, Edward and Janis Shiflett brought an action on behalf of themselves and their son, Phillip Benjamin Shiflett, in the Circuit Court of the 18th Judicial Circuit in and for Brevard County, Florida, which was removed in January 2004 to the U.S. District Court for the Middle District of Florida, against Aventis Pasteur and a number of other named and unnamed drug manufacturing and distribution companies, FPL and the OUC, alleging that their son has suffered toxic neurological effects from mercury poisoning. The allegations, counts and damages demanded in the complaint with respect to FPL are virtually identical to those contained in the Bradstreet, Wooldridge and Roig lawsuits. FPL has moved to dismiss the complaint.

In January 2004, the Center For Biological Diversity, Inc. (Center) filed a lawsuit against FPL Group, FPL Energy and its affiliates ESI Bay Area GP, Inc., Green Ridge Power LLC and Altamont Power, LLC, as well as other defendants, in the U.S. District Court for the Northern District of California. The complaint alleges violations of certain sections of the California Business and Professions Code, unjust enrichment and certain violations of the Lanham Act. The complaint alleges that numerous birds have died as the result of collisions with wind turbines owned and operated by subsidiaries of FPL Energy in the Altamont area. The complaint requests injunctive relief, restitution, penalties, forfeiture of the wind turbines, disgorgement of profits and attorneys' fees.

In February 2004, Albert Litter Studios, Inc. instituted an action against FPL in the Circuit Court of the 11th Judicial Circuit in and for Miami-Dade County, Florida, seeking damages on behalf of itself, and purportedly on behalf of all other similarly situated commercial entities in Florida. The plaintiff asserts that FPL's intentional use of allegedly defective thermal demand meters has resulted in overcharging it and certain other commercial customers millions of dollars and constitutes an unfair and/or deceptive practice in violation of the Florida Deceptive and Unfair Trade Practices Act, breach of an implied contract, and in breach of a duty of good faith and fair dealing. The complaint seeks damages in excess of $15,000, representing the amount of the alleged overcharges, interest, and such other relief as the court may order. FPL had determined in 2002 that, based on sample testing of the approximately 3,900 1V thermal demand meters in service, the demand component of its 1V meter population was exceeding allowable tolerance levels established by FPSC rules. In 2002, FPL proposed to replace and test all of the 1V meters in service and to issue refunds, as appropriate, within certain parameters. FPL was given administrative approval from the FPSC staff to proceed with the replacement of the 1V meters. By early 2003, all 1V meters had been replaced. Testing of all 1V meters disclosed that approximately 15% of the 3,900 meters were outside of allowed tolerances, with 10% under-registering and 5% over-registering electricity usage. In November 2003, the FPSC, as proposed agency action, approved a method for testing the meters and calculating refunds. On December 10, 2003, Southeastern Utility Services, Inc., on behalf of several commercial customers, filed a protest to the proposed agency action and requested a hearing. Southeastern Utility Services, Inc. alleges that, among other things, the proposed method for computing the amount of the refund is flawed. Discovery is proceeding and no hearing date has been set.

FPL Group and FPL believe that they have meritorious defenses to the pending litigation discussed above and are vigorously defending the lawsuits. Management does not anticipate that the liabilities, if any, arising from the proceedings would have a material adverse effect on the financial statements.

In January 2002, Roy Oorbeek and Richard Berman filed suit against FPL Group (as an individual and nominal defendant); all its current directors (except James L. Camaren, Michael H. Thaman and Frank G. Zarb); certain former directors; and certain current and former officers of FPL Group and FPL: James L. Broadhead, Lewis Hay III, Dennis P. Coyle, Paul J. Evanson, Lawrence J.

Kelleher, Armando J. Olivera, Thomas Plunkett and Antonio Rodriguez. In March 2002, William M. Klein, by Stephen S. Klein under power of attorney, on behalf of himself and all others similarly situated, filed suit against FPL Group (as nominal defendant); all its current directors (except James L. Camaren, Michael H. Thaman and Frank G. Zarb); certain former directors; and certain current and former officers of FPL Group and FPL, including James L. Broadhead, Paul J. Evanson, Lewis Hay III and Dennis P. Coyle. In February 2003, Donald E. and Judith B. Phillips, represented by the same attorneys who represent Klein, filed suit in the same court against the same defendants as the Klein lawsuit (plus Lawrence J. Kelleher). All three suits have been consolidated. In February 2004, by stipulation of the parties, FPL Group was removed as a defendant.

The lawsuits, taken together, allege that the proxy statements relating to shareholder approval of FPL Group's Long Term Incentive Plan (LTIP) and FPL Group's proposed, but unconsummated, merger with Entergy Corporation (Entergy) were false and misleading because they did not affirmatively state that payments made to certain officers under FPL Group's LTIP upon shareholder approval of the merger would be retained by the officers even if the merger with Entergy was not consummated and did not state that under some circumstances payments made pursuant to FPL Group's LTIP might not be deductible by FPL Group for federal income tax purposes. They also allege that FPL Group's LTIP required either consummation of the merger as a condition to the payments or the return of the payments if the transaction did not close, and that the actions of the director defendants in approving the proxy statements, causing the payments to be made, and failing to demand their return constitute corporate waste and a breach of fiduciary duties by those individual defendants. The plaintiffs seek to have the shareholder votes approving FPL Group's LTIP and the merger declared null and void, the return to FPL Group of $62 million of payments received by the officers, compensatory damages of $92 million (including the $62 million of payments received by the officers) from all defendants (except FPL Group) and attorneys' fees.

A special committee of non-management directors of FPL Group conducted an investigation of the claims made in the Oorbeek and Klein lawsuits and reported thereon to FPL Group's board of directors. The report concluded that pursuit of the claims is not in the best interest of FPL Group or its shareholders generally, and recommended that FPL Group seek dismissal of the lawsuits. After reviewing the special committee's report, FPL Group's board of directors (with only non-management directors participating) concluded likewise and filed with the court a statement of position setting forth the special committee's and the board's conclusions and authorizing the filing of a motion to dismiss the lawsuits, which motion was filed in October 2002. Messrs. Zarb, Camaren and Thaman joined the board in August 2002, October 2002 and July 2003, respectively, and did not participate in the proceedings relating to the statement of position or the filing of the motion to dismiss. On January 20, 2004, the court issued an order denying FPL Group's motion to dismiss the lawsuits. A trial date has been set for July 2005.

FPL Group's above-referenced statement of position reported that during the course of the special committee's investigation of the allegations in the lawsuits a separate question arose concerning the interpretation of the provisions of FPL Group's LTIP pursuant to which the payments to eight current and former senior officers were calculated. A change from the original interpretation could result in a repayment to FPL Group of up to approximately $9 million. FPL Group and the eight senior officers have entered into a binding arbitration agreement in order to resolve the issue.

In May 2003, the plaintiff's attorneys in the Klein lawsuit sent a new letter to FPL Group's board of directors (the May 2003 Letter) demanding among other things, that the board take action (i) to recover from the persons who approved such payments and/or otherwise breached their fiduciary duties, all of the above-described $92 million of LTIP payments made to officers and employees of FPL Group, allegedly on the grounds that the payments constituted a breach of fiduciary duty, bad faith, corporate waste and other unspecified wrongs, (ii) to investigate whether the proposed merger with Entergy was a plan by FPL Group's officers and directors to enrich themselves at the expense of the company, (iii) to seek the return of certain LTIP awards made in replacement of accelerated LTIP awards, (iv) to take immediate actions to secure the return of up to approximately $9 million in LTIP payments which is subject to an interpretation question under the LTIP, (v) to investigate and seek the return of stock options and restricted stock paid to Mr. Broadhead in January 2002 in connection with a consulting agreement and his retirement from FPL Group in December 2001, and (vi) to investigate whether punitive damages may be sought. In July 2003, FPL Group's board of directors appointed a special committee, composed of James L. Camaren and Michael H. Thaman, to investigate the matters raised in the May 2003 Letter and to make a determination as to how FPL Group should respond to the matters raised therein. In August 2003, the plaintiff's attorney in the Klein lawsuit sent a letter to FPL Group's board of directors purporting to "withdraw" the May 2003 Letter.

In addition to those legal proceedings discussed herein, FPL Group and its subsidiaries, including FPL, are involved in a number of other legal proceedings and claims in the ordinary course of their businesses. In addition, generating plants in which FPL Group or FPL have an ownership interest are involved in legal proceedings and claims, the liabilities from which, if any, would be shared by FPL Group or FPL. While management is unable to predict with certainty the outcome of these other legal proceedings and claims, it is not expected that their ultimate resolution, individually or collectively, will have a material adverse effect on the financial statements.

Other Contingencies – In connection with the redemption in 1999 of its one-third ownership interest in Olympus Communications, L.P. (Olympus), an indirect subsidiary of FPL Group holds a note receivable from a limited partnership, of which Olympus is a general partner. The note receivable is secured by a pledge of the redeemed ownership interest. Olympus is an indirect subsidiary of Adelphia Communications Corp. (Adelphia). In June 2002, Adelphia and a number of its subsidiaries, including Olympus, filed for bankruptcy protection under Chapter 11 of the U.S. Bankruptcy Code

(Chapter 11). The note receivable plus accrued interest totaled approximately $127 million at March 31, 2004 and are included in other investments on FPL Group's condensed consolidated balance sheets. The note was due on July 1, 2002 and is currently in default.

Based on the most recent publicly available financial information set forth in Olympus' Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2001, total assets of Olympus exceeded liabilities by approximately $3.6 billion and Olympus served 1,787,000 basic subscribers. Olympus has not filed its Annual Report on Form 10-K for the fiscal year ended December 31, 2001 or any subsequent Quarterly Reports on Form 10-Q or Annual Reports on Form 10-K with the SEC, and consequently the September 30, 2001 financial information may not be indicative of Olympus' current financial position. Olympus has stated publicly that it expects to restate its financial statements for the years ended December 31, 2000 and 1999, and its interim financial statements for 2001 and possibly other periods. In addition, current management of Olympus believes that other public information provided by the Rigas family, which controlled Adelphia, was unreliable. In July 2002, the SEC filed suit against Adelphia and certain of its officers alleging that Adelphia fraudulently excluded billions of dollars of debt from its financial statements, misstated its financial and operating results and concealed rampant self-dealing by the Rigas family. In October 2003, Olympus filed certain limited financial information as required by orders of the bankruptcy court. However, such information was not useful to FPL Group in its evaluation of the collectibility of the note receivable. In January 2004, the FPL Group subsidiary filed its proof of claims with the bankruptcy court.

In August 2002, an affidavit was filed in the bankruptcy court proceedings by a director of Lazard Freres & Co. LLC stating that, based on his analysis, the market value of FPL Group's secured interest in Olympus exceeded the carrying value of the note receivable plus accrued interest. In February 2003, FPL Group obtained an evaluation of the Olympus assets from an independent third party. The results of the evaluation, which was based on the limited information available, indicated that there was no impairment.

In February 2004, Adelphia and certain of its affiliates and subsidiaries, including Olympus, filed a disclosure statement (Disclosure Statement) and plan of reorganization (Plan). The Disclosure Statement provides for the "deemed consolidation" of the Adelphia debtors into ten separate groups for purposes of voting, confirmation and distribution under the Plan. The note receivable has been classified under the Plan by the Adelphia debtors as one of those groups and, under the proposed treatment under the Plan, the note receivable will be satisfied with shares of common stock of a reorganized Adelphia.

FPL Group believes that the Disclosure Statement and the Plan have misclassified the note receivable and anticipates filing appropriate objections. FPL Group cannot predict whether its objection to the Plan will result in changes to the Plan or whether the Plan will be approved. As such, the ultimate collectibility of the note receivable cannot be assured.

Subsidiaries of FPL Group, other than FPL, have investments in several leveraged leases, two of which are with MCI Telecommunications Corporation (MCI). In July 2002, MCI filed for bankruptcy protection under Chapter 11. As part of the bankruptcy process an agreement was reached with MCI that consolidated and amended the leases upon the effective date of MCI's reorganization plan. On May 3, 2004, MCI assumed the consolidated and amended lease, cured all prepetition arrearages and took all action necessary to effectuate the amended lease. The amended lease will be classified as an operating lease and will not have a significant effect on FPL Group's financial statements.

10. 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 March 31,							
	2004				2003			
	FPL	FPL Energy[a]	Corporate & Other	Total	FPL	FPL Energy[a]	Corporate & Other	Total
	(millions)							
Operating revenues	$ 1,942	$ 369	$ 20	$ 2,331	$ 1,757	$ 293	$ 32	$ 2,082
Operating expenses	$ 1,743	$ 303	$ 24	$ 2,070	$ 1,505	$ 262	$ 21	$ 1,788
Net income (loss)	**$ 105**	**$ 53**	**$ (20)**	**$ 138**	**$ 135**	**$ 44**	**$ (4)**	**$ 175**

	March 31, 2004				December 31, 2003			
	FPL	FPL Energy	Corporate & Other	Total	FPL	FPL Energy	Corporate & Other	Total
	(millions)							
Total assets	$ 17,857	$ 8,493	$ 728	$27,078	$ 17,817	$ 8,440	$ 678	$26,935

[a] FPL Energy's interest charges are based on a deemed capital structure of 50% debt for operating projects and 100% debt for projects under construction. Residual non-utility interest charges are included in Corporate and Other.

11. 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. Most of FPL Group Capital's debt and payment guarantees, including its 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,							
	2004				2003			
	FPL Group	FPL Group Capital	Other[a]	FPL Group Consolidated	FPL Group	FPL Group Capital	Other[a]	FPL Group Consolidated
	(millions)							
Operating revenues	$ -	$ 389	$ 1,942	$ 2,331	$ -	$ 325	$ 1,757	$ 2,082
Operating expenses	-	(327)	(1,743)	(2,070)	-	(283)	(1,505)	(1,788)
Interest charges	(7)	(75)	(40)	(122)	(7)	(38)	(32)	(77)
Other income (deductions) – net	143	30	(146)	27	180	46	(190)	36
Income before income taxes	136	17	13	166	173	50	30	253
Income tax (benefit) expense	(2)	(21)	51	28	(2)	6	74	78
Net income (loss)	$ 138	$ 38	$ (38)	$ 138	$ 175	$ 44	$ (44)	$ 175

[a] Represents FPL and consolidating adjustments.

Condensed Consolidating Balance Sheets

	March 31, 2004				December 31, 2003			
	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	$ -	$ 7,834	$ 22,827	$ 30,661	$ -	$ 7,783	$ 22,489	$ 30,272
Less accumulated depreciation and amortization	-	(808)	(9,384)	(10,192)	-	(738)	(9,237)	(9,975)
Total property, plant and equipment – net	-	7,026	13,443	20,469	-	7,045	13,252	20,297
CURRENT ASSETS								
Cash and cash equivalents	5	185	42	232	27	98	4	129
Receivables	12	387	608	1,007	16	436	735	1,187
Other	-	301	726	1,027	-	271	883	1,154
Total current assets	17	873	1,376	2,266	43	805	1,622	2,470
OTHER ASSETS								
Investment in subsidiaries	7,263	-	(7,263)	-	7,218	-	(7,218)	
Other	133	1,560	2,650	4,343	110	1,491	2,567	4,168
Total other assets	7,396	1,560	(4,613)	4,343	7,328	1,491	(4,651)	4,168
TOTAL ASSETS	$ 7,413	$ 9,459	$ 10,206	$ 27,078	$ 7,371	$ 9,341	$ 10,223	$ 26,935
CAPITALIZATION								
Common shareholders' equity	$ 7,011	$ 1,225	$ (1,225)	$ 7,011	$ 6,967	$ 1,214	$ (1,214)	$ 6,967
Preferred stock of FPL without sinking fund requirements			5	5		-	5	5
Long-term debt	-	5,356	3,311	8,667	-	5,649	3,074	8,723
Total capitalization	7,011	6,581	2,091	15,683	6,967	6,863	1,865	15,695
CURRENT LIABILITIES								
Accounts payable and short-term debt	-	180	684	864		397	1,065	1,462
Other	49	1,366	966	2,381	62	809	1,020	1,891
Total current liabilities	49	1,546	1,650	3,245	62	1,206	2,085	3,353
OTHER LIABILITIES AND DEFERRED CREDITS								
Asset retirement obligations	-	181	1,935	2,116		178	1,908	2,086
Accumulated deferred income taxes	(5)	831	1,362	2,188	(5)	826	1,334	2,155
Regulatory liabilities	-	-	2,724	2,724		-	2,669	2,669
Other	358	320	444	1,122	347	268	362	977
Total other liabilities and deferred credits	353	1,332	6,465	8,150	342	1,272	6,273	7,887
COMMITMENTS AND CONTINGENCIES								
TOTAL CAPITALIZATION AND LIABILITIES	$ 7,413	$ 9,459	$ 10,206	$ 27,078	$ 7,371	$ 9,341	$ 10,223	$ 26,935

[a] Represents FPL and consolidating adjustments.

Condensed Consolidating Statements of Cash Flows

	Three Months Ended March 31,							
	2004				2003			
	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 OPERATING ACTIVITIES	$ 109	$ 204	$ 634	$ 947	$ 172	$ 106	$ 408	$ 686
CASH FLOWS FROM INVESTING ACTIVITIES								
Capital expenditures and independent power investments	-	(121)	(423)	(544)	-	(303)	(299)	(602)
Other – net	(29)	(38)	(19)	(86)	-	(21)	(65)	(86)
Net cash used in investing activities	(29)	(159)	(442)	(630)	-	(324)	(364)	(688)
CASH FLOWS FROM FINANCING ACTIVITIES								
Issuances of long-term debt	-	300	236	536	-	-		-
Retirements of long-term debt	-	(3)	-	(3)	-	-		-
Net change in short-term debt	-	(224)	(392)	(616)	-	99	68	167
Issuances of common stock	19	-	-	19	16	-		16
Dividends on common stock	(111)	-	-	(111)	(106)	-		(106)
Other – net	(10)	(31)	2	(39)	(10)	-	1	(9)
Net cash provided by (used in) financing activities	(102)	42	(154)	(214)	(100)	99	69	68
Net increase (decrease) in cash and cash equivalents	(22)	87	38	103	72	(119)	113	66
Cash and cash equivalents at beginning of period	27	98	4	129	5	261	-	266
Cash and cash equivalents at end of period	$ 5	$ 185	$ 42	$ 232	$ 77	$ 142	$ 113	$ 332

[a] Represents FPL and consolidating adjustments.

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 and Analysis of Financial Condition and Results of Operations (Management's Discussion) appearing in the 2003 Form 10-K for FPL Group and FPL. The results of operations for an interim period generally will 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

Overview – FPL Group's net income for the first quarter of 2004 was $138 million compared to $175 million for the same period in 2003. See Note 10 for segment information. FPL Group's net income for the three months ended March 31, 2004 reflects reduced earnings at FPL and higher interest expense at Corporate and Other partially offset by increased earnings at FPL Energy. Net income for the three months ended March 31, 2004 includes unrealized mark-to-market losses of $1 million from non-qualifying hedge activity compared to unrealized gains of $3 million for the comparable period in 2003. FPL Group's effective tax rate for the quarters ended March 31, 2004 and 2003 reflects production tax credits for wind projects at FPL Energy. All periods presented have been reclassified to reflect the guidance of Emerging Issues Task Force Issue No. (EITF) 03-11 and the SEC staff which was issued in 2003.

FPL Group's management uses earnings excluding non-qualifying hedge activity (adjusted earnings) internally for financial planning, for reporting of results to the Board of Directors and for FPL Group's employee incentive compensation plan. FPL Group also uses adjusted earnings when communicating its earnings outlook to analysts and investors. FPL Group's management believes adjusted earnings provide a more meaningful representation of the company's fundamental earnings power. Although the excluded amounts are properly included in the determination of net income in accordance with generally accepted accounting principles, both the size and nature of such items make period to period comparisons of operations difficult and potentially confusing.

FPL – FPL's net income available to FPL Group for the three months ended March 31, 2004 was $105 million compared to $135 million for the same period in 2003. The effect of milder weather conditions was the primary contributor to the decrease in FPL's net income during the first quarter of 2004 and was somewhat offset by strong customer growth. Depreciation expense increased for the first quarter of 2004 as a result of more plant in service, while other operations and maintenance (O&M) expenses declined slightly.

FPL's operating revenues consisted of the following:

	Three Months Ended March 31,	
	2004	2003
	(millions)	
Retail base operations	$ 783	$ 828
Cost recovery clauses and other pass-through costs	1,141	913
Other	18	16
Total	$ 1,942	$ 1,757

The decrease in retail base revenues was primarily due to a decrease in usage per retail customer partially offset by an increase in the number of customer accounts. A 7.7% decrease in usage per retail customer, primarily associated with milder than normal weather conditions, particularly in January and March 2004 compared to last year's weather conditions, resulted in a decrease in revenues from retail base operations of approximately $63 million. This decrease was partially offset by strong customer growth during the first quarter of 2004. A 2.6% increase in the number of customer accounts, as well as other factors, increased revenues from retail base operations by $18 million.

Revenues from cost recovery clauses and other pass-through costs, such as franchise fees and revenue taxes, do not significantly affect net income; however, under- or over-recovery of such costs can significantly affect FPL Group's and FPL's operating cash flows. Fluctuations in these revenues, as well as in fuel, purchased power and interchange expense are primarily driven by changes in energy sales, fuel prices and capacity charges. The increase in revenues from cost recovery clauses and other pass-through costs for the three months ended March 31, 2004 was primarily due to recovery of previously underrecovered fuel-related costs. This also resulted in a $183 million decrease in deferred clause and franchise expenses on FPL Group's and FPL's condensed consolidated balance sheets at March 31, 2004 and positively affected FPL Group's and FPL's cash flows from operations for the three months ended March 31, 2004.

For the first quarter of 2004, FPL's O&M expenses continue to reflect rising employees benefit expenses, insurance costs and nuclear maintenance expenses. The timing of fossil plant outages also increased O&M expenses for the first quarter of 2004. These increases were more than offset by productivity improvements in other areas and by the absence of certain legal expense accruals that occurred in last year's first quarter.

Depreciation and amortization expense increased approximately $13 million in the first quarter of 2004 as a result of FPL's continued investment in generation and distribution expansion to support customer growth and demand.

During 2003, nuclear utilities, other than FPL, identified that pressurizer heater sleeves made with a particular material (alloy 600) were experiencing penetration cracks and leaks as a result of primary water stress corrosion cracking. St. Lucie Units Nos. 1 and 2 have similar pressurizer heater sleeve penetration design and materials. FPL has been performing visual inspections of the St. Lucie Units Nos. 1 and 2 pressurizer heater sleeve penetrations through gaps in the insulation at each refueling outage since 1990 and has not identified any leaks. As a result of cracks and leaks identified at other utilities, FPL began employing more extensive inspections of these pressurizer heater sleeves during the spring 2004 St. Lucie Unit No. 1 outage and no leaks were found. St. Lucie Unit No. 2 will employ a more extensive inspection during its scheduled refueling outage later this year. Due to the cost and outage impact associated with potential leaks, FPL has decided to replace St. Lucie Unit No. 1's pressurizer during its scheduled refueling and reactor vessel head replacement outage in the fall of 2005. The estimated cost for the pressurizer is included in estimated capital expenditures. See Note 9 – Commitments. FPL has decided to repair St. Lucie Unit No. 2's pressurizer heater sleeve penetrations during its scheduled refueling and steam generator and reactor vessel head replacement outage in the fall of 2007. The estimated cost of this repair is approximately $12 million, which will be charged to O&M expense. The pressurizer penetrations at Turkey Point Units Nos. 3 and 4 and Seabrook utilize a different material.

FPL Energy – FPL Energy's net income for the first quarter of 2004 was $53 million compared to $44 million for the first quarter of 2003. FPL Energy's net income for the first quarter of 2004 benefited from project additions as well as improved market and hydro conditions in the Northeast. In addition, the results of two large transactions at FPL Energy during the first quarter of 2004 essentially offset each other. During the first quarter of 2004, FPL Energy recorded $1 million of after-tax net unrealized mark-to-market losses from non-qualifying hedges compared to after-tax net unrealized gains of $3 million during the comparable period in 2003. For further discussion of derivative instruments, see Note 2.

FPL Energy's first quarter 2004 net income benefited from the effect of 3,904 mw of wind and gas-fired generation added during or after the first quarter of 2003. The operating results of these project additions contributed $8 million to the first quarter 2004 net income. FPL Energy's operating revenues and operating expenses for the first quarter of 2004 increased $76 million and $41 million, respectively, primarily driven by project additions and improved market conditions in the Northeast. The projects in the Northeast benefited from improved hydro conditions and favorable pricing due to the cold weather experienced in that region.

Earnings from investments in partnerships and joint ventures for the quarter ended March 31, 2004, presented as equity in earnings of equity method investees, decreased $19 million from the prior year quarter due primarily to higher fuel costs and the mark-to-market effect of non-qualifying hedge activity in the portfolio. Also in the first quarter of 2004, FPL Energy recorded a net gain on the termination of a gas supply contract and a steam agreement of $52 million which was essentially offset by an impairment loss recorded as a result of agreeing to sell its interest in a combined-cycle power plant. The sale is expected to close by the third quarter of 2004 and is subject to various federal approvals. See Note 7.

FPL Energy's net income for the first quarter of 2004 also reflected higher interest expense of approximately $20 million associated with increased average debt balances due to growth in its asset base slightly offset by a decrease in average interest rates compared with the same period in 2003.

FPL Energy's 2004 earnings are subject to variability due to, among other things, commodity price exposure, counterparty performance, weather conditions and project restructuring activities. FPL Energy's exposure to commodity price risk is reduced by the high degree of contract coverage obtained for 2004. During the first quarter of 2004, FPL Energy changed how it classifies its contract coverage categories to more closely reflect how these assets are managed internally. The wind category remained unchanged while non-wind assets under long-term contract is now called contracted. The contracted category includes all projects with mid- to long-term purchase power contracts for substantially all of their output. Some of the newer projects with long-term contracts were previously included in the merchant category. The merchant category now includes only those facilities which require active hedging and is subdivided into the following three regions: New England Power Pool (NEPOOL), Electric Reliability Council of Texas (ERCOT) and all other. As of March 31, 2004, FPL Energy's capacity under contract for the remainder of 2004 and 2005 is as follows:

	Remainder of 2004		2005	
Project Portfolio Category	Available MW [a]	% MW Under Contract	Available MW [a]	% MW Under Contract
Wind	2,719	99%	2,719	99%
Contracted	2,202	96%	2,202	99%
Merchant:				
NEPOOL	2,344	70% [b]	2,301	60% [b]
ERCOT [c]	2,751	83% [b]	2,732	24% [b]
All Other	798	14% [b]	1,275	1% [b]
Total portfolio	10,814	82%	11,229	62%

[a] Weighted to reflect in-service dates, planned maintenance and refueling outage at Seabrook.
[b] Represents on-peak mw under contract.
[c] Does not include FPL Energy's interest in a combined-cycle power plant, which is pending sale. See Note 7.

FPL Energy is currently constructing a gas-fired plant that is expected to add approximately 744 mw of generation in the PJM Interconnection L.L.C. market by the end of 2004. FPL Energy expects its future portfolio growth, if any, to come from a mix of asset acquisitions and wind development, assuming pending legislation reestablishing the production tax credits for new wind facilities is enacted.

Corporate and Other – Corporate and Other is primarily comprised of FPL FiberNet and other corporate income and expenses, such as interest income and interest expense. Corporate and Other's net loss for the first quarter of 2004 was $20 million compared to a net loss of $4 million for the comparable period in 2003 reflecting lower results from FPL FiberNet and increased interest expense. FPL FiberNet's results declined in the first quarter of 2004 due to the absence of gains associated with restructuring two transactions which were reflected in the first quarter of 2003. Corporate and Other allocates interest charges to FPL Energy based on a deemed capital structure at FPL Energy of 50% debt for operating projects and 100% debt for projects under construction. Interest expense at Corporate and Other increased due to allocating less interest expense to FPL Energy as a result of the completion of a number of projects during 2003 that were previously under construction. In addition, during 2003 FPL Energy obtained its own financing totaling approximately $1.1 billion which further reduced the amount of interest expense allocated to FPL Energy from Corporate and Other.

Subsidiaries of FPL Group, other than FPL, have investments in several leveraged leases, two of which are with MCI. In July 2002, MCI filed for bankruptcy protection under Chapter 11. As part of the bankruptcy process an agreement was reached with MCI that consolidated and amended the leases upon the effective date of MCI's reorganization plan. On May 3, 2004, MCI assumed the consolidated and amended lease, cured all prepetition arrearages and took all action necessary to effectuate the amended lease. The amended lease will be classified as an operating lease and will not have a significant effect on FPL Group's financial statements.

Liquidity and Capital Resources

FPL Group and its subsidiaries, including FPL, require funds to support and grow their businesses. These funds are used for working capital, capital expenditures, investments in or acquisitions of assets and businesses, to pay maturing debt obligations and, from time to time, to redeem outstanding debt and preferred stock. It is anticipated that these requirements will be satisfied through a combination of internally generated funds and the issuance, from time to time, of debt and equity securities, consistent with FPL Group's and FPL's objective of maintaining, on a long-term basis, a capital structure that will support a strong investment grade credit rating. Credit ratings can affect FPL Group's and FPL's ability to obtain short- and long-term financing, the cost of such financing and the execution of their financing strategies. Absent new investment opportunities in 2004, management expects cash to be available to FPL Group in excess of needs that are presently identified.

FPL Group and its subsidiaries, including FPL, have $3.0 billion ($2.0 billion for FPL Group Capital and $1.0 billion for FPL) of bank lines of credit currently available. Half of these credit facilities expire in October 2004 with a one-year term-out option. The other half of the credit facilities expire in October 2006 and provide for the issuance of letters of credit of up to $500 million for FPL Group Capital and up to $250 million for FPL subject to the aggregate commitment ($1.0 billion for FPL Group Capital and $500 million for FPL) under the applicable facility. These credit facilities are available to support the companies' commercial paper programs and to provide additional liquidity in the event of a T&D property loss (in the case of FPL), as well as for general corporate purposes. Letters of credit totaling $163 million were outstanding under the FPL Group Capital credit facilities as of March 31, 2004. No amounts were outstanding under FPL's credit facilities at March 31, 2004. FPL Group (which guarantees payment of FPL Group Capital's credit facilities) is required to maintain a minimum ratio of funded debt to capitalization and a minimum interest coverage ratio under the terms of FPL Group Capital's credit facilities. FPL is required to maintain a minimum ratio of funded debt to capitalization under FPL's credit facilities. At March 31, 2004, FPL Group and FPL were in compliance with their respective ratios.

In addition, FPL Group Capital and FPL have each established an uncommitted credit facility with a bank. The bank may at its discretion, upon the request of FPL Group Capital or FPL, make a short-term loan or loans to FPL Group Capital or FPL in an aggregate amount determined by the bank, which is subject to change at any time. The terms of the specific borrowings under the uncommitted credit facilities, including maturity, are set at the time borrowing requests are made by FPL Group Capital or FPL. Borrowings under either company's uncommitted credit facility may be used for general corporate purposes. At March 31, 2004, FPL Group Capital had $50 million outstanding under its uncommitted credit facility, which is included in notes payable on FPL Group's condensed consolidated balance sheets. At March 31, 2004, FPL had no amounts outstanding under its uncommitted credit facility.

In January 2004, FPL sold 200,000 shares of $100 par value 4 1/2% Series V preferred stock to FPL Group and issued $240 million of 5.65% first mortgage bonds maturing in February 2035. Also in January 2004, FPL Group Capital entered into a variable interest rate swap agreement to protect $200 million of its outstanding 7 7/8% debentures against changes in fair value due to changes in interest rates. In March 2004, FPL Group Capital sold $309 million of 5 7/8% junior subordinated debentures maturing in March 2044, which are included in long-term debt on FPL Group's condensed consolidated balance sheets. The junior subordinated debentures were purchased by an unconsolidated 100%-owned finance subsidiary of FPL Group using proceeds from the March 2004 sale by that finance subsidiary of $300 million of preferred trust securities to the public and $9 million of common trust securities to FPL Group. FPL Group has fully and unconditionally guaranteed the junior subordinated debentures and the preferred trust securities. See Note 8. In April 2004, a subsidiary of FPL Energy entered into an interest rate swap agreement with an initial notional amount of $32 million to fix the interest rate on a portion of its

variable rate debt at 3.845%. Also in April 2004, FPL entered into an interest rate swap agreement to protect $250 million of its $500 million 6.875% first mortgage bonds maturing in 2005 against changes in fair value due to changes in interest rates.

The following provides various metrics regarding FPL Group's and FPL's outstanding debt:

	FPL Group [a]		FPL	
	March 31, 2004	December 31, 2003	March 31, 2004	December 31, 2003
Weighted-average annual interest rate	5.1%	4.9%	4.6%	4.5%
Weighted-average life (years)	9.1	7.3	16.1	13.6
Annual average of floating rate debt to total debt	29%	31%	26%	33%

[a] Calculations include interest rate swaps.

FPL Group's commitments by segment at March 31, 2004 were as follows:

	2004	2005	2006	2007	2008	Thereafter	Total
				(millions)			
Long-term debt:							
FPL	$ -	$ 500	$ 135	$ -	$ 200	$ 2,498	$ 3,333
FPL Energy	88	119	116	418	315	705	1,761
Corporate and Other	276	675	1,100	1,075	506	939	4,571
Standby letters of credit:							
FPL	3	8	-	-	-		11
FPL Energy	305	23	-	-	-	-	328
Corporate and Other		4	-	-	-	-	4
Guarantees:							
FPL Energy	181	5	-	17	-	209	412
Corporate and Other	-	1	-		-	1	2
Other commitments: [a]							
FPL [b]	1,225	1,710	1,555	1,535	1,230		7,255
FPL Energy [c]	135	63	53	69	52	782	1,154
Corporate and Other	143	45				-	188
Total	$ 2,356	$ 3,153	$ 2,959	$ 3,114	$ 2,303	$ 5,134	$ 19,019

[a] See Note 9 – Commitments and Contracts.

[b] Represents projected capital expenditures through 2008 to meet increased electricity usage and customer growth, as well as capital improvements to and maintenance of existing facilities. Excludes capacity payments under purchased power and fuel contracts which are recoverable through various cost recovery clauses.

[c] Represents firm commitments primarily in connection with natural gas transportation and storage, firm transmission service, nuclear fuel and a portion of its capital expenditures.

FPL Group Capital has guaranteed certain debt and other obligations of FPL Energy and its subsidiaries. FPL Group has guaranteed certain payment obligations of FPL Group Capital, including most of those under FPL Group Capital's debt, including all of its debentures and commercial paper issuances, as well as most of its guarantees. See guarantees in table above.

FPL Energy has guaranteed certain performance obligations of a power plant owned by a wholly-owned subsidiary as part of a power purchase agreement (PPA) that expires in 2027. Under the PPA, the subsidiary could incur market-based liquidated damages for failure to meet contractual minimum outputs. In addition, certain subsidiaries of FPL Energy have contracts that require certain projects to meet annual minimum generation amounts. Failure to meet the annual minimum generation amounts would result in the FPL Energy subsidiary incurring specified liquidated damages. Based on past performance of these and similar projects and current forward prices, management believes that the exposure associated with these guarantees is not material.

An FPL Energy subsidiary is committed to purchase oil and gas inventory remaining in certain storage facilities at December 31, 2005 at its weighted-average cost. At April 30, 2004, FPL Energy's commitment is estimated to be from $0 to approximately $60 million, based on a potential range of zero to full storage volume at the current average forward price of oil and gas.

FPL self-insures for damage to certain T&D properties and maintains a funded storm and property insurance reserve to reduce the financial impact of storm losses. The balance of the storm fund reserve at March 31, 2004 was approximately $338 million, representing the amount in the storm fund (approximately $208 million) plus related deferred income taxes (approximately $130 million). The FPSC has indicated that it would consider future storm losses in excess of the funded reserve for possible recovery from customers. FPL's bank lines of credit discussed above are also available if needed to provide cash for storm restoration costs.

New Accounting Rules and Interpretations

Variable Interest Entities – In December 2003, the FASB revised FIN 46, "Consolidation of Variable Interest Entities," which partially delayed its effective date for public companies until the first quarter of 2004. FPL Group and FPL finalized their analysis on other investments and contractual relationships and determined that at March 31, 2004 no other entities needed to be consolidated or deconsolidated in accordance with FIN 46R. FPL Group and FPL expect additional implementation guidance to be issued regarding FIN 46R and are unable to determine what effect, if any, this additional guidance might have on FPL Group's and FPL's condensed consolidated financial statements. See Note 6.

Pensions and Other Postretirement Benefits – In January 2004, the FASB issued Staff Position FAS 106-1, "Accounting and Disclosure Requirements Related to the Medicare Prescription Drug, Improvement and Modernization Act of 2003." See Note 1.

Accumulated Other Comprehensive Income

Total other comprehensive income (OCI) activity for the quarter ended March 31, 2004 is as follows:

	Accumulated Other Comprehensive Income (Loss)		
	Net Unrealized Losses On Cash Flow Hedges	Other	Total
	(millions)		
Balances, December 31, 2003	$ (10)	$ 14	$ 4
Commodities			
Effective portion of net unrealized loss:			
Consolidated subsidiaries (net of $12 tax benefit)	(19)	-	(19)
Reclassification from OCI to net income:			
Consolidated subsidiaries (net of $1 tax benefit)	(2)	-	(2)
Interest rate			
Effective portion of net unrealized loss (net of $3 tax benefit)	-	(5)	(5)
Net unrealized gain on available for sale securities (net of $2 tax expense)	-	3	3
Balances, March 31, 2004	$ (31)	$ 12	$ (19)

Total OCI activity for the quarter ended March 31, 2003 was as follows:

	Accumulated Other Comprehensive Income (Loss)		
	Net Unrealized Gains (Losses) On Cash Flow Hedges	Other	Total
	(millions)		
Balances, December 31, 2002	$ 19	$ (3)	$ 16
Effective portion of net unrealized gain:			
Consolidated subsidiaries (net of $11 tax expense)	17	-	17
Equity investments (net of $5 tax expense)	7	-	7
Reclassification from OCI to net income:			
Consolidated subsidiaries (net of $7 tax benefit)	(10)	-	(10)
Equity investments (net of $2 tax benefit)	(4)	-	(4)
Net unrealized gain on available for sale securities (net of $2 tax benefit)	-	(2)	(2)
Balances, March 31, 2003	$ 29	$ (5)	$ 24

Energy Marketing and Trading and Market Risk Sensitivity

Energy Marketing and Trading – Certain of FPL Group's subsidiaries, including FPL and FPL Energy, use derivative instruments (primarily forward purchases and sales, swaps, options and futures) to manage the commodity price risk inherent in fuel and electricity contracts, as well as to optimize the value of power generation assets. To a lesser extent, FPL Energy engages in limited energy trading activities to take advantage of expected future favorable price movements.

Derivative instruments are recorded on FPL Group's and FPL's consolidated balance sheets as either an asset or liability (in derivative assets, other assets, other current liabilities and other liabilities) measured at fair value. At FPL, substantially all changes in fair value are deferred as a regulatory asset or liability until the contracts are settled. Upon settlement, any gains or

losses are passed through the fuel clause and the capacity clause. For FPL Group's non-rate regulated operations, predominantly FPL Energy, essentially all changes in the derivatives' fair value for power purchases and sales and trading activities are recognized net in operating revenues, fuel purchases and sales are recognized net in fuel, purchased power and interchange expense and the equity method investees' related activity is recognized in equity in earnings of equity method investees in FPL Group's condensed consolidated statements of income unless hedge accounting is applied. Any position that is moved between non-qualifying hedge activity and trading and managed hedge activity is transferred at its fair value on the date of reclassification.

The changes in the fair value of FPL Group's consolidated subsidiaries' energy contract derivative instruments for the quarter ended March 31, 2004 are as follows:

	Hedges on Owned Assets					
	Proprietary Trading	Managed	Non-Qualifying	OCI	FPL Cost Recovery Clauses	FPL Group Total
			(millions)			
Fair value of contracts outstanding at December 31, 2003	$ 7	$ 1	$ 21	$ (11)	$ 94	$ 112
Reclassification to realized at settlement of contracts	(3)	(1)	(24)	(3)	(24)	(55)
Effective portion of changes in fair value recorded in OCI	-	-	-	(31)	-	(31)
Ineffective portion of change in fair value recorded in earnings	-	-	(3)	-	-	(3)
Changes in fair value excluding reclassification to realized	4	1	5	-	75	85
Fair value of contracts outstanding at March 31, 2004	8	1	(1)	(45)	145	108
Net option premium payment (receipts)	-	-	(9)	-	26	17
Total mark-to-market energy contract net assets at March 31, 2004	$ 8	$ 1	$ (10)	$ (45)	$ 171	$ 125

FPL Group's total mark-to-market energy contract net assets at March 31, 2004 shown above are included in the consolidated balance sheets as follows:

	March 31, 2004
	(millions)
Derivative assets	$ 272
Other assets	24
Other current liabilities	(104)
Other liabilities	(67)
FPL Group's total mark-to-market energy contract net assets at March 31, 2004	$ 125

The sources of fair value estimates and maturity of energy contract derivative instruments at March 31, 2004 are as follows:

	Maturity						
	2004	2005	2006	2007	2008	Thereafter	Total
				(millions)			
Proprietary Trading:							
Actively quoted (i.e., exchange trade) prices	$ 1	$ 1	$ -	$ -	$ -	$ -	$ 2
Prices provided by other external sources	9	5	1	-			15
Modeled	(8)	(3)	-	-		2	(9)
Total	2	3	1	-	-	2	8
Owned Assets – Managed:							
Actively quoted (i.e., exchange trade) prices	1	-	-	-	-	-	1
Prices provided by other external sources	-	-	-	-	-	-	
Modeled	-	-	-	-	-	-	
Total	1	-	-	-	-	-	1
Owned Assets – Non-Qualifying:							
Actively quoted (i.e., exchange trade) prices	25	1			-	-	26
Prices provided by other external sources	11		(1)	-	-	-	10
Modeled	(20)	(5)	(3)	(2)	(2)	(5)	(37)
Total	16	(4)	(4)	(2)	(2)	(5)	(1)
Owned Assets – OCI:							
Actively quoted (i.e., exchange trade) prices	2	(3)			-	-	(1)
Prices provided by other external sources	(1)	(16)	(8)	(2)	-	-	(27)
Modeled	(4)	(7)	(2)	(2)	(2)	-	(17)
Total	(3)	(26)	(10)	(4)	(2)	-	(45)
Owned Assets – FPL Cost Recovery Clauses:							
Actively quoted (i.e., exchange trade) prices	95	-	-	-	-	-	95
Prices provided by other external sources	25	-	-	-	-	-	25
Modeled	26	(1)	-	-	-	-	25
Total	146	(1)	-	-	-	-	145
Total sources of fair value	$ 162	$ (28)	$ (13)	$ (6)	$ (4)	$ (3)	$ 108

The changes in the fair value of FPL Group's consolidated subsidiaries' energy contract derivative instruments for the quarter ended March 31, 2003 are as follows:

	Proprietary Trading	Hedges on Owned Assets: Managed	Hedges on Owned Assets: Non-Qualifying	Hedges on Owned Assets: OCI	FPL Cost Recovery Clauses	FPL Group Total
			(millions)			
Fair value of contracts outstanding at December 31, 2002	$ 4	$ -	$ 8	$ 28	$ 12	$ 52
Reclassification to realized at settlement of contracts	(2)	-	1	(17)	(16)	(34)
Effective portion of changes in fair value recorded in OCI	-	-	-	28	-	28
Changes in valuation assumptions	-	-	-	-	-	-
Changes in fair value excluding reclassification to realized	2	1	(16)	-	17	4
Fair value of contracts outstanding at March 31, 2003	4	1	(7)	39	13	50
Net option premium payment (receipts)	-	-	(9)	-	2	(7)
Total mark-to-market energy contract net assets at March 31, 2003	$ 4	$ 1	$ (16)	$ 39	$ 15	$ 43

Market Risk Sensitivity – Substantially all financial instruments and positions affecting the financial statements of 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 commodity prices, interest rates or equity prices over the next year. Management has established risk management policies to monitor and manage market risks. FPL Group's Exposure Management Committee (EMC), which is comprised of certain members of senior management, is responsible for the overall approval of market risk management policies and the delegation of approval and authorization levels. The EMC receives periodic updates on market positions and related exposures, credit exposures and overall risk management activities. FPL Group and FPL manage their interest rate exposure by monitoring current interest rates and adjusting their variable rate debt in relation to total capitalization.

FPL Group and its subsidiaries are also exposed to credit risk through their energy marketing and trading operations. Credit risk is the risk that a financial loss will be incurred if a counterparty to a transaction does not fulfill its financial obligation. FPL Group manages counterparty credit risk for its subsidiaries with energy marketing and trading operations through established policies, including counterparty credit limits, and in some cases credit enhancements, such as cash prepayments, letters of credit, cash and other collateral and guarantees. Credit risk is also managed through the use of master netting agreements. FPL Group's credit department monitors current and forward credit exposure to counterparties and their affiliates, both on an individual and an aggregate basis.

Commodity price risk – FPL Group uses a value-at-risk (VaR) model to measure market risk in its trading and mark-to-market portfolios. The VaR is the estimated nominal loss of market value based on a one-day holding period at a 95% confidence level using historical simulation methodology. As of March 31, 2004 and December 31, 2003, the VaR figures are as follows:

	Trading and Managed Hedges: FPL	Trading and Managed Hedges: FPL Energy	Trading and Managed Hedges: FPL Group	Non-Qualifying Hedges and Hedges in OCI[a]: FPL	Non-Qualifying Hedges and Hedges in OCI[a]: FPL Energy	Non-Qualifying Hedges and Hedges in OCI[a]: FPL Group	Total: FPL	Total: FPL Energy	Total: FPL Group
					(millions)				
December 31, 2003	$ -	$ -	$ -	$ 25	$ 5	$ 26	$ 25	$ 4	$ 26
March 31, 2004	$ -	$ 1	$ 1	$ 25	$ 3	$ 24	$ 25	$ 4	$ 24
Average for the period ended March 31, 2004	$ -	$ 1	$ 1	$ 23	$ 4	$ 22	$ 23	$ 4	$ 23

[a] Non-qualifying hedges are employed to reduce the market risk exposure to physical assets which are not marked to market. The VaR figures for the non-qualifying hedges and hedges in OCI category do not represent the economic exposure to commodity price movements.

Interest rate risk – FPL Group and FPL are exposed to risk resulting from changes in interest rates as a result of their issuances of debt, investments in special use funds and interest rate swaps. FPL Group and FPL manage their interest rate exposure by monitoring current interest rates and adjusting their variable rate debt in relation to total capitalization.

The following are estimates of the fair value of FPL Group's and FPL's financial instruments:

	March 31, 2004		December 31, 2003	
	Carrying Amount	Estimated Fair Value	Carrying Amount	Estimated Fair Value
	(millions)			
FPL Group:				
Long-term debt, including current maturities	$ 9,638	$ 10,150[a]	$ 9,090	$ 9,548[a]
Fixed income securities:				
Special Use Funds	$ 1,360	$ 1,360[a]	$ 1,316	$ 1,316[a]
Other Investments	$ 70	$ 70[a]	$ 57	$ 57[a]
Interest rate swaps – net unrealized loss	$ (14)	$ (14)[b]	$ (10)	$ (10)[b]
FPL:				
Long-term debt, including current maturities	$ 3,311	$ 3,452[a]	$ 3,074	$ 3,193[a]
Fixed income securities – Special Use Funds	$ 1,227	$ 1,227[a]	$ 1,188	$ 1,188[a]

[a] Based on quoted market prices for these or similar issues.
[b] Based on market prices provided by external sources or modeled internally.

The special use funds of FPL Group include restricted funds set aside to cover the cost of storm damage for FPL and for the decommissioning of FPL Group's and FPL's nuclear power plants. A portion of these funds is invested in fixed income debt securities carried at their market value. Adjustments to market value result in a corresponding adjustment to the related liability accounts based on current regulatory treatment for FPL. The market value adjustments of FPL Group's non-rate regulated operations result in a corresponding adjustment to OCI. Because the funds set aside by FPL 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.

FPL Group and its subsidiaries use a combination of fixed rate and variable rate debt to manage interest rate exposure. Interest rate swaps are used to adjust and mitigate interest rate exposure when deemed appropriate based upon market conditions or when required by financing agreements. At March 31, 2004, FPL Group had the following interest rate swaps:

Notional Amount (millions)	Effective Date	Maturity Date	Rate Paid	Rate Received	Estimated Fair Value (millions)
Fair value hedges – FPL Group Capital:					
$ 150	July 2003	September 2006	variable[a]	7.625%	$ -
$ 150	July 2003	September 2006	variable[b]	7.625%	-
$ 175	December 2003	June 2004	variable[c]	6.875%	
$ 200	January 2004	March 2005	variable[d]	1.875%	
Total fair value hedges					
Cash flow hedges – FPL Energy:					
$ 100	July 2002	December 2007	4.41%	variable[e]	(6)
$ 200	August 2003	November 2007	3.557%	variable[e]	(6)
$ 94	December 2003	December 2017	4.245%	variable[f]	(2)
Total cash flow hedges					(14)
Total interest rate hedges					$ (14)

[a] Six-month LIBOR plus 4.9900%
[b] Six-month LIBOR plus 4.9925%
[c] Six-month LIBOR plus 4.8921%
[d] Six-month LIBOR less .1375%
[e] Three-month LIBOR
[f] One-month LIBOR

Based upon a hypothetical 10% decrease in interest rates, which is a reasonable near-term market change, the net fair value of FPL Group's net liabilities would increase by approximately $242 million ($112 million for FPL) at March 31, 2004.

Equity price risk – Included in the special use funds of FPL Group are marketable equity securities carried at their market value of approximately $949 million and $926 million ($802 million and $781 million for FPL) at March 31, 2004 and December 31, 2003, respectively. A hypothetical 10% decrease in the prices quoted by stock exchanges, which is a reasonable near-term market change, would result in a $95 million ($80 million for FPL) reduction in fair value and corresponding adjustments to the related liability accounts based on current regulatory treatment for FPL, or adjustments to OCI for FPL Group's non-rate regulated operations, at March 31, 2004.

Credit risk – For all derivative and contractual transactions, FPL Group's energy marketing and trading operations, which includes FPL's energy marketing and trading division, are exposed to losses in the event of nonperformance by counterparties to these transactions. Relevant considerations when assessing FPL Group's energy marketing and trading operations' credit risk exposure include:

- Operations are primarily concentrated in the energy industry.
- Trade receivables and other financial instruments are predominately with energy, utility and financial services related companies, as well as municipalities, cooperatives and other trading companies in the United States.
- Overall credit risk is managed through established credit policies.
- Prospective and existing customers are reviewed for creditworthiness based upon established standards, with customers not meeting minimum standards providing various credit enhancements or secured payment terms, such as letters of credit or the posting of cash collateral.
- The use of master netting agreements to offset cash and non-cash gains and losses arising from derivative instruments with the same counterparty. FPL Group's policy is to have master netting agreements in place with significant counterparties.

Based on FPL Group's policies and risk exposures related to credit, FPL Group and FPL do not anticipate a material adverse effect on their financial positions as a result of counterparty nonperformance. As of March 31, 2004, approximately 99% of FPL Group's and 99% of FPL's energy marketing and trading counterparty credit risk exposure is associated with companies that have at least investment grade credit ratings.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

See Management's Discussion – Energy Marketing and Trading and Market Risk Sensitivity – Market Risk Sensitivity.

Item 4. Controls and Procedures

(a) Evaluation of Disclosure Controls and Procedures

As of March 31, 2004, FPL Group and FPL had performed an evaluation, under the supervision and with the participation of its management, including FPL Group's and FPL's chief executive officer and chief financial officer, of the effectiveness of the design and operation of each company's disclosure controls and procedures (as defined in Exchange Act Rule 13a-15(e) or 15d-15(e)). Based upon that evaluation, the chief executive officer and chief financial officer of FPL Group and FPL concluded that the company's disclosure controls and procedures are effective in timely alerting them to material information relating to the company and its consolidated subsidiaries required to be included in the company's reports filed or submitted under the Exchange Act. FPL Group and FPL each have a Disclosure Committee, which is made up of several key management employees and reports directly to the chief executive officer and chief financial officer of each company, to monitor and evaluate these disclosure controls and procedures. Due to the inherent limitations of the effectiveness of any established disclosure controls and procedures, management of FPL Group and FPL cannot provide absolute assurance that the objectives of its disclosure controls and procedures will be met.

(b) Changes in Internal Controls

FPL Group and FPL are continuously seeking to improve the efficiency and effectiveness of their operations and of their internal controls. This results in refinements to processes throughout FPL Group and FPL. However, there has been no change in FPL Group's or FPL's internal control over financial reporting that occurred during FPL Group's and FPL's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, FPL Group's or FPL's internal control over financial reporting.

PART II – OTHER INFORMATION

Item 1. Legal Proceedings

Reference is made to Item 3. Legal Proceedings in the 2003 Form 10-K for FPL Group and FPL.

The EPA has not yet moved to reopen the lawsuit against Georgia Power Company relating to Scherer Unit No. 4. In May 2004, the U.S. Supreme Court denied the EPA's petition for review of the June 2003 Eleventh Circuit order dismissing TVA's appeal of an EPA administrative order.

Regarding the FMPA case, in March 2004, FERC issued an order denying FMPA's rehearing request. In April 2004, FMPA petitioned the DC Circuit for review of FERC's December 2003 order and March 2004 order. FPL previously estimated the exposure for the crediting issue at $65 million. With the passage of time, the exposure has grown to $74 million as of March 31, 2004. Unless the DC Circuit remands the decision back to FERC and FERC changes its position regarding its denial of FMPA's rehearing request, FPL's exposure will be limited to refunds arising from the exclusion of FPL facilities that fail to meet the integration test from its rate schedule.

In both the Finestone and the Blake and Lowe lawsuits, discovery is proceeding.

In the Bradstreet lawsuits, the Bradstreets have voluntarily dismissed both lawsuits without prejudice.

The Shiflett lawsuit was removed in January 2004 to the U.S. District Court for the Middle District of Florida. FPL has moved to dismiss the complaint.

All FPL Group-related entities named in the Center for Biological Diversity, Inc. lawsuit have been served the complaint.

In the Oorbeek, Klein and Phillips lawsuit, a trial date has been set for July 2005.

Item 2. Changes in Securities, Use of Proceeds and Issuer Purchase of Equity Securities

On January 20, 2004, FPL sold to FPL Group 200,000 shares of 4 1/2% Preferred Stock, Series V, for an aggregate price of $20 million in cash. The shares were not registered under the Securities Act of 1933, as amended (Securities Act) pursuant to exemptions from registration including an exemption under Section 4(2) of the Securities Act.

Item 5. Other Information

(a) Reference is made to Item 1. Business – FPL Operations – Environmental and FPL Energy Operations – Environmental in the 2003 Form 10-K for FPL Group and FPL.

Clean Air Act Mercury/Nickel Rule – In 2004, the EPA published a proposed rule pursuant to Section 112 of the Clean Air Act to set Maximum Achievable Control Technology (MACT) standards for the emissions of mercury from coal-fired electric utility steam generating units to be met by the end of 2007. In March 2004, the EPA published a Supplemental Notice of Proposed Rulemaking to propose a mercury cap and trade program requiring reductions in 2010 and 2018 as an alternative to the MACT rule. EPA is taking comments on these alternatives and plans to issue a final rule by March 2005. There is considerable opposition to the proposed rule from some environmental groups, which argue that there should be more stringent control of mercury emissions. While the final requirements are uncertain, it is possible that Scherer Unit No. 4 and St. Johns River Power Park Units Nos. 1 and 2, as well as certain coal-fired units from which FPL purchases power, may be required to add additional pollution control equipment or purchase emission allowances in order to achieve compliance with the proposed mercury limits.

In addition to the mercury MACT standards for coal-fired facilities, the EPA also proposed MACT standards for nickel emissions from oil-fired electric generating facilities to be met by the end of 2007. While the final requirements are uncertain, it is possible that the rule may apply to FPL's residual oil-fired units and an oil-fired FPL Energy unit in Maine, and may require additional pollution control equipment at these facilities or may dictate changes in operational parameters. Some in the electric industry believe that EPA does not have sufficient data to support this rulemaking. The proposed nickel MACT rule is anticipated to be final by March 2005.

Clean Air Act Interstate Air Quality Rule – In 2004, the EPA proposed the Interstate Air Quality Rule, which is designed to bring into compliance the majority of areas in the United States that are not currently expected to meet new air quality standards for fine particulates (PM 2.5) and ozone. The proposed rule requires sulfur dioxide (SO_2) and nitrogen oxide (NOx) emissions reductions from electric generating units in 28 states where their emissions are transported to downwind states resulting in an adverse impact to air quality. The proposed rule requires reductions in SO_2 and NOx in 2010 and in 2015, eventually reaching a nationwide reduction of 65% for each. In the proposed rule, Florida and Georgia were determined to be contributors of PM 2.5 to downwind states through modeling. While the final requirements are uncertain, it is possible that FPL generating facilities in Florida and Georgia may be required to add additional SO_2 and NOx controls or purchase emission allowances to meet the compliance requirements of the final rule.

Clean Water Act Section 316(b) – In May 2004, the EPA is expected to issue a final rule under Section 316(b) of the Clean Water Act to address intake structures at existing power plants with once-through cooling water systems. The rule would require FPL to determine, through biological studies, the amount of impingement (the loss of organisms against screens and other exclusion devices) and/or entrainment (the loss of organisms by passing them through the cooling system) of fish and shellfish that is occurring at eight of FPL's power plants (Cape Canaveral, Cutler, Fort Myers, Lauderdale, Port Everglades, Sanford, Riviera and St. Lucie) as well as two FPL Energy plants (Seabrook and an oil-fired plant in Maine). The plants will be required to meet prescribed performance standards for reducing the amount of impingement and/or entrainment through engineering solutions or provide restoration/mitigation to replace impacted organisms. FPL and FPL Energy will be conducting the required biological studies over the next four years and implementing solutions following regulatory approval. The cost of these solutions, as well as ongoing biological monitoring that may be required, has not yet been determined.

Reference is made to Item 1. Business – FPL Operations – Nuclear Operations in the 2003 Form 10-K for FPL Group and FPL.

During 2003, nuclear utilities, other than FPL, identified that pressurizer heater sleeves made with a particular material (alloy 600) were experiencing penetration cracks and leaks as a result of primary water stress corrosion cracking. St. Lucie Units Nos. 1 and 2 have similar pressurizer heater sleeve penetration design and materials. FPL has been performing visual inspections of the St. Lucie Units Nos. 1 and 2 pressurizer heater sleeve penetrations through gaps in the insulation at each refueling outage since 1990 and has not identified any leaks. As a result of cracks and leaks identified at other utilities, FPL began employing more extensive inspections of these pressurizer heater sleeves during the spring 2004 St. Lucie Unit No. 1 outage and no leaks were found. St. Lucie Unit No. 2 will employ a more extensive inspection during its scheduled refueling outage later this year. Due to the cost and outage impact associated with potential leaks, FPL has decided to replace St. Lucie Unit No. 1's pressurizer during its scheduled refueling and reactor vessel head replacement outage in the fall of 2005. The estimated cost for the pressurizer is included in estimated capital expenditures. See Note 9 – Commitments. FPL has decided to repair St. Lucie Unit No. 2's pressurizer heater sleeve penetrations during its scheduled refueling and steam generator and reactor vessel head replacement outage in the fall of 2007. The estimated cost of this repair is approximately $12 million, which will be charged to O&M expense. The pressurizer penetrations at Turkey Point Units Nos. 3 and 4 and Seabrook utilize a different material.

Reference is made to Item 1. Business – FPL Energy Operations – Portfolio by Category in the 2003 Form 10-K for FPL Group and FPL.

During the first quarter of 2004, FPL Energy changed how it classifies its contract coverage categories to more closely reflect how these assets are managed internally. The wind category remained unchanged while non-wind assets under long-term contract is now called contracted. The contracted category includes all projects with mid- to long-term purchase power contracts for substantially all of their output. Some of the newer projects with long-term contracts were previously included in the merchant category. The merchant category now includes only those facilities which require active hedging and is subdivided into the following three regions: NEPOOL, ERCOT and all other.

(b) None

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits

Exhibit Number	Description	FPL Group	FPL
*4(a)	Indenture (For Unsecured Subordinated Debt Securities relating to Trust Securities) of FPL Group Capital, dated as of March 1, 2004 (filed as Exhibit 4(au) to Post-Effective Amendment No. 3 to Form S-3, File No. 333-102173, 333-102173-01, 333-102173-02 and 333-102173-03)	x	
*4(b)	Officer's Certificate of FPL Group Capital, dated March 15, 2004, creating the 5 7/8% Junior Subordinated Debentures, Series due March 15, 2044 (filed as Exhibit 4(av) to Post-Effective Amendment No. 3 to Form S-3, File No. 333-102173, 333-102173-01, 333-102173-02 and 333-102173-03)	x	
*4(c)	Preferred Trust Securities Guarantee Agreement between FPL Group (as Guarantor) and The Bank of New York (as Guarantee Trustee), dated as of March 15, 2004 (filed as Exhibit 4(aw) to Post-Effective Amendment No. 3 to Form S-3, File No. 333-102173, 333-102173-01, 333-102173-02 and 333-102173-03)	x	
*4(d)	Amended and Restated Trust Agreement relating to FPL Group Capital Trust I, dated as of March 15, 2004 (filed as Exhibit 4(at) to Post-Effective Amendment No. 3 to Form S-3, File No. 333-102173, 333-102173-01, 333-102173-02 and 333-102173-03)	x	
*4(e)	Agreement as to Expenses and Liabilities of FPL Group Capital Trust I, dated as of March 15, 2004 (filed as Exhibit 4(ax) to Post-Effective Amendment No. 3 to Form S-3, File No. 333-102173, 333-102173-01, 333-102173-02 and 333-102173-03)	x	
12(a)	Computation of Ratios	x	
12(b)	Computation of Ratios		x
31(a)	Rule 13a-14(a)/15d-14(a) Certification of Chief Executive Officer of FPL Group	x	
31(b)	Rule 13a-14(a)/15d-14(a) Certification of Chief Financial Officer of FPL Group	x	
31(c)	Rule 13a-14(a)/15d-14(a) Certification of Chief Executive Officer of FPL		x
31(d)	Rule 13a-14(a)/15d-14(a) Certification of Chief Financial Officer of FPL		x
32(a)	Section 1350 Certification of FPL Group	x	
32(b)	Section 1350 Certification of FPL		x

*Incorporated herein by reference

FPL Group and FPL agree to furnish to the SEC upon request any instrument with respect to long-term debt that FPL Group and FPL have 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 SEC on January 26, 2004 by FPL reporting one event under Item 5. Other Events and Regulation FD Disclosure.

A current report on Form 8-K was filed with the SEC on March 1, 2004 by FPL Group and FPL reporting events under Item 5. Other Events and Regulation FD Disclosure and filing an exhibit under Item 7. Financial Statements and Exhibits.

A current report on Form 8-K was filed with the SEC on March 12, 2004 by FPL Group filing an exhibit under Item 7. Financial Statements and Exhibits.

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, 2004

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)

Exhibit 12(a)

FPL GROUP, INC. AND SUBSIDIARIES
COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES AND
RATIO OF EARNINGS TO COMBINED FIXED CHARGES AND PREFERRED STOCK DIVIDENDS [a]

	Three Months Ended March 31, 2004 (millions of dollars)
Earnings, as defined:	
Net income	$ 138
Income taxes	28
Fixed charges included in the determination of net income, as below	126
Amortization of capitalized interest	2
Distributed income of equity method investees	8
Less: Equity in earnings of equity method investees	15
Total earnings, as defined	$ 287
Fixed charges, as defined:	
Interest charges	$ 122
Rental interest factor	4
Fixed charges included in the determination of net income	126
Capitalized interest	12
Total fixed charges, as defined	$ 138
Ratio of earnings to fixed charges and ratio of earnings to combined fixed charges and preferred stock dividends [a]	2.08

[a] FPL Group, Inc. has no preference equity securities outstanding; therefore, the ratio of earnings to fixed charges is the same as the ratio of earnings to combined fixed charges and preferred stock dividends.

Exhibit 12(b)

FLORIDA POWER & LIGHT COMPANY
COMPUTATION OF RATIOS

	Three Months Ended March 31, 2004 (millions of dollars)
RATIO OF EARNINGS TO FIXED CHARGES	
Earnings, as defined:	
Net income	$ 105
Income taxes	52
Fixed charges, as below	50
Total earnings, as defined	$ 207
Fixed charges, as defined:	
Interest charges	$ 46
Rental interest factor	2
Capitalized interest	2
Total fixed charges, as defined	$ 50
Ratio of earnings to fixed charges	4.14
RATIO OF EARNINGS TO COMBINED FIXED CHARGES AND PREFERRED STOCK DIVIDENDS	
Earnings, as defined:	
Net income	$ 105
Income taxes	52
Fixed charges, as below	50
Total earnings, as defined	$ 207
Fixed charges, as defined:	
Interest charges	$ 46
Rental interest factor	2
Capitalized interest	2
Total fixed charges, as defined	$ 50
Non-tax deductible preferred stock dividends	
Ratio of income before income taxes to net income	1.50
Preferred stock dividends before income taxes	
Combined fixed charges and preferred stock dividends	$ 207
Ratio of earnings to combined fixed charges and preferred stock dividends	4.14

Exhibit 31(a)

Rule 13a-14(a)/15d-14(a) Certification

I, Lewis Hay III, Chief Executive Officer of FPL Group, Inc. (FPL Group), certify that:

1. I have reviewed the Form 10-Q for the quarterly period ended March 31, 2004 of FPL Group (the registrant);

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 3, 2004

LEWIS HAY III

Lewis Hay III
Chairman of the Board, President
and Chief Executive Officer

Exhibit 31(b)

Rule 13a-14(a)/15d-14(a) Certification

I, Moray P. Dewhurst, Chief Financial Officer of FPL Group, Inc. (FPL Group), certify that:

1. I have reviewed the Form 10-Q for the quarterly period ended March 31, 2004 of FPL Group (the registrant);

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 3, 2004

MORAY P. DEWHURST
Moray P. Dewhurst
Vice President, Finance
and Chief Financial Officer

Exhibit 31(c)

Rule 13a-14(a)/15d-14(a) Certification

I, Lewis Hay III, Chief Executive Officer of Florida Power & Light Company (FPL), certify that:

1. I have reviewed the Form 10-Q for the quarterly period ended March 31, 2004 of FPL (the registrant);

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 3, 2004

LEWIS HAY III

Lewis Hay III
Chairman of the Board
and Chief Executive Officer

Exhibit 31(d)

Rule 13a-14(a)/15d-14(a) Certification

I, Moray P. Dewhurst, Chief Financial Officer of Florida Power & Light Company (FPL), certify that:

1. I have reviewed the Form 10-Q for the quarterly period ended March 31, 2004 of FPL (the registrant);

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 3, 2004

MORAY P. DEWHURST
Moray P. Dewhurst
Senior Vice President, Finance
and Chief Financial Officer

Exhibit 32(a)

Section 1350 Certification

We, Lewis Hay III, Chief Executive Officer of FPL Group, Inc. (FPL Group) and Moray P. Dewhurst, Chief Financial Officer of FPL Group, certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Quarterly Report on Form 10-Q of FPL Group for the quarterly period ended March 31, 2004 (Report) fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of FPL Group.

Dated: May 3, 2004

LEWIS HAY III
Lewis Hay III
Chairman of the Board, President
and Chief Executive Officer

MORAY P. DEWHURST
Moray P. Dewhurst
Vice President, Finance
and Chief Financial Officer

A signed original of this written statement required by Section 906 has been provided to FPL Group and will be retained by FPL Group and furnished to the Securities and Exchange Commission or its staff upon request.

The foregoing certification is being furnished as an exhibit to the Report pursuant to Item 601(b)(32) of Regulation S-K and Section 906 of the Sarbanes-Oxley Act of 2002 and, accordingly, is not being filed with the Securities and Exchange Commission as part of the Report and is not to be incorporated by reference into any filing of FPL Group under the Securities Act of 1933 or the Securities Exchange Act of 1934 (whether made before or after the date of the Report, irrespective of any general incorporation language contained in such filing).

Exhibit 32(b)

Section 1350 Certification

We, Lewis Hay III, Chief Executive Officer of Florida Power & Light Company (FPL) and Moray P. Dewhurst, Chief Financial Officer of FPL, certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Quarterly Report on Form 10-Q of FPL for the quarterly period ended March 31, 2004 (Report) fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of FPL.

Dated: May 3, 2004

LEWIS HAY III
Lewis Hay III
Chairman of the Board
and Chief Executive Officer

MORAY P. DEWHURST
Moray P. Dewhurst
Senior Vice President, Finance
and Chief Financial Officer

A signed original of this written statement required by Section 906 has been provided to FPL and will be retained by FPL and furnished to the Securities and Exchange Commission or its staff upon request.

The foregoing certification is being furnished as an exhibit to the Report pursuant to Item 601(b)(32) of Regulation S-K and Section 906 of the Sarbanes-Oxley Act of 2002 and, accordingly, is not being filed with the Securities and Exchange Commission as part of the Report and is not to be incorporated by reference into any filing of FPL under the Securities Act of 1933 or the Securities Exchange Act of 1934 (whether made before or after the date of the Report, irrespective of any general incorporation language contained in such filing).

FLORIDA POWER & LIGHT COMPANY

REPORT OF CONSUMMATION

DOCKET NO. 031000-EI

EXHIBIT (c)-1D





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, 2004**

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
2-27612	**FLORIDA POWER & LIGHT COMPANY**	59-0247775
	700 Universe Boulevard Juno Beach, Florida 33408 (561) 694-4000	

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 ___

Indicate by check mark whether FPL Group, Inc. is an accelerated filer (as defined in Rule 12b-2 of the Securities Exchange Act of 1934). Yes **X** No ___

Indicate by check mark whether Florida Power & Light Company is an accelerated filer (as defined in Rule 12b-2 of the Securities Exchange Act of 1934). Yes ___ No **X**

APPLICABLE ONLY TO CORPORATE ISSUERS:

The number of shares outstanding of FPL Group, Inc. common stock, as of the latest practicable date: Common Stock, $0.01 par value, outstanding at June 30, 2004: 185,258,403 shares.

As of June 30, 2004, 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.

CAUTIONARY STATEMENTS AND RISK FACTORS THAT MAY AFFECT FUTURE RESULTS

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) are hereby filing cautionary statements identifying important factors that could cause FPL Group's or FPL'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 FPL Group and FPL 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, believe, could, estimated, may, plan, potential, projection, target, 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 (in addition to any assumptions and other factors referred to specifically in connection with such forward-looking statements) that could cause FPL Group's or FPL's actual results to differ materially from those contained in forward-looking statements made by or on behalf of FPL Group and FPL.

Any forward-looking statement speaks only as of the date on which such statement is made, and FPL Group and FPL undertake 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.

The following are some important factors that could have a significant impact on FPL Group's and FPL's operations and financial results, and could cause FPL Group's and FPL's actual results or outcomes to differ materially from those discussed in the forward-looking statements:

- FPL Group and FPL are subject to changes in laws or regulations, including the Public Utility Regulatory Policies Act of 1978, as amended (PURPA), and the Public Utility Holding Company Act of 1935, as amended (Holding Company Act), changing governmental policies and regulatory actions, including those of the Federal Energy Regulatory Commission (FERC), the Florida Public Service Commission (FPSC) and the utility commissions of other states in which FPL Group has operations, and the U.S. Nuclear Regulatory Commission (NRC), with respect to, among other things, allowed rates of return, industry and rate structure, operation of nuclear power facilities, operation and construction of plant facilities, operation and construction of transmission facilities, acquisition, disposal, depreciation and amortization of assets and facilities, recovery of fuel and purchased power costs, decommissioning costs, return on common equity and equity ratio limits, and present or prospective wholesale and retail competition (including but not limited to retail wheeling and transmission costs). The FPSC has the authority to disallow recovery by FPL of costs that it considers excessive or imprudently incurred.
- The regulatory process generally restricts FPL's ability to grow earnings and does not provide any assurance as to achievement of earnings levels.
- FPL Group and FPL are subject to extensive federal, state and local environmental statutes, rules and regulations relating to air quality, water quality, waste management, wildlife mortality, natural resources and health and safety that could, among other things, restrict or limit the output of certain facilities or the use of certain fuels required for the production of electricity and/or increase costs. There are significant capital, operating and other costs associated with compliance with these environmental statutes, rules and regulations, and those costs could be even more significant in the future.
- FPL Group and FPL operate in a changing market environment influenced by various legislative and regulatory initiatives regarding deregulation, regulation or restructuring of the energy industry, including deregulation of the production and sale of electricity. FPL Group and its subsidiaries will need to adapt to these changes and may face increasing competitive pressure.
- FPL Group's and FPL's results of operations could be affected by FPL's ability to renegotiate franchise agreements with municipalities and counties in Florida.
- The operation of power generation facilities involves many risks, including start up risks, breakdown or failure of equipment, transmission lines or pipelines, use of new technology, the dependence on a specific fuel source or the impact of unusual or adverse weather conditions (including natural disasters such as hurricanes), as well as the risk of performance below expected or contracted levels of output or efficiency. This could result in lost revenues and/or increased expenses. Insurance, warranties or performance guarantees may not cover any or all of the lost revenues or increased expenses, including the cost of replacement power. In addition to these risks, FPL Group's and FPL's nuclear units face certain risks that are unique to the nuclear industry including the ability to dispose of spent nuclear fuel, as well as additional regulatory actions up to and including shutdown of the units stemming from public safety concerns, whether at FPL Group's and FPL's plants, or at the plants of other nuclear operators. Breakdown or failure of an FPL Energy, LLC (FPL Energy) operating facility may prevent the facility from performing under applicable power sales agreements which, in certain situations, could result in termination of the agreement or incurring a liability for liquidated damages.

- FPL Group's and FPL's ability to successfully and timely complete their power generation facilities currently under construction, those projects yet to begin construction or capital improvements to existing facilities is contingent upon many variables and subject to substantial risks. Should any such efforts be unsuccessful, FPL Group and FPL could be subject to additional costs, termination payments under committed contracts, and/or the write-off of their investment in the project or improvement.

- FPL Group and FPL use derivative instruments, such as swaps, options, futures and forwards to manage their commodity and financial market risks, and to a lesser extent, engage in limited trading activities. FPL Group could recognize financial losses as a result of volatility in the market values of these contracts, or if a counterparty fails to perform. In the absence of actively quoted market prices and pricing information from external sources, the valuation of these derivative instruments involves management's judgment or use of estimates. As a result, changes in the underlying assumptions or use of alternative valuation methods could affect the reported fair value of these contracts. In addition, FPL's use of such instruments could be subject to prudency challenges and if found imprudent, cost recovery could be disallowed by the FPSC.

- There are other risks associated with FPL Group's non-rate regulated businesses, particularly FPL Energy. In addition to risks discussed elsewhere, risk factors specifically affecting FPL Energy's success in competitive wholesale markets include the ability to efficiently develop and operate generating assets, the successful and timely completion of project restructuring activities, maintenance of the qualifying facility status of certain projects, the price and supply of fuel, transmission constraints, competition from new sources of generation, excess generation capacity and demand for power. There can be significant volatility in market prices for fuel and electricity, and there are other financial, counterparty and market risks that are beyond the control of FPL Energy. FPL Energy's inability or failure to effectively hedge its assets or positions against changes in commodity prices, interest rates, counterparty credit risk or other risk measures could significantly impair its future financial results. In keeping with industry trends, a portion of FPL Energy's power generation facilities operate wholly or partially without long-term power purchase agreements. As a result, power from these facilities is sold on the spot market or on a short-term contractual basis, which may affect the volatility of FPL Group's financial results. In addition, FPL Energy's business depends upon transmission facilities owned and operated by others; if transmission is disrupted or capacity is inadequate or unavailable, FPL Energy's ability to sell and deliver its wholesale power may be limited.

- FPL Group is likely to encounter significant competition for acquisition opportunities that may become available as a result of the consolidation of the power industry. In addition, FPL Group may be unable to identify attractive acquisition opportunities at favorable prices and to successfully and timely complete and integrate them.

- FPL Group and FPL rely on access to capital markets as a significant source of liquidity for capital requirements not satisfied by operating cash flows. The inability of FPL Group and FPL to maintain their current credit ratings could affect their ability to raise capital on favorable terms, particularly during times of uncertainty in the capital markets, which, in turn, could impact FPL Group's and FPL's ability to grow their businesses and would likely increase interest costs.

- FPL Group's and FPL's results of operations can be affected by changes in the weather. Weather conditions directly influence the demand for electricity and natural gas and affect the price of energy commodities, and can affect the production of electricity at wind and hydro-powered facilities. In addition, severe weather can be destructive, causing outages and/or property damage, which could require additional costs to be incurred.

- FPL Group and FPL are subject to costs and other effects of legal and administrative proceedings, settlements, investigations and claims, as well as the effect of new, or changes in, tax rates or policies, rates of inflation, accounting standards, securities laws or corporate governance requirements.

- FPL Group and FPL are subject to direct and indirect effects of terrorist threats and activities. Generation and transmission facilities, in general, have been identified as potential targets. The effects of terrorist threats and activities include, among other things, terrorist actions or responses to such actions or threats, the inability to generate, purchase or transmit power, the risk of a significant slowdown in growth or a decline in the U.S. economy, delay in economic recovery in the United States, and the increased cost and adequacy of security and insurance.

- FPL Group's and FPL's ability to obtain insurance, and the cost of and coverage provided by such insurance, could be affected by national events as well as company-specific events.

- FPL Group and FPL are subject to employee workforce factors, including loss or retirement of key executives, availability of qualified personnel, collective bargaining agreements with union employees or work stoppage.

The issues and associated risks and uncertainties described above are not the only ones FPL Group and FPL may face. Additional issues may arise or become material as the energy industry evolves. The risks and uncertainties associated with these additional issues could impair FPL Group's and FPL's businesses in the future.

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,	
	2004	2003	2004	2003
OPERATING REVENUES	$ 2,619	$ 2,339	$ 4,950	$ 4,420
OPERATING EXPENSES				
Fuel, purchased power and interchange	1,243	1,063	2,401	2,007
Other operations and maintenance	430	391	827	784
Depreciation and amortization	298	267	599	526
Taxes other than income taxes	214	205	428	396
Total operating expenses	2,185	1,926	4,255	3,713
OPERATING INCOME	434	413	695	707
OTHER INCOME (DEDUCTIONS)				
Interest charges	(124)	(84)	(246)	(161)
Preferred stock dividends – FPL	-	(4)	-	(7)
Equity in earnings of equity method investees	23	18	38	51
Allowance for equity funds used during construction	9	3	16	5
Other – net	10	4	15	8
Total other deductions – net	(82)	(63)	(177)	(104)
INCOME BEFORE INCOME TAXES	352	350	518	603
INCOME TAXES	95	111	123	189
NET INCOME	$ 257	$ 239	$ 395	$ 414
Earnings per share of common stock:				
Basic	$ 1.43	$ 1.35	$ 2.21	$ 2.34
Assuming dilution	$ 1.43	$ 1.34	$ 2.20	$ 2.33
Dividends per share of common stock	$ 0.62	$ 0.60	$ 1.24	$ 1.20
Weighted-average number of common shares outstanding:				
Basic	179.1	177.3	178.7	177.0
Assuming dilution	179.9	178.1	179.8	177.6

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 for the fiscal year ended December 31, 2003 (2003 Form 10-K) for FPL Group and FPL.

FPL GROUP, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(millions)
(unaudited)

	June 30, 2004	December 31, 2003
PROPERTY, PLANT AND EQUIPMENT		
Electric utility plant in service and other property	$ 28,762	$ 28,445
Nuclear fuel	465	463
Construction work in progress	1,771	1,364
Less accumulated depreciation and amortization	(10,338)	(9,975)
Total property, plant and equipment – net	20,660	20,297
CURRENT ASSETS		
Cash and cash equivalents	222	129
Customer receivables, net of allowances of $24 and $25, respectively	867	809
Other receivables	220	379
Materials, supplies and fossil fuel inventory – at average cost	376	458
Deferred clause and franchise expenses	233	348
Derivative assets	269	188
Other	176	159
Total current assets	2,363	2,470
OTHER ASSETS		
Special use funds	2,329	2,248
Other investments	663	B10
Regulatory assets:		
Unamortized loss on reacquired debt	47	48
Litigation settlement	67	89
Other	29	22
Other	1,048	951
Total other assets	4,183	4,168
TOTAL ASSETS	$ 27,206	$ 26,935
CAPITALIZATION		
Common stock	$ 2	$ 2
Additional paid-in capital	3,321	3,216
Retained earnings	3,918	3,745
Accumulated other comprehensive income (loss)	(24)	4
Total common shareholders' equity	7,217	6,967
Preferred stock of FPL without sinking fund requirements	5	5
Long-term debt	8,526	8,723
Total capitalization	15,748	15,695
CURRENT LIABILITIES		
Commercial paper	201	708
Notes payable	-	212
Current maturities of long-term debt	783	367
Accounts payable	793	542
Customers' deposits	383	357
Accrued interest and taxes	311	226
Deferred clause and franchise revenues	31	48
Derivative regulatory liability	137	93
Other	570	800
Total current liabilities	3,209	3,353
OTHER LIABILITIES AND DEFERRED CREDITS		
Asset retirement obligations	2,146	2,086
Accumulated deferred income taxes	2,267	2,155
Regulatory liabilities:		
Accrued asset removal costs	1,952	1,902
Storm and property insurance reserve	340	327
Asset retirement obligation regulatory expense difference	189	180
Unamortized investment tax credits	91	100
Other	129	160
Other	1,135	977
Total other liabilities and deferred credits	8,249	7,887
COMMITMENTS AND CONTINGENCIES		
TOTAL CAPITALIZATION AND LIABILITIES	$ 27,206	$ 26,935

This report should be read in conjunction with the Notes herein and the Notes to Consolidated Financial Statements appearing in the 2003 Form 10-K for FPL Group and FPL.

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

	Six Months Ended June 30,	
	2004	2003
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	$ 395	$ 414
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	577	504
Nuclear fuel amortization	47	14
Deferred income taxes and related regulatory credit	121	190
Cost recovery clauses and franchise fees	121	(336)
Equity in earnings of equity method investees	(38)	(51)
Distribution of earnings from equity method investees	27	15
Changes in operating assets and liabilities:		
Restricted cash	21	(4)
Customer receivables	(59)	(173)
Other receivables	26	(3)
Material, supplies and fossil fuel inventory	48	41
Other current assets	(37)	(52)
Deferred pension cost	(61)	(61)
Accounts payable	248	289
Customers' deposits	26	24
Interest, income taxes and other taxes	218	127
Other current liabilities	(16)	47
Other liabilities	44	(44)
Other – net	23	91
Net cash provided by operating activities	1,731	1,032
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures of FPL	(754)	(629)
Nuclear fuel purchases	(48)	(17)
Independent power investments	(230)	(745)
Sale of independent power investments	93	-
Capital expenditures of FPL FiberNet, LLC	(3)	(4)
Contributions to special use funds	(75)	(109)
Sale of Olympus note receivable	126	-
Funding of secured loan	(36)	-
Funds held for bond redemptions	-	(69)
Other – net	(36)	18
Net cash used in investing activities	(963)	(1,555)
CASH FLOWS FROM FINANCING ACTIVITIES		
Issuances of long-term debt	535	1,083
Retirements of long-term debt	(328)	(43)
Net change in short-term debt	(714)	(302)
Issuances of common stock	47	30
Dividends on common stock	(222)	(212)
Other – net	7	(18)
Net cash provided by (used in) financing activities	(675)	538
Net increase in cash and cash equivalents	93	15
Cash and cash equivalents at beginning of period	129	266
Cash and cash equivalents at end of period	$ 222	$ 281
SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES		
Additions to capital lease obligations	$ -	$ 41

This report should be read in conjunction with the Notes herein and the Notes to Consolidated Financial Statements appearing in the 2003 Form 10-K for FPL Group and FPL.

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2004	2003	2004	2003
OPERATING REVENUES	$2,172	$2,053	$ 4,114	$3,810
OPERATING EXPENSES				
Fuel, purchased power and interchange	1,070	970	2,094	1,780
Other operations and maintenance	319	308	615	609
Depreciation and amortization	227	223	459	442
Taxes other than income taxes	199	191	390	366
Total operating expenses	1,815	1,692	3,558	3,197
OPERATING INCOME	357	361	556	613
OTHER INCOME (DEDUCTIONS)				
Interest charges	(45)	(45)	(91)	(83)
Allowance for equity funds used during construction	9	3	16	5
Other – net	(3)	(3)	(5)	(6)
Total other deductions – net	(39)	(45)	(80)	(84)
INCOME BEFORE INCOME TAXES	318	316	476	529
INCOME TAXES	113	113	165	188
NET INCOME	205	203	311	341
PREFERRED STOCK DIVIDENDS		4	1	7
NET INCOME AVAILABLE TO FPL GROUP	$ 205	$ 199	$ 310	$ 334

This report should be read in conjunction with the Notes herein and the Notes to Consolidated Financial Statements appearing in the 2003 Form 10-K for FPL Group and FPL.

FLORIDA POWER & LIGHT COMPANY
CONDENSED CONSOLIDATED BALANCE SHEETS
(millions)
(unaudited)

	June 30, 2004	December 31, 2003
ELECTRIC UTILITY PLANT		
Plant in service	$ 21,697	$ 21,368
Nuclear fuel	382	380
Construction work in progress	1,016	741
Less accumulated depreciation and amortization	(9,458)	(9,237)
Electric utility plant – net	13,637	13,252
CURRENT ASSETS		
Cash and cash equivalents	69	4
Customer receivables, net of allowances of $12 and $11, respectively	662	636
Other receivables	71	151
Materials, supplies and fossil fuel inventory – at average cost	301	355
Deferred clause and franchise expenses	233	348
Derivative assets	156	130
Other	88	49
Total current assets	1,580	1,673
OTHER ASSETS		
Special use funds	2,047	1,974
Other investments	9	9
Regulatory assets:		
Unamortized loss on reacquired debt	47	48
Litigation settlement	67	89
Other	29	22
Other	805	750
Total other assets	3,004	2,892
TOTAL ASSETS	$ 18,221	$ 17,817
CAPITALIZATION		
Common stock	$ 1,373	$ 1,373
Additional paid-in capital	4,319	4,318
Retained earnings	394	313
Total common shareholder's equity	6,086	6,004
Preferred stock without sinking fund requirements	25	5
Long-term debt	3,314	3,074
Total capitalization	9,425	9,083
CURRENT LIABILITIES		
Commercial paper	171	630
Accounts payable	666	435
Customers' deposits	371	346
Accrued interest and taxes	294	160
Deferred clause and franchise revenues	31	48
Derivative regulatory liability	137	93
Other	280	423
Total current liabilities	1,950	2,135
OTHER LIABILITIES AND DEFERRED CREDITS		
Asset retirement obligations	1,961	1,908
Accumulated deferred income taxes	1,479	1,415
Regulatory liabilities:		
Accrued asset removal costs	1,952	1,902
Storm and property insurance reserve	340	327
Asset retirement obligation regulatory expense difference	189	180
Unamortized investment tax credits	91	100
Other	129	160
Other	705	607
Total other liabilities and deferred credits	6,846	6,599
COMMITMENTS AND CONTINGENCIES		
TOTAL CAPITALIZATION AND LIABILITIES	$ 18,221	$ 17,817

This report should be read in conjunction with the Notes herein and the Notes to Consolidated Financial Statements appearing in the 2003 Form 10-K for FPL Group and FPL.

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

	Six Months Ended June 30,	
	2004	2003
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	$ 311	$ 341
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	436	419
Nuclear fuel amortization	34	-
Deferred income taxes and related regulatory credit	48	170
Cost recovery clauses and franchise fees	121	(336)
Changes in operating assets and liabilities:		
Customer receivables	(27)	(154)
Other receivables	16	(3)
Material, supplies and fossil fuel inventory	54	25
Other current assets	(38)	(40)
Deferred pension cost	(49)	(50)
Accounts payable	229	256
Customers' deposits	25	18
Interest, income taxes and other taxes	199	99
Other current liabilities	(47)	25
Other liabilities	29	(11)
Other – net	26	23
Net cash provided by operating activities	1,367	782
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures	(754)	(629)
Nuclear fuel purchases	(48)	-
Contributions to special use funds	(67)	(102)
Funds held for bond redemptions		(69)
Other – net		1
Net cash used in investing activities	(869)	(799)
CASH FLOWS FROM FINANCING ACTIVITIES		
Issuances of preferred stock	20	-
Issuances of long-term debt	236	585
Retirements of long-term debt		(24)
Net change in short-term debt	(460)	(181)
Dividends	(229)	(263)
Net cash provided by (used in) financing activities	(433)	117
Net increase in cash and cash equivalents	65	100
Cash and cash equivalents at beginning of period	4	-
Cash and cash equivalents at end of period	$ 69	$ 100
SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES		
Additions to capital lease obligations	$ -	$ 41

This report should be read in conjunction with the Notes herein and the Notes to Consolidated Financial Statements appearing in the 2003 Form 10-K for FPL Group and FPL.

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 2003 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 will not give a true indication of results for the year.

1. Employee Retirement Benefits

FPL Group sponsors a noncontributory defined benefit pension plan for substantially all employees of FPL Group and its subsidiaries. In addition, FPL Group sponsors a substantially contributory postretirement plan for health care and life insurance benefits (other benefits) for retirees of FPL Group and its subsidiaries meeting certain eligibility requirements who elect participation at the time of retirement.

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

	Pension Benefits Three Months Ended June 30,		Other Benefits Three Months Ended June 30,		Pension Benefits Six Months Ended June 30,		Other Benefits Six Months Ended June 30,	
	2004	2003	2004	2003	2004	2003	2004	2003
	(millions)							
Service cost	$ 13	$ 13	$ 2	$ 2	$ 26	$ 26	$ 4	$ 4
Interest cost	21	21	7	7	41	42	13	14
Expected return on plan assets	(52)	(50)	(1)	(1)	(103)	(99)	(2)	(2)
Amortization of transition (asset) obligation	(6)	(6)	1	1	(12)	(12)	2	2
Amortization of prior service benefit	(1)	(1)	-	-	(3)	(3)	-	-
Amortization of (gains) losses	(5)	(8)	1	1	(10)	(15)	2	2
Net periodic benefit (income) cost at FPL Group	$ (30)	$ (31)	$ 10	$ 10	$ (61)	$ (61)	$ 19	$ 20
Net periodic benefit (income) cost at FPL	$ (25)	$ (25)	$ 9	$ 9	$ (49)	$ (50)	$ 17	$ 18

During the six months ended June 30, 2004, FPL Group contributed approximately $11 million to the other benefits plan, with a total of $22 million anticipated in calendar year 2004. FPL Group does not expect to make any contributions to the pension plan in calendar year 2004.

In December 2003, the Medicare Prescription Drug, Improvement and Modernization Act of 2003 (Act) was signed into law. The Act introduces a voluntary prescription drug benefit under Medicare as well as a federal subsidy to sponsors of retiree health care plans that provide at least an actuarially equivalent benefit. The Department of Health and Human Services (HHS) is expected to issue regulations that define actuarial equivalence later this year. The Act became law after FPL Group's September 30, 2003 measurement date. As a result of this Act, in May 2004, the Financial Accounting Standards Board (FASB) issued Staff Position FAS 106-2, "Accounting and Disclosure Requirements Related to the Medicare Prescription Drug, Improvement and Modernization Act of 2003." Under Staff Position FAS 106-2, benefit obligations are required to be remeasured and reported as an actuarial gain no later than the third quarter of 2004 if enactment of the Act is determined to be a "significant event" pursuant to the provisions of Financial Accounting Standards No. (FAS) 106, "Employers' Accounting for Postretirement Benefits Other Than Pensions." In the absence of a definition of actuarial equivalency, FPL Group is unable to conclude if the Act has a significant effect on benefit obligations and therefore has not performed a remeasurement. FPL Group will remeasure benefit obligations when HHS establishes actuarial equivalency definitions and it is determined that enactment of the Act is significant to the other benefits obligation.

2. Derivative Instruments

FPL Group and its subsidiaries segregate unrealized mark-to-market gains and losses on derivative transactions into two categories. The first category, referred to as trading and managed hedge activities, represents the net unrealized effect of actively traded positions entered into to take advantage of market price movements and to optimize the value of generation assets and related contracts. The second category, referred to as non-qualifying hedges, represents the net unrealized effect of derivative transactions entered into as economic hedges (but which do not qualify for hedge accounting under FAS 133, "Accounting for Derivative Instruments and Hedging Activities," as amended) and the ineffective portion of transactions accounted for as cash flow hedges. These transactions have been entered into to reduce FPL Group's aggregate risk. At FPL, substantially all changes in fair value are deferred as a regulatory asset or liability until the contracts are settled. Upon settlement, any gains or losses are passed through the fuel and purchased power cost recovery clause (fuel clause) and the capacity cost recovery clause (capacity clause). For FPL Group's non-rate regulated operations, predominantly FPL Energy, essentially all changes in the derivatives' fair value for power purchases and sales and trading activities are recognized net in operating revenues; fuel purchases and sales are recognized net in fuel, purchased power and interchange expense; and the equity method investees' related activity is recognized in equity in earnings of equity method investees in FPL Group's condensed consolidated statements of income unless hedge accounting is applied. Any position that is moved between non-qualifying hedge activity and trading and managed hedge activity is transferred at its fair value on the date of reclassification.

Unrealized mark-to-market gains (losses) on derivative transactions for both consolidated subsidiaries and equity method investees are as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2004	2003	2004	2003
	(millions)			
Consolidated subsidiaries	$ 10	$ -	$ (2)	$ (19)
Equity method investees	$ 3	$ (2)	$ 15	$ 17

3. Comprehensive Income

At June 30, 2004, substantially all of the transactions that FPL Group has designated as hedges are cash flow hedges with expiration dates through December 2010 for energy contract derivative instruments. Approximately $13 million of losses included in FPL Group's accumulated other comprehensive income at June 30, 2004 will be reclassified into earnings within the next 12 months as the hedged fuel is consumed or as electricity is sold. Accumulated other comprehensive income (loss) is separately displayed on the condensed consolidated balance sheets of FPL Group.

FPL Group's comprehensive income is as follows:

	Three Months Ended June 30,	
	2004	2003
	(millions)	
Net income of FPL Group	$ 257	$ 239
Net unrealized gains (losses) on cash flow hedges:		
Effective portion of net unrealized gains (losses) (net of $8 tax benefit and $11 tax expense, respectively)	(13)	18
Reclassification from OCI to net income (net of $0.4 tax expense and $6 tax benefit, respectively)	1	(9)
Net unrealized gains (losses) on available for sale securities (net of $2 tax benefit and $7 tax expense, respectively)	(3)	11
Net unrealized gain on interest rate swaps (net of $7 tax expense)	10	-
Comprehensive income of FPL Group	$ 252	$ 259

	Six Months Ended June 30,	
	2004	2003
	(millions)	
Net income of FPL Group	$ 395	$ 414
Net unrealized gains (losses) on cash flow hedges:		
Effective portion of net unrealized gains (losses) (net of $21 tax benefit and $27 tax expense, respectively)	(32)	42
Reclassification from OCI to net income (net of $1 and $15 tax benefit, respectively)	(1)	(24)
Net unrealized gains (losses) on available for sale securities (net of $0.3 tax benefit and $5 tax expense, respectively)	(1)	9
Net unrealized gain on interest rate swaps (net of $4 tax expense)	6	
Comprehensive income of FPL Group	$ 367	$ 441

4. Stock-Based Compensation

Effective January 1, 2004, FPL Group adopted the fair value recognition provisions of FAS 123, "Accounting for Stock-Based Compensation." FPL Group selected the modified prospective method of adoption described in FAS 148, "Accounting for Stock-Based Compensation – Transition and Disclosure." Under that method, stock-based employee compensation cost recognized in 2004 is the same as that which would have been recognized had the fair value recognition provisions of FAS 123 been applied from its original effective date. Prior to 2004, FPL Group accounted for its stock-based compensation plans under the intrinsic value based method as permitted by FAS 123.

The following table illustrates the effect on net income and earnings per share of common stock as if FPL Group's compensation expense had been determined using the fair value based method in each period:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2004	2003	2004	2003
	(millions, except per share amounts)			
Net income, as reported	$ 257	$ 239	$ 395	$ 414
Add: total stock-based employee compensation expense included in reported net income, net of related income tax effects	4	4	8	6
Deduct: total stock-based employee compensation expense determined under fair value based method, net of related income tax effects	(4)	(6)	(8)	(9)
Pro forma net income	$ 257	$ 237	$ 395	$ 411
Earnings per share of common stock:				
Basic – as reported	$ 1.43	$ 1.35	$ 2.21	$ 2.34
Basic – pro forma	$ 1.43	$ 1.34	$ 2.21	$ 2.32
Assuming dilution – as reported	$ 1.43	$ 1.34	$ 2.20	$ 2.33
Assuming dilution – pro forma	$ 1.43	$ 1.33	$ 2.20	$ 2.31

5. Earnings Per Share of Common Stock

The reconciliation of FPL Group's basic and diluted earnings per share of common stock is shown below:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2004	2003	2004	2003
	(millions, except per share amounts)			
Numerator – net income	$ 257	$ 239	$ 395	$ 414
Denominator:				
Weighted-average number of common shares outstanding – basic	179.1	177.3	178.7	177.0
Restricted stock, performance share and shareholder value awards, options and equity units [a]	0.8	0.8	1.1	0.6
Weighted-average number of common shares outstanding – assuming dilution	179.9	178.1	179.8	177.6
Earnings per share of common stock:				
Basic	$ 1.43	$ 1.35	$ 2.21	$ 2.34
Assuming dilution	$ 1.43	$ 1.34	$ 2.20	$ 2.33

[a] Performance share awards and shareholder value awards are included in diluted weighted-average number of common shares outstanding based upon what would be issued if the end of the reporting period was the end of the term of the award. Restricted stock, performance share awards, shareholder value awards, options and equity units (known as Corporate Units) are included in diluted weighted-average number of common shares outstanding by applying the treasury stock method.

Common shares issuable upon the exercise of stock options, which were not included in the denominator above due to their antidilutive effect, were approximately 1.0 million and 0.4 million for the three and six months ended June 30, 2004, respectively.

6. Variable Interest Entities

Effective March 31, 2004, FPL Group and FPL completed the adoption of FASB Interpretation No. (FIN) 46, as revised (FIN 46R). FIN 46R requires the consolidation of entities which are determined to be variable interest entities (VIEs) when the reporting company determines that it will absorb a majority of the VIE's expected losses, receive a majority of the VIE's residual returns, or both. The company that is required to consolidate the VIE is called the primary beneficiary. Conversely, the reporting company would be required to deconsolidate VIEs that are currently consolidated when the company is not

considered to be the primary beneficiary. Variable interests are contractual, ownership or other monetary interests in an entity that change as the fair value of the entity's net assets, excluding variable interests, change. An entity is considered to be a VIE when its capital is insufficient to permit it to finance its activities without additional subordinated financial support or its equity investors, as a group, lack the characteristics of having a controlling financial interest.

FPL has identified two potential VIEs (Projects), both of which are considered qualifying facilities (QFs) as defined by PURPA. PURPA requires FPL to purchase the electricity output of the Projects. As a result, FPL has entered into purchased power agreements (PPAs) with these QFs to purchase substantially all of the Projects' electrical output over a substantial portion of their estimated useful lives. For each megawatt-hour (mwh) provided, FPL pays a per mwh price (energy payment) based upon FPL's avoided cost, which is the cost avoided by neither generating the electricity nor purchasing it from another source. With regard to the Projects, FPL's avoided cost is primarily based on the cost of coal at an FPL jointly-owned coal-fired facility. The Projects have capacities of 136 and 250 megawatts (mw). After making exhaustive efforts, FPL was unable to obtain the information from the Projects necessary to determine whether the Projects are VIEs or whether FPL is the Projects' primary beneficiary. The PPAs with the Projects contain no provisions which legally obligate the Projects to release this information to FPL. The energy payments paid by FPL will fluctuate as coal prices change. This does not expose FPL to losses since the energy payments paid by FPL to the Projects are passed on to FPL's customers through the fuel clause as approved by the FPSC. However, if one or both of the Projects were determined to be a VIE, the absorption of some of the Projects' fuel price variability might cause FPL to be the primary beneficiary. During the three and six months ended June 30, 2004, FPL purchased 678,108 mwh and 1,261,910 mwh, respectively, from the Projects at a total cost of approximately $55 million and $105 million, respectively. This compared to 635,611 mwh and 1,252,376 mwh at a total cost of approximately $56 million and $105 million for the three and six months ended June 30, 2003, respectively. FPL will continue to make exhaustive efforts to obtain the necessary information from the Projects in order to determine if the Projects are VIEs and, if so, whether FPL is the primary beneficiary.

In March 2004, a trust created by FPL Group sold 12 million shares of 5 7/8% preferred trust securities to the public and common trust securities to FPL Group. The trust is considered a VIE because FPL Group's investment through the common trust securities is not considered equity at risk in accordance with FIN 46R. The proceeds from the sale of the preferred and common trust securities were used to buy 5 7/8% junior subordinated debentures maturing in March 2044, from FPL Group Capital Inc (FPL Group Capital). The trust exists only to issue its preferred trust securities and common trust securities and to hold the junior subordinated debentures of FPL Group Capital as trust assets. Since FPL Group, as the common security holder, is not considered to have equity at risk and will therefore not absorb any variability of the trust, FPL Group is not the primary beneficiary and does not consolidate the trust in accordance with FIN 46R. FPL Group includes the junior subordinated debentures issued by FPL Group Capital on its condensed consolidated balance sheets. See Note 8.

FPL Group and FPL expect additional implementation guidance to be issued regarding FIN 46R and are unable to determine what effect, if any, this additional guidance might have on FPL Group's and FPL's financial statements.

7. Investments

Partnerships and Joint Ventures – During the first quarter of 2004, FPL Energy recorded a net gain of approximately $52 million ($31 million after tax) related to the termination of a gas supply contract and a steam agreement at one of its investments in joint ventures. These agreements were terminated in connection with an amended power purchase agreement that allows the investee to source power from the wholesale market.

Also during the first quarter of 2004, FPL Energy recorded an impairment loss of approximately $50 million ($30 million after tax) to write down its investment in a combined-cycle power plant in Texas to its fair value as a result of agreeing to sell its interest in the project. The sale was completed in the second quarter of 2004.

The results of the above transactions are reflected in equity in earnings of equity method investees in FPL Group's condensed consolidated statements of income.

Other – In June 2004, an indirect subsidiary of FPL Group sold a note receivable from a limited partnership of which Olympus Communications, L.P. (Olympus) is a general partner. Olympus is an indirect subsidiary of Adelphia Communications Corporation (Adelphia). In June 2002, Adelphia, Olympus and the limited partnership filed for bankruptcy protection under Chapter 11 of the U.S. Bankruptcy Code (Chapter 11), and the note, which was due July 1, 2002, is in default. The note receivable, which was previously recorded in other investments in FPL Group's condensed consolidated balance sheet, was sold for its net book value of approximately $127 million, including accrued interest through the date of the commencement of the Chapter 11 proceedings, less related transactions costs which were not significant.

8. Debt and Preferred Stock

Long-term Debt – In January 2004, FPL issued $240 million principal amount of 5.65% first mortgage bonds maturing in February 2035. The proceeds were used to repay a portion of its short-term borrowings and for other corporate purposes.

In March 2004, FPL Group Capital sold $309 million of 5 7/8% junior subordinated debentures maturing in March 2044, which are included in long-term debt on FPL Group's condensed consolidated balance sheets. The proceeds were used to repay a portion of commercial paper issued to fund investments by FPL Group Capital in independent power projects. The junior subordinated debentures were purchased by an unconsolidated 100%-owned finance subsidiary of FPL Group using proceeds from the March 2004 sale by that finance subsidiary of $300 million of preferred trust securities to the public and $9 million of common trust securities to FPL Group. FPL Group has fully and unconditionally guaranteed the junior subordinated debentures and the preferred trust securities.

In January 2004, FPL Group Capital entered into a variable interest rate swap agreement, which expires in March 2005, to protect $200 million of its 1.875% debentures maturing in March 2005 against changes in fair value due to changes in interest rates. In April and May 2004, FPL entered into two $250 million variable interest rate swap agreements to protect $500 million of its 6.875% first mortgage bonds maturing in December 2005 against changes in fair value due to changes in interest rates. Both of the swap agreements expire in December 2005. Also in April 2004, a subsidiary of FPL Energy entered into an interest rate swap agreement, which expires in December 2017, whereby the FPL Energy subsidiary receives the London InterBank Offered Rate (LIBOR) and pays a fixed rate of 3.845% on $32 million of its variable rate debt maturing in December 2017.

Preferred Stock – In January 2004, FPL sold 200,000 shares of 4 1/2% Series V preferred stock with an aggregate par value of $20 million to FPL Group.

9. Commitments and Contingencies

Commitments – FPL Group and its subsidiaries have made commitments in connection with a portion of their projected capital expenditures. Capital expenditures at FPL consist of the cost for construction or acquisition of additional facilities and equipment to meet customer demand, as well as capital improvements to and maintenance of existing facilities. At FPL Energy, capital expenditures include, among other things, the construction of a gas-fired power plant and the procurement of nuclear fuel (including capitalized interest). FPL FiberNet, LLC's (FPL FiberNet) capital expenditures primarily include costs to sustain its fiber-optic network and meet customer specific requirements. At June 30, 2004, capital expenditures for the remainder of 2004 through 2008 are estimated to be as follows:

	2004	2005	2006	2007	2008	Total
			(millions)			
FPL:						
Generation: [a]						
New [b]	$ 130	$ 300	$ 265	$ 105	$ -	$ 800
Existing	290	480	350	450	275	1,845
Transmission and distribution	310	700	690	700	715	3,115
Nuclear fuel	35	75	80	100	80	370
General and other	90	150	175	180	165	760
Total	$ 855	$ 1,705	$ 1,560	$ 1,535	$ 1,235	$ 6,890
FPL Energy: [c]						
Gas	$ 70	$ 5	$ -	$ -	$ -	$ 75
Nuclear fuel and other	70	50	70	60	15	265
Total	$ 140	$ 55	$ 70	$ 60	$ 15	$ 340
FPL FiberNet	$ 5	$ 10	$ 10	$ 10	$ 10	$ 45

[a] Includes allowance for funds used during construction (AFUDC) of approximately $33 million, $53 million, $36 million and $39 million in 2004, 2005, 2006 and 2007, respectively.
[b] Includes generating structures, transmission interconnection and integration, licensing and AFUDC.
[c] Estimated capital expenditures exclude estimates for the development of new wind projects pending the enactment of legislation reestablishing the production tax credits for new wind facilities.

In addition to estimated capital expenditures listed above, FPL and FPL Energy have long-term contracts related to purchased power and/or fuel (see Contracts below). At June 30, 2004, FPL Energy had approximately $1.1 billion in firm commitments primarily for natural gas transportation and storage, firm transmission service, nuclear fuel and a portion of its capital expenditures. Additionally, during 2003, a subsidiary of FPL Group Capital committed to lend up to $250 million under a secured loan to a third party, which matures no later than June 30, 2006. At June 30, 2004, $82 million had been drawn on under the loan. FPL Group has guaranteed certain payment obligations of FPL Group Capital, including most payment obligations under FPL Group Capital's debt.

FPL Group and FPL each account for payment guarantees and related contracts, for which it or a subsidiary is the guarantor, under FIN 45, "Guarantor's Accounting and Disclosure Requirements for Guarantees Including Indirect Guarantees of Indebtedness of Others," which requires that the fair value of guarantees provided to unconsolidated entities entered into after December 31, 2002, be recorded on the balance sheet. At June 30, 2004, subsidiaries of FPL Group, other than FPL, have

guaranteed debt service payments relating to agreements that existed at December 31, 2002. The term of the guarantees is equal to the term of the related debt, with remaining terms ranging from 1 year to 14 years. The maximum potential amount of future payments that could be required under these guarantees at June 30, 2004 was approximately $14 million. At June 30, 2004, FPL Group did not have any liabilities recorded for these guarantees. In certain instances, FPL Group can seek recourse from third parties for 50% of any amount paid under the guarantees. Guarantees entered into subsequent to December 31, 2002, and the related fair value, were not material as of June 30, 2004.

FPL Energy has guaranteed certain performance obligations of a power plant owned by a wholly-owned subsidiary as part of a power purchase agreement that expires in 2027. Under this agreement, the subsidiary could incur market-based liquidated damages for failure to meet contractual minimum outputs. In addition, certain subsidiaries of FPL Energy have contracts that require certain projects to meet annual minimum generation amounts. Failure to meet the annual minimum generation amounts would result in the FPL Energy subsidiary incurring specified liquidated damages. Based on past performance of these and similar projects and current forward prices, management believes that the exposure associated with these guarantees is not material.

An FPL Energy subsidiary is committed to purchase oil and gas inventory remaining in certain storage facilities at December 31, 2005 at its weighted-average cost. At June 30, 2004, FPL Energy's commitment is estimated to be from $0 to approximately $67 million, based on a potential range of zero to full storage volume at the current average forward price of oil and gas.

Contracts – FPL has entered into long-term purchased power and fuel contracts. FPL is obligated under take-or-pay purchased power contracts with JEA and with subsidiaries of The Southern Company (Southern Companies) to pay for approximately 1,300 mw of power through mid-2010 and 381 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 2005 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. FPL has various agreements with several electricity suppliers to purchase an aggregate of up to approximately 1,500 mw of power with expiration dates ranging from 2004 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 contracts for the transportation and supply of natural gas, coal and oil with various expiration dates through 2028.

FPL Energy has long-term contracts primarily for the transportation and storage of natural gas and firm transmission service with expiration dates ranging from 2005 through 2033. FPL Energy also has several contracts for the supply, conversion, enrichment and fabrication of Seabrook Station's (Seabrook) nuclear fuel with expiration dates ranging from 2004 to 2014.

The remaining required capacity and minimum payments under these contracts as of June 30, 2004 are estimated to be as follows:

	2004	2005	2006	2007	2008	Thereafter
			(millions)			
FPL:						
Capacity payments:						
JEA and Southern Companies	$ 90	$ 190	$ 200	$ 200	$ 200	$ 920
Qualifying facilities	$ 180	$ 350	$ 300	$ 310	$ 320	$ 4,000
Other electricity suppliers	$ 60	$ 80	$ 70	$ 10	$ -	$ -
Minimum payments, at projected prices:						
Southern Companies – energy	$ 30	$ 60	$ 60	$ 60	$ 60	$ 90
Natural gas, including transportation	$ 995	$ 1,680	$ 760	$ 280	$ 250	$ 2,940
Coal	$ 25	$ 35	$ 25	$ 20	$ 10	$ -
Oil	$ 325	$ -	$ -	$ -	$ -	$ -
FPL Energy	$ 60	$ 60	$ 50	$ 50	$ 50	$ 735

Charges under these contracts were as follows:

	Three Months Ended June 30,				Six Months Ended June 30,			
	2004		2003		2004		2003	
	Capacity	Energy/ Fuel	Capacity	Energy/ Fuel	Capacity	Energy/ Fuel	Capacity	Energy/ Fuel
	(millions)							
FPL:								
JEA and Southern Companies	$ 49 [a]	$ 41 [b]	$ 47 [a]	$ 40 [b]	$ 101 [a]	$ 81 [b]	$ 96 [a]	$ 78 [b]
Qualifying facilities	$ 91 [c]	$ 36 [b]	$ 94 [c]	$ 33 [b]	$ 179 [c]	$ 70 [b]	$ 178 [c]	$ 68 [b]
Other electricity suppliers	$ 27 [c]	$ 12 [b]	$ 28 [c]	$ 13 [b]	$ 45 [c]	$ 21 [b]	$ 42 [c]	$ 17 [b]
Natural gas, including transportation	$ -	$ 431 [b]	$ -	$ 443 [b]	$ -	$ 770 [b]	$ -	$ 842 [b]
Coal	$ -	$ 8 [b]	$ -	$ 12 [b]	$ -	$ 20 [b]	$ -	$ 25 [b]
Oil	$ -	$ 136 [b]	$ -	$ 152 [b]	$ -	$ 232 [b]	$ -	272 [b]
FPL Energy	$ -	$ 19	$ -	$ 11	$ -	$ 31	$ -	$ 19

[a] Majority is recoverable through the capacity clause.
[b] Recoverable through the fuel clause.
[c] Recoverable through the capacity clause.

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 insurance available from both private sources and an industry retrospective payment plan. In accordance with this act, FPL Group maintains $300 million of private liability insurance per site, which is the maximum obtainable, and participates in a secondary financial protection system under which it is subject to retrospective assessments of up to $518 million ($414 million for FPL) per incident at any nuclear reactor in the United States, payable at a rate not to exceed $52 million ($41 million for FPL) per incident per year. FPL Group and FPL are contractually entitled to recover a proportionate share of such assessments from the owners of minority interests in Seabrook and St. Lucie Unit No. 2, which approximates $13 million and $16 million per incident, respectively. The Price-Anderson Act expired on August 1, 2002 but the liability limitations did not change for plants, including FPL's four nuclear units and Seabrook, with operating licenses issued by the NRC prior to August 1, 2002.

FPL Group participates in nuclear insurance mutual companies that provide $2.75 billion of limited insurance coverage per occurrence per site 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 Group also participates in an insurance program that provides limited coverage for replacement power costs if a nuclear plant is out of service for an extended period of time because of an accident. In the event of an accident at one of FPL Group's or another participating insured's nuclear plants, FPL Group could be assessed up to $107 million ($83 million for FPL) in retrospective premiums. FPL Group and FPL are contractually entitled to recover a proportionate share of such assessments from the owners of minority interests in Seabrook and St. Lucie Unit No. 2, which approximates $2 million and $3 million, respectively.

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

FPL self-insures 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 storm and property insurance reserve for uninsured property storm damage or assessments under the nuclear insurance program. At June 30, 2004, the storm and property insurance reserve (approximately $340 million) equals the amount in the storm fund (approximately $208 million) plus related deferred income taxes (approximately $132 million). The current annual accrual approved by the FPSC is approximately $20 million. 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 provide additional liquidity in the event of a T&D property loss. In addition, FPL Group is self-insured for FPL FiberNet's fiber-optic cable located throughout Florida.

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 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. The EPA further revised its civil penalty rule in February 2004, such that the maximum penalty is $32,500 per day for each violation after March 15, 2004. 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, a federal district 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. In August 2001, the MDL panel denied the motion for consolidation. In September 2001, the EPA moved that the federal district court reopen this case for purposes of discovery. Georgia Power Company opposed that motion asking that the case remain closed until the Eleventh Circuit Court of Appeals ruled on the Tennessee Valley Authority's (TVA) appeal of an EPA administrative compliance order relating to legal issues that are also central to this case. In August 2002, the federal district court denied without prejudice the EPA's motion to reopen. In June 2003, the Eleventh Circuit issued its order dismissing the TVA's appeal because it found the provision of the Clean Air Act allowing the EPA to issue binding administrative compliance orders was unconstitutional, and hence found that the TVA order was a non-final order that courts of appeal do not have jurisdiction to review. In September 2003, the Eleventh Circuit denied the EPA's motion for rehearing. In May 2004, the U.S. Supreme Court denied the EPA's petition for review of the Eleventh Circuit order. The EPA has not yet moved to reopen the Georgia Power Company case.

In 2001, J. W. and Ernestine M. Thomas, Chester and Marie Jenkins (since substituted for by Hazel and Lamar Jenkins), and Ray Norman and Jack Teague, as Co-Personal Representatives on behalf of the Estate of Robert L. Johns, served FPL Group, FPL, FPL FiberNet, FPL Group Capital and FPL Investments, Inc. (FPL Investments) as defendants in a civil action filed in the Florida circuit court. This action is purportedly on behalf of all property owners in Florida (excluding railroad and public rights of way) whose property is encumbered by easements in favor of FPL, and on whose property defendants have installed or intend to install fiber-optic cable which defendants currently lease, license or convey or intend to lease, license or convey for non-electric transmission or distribution purposes. The lawsuit alleges that FPL's easements do not permit the installation and use of fiber-optic cable for general communication purposes. The plaintiffs have asserted claims for unlawful detainer, unjust enrichment and constructive trust and seek injunctive relief and compensatory damages. In May 2002, plaintiffs filed an amended complaint, adding allegations regarding the installation of wireless communications equipment on some easements, and adding a claim for declaratory relief. Defendants filed an answer and affirmative defenses to the amended complaint in August 2002. Motions for summary judgment by FPL Group, FPL Group Capital and FPL Investments have been granted, and they have been dismissed from this lawsuit. The court has not set a time for a hearing on whether this case will proceed as a class action.

In August 2001, Florida Municipal Power Agency (FMPA) filed with the U.S. Court of Appeals for the District of Columbia (DC Circuit) a petition for review asking the DC Circuit to reverse and remand orders of the FERC denying FMPA's request for credits for transmission facilities owned by FMPA members. The transmission credits sought by FMPA would offset the transmission charges that FPL bills FMPA for network transmission service to FMPA's member cities. FMPA member cities have been taking network transmission service under FPL's open access transmission tariff since 1996. In the orders appealed by FMPA, FERC ruled that FMPA would be entitled to credits for any FMPA facilities that were "integrated" with the FPL transmission system. Based on the evidence submitted, FERC concluded that none of the FMPA facilities met the integration test and, therefore, FMPA was not entitled to credits against FPL's charges for transmission service. In January 2003, the DC Circuit upheld FERC's order denying FMPA credits for its facilities; in March 2003, the DC Circuit denied FMPA's rehearing request of the DC Circuit's decision; and in October 2003, the U.S. Supreme Court denied FMPA's petition for review of the DC Circuit's decision.

FMPA also has requested that FERC decide the same crediting issue in a separate FERC proceeding. That proceeding dates back to a filing by FPL in 1993 of a comprehensive restructuring of its then-existing tariff structure. All issues in that case were settled in September 2000 except for three issues reserved by FMPA: (i) the crediting issue, (ii) treatment of behind-the-meter generation and load ratio pricing for network integration transmission service, and (iii) exclusions from FPL's transmission rates of the costs of FPL's facilities that failed to meet the same integration test that was applied to FMPA's facilities with respect to the crediting issue. In December 2003, FERC issued an order addressing the three reserved issues. With respect to the crediting issue, FERC stated that it had previously determined that FMPA was not entitled to credits for its facilities in the related proceeding discussed above and saw no persuasive reason to revisit that determination in this proceeding. Regarding the issue of behind-the-meter generation, FERC stated that it had addressed the issue of load ratio pricing for network integration transmission service and the related issue of behind-the-meter generation in Order Nos. 888 and 888-A, and saw no persuasive reason to revisit that determination in this proceeding. With respect to the third issue, FERC directed FPL to make a compliance filing of a proposed rate schedule that does not include those facilities of FPL that fail to meet the same integration test applied to the FMPA facilities.

In January 2004, FMPA requested a "conditional rehearing on the Commission's failure to order rate credits solely in the event that Commission does not adequately reduce FPL's rate base to achieve comparability," and challenging FERC's determination not to revisit the issue of behind-the-meter generation and load ratio pricing for network integration transmission service. In March 2004, FERC issued an order denying FMPA's rehearing request. In April 2004, FMPA petitioned the DC Circuit for review of FERC's December 2003 order and March 2004 order. A subsequent filing by FMPA in May 2004 indicated that the issues to be raised in the review relate only to the issue of behind-the-meter generation and load ratio pricing for network integration transmission service in instances when, according to FMPA, FPL cannot provide transmission service "because of physical transmission limitations." FPL has been granted party status as an intervenor, and the DC Circuit has

established a procedural schedule that provides for, among other things, final briefs on January 21, 2005 and oral argument on March 22, 2005. FPL estimates its exposure for refunds to FMPA on this issue to be approximately $1 million at June 30, 2004.

In May 2004, FPL made a compliance filing of a proposed rate schedule that does not include those facilities of FPL that fail to meet the same integration test that was applied to the FMPA facilities. Pursuant to this filing, 1.63% of FPL's transmission facilities do not satisfy the integration standard and FPL's current network transmission rate would be reduced by $0.02 per kilowatt (kw) per month, resulting in a refund obligation to FMPA of approximately $1 million at June 30, 2004. In June 2004, FMPA filed a protest to FPL's compliance filing, which protest would exclude approximately 30% of FPL's transmission facilities and reduce FPL's current network transmission rate by approximately $0.41 per kw per month, potentially resulting in a refund obligation to FMPA of approximately $22 million at June 30, 2004. Possible next steps by the FERC include ruling on the matter based on the record, setting the matter for hearing before an administrative law judge (ALJ), or referring the matter to an ALJ for settlement discussions.

In 1995 and 1996, FPL Group, through an indirect subsidiary, purchased from Adelphia 1,091,524 shares of Adelphia common stock and 20,000 shares of Adelphia preferred stock (convertible into 2,358,490 shares of Adelphia common stock) for an aggregate price of approximately $35,900,000. On January 29, 1999, Adelphia repurchased all of these shares for $149,213,130 in cash. On June 24, 2004, Adelphia, Adelphia Cablevision, L.L.C. and the Official Committee of Unsecured Creditors of Adelphia filed a complaint against FPL Group and its indirect subsidiary in the U.S. Bankruptcy Court, Southern District of New York. The complaint alleges that the repurchase of these shares by Adelphia was a fraudulent transfer, in that at the time of the transaction Adelphia (i) was insolvent or was rendered insolvent, (ii) did not receive reasonably equivalent value in exchange for the cash it paid, and (iii) was engaged or about to engage in a business or transaction for which any property remaining with Adelphia was an unreasonably small capital. The complaint seeks the recovery for the benefit of Adelphia's bankruptcy estate of the cash paid for the repurchased shares, plus interest. FPL Group believes it will demonstrate on motion that the complaint is invalid because, among other reasons, Adelphia's repurchase of shares from FPL Group was at the market value for those shares, and therefore the repurchase was for reasonably equivalent value. Should the court deny FPL Group's motion, FPL Group believes Adelphia will be unable to demonstrate that Adelphia's repurchase was not for reasonably equivalent value, that Adelphia was insolvent at the time of the repurchase, or that the repurchase left Adelphia with unreasonably small capital.

In February 2003, Scott and Rebecca Finestone brought an action on behalf of themselves and their son Zachary Finestone in the U.S. District Court for the Southern District of Florida alleging that their son has developed cancer (neuroblastoma) as a result of the release and/or dissipation into the air, water, soil and underground areas of radioactive and non-radioactive hazardous materials, including strontium 90, and the release of other toxic materials from FPL's St. Lucie nuclear power plant. The complaint includes counts against FPL for strict liability for allegedly engaging in an ultra-hazardous activity and for alleged negligence in operating the plant in a manner that allowed emissions of the foregoing materials and failing to limit its release of nuclear fission products as prescribed by federal and state laws and regulations. The plaintiffs seek damages in excess of $1 million. After initially denying FPL's motion to dismiss, the court granted it with respect to plaintiffs' count for strict liability. The court has also granted FPL's motion for a ruling that the duty owed by FPL to the plaintiffs is established exclusively by federal regulations and not general negligence standards. Discovery is proceeding.

In May 2003, Tish Blake and John Lowe, as personal representatives of the Estate of Ashton Lowe, on behalf of the estate and themselves, as surviving parents, brought an action in the U.S. District Court for the Southern District of Florida alleging that their son developed cancer (medulo-blastoma) as a result of the release and/or dissipation into the air, water, soil and underground areas of radioactive and non-radioactive hazardous materials, including strontium 90, and the release of other toxic materials from FPL's St. Lucie nuclear power plant. The allegations, counts and damages demanded in the complaint are virtually identical to those contained in the Finestone lawsuit described above. As in the Finestone case, the court has granted FPL's motion to dismiss the plaintiffs' count for strict liability. FPL's motion for a ruling that the duty owed by FPL to plaintiffs is established exclusively by federal regulations is pending. Discovery is proceeding.

In June 2003, Monty and Kathryn Wooldridge brought an action on behalf of themselves and their son, Kevin Allen Wooldridge, in the Circuit Court of the 9th Judicial Circuit in and for Orange County, Florida, against Aventis Pasteur and a number of other named and unnamed drug manufacturing and distribution companies, the American Dental Association, the Florida Dental Association, FPL and the Orlando Utilities Commission (OUC), alleging that their son has suffered toxic neurological effects from mercury poisoning. The sources of mercury exposure are alleged to be vaccines containing a preservative called thimerosal that were allegedly manufactured and distributed by the drug companies, mercury amalgam dental fillings, and emissions from FPL and OUC power plants in Florida, including Brevard County. The complaint includes counts against all defendants for civil battery and against FPL for alleged negligence in operating the plants such that the son was exposed to mercury and other heavy metals emissions. The damages demanded from FPL are for injuries and losses allegedly suffered by the son as a result of his exposure to the plants' mercury emissions and the parents' alleged pain and suffering, medical expenses, loss of wages, and loss of their son's services and companionship. No amount of damages is specified. The court has granted the vaccine manufacturers' and dental associations' motions to dismiss the complaint against them. The plaintiffs are appealing those orders. FPL's and the vaccine distributors' motions to dismiss are pending.

In August 2003, Pedro C. and Emilia Roig brought an action on behalf of themselves and their son, Pedro Anthony Roig, in the Circuit Court of the 11th Judicial Circuit in and for Miami-Dade County, Florida (the state court), which was removed in October 2003 to the U.S. District Court for the Southern District of Florida, against Aventis Pasteur and a number of other named and unnamed drug manufacturing and distribution companies and FPL, alleging that their son has suffered toxic neurological effects from mercury poisoning. The allegations, counts and damages demanded in the complaint with respect to FPL are virtually identical to those contained in the Wooldridge lawsuit described above. The plaintiffs have moved to remand the action back to the state court. The motion has been briefed by both parties and is pending in the U.S. District Court, which has stayed all discovery in the action. FPL will be moving to dismiss the case once the remand motion is decided.

In December 2003, Edward and Janis Shiflett brought an action on behalf of themselves and their son, Phillip Benjamin Shiflett, in the Circuit Court of the 18th Judicial Circuit in and for Brevard County, Florida, which was removed in January 2004 to the U.S. District Court for the Middle District of Florida, against Aventis Pasteur and a number of other named and unnamed drug manufacturing and distribution companies, FPL and the OUC, alleging that their son has suffered toxic neurological effects from mercury poisoning. The allegations, counts and damages demanded in the complaint with respect to FPL are virtually identical to those contained in the Wooldridge and Roig lawsuits. FPL's motion to dismiss the complaint was denied. The vaccine manufacturing and distribution companies' motions to dismiss are pending. At the appropriate time, FPL will raise the issue of whether the court has jurisdiction, which depends on diversity of citizenship, since both FPL and plaintiffs are citizens of Florida.

In January 2004, the Center For Biological Diversity, Inc. (Center) filed a lawsuit against FPL Group, FPL Energy and its affiliates ESI Bay Area GP, Inc., Green Ridge Power LLC and Altamont Power, LLC, as well as other defendants, in the U.S. District Court for the Northern District of California. The complaint alleges violations of certain sections of the California Business and Professions Code, unjust enrichment and certain violations of the Lanham Act. The complaint alleges that numerous birds have died as the result of collisions with wind turbines owned and operated by subsidiaries of FPL Energy in the Altamont area. The complaint requests injunctive relief, restitution, penalties, forfeiture of the wind turbines, disgorgement of profits and attorneys' fees. FPL Group, FPL Energy and their affiliates have moved to dismiss the complaint.

In February 2004, Albert Litter Studios, Inc. instituted an action against FPL in the Circuit Court of the 11th Judicial Circuit in and for Miami-Dade County, Florida, seeking damages on behalf of itself, and purportedly on behalf of all other similarly situated commercial entities in Florida. The plaintiff asserts that FPL's intentional use of allegedly defective thermal demand meters has resulted in overcharging it and certain other commercial customers millions of dollars and constitutes an unfair and/or deceptive practice in violation of the Florida Deceptive and Unfair Trade Practices Act, breach of an implied contract, and in breach of a duty of good faith and fair dealing. The complaint seeks damages in excess of $15,000, representing the amount of the alleged overcharges, interest, and such other relief as the court may order. FPL moved to dismiss the case on the grounds that the FPSC has exclusive jurisdiction over this type of complaint. The court denied the motion on July 13, 2004, and FPL will appeal the ruling. FPL had determined in 2002 that, based on sample testing of the approximately 3,900 1V thermal demand meters in service, the demand component of its 1V meter population was exceeding allowable tolerance levels established by FPSC rules. In 2002, FPL proposed to replace and test all of the 1V meters in service and to issue refunds, as appropriate, within certain parameters. FPL was given administrative approval from the FPSC staff to proceed with the replacement of the 1V meters. By early 2003, all 1V meters had been replaced. Testing of all 1V meters disclosed that approximately 15% of the 3,900 meters were outside of allowed tolerances, with 10% under-registering and 5% over-registering electricity usage. In November 2003, the FPSC, as proposed agency action, approved a method for testing the meters and calculating refunds. On December 10, 2003, Southeastern Utility Services, Inc., on behalf of several commercial customers, filed a protest to the proposed agency action and requested a hearing. Southeastern Utility Services, Inc. alleges that, among other things, the proposed method for computing the amount of the refund is flawed. Discovery is proceeding, and a hearing has been set for September 28, 2004.

FPL Group and FPL believe that they have meritorious defenses to the pending litigation discussed above and are vigorously defending the lawsuits. Management does not anticipate that the liabilities, if any, arising from the proceedings would have a material adverse effect on the financial statements.

In January 2002, Roy Oorbeck and Richard Berman filed suit against FPL Group (as an individual and nominal defendant); all its current directors (except James L. Camaren, Michael H. Thaman and Frank G. Zarb); certain former directors; and certain current and former officers of FPL Group and FPL: James L. Broadhead, Lewis Hay III, Dennis P. Coyle, Paul J. Evanson, Lawrence J. Kelleher, Armando J. Olivera, Thomas Plunkett and Antonio Rodriguez. In March 2002, William M. Klein, by Stephen S. Klein under power of attorney, on behalf of himself and all others similarly situated, filed suit against FPL Group (as nominal defendant); all its current directors (except James L. Camaren, Michael H. Thaman and Frank G. Zarb); certain former directors; and certain current and former officers of FPL Group and FPL, including James L. Broadhead, Paul J. Evanson, Lewis Hay III and Dennis P. Coyle. In February 2003, Donald E. and Judith B. Phillips, represented by the same attorneys who represent Klein, filed suit in the same court against the same defendants as the Klein lawsuit (plus Lawrence J. Kelleher). All three suits have been consolidated. In February 2004, by stipulation of the parties, FPL Group was removed as a defendant.

The lawsuits, taken together, allege that the proxy statements relating to shareholder approval of FPL Group's Long Term Incentive Plan (LTIP) and FPL Group's proposed, but unconsummated, merger with Entergy Corporation (Entergy) were false and misleading because they did not affirmatively state that payments made to certain officers under FPL Group's LTIP upon shareholder approval of the merger would be retained by the officers even if the merger with Entergy was not consummated and did not state that under some circumstances payments made pursuant to FPL Group's LTIP might not be deductible by FPL Group for federal income tax purposes. They also allege that FPL Group's LTIP required either consummation of the merger as a condition to the payments or the return of the payments if the transaction did not close, and that the actions of the director defendants in approving the proxy statements, causing the payments to be made, and failing to demand their return constitute corporate waste and a breach of fiduciary duties by those individual defendants. The plaintiffs seek to have the shareholder votes approving FPL Group's LTIP and the merger declared null and void, the return to FPL Group of $62 million of payments received by the officers, compensatory damages of $92 million (including the $62 million of payments received by the officers) from all defendants and attorneys' fees.

A special committee of non-management directors of FPL Group conducted an investigation of the claims made in the Oorbeek and Klein lawsuits and reported thereon to FPL Group's board of directors. The report concluded that pursuit of the claims is not in the best interest of FPL Group or its shareholders generally, and recommended that FPL Group seek dismissal of the lawsuits. After reviewing the special committee's report, FPL Group's board of directors (with only non-management directors participating) concluded likewise and filed with the court a statement of position setting forth the special committee's and the board's conclusions and authorizing the filing of a motion to dismiss the lawsuits, which motion was filed in October 2002. Messrs. Zarb, Camaren and Thaman joined the board in August 2002, October 2002 and July 2003, respectively, and did not participate in the proceedings relating to the statement of position or the filing of the motion to dismiss. On January 20, 2004, the court issued an order denying FPL Group's motion to dismiss the lawsuits. A trial date has been set for July 2005.

FPL Group's above-referenced statement of position reported that during the course of the special committee's investigation of the allegations in the lawsuits a separate question arose concerning the interpretation of the provisions of FPL Group's LTIP pursuant to which the payments to eight current and former senior officers were calculated. A change from the original interpretation could result in a repayment to FPL Group of up to approximately $9 million. FPL Group and the eight senior officers have entered into a binding arbitration agreement in order to resolve the issue.

In May 2003, the plaintiff's attorneys in the Klein lawsuit sent a new letter to FPL Group's board of directors (the May 2003 Letter) demanding among other things, that the board take action (i) to recover from the persons who approved such payments and/or otherwise breached their fiduciary duties, all of the above-described $92 million of LTIP payments made to officers and employees of FPL Group, allegedly on the grounds that the payments constituted a breach of fiduciary duty, bad faith, corporate waste and other unspecified wrongs, (ii) to investigate whether the proposed merger with Entergy was a plan by FPL Group's officers and directors to enrich themselves at the expense of the company, (iii) to seek the return of certain LTIP awards made in replacement of accelerated LTIP awards, (iv) to take immediate actions to secure the return of up to approximately $9 million in LTIP payments which is subject to an interpretation question under the LTIP, (v) to investigate and seek the return of stock options and restricted stock paid to Mr. Broadhead in January 2002 in connection with a consulting agreement and his retirement from FPL Group in December 2001, and (vi) to investigate whether punitive damages may be sought. In July 2003, FPL Group's board of directors appointed a special committee, composed of James L. Camaren and Michael H. Thaman, to investigate the matters raised in the May 2003 Letter and to make a determination as to how FPL Group should respond to the matters raised therein. In August 2003, the plaintiff's attorney in the Klein lawsuit sent a letter to FPL Group's board of directors purporting to "withdraw" the May 2003 Letter.

In addition to those legal proceedings discussed herein, FPL Group and its subsidiaries, including FPL, are involved in a number of other legal proceedings and claims in the ordinary course of their businesses. In addition, generating plants in which FPL Group or FPL have an ownership interest are involved in legal proceedings and claims, the liabilities from which, if any, would be shared by FPL Group or FPL. While management is unable to predict with certainty the outcome of these other legal proceedings and claims, it is not expected that their ultimate resolution, individually or collectively, will have a material adverse effect on the financial statements.

10. 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,							
	2004				2003			
	FPL	FPL Energy[a]	Corporate & Other	Total	FPL	FPL Energy[a]	Corporate & Other	Total
	(millions)							
Operating revenues	$ 2,172	$ 427	$ 20	$ 2,619	$ 2,053	$ 268	$ 18	$ 2,339
Operating expenses	$ 1,815	$ 348	$ 22	$ 2,185	$ 1,692	$ 215	$ 19	$ 1,926
Net income (loss)	$ 205	$ 69	$ (17)	$ 257	$ 199	$ 49	$ (9)	$ 239

	Six Months Ended June 30,							
	2004				2003			
	FPL	FPL Energy[a]	Corporate & Other	Total	FPL	FPL Energy[a]	Corporate & Other	Total
	(millions)							
Operating revenues	$ 4,114	$ 796	$ 40	$ 4,950	$ 3,810	$ 561	$ 49	$ 4,420
Operating expenses	$ 3,558	$ 652	$ 45	$ 4,255	$ 3,197	$ 477	$ 39	$ 3,713
Net income (loss)	$ 310	$ 123	$ (38)	$ 395	$ 334	$ 93	$ (13)	$ 414

	June 30, 2004				December 31, 2003			
	FPL	FPL Energy	Corporate & Other	Total	FPL	FPL Energy	Corporate & Other	Total
	(millions)							
Total assets	$ 18,221	$ 8,365	$ 620	$27,206	$ 17,817	$ 8,440	$ 678	$26,935

[a] FPL Energy's interest charges are based on a deemed capital structure of 50% debt for operating projects and 100% debt for projects under construction. Residual non-utility interest charges are included in Corporate and Other.

11. 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. Most of FPL Group Capital's debt and payment guarantees, including its 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,							
	2004				2003			
	FPL Group	FPL Group Capital	Other[a]	FPL Group Consolidated	FPL Group	FPL Group Capital	Other[a]	FPL Group Consolidated
	(millions)							
Operating revenues	$ -	$ 447	$ 2,172	$ 2,619	$ -	$ 286	$ 2,053	$ 2,339
Operating expenses	-	(370)	(1,815)	(2,185)	-	(233)	(1,693)	(1,926)
Interest charges	(7)	(78)	(39)	(124)	(7)	(39)	(38)	(84)
Other income (deductions) – net	264	35	(257)	42	244	31	(254)	21
Income before income taxes	257	34	61	352	237	45	68	350
Income tax (benefit) expense	-	(19)	114	95	(2)	-	113	111
Net income (loss)	$ 257	$ 53	$ (53)	$ 257	$ 239	$ 45	$ (45)	$ 239

	Six Months Ended June 30,							
	2004				2003			
	FPL Group	FPL Group Capital	Other[a]	FPL Group Consolidated	FPL Group	FPL Group Capital	Other[a]	FPL Group Consolidated
	(millions)							
Operating revenues	$ -	$ 836	$ 4,114	$ 4,950	$ -	$ 610	$ 3,810	$ 4,420
Operating expenses	-	(697)	(3,558)	(4,255)	-	(517)	(3,196)	(3,713)
Interest charges	(14)	(154)	(78)	(246)	(14)	(76)	(71)	(161)
Other income (deductions) – net	407	66	(404)	69	424	78	(445)	57
Income before income taxes	393	51	74	518	410	95	98	603
Income tax (benefit) expense	(2)	(40)	165	123	(4)	6	187	189
Net income (loss)	$ 395	$ 91	$ (91)	$ 395	$ 414	$ 89	$ (89)	$ 414

[a] Represents FPL and consolidating adjustments

FPL GROUP, INC. AND FLORIDA POWER & LIGHT COMPANY
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (concluded)
(unaudited)

Condensed Consolidating Balance Sheets

	June 30, 2004				December 31, 2003			
	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	$ -	$ 7,903	$ 23,095	$ 30,998	$ -	$ 7,783	$ 22,489	$ 30,272
Less accumulated depreciation and amortization	-	(880)	(9,458)	(10,338)	-	(738)	(9,237)	(9,975)
Total property, plant and equipment – net	-	7,023	13,637	20,660	-	7,045	13,252	20,297
CURRENT ASSETS								
Cash and cash equivalents	16	137	69	222	27	98	4	129
Receivables	6	406	675	1,087	16	436	735	1,187
Other	-	282	772	1,054	-	271	883	1,154
Total current assets	22	825	1,516	2,363	43	805	1,622	2,470
OTHER ASSETS								
Investment in subsidiaries	7,436	-	(7,436)	-	7,218	-	(7,218)	-
Other	122	1,380	2,681	4,183	110	1,491	2,567	4,168
Total other assets	7,558	1,380	(4,755)	4,183	7,328	1,491	(4,651)	4,168
TOTAL ASSETS	$ 7,580	$ 9,228	$ 10,398	$ 27,206	$ 7,371	$ 9,341	$ 10,223	$ 26,935
CAPITALIZATION								
Common shareholders' equity	$ 7,217	$ 1,331	$ (1,331)	$ 7,217	$ 6,967	$ 1,214	$ (1,214)	$ 6,967
Preferred stock of FPL without sinking fund requirements	-	-	5	5	-	-	5	5
Long-term debt	-	5,211	3,315	8,526	-	5,649	3,074	8,723
Total capitalization	7,217	6,542	1,989	15,748	6,967	6,863	1,865	15,695
CURRENT LIABILITIES								
Accounts payable and short-term debt	-	159	834	993	-	397	1,065	1,462
Other	25	1,138	1,053	2,216	62	809	1,020	1,891
Total current liabilities	25	1,297	1,887	3,209	62	1,206	2,085	3,353
OTHER LIABILITIES AND DEFERRED CREDITS								
Asset retirement obligations	-	185	1,961	2,146	-	178	1,908	2,086
Accumulated deferred income taxes	(5)	878	1,394	2,267	(5)	826	1,334	2,155
Regulatory liabilities	-	-	2,701	2,701	-	-	2,669	2,669
Other	343	326	466	1,135	347	268	362	977
Total other liabilities and deferred credits	338	1,389	6,522	8,249	342	1,272	6,273	7,887
COMMITMENTS AND CONTINGENCIES								
TOTAL CAPITALIZATION AND LIABILITIES	$ 7,580	$ 9,228	$ 10,398	$ 27,206	$ 7,371	$ 9,341	$ 10,223	$ 26,935

[a] Represents FPL and consolidating adjustments.

Condensed Consolidating Statements of Cash Flows

	Six Months Ended June 30,							
	2004				2003			
	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 OPERATING ACTIVITIES	$ 213	$ 380	$ 1,138	$ 1,731	$ 243	$ 270	$ 519	$ 1,032
CASH FLOWS FROM INVESTING ACTIVITIES								
Capital expenditures and independent power investments	-	(233)	(802)	(1,035)	-	(766)	(629)	(1,395)
Sale of independent power investments	-	93	-	93	-	-	-	-
Sale of Olympus note receivable	-	126	-	126	-	-	-	-
Other – net	(29)	(68)	(50)	(147)	-	12	(172)	(160)
Net cash used in investing activities	(29)	(82)	(852)	(963)	-	(754)	(801)	(1,555)
CASH FLOWS FROM FINANCING ACTIVITIES								
Issuances of long-term debt	-	300	235	535	-	498	585	1,083
Retirements of long-term debt	-	(328)	-	(328)	-	(19)	(24)	(43)
Net change in short-term debt	-	(254)	(460)	(714)	-	(121)	(181)	(302)
Issuances of common stock	47	-	-	47	30	-	-	30
Dividends on common stock	(222)	-	-	(222)	(212)	-	-	(212)
Other – net	(20)	23	4	7	(20)	-	2	(18)
Net cash provided by (used in) financing activities	(195)	(259)	(221)	(675)	(202)	358	382	538
Net increase (decrease) in cash and cash equivalents	(11)	39	65	93	41	(126)	100	15
Cash and cash equivalents at beginning of period	27	98	4	129	5	261	-	266
Cash and cash equivalents at end of period	$ 16	$ 137	$ 69	$ 222	$ 46	$ 135	$ 100	$ 281

[a] Represents FPL and consolidating adjustments.

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 and Analysis of Financial Condition and Results of Operations (Management's Discussion) appearing in the 2003 Form 10-K for FPL Group and FPL. The results of operations for an interim period generally will 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

Overview – FPL Group's net income for the second quarter of 2004 was $257 million compared to $239 million for the same period in 2003 reflecting increased earnings at FPL and FPL Energy partially offset by higher interest expense at Corporate and Other. For the six months ended June 30, 2004, FPL Group's net income was $395 million compared to $414 million for the same period in 2003. FPL Group's net income for the six months ended June 30, 2004 reflects reduced earnings at FPL and higher interest expense at Corporate and Other partially offset by increased earnings at FPL Energy. Net income for the three and six months ended June 30, 2004 includes net unrealized mark-to-market gains of $6 million and $5 million, respectively, from non-qualifying hedge activity compared to net unrealized losses of $2 million and net unrealized gains of $1 million for the corresponding periods in 2003. See Note 10 for segment information. FPL Group's effective tax rate for all periods presented reflect production tax credits for wind projects at FPL Energy. All periods presented have been reclassified to reflect the guidance of Emerging Issues Task Force Issue No. 03-11 and the SEC staff which was issued in 2003.

FPL Group's management uses earnings excluding non-qualifying hedge activity (adjusted earnings) internally for financial planning, for analysis of performance, for reporting of results to the Board of Directors and for FPL Group's employee incentive compensation plan. FPL Group also uses adjusted earnings when communicating its earnings outlook to analysts and investors. FPL Group's management believes adjusted earnings provide a more meaningful representation of the company's fundamental earnings power. Although the excluded amounts are properly included in the determination of net income in accordance with generally accepted accounting principles, both the size and nature of such items make period to period comparisons of operations difficult and potentially confusing.

FPL – FPL's net income available to FPL Group for the three months ended June 30, 2004 was $205 million compared to $199 million for the same period in 2003. The effect of strong customer growth was the primary contributor to the increase in FPL's net income during the second quarter of 2004, partly offset by milder weather. Although June's weather conditions had a favorable impact this quarter, April and May's weather conditions were unseasonably mild as compared to the prior year. Other operations and maintenance (O&M) expenses and depreciation expense increased for the second quarter of 2004 negatively impacting FPL's earnings for that period. For the six months ended June 30, 2004, FPL's net income available to FPL Group was $310 million compared to $334 million for the same period in 2003. The effect of milder weather conditions was the primary contributor to the decrease in FPL's net income during the six months ended June 30, 2004, partly offset by strong customer growth. Increased depreciation and O&M expenses further reduced net income for the six months ended June 30, 2004.

FPL's operating revenues consisted of the following:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2004	2003	2004	2003
	(millions)			
Retail base operations	$ 952	$ 946	$ 1,736	$ 1,774
Cost recovery clauses and other pass-through costs	1,202	1,093	2,343	2,006
Other	18	14	35	30
Total	$ 2,172	$ 2,053	$ 4,114	$ 3,810

The increase in retail base revenues for the three months ended June 30, 2004 was primarily due to an increase in the average number of customer accounts which was partially offset by a decrease in usage per retail customer. A 2.7% increase in the average number of customer accounts during the second quarter of 2004 increased revenues from retail base operations by approximately $25 million. This increase was partially offset by a decrease in usage per retail customer, primarily associated with milder than normal weather conditions during the first two months of the quarter. A 1.5% decrease in usage per retail customer, as well as other factors, decreased revenues from retail base operations by approximately $19 million.

The decrease in retail base revenues for the six months ended June 30, 2004, was primarily due to a decrease in usage per retail customer partially offset by an increase in the average number of customer accounts. A 4.4% decrease in usage per retail customer, primarily weather-related, resulted in a decrease in revenues from retail base operations of approximately $78 million. This decrease was partially offset by strong customer growth during the first six months of 2004. A 2.6% increase in the average number of customer accounts, as well as other factors, increased revenues from retail base operations by $40 million.

Revenues from cost recovery clauses and other pass-through costs, such as franchise fees and revenue taxes, do not

significantly affect net income; however, under- or over-recovery of such costs can significantly affect FPL Group's and FPL's operating cash flows. Fluctuations in these revenues, as well as in fuel, purchased power and interchange expense are primarily driven by changes in energy sales, fuel prices and capacity charges. The increase in revenues from cost recovery clauses and other pass-through costs for the three and six months ended June 30, 2004 reflects higher fuel charges to customers primarily to recover previously underrecovered fuel-related costs resulting from higher than projected fuel costs. Fuel-related clause activity resulted in a $144 million decrease in deferred clause and franchise expenses on FPL Group's and FPL's condensed consolidated balance sheets from December 31, 2003 to June 30, 2004, which positively affected FPL Group's and FPL's cash flows from operations for the six months ended June 30, 2004.

FPL's O&M expenses for the three and six months ended June 30, 2004 continue to reflect higher nuclear maintenance costs, employee benefit expenses and insurance costs. In addition, the second quarter of 2004 included higher costs associated with connecting and supporting new customer accounts. O&M expenses for the six months ended June 30, 2004 also increased due to timing of fossil plant outages. These increases were partially offset by productivity improvements in other areas and by the absence of certain legal expense accruals that occurred in last year's first quarter.

Turkey Point Unit Nos. 3 and 4 are planning to perform volumetric rather than visual inspections of the bottom mounted instrumentation penetrations at their next scheduled refueling outage in the fall of 2004 and the spring of 2005, respectively. FPL made an official submittal requesting approval of the change in July 2004. St. Lucie Units Nos. 1 and 2 do not have bottom mounted instrumentation penetrations.

During 2003, nuclear utilities, other than FPL, identified that pressurizer heater sleeves made with a particular material (alloy 600) were experiencing penetration cracks and leaks as a result of primary water stress corrosion cracking. As a result, in May 2004, the NRC issued a bulletin requesting utilities to identify and inspect all alloy 600 and weld materials in all pressurizer locations and connected steam space piping. FPL and FPL Energy have filed a response to the bulletin. In the spring of 2004, prior to the issue of the NRC bulletin, St. Lucie Unit No. 1 performed visual inspections within the scope of the bulletin and no leaks were identified. St. Lucie Unit No. 2 and Seabrook will perform similar inspections at their next scheduled refueling outage. Due to the cost and outage impact associated with potential leaks, FPL has decided to replace St. Lucie Unit No. 1's pressurizer during its scheduled refueling and reactor vessel head replacement outage in the fall of 2005. The estimated cost for the pressurizer is included in estimated capital expenditures. See Note 9 – Commitments. FPL has decided to repair St. Lucie Unit No. 2's pressurizer heater sleeve penetrations during its scheduled refueling and steam generator and reactor vessel head replacement outage in the fall of 2007. The estimated cost of this repair is approximately $12 million, which will be charged to O&M expense. The pressurizer heater sleeve penetrations at Seabrook utilize a different material. All pressurizer penetrations and welds at Turkey Point Units Nos. 3 and 4 utilize a different material.

Depreciation and amortization expense increased for the three and six months ended June 30, 2004 primarily as a result of the Fort Myers and Sanford expansions that went into service last year, as well as FPL's continued investment in generation and distribution expansion to support customer growth and demand.

FPL Energy – FPL Energy's net income for the second quarter of 2004 was $69 million compared to $49 million for the second quarter of 2003, whereas net income for the six months ended June 30, 2004 was $123 million compared to $93 million for the same period in 2003. Net income for both the three and six months ended June 30, 2004 benefited primarily from project additions and improved market conditions in the Northeast partially offset by higher interest expense. During the second quarter of 2004, FPL Energy recorded $6 million of after-tax net unrealized mark-to-market gains from non-qualifying hedges compared to after-tax net unrealized losses of $2 million during the same period in 2003. For the six months ended June 30, 2004, FPL Energy recorded $5 million of after-tax net unrealized mark-to-market gains from non-qualifying hedges compared to after-tax net unrealized gains of $1 million during the comparable period in 2003. For further discussion of derivative instruments, see Note 2.

FPL Energy's second quarter 2004 net income benefited from the effect of additions to the wind portfolio partially offset by losses from new gas merchant assets. The operating results of 3,904 mw of wind and gas-fired generation added during or after the second quarter of 2003 contributed $16 million to second quarter 2004 net income. FPL Energy's operating revenues and operating expenses for the second quarter of 2004 increased $159 million and $133 million, respectively, primarily driven by project additions. Also, operating revenues benefited from improved market conditions in the New England Power Pool (NEPOOL) region. The projects in the NEPOOL region benefited from favorable energy prices due to the effect of higher gas and oil prices. In addition, O&M expenses associated with the existing portfolio increased for the quarter ended June 30, 2004 partly due to higher generation from the merchant assets.

Earnings from investments in partnerships and joint ventures for the quarter ended June 30, 2004, presented as equity in earnings of equity method investees, increased $5 million from the prior year quarter due primarily to the mark-to-market effect of non-qualifying hedge activity in the portfolio. Certain of these projects experienced higher fuel costs, the effect of which was offset by favorable results from other projects, including the absence of losses from a combined-cycle power plant in Texas, which was sold in the second quarter of 2004.

Interest charges for the second quarter of 2004 increased by approximately $21 million primarily due to growth in FPL Energy's asset base. In addition, interest charges increased due to an increase in average interest rates compared with the same period in 2003.

FPL Energy's net income for the six months ended June 30, 2004 also benefited from project additions discussed above. The operating results of these project additions contributed $24 million to net income for the six months ended June 30, 2004. FPL Energy's operating revenues and operating expenses for the first half of 2004 increased $235 million and $175 million, respectively, primarily driven by project additions and improved market conditions in the NEPOOL region. The projects in the NEPOOL region benefited from improved hydro conditions and favorable pricing due primarily to the cold weather experienced in that region during the first quarter of 2004, as well as the effects of rising gas and oil prices.

Earnings from investments in partnerships and joint ventures for the six months ended June 30, 2004 decreased $13 million from the prior year period primarily due to the effect of higher fuel costs and the reduced net unrealized mark-to-market gains from non-qualifying hedge activity in the portfolio. Also in the first six months of 2004, FPL Energy recorded a net gain of approximately $52 million on the termination of a gas supply contract and a steam agreement which was essentially offset by an impairment loss recorded as a result of agreeing to sell its interest in a combined-cycle power plant in Texas. The sale was completed in the second quarter of 2004.

Interest charges for the first six months of 2004 increased by approximately $41 million primarily due to growth in FPL Energy's asset base, as well as an increase in average interest rates compared with the same period in 2003.

FPL Energy's 2004 earnings are subject to variability due to, among other things, operational performance, commodity price exposure, counterparty performance, weather conditions and project restructuring activities. FPL Energy's exposure to commodity price risk is reduced by the degree of contract coverage obtained for 2004 and 2005. During the first quarter of 2004, FPL Energy changed how it classifies its contract coverage categories to more closely reflect how these assets are managed internally. The wind category remained unchanged while non-wind assets under long-term contract is now called contracted. The contracted category includes all projects with mid- to long-term purchase power contracts for substantially all of their output. Some of the newer projects with long-term contracts were previously included in the merchant category. The merchant category now includes only those facilities which require active hedging and is subdivided into the following three regions: NEPOOL, Electric Reliability Council of Texas (ERCOT) and all other. As of June 30, 2004, FPL Energy's capacity under contract for the remainder of 2004 and 2005 is as follows:

	Remainder of 2004		2005	
Project Portfolio Category	Available MW [a]	% MW Under Contract	Available MW [a]	% MW Under Contract
Wind	2,719	100%	2,719	100%
Contracted	2,202	99%	2,202	99%
Merchant:				
NEPOOL	2,272	82% [b]	2,301	61% [b]
ERCOT	2,732	78% [b]	2,732	52% [b]
All Other	547	47% [b]	1,275	8% [b]
Total portfolio	10,472	88%	11,229	70%

[a] Weighted to reflect in-service dates, planned maintenance and a refueling outage at Seabrook in 2005.
[b] Represents on-peak mw under contract.

FPL Energy is currently constructing a gas-fired plant that is expected to add approximately 744 mw of generation in the PJM Interconnection L.L.C. market by the end of 2004. FPL Energy expects its future portfolio growth, if any, to come from a mix of asset acquisitions and wind development, assuming pending legislation reestablishing the production tax credits for new wind facilities is enacted.

Corporate and Other – Corporate and Other is primarily comprised of FPL FiberNet and other corporate income and expenses, such as interest income and interest expense. Corporate and Other's net loss for the three and six months ended June 30, 2004 was $17 million and $38 million, respectively, compared to a net loss of $9 million and $13 million, respectively, for the comparable period in 2003 reflecting increased interest expense and slightly lower results from FPL FiberNet. FPL FiberNet's results declined for the six months ended June 30, 2004 due to the absence of gains associated with restructuring two transactions which were reflected in the first quarter of 2003. Corporate and Other allocates interest charges to FPL Energy based on a deemed capital structure at FPL Energy of 50% debt for operating projects and 100% debt for projects under construction. Interest expense at Corporate and Other increased for all periods presented due to allocating less interest expense to FPL Energy as a result of the completion of a number of projects during 2003 that were previously under construction.

Liquidity and Capital Resources

FPL Group and its subsidiaries, including FPL, require funds to support and grow their businesses. These funds are used for working capital, capital expenditures, investments in or acquisitions of assets and businesses, to pay maturing debt obligations and, from time to time, to redeem outstanding debt and preferred stock. It is anticipated that these requirements will be satisfied through a combination of internally generated funds and the issuance, from time to time, of debt and equity securities, consistent with FPL Group's and FPL's objective of maintaining, on a long-term basis, a capital structure that will support a strong investment grade credit rating. Credit ratings can affect FPL Group's and FPL's ability to obtain short- and long-term

financing, the cost of such financing and the execution of their financing strategies. Absent new investment opportunities in 2004, management expects cash to be available to FPL Group in excess of needs that are presently identified. Accordingly, in July 2004, FPL Group announced that it would increase its quarterly dividend on its common stock from $0.62 to $0.68 per share. The dividend increase will take effect with the third quarter dividend, which is payable September 15, 2004. In May 2004, the authorized common stock of FPL Group was increased 100,000,000 shares from 300,000,000 to 400,000,000 shares.

FPL Group and its subsidiaries, including FPL, have $3.0 billion ($2.0 billion for FPL Group Capital and $1.0 billion for FPL) of bank lines of credit currently available. Half of these credit facilities ($1.0 billion for FPL Group Capital and $500 million for FPL) expire in October 2004 with a one-year term-out option. The other half of the credit facilities expire in October 2006 and provide for the issuance of letters of credit of up to $500 million for FPL Group Capital and up to $250 million for FPL subject to the aggregate commitment under the applicable facility. These credit facilities are available to support the companies' commercial paper programs and to provide additional liquidity in the event of a T&D property loss (in the case of FPL), as well as for general corporate purposes. At June 30, 2004, letters of credit totaling $192 million were outstanding under the FPL Group Capital credit facilities and no amounts were outstanding under FPL's credit facilities. FPL Group (which guarantees payment of FPL Group Capital's credit facilities) is required to maintain a minimum ratio of funded debt to capitalization and a minimum interest coverage ratio under the terms of FPL Group Capital's credit facilities. FPL is required to maintain a minimum ratio of funded debt to capitalization under FPL's credit facilities. At June 30, 2004, FPL Group and FPL were in compliance with their respective ratios.

In addition, FPL Group Capital and FPL have each established an uncommitted credit facility with a bank to be used for general corporate purposes. The bank may at its discretion, upon the request of FPL Group Capital or FPL, make a short-term loan or loans to FPL Group Capital or FPL in an aggregate amount determined by the bank, which is subject to change at any time. The terms of the specific borrowings under the uncommitted credit facilities, including maturity, are set at the time borrowing requests are made by FPL Group Capital or FPL. At June 30, 2004, there were no amounts outstanding for either FPL Group Capital or FPL under the uncommitted credit facilities.

In June 2004, a consolidated FPL VIE that leases nuclear fuel to FPL increased its senior secured revolving credit facility, which provides backup support for its commercial paper program, from $65 million to $100 million and extended the expiration date from June 2004 until June 2009. FPL has provided an unconditional guarantee of the payment obligations of the VIE under the credit facility, which are included in the guarantee disclosure below. At June 30, 2004, the VIE had no outstanding borrowings under the revolving credit facility and approximately $16 million under the commercial paper program. FPL also provides an unconditional payment guarantee under the VIE's $135 million of 2.34% senior secured notes, issued in June 2003 and maturing in June 2006.

At June 30, 2004, FPL Group and FPL Group Capital had approximately $600 million (issuable by either or both of them up to such aggregate amount) of available capacity under the currently available shelf registration statement. Securities that may be issued under the FPL Group and FPL Group Capital shelf registration statement, depending on the registrant, include common stock, stock purchase contracts, stock purchase units, senior debt securities, preferred trust securities and related subordinated debt securities, and guarantees relating to certain of those securities.

In addition, FPL Group and FPL Group Capital have recently filed a shelf registration statement for an additional $1.4 billion of capacity (issuable by either or both of them up to such aggregate amount) and FPL recently filed a shelf registration statement for $1 billion of capacity. Securities that may be issued under the FPL Group and FPL Group Capital shelf registration statement, when it is effective, depending on the registrant, include common stock, stock purchase contracts, stock purchase units, preferred stock, senior debt securities, preferred trust securities and related subordinated debt securities, and guarantees relating to certain of those securities. This capacity would be available for, among other things, new investment opportunities. Securities that may be issued under the FPL shelf registration statement, when it is effective, include preferred stock, first mortgage bonds, preferred trust securities and related subordinated debt securities and guarantees.

During the six months ended June 30, 2004, FPL sold 200,000 shares of $100 par value 4 ½% Series V preferred stock to FPL Group and issued $240 million of 5.65% first mortgage bonds maturing in 2035, and FPL Group Capital sold $309 million of 5 7/8% junior subordinated debentures maturing in 2044. The first mortgage bonds and junior subordinated debentures are included in long-term debt on FPL Group's condensed consolidated balance sheets. The junior subordinated debentures were purchased by an unconsolidated 100%-owned finance subsidiary of FPL Group using proceeds from the March 2004 sale by that finance subsidiary of $300 million of preferred trust securities to the public and $9 million of common trust securities to FPL Group. FPL Group has fully and unconditionally guaranteed the junior subordinated debentures and the preferred trust securities. See Note 8. During the six months ended June 30, 2004, FPL Group Capital also repaid a $100 million variable rate term loan and had $175 million of 6.875% debentures mature.

FPL Group and its subsidiaries also entered into four interest rate swap agreements during the six months ended June 30, 2004. The swaps consisted of two variable interest rate swap agreements at FPL to protect $500 million of its outstanding 6.875% first mortgage bonds maturing in 2005 against changes in fair value due to changes in interest rates, a variable interest rate swap agreement at FPL Group Capital to protect $200 million of its outstanding 1 7/8% debentures against changes in fair value due to changes in interest rates and an interest rate swap agreement whereby an FPL Energy subsidiary receives LIBOR and pays a fixed rate of 3.845% on $32 million of its variable rate debt in order to limit cash flow exposure.

The following provides various metrics regarding FPL Group's and FPL's outstanding debt:

	FPL Group [a]		FPL [a]	
	June 30, 2004	December 31, 2003	June 30, 2004	December 31, 2003
Weighted-average year-to-date interest rate	5.0%	4.9%	5.1%	4.5%
Weighted-average life (years)	9.4	7.3	16.1	13.6
Year-to-date average of floating rate debt to total debt	29%	31%	30%	33%

[a] Calculations include interest rate swaps, if any.

In June 2004, an indirect subsidiary of FPL Group sold a note receivable from a limited partnership of which Olympus is a general partner. Olympus is an indirect subsidiary of Adelphia. In June 2002, Adelphia, Olympus and the limited partnership filed for bankruptcy protection under Chapter 11, and the note, which was due July 1, 2002, is in default. The note receivable, which was previously recorded in other investments on FPL Group's condensed consolidated balance sheet, sold for its net book value of approximately $127 million, including accrued interest through the date of the commencement of the Chapter 11 proceedings, less related transactions costs which were not significant. Proceeds from the sale of the note were used to reduce FPL Group Capital's debt.

FPL Group's commitments at June 30, 2004 were as follows:

	2004	2005	2006	2007	2008	Thereafter	Total
				(millions)			
Long-term debt, including interest: [a]							
FPL	$ 77	$ 654	$ 260	$ 123	$ 317	$ 4,523	$ 5,954
FPL Energy	70	211	201	496	371	987	2,336
Corporate and Other	110	887	1,300	1,187	577	1,605	5,666
Corporate Units	18	18	2	-	-	-	38
Purchase obligations:							
FPL [b]	2,560	4,100	2,975	2,415	2,075	7,950	22,075
FPL Energy [c]	90	63	54	69	52	783	1,111
Asset retirement activities: [d]							
FPL [e]		-	-	-	-	7,056	7,056
FPL Energy [f]		4	-	-	-	1,621	1,625
Other commitments:							
Corporate and Other	114	54	-	-	-	-	168
Total	$ 3,039	$ 5,991	$ 4,792	$ 4,290	$ 3,392	$ 24,525	$ 46,029

[a] Includes principal, interest and interest rate swaps. Variable rate interest was computed using June 30, 2004 rates.
[b] Represents required capacity and minimum payments under long-term purchased power and fuel contracts, the majority of which is recoverable through various cost recovery clauses (see Note 9 – Contracts), and projected capital expenditures through 2008 to meet increased electricity usage and customer growth, as well as capital improvements to and maintenance of existing facilities (see Note 9 – Commitments).
[c] Represents firm commitments primarily in connection with natural gas transportation and storage, firm transmission service, nuclear fuel and a portion of its capital expenditures. See Note 9 – Contracts.
[d] Represents expected cash payments adjusted for inflation for estimated costs to perform asset retirement activities.
[e] At June 30, 2004, FPL had $1,839 million in restricted trust funds for the payment of future expenditures to decommission FPL's nuclear units, which are included in special use funds.
[f] At June 30, 2004, FPL Energy's 88.23% portion of Seabrook's restricted trust fund for the payment of future expenditures to decommission Seabrook was $282 million and is included in FPL Group's special use funds.

FPL Group and FPL obtain letters of credit and issue guarantees to facilitate commercial transactions with third parties and financings. At June 30, 2004, FPL Group had issued standby letters of credit of $397 million ($10 million by FPL), as well as $3,731 million notional amount of guarantees ($235 million for FPL) of which $3,375 million ($235 million for FPL) have expirations within the next five years. These guarantees support the buying and selling of wholesale energy commodities, debt related reserves and other contractual agreements. FPL Group and FPL believe it is unlikely that they would be required to perform or otherwise incur any losses associated with these guarantees and as a result, at June 30, 2004, FPL Group and FPL did not have any liabilities recorded for these guarantees. FIN 45 requires that the fair value of guarantees provided to unconsolidated entities entered into after December 31, 2002, be recorded on the balance sheet, even when the likelihood of making payments is remote. See Note 9. In addition, FPL Group has guaranteed certain payment obligations of FPL Group Capital, including most of those under FPL Group Capital's debt, including all of its debentures and commercial paper issuances, as well as most of its guarantees and FPL Group Capital has guaranteed certain debt and other obligations of FPL Energy and its subsidiaries.

In addition to the above, FPL Energy has guaranteed certain performance obligations of a power plant owned by a wholly-owned subsidiary as part of a power purchase agreement that expires in 2027. Under this agreement, the subsidiary could incur market-based liquidated damages for failure to meet contractual minimum outputs. In addition, certain subsidiaries of FPL Energy have contracts that require certain projects to meet annual minimum generation amounts. Failure to meet the annual minimum generation amounts would result in the FPL Energy subsidiary incurring specified liquidated damages. Based

on past performance of these and similar projects and current forward prices, management believes that the exposure associated with these guarantees is not material.

An FPL Energy subsidiary is committed to purchase oil and gas inventory remaining in certain storage facilities at December 31, 2005 at its weighted-average cost. At June 30, 2004, FPL Energy's commitment is estimated to be from $0 to approximately $67 million, based on a potential range of zero to full storage volume at the current average forward price of oil and gas.

FPL self-insures for damage to certain T&D properties and maintains a funded storm and property insurance reserve to reduce the financial impact of storm losses. The balance of the storm fund reserve at June 30, 2004 was approximately $340 million, representing the amount in the storm fund (approximately $208 million) plus related deferred income taxes (approximately $132 million). The FPSC has indicated that it would consider future storm losses in excess of the funded reserve for possible recovery from customers. FPL's bank lines of credit discussed above are also available if needed to provide cash for storm restoration costs.

New Accounting Rules and Interpretations

Variable Interest Entities – In December 2003, the FASB revised FIN 46, "Consolidation of Variable Interest Entities," which partially delayed its effective date for public companies until the first quarter of 2004. FPL Group and FPL finalized their analysis on other investments and contractual relationships and determined that no other entities needed to be consolidated or deconsolidated in accordance with FIN 46R. FPL Group and FPL expect additional implementation guidance to be issued regarding FIN 46R and are unable to determine what effect, if any, this additional guidance might have on FPL Group's and FPL's condensed consolidated financial statements. See Note 6.

Pensions and Other Postretirement Benefits – In May 2004, the FASB issued Staff Position FAS 106-2, "Accounting and Disclosure Requirements Related to the Medicare Prescription Drug, Improvement and Modernization Act of 2003." See Note 1.

Accumulated Other Comprehensive Income

Total other comprehensive income (OCI) activity for the six months ended June 30, 2004 is as follows:

	Accumulated Other Comprehensive Income (Loss)		
	Net Unrealized Losses On Cash Flow Hedges	Other	Total
		(millions)	
Balances, December 31, 2003	$ (10)	$ 14	$ 4
Commodity price hedges			
Effective portion of net unrealized loss:			
Consolidated subsidiaries (net of $21 tax benefit)	(32)	-	(32)
Reclassification from OCI to net income:			
Consolidated subsidiaries (net of $1 tax benefit)	(1)	-	(1)
Interest rate hedges			
Effective portion of net unrealized gain (net of $4 tax expense)		6	6
Net unrealized loss on available for sale securities (net of $0.3 tax benefit)		(1)	(1)
Balances, June 30, 2004	$ (43)	$ 19	$ (24)

Total OCI activity for the six months ended June 30, 2003 was as follows:

	Accumulated Other Comprehensive Income (Loss)		
	Net Unrealized Gains (Losses) On Cash Flow Hedges	Other	Total
		(millions)	
Balances, December 31, 2002	$ 19	$ (3)	$ 16
Effective portion of net unrealized gain:			
Consolidated subsidiaries (net of $18 tax expense)	28	-	28
Equity investments (net of $9 tax expense)	14	-	14
Reclassification from OCI to net income:			
Consolidated subsidiaries (net of $11 tax benefit)	(17)	-	(17)
Equity investments (net of $4 tax benefit)	(7)	-	(7)
Net unrealized gain on available for sale securities (net of $5 tax expense)		9	9
Balances, June 30, 2003	$ 37	$ 6	$ 43

Energy Marketing and Trading and Market Risk Sensitivity

Energy Marketing and Trading – Certain of FPL Group's subsidiaries, including FPL and FPL Energy, use derivative instruments (primarily forward purchases and sales, swaps, options and futures) to manage the commodity price risk inherent in fuel and electricity transactions, as well as to optimize the value of power generation assets. To a lesser extent, FPL Energy engages in limited energy trading activities to take advantage of expected future favorable price movements.

Derivative instruments, when required to be marked to market under FAS 133, as amended, are recorded on FPL Group's and FPL's consolidated balance sheets as either an asset or liability (in derivative assets, other assets, other current liabilities and other liabilities) measured at fair value. At FPL, substantially all changes in fair value are deferred as a regulatory asset or liability until the contracts are settled. Upon settlement, any gains or losses are passed through the fuel clause and the capacity clause. For FPL Group's non-rate regulated operations, predominantly FPL Energy, essentially all changes in the derivatives' fair value for power purchases and sales and trading activities are recognized net in operating revenues; fuel purchases and sales are recognized net in fuel, purchased power and interchange expense; and the equity method investees' related activity is recognized in equity in earnings of equity method investees in FPL Group's condensed consolidated statements of income unless hedge accounting is applied.

The changes in the fair value of FPL Group's consolidated subsidiaries' energy contract derivative instruments for the three and six months ended June 30, 2004 were as follows:

		Hedges on Owned Assets				
	Proprietary Trading	Managed	Non-Qualifying	OCI	FPL Cost Recovery Clauses	FPL Group Total
			(millions)			
Three months ended June 30, 2004						
Fair value of contracts outstanding at March 31, 2004	$ 8	$ 1	$ (1)	$ (45)	$ 145	$ 108
Reclassification to realized at settlement of contracts	(3)	(1)	(13)	1	(57)	(73)
Effective portion of changes in fair value recorded in OCI	-	-	-	(21)	-	(21)
Ineffective portion of changes in fair value recorded in earnings	-	-	(3)	-	-	(3)
Changes in fair value excluding reclassification to realized	8	-	20	-	39	67
Fair value of contracts outstanding at June 30, 2004	13	-	3	(65)	127	78
Net option premium payment (receipts)	-	-	(6)	-	16	10
Total mark-to-market energy contract net assets (liabilities) at June 30, 2004	$ 13	$ -	$ (3)	$ (65)	$ 143	$ 88

		Hedges on Owned Assets				
	Proprietary Trading	Managed	Non-Qualifying	OCI	FPL Cost Recovery Clauses	FPL Group Total
			(millions)			
Six months ended June 30, 2004						
Fair value of contracts outstanding at December 31, 2003	$ 7	$ 1	$ 21	$ (11)	$ 94	$ 112
Reclassification to realized at settlement of contracts	(6)	(2)	(37)	(2)	(81)	(128)
Effective portion of changes in fair value recorded in OCI	-	-	-	(52)	-	(52)
Ineffective portion of changes in fair value recorded in earnings	-	-	(6)	-	-	(6)
Changes in fair value excluding reclassification to realized	12	1	25	-	114	152
Fair value of contracts outstanding at June 30, 2004	13	-	3	(65)	127	78
Net option premium payment (receipts)	-	-	(6)	-	16	10
Total mark-to-market energy contract net assets (liabilities) at June 30, 2004	$ 13	$ -	$ (3)	$ (65)	$ 143	$ 88

FPL Group's total mark-to-market energy contract net assets at June 30, 2004 shown above are included in the consolidated balance sheet as follows:

	June 30, 2004
	(millions)
Derivative assets	$ 265
Other assets	29
Other current liabilities	(111)
Other liabilities	(95)
FPL Group's total mark-to-market energy contract net assets at June 30, 2004	$ 88

The sources of fair value estimates and maturity of energy contract derivative instruments at June 30, 2004 are as follows:

	Maturity						
	2004	2005	2006	2007	2008	Thereafter	Total
				(millions)			
Proprietary Trading:							
Actively quoted (i.e., exchange trade) prices	$ 2	$ -	$ -	$ -	$ -	$ -	$ 2
Prices provided by other external sources	13	8	1	-	-	-	22
Modeled	(10)	(3)	-	-	-	2	(11)
Total	5	5	1	-	-	2	13
Owned Assets – Managed:							
Actively quoted (i.e., exchange trade) prices	-	-	-	-	-		-
Prices provided by other external sources	-	-	-	-	-		-
Modeled	-	-	-	-	-		-
Total	-	-	-	-	-		-
Owned Assets – Non-Qualifying:							
Actively quoted (i.e., exchange trade) prices	26	3	-	-	-	-	29
Prices provided by other external sources	13	5	-	-	-	-	18
Modeled	(18)	(10)	(4)	(4)	(3)	(5)	(44)
Total	21	(2)	(4)	(4)	(3)	(5)	3
Owned Assets – OCI:							
Actively quoted (i.e., exchange trade) prices	1	(3)	-	-	-	-	(2)
Prices provided by other external sources	-	(28)	(17)	(4)	(1)	-	(50)
Modeled	(4)	(5)	(1)	(1)	(2)	-	(13)
Total	(3)	(36)	(18)	(5)	(3)		(65)
Owned Assets – FPL Cost Recovery Clauses:							
Actively quoted (i.e., exchange trade) prices	102	(8)	-	-	-		94
Prices provided by other external sources	34	(1)	-	-	-		33
Modeled	-	-	-	-	-		-
Total	136	(9)	-	-	-		127
Total sources of fair value	$ 159	$ (42)	$ (21)	$ (9)	$ (6)	$ (3)	$ 78

The changes in the fair value of FPL Group's consolidated subsidiaries' energy contract derivative instruments for the three and six months ended June 30, 2003 were as follows:

		Hedges on Owned Assets				
	Proprietary Trading	Managed	Non-Qualifying	OCI	FPL Cost Recovery Clauses	FPL Group Total
			(millions)			
Three months ended June 30, 2003						
Fair value of contracts outstanding at March 31, 2003	$ 4	$ 1	$ (7)	$ 39	$ 13	$ 50
Reclassification to realized at settlement of contracts	(2)	-	1	(11)	(6)	(18)
Effective portion of changes in fair value recorded in OCI	-	-	-	18	-	18
Changes in valuation assumptions	-	-	2	-	-	2 [a]
Changes in fair value excluding reclassification to realized	2	-	(3)	-	8	8
Fair value of contracts outstanding at June 30, 2003	4	1	(7)	46	16	60
Net option premium payment (receipts)	-	-	(9)	-	1	(8)
Total mark-to-market energy contract net assets (liabilities) at June 30, 2003	$ 4	$ 1	$ (16)	$ 46	$ 17	$ 52

		Hedges on Owned Assets				
	Proprietary Trading	Managed	Non-Qualifying	OCI	FPL Cost Recovery Clauses	FPL Group Total
			(millions)			
Six months ended June 30, 2003						
Fair value of contracts outstanding at December 31, 2002	$ 4	$ -	$ 8	$ 28	$ 12	$ 52
Reclassification to realized at settlement of contracts	(4)	-	2	(28)	(22)	(52)
Effective portion of changes in fair value recorded in OCI		-	-	46	-	46
Changes in valuation assumptions		-	2	-	-	2 [a]
Changes in fair value excluding reclassification to realized	4	1	(19)	-	26	12
Fair value of contracts outstanding at June 30, 2003	4	1	(7)	46	16	60
Net option premium payment (receipts)		-	(9)	-	1	(8)
Total mark-to-market energy contract net assets (liabilities) at June 30, 2003	$ 4	$ 1	$ (16)	$ 46	$ 17	$ 52

[a] Change in valuation assumption from applying volatility skewness (selection of an input assumption among alternatives based on the moneyness of the option) in option valuation.

Market Risk Sensitivity – Financial instruments and positions affecting the financial statements of FPL Group and FPL described below are held primarily for purposes other than trading. Market risk is measured as the potential loss in fair value resulting from hypothetical reasonably possible changes in commodity prices, interest rates or equity prices over the next year. Management has established risk management policies to monitor and manage market risks. FPL Group's Exposure Management Committee (EMC), which is comprised of certain members of senior management, is responsible for the overall approval of market risk management policies and the delegation of approval and authorization levels. The EMC receives

periodic updates on market positions and related exposures, credit exposures and overall risk management activities. FPL Group and FPL manage their interest rate exposure by monitoring current interest rates and adjusting their variable rate debt in relation to total capitalization.

FPL Group and its subsidiaries are also exposed to credit risk through their energy marketing and trading operations. Credit risk is the risk that a financial loss will be incurred if a counterparty to a transaction does not fulfill its financial obligation. FPL Group manages counterparty credit risk for its subsidiaries with energy marketing and trading operations through established policies, including counterparty credit limits, and in some cases credit enhancements, such as cash prepayments, letters of credit, cash and other collateral and guarantees. Credit risk is also managed through the use of master netting agreements. FPL Group's credit department monitors current and forward credit exposure to counterparties and their affiliates, both on an individual and an aggregate basis.

Commodity price risk – FPL Group uses a value-at-risk (VaR) model to measure market risk in its trading and mark-to-market portfolios. The VaR is the estimated nominal loss of market value based on a one-day holding period at a 95% confidence level using historical simulation methodology. As of June 30, 2004 and December 31, 2003, the VaR figures are as follows:

	Trading and Managed Hedges			Non-Qualifying Hedges and Hedges in OCI[a]			Total		
	FPL	FPL Energy	FPL Group	FPL	FPL Energy	FPL Group	FPL	FPL Energy	FPL Group
					(millions)				
December 31, 2003	$ -	$ -	$ -	$ 25	$ 5	$ 26	$ 25	$ 4	$ 26
June 30, 2004	$ -	$ -	$ -	$ 33	$ 6	$ 25	$ 33	$ 8	$ 24
Average for the period ended June 30, 2004	$ -	$ 1	$ 1	$ 24	$ 4	$ 22	$ 24	$ 5	$ 22

[a] Non-qualifying hedges are employed to reduce the market risk exposure to physical assets which are not marked to market. The VaR figures for the non-qualifying hedges and hedges in OCI category do not represent the economic exposure to commodity price movements.

Interest rate risk – FPL Group and FPL are exposed to risk resulting from changes in interest rates as a result of their issuances of debt, investments in special use funds and interest rate swaps. FPL Group and FPL manage their interest rate exposure by monitoring current interest rates and adjusting their variable rate debt in relation to total capitalization.

The following are estimates of the fair value of FPL Group's and FPL's financial instruments:

	June 30, 2004		December 31, 2003	
	Carrying Amount	Estimated Fair Value	Carrying Amount	Estimated Fair Value
		(millions)		
FPL Group:				
Long-term debt, including current maturities	$ 9,309	$ 9,500[a]	$ 9,090	$ 9,548[a]
Fixed income securities:				
Special use funds	$ 1,355	$ 1,355[b]	$ 1,316	$ 1,316[b]
Other investments	$ 70	$ 70[b]	$ 57	$ 57[b]
Interest rate swaps – net unrealized loss	$ (9)	$ (9)[c]	$ (10)	$ (10)[c]
FPL:				
Long-term debt, including current maturities	$ 3,314	$ 3,319[a]	$ 3,074	$ 3,193[a]
Fixed income securities – Special use funds	$ 1,223	$ 1,223[b]	$ 1,188	$ 1,188[b]
Interest rate swaps – net unrealized loss	$ (2)	$ (2)[c]	$ -	$ -

[a] Based on market prices provided by external sources.
[b] Based on quoted market prices for these or similar issues.
[c] Based on market prices modeled internally.

The special use funds of FPL Group include restricted funds set aside to cover the cost of storm damage for FPL and for the decommissioning of FPL Group's and FPL's nuclear power plants. A portion of these funds is invested in fixed income debt securities carried at their market value. Adjustments to market value result in a corresponding adjustment to the related liability accounts based on current regulatory treatment for FPL. The market value adjustments of FPL Group's non-rate regulated operations result in a corresponding adjustment to OCI. Because the funds set aside by FPL 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.

FPL Group and its subsidiaries use a combination of fixed rate and variable rate debt to manage interest rate exposure. Interest rate swaps are used to adjust and mitigate interest rate exposure when deemed appropriate based upon market conditions or when required by financing agreements. At June 30, 2004, FPL Group had the following interest rate swaps:

Notional Amount (millions)	Effective Date	Maturity Date	Rate Paid	Rate Received	Estimated Fair Value (millions)
Fair value hedges – FPL:					
$ 250	April 2004	December 2005	variable[a]	6.875%	$ (1)
$ 250	May 2004	December 2005	variable[b]	6.875%	(1)
Fair value hedges – FPL Group Capital:					
$ 150	July 2003	September 2006	variable[c]	7.625%	(4)
$ 150	July 2003	September 2006	variable[d]	7.625%	(4)
$ 200	January 2004	March 2005	variable[e]	1.875%	(1)
Total fair value hedges					(11)
Cash flow hedges – FPL Energy:					
$ 99	July 2002	December 2007	4.41%	variable[f]	(2)
$ 200	August 2003	November 2007	3.557%	variable[f]	1
$ 94	December 2003	December 2017	4.245%	variable[g]	2
$ 32	April 2004	December 2017	3.845%	variable[g]	1
Total cash flow hedges					2
Total interest rate hedges					$ (9)

[a] Six-month LIBOR plus 3.7285%
[b] Six-month LIBOR plus 3.6800%
[c] Six-month LIBOR plus 4.9900%
[d] Six-month LIBOR plus 4.9925%
[e] Six-month LIBOR less 0.1375%
[f] Three-month LIBOR
[g] One-month LIBOR

Based upon a hypothetical 10% decrease in interest rates, which is a reasonable near-term market change, the net fair value of FPL Group's net liabilities would increase by approximately $212 million ($96 million for FPL) at June 30, 2004.

Equity price risk – Included in the special use funds of FPL Group are marketable equity securities carried at their market value of approximately $974 million and $926 million ($824 million and $781 million for FPL) at June 30, 2004 and December 31, 2003, respectively. A hypothetical 10% decrease in the prices quoted by stock exchanges, which is a reasonable near-term market change, would result in a $97 million ($82 million for FPL) reduction in fair value and corresponding adjustments to the related liability accounts based on current regulatory treatment for FPL, or adjustments to OCI for FPL Group's non-rate regulated operations, at June 30, 2004.

Credit risk – For all derivative and contractual transactions, FPL Group's energy marketing and trading operations, which includes FPL's energy marketing and trading division, are exposed to losses in the event of nonperformance by counterparties to these transactions. Relevant considerations when assessing FPL Group's energy marketing and trading operations' credit risk exposure include:

- Operations are primarily concentrated in the energy industry.
- Trade receivables and other financial instruments are predominately with energy, utility and financial services related companies, as well as municipalities, cooperatives and other trading companies in the United States.
- Overall credit risk is managed through established credit policies.
- Prospective and existing customers are reviewed for creditworthiness based upon established standards, with customers not meeting minimum standards providing various credit enhancements or secured payment terms, such as letters of credit or the posting of cash collateral.
- The use of master netting agreements to offset cash and non-cash gains and losses arising from derivative instruments with the same counterparty. FPL Group's policy is to have master netting agreements in place with significant counterparties.

Based on FPL Group's policies and risk exposures related to credit, FPL Group and FPL do not anticipate a material adverse effect on their financial positions as a result of counterparty nonperformance. As of June 30, 2004, approximately 99% of FPL Group's and 99% of FPL's energy marketing and trading counterparty credit risk exposure is associated with companies that have at least investment grade credit ratings.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

See Management's Discussion – Energy Marketing and Trading and Market Risk Sensitivity – Market Risk Sensitivity.

Item 4. Controls and Procedures

(a) Evaluation of Disclosure Controls and Procedures

As of June 30, 2004, FPL Group and FPL had performed an evaluation, under the supervision and with the participation of its management, including FPL Group's and FPL's chief executive officer and chief financial officer, of the effectiveness of the design and operation of each company's disclosure controls and procedures (as defined in Exchange Act Rule 13a-15(e) or 15d-15(e)). Based upon that evaluation, the chief executive officer and chief financial officer of FPL Group and FPL concluded that the company's disclosure controls and procedures are effective in timely alerting them to material information relating to the company and its consolidated subsidiaries required to be included in the company's reports filed or submitted under the Exchange Act. FPL Group and FPL each have a Disclosure Committee, which is made up of several key management employees and reports directly to the chief executive officer and chief financial officer of each company, to monitor and evaluate these disclosure controls and procedures. Due to the inherent limitations of the effectiveness of any established disclosure controls and procedures, management of FPL Group and FPL cannot provide absolute assurance that the objectives of its disclosure controls and procedures will be met.

(b) Changes in Internal Controls

FPL Group and FPL are continuously seeking to improve the efficiency and effectiveness of their operations and of their internal controls. This results in refinements to processes throughout FPL Group and FPL. However, there has been no change in FPL Group's or FPL's internal control over financial reporting that occurred during FPL Group's and FPL's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, FPL Group's or FPL's internal control over financial reporting.

PART II – OTHER INFORMATION

Item 1. Legal Proceedings

Reference is made to Item 3. Legal Proceedings in the 2003 Form 10-K for FPL Group and FPL and Part II, Item 1. Legal Proceedings in the Quarterly Report on Form 10-Q for the period ended March 31, 2004 for FPL Group and FPL.

With respect to the EPA suit relating to Scherer Unit No. 4, the EPA further revised its civil penalty rule in February 2004, such that the maximum penalty is $32,500 per day for each violation after March 15, 2004.

In the Thomas case, the court has not set a time for a hearing on whether this case will proceed as a class action.

In May 2004, a filing by FMPA indicated that the issues to be raised in the DC Circuit review relate only to the issue of behind-the-meter generation and load ratio pricing for network integration transmission service in instances when, according to FMPA, FPL cannot provide transmission service "because of physical transmission limitations." FPL has been granted party status as an intervenor, and the DC Circuit has established a procedural schedule that provides for, among other things, final briefs on January 21, 2005 and oral argument on March 22, 2005. FPL estimates its exposure for refunds to FMPA on this issue to be approximately $1 million at June 30, 2004.

In May 2004, FPL made a compliance filing of a proposed rate schedule that does not include those facilities of FPL that fail to meet the same integration test that was applied to the FMPA facilities. Pursuant to this filing, 1.63% of FPL's transmission facilities do not satisfy the integration standard and FPL's current network transmission rate would be reduced by $0.02 per kw per month, resulting in a refund obligation to FMPA of approximately $1 million at June 30, 2004. In June 2004, FMPA filed a protest to FPL's compliance filing, which protest would exclude approximately 30% of FPL's transmission facilities and reduce FPL's current network transmission rate by approximately $0.41 per kw per month, potentially resulting in a refund obligation to FMPA of approximately $22 million at June 30, 2004. Possible next steps by the FERC include ruling on the matter based on the record, setting the matter for hearing before an administrative law judge (ALJ), or referring the matter to an ALJ for settlement discussions.

In 1995 and 1996, FPL Group, through an indirect subsidiary, purchased from Adelphia Communications Corporation (Adelphia) 1,091,524 shares of Adelphia common stock and 20,000 shares of Adelphia preferred stock (convertible into 2,358,490 shares of Adelphia common stock) for an aggregate price of approximately $35,900,000. On January 29, 1999, Adelphia repurchased all of these shares for $149,213,130 in cash. On June 24, 2004, Adelphia, Adelphia Cablevision, L.L.C. and the Official Committee of Unsecured Creditors of Adelphia filed a complaint against FPL Group and its indirect subsidiary in the U.S. Bankruptcy Court, Southern District of New York. The complaint alleges that the repurchase of these shares by Adelphia was a fraudulent transfer, in that at the time of the transaction Adelphia (i) was insolvent or was rendered insolvent, (ii) did not receive reasonably equivalent value in exchange for the cash it paid, and (iii) was engaged or about to engage in a business or transaction for which any property remaining with Adelphia was an unreasonably small capital. The complaint seeks the recovery for the benefit of Adelphia's bankruptcy estate of the cash paid for the repurchased shares, plus interest. FPL Group believes it will demonstrate on motion that the complaint is invalid because, among other reasons, Adelphia's repurchase of shares from FPL Group was at the market value for those shares, and therefore the repurchase was for reasonably equivalent value. Should the court deny FPL Group's motion, FPL Group believes Adelphia will be unable to demonstrate that Adelphia's repurchase was not for reasonably equivalent value, that Adelphia was insolvent at the time of the repurchase, or that the repurchase left Adelphia with unreasonably small capital.

After initially denying FPL's motion to dismiss the Finestone complaint, the court granted it with respect to plaintiffs' count for strict liability. The court has also granted FPL's motion for a ruling that the duty owed by FPL to the plaintiffs is established exclusively by federal regulations and not general negligence standards.

In the Blake and Lowe lawsuit, as in the Finestone case, the court has granted FPL's motion to dismiss the plaintiffs' count for strict liability. FPL's motion for a ruling that the duty owed by FPL to plaintiffs is established exclusively by federal regulations is pending.

In the Wooldridge lawsuit, the court has granted the vaccine manufacturers' and dental associations' motions to dismiss the complaint against them. The plaintiffs are appealing those orders. FPL's and the vaccine distributors' motions to dismiss are pending.

In the Shiflett lawsuit, FPL's motion to dismiss the complaint was denied. The vaccine manufacturing and distribution companies' motions to dismiss are pending. At the appropriate time, FPL will raise the issue of whether the court has jurisdiction, which depends on diversity of citizenship, since both FPL and plaintiffs are citizens of Florida.

In the Center For Biological Diversity, Inc. lawsuit, FPL Group, FPL Energy and their affiliates have moved to dismiss the complaint.

In the Albert Litter lawsuit, FPL moved to dismiss the case on the grounds that the FPSC has exclusive jurisdiction over this type of complaint. The court denied the motion on July 13, 2004, and FPL will appeal the ruling. A hearing has been set for September 28, 2004 on the Southeastern Utility Services, Inc.'s protest to the FPSC's November 2003 proposed agency action.

On June 16, 2004, a subsidiary of FPL Energy, FPLE Rhode Island State Energy, L.P. (RISE), received a Notice of Violation (NOV) from the Rhode Island Department of Environmental Management (RIDEM). The NOV alleges that the RISE facility exceeded certain permit limitations relating to the reuse water received from the City of Cranston during certain days from November 2002 until May 2003 and that RIDEM was not notified of such exceedances in a timely manner. The total proposed penalty for these combined allegations is $383,700. In April 2003, the facility self-disclosed the permit exceedances at issue, and over the past year has undertaken significant changes to its management, water treatment system, and the wastewater treatment system for the City of Cranston, which has been providing poor quality reuse water. In addition, there have been several meetings with RIDEM regarding the status of remedial measures and the facility has maintained regular contact regarding plant operational status. RISE believes that it has arguments with respect to the validity and/or mitigation of some or all of the alleged violations and it intends to pursue an amicable settlement of this matter with RIDEM. If necessary, however, RISE will vigorously contest the NOV and the proposed penalty through a formal administrative hearing.

Item 2. Changes in Securities, Use of Proceeds and Issuer Purchases of Equity Securities

(e) FPL Group, Inc. Purchases of Securities

Period	Total Number of Shares Purchased [a]	Average Price Paid Per Share	Total Number of Shares Purchased as Part of a Publicly Announced Program	Maximum Number of Shares that May Yet be Purchased Under the Program [b] (thousands)
1/1/04-1/31/04	327	$ 65.56	-	3,598
2/1/04-2/29/04	15,020	$ 65.11	-	3,598
3/1/04-3/31/04	7,058	$ 67.50	-	3,598
4/1/04-4/30/04	245	$ 66.40	-	3,598
5/1/04-5/31/04	4,361	$ 61.62	-	3,598
6/1/04-6/30/04	2,161	$ 63.62	-	3,598
Total	29,172	$ 65.07	-	

[a] Represents shares of common stock purchased by FPL Group from employees to pay taxes related to the vesting of restricted stock granted to employees.
[b] In February 1997, FPL Group's board of directors authorized the repurchase of up to 10 million shares of common stock over an unspecified period as part of a publicly announced program.

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

FPL Group – The Annual Meeting of FPL Group's shareholders was held on May 21, 2004. Of the 184,767,229 shares of common stock outstanding on the record date of March 16, 2004, a total of 158,081,162 shares were represented in person or by proxy.

The following directors were elected effective May 21, 2004:

	For	Against or Withheld
H. Jesse Arnelle	152,899,238	5,181,924
Sherry S. Barrat	145,994,977	12,086,185
Robert M. Beall, II	152,772,620	5,308,542
J. Hyatt Brown	152,189,626	5,891,536
James L. Camaren	153,392,246	4,688,916
Lewis Hay, III	152,984,735	5,096,427
Frederick V. Malek	152,132,008	5,949,154
Michael H. Thaman	153,857,735	4,223,427
Paul R. Tregurtha	146,183,491	11,897,671
Frank G. Zarb	152,733,534	5,347,628

The vote to ratify the appointment of Deloitte & Touche LLP as independent auditors was 154,035,214 for, 2,736,575 against and 1,309,373 abstaining.

The vote to approve the amended and restated Long Term Incentive Plan was 114,579,620 for, 14,424,659 against, 2,328,923 abstaining and 26,747,960 broker non-votes.

The vote to approve the Annual Incentive Plan as required by the Internal Revenue Code was 144,001,510 for, 11,961,927 against, 2,114,699 abstaining and 3,026 broker non-votes.

The vote to approve the performance-based awards provisions of the amended and restated Long Term Incentive Plan as required by the Internal Revenue Code was 120,575,508 for, 8,476,156 against, 2,282,141 abstaining and 26,747,357 broker non-votes.

The vote to approve an amendment to the restated Articles of Incorporation to increase the number of authorized shares of common stock was 148,136,393 for, 7,936,257 against, 2,007,788 abstaining and 724 broker non-votes.

FPL – The following FPL directors were elected effective May 21, 2004 by the written consent of FPL Group, as the sole common shareholder of FPL, in lieu of an annual meeting of shareholders:

Dennis P. Coyle	Armando J. Olivera
Moray P. Dewhurst	Antonio Rodriguez
Lewis Hay, III	John A. Stall
Lawrence J. Kelleher	

Item 5. Other Information

(a)(i) Reference is made to Item 1. Business – FPL Operations – Competition in the 2003 Form 10-K for FPL Group and FPL.

In June 2004, the FPSC approved FPL's proposal to build an 1,100 mw natural gas-fired plant at its Turkey Point site. An administrative law judge is scheduled to hear the proposal in September 2004, and the resulting recommendation is expected to be taken up by the Siting Board (comprised of the Florida governor and cabinet) under the Florida Electrical Power Plant Siting Act by early 2005.

(a)(ii) Reference is made to Item 1. Business – FPL Operations – System Capability and Load in the 2003 Form 10-K for FPL Group and FPL.

FPL is currently constructing approximately 1,900 mw of natural gas combined-cycle generation at its Martin and Manatee sites with a planned in-service date of June 2005. In January 2003, CPV Gulfcoast, Ltd. filed a notice of appeal with the Supreme Court of Florida challenging the FPSC's 2002 approval of the Martin and Manatee expansions. In June 2004, the Supreme Court of Florida affirmed the FPSC's approval of the Martin and Manatee expansions.

During June and July 2004, FPL set the following all-time system peaks:

20,250 mw	June 23, 2004
20,306 mw	July 6, 2004
20,545 mw	July 14, 2004

Adequate resources were available at the time of the peaks to meet customer demand.

(a)(iii) Reference is made to Item 1. Business – FPL Operations – Nuclear Operations in the 2003 Form 10-K for FPL Group and FPL and Part II, Item 5. Other Information in the Quarterly Report on Form 10-Q for the period ended March 31, 2004 for FPL Group and FPL.

Turkey Point Unit Nos. 3 and 4 are planning to perform volumetric rather than visual inspections of the bottom mounted instrumentation penetrations at their next scheduled refueling outage in the fall of 2004 and the spring of 2005, respectively. FPL made an official submittal requesting approval of the change in July 2004. St. Lucie Units Nos. 1 and 2 do not have bottom mounted instrumentation penetrations.

During 2003, nuclear utilities, other than FPL, identified that pressurizer heater sleeves made with a particular material (alloy 600) were experiencing penetration cracks and leaks as a result of primary water stress corrosion cracking. As a result, in May 2004, the NRC issued a bulletin requesting utilities to identify and inspect all alloy 600 and weld materials in all pressurizer locations and connected steam space piping. FPL and FPL Energy have filed a response to the bulletin. In the spring of 2004, prior to the issue of the NRC bulletin, St. Lucie Unit No. 1 performed visual inspections within the scope of the bulletin and no leaks were identified. St. Lucie Unit No. 2 and Seabrook will perform similar inspections at their next scheduled refueling outage. The pressurizer heater sleeve penetrations at Seabrook utilize a different material. All pressurizer penetrations and welds at Turkey Point Units Nos. 3 and 4 utilize a different material.

(a)(iv) Reference is made to Item 1. Business – FPL Operations – Fuel in the 2003 Form 10-K for FPL Group and FPL.

In July 2004, FPL received approval from the NRC for additional spent fuel storage racks at St. Lucie Unit Nos. 1 and 2. Approval for additional storage racks at Turkey Point Units Nos. 3 and 4 is expected by the end of the third quarter of 2004.

In July 2004, the U.S. Court of Appeals for the District of Columbia Circuit ruled on a series of challenges to the statues and regulations established to govern a nuclear waste depository at the Yucca Mountain site. The court denied all the challenges except for one, regarding an EPA rule governing the time period the public would be protected from hypothetical radiation leaks at the Yucca Mountain repository. The court's decision, if upheld, could result in revisions to the EPA's and NRC's licensing rules for Yucca Mountain and could significantly delay the licensing process and schedule for Yucca Mountain.

(a)(v) Reference is made to Item 2. Properties – Transmission and Distribution in the 2003 Form 10-K for FPL Group and FPL.

In June 2004, FPL purchased transmission substation assets located in Seabrook, New Hampshire at their net book value of approximately $21 million from a subsidiary of FPL Energy. The substation assets are accounted for in a separate division of FPL and were transferred in order to qualify for cost recovery opportunities that are limited to transmission providers in New England.

(b) None

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits

Exhibit Number	Description	FPL Group	FPL
*3(i)	Amendment to FPL Group's Restated Articles of Incorporation dated May 26, 2004 (filed as Exhibit 4(c) to Form S-3, File Nos. 333-116209, 333-116209-01, 333-116209-02, 333-116209-03 and 333-116209-04)	x	
*10	FPL Group Amended and Restated Long Term Incentive Plan, as amended and restated May 21, 2004 (filed as Exhibit 4(i) to Form S-8, File No. 333-116501)	x	x
12(a)	Computation of Ratios	x	
12(b)	Computation of Ratios		x
31(a)	Rule 13a-14(a)/15d-14(a) Certification of Chief Executive Officer of FPL Group	x	
31(b)	Rule 13a-14(a)/15d-14(a) Certification of Chief Financial Officer of FPL Group	x	
31(c)	Rule 13a-14(a)/15d-14(a) Certification of Chief Executive Officer of FPL		x
31(d)	Rule 13a-14(a)/15d-14(a) Certification of Chief Financial Officer of FPL		x
32(a)	Section 1350 Certification of FPL Group	x	
32(b)	Section 1350 Certification of FPL		x

*Incorporated herein by reference

FPL Group and FPL agree to furnish to the SEC upon request any instrument with respect to long-term debt that FPL Group and FPL have 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 SEC on June 10, 2004 by FPL Group reporting one event under Item 5. Other Events and Regulation FD Disclosure.

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 2, 2004

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)

Exhibit 12(a)

FPL GROUP, INC. AND SUBSIDIARIES
COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES AND
RATIO OF EARNINGS TO COMBINED FIXED CHARGES AND PREFERRED STOCK DIVIDENDS [a]

	Six Months Ended June 30, 2004 (millions of dollars)
Earnings, as defined:	
Net income	$ 395
Preferred stock dividends of a consolidated subsidiary [b]	
Income taxes	123
Fixed charges included in the determination of net income, as below	254
Amortization of capitalized interest	4
Distributed income of equity method investees	27
Less: Equity in earnings of equity method investees	38
Total earnings, as defined	$ 765
Fixed charges, as defined:	
Interest charges	$ 246
Rental interest factor	8
Fixed charges included in the determination of net income	254
Capitalized interest	24
Dividend requirements on preferred stock of a consolidated subsidiary before income taxes [b]	-
Total fixed charges, as defined	$ 278
Ratio of earnings to fixed charges and ratio of earnings to combined fixed charges and preferred stock dividends [a]	2.75

[a] FPL Group, Inc. has no preference equity securities outstanding; therefore, the ratio of earnings to fixed charges is the same as the ratio of earnings to combined fixed charges and preferred stock dividends.

[b] A portion of Florida Power & Light Company's preferred stock is owned by FPL Group, Inc. and is eliminated in consolidation. Accordingly, those dividends are not included herein.

Exhibit 12(b)

FLORIDA POWER & LIGHT COMPANY
COMPUTATION OF RATIOS

	Six Months Ended June 30, 2004 (millions of dollars)
RATIO OF EARNINGS TO FIXED CHARGES	
Earnings, as defined:	
Net income	$ 311
Income taxes	165
Fixed charges, as below	100
Total earnings, as defined	$ 576
Fixed charges, as defined:	
Interest charges	$ 91
Rental interest factor	4
Capitalized interest	5
Total fixed charges, as defined	$ 100
Ratio of earnings to fixed charges	5.76
RATIO OF EARNINGS TO COMBINED FIXED CHARGES AND PREFERRED STOCK DIVIDENDS	
Earnings, as defined:	
Net income	$ 311
Income taxes	165
Fixed charges, as below	100
Total earnings, as defined	$ 576
Fixed charges, as defined:	
Interest charges	$ 91
Rental interest factor	4
Capitalized interest	5
Total fixed charges, as defined	$ 100
Non-tax deductible preferred stock dividends	1
Ratio of income before income taxes to net income	1.53
Preferred stock dividends before income taxes	2
Combined fixed charges and preferred stock dividends	$ 102
Ratio of earnings to combined fixed charges and preferred stock dividends	5.65

Exhibit 31(a)

Rule 13a-14(a)/15d-14(a) Certification

I, Lewis Hay, III, Chief Executive Officer of FPL Group, Inc. (FPL Group), certify that:

1. I have reviewed the Form 10-Q for the quarterly period ended June 30, 2004 of FPL Group (the registrant);

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 2, 2004

LEWIS HAY, III

Lewis Hay, III
Chairman of the Board, President
and Chief Executive Officer

Exhibit 31(b)

Rule 13a-14(a)/15d-14(a) Certification

I, Moray P. Dewhurst, Chief Financial Officer of FPL Group, Inc. (FPL Group), certify that:

1. I have reviewed the Form 10-Q for the quarterly period ended June 30, 2004 of FPL Group (the registrant);

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 2, 2004

MORAY P. DEWHURST
Moray P. Dewhurst
Vice President, Finance
and Chief Financial Officer

Exhibit 31(c)

Rule 13a-14(a)/15d-14(a) Certification

I, Lewis Hay, III, Chief Executive Officer of Florida Power & Light Company (FPL), certify that:

1. I have reviewed the Form 10-Q for the quarterly period ended June 30, 2004 of FPL (the registrant);

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 2, 2004

LEWIS HAY, III

Lewis Hay, III
Chairman of the Board
and Chief Executive Officer

Exhibit 31(d)

Rule 13a-14(a)/15d-14(a) Certification

I, Moray P. Dewhurst, Chief Financial Officer of Florida Power & Light Company (FPL), certify that:

1. I have reviewed the Form 10-Q for the quarterly period ended June 30, 2004 of FPL (the registrant);

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 2, 2004

MORAY P. DEWHURST
Moray P. Dewhurst
Senior Vice President, Finance
and Chief Financial Officer

Exhibit 32(a)

Section 1350 Certification

We, Lewis Hay, III, Chief Executive Officer of FPL Group, Inc. (FPL Group) and Moray P. Dewhurst, Chief Financial Officer of FPL Group, certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Quarterly Report on Form 10-Q of FPL Group for the quarterly period ended June 30, 2004 (Report) fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of FPL Group.

Dated: August 2, 2004

LEWIS HAY, III

Lewis Hay, III
Chairman of the Board, President
and Chief Executive Officer

MORAY P. DEWHURST

Moray P. Dewhurst
Vice President, Finance
and Chief Financial Officer

A signed original of this written statement required by Section 906 has been provided to FPL Group and will be retained by FPL Group and furnished to the Securities and Exchange Commission or its staff upon request.

The foregoing certification is being furnished as an exhibit to the Report pursuant to Item 601(b)(32) of Regulation S-K and Section 906 of the Sarbanes-Oxley Act of 2002 and, accordingly, is not being filed with the Securities and Exchange Commission as part of the Report and is not to be incorporated by reference into any filing of FPL Group under the Securities Act of 1933 or the Securities Exchange Act of 1934 (whether made before or after the date of the Report, irrespective of any general incorporation language contained in such filing).

Exhibit 32(b)

Section 1350 Certification

We, Lewis Hay, III, Chief Executive Officer of Florida Power & Light Company (FPL) and Moray P. Dewhurst, Chief Financial Officer of FPL, certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Quarterly Report on Form 10-Q of FPL for the quarterly period ended June 30, 2004 (Report) fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of FPL.

Dated: August 2, 2004

LEWIS HAY, III

Lewis Hay, III
Chairman of the Board
and Chief Executive Officer

MORAY P. DEWHURST

Moray P. Dewhurst
Senior Vice President, Finance
and Chief Financial Officer

A signed original of this written statement required by Section 906 has been provided to FPL and will be retained by FPL and furnished to the Securities and Exchange Commission or its staff upon request.

The foregoing certification is being furnished as an exhibit to the Report pursuant to Item 601(b)(32) of Regulation S-K and Section 906 of the Sarbanes-Oxley Act of 2002 and, accordingly, is not being filed with the Securities and Exchange Commission as part of the Report and is not to be incorporated by reference into any filing of FPL under the Securities Act of 1933 or the Securities Exchange Act of 1934 (whether made before or after the date of the Report, irrespective of any general incorporation language contained in such filing).

FLORIDA POWER & LIGHT COMPANY

REPORT OF CONSUMMATION

DOCKET NO. 031000-EI

EXHIBIT (c)-1E





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 **September 30, 2004**

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
2-27612	**FLORIDA POWER & LIGHT COMPANY**	59-0247775
	700 Universe Boulevard Juno Beach, Florida 33408 (561) 694-4000	

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 ___

Indicate by check mark whether FPL Group, Inc. is an accelerated filer (as defined in Rule 12b-2 of the Securities Exchange Act of 1934). Yes X No ___

Indicate by check mark whether Florida Power & Light Company is an accelerated filer (as defined in Rule 12b-2 of the Securities Exchange Act of 1934). Yes ___ No X

APPLICABLE ONLY TO CORPORATE ISSUERS:

The number of shares outstanding of FPL Group, Inc. common stock, as of the latest practicable date: Common Stock, $0.01 par value, outstanding at September 30, 2004: 185,588,626 shares.

As of September 30, 2004, 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.

CAUTIONARY STATEMENTS AND RISK FACTORS THAT MAY AFFECT FUTURE RESULTS

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) are hereby filing cautionary statements identifying important factors that could cause FPL Group's or FPL'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 FPL Group and FPL 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, believe, could, estimated, may, plan, potential, projection, target, 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 (in addition to any assumptions and other factors referred to specifically in connection with such forward-looking statements) that could cause FPL Group's or FPL's actual results to differ materially from those contained in forward-looking statements made by or on behalf of FPL Group and FPL.

Any forward-looking statement speaks only as of the date on which such statement is made, and FPL Group and FPL undertake 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.

The following are some important factors that could have a significant impact on FPL Group's and FPL's operations and financial results, and could cause FPL Group's and FPL's actual results or outcomes to differ materially from those discussed in the forward-looking statements:

- FPL Group and FPL are subject to changes in laws or regulations, including the Public Utility Regulatory Policies Act of 1978, as amended (PURPA), and the Public Utility Holding Company Act of 1935, as amended (Holding Company Act), changing governmental policies and regulatory actions, including those of the Federal Energy Regulatory Commission (FERC), the Florida Public Service Commission (FPSC) and the utility commissions of other states in which FPL Group has operations, and the U.S. Nuclear Regulatory Commission (NRC), with respect to, among other things, allowed rates of return, industry and rate structure, operation of nuclear power facilities, operation and construction of plant facilities, operation and construction of transmission facilities, acquisition, disposal, depreciation and amortization of assets and facilities, recovery of fuel and purchased power costs, decommissioning costs, return on common equity and equity ratio limits, and present or prospective wholesale and retail competition (including but not limited to retail wheeling and transmission costs). The FPSC has the authority to disallow recovery by FPL of costs that it considers excessive or imprudently incurred.
- The regulatory process generally restricts FPL's ability to grow earnings and does not provide any assurance as to achievement of earnings levels.
- FPL Group and FPL are subject to extensive federal, state and local environmental statutes, rules and regulations relating to air quality, water quality, waste management, wildlife mortality, natural resources and health and safety that could, among other things, restrict or limit the output of certain facilities or the use of certain fuels required for the production of electricity and/or increase costs. There are significant capital, operating and other costs associated with compliance with these environmental statutes, rules and regulations, and those costs could be even more significant in the future.
- FPL Group and FPL operate in a changing market environment influenced by various legislative and regulatory initiatives regarding deregulation, regulation or restructuring of the energy industry, including deregulation of the production and sale of electricity. FPL Group and its subsidiaries will need to adapt to these changes and may face increasing competitive pressure.
- FPL Group's and FPL's results of operations could be affected by FPL's ability to renegotiate franchise agreements with municipalities and counties in Florida.
- The operation of power generation facilities involves many risks, including start up risks, breakdown or failure of equipment, transmission lines or pipelines, use of new technology, the dependence on a specific fuel source or the impact of unusual or adverse weather conditions (including natural disasters such as hurricanes), as well as the risk of performance below expected or contracted levels of output or efficiency. This could result in lost revenues and/or increased expenses. Insurance, warranties or performance guarantees may not cover any or all of the lost revenues or increased expenses, including the cost of replacement power. In addition to these risks, FPL Group's and FPL's nuclear units face certain risks that are unique to the nuclear industry including the ability to store and/or dispose of spent nuclear fuel, as well as additional regulatory actions up to and including shutdown of the units stemming from public safety concerns, whether at FPL Group's and FPL's plants, or at the plants of other nuclear operators. Breakdown or failure of an FPL Energy, LLC (FPL Energy) operating facility may prevent the facility from performing under applicable power sales agreements which, in certain situations, could result in termination of the agreement or incurring a liability for liquidated damages.

- FPL Group's and FPL's ability to successfully and timely complete their power generation facilities currently under construction, those projects yet to begin construction or capital improvements to existing facilities is contingent upon many variables and subject to substantial risks. Should any such efforts be unsuccessful, FPL Group and FPL could be subject to additional costs, termination payments under committed contracts, and/or the write-off of their investment in the project or improvement.

- FPL Group and FPL use derivative instruments, such as swaps, options, futures and forwards to manage their commodity and financial market risks, and to a lesser extent, engage in limited trading activities. FPL Group could recognize financial losses as a result of volatility in the market values of these contracts, or if a counterparty fails to perform. In the absence of actively quoted market prices and pricing information from external sources, the valuation of these derivative instruments involves management's judgment or use of estimates. As a result, changes in the underlying assumptions or use of alternative valuation methods could affect the reported fair value of these contracts. In addition, FPL's use of such instruments could be subject to prudency challenges and if found imprudent, cost recovery could be disallowed by the FPSC.

- There are other risks associated with FPL Group's non-rate regulated businesses, particularly FPL Energy. In addition to risks discussed elsewhere, risk factors specifically affecting FPL Energy's success in competitive wholesale markets include the ability to efficiently develop and operate generating assets, the successful and timely completion of project restructuring activities, maintenance of the qualifying facility status of certain projects, the price and supply of fuel, transmission constraints, competition from new sources of generation, excess generation capacity and demand for power. There can be significant volatility in market prices for fuel and electricity, and there are other financial, counterparty and market risks that are beyond the control of FPL Energy. FPL Energy's inability or failure to effectively hedge its assets or positions against changes in commodity prices, interest rates, counterparty credit risk or other risk measures could significantly impair FPL Group's future financial results. In keeping with industry trends, a portion of FPL Energy's power generation facilities operate wholly or partially without long-term power purchase agreements. As a result, power from these facilities is sold on the spot market or on a short-term contractual basis, which may affect the volatility of FPL Group's financial results. In addition, FPL Energy's business depends upon transmission facilities owned and operated by others; if transmission is disrupted or capacity is inadequate or unavailable, FPL Energy's ability to sell and deliver its wholesale power may be limited.

- FPL Group is likely to encounter significant competition for acquisition opportunities that may become available as a result of the consolidation of the power industry. In addition, FPL Group may be unable to identify attractive acquisition opportunities at favorable prices and to successfully and timely complete and integrate them.

- FPL Group and FPL rely on access to capital markets as a significant source of liquidity for capital requirements not satisfied by operating cash flows. The inability of FPL Group and FPL to maintain their current credit ratings could affect their ability to raise capital on favorable terms, particularly during times of uncertainty in the capital markets, which, in turn, could impact FPL Group's and FPL's ability to grow their businesses and would likely increase interest costs.

- FPL Group's and FPL's results of operations can be affected by changes in the weather. Weather conditions directly influence the demand for electricity and natural gas and affect the price of energy commodities, and can affect the production of electricity at wind and hydro-powered facilities. In addition, severe weather can be destructive, causing outages and/or property damage, which could require additional costs to be incurred.

- FPL Group and FPL are subject to costs and other effects of legal and administrative proceedings, settlements, investigations and claims, as well as the effect of new, or changes in, tax laws, rates or policies, rates of inflation, accounting standards, securities laws or corporate governance requirements.

- FPL Group and FPL are subject to direct and indirect effects of terrorist threats and activities. Generation and transmission facilities, in general, have been identified as potential targets. The effects of terrorist threats and activities include, among other things, terrorist actions or responses to such actions or threats, the inability to generate, purchase or transmit power, the risk of a significant slowdown in growth or a decline in the U.S. economy, delay in economic recovery in the United States, and the increased cost and adequacy of security and insurance.

- FPL Group's and FPL's ability to obtain insurance, and the cost of and coverage provided by such insurance, could be affected by national events as well as company-specific events.

- FPL Group and FPL are subject to employee workforce factors, including loss or retirement of key executives, availability of qualified personnel, collective bargaining agreements with union employees or work stoppage.

The issues and associated risks and uncertainties described above are not the only ones FPL Group and FPL may face. Additional issues may arise or become material as the energy industry evolves. The risks and uncertainties associated with these additional issues could impair FPL Group's and FPL's businesses in the future.

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 September 30,		Nine Months Ended September 30,	
	2004	2003	2004	2003
OPERATING REVENUES	$ 2,983	$ 2,775	$ 7,933	$ 7,195
OPERATING EXPENSES				
Fuel, purchased power and interchange	1,488	1,318	3,889	3,325
Other operations and maintenance	435	383	1,262	1,168
Depreciation and amortization	298	282	897	808
Taxes other than income taxes	239	227	667	623
Total operating expenses	2,460	2,210	6,715	5,924
OPERATING INCOME	523	565	1,218	1,271
OTHER INCOME (DEDUCTIONS)				
Interest charges	(122)	(106)	(368)	(267)
Preferred stock dividends – FPL	-	(4)	-	(11)
Equity in earnings of equity method investees	40	34	78	85
Allowance for equity funds used during construction	10	4	26	8
Other – net	12	1	27	11
Total other deductions – net	(60)	(71)	(237)	(174)
INCOME FROM OPERATIONS BEFORE INCOME TAXES AND CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING PRINCIPLE	463	494	981	1,097
INCOME TAXES	143	160	266	349
INCOME BEFORE CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING PRINCIPLE	320	334	715	748
CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING PRINCIPLE				
FASB Interpretation No. 46, "Consolidation of Variable Interest Entities," net of income taxes of $2	-	(3)	-	(3)
NET INCOME	$ 320	$ 331	$ 715	$ 745
Earnings per share of common stock:				
Earnings per share before cumulative effect of change in accounting principle	$ 1.78	$ 1.88	$ 3.99	$ 4.22
Cumulative effect of change in accounting principle	$ -	$ (0.02)	$ -	$ (0.02)
Earnings per share	$ 1.78	$ 1.86	$ 3.99	$ 4.20
Earnings per share of common stock – assuming dilution:				
Earnings per share before cumulative effect of change in accounting principle	$ 1.76	$ 1.88	$ 3.97	$ 4.21
Cumulative effect of change in accounting principle	$ -	$ (0.02)	$ -	$ (0.02)
Earnings per share	$ 1.76	$ 1.86	$ 3.97	$ 4.19
Dividends per share of common stock	$ 0.68	$ 0.60	$ 1.92	$ 1.80
Weighted-average number of common shares outstanding:				
Basic	179.6	177.8	179.0	177.3
Assuming dilution	181.1	178.3	180.2	177.8

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 for the fiscal year ended December 31, 2003 (2003 Form 10-K) for FPL Group and FPL.

FPL GROUP, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(millions)
(unaudited)

	September 30, 2004	December 31, 2003
PROPERTY, PLANT AND EQUIPMENT		
Electric utility plant in service and other property	$ 28,720	$ 28,445
Nuclear fuel	503	463
Construction work in progress	1,912	1,364
Less accumulated depreciation and amortization	(10,391)	(9,975)
Total property, plant and equipment – net	20,744	20,297
CURRENT ASSETS		
Cash and cash equivalents	451	129
Customer receivables, net of allowances of $33 and $25, respectively	948	809
Other receivables	449	379
Materials, supplies and fossil fuel inventory – at average cost	377	458
Deferred clause and franchise expenses	286	348
Derivative assets	305	188
Storm fund	214	
Other	258	159
Total current assets	3,288	2,470
OTHER ASSETS		
Special use funds	2,156	2,248
Other investments	734	810
Regulatory assets:		
Storm reserve deficiency	361	
Unamortized loss on reacquired debt	46	48
Litigation settlement	56	89
Other	19	22
Other	1,114	951
Total other assets	4,486	4,168
TOTAL ASSETS	$ 28,518	$ 26,935
CAPITALIZATION		
Common stock	$ 2	$ 2
Additional paid-in capital	3,360	3,216
Retained earnings	4,116	3,745
Accumulated other comprehensive income (loss)	(50)	4
Total common shareholders' equity	7,428	6,967
Preferred stock of FPL without sinking fund requirements	5	5
Long-term debt	8,551	8,723
Total capitalization	15,984	15,695
CURRENT LIABILITIES		
Commercial paper	457	708
Notes payable		212
Current maturities of long-term debt	712	367
Accounts payable	679	542
Customers' deposits	393	357
Accrued interest and taxes	398	226
Deferred clause and franchise revenues	29	48
Derivative regulatory liability	183	93
Other	1,245	800
Total current liabilities	4,096	3,353
OTHER LIABILITIES AND DEFERRED CREDITS		
Asset retirement obligations	2,176	2,086
Accumulated deferred income taxes	2,699	2,155
Regulatory liabilities:		
Accrued asset removal costs	1,982	1,902
Storm and property insurance reserve	-	327
Asset retirement obligation regulatory expense difference	195	180
Unamortized investment tax credits	86	100
Other	141	160
Other	1,159	977
Total other liabilities and deferred credits	8,438	7,887
COMMITMENTS AND CONTINGENCIES		
TOTAL CAPITALIZATION AND LIABILITIES	$ 28,518	$ 26,935

This report should be read in conjunction with the Notes herein and the Notes to Consolidated Financial Statements appearing in the 2003 Form 10-K for FPL Group and FPL.

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

	Nine Months Ended September 30,	
	2004	2003
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	$ 715	$ 745
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	864	775
Nuclear fuel amortization	71	38
Cumulative effect of change in accounting principle		5
Storm-related costs of FPL, net of insurance reimbursements	(153)	-
Deferred income taxes and related regulatory credit	560	385
Cost recovery clauses and franchise fees	76	(353)
Equity in earnings of equity method investees	(78)	(85)
Distribution of earnings from equity method investees	39	27
Changes in operating assets and liabilities:		
Restricted cash	14	(96)
Customer receivables	(139)	(298)
Other receivables	24	16
Material, supplies and fossil fuel inventory	44	36
Other current assets	(10)	(20)
Deferred pension cost	(91)	(92)
Accounts payable	136	173
Customers' deposits	36	35
Interest, income taxes and other taxes	78	287
Other current liabilities	(36)	(12)
Other liabilities	51	(30)
Other – net	111	73
Net cash provided by operating activities	2,312	1,609
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures of FPL	(980)	(946)
Nuclear fuel purchases	(86)	(29)
Independent power investments	(305)	(1,108)
Sale of independent power investments	93	-
Capital expenditures of FPL FiberNet, LLC	(5)	(6)
Contributions to special use funds	(115)	(143)
Sale of Olympus note receivable	126	-
Funding of secured loan	(79)	-
Other – net	(20)	19
Net cash used in investing activities	(1,371)	(2,213)
CASH FLOWS FROM FINANCING ACTIVITIES		
Issuances of long-term debt	557	2,430
Retirements of long-term debt	(410)	(183)
Net change in short-term debt	(457)	(684)
Issuances of common stock	63	55
Dividends on common stock	(345)	(318)
Other – net	(27)	(27)
Net cash provided by (used in) financing activities	(619)	1,273
Net increase in cash and cash equivalents	322	669
Cash and cash equivalents at beginning of period	129	266
Cash and cash equivalents at end of period	$ 451	$ 935
SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES		
Additions to capital lease obligations	$ -	$ 41
Additions to debt through adoption of FIN 46	$ -	$ 515
Additions to property, plant and equipment – net through the adoption of FIN 46	$ -	$ 346

This report should be read in conjunction with the Notes herein and the Notes to Consolidated Financial Statements appearing in the 2003 Form 10-K for FPL Group and FPL.

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2004	2003	2004	2003
OPERATING REVENUES	$ 2,485	$ 2,383	$ 6,600	$ 6,193
OPERATING EXPENSES				
Fuel, purchased power and interchange	1,248	1,170	3,342	2,949
Other operations and maintenance	323	292	938	900
Depreciation and amortization	227	224	686	666
Taxes other than income taxes	221	210	613	578
Total operating expenses	2,019	1,896	5,579	5,093
OPERATING INCOME	466	487	1,021	1,100
OTHER INCOME (DEDUCTIONS)				
Interest charges	(44)	(44)	(135)	(128)
Allowance for equity funds used during construction	10	4	26	8
Other – net	(4)	(4)	(8)	(8)
Total other deductions – net	(38)	(44)	(117)	(128)
INCOME BEFORE INCOME TAXES	428	443	904	972
INCOME TAXES	153	162	318	350
NET INCOME	275	281	586	622
PREFERRED STOCK DIVIDENDS		4	1	11
NET INCOME AVAILABLE TO FPL GROUP	$ 275	$ 277	$ 585	$ 611

This report should be read in conjunction with the Notes herein and the Notes to Consolidated Financial Statements appearing in the 2003 Form 10-K for FPL Group and FPL.

FLORIDA POWER & LIGHT COMPANY
CONDENSED CONSOLIDATED BALANCE SHEETS
(millions)
(unaudited)

	September 30, 2004	December 31, 2003
ELECTRIC UTILITY PLANT		
Plant in service	$ 21,636	$ 21,368
Nuclear fuel	408	380
Construction work in progress	1,106	741
Less accumulated depreciation and amortization	(9,438)	(9,237)
Electric utility plant – net	13,712	13,252
CURRENT ASSETS		
Cash and cash equivalents	51	4
Customer receivables, net of allowances of $20 and $11, respectively	741	636
Other receivables	425	151
Materials, supplies and fossil fuel inventory – at average cost	303	355
Deferred clause and franchise expenses	286	348
Derivative assets	206	130
Storm fund	214	
Other	155	49
Total current assets	2,381	1,673
OTHER ASSETS		
Special use funds	1,872	1,974
Other investments	9	9
Regulatory assets:		
Storm reserve deficiency	361	
Unamortized loss on reacquired debt	46	48
Litigation settlement	56	89
Other	19	22
Other	855	750
Total other assets	3,218	2,892
TOTAL ASSETS	$ 19,311	$ 17,817
CAPITALIZATION		
Common stock	$ 1,373	$ 1,373
Additional paid-in capital	4,319	4,318
Retained earnings	376	313
Total common shareholder's equity	6,068	6,004
Preferred stock without sinking fund requirements	25	5
Long-term debt	3,313	3,074
Total capitalization	9,406	9,083
CURRENT LIABILITIES		
Commercial paper	457	630
Accounts payable	566	435
Customers' deposits	378	346
Accrued interest and taxes	304	160
Deferred clause and franchise revenues	29	48
Derivative regulatory liability	183	93
Other	953	423
Total current liabilities	2,870	2,135
OTHER LIABILITIES AND DEFERRED CREDITS		
Asset retirement obligations	1,988	1,908
Accumulated deferred income taxes	1,929	1,415
Regulatory liabilities:		
Accrued asset removal costs	1,982	1,902
Storm and property insurance reserve		327
Asset retirement obligation regulatory expense difference	195	180
Unamortized investment tax credits	86	100
Other	141	160
Other	714	607
Total other liabilities and deferred credits	7,035	6,599
COMMITMENTS AND CONTINGENCIES		
TOTAL CAPITALIZATION AND LIABILITIES	$ 19,311	$ 17,817

This report should be read in conjunction with the Notes herein and the Notes to Consolidated Financial Statements appearing in the 2003 Form 10-K for FPL Group and FPL.

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

	Nine Months Ended September 30,	
	2004	2003
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	$ 586	$ 622
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	653	632
Nuclear fuel amortization	51	17
Storm-related costs, net of insurance reimbursements	(153)	-
Deferred income taxes and related regulatory credit	489	168
Cost recovery clauses and franchise fees	76	(353)
Changes in operating assets and liabilities:		
Customer receivables	(105)	(253)
Other receivables	(86)	13
Material, supplies and fossil fuel inventory	52	23
Other current assets	(16)	(19)
Deferred pension cost	(74)	(74)
Accounts payable	131	129
Customers' deposits	32	27
Interest, income taxes and other taxes	(45)	310
Other current liabilities	(20)	6
Other liabilities	47	(14)
Other – net	26	44
Net cash provided by operating activities	1,644	1,278
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures	(980)	(946)
Nuclear fuel purchases	(74)	(13)
Contributions to special use funds	(104)	(130)
Other – net	1	
Net cash used in investing activities	(1,157)	(1,089)
CASH FLOWS FROM FINANCING ACTIVITIES		
Issuances of preferred stock	20	
Issuances of long-term debt	236	585
Retirements of long-term debt	-	(164)
Net change in short-term debt	(173)	(445)
Capital contributions from FPL Group, Inc.	-	600
Dividends	(523)	(534)
Net cash provided by (used in) financing activities	(440)	42
Net increase in cash and cash equivalents	47	231
Cash and cash equivalents at beginning of period	4	-
Cash and cash equivalents at end of period	$ 51	$ 231
SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES		
Additions to capital lease obligations	$ -	$ 41
Additions to debt through adoption of FIN 46	$ -	$ 164

This report should be read in conjunction with the Notes herein and the Notes to Consolidated Financial Statements appearing in the 2003 Form 10-K for FPL Group and FPL.

The accompanying condensed consolidated financial statements should be read in conjunction with the 2003 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 will not give a true indication of results for the year.

1. Employee Retirement Benefits

FPL Group sponsors a noncontributory defined benefit pension plan for substantially all employees of FPL Group and its subsidiaries. In addition, FPL Group sponsors a substantially contributory postretirement plan for health care and life insurance benefits (other benefits) for retirees of FPL Group and its subsidiaries meeting certain eligibility requirements who elect participation at the time of retirement.

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

	Pension Benefits		Other Benefits		Pension Benefits		Other Benefits	
	Three Months Ended September 30,		Three Months Ended September 30,		Nine Months Ended September 30,		Nine Months Ended September 30,	
	2004	2003	2004	2003	2004	2003	2004	2003
	(millions)							
Service cost	$ 13	$ 13	$ 2	$ 2	$ 39	$ 38	$ 6	$ 5
Interest cost	21	21	7	7	62	62	20	21
Expected return on plan assets	(52)	(50)	(1)	(1)	(155)	(149)	(3)	(3)
Amortization of transition (asset) obligation	(6)	(6)	1	1	(18)	(18)	3	3
Amortization of prior service benefit	(1)	(1)	-	-	(4)	(4)		
Amortization of (gains) losses	(6)	(8)	1	1	(15)	(21)	3	4
Net periodic benefit (income) cost at FPL Group	$ (31)	$ (31)	$ 10	$ 10	$ (91)	$ (92)	$ 29	$ 30
Net periodic benefit (income) cost at FPL	$ (25)	$ (25)	$ 9	$ 9	$ (74)	$ (75)	$ 26	$ 26

During the nine months ended September 30, 2004, FPL Group contributed approximately $14 million to the other benefits plan, with a total of approximately $20 million anticipated in calendar year 2004. FPL Group does not expect to make any contributions to the pension plan in calendar year 2004. By the end of 2004, FPL Group plans to transfer up to $25 million of pension plan assets to fund claims associated with retiree medical benefits, as allowed by current tax law.

In December 2003, the Medicare Prescription Drug, Improvement and Modernization Act of 2003 (Act) was signed into law. The Act introduces a voluntary prescription drug benefit under Medicare as well as a federal subsidy to sponsors of retiree health care plans that provide at least an actuarially equivalent benefit. The Department of Health and Human Services (HHS) is expected to issue regulations that define actuarial equivalence later this year. As a result of this Act, in May 2004, the Financial Accounting Standards Board (FASB) issued Staff Position FAS 106-2, "Accounting and Disclosure Requirements Related to the Medicare Prescription Drug, Improvement and Modernization Act of 2003." Under Staff Position FAS 106-2, benefit obligations are required to be remeasured and reported as an actuarial gain if enactment of the Act is determined to be a "significant event" pursuant to the provisions of Financial Accounting Standards No. (FAS) 106, "Employers' Accounting for Postretirement Benefits Other Than Pensions." FPL Group considered the effects of the Act on a subset of the retiree population that FPL Group believes is certain to meet the HHS actuarial equivalence definition, when established, and determined those effects not to be a significant event. Consequently, a remeasurement of the other benefits obligation was not performed. In the absence of a definition of actuarial equivalency, FPL Group was unable to conclude if the Act would have a significant effect on benefit obligations related to the remaining retiree population. FPL Group will remeasure the other benefits obligation when HHS establishes actuarial equivalency definitions if it is determined that enactment of the Act is significant to the other benefits obligation.

2. Derivative Instruments

Derivative instruments, when required to be marked to market under FAS 133, "Accounting for Derivative Instruments and Hedging Activities," as amended, are recorded on FPL Group's and FPL's consolidated balance sheets as either an asset or liability (in derivative assets, other assets, other current liabilities and other liabilities) measured at fair value. FPL Group and FPL use derivative instruments (primarily forward purchases and sales, swaps, options and futures) to manage the commodity price risk inherent in fuel and electricity transactions, as well as to optimize the value of power generation assets. At FPL, substantially all changes in fair value are deferred as a regulatory asset or liability until the contracts are settled. Upon settlement, any gains or losses are passed through the fuel and purchased power cost recovery clause (fuel clause) and the capacity cost recovery clause (capacity clause). For FPL Group's non-rate regulated operations, predominantly FPL Energy, essentially all changes in the derivatives' fair value for power purchases and sales and trading activities are recognized net in operating revenues; fuel purchases and sales are recognized net in fuel, purchased power and interchange expense; and the equity method investees' related activity is recognized in equity in earnings of equity method investees in FPL Group's condensed consolidated statements of income unless hedge accounting is applied.

Unrealized mark-to-market gains (losses) on derivative transactions for both consolidated subsidiaries and equity method investees are as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2004	2003	2004	2003
	(millions)			
Consolidated subsidiaries	$ (26)	$ 16	$ (27)	$ (2)
Equity method investees	$ 4	$ (1)	$ 18	$ 16

3. Comprehensive Income

FPL Group's comprehensive income is as follows:

	Three Months Ended September 30,	
	2004	2003
	(millions)	
Net income of FPL Group	$ 320	$ 331
Net unrealized gains (losses) on commodity hedges:		
Effective portion of net unrealized losses (net of $14 and $10 tax benefit, respectively)	(22)	(16)
Reclassification from OCI to net income (net of $0.4 tax expense and $8 tax benefit, respectively)	1	(12)
Net unrealized gains on available for sale securities (net of $0.4 tax expense)	-	1
Net unrealized losses on interest rate hedges (net of $3 and $4 tax benefit, respectively)	(4)	(5)
Comprehensive income of FPL Group	$ 295	$ 299

	Nine Months Ended September 30,	
	2004	2003
	(millions)	
Net income of FPL Group	$ 715	$ 745
Net unrealized gains (losses) on commodity hedges:		
Effective portion of net unrealized gains (losses) (net of $35 tax benefit and $17 tax expense, respectively)	(54)	27
Reclassification from OCI to net income (net of $0.5 and $23 tax benefit, respectively)	(1)	(36)
Net unrealized gains (losses) on available for sale securities (net of $0.4 tax benefit and $6 tax expense, respectively)	(1)	9
Net unrealized gains (losses) on interest rate hedges (net of $1 tax expense and $3 tax benefit, respectively)	2	(5)
Comprehensive income of FPL Group	$ 661	$ 740

At September 30, 2004, FPL Group had cash flow hedges with expiration dates through December 2010 for energy contract derivative instruments and interest rate cash flow hedges with expiration dates through December 2017. Approximately $26 million of losses included in FPL Group's accumulated other comprehensive income at September 30, 2004 will be reclassified into earnings within the next 12 months as either the hedged fuel is consumed, electricity is sold or interest payments are made, and assume no change in fuel prices, power prices or interest rates, respectively. Accumulated other comprehensive income (loss) is separately displayed on the condensed consolidated balance sheets of FPL Group.

4. Stock-Based Compensation

Effective January 1, 2004, FPL Group adopted the fair value recognition provisions of FAS 123, "Accounting for Stock-Based Compensation." FPL Group selected the modified prospective method of adoption described in FAS 148, "Accounting for Stock-Based Compensation – Transition and Disclosure." Under that method, stock-based employee compensation cost recognized in 2004 is the same as that which would have been recognized had the fair value recognition provisions of FAS 123

been applied from its original effective date. Prior to 2004, FPL Group accounted for its stock-based compensation plans under the intrinsic value based method as permitted by FAS 123.

The following table illustrates the effect on net income and earnings per share of common stock as if FPL Group's compensation expense had been determined using the fair value based method in each period:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2004	2003	2004	2003
	(millions, except per share amounts)			
Net income, as reported	$ 320	$ 331	$ 715	$ 745
Add: total stock-based employee compensation expense included in reported net income, net of related income tax effects	5	2	13	8
Deduct: total stock-based employee compensation expense determined under fair value based method, net of related income tax effects	(5)	(4)	(13)	(13)
Pro forma net income	$ 320	$ 329	$ 715	$ 740
Earnings per share of common stock:				
Basic – as reported	$ 1.78	$ 1.86	$ 3.99	$ 4.20
Basic – pro forma	$ 1.78	$ 1.85	$ 3.99	$ 4.17
Assuming dilution – as reported	$ 1.76	$ 1.86	$ 3.97	$ 4.19
Assuming dilution – pro forma	$ 1.76	$ 1.85	$ 3.97	$ 4.16

5. Earnings Per Share of Common Stock

The reconciliation of FPL Group's basic and diluted earnings per share of common stock is shown below:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2004	2003	2004	2003
	(millions, except per share amounts)			
Numerator – net income	$ 320	$ 331	$ 715	$ 745
Denominator:				
Weighted-average number of common shares outstanding – basic	179.6	177.8	179.0	177.3
Restricted stock, performance share and shareholder value awards, options and equity units [a]	1.5	0.5	1.2	0.5
Weighted-average number of common shares outstanding – assuming dilution	181.1	178.3	180.2	177.8
Earnings per share of common stock:				
Basic	$ 1.78	$ 1.86	$ 3.99	$ 4.20
Assuming dilution	$ 1.76	$ 1.86	$ 3.97	$ 4.19

[a] Performance share awards and shareholder value awards are included in diluted weighted-average number of common shares outstanding based upon what would be issued if the end of the reporting period was the end of the term of the award. Restricted stock, performance share awards, shareholder value awards, options and equity units (known as Corporate Units) are included in diluted weighted-average number of common shares outstanding by applying the treasury stock method.

Common shares issuable upon the exercise of stock options, which were not included in the denominator above due to their antidilutive effect, were approximately 0.4 million and 0.7 million for the three months ended September 30, 2004 and 2003, respectively, and approximately 0.4 million and none for the nine months ended September 30, 2004 and 2003, respectively.

6. Variable Interest Entities

Effective March 31, 2004, FPL Group and FPL completed the adoption of FASB Interpretation No. (FIN) 46, as revised (FIN 46R). FIN 46R requires the consolidation of entities which are determined to be variable interest entities (VIEs) when the reporting company determines that it will absorb a majority of the VIE's expected losses, receive a majority of the VIE's residual returns, or both. The company that is required to consolidate the VIE is called the primary beneficiary. Conversely,

the reporting company would be required to deconsolidate VIEs that are currently consolidated when the company is not considered to be the primary beneficiary. Variable interests are contractual, ownership or other monetary interests in an entity that change as the fair value of the entity's net assets, excluding variable interests, change. An entity is considered to be a VIE when its capital is insufficient to permit it to finance its activities without additional subordinated financial support or its equity investors, as a group, lack the characteristics of having a controlling financial interest.

FPL has identified two potential VIEs (Projects), both of which are considered qualifying facilities (QFs) as defined by PURPA. PURPA requires FPL to purchase the electricity output of the Projects. As a result, FPL has entered into purchased power agreements (PPAs) with these QFs to purchase substantially all of the Projects' electrical output over a substantial portion of their estimated useful lives. For each megawatt-hour (mwh) provided, FPL pays a per mwh price (energy payment) based upon FPL's avoided cost, which is determined at the time the PPAs are executed. With regard to the Projects, FPL's avoided cost is based on the cost of avoiding the construction and operation of a coal unit. The energy component is primarily based on the cost of coal at an FPL jointly-owned coal-fired facility. The avoided cost is the incremental cost to the utility of the electric energy or capacity, or both, which is avoided by neither generating the electricity nor purchasing it from another source. The Projects have capacities of 136 megawatts (mw) and 250 mw. After making exhaustive efforts, FPL was unable to obtain the information from the Projects necessary to determine whether the Projects are VIEs or whether FPL is the primary beneficiary of either or both of the Projects. The PPAs with the Projects contain no provisions which legally obligate the Projects to release this information to FPL. The energy payments paid by FPL will fluctuate as coal prices change. This does not expose FPL to losses since the energy payments paid by FPL to the Projects are passed on to FPL's customers through the fuel clause as approved by the FPSC. Notwithstanding the fact that FPL's energy payments are recovered through the fuel clause, if one or both of the Projects were determined to be a VIE, the absorption of some of the Projects' fuel price variability might cause FPL to be the primary beneficiary. During the three and nine months ended September 30, 2004, FPL purchased 690,646 mwh and 1,952,556 mwh, respectively, from the Projects at a total cost of approximately $54 million and $159 million, respectively. This compared to 791,027 mwh and 2,043,403 mwh at a total cost of approximately $52 million and $157 million for the three and nine months ended September 30, 2003, respectively. FPL will continue to make exhaustive efforts to obtain the necessary information from the Projects in order to determine if the Projects are VIEs and, if so, whether FPL is the primary beneficiary.

In March 2004, a trust created by FPL Group sold 12 million shares of 5 7/8% preferred trust securities to the public and common trust securities to FPL Group. The trust is considered a VIE because FPL Group's investment through the common trust securities is not considered equity at risk in accordance with FIN 46R. The proceeds from the sale of the preferred and common trust securities were used to buy 5 7/8% junior subordinated debentures maturing in March 2044, from FPL Group Capital Inc (FPL Group Capital). The trust exists only to issue its preferred trust securities and common trust securities and to hold the junior subordinated debentures of FPL Group Capital as trust assets. Since FPL Group, as the common security holder, is not considered to have equity at risk and will therefore not absorb any variability of the trust, FPL Group is not the primary beneficiary and does not consolidate the trust in accordance with FIN 46R. FPL Group includes the junior subordinated debentures issued by FPL Group Capital on its condensed consolidated balance sheets. See Note 9.

FPL Group and FPL expect additional implementation guidance to be issued regarding FIN 46R and are unable to determine what effect, if any, this additional guidance might have on FPL Group's and FPL's financial statements.

7. Investments

Partnerships and Joint Ventures – During the first quarter of 2004, FPL Energy recorded a net gain of approximately $52 million ($31 million after tax) related to the termination of a gas supply contract and a steam agreement at one of its investments in joint ventures. These agreements were terminated in connection with an amended power purchase agreement that allows the investee to source power from the wholesale market.

Also during the first quarter of 2004, FPL Energy recorded an impairment loss of approximately $50 million ($30 million after tax) to write down its investment in a combined-cycle power plant in Texas to its fair value as a result of agreeing to sell its interest in the project. The sale was completed in the second quarter of 2004.

The results of the above transactions are reflected in equity in earnings of equity method investees in FPL Group's condensed consolidated statements of income for the nine months ended September 30, 2004.

Other – In June 2004, an indirect subsidiary of FPL Group sold a note receivable from a limited partnership of which Olympus Communications, L.P. (Olympus) is a general partner. Olympus is an indirect subsidiary of Adelphia Communications Corporation (Adelphia). In June 2002, Adelphia, Olympus and the limited partnership filed for bankruptcy protection under Chapter 11 of the U.S. Bankruptcy Code (Chapter 11), and the note, which was due July 1, 2002, is in default. The note receivable, which was previously recorded in other investments in FPL Group's condensed consolidated balance sheet, was sold for its net book value of approximately $127 million, including accrued interest through the date of the commencement of the Chapter 11 proceedings, less related transactions costs which were not significant.

8. Regulatory Matters

Storm Reserve Deficiency – During the third quarter of 2004, FPL was impacted by Hurricanes Charley, Frances and Jeanne, each of which did major damage in parts of FPL's service territory and collectively resulted in over 5.4 million power outages with approximately three-quarters of FPL's customers losing power during at least one hurricane. Damage to FPL property was primarily to the transmission and distribution systems. Although FPL has not completed the final accounting of all restoration costs, FPL accrued restoration costs during the quarter ended September 30, 2004 of approximately $710 million, which are expected to be recoverable from the storm and property insurance reserve (storm reserve). The unpaid portion of these accrued costs is included in other current liabilities on FPL Group's and FPL's condensed consolidated balance sheets. In addition, based on assessments as of September 30, 2004, FPL estimated it had sustained other property losses totaling approximately $108 million, which has been or is expected to be recovered from insurance carriers. The costs recoverable from the storm reserve exceeded the balance of the storm reserve by approximately $361 million at September 30, 2004. This deficiency has been deferred pursuant to an FPSC order and recorded as a regulatory asset on FPL Group's and FPL's condensed consolidated balance sheets. FPL intends to seek recovery of the $361 million regulatory asset. FPL is in the process of reviewing and finalizing its cost estimates associated with the three hurricanes. The exact timing and manner of recovery have yet to be determined. The FPSC has the right to review FPL's storm charges for reasonableness and prudence. The funds set aside to cover the cost of FPL's storm damage were reclassified to a current asset on FPL Group's and FPL's condensed consolidated balance sheets.

2002-2005 Rate Agreement – In October 2004, the Florida Supreme Court affirmed the FPSC's approval of the 2002-2005 rate agreement, which had been appealed by the South Florida Hospital and Healthcare Association and certain hospitals in April 2002. The appellants have until November 5, 2004 to request a rehearing.

9. Debt and Preferred Stock

Long-term Debt – In January 2004, FPL issued $240 million principal amount of 5.65% first mortgage bonds maturing in February 2035. The proceeds were used to repay a portion of its short-term borrowings and for other corporate purposes.

In March 2004, FPL Group Capital sold $309 million of 5 7/8% junior subordinated debentures maturing in March 2044, which are included in long-term debt on FPL Group's condensed consolidated balance sheets. The proceeds were used to repay a portion of commercial paper issued to fund investments by FPL Group Capital in independent power projects. The junior subordinated debentures were purchased by an unconsolidated 100%-owned finance subsidiary of FPL Group using proceeds from the March 2004 sale by that finance subsidiary of $300 million of preferred trust securities to the public and $9 million of common trust securities to FPL Group. FPL Group has fully and unconditionally guaranteed the junior subordinated debentures and the preferred trust securities.

In January 2004, FPL Group Capital entered into a variable interest rate swap agreement, which expires in March 2005, to protect $200 million of its 1.875% debentures maturing in March 2005 against changes in fair value due to changes in interest rates. In April and May 2004, FPL entered into two $250 million variable interest rate swap agreements to protect $500 million of its 6.875% first mortgage bonds maturing in December 2005 against changes in fair value due to changes in interest rates. Both of the swap agreements expire in December 2005. Also in April 2004, a subsidiary of FPL Energy entered into an interest rate swap agreement, which expires in December 2017, whereby the FPL Energy subsidiary receives the London InterBank Offered Rate (LIBOR) and pays a fixed rate of 3.845% on $32 million of its variable rate debt maturing in December 2017. In October 2004, FPL Group Capital entered into several variable interest rate swap agreements, which expire in April 2006, to protect $500 million of its 3 1/4% debentures maturing in April 2006 against changes in fair value due to changes in interest rates.

Preferred Stock – In January 2004, FPL sold 200,000 shares of 4 1/2% Series V preferred stock with an aggregate par value of $20 million to FPL Group.

10. Commitments and Contingencies

Commitments – FPL Group and its subsidiaries have made commitments in connection with a portion of their projected capital expenditures. Capital expenditures at FPL consist of the cost for construction or acquisition of additional facilities and equipment to meet customer demand, as well as capital improvements to and maintenance of existing facilities. At FPL Energy, capital expenditures include, among other things, the construction of a gas-fired power plant and wind projects, and the procurement of nuclear fuel (including capitalized interest). FPL FiberNet, LLC's (FPL FiberNet) capital expenditures primarily include costs to meet customer specific requirements and sustain its fiber-optic network.

At September 30, 2004, planned capital expenditures for the remainder of 2004 through 2008 are estimated to be as follows:

	2004	2005	2006	2007	2008	Total
			(millions)			
FPL:						
Generation: [a]						
New [b]	$ 70	$ 300	$ 265	$ 105	$ -	$ 740
Existing	215	480	360	450	275	1,780
Transmission and distribution	180	700	690	700	715	2,985
Nuclear fuel	5	75	80	100	80	340
General and other	60	150	175	180	160	725
Total	$ 530	$ 1,705	$ 1,570	$ 1,535	$ 1,230	$ 6,570
FPL Energy:						
Wind [c]	$ 85	$ 170	$ 5	$ 5	$ 5	$ 270
Gas	40	15	5	-	-	60
Nuclear fuel and other	50	50	115	95	60	370
Total	$ 175	$ 235	$ 125	$ 100	$ 65	$ 700
FPL FiberNet	$ -	$ 10	$ 10	$ 10	$ 10	$ 40

[a] Includes allowance for funds used during construction (AFUDC) of approximately $20 million, $53 million, $36 million and $39 million in 2004, 2005, 2006 and 2007, respectively.
[b] Includes generating structures, transmission interconnection and integration, licensing and AFUDC.
[c] FPL Energy's capital expenditures for new wind projects are estimated through 2005, when the production tax credits are scheduled to expire, and assume the addition of 241 mw which are currently under construction. See Part II – Item 5 (v).

In addition to estimated capital expenditures listed above, FPL and FPL Energy have long-term contracts related to purchased power and/or fuel (see Contracts below). At September 30, 2004, FPL Energy had approximately $1.1 billion in firm commitments primarily for natural gas transportation and storage, firm transmission service, nuclear fuel and a portion of its capital expenditures. Additionally, during 2003, a subsidiary of FPL Group Capital committed to lend up to $250 million under a secured loan to a third party, which matures no later than June 30, 2006. At September 30, 2004, $126 million had been drawn on under the loan. FPL Group has guaranteed certain payment obligations of FPL Group Capital, including most payment obligations under FPL Group Capital's debt.

FPL Group and FPL each account for payment guarantees and related contracts, for which it or a subsidiary is the guarantor, under FIN 45, "Guarantor's Accounting and Disclosure Requirements for Guarantees Including Indirect Guarantees of Indebtedness of Others," which requires that the fair value of guarantees provided to unconsolidated entities entered into after December 31, 2002, be recorded on the balance sheet. At September 30, 2004, subsidiaries of FPL Group, other than FPL, have guaranteed debt service payments relating to agreements that existed at December 31, 2002. The term of the guarantees is equal to the term of the related debt, with remaining terms ranging from 1 year to 14 years. The maximum potential amount of future payments that could be required under these guarantees at September 30, 2004 was approximately $14 million. At September 30, 2004, FPL Group did not have any liabilities recorded for these guarantees. In certain instances, FPL Group can seek recourse from third parties for 50% of any amount paid under the guarantees. Guarantees entered into subsequent to December 31, 2002, and the related fair value, were not material as of September 30, 2004.

FPL Energy has guaranteed certain performance obligations of a power plant owned by a wholly-owned subsidiary as part of a power purchase agreement that expires in 2027. Under this agreement, the subsidiary could incur market-based liquidated damages for failure to meet contractual minimum outputs. In addition, certain subsidiaries of FPL Energy have contracts that require certain projects to meet annual minimum generation amounts. Failure to meet the annual minimum generation amounts would result in the FPL Energy subsidiary incurring specified liquidated damages. Based on past performance of these and similar projects and current forward prices, management believes that the exposure associated with these guarantees is not material.

An FPL Energy subsidiary is committed to purchase oil and gas inventory remaining in certain storage facilities at December 31, 2005 at its weighted-average cost. At September 30, 2004, the subsidiary's commitment is estimated to be from $0 to approximately $78 million, based on a potential range of zero to full storage volume at the current average forward price of oil and gas.

Contracts – FPL has entered into long-term purchased power and fuel contracts. FPL is obligated under take-or-pay purchased power contracts with JEA and with subsidiaries of The Southern Company (Southern subsidiaries) to pay for approximately 1,300 mw of power through mid-2010 and 381 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 2005 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 subsidiaries' contract is subject to minimum quantities. Capacity payments for the pay-for-performance contracts are subject

to the qualifying facilities meeting certain contract conditions. FPL has various agreements with several electricity suppliers to purchase an aggregate of up to approximately 1,500 mw of power with expiration dates ranging from 2004 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 contracts for natural gas storage, and the transportation and supply of natural gas, coal and oil with various expiration dates through 2028.

FPL Energy has contracts primarily for the supply, transportation and storage of natural gas and firm transmission service with expiration dates ranging from 2004 through 2033. FPL Energy also has several contracts for the supply, conversion, enrichment and fabrication of Seabrook Station's (Seabrook) nuclear fuel with expiration dates ranging from 2004 to 2014.

The remaining required capacity and minimum payments under these contracts as of September 30, 2004 are estimated to be as follows:

	2004	2005	2006	2007	2008	Thereafter
			(millions)			
FPL:						
Capacity payments: [a]						
JEA and Southern subsidiaries [b]	$ 50	$ 190	$ 200	$ 200	$ 200	$ 920
Qualifying facilities [b]	$ 90	$ 360	$ 310	$ 320	$ 320	$ 4,000
Other electricity suppliers [b]	$ 20	$ 80	$ 70	$ 10	$ -	$ -
Minimum payments, at projected prices:						
Southern subsidiaries – energy [b]	$ 15	$ 60	$ 60	$ 60	$ 60	$ 90
Natural gas, including transportation and storage [c]	$ 465	$ 1,800	$ 820	$ 280	$ 255	$ 2,910
Coal [c]	$ 10	$ 45	$ 35	$ 30	$ 20	$ -
Oil [c]	$ 160	$ -	$ -	$ -	$ -	$ -
FPL Energy	$ 35	$ 65	$ 50	$ 50	$ 50	$ 730

[a] Capacity payments under these contracts, the majority of which is recoverable through the capacity clause, totaled $182 million and $174 million for the three months ended September 30, 2004 and 2003, respectively, and $509 million and $490 million for the nine months ended September 30, 2004 and 2003, respectively.

[b] Energy payments under these contracts, which are recoverable through the fuel clause, totaled $99 million for both the three months ended September 30, 2004 and 2003 and $271 million and $263 million for the nine months ended September 30, 2004 and 2003, respectively.

[c] Recoverable through the fuel clause.

In addition, in August 2004, FPL entered into long-term purchased power agreements with the Southern subsidiaries for approximately 955 mw of power from mid-2010 through 2015. The firm purchased power agreements provide for fixed capacity and variable energy payments. Energy payments will be based on actual power taken under the agreements. In addition, FPL will be obligated to pay the Southern subsidiaries for firm gas transportation. These agreements are contingent upon certain events, including approval by the FPSC. If approved, the fixed capacity payments and firm gas transportation commitments under these agreements, which are estimated to be approximately $100 million per year, will be recoverable through the capacity and fuel clauses.

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 insurance available from both private sources and an industry retrospective payment plan. In accordance with this act, FPL Group maintains $300 million of private liability insurance per site, which is the maximum obtainable, and participates in a secondary financial protection system under which it is subject to retrospective assessments of up to $518 million ($414 million for FPL) per incident at any nuclear reactor in the United States, payable at a rate not to exceed $52 million ($41 million for FPL) per incident per year. FPL Group and FPL are contractually entitled to recover a proportionate share of such assessments from the owners of minority interests in Seabrook and St. Lucie Unit No. 2, which approximates $12 million and $15 million per incident, respectively. The Price-Anderson Act expired on August 1, 2002 but the liability limitations did not change for plants, including FPL's four nuclear units and Seabrook, with operating licenses issued by the NRC prior to August 1, 2002.

FPL Group participates in nuclear insurance mutual companies that provide $2.75 billion of limited insurance coverage per occurrence per site 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 Group also participates in an insurance program that provides limited coverage for replacement power costs if a nuclear plant is out of service for an extended period of time because of an accident. In the event of an accident at one of FPL Group's or another participating insured's nuclear plants, FPL Group could be assessed up to $107 million ($84 million for FPL) in retrospective premiums. FPL Group and FPL are contractually entitled to recover a proportionate share of such assessments from the owners of minority interests in Seabrook and St. Lucie Unit No. 2, which approximates $2 million and $3 million, respectively.

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

FPL self-insures transmission and distribution property due to the high cost and limited coverage available from third-party insurers. As approved by the FPSC, FPL maintains a storm reserve for uninsured property storm damage or assessments under the nuclear insurance program. However, at September 30, 2004, FPL had a $361 million storm reserve deficiency as a result of restoration costs associated with the three hurricanes that struck FPL's service territory during the third quarter of 2004. See Note 8 – Storm Reserve Deficiency. FPL Group is also self-insured for FPL FiberNet's fiber-optic cable located throughout Florida.

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 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. The EPA further revised its civil penalty rule in February 2004, such that the maximum penalty is $32,500 per day for each violation after March 15, 2004. 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, a federal district 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. In August 2001, the MDL panel denied the motion for consolidation. In September 2001, the EPA moved that the federal district court reopen this case for purposes of discovery. Georgia Power Company opposed that motion asking that the case remain closed until the Eleventh Circuit Court of Appeals ruled on the Tennessee Valley Authority's (TVA) appeal of an EPA administrative compliance order relating to legal issues that are also central to this case. In August 2002, the federal district court denied without prejudice the EPA's motion to reopen. In June 2003, the Eleventh Circuit issued its order dismissing the TVA's appeal because it found the provision of the Clean Air Act allowing the EPA to issue binding administrative compliance orders was unconstitutional, and hence found that the TVA order was a non-final order that courts of appeal do not have jurisdiction to review. In September 2003, the Eleventh Circuit denied the EPA's motion for rehearing. In May 2004, the U.S. Supreme Court denied the EPA's petition for review of the Eleventh Circuit order. The EPA has not yet moved to reopen the Georgia Power Company case.

In 2001, J. W. and Ernestine M. Thomas, Chester and Marie Jenkins (since substituted for by Hazel and Lamar Jenkins), and Ray Norman and Jack Teague, as Co-Personal Representatives on behalf of the Estate of Robert L. Johns, served FPL Group, FPL, FPL FiberNet, FPL Group Capital and FPL Investments, Inc. (FPL Investments) as defendants in a civil action filed in the Florida circuit court. This action is purportedly on behalf of all property owners in Florida (excluding railroad and public rights of way) whose property is encumbered by easements in favor of FPL, and on whose property defendants have installed or intend to install fiber-optic cable which defendants currently lease, license or convey or intend to lease, license or convey for non-electric transmission or distribution purposes. The lawsuit alleges that FPL's easements do not permit the installation and use of fiber-optic cable for general communication purposes. The plaintiffs have asserted claims for unlawful detainer, unjust enrichment and constructive trust and seek injunctive relief and compensatory damages. In May 2002, plaintiffs filed an amended complaint, adding allegations regarding the installation of wireless communications equipment on some easements, and adding a claim for declaratory relief. Defendants filed an answer and affirmative defenses to the amended complaint in August 2002. Motions for summary judgment by FPL Group, FPL Group Capital and FPL Investments have been granted, and they have been dismissed from this lawsuit. The court has not set a time for a hearing on whether this case will proceed as a class action.

In August 2001, Florida Municipal Power Agency (FMPA) filed with the U.S. Court of Appeals for the District of Columbia (DC Circuit) a petition for review asking the DC Circuit to reverse and remand orders of the FERC denying FMPA's request for credits for transmission facilities owned by FMPA members. The transmission credits sought by FMPA would offset the transmission charges that FPL bills FMPA for network transmission service to FMPA's member cities. FMPA member cities have been taking network transmission service under FPL's open access transmission tariff since 1996. In the orders appealed by FMPA, FERC ruled that FMPA would be entitled to credits for any FMPA facilities that were "integrated" with the FPL transmission system. Based on the evidence submitted, FERC concluded that none of the FMPA facilities met the integration test and, therefore, FMPA was not entitled to credits against FPL's charges for transmission service. In January 2003, the DC Circuit upheld FERC's order denying FMPA credits for its facilities; in March 2003, the DC Circuit denied FMPA's rehearing request of the DC Circuit's decision; and in October 2003, the U.S. Supreme Court denied FMPA's petition for review of the DC Circuit's decision.

FMPA also has requested that FERC decide the same crediting issue in a separate FERC proceeding. That proceeding dates back to a filing by FPL in 1993 of a comprehensive restructuring of its then-existing tariff structure. All issues in that case were settled in September 2000 except for three issues reserved by FMPA: (i) the crediting issue, (ii) treatment of behind-the-meter generation and load ratio pricing for network integration transmission service, and (iii) exclusions from FPL's transmission rates

of the costs of FPL's facilities that failed to meet the same integration test that was applied to FMPA's facilities with respect to the crediting issue. In December 2003, FERC issued an order addressing the three reserved issues. With respect to the crediting issue, FERC stated that it had previously determined that FMPA was not entitled to credits for its facilities in the related proceeding discussed above and saw no persuasive reason to revisit that determination in this proceeding. Regarding the issue of behind-the-meter generation, FERC stated that it had addressed the issue of load ratio pricing for network integration transmission service and the related issue of behind-the-meter generation in Order Nos. 888 and 888-A, and saw no persuasive reason to revisit that determination in this proceeding. With respect to the third issue, FERC directed FPL to make a compliance filing of a proposed rate schedule that does not include those facilities of FPL that fail to meet the same integration test applied to the FMPA facilities.

In January 2004, FMPA requested a "conditional rehearing on the Commission's failure to order rate credits solely in the event that Commission does not adequately reduce FPL's rate base to achieve comparability," and challenging FERC's determination not to revisit the issue of behind-the-meter generation and load ratio pricing for network integration transmission service. In March 2004, FERC issued an order denying FMPA's rehearing request. In April 2004, FMPA petitioned the DC Circuit for review of FERC's December 2003 order and March 2004 order. FMPA filed its initial brief in that proceeding on October 1, 2004. FMPA's arguments are limited to the issue of behind-the-meter generation and load ratio pricing for network integration transmission service in instances when, according to FMPA, FPL cannot provide transmission service because of "physical transmission limitations." FERC's reply brief is due on December 1, 2004. FPL has been granted party status as an intervenor, and its brief is due on December 16, 2004. Oral argument is scheduled for March 22, 2005. FPL estimates its exposure for refunds to FMPA on this issue to be approximately $1 million at September 30, 2004.

In May 2004, FPL made a compliance filing of a proposed rate schedule that does not include those facilities of FPL that fail to meet the same integration test that was applied to the FMPA facilities. Pursuant to this filing, 1.63% of FPL's transmission facilities do not satisfy the integration standard and FPL's current network transmission rate would be reduced by $0.02 per kilowatt (kw) per month, resulting in a refund obligation to FMPA of approximately $1 million at September 30, 2004. In June 2004, FMPA filed a protest to FPL's compliance filing, which protest would exclude approximately 30% of FPL's transmission facilities and reduce FPL's current network transmission rate by approximately $0.41 per kw per month, potentially resulting in a refund obligation to FMPA of approximately $25 million at September 30, 2004. Any reduction in FPL's network service rate would also apply effective January 1, 2004 to Seminole Electric Cooperative Inc. (Seminole), FPL's other network customer. The refund obligation to Seminole at September 30, 2004 would be approximately $0.2 million under FPL's filing and approximately $3 million based on FMPA's position. Possible next steps by the FERC include ruling on the matter based on the record, setting the matter for hearing before an administrative law judge (ALJ), or referring the matter to an ALJ for settlement discussions.

In 1995 and 1996, FPL Group, through an indirect subsidiary, purchased from Adelphia 1,091,524 shares of Adelphia common stock and 20,000 shares of Adelphia preferred stock (convertible into 2,358,490 shares of Adelphia common stock) for an aggregate price of approximately $35,900,000. On January 29, 1999, Adelphia repurchased all of these shares for $149,213,130 in cash. On June 24, 2004, Adelphia, Adelphia Cablevision, L.L.C. and the Official Committee of Unsecured Creditors of Adelphia filed a complaint against FPL Group and its indirect subsidiary in the U.S. Bankruptcy Court, Southern District of New York. The complaint alleges that the repurchase of these shares by Adelphia was a fraudulent transfer, in that at the time of the transaction Adelphia (i) was insolvent or was rendered insolvent, (ii) did not receive reasonably equivalent value in exchange for the cash it paid, and (iii) was engaged or about to engage in a business or transaction for which any property remaining with Adelphia was an unreasonably small capital. The complaint seeks the recovery for the benefit of Adelphia's bankruptcy estate of the cash paid for the repurchased shares, plus interest. FPL Group believes that the complaint is invalid because, among other reasons, Adelphia will be unable to demonstrate that (i) Adelphia's repurchase of shares from FPL Group, which repurchase was at the market value for those shares, was not for reasonably equivalent value, (ii) Adelphia was insolvent at the time of the repurchase, or (iii) the repurchase left Adelphia with unreasonably small capital.

In February 2003, Scott and Rebecca Finestone brought an action on behalf of themselves and their son Zachary Finestone in the U.S. District Court for the Southern District of Florida alleging that their son has developed cancer (neuroblastoma) as a result of the release and/or dissipation into the air, water, soil and underground areas of radioactive and non-radioactive hazardous materials, including strontium 90, and the release of other toxic materials from FPL's St. Lucie nuclear power plant. The complaint includes counts against FPL for strict liability for allegedly engaging in an ultra-hazardous activity and for alleged negligence in operating the plant in a manner that allowed emissions of the foregoing materials and failing to limit its release of nuclear fission products as prescribed by federal and state laws and regulations. The plaintiffs seek damages in excess of $1 million. After initially denying FPL's motion to dismiss, the court granted it with respect to plaintiffs' count for strict liability. The court has also granted FPL's motion for a ruling that the only duty owed by FPL to the plaintiffs is established exclusively by federal regulations and not general negligence standards. The plaintiffs subsequently filed an amended complaint on the same factual grounds, including a count against FPL for strict liability, which appears identical in all material elements to the strict liability claim in plaintiffs' initial complaint, and counts against FPL for alleged negligence based on duties allegedly established by federal and state laws and regulations. FPL has again moved to dismiss the strict liability claim. FPL has further moved to dismiss all negligence claims that are not based on the duty that the court has recognized governs this action. FPL has answered the one

count in the amended complaint that is based on that duty, denying any liability. Plaintiffs have also moved to vacate or modify the court's order establishing the duty owed. FPL has opposed that motion, which remains pending. Discovery is proceeding.

In May 2003, Tish Blake and John Lowe, as personal representatives of the Estate of Ashton Lowe, on behalf of the estate and themselves, as surviving parents, brought an action in the U.S. District Court for the Southern District of Florida alleging that their son developed cancer (medulo-blastoma) as a result of the release and/or dissipation into the air, water, soil and underground areas of radioactive and non-radioactive hazardous materials, including strontium 90, and the release of other toxic materials from FPL's St. Lucie nuclear power plant. The allegations, counts and damages demanded in the complaint are virtually identical to those contained in the Finestone lawsuit described above. As in the Finestone case, the court has granted FPL's motion to dismiss the plaintiffs' count for strict liability. Similarly, the court has also granted FPL's motion for a ruling that the only duty owed by FPL to the plaintiffs is established exclusively by federal regulations and not general negligence standards. The plaintiffs subsequently filed an amended complaint on the same factual grounds, including a count against FPL for strict liability, which appears identical in all material elements to the strict liability claim in plaintiffs' initial complaint, and counts against FPL for alleged negligence based on duties allegedly established by federal and state laws and regulations. FPL has again moved to dismiss the strict liability claim. FPL has further moved to dismiss all negligence claims that are not based on the duty that the court has recognized governs this action. FPL has answered the one count in the amended complaint that is based on that duty, denying any liability. Plaintiffs have also moved to vacate or modify the court's order establishing the duty owed. FPL has opposed that motion, which remains pending. Discovery is proceeding.

In June 2003, Monty and Kathryn Wooldridge brought an action on behalf of themselves and their son, Kevin Allen Wooldridge, in the Circuit Court of the 9th Judicial Circuit in and for Orange County, Florida, against Aventis Pasteur and a number of other named and unnamed drug manufacturing and distribution companies, the American Dental Association, the Florida Dental Association, FPL and the Orlando Utilities Commission (OUC), alleging that their son has suffered toxic neurological effects from mercury poisoning. The sources of mercury exposure are alleged to be vaccines containing a preservative called thimerosal that were allegedly manufactured and distributed by the drug companies, mercury amalgam dental fillings, and emissions from FPL and OUC power plants in Florida, including Brevard County. The complaint includes counts against all defendants for civil battery and against FPL for alleged negligence in operating the plants such that the son was exposed to mercury and other heavy metals emissions. The damages demanded from FPL are for injuries and losses allegedly suffered by the son as a result of his exposure to the plants' mercury emissions and the parents' alleged pain and suffering, medical expenses, loss of wages, and loss of their son's services and companionship. No amount of damages is specified. The court has granted the drug manufacturing and distribution companies' and the dental associations' motions to dismiss the complaint against them. The plaintiffs are appealing those orders. FPL's motion to dismiss is pending.

In August 2003, Pedro C. and Emilia Roig brought an action on behalf of themselves and their son, Pedro Anthony Roig, in the Circuit Court of the 11th Judicial Circuit in and for Miami-Dade County, Florida (the state court), which was removed in October 2003 to the U.S. District Court for the Southern District of Florida, against Aventis Pasteur and a number of other named and unnamed drug manufacturing and distribution companies and FPL, alleging that their son has suffered toxic neurological effects from mercury poisoning. The allegations, counts and damages demanded in the complaint with respect to FPL are virtually identical to those contained in the Wooldridge lawsuit described above. The U.S. District Court remanded the action back to the state court. All parties anticipate that the drug manufacturing and distribution companies will move to dismiss the action. Plaintiffs and FPL have agreed that FPL will not respond to the complaint until the state court rules on those motions.

In December 2003, Edward and Janis Shiflett brought an action on behalf of themselves and their son, Phillip Benjamin Shiflett, in the Circuit Court of the 18th Judicial Circuit in and for Brevard County, Florida (the state court), which was removed in January 2004 to the U.S. District Court for the Middle District of Florida, against Aventis Pasteur and a number of other named and unnamed drug manufacturing and distribution companies, FPL and the OUC, alleging that their son has suffered toxic neurological effects from mercury poisoning. The allegations, counts and damages demanded in the complaint with respect to FPL are virtually identical to those contained in the Wooldridge and Roig lawsuits. FPL's motion to dismiss the complaint was denied. The U.S. District Court subsequently remanded the action back to the state court. All parties anticipate that the drug manufacturing and distribution companies will move to dismiss action. Plaintiffs and FPL have agreed that FPL will not respond to the complaint until the state court rules on those motions.

In February 2004, Albert Litter Studios, Inc. instituted an action against FPL in the Circuit Court of the 11th Judicial Circuit in and for Miami-Dade County, Florida, seeking damages on behalf of itself, and purportedly on behalf of all other similarly situated commercial entities in Florida. The plaintiff asserts that FPL's intentional use of allegedly defective thermal demand meters has resulted in overcharging it and certain other commercial customers millions of dollars and constitutes an unfair and/or deceptive practice in violation of the Florida Deceptive and Unfair Trade Practices Act, breach of an implied contract, and breach of the duty of good faith and fair dealing. The complaint seeks damages in excess of $15,000, representing the amount of the alleged overcharges, interest, and such other relief as the court may order. FPL moved to dismiss the case on the grounds that the FPSC has exclusive jurisdiction over this type of complaint. The court denied the motion on July 13, 2004. FPL has appealed the ruling. FPL's motion to stay the proceedings pending resolution of the appeal was denied by the trial court. This order is being appealed by FPL as well.

FPL determined in 2002 that, based on sample testing of the approximately 3,900 1V thermal demand meters in service, the demand component of its 1V meter population was exceeding allowable tolerance levels established by FPSC rules. In 2002,

FPL proposed to replace and test all of the 1V meters in service and to issue refunds, as appropriate, within certain parameters. FPL was given administrative approval from the FPSC staff to proceed with the replacement of the 1V meters. By early 2003, all 1V meters had been replaced. Testing of all 1V meters disclosed that approximately 15% of the 3,900 meters were outside of allowed tolerances, with 10% under-registering and 5% over-registering electricity usage. In November 2003, the FPSC, as proposed agency action, approved a method for testing the meters and calculating refunds. On December 10, 2003, Southeastern Utility Services, Inc., on behalf of several commercial customers, filed a protest to the proposed agency action and requested a hearing. Southeastern Utility Services, Inc. alleges that, among other things, the proposed method for computing the amount of the refund is flawed. Discovery is proceeding and a hearing has been set for November 4, 2004.

FPL Group and FPL believe that they have meritorious defenses to the pending litigation discussed above and are vigorously defending the lawsuits. Management does not anticipate that the liabilities, if any, arising from the proceedings would have a material adverse effect on the financial statements.

In January 2002, Roy Oorbeek and Richard Berman filed suit against FPL Group (as an individual and nominal defendant); all its current directors (except James L. Camaren, Michael H. Thaman and Frank G. Zarb); certain former directors; and certain current and former officers of FPL Group and FPL (James L. Broadhead, Lewis Hay III, Dennis P. Coyle, Paul J. Evanson, Lawrence J. Kelleher, Armando J. Olivera, Thomas F. Plunkett and Antonio Rodriguez.) In March 2002, William M. Klein, by Stephen S. Klein under power of attorney, on behalf of himself and all others similarly situated, filed suit against FPL Group (as nominal defendant); all its current directors (except James L. Camaren, Michael H. Thaman and Frank G. Zarb); certain former directors; and certain current and former officers of FPL Group and FPL (James L. Broadhead, Paul J. Evanson, Lewis Hay III, Dennis P. Coyle and Thomas F. Plunkett). In February 2003, Donald E. and Judith B. Phillips, represented by the same attorneys who represent Klein, filed suit in the same court against the same defendants as the Klein lawsuit (plus Lawrence J. Kelleher). All three suits have been consolidated. In February 2004, by stipulation of the parties, FPL Group was removed as a defendant.

The lawsuits, taken together, allege that the proxy statements relating to shareholder approval of FPL Group's Long Term Incentive Plan (LTIP) and FPL Group's proposed, but unconsummated, merger with Entergy Corporation (Entergy) were false and misleading because they did not affirmatively state that payments made to certain officers under FPL Group's LTIP upon shareholder approval of the merger would be retained by the officers even if the merger with Entergy was not consummated and did not state that under some circumstances payments made pursuant to FPL Group's LTIP might not be deductible by FPL Group for federal income tax purposes. They also allege that FPL Group's LTIP required either consummation of the merger as a condition to the payments or the return of the payments if the transaction did not close, and that the actions of the director defendants in approving the proxy statements, causing the payments to be made, and failing to demand their return constitute corporate waste and a breach of fiduciary duties by those individual defendants. The plaintiffs seek to have the shareholder votes approving FPL Group's LTIP and the merger declared null and void, the return to FPL Group of $62 million of payments received by the officers, compensatory damages of $92 million (including the $62 million of payments received by the officers) from all defendants and attorneys' fees.

A special committee of non-management directors of FPL Group conducted an investigation of the claims made in the Oorbeek and Klein lawsuits and reported thereon to FPL Group's board of directors. The report concluded that pursuit of the claims is not in the best interest of FPL Group or its shareholders generally, and recommended that FPL Group seek dismissal of the lawsuits. After reviewing the special committee's report, FPL Group's board of directors (with only non-management directors participating) concluded likewise and filed with the court a statement of position setting forth the special committee's and the board's conclusions and authorizing the filing of a motion to dismiss the lawsuits, which motion was filed in October 2002. Messrs. Zarb, Camaren and Thaman joined the board in August 2002, October 2002 and July 2003, respectively, and did not participate in the proceedings relating to the statement of position or the filing of the motion to dismiss. On January 20, 2004, the court issued an order denying FPL Group's motion to dismiss the lawsuits. A trial date has been set for July 2005.

FPL Group's above-referenced statement of position reported that during the course of the special committee's investigation of the allegations in the lawsuits a separate question arose concerning the interpretation of the provisions of FPL Group's LTIP pursuant to which the payments to eight current and former senior officers were calculated. A change from the original interpretation could result in a repayment to FPL Group of up to approximately $9 million. FPL Group and the eight senior officers have entered into a binding arbitration agreement in order to resolve the issue, which would be obviated by court approval of the Stipulation and Agreement of Settlement described below.

In May 2003, the plaintiff's attorneys in the Klein lawsuit sent a new letter to FPL Group's board of directors (the May 2003 Letter) demanding among other things, that the board take action (i) to recover from the persons who approved such payments and/or otherwise breached their fiduciary duties, all of the above-described $92 million of LTIP payments made to officers and employees of FPL Group, allegedly on the grounds that the payments constituted a breach of fiduciary duty, bad faith, corporate waste and other unspecified wrongs, (ii) to investigate whether the proposed merger with Entergy was a plan by FPL Group's officers and directors to enrich themselves at the expense of the company, (iii) to seek the return of certain LTIP awards made in replacement of accelerated LTIP awards, (iv) to take immediate actions to secure the return of up to approximately $9 million in LTIP payments which is subject to an interpretation question under the LTIP, (v) to investigate and seek the return of stock options and restricted stock paid to Mr. Broadhead in January 2002 in connection with a consulting

agreement and his retirement from FPL Group in December 2001, and (vi) to investigate whether punitive damages may be sought. In July 2003, FPL Group's board of directors appointed a special committee, composed of James L. Camaren and Michael H. Thaman, to investigate the matters raised in the May 2003 Letter and to make a determination as to how FPL Group should respond to the matters raised therein. In August 2003, the plaintiff's attorney in the Klein lawsuit sent a letter to FPL Group's board of directors purporting to "withdraw" the May 2003 Letter.

In August 2004, the plaintiffs, the individuals named as defendants, and FPL Group entered into a Stipulation and Agreement of Settlement that would resolve all matters raised in the lawsuits. Under the terms of the settlement, which is subject to approval by the court, eight current and former senior executive officers of FPL Group and an insurance carrier will pay to FPL Group a total of $22.25 million, representing a portion of the compensation that the executives received in December 2000 in connection with the shareholder-approved, but unconsummated, merger with Entergy. In addition, FPL Group agreed to implement several changes to its corporate governance policies and procedures, including limiting the number of boards of directors on which a director of FPL Group may serve; affirming the right of the non-management directors of FPL Group to retain, at the company's expense, legal and other advisors of their choice; requiring the replacement every five years of at least a majority of the members of the Audit, Compensation, and Governance & Nominating Committees of the Board; and prohibiting the payment by FPL Group in any fiscal year of more than $200,000 for property, goods or services to any company of which an independent director is an executive officer or employee unless such payment is reviewed by a majority of the other independent directors. Notice of the proposed settlement was mailed to all shareholders of record as of September 25, 2004; the court hearing on the proposed settlement has been set for November 12, 2004. If the settlement is approved, a portion of the net amount of the payment received by FPL Group would be allocated to FPL.

In addition to those legal proceedings discussed herein, FPL Group and its subsidiaries, including FPL, are involved in a number of other legal proceedings and claims in the ordinary course of their businesses. In addition, generating plants in which FPL Group or FPL have an ownership interest are involved in legal proceedings and claims, the liabilities from which, if any, would be shared by FPL Group or FPL. While management is unable to predict with certainty the outcome of these other legal proceedings and claims, it is not expected that their ultimate resolution, individually or collectively, will have a material adverse effect on the financial statements.

11. 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 September 30,							
	2004				2003			
	FPL	FPL Energy[a]	Corporate & Other	Total	FPL	FPL Energy[a]	Corporate & Other	Total
	(millions)							
Operating revenues	$ 2,485	$ 477	$ 21	$ 2,983	$ 2,383	$ 374	$ 18	$ 2,775
Operating expenses	$ 2,019	$ 420	$ 21	$ 2,460	$ 1,896	$ 295	$ 19	$ 2,210
Income (loss) before cumulative effect of change in accounting principle	$ 275	$ 61	$ (16)	$ 320	$ 277	$ 66	$ (9)	$ 334
Cumulative effect of change in accounting principle, net of income taxes	$ -	$ -	$ -	$ -	$ -	$ (3)[b]	$ -	$ (3)
Net income (loss)	$ 275	$ 61	$ (16)	$ 320	$ 277	$ 63	$ (9)	$ 331

	Nine Months Ended September 30,							
	2004				2003			
	FPL	FPL Energy[a]	Corporate & Other	Total	FPL	FPL Energy[a]	Corporate & Other	Total
	(millions)							
Operating revenues	$ 6,600	$ 1,272	$ 61	$ 7,933	$ 6,193	$ 935	$ 67	$ 7,195
Operating expenses	$ 5,579	$ 1,070	$ 66	$ 6,715	$ 5,093	$ 772	$ 59	$ 5,924
Income (loss) before cumulative effect of change in accounting principle	$ 585	$ 183	$ (53)	$ 715	$ 611	$ 159	$ (22)	$ 748
Cumulative effect of change in accounting principle, net of income taxes	$ -	$ -	$ -	$ -	$ -	$ (3)[b]	$ -	$ (3)
Net income (loss)	$ 585	$ 183	$ (53)	$ 715	$ 611	$ 156	$ (22)	$ 745

	September 30, 2004				December 31, 2003			
	FPL	FPL Energy	Corporate & Other	Total	FPL	FPL Energy	Corporate & Other	Total
	(millions)							
Total assets	$ 19,311	$ 8,434	$ 773	$ 28,518	$ 17,817	$ 8,440	$ 678	$ 26,935

[a] FPL Energy's interest charges are based on a deemed capital structure of 50% debt for operating projects and 100% debt for projects under construction. Residual non-utility interest charges are included in Corporate and Other.

[b] Reflects the adoption of FIN 46 in July 2003. See Note 6.

12. 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. Most of FPL Group Capital's debt and payment guarantees, including its debentures, are fully and unconditionally guaranteed by FPL Group. Condensed consolidating financial information is as follows:

Condensed Consolidating Statements of Income

	Three Months Ended September 30,							
	2004				2003			
	FPL Group	FPL Group Capital	Other[a]	FPL Group Consolidated	FPL Group	FPL Group Capital	Other[a]	FPL Group Consolidated
	(millions)							
Operating revenues	$ -	$ 498	$ 2,485	$ 2,983	$ -	$ 392	$ 2,383	$ 2,775
Operating expenses	-	(441)	(2,019)	(2,460)	-	(314)	(1,896)	(2,210)
Interest charges	(7)	(76)	(39)	(122)	(7)	(61)	(38)	(106)
Other income (deductions) – net	325	59	(322)	62	330	44	(339)	35
Income from operations before income taxes and cumulative effect of change in accounting principle	318	40	105	463	323	61	110	494
Income tax expense (benefit)	(2)	(9)	154	143	(8)	5	163	160
Income (loss) before cumulative effect of change in accounting principle	320	49	(49)	320	331	56	(53)	334
Cumulative effect of change in accounting principle, net of income taxes	-	-	-	-	-	(3)[b]	-	(3)
Net income (loss)	$ 320	$ 49	$ (49)	$ 320	$ 331	$ 53	$ (53)	$ 331

	Nine Months Ended September 30,							
	2004				2003			
	FPL Group	FPL Group Capital	Other[a]	FPL Group Consolidated	FPL Group	FPL Group Capital	Other[a]	FPL Group Consolidated
	(millions)							
Operating revenues	$ -	$ 1,334	$ 6,599	$ 7,933	$ -	$ 1,002	$ 6,193	$ 7,195
Operating expenses	-	(1,137)	(5,578)	(6,715)	-	(831)	(5,093)	(5,924)
Interest charges	(21)	(230)	(117)	(368)	(21)	(138)	(108)	(267)
Other income (deductions) – net	732	125	(726)	131	754	123	(784)	93
Income from operations before income taxes and cumulative effect of change in accounting principle	711	92	178	981	733	156	208	1,097
Income tax expense (benefit)	(4)	(48)	318	266	(12)	11	350	349
Income (loss) before cumulative effect of change in accounting principle	715	140	(140)	715	745	145	(142)	748
Cumulative effect of change in accounting principle, net of income taxes						(3)[b]	-	(3)
Net income (loss)	$ 715	$ 140	$ (140)	$ 715	$ 745	$ 142	$ (142)	$ 745

[a] Represents FPL and consolidating adjustments.
[b] Reflects the adoption of FIN 46 in July 2003. See Note 6.

FPL GROUP, INC. AND FLORIDA POWER & LIGHT COMPANY
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (concluded)
(unaudited)

Condensed Consolidating Balance Sheets

	September 30, 2004				December 31, 2003			
	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	$ -	$ 7,985	$ 23,150	$ 31,135	$ -	$ 7,783	$ 22,489	$ 30,272
Less accumulated depreciation and amortization		(953)	(9,438)	(10,391)	-	(738)	(9,237)	(9,975)
Total property, plant and equipment – net		7,032	13,712	20,744	-	7,045	13,252	20,297
CURRENT ASSETS								
Cash and cash equivalents	6	394	51	451	27	98	4	129
Receivables	7	347	1,043	1,397	16	436	735	1,187
Other	-	280	1,160	1,440	-	271	883	1,154
Total current assets	13	1,021	2,254	3,288	43	805	1,622	2,470
OTHER ASSETS								
Investment in subsidiaries	7,643	-	(7,643)	-	7,218	-	(7,218)	
Other	94	1,459	2,933	4,486	110	1,491	2,567	4,168
Total other assets	7,737	1,459	(4,710)	4,486	7,328	1,491	(4,651)	4,168
TOTAL ASSETS	$ 7,750	$ 9,512	$ 11,256	$ 28,518	$ 7,371	$ 9,341	$ 10,223	$ 26,935
CAPITALIZATION								
Common shareholders' equity	$ 7,428	$ 1,556	$ (1,556)	$ 7,428	$ 6,967	$ 1,214	$ (1,214)	$ 6,967
Preferred stock of FPL without sinking fund requirements			5	5	-		5	5
Long-term debt		5,238	3,313	8,551	-	5,649	3,074	8,723
Total capitalization	7,428	6,794	1,762	15,984	6,967	6,863	1,865	15,695
CURRENT LIABILITIES								
Accounts payable and short-term debt		113	1,023	1,136	-	397	1,065	1,462
Other	27	1,212	1,721	2,960	62	809	1,020	1,891
Total current liabilities	27	1,325	2,744	4,096	62	1,206	2,085	3,353
OTHER LIABILITIES AND DEFERRED CREDITS								
Asset retirement obligations		189	1,987	2,176	-	178	1,908	2,086
Accumulated deferred income taxes	(5)	831	1,873	2,699	(5)	826	1,334	2,155
Regulatory liabilities		-	2,404	2,404	-	-	2,669	2,669
Other	300	373	486	1,159	347	268	362	977
Total other liabilities and deferred credits	295	1,393	6,750	8,438	342	1,272	6,273	7,887
COMMITMENTS AND CONTINGENCIES								
TOTAL CAPITALIZATION AND LIABILITIES	$ 7,750	$ 9,512	$ 11,256	$ 28,518	$ 7,371	$ 9,341	$ 10,223	$ 26,935

[a] Represents FPL and consolidating adjustments.

Condensed Consolidating Statements of Cash Flows

	Nine Months Ended September 30,							
	2004				2003			
	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	$ 327	$ 864	$ 1,121	$ 2,312	$ 919	$ (54)	$ 744	$ 1,609
CASH FLOWS FROM INVESTING ACTIVITIES								
Capital expenditures and independent power investments	-	(321)	(1,055)	(1,376)	-	(1,131)	(958)	(2,089)
Sale of independent power investments		93		93	-			
Sale of Olympus note receivable		126		126	-			
Other – net	(29)	(90)	(95)	(214)	(600)	20	456	(124)
Net cash used in investing activities	(29)	(192)	(1,150)	(1,371)	(600)	(1,111)	(502)	(2,213)
CASH FLOWS FROM FINANCING ACTIVITIES								
Issuances of long-term debt		322	235	557	-	1,845	585	2,430
Retirements of long-term debt	-	(410)	-	(410)	-	(19)	(164)	(183)
Net change in short-term debt	-	(284)	(173)	(457)	-	(239)	(445)	(684)
Issuances of common stock	63			63	55		-	55
Dividends on common stock	(345)			(345)	(318)		-	(318)
Other – net	(37)	(4)	14	(27)	(40)		13	(27)
Net cash provided by (used in) financing activities	(319)	(376)	76	(619)	(303)	1,587	(11)	1,273
Net increase (decrease) in cash and cash equivalents	(21)	296	47	322	16	422	231	669
Cash and cash equivalents at beginning of period	27	98	4	129	5	261	-	266
Cash and cash equivalents at end of period	$ 6	$ 394	$ 51	$ 451	$ 21	$ 683	$ 231	$ 935

[a] Represents FPL and consolidating adjustments.

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 and Analysis of Financial Condition and Results of Operations (Management's Discussion) appearing in the 2003 Form 10-K for FPL Group and FPL. The results of operations for an interim period generally will 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

Overview – FPL Group's net income for the third quarter of 2004 was $320 million compared to $331 million for the same period in 2003. FPL Group's net income for the three months ended September 30, 2004 reflects reduced earnings at FPL and FPL Energy and higher interest expense at Corporate and Other. For the nine months ended September 30, 2004, FPL Group's net income was $715 million compared to $745 million for the same period in 2003. FPL Group's net income for the nine months ended September 30, 2004 reflects reduced earnings at FPL and higher interest expense at Corporate and Other partially offset by increased earnings at FPL Energy. FPL Group's and FPL's results for the three and nine months ended September 30, 2004 reflect the impacts of three hurricanes that struck FPL's service territory during the third quarter of 2004. These storms resulted in lost revenues and an increase to the reserve for uncollectible accounts for FPL Group and FPL, and reduced FPL Group's earnings per share by 14 cents for the three and nine months ended September 30, 2004. The impact of these storms is estimated to reduce FPL Group's earnings per share by an additional 1 cent during the fourth quarter of 2004. See Note 8 – Storm Reserve Deficiency.

FPL Group's net income for the three and nine months ended September 30, 2004 include net unrealized mark-to-market losses of $6 million and $2 million, respectively, from non-qualifying hedge activity compared to net unrealized gains of $8 million and $9 million for the corresponding periods in 2003. All periods presented have been reclassified to reflect the guidance of Emerging Issues Task Force Issue No. 03-11 and the SEC staff which was issued in 2003. FPL Group and its subsidiaries segregate unrealized mark-to-market gains and losses on derivative transactions into two categories. The first category, referred to as trading and managed hedge activities, represents the net unrealized effect of actively traded positions entered into to take advantage of market price movements and to optimize the value of generation assets and related contracts. The second category, referred to as non-qualifying hedges, represents the net unrealized effect of derivative transactions entered into as economic hedges (but which do not qualify for hedge accounting under FAS 133) and the ineffective portion of transactions accounted for as cash flow hedges. Any position that is moved between non-qualifying hedge activity and trading and managed hedge activity is transferred at its fair value on the date of reclassification. These transactions have been entered into to reduce FPL Group's aggregate commodity price risk inherent in fuel and electricity transactions.

In addition, FPL Group's net income for the three and nine months ended September 30, 2003 reflect a $3 million charge due to a change in accounting principle. See Note 11 for segment information. FPL Group's effective tax rate for all periods presented reflect production tax credits for wind projects at FPL Energy.

FPL Group's management uses earnings excluding non-qualifying hedge activity (adjusted earnings) internally for financial planning, for analysis of performance, for reporting of results to the Board of Directors and for FPL Group's employee incentive compensation plans. FPL Group also uses adjusted earnings when communicating its earnings outlook to analysts and investors. FPL Group's management believes adjusted earnings provide a more meaningful representation of the company's fundamental earnings power. Although the excluded amounts are properly included in the determination of net income in accordance with generally accepted accounting principles, both the size and nature of such items can make period to period comparisons of operations difficult and potentially confusing.

FPL – FPL's net income available to FPL Group for the three months ended September 30, 2004 was $275 million compared to $277 million for the same period in 2003. The results of the third quarter of 2004 reflect the impacts of three hurricanes that struck FPL's service territory between mid-August and late September 2004. These storms resulted in lost revenues of approximately $36 million during the three months ended September 30, 2004 and have made 2005 results at FPL more difficult to estimate due to the uncertainty of the impact of the storms on revenue growth in the near future. The negative impact of the hurricanes was partially offset by strong customer growth during the quarter. Other operations and maintenance (O&M) expenses and depreciation expense increased for the third quarter of 2004 negatively impacting FPL's earnings for that period. For the nine months ended September 30, 2004, FPL's net income available to FPL Group was $585 million compared to $611 million for the same period in 2003. The effect of three hurricanes and otherwise milder weather were strong contributors to the decrease in FPL's net income during the nine months ended September 30, 2004, partly offset by strong customer growth. Increased depreciation and O&M expenses further reduced net income for the nine months ended September 30, 2004.

FPL's operating revenues consisted of the following:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2004	2003	2004	2003
	(millions)			
Retail base operations	$ 1,057	$ 1,050	$ 2,793	$ 2,824
Cost recovery clauses and other pass-through costs	1,412	1,320	3,755	3,326
Other	16	13	52	43
Total	$ 2,485	$ 2,383	$ 6,600	$ 6,193

The increase in retail base revenues for the three months ended September 30, 2004 was primarily due to an increase in the average number of customer accounts which was partially offset by a decrease in usage per retail customer. A 2.8% increase in the average number of customer accounts during the third quarter of 2004 increased revenues from retail base operations by approximately $29 million. This increase was partially offset by a 2.2% decrease in usage per retail customer, which decreased revenues from retail base operations by approximately $22 million. The decline in usage per retail customer was primarily associated with three hurricanes hitting FPL's service territory in the last two months of the third quarter of 2004, partly offset by underlying usage growth.

The decrease in retail base revenues for the nine months ended September 30, 2004 was primarily due to a decrease in usage per retail customer, partially offset by an increase in the average number of customer accounts. A 3.5% decrease in usage per retail customer resulted in a decrease in revenues from retail base operations of approximately $100 million, primarily due to milder weather and storm activity. This decrease was partially offset by strong customer growth during the first nine months of 2004. A 2.6% increase in the average number of customer accounts, as well as other factors, increased revenues from retail base operations by $69 million.

Revenues from cost recovery clauses and other pass-through costs, such as franchise fees and revenue taxes, do not significantly affect net income; however, under- or over-recovery of such costs can significantly affect FPL Group's and FPL's operating cash flows. Fluctuations in these revenues, as well as in fuel, purchased power and interchange expense are primarily driven by changes in energy sales, fuel prices and capacity charges. The increase in revenues from cost recovery clauses and other pass-through costs for the three and nine months ended September 30, 2004 reflects higher fuel charges to customers primarily to recover previously underrecovered fuel-related costs resulting from higher than projected fuel costs.

FPL's O&M expenses for the three and nine months ended September 30, 2004 continue to reflect higher nuclear maintenance and insurance costs. O&M expenses for the nine months ended September 30, 2004 also increased due to higher employee benefit expenses. These increases were partially offset by productivity improvements in other areas and by the absence of certain legal expense accruals that occurred in last year's first quarter.

FPL performed volumetric inspections of Turkey Point Unit No. 3's bottom mounted instrumentation penetrations during its refueling outage in the fall of 2004 and found no evidence of leakage from these penetrations. FPL is planning to perform volumetric rather than visual inspections of the bottom mounted instrumentation penetrations at Turkey Point Unit No. 4 during its next scheduled refueling outage in the spring of 2005. St. Lucie Units Nos. 1 and 2 do not have bottom mounted instrumentation penetrations.

During 2003, nuclear utilities, other than FPL, identified that pressurizer heater sleeves made with a particular material (alloy 600) were experiencing penetration cracks and leaks as a result of primary water stress corrosion cracking. As a result, in May 2004, the NRC issued a bulletin requesting utilities to identify and inspect all alloy 600 and weld materials in all pressurizer locations and connected steam space piping. FPL and FPL Energy have filed a response to the bulletin. In the spring of 2004, prior to the issue of the NRC bulletin, St. Lucie Unit No. 1 performed visual inspections within the scope of the bulletin and no leaks were identified. St. Lucie Unit No. 2 and Seabrook will perform similar inspections at their next scheduled refueling outages. Due to the cost and outage impact associated with potential leaks, FPL has decided to replace St. Lucie Unit No. 1's pressurizer during its scheduled refueling and reactor vessel head replacement outage in the fall of 2005. The estimated cost for the pressurizer is included in estimated capital expenditures. See Note 10 – Commitments. FPL has decided to repair St. Lucie Unit No. 2's pressurizer heater sleeve penetrations during its scheduled refueling and steam generator and reactor vessel head replacement outage in the fall of 2007. The estimated cost of this repair is approximately $12 million, which will be charged to O&M expense. All pressurizer penetrations and welds at Turkey Point Units Nos. 3 and 4 utilize a different material.

Depreciation and amortization expense increased for the three and nine months ended September 30, 2004 primarily as a result of project expansions that went into service during 2003, as well as FPL's continued investment in generation and distribution expansion to support customer growth and demand.

FPL Energy – FPL Energy's net income for the third quarter of 2004 was $61 million compared to $63 million for the third quarter of 2003. Net income for the nine months ended September 30, 2004 was $183 million compared to $156 million for the same period in 2003. Net income for both the three and nine months ended September 30, 2004 benefited primarily from project additions, improved contract coverage and better market conditions particularly in the Electric Reliability Council of Texas (ERCOT) region, partially offset by higher interest expense. During the third quarter of 2004, FPL Energy recorded $6 million of after-tax net unrealized mark-to-market losses from non-qualifying hedges compared to after-tax net unrealized gains

of $8 million during the same period in 2003. For the nine months ended September 30, 2004, FPL Energy recorded $2 million of after-tax net unrealized mark-to-market losses from non-qualifying hedges compared to after-tax net unrealized gains of $9 million during the comparable period in 2003. For further discussion of derivative instruments, see Note 2. In connection with the enactment of legislation extending the wind production tax credits through the end of 2005, FPL Energy expects to add 250 mw to 750 mw of new wind projects by the end of 2005, including 241 mw currently under construction.

FPL Energy's third quarter 2004 net income benefited from the effect of additions to the wind portfolio partially offset by losses from new gas merchant assets added in 2003. The operating results of 1,320 mw of wind and gas-fired generation added during or after the third quarter of 2003 contributed $5 million to third quarter 2004 net income. FPL Energy's operating revenues for the third quarter of 2004 increased $103 million primarily driven by increased generation due to improved market conditions in the ERCOT region, new wind and new gas merchant asset additions and the commencement of a contract for the sale of the remaining 50% of the capacity of a natural gas-fired facility in Alabama, partially offset by mark-to-market losses in non-qualifying hedges in 2004 compared to gains in 2003. FPL Energy's operating expenses for the third quarter of 2004 increased $125 million, primarily driven by increased generation due to improved market conditions in the ERCOT region and the 2003 new wind and new gas merchant asset additions.

Earnings from investments in partnerships and joint ventures for the quarter ended September 30, 2004, presented as equity in earnings of equity method investees, increased $6 million from the prior year quarter due primarily to the mark-to-market effect of non-qualifying hedge activity in the portfolio, as well as the absence of losses from a combined-cycle power plant in Texas, which was sold in the second quarter of 2004, partially offset by a gain recognized in 2003 on a gas contract restructuring.

Interest charges for the third quarter of 2004 increased by approximately $7 million primarily due to growth in FPL Energy's asset base and higher average interest rates.

FPL Energy's net income for the nine months ended September 30, 2004 also benefited from project additions discussed above. The operating results of these project additions contributed $29 million to net income for the nine months ended September 30, 2004. FPL Energy's operating revenues for the nine months ended September 30, 2004 increased $337 million, primarily driven by project additions, increased generation due to improved market conditions in the ERCOT region and the commencement of a contract for the sale of the remaining 50% of the capacity of a natural gas-fired facility in Alabama. FPL Energy's operating expenses for the nine months ended September 30, 2004 increased $298 million primarily driven by project additions and increased generation due to improved market conditions in the ERCOT region.

Earnings from investments in partnerships and joint ventures for the nine months ended September 30, 2004 decreased $7 million from the prior year period primarily due to a gain recognized in 2003 on a gas contract restructuring and the effect of higher fuel costs in 2004 partially offset by the absence of losses from a combined-cycle power plant in Texas, which was sold in the second quarter of 2004, and an increase in the net unrealized mark-to-market gains from non-qualifying hedge activity in the portfolio in 2004. Also, in the first nine months of 2004, FPL Energy recorded a net gain of approximately $52 million on the termination of a gas supply contract and a steam agreement which was essentially offset by an impairment loss recorded as a result of agreeing to sell its interest in the combined-cycle power plant in Texas.

Interest charges for the nine months of 2004 increased by approximately $49 million primarily due to growth in FPL Energy's asset base, as well as an increase in average interest rates compared with the same period in 2003.

FPL Energy's 2004 earnings are subject to variability due to, among other things, operational performance, commodity price exposure, counterparty performance, weather conditions and project restructuring activities. FPL Energy's exposure to commodity price risk is reduced by the degree of contract coverage obtained for 2004 and 2005. During the first quarter of 2004, FPL Energy changed how it classifies its contract coverage categories to more closely reflect how these assets are managed internally. The wind category remained unchanged while non-wind assets under long-term contract are now called contracted. The contracted category includes all projects with mid- to long-term purchased power contracts for substantially all of their output. Some of the newer projects with long-term contracts were previously included in the merchant category. The merchant category now includes only those facilities which require active hedging and is subdivided into the following three subcategories: New England Power Pool (NEPOOL), ERCOT and all other. As of September 30, 2004, FPL Energy's capacity under contract for the remainder of 2004 and 2005 is as follows:

	Remainder of 2004		2005	
Project Portfolio Category	Available MW [a]	% MW Under Contract	Available MW [a]	% MW Under Contract
Wind	2,746	100% [b]	2,746 [c]	100% [b]
Contracted	**2,170**	**99%**	**2,170**	**99%**
Merchant:				
NEPOOL	2,309	70% [d]	2,301 [c]	64% [d]
ERCOT	2,790	75% [d]	2,732	69% [d]
All Other	557	44% [d]	1,275	8% [d]
Total portfolio	10,572	84%	11,224	74%

[a] Weighted to reflect in-service dates, planned maintenance and a refueling outage at Seabrook in 2005.
[b] Reflects round-the-clock mw under contract.
[c] Excludes 241 mw of new wind generation announced in October 2004 and 71 mw for a planned power uprate at Seabrook in 2005.
[d] Represents on-peak mw under contract.

FPL Energy is currently constructing a gas-fired plant that is expected to add approximately 744 mw of generation in the PJM Interconnection L.L.C. (PJM) market by the end of 2004, as well as 241 mw of wind generation expected to be in-service by mid-2005. FPL Energy expects its future portfolio growth to come from a mix of asset acquisitions and wind development due to the extension of the production tax credit program through 2005 for new wind facilities.

Corporate and Other – Corporate and Other is primarily comprised of FPL FiberNet and other corporate income and expenses, such as interest income and interest expense. Corporate and Other's net loss for the three and nine months ended September 30, 2004 was $16 million and $53 million, respectively, compared to a net loss of $9 million and $22 million for the respective periods in 2003, primarily reflecting increased interest expense. FPL FiberNet's results declined for the nine months ended September 30, 2004 due to the absence of gains associated with restructuring two transactions which were reflected in the first quarter of 2003. Corporate and Other allocates interest charges to FPL Energy based on a deemed capital structure at FPL Energy of 50% debt for operating projects and 100% debt for projects under construction. Interest expense at Corporate and Other increased for all periods presented due to allocating less interest expense to FPL Energy as a result of the completion of a number of projects during 2003 that were previously under construction.

Liquidity and Capital Resources

FPL Group and its subsidiaries, including FPL, require funds to support and grow their businesses. These funds are used for working capital, capital expenditures, investments in or acquisitions of assets and businesses, to pay maturing debt obligations and, from time to time, to redeem outstanding debt and preferred stock. It is anticipated that these requirements will be satisfied through a combination of internally generated funds and the issuance, from time to time, of debt and equity securities, consistent with FPL Group's and FPL's objective of maintaining, on a long-term basis, a capital structure that will support a strong investment grade credit rating. Credit ratings can affect FPL Group's and FPL's ability to obtain short- and long-term financing, the cost of such financing and the execution of their financing strategies. In July 2004, FPL Group increased its quarterly dividend on its common stock from $0.62 to $0.68 per share. In May 2004, the authorized common stock of FPL Group was increased 100,000,000 shares from 300,000,000 to 400,000,000 shares.

In October 2004, FPL and FPL Group Capital refinanced their short-term credit facilities by entering into new five-year revolving credit facilities and amending their respective three-year credit facilities. Bank lines of credit currently available to FPL Group and its subsidiaries, including FPL, are as follows:

FPL	FPL Group Capital	Total	Maturity Date
	(millions)		
$ 500	$ 1,000	$ 1,500	October 2006
1,000	1,000	2,000	October 2009 [a]
$ 1,500	$ 2,000	$ 3,500	

[a] These facilities provide for the issuance of letters of credit of up to $1.5 billion ($750 million for FPL and $750 million for FPL Group Capital). The issuance of letters of credit is subject to the aggregate commitment under the applicable facility.

These credit facilities are available to support the companies' commercial paper programs and to provide additional liquidity in the event of a transmission and distribution property loss (in the case of FPL), as well as for general corporate purposes. At September 30, 2004, letters of credit totaling $166 million were outstanding under FPL Group Capital's credit facilities and no amounts were outstanding under FPL's credit facilities. FPL Group (which guarantees payment of FPL Group Capital credit facilities) is required to maintain a minimum ratio of funded debt to capitalization under the terms of FPL Group Capital's credit facilities and FPL is required to maintain a minimum ratio of funded debt to capitalization under the terms of FPL's credit facilities. At September 30, 2004, FPL Group and FPL were in compliance with their respective ratio.

In addition, FPL Group Capital and FPL have each established an uncommitted credit facility with a bank to be used for general corporate purposes. The bank may at its discretion, upon the request of FPL Group Capital or FPL, make a short-term loan or loans to FPL Group Capital or FPL in an aggregate amount determined by the bank, which is subject to change at any time. The terms of the specific borrowings under the uncommitted credit facilities, including maturity, are set at the time borrowing requests are made by FPL Group Capital or FPL. At September 30, 2004, there were no amounts outstanding for either FPL Group Capital or FPL under the uncommitted credit facilities.

In June 2004, a consolidated FPL VIE that leases nuclear fuel to FPL increased its senior secured revolving credit facility, which provides backup support for its commercial paper program, from $65 million to $100 million and extended the expiration date from June 2004 until June 2009. FPL has provided an unconditional guarantee of the payment obligations of the VIE under the credit facility, which are included in the guarantee discussion below. At September 30, 2004, the VIE had no outstanding borrowings under the revolving credit facility and approximately $52 million under the commercial paper program. FPL also provides an unconditional payment guarantee of the VIE's $135 million of 2.34% senior secured notes, issued in June 2003 and maturing in June 2006, which is included in the guarantee discussion below.

At September 30, 2004, FPL Group and FPL Group Capital had approximately $2.0 billion (issuable by either or both of them up to such aggregate amount) of available capacity under shelf registration statements. Securities that may be issued under the FPL Group and FPL Group Capital shelf registration statements, depending on the registrant, include common stock, stock purchase contracts, stock purchase units, preferred stock, senior debt securities, preferred trust securities and related subordinated debt securities, and guarantees relating to certain of those securities. This capacity is available for, among other things, new investment opportunities. At September 30, 2004, FPL had approximately $1.0 billion of available capacity under its shelf registration statement. Securities that may be issued under FPL's shelf registration statement include preferred stock, first mortgage bonds, preferred trust securities and related subordinated debt securities and guarantees.

During the nine months ended September 30, 2004, FPL sold 200,000 shares of $100 par value 4 1/2% Series V preferred stock to FPL Group and issued $240 million of 5.65% first mortgage bonds maturing in 2035, FPL Group Capital sold $309 million of 5 7/8% junior subordinated debentures maturing in 2044 and FPL Energy drew $22 million from a construction term credit facility. The junior subordinated debentures were purchased by an unconsolidated 100%-owned finance subsidiary of FPL Group using proceeds from the March 2004 sale by that finance subsidiary of $300 million of preferred trust securities to the public and $9 million of common trust securities to FPL Group. FPL Group has fully and unconditionally guaranteed the junior subordinated debentures and the preferred trust securities. The junior subordinated debentures are included in long-term debt on FPL Group's condensed consolidated balance sheets. See Note 9. During the nine months ended September 30, 2004, FPL Group Capital also repaid two variable rate term loans totaling $175 million and had $175 million of 6.875% debentures mature.

Subsidiaries of FPL Group also entered into four interest rate swap agreements during the nine months ended September 30, 2004. The swaps consisted of two variable interest rate swap agreements at FPL to protect $500 million of its outstanding 6.875% first mortgage bonds maturing in 2005 against changes in fair value due to changes in interest rates, a variable interest rate swap agreement at FPL Group Capital to protect $200 million of its outstanding 1 7/8% debentures against changes in fair value due to changes in interest rates and an interest rate swap agreement whereby an FPL Energy subsidiary receives LIBOR and pays a fixed rate of 3.845% on approximately $30 million of its variable rate debt in order to limit cash flow exposure. In October 2004, FPL Group Capital entered into several variable interest rate swap agreements to protect $500 million of its outstanding 3 1/4% debentures maturing in 2006 against changes in fair value due to changes in interest rates.

The following provides various metrics regarding FPL Group's (including FPL's) and FPL's outstanding debt:

	FPL Group		FPL	
	September 30, 2004	December 31, 2003	September 30, 2004	December 31, 2003
Weighted-average year-to-date interest rate [a]	5.0%	4.9%	5.1%	4.5%
Weighted-average life (years)	9.0	7.3	14.7	13.6
Year-to-date average of floating rate debt to total debt [a]	28%	31%	33%	33%

[a] Calculations include interest rate swaps, if any.

In June 2004, an indirect subsidiary of FPL Group sold a note receivable from a limited partnership of which Olympus is a general partner. Olympus is an indirect subsidiary of Adelphia. In June 2002, Adelphia, Olympus and the limited partnership filed for bankruptcy protection under Chapter 11, and the note, which was due July 1, 2002, is in default. The note receivable, which was previously recorded in other investments on FPL Group's condensed consolidated balance sheet, was sold for its net book value of approximately $127 million, including accrued interest through the date of the commencement of the Chapter 11 proceedings, less related transactions costs which were not significant. Proceeds from the sale of the note were used to reduce FPL Group Capital's debt.

FPL Group's commitments at September 30, 2004 were as follows:

	2004	2005	2006	2007	2008	Thereafter	Total
				(millions)			
Long-term debt, including interest: [a]							
FPL	$ 55	$ 659	$ 263	$ 127	$ 321	$ 4,587	$ 6,012
FPL Energy	59	217	206	501	396	997	2,376
Corporate and Other	59	812	1,300	1,187	577	1,605	5,540
Corporate Units	9	18	2				29
Purchase obligations:							
FPL [b]	1,340	4,240	3,065	2,435	2,085	7,920	21,085
FPL Energy [c]	61	67	54	69	52	784	1,087
Asset retirement activities: [d]							
FPL [e]			-	-	-	7,056	7,056
FPL Energy [f]		4	-	-	-	1,621	1,625
Other commitments:							
Corporate and Other	61	63					124
Total	$ 1,644	$ 6,080	$ 4,890	$ 4,319	$ 3,431	$ 24,570	$ 44,934

[a] Includes principal, interest and interest rate swaps. Variable rate interest was computed using September 30, 2004 rates.

[b] Represents required capacity and minimum payments under long-term purchased power and fuel contracts, the majority of which is recoverable through various cost recovery clauses (see Note 10 – Contracts), and projected capital expenditures through 2008 to meet increased electricity usage and customer growth, as well as capital improvements to and maintenance of existing facilities (see Note 10 – Commitments).

[c] Represents firm commitments primarily in connection with natural gas supply, transportation and storage, firm transmission service, nuclear fuel and a portion of its capital expenditures. See Note 10 – Contracts. In addition, in October 2004, FPL Energy entered into a contract to purchase wind turbines in 2004 and 2005 totaling $182 million.

[d] Represents expected cash payments adjusted for inflation for estimated costs to perform asset retirement activities.

[e] At September 30, 2004, FPL had $1,872 million in restricted trust funds for the payment of future expenditures to decommission FPL's nuclear units, which are included in special use funds.

[f] At September 30, 2004, FPL Energy's 88.23% portion of Seabrook's restricted trust fund for the payment of future expenditures to decommission Seabrook was $284 million and is included in FPL Group's special use funds.

FPL Group and FPL obtain letters of credit and issue guarantees to facilitate commercial transactions with third parties and financings. At September 30, 2004, FPL Group had standby letters of credit of $375 million ($10 million for FPL) and $3,852 million notional amount of guarantees ($235 million for FPL), of which $3,425 million ($235 million for FPL) have expirations within the next five years. These guarantees support the buying and selling of wholesale energy commodities, debt related reserves and other contractual agreements. FPL Group and FPL believe it is unlikely that they would be required to perform or otherwise incur any losses associated with these guarantees and as a result, at September 30, 2004, FPL Group and FPL did not have any liabilities recorded for these guarantees. In addition, FPL Group has guaranteed certain payment obligations of FPL Group Capital, including most of those under FPL Group Capital's debt, including all of its debentures and commercial paper issuances, as well as most of its guarantees, and FPL Group Capital has guaranteed certain debt and other obligations of FPL Energy and its subsidiaries. See Note 10 – Commitments.

In addition to the above, FPL Energy has guaranteed certain performance obligations of a power plant owned by a wholly-owned subsidiary as part of a power purchase agreement that expires in 2027. Under this agreement, the subsidiary could incur market-based liquidated damages for failure to meet contractual minimum outputs. In addition, certain subsidiaries of FPL Energy have contracts that require certain projects to meet annual minimum generation amounts. Failure to meet the annual minimum generation amounts would result in the FPL Energy subsidiary incurring specified liquidated damages. Based on past performance of these and similar projects and current forward prices, management believes that the exposure associated with these guarantees is not material.

An FPL Energy subsidiary is committed to purchase oil and gas inventory remaining in certain storage facilities at December 31, 2005 at its weighted-average cost. At September 30, 2004, the subsidiary's commitment is estimated to be from $0 to approximately $78 million, based on a potential range of zero to full storage volume at the current average forward price of oil and gas.

During the third quarter of 2004, FPL was impacted by Hurricanes Charley, Frances and Jeanne, each of which did major damage in parts of FPL's service territory and collectively resulted in over 5.4 million power outages with approximately three-quarters of FPL's customers losing power during at least one hurricane. Damage to FPL property was primarily to the transmission and distribution systems. Although FPL has not completed the final accounting of all restoration costs, FPL accrued restoration costs during the quarter ended September 30, 2004 of approximately $710 million, which are expected to be recoverable from the storm reserve. The unpaid portion of these accrued costs is included in other current liabilities on FPL Group's and FPL's condensed consolidated balance sheets. In addition, based on assessments as of September 30, 2004, FPL estimated it had sustained other property losses totaling approximately $108 million, which has been or is expected to be recovered from insurance carriers. The costs recoverable from the storm reserve exceeded the balance of the storm reserve by approximately $361 million at September 30, 2004. This deficiency has been deferred pursuant to an FPSC order and recorded as a regulatory asset on FPL Group's and FPL's condensed consolidated balance sheets. FPL intends to seek recovery of the $361 million regulatory asset. FPL is in the process of reviewing and finalizing its cost estimates associated with the three hurricanes. The exact timing and manner of recovery have yet to be determined. The FPSC has the right to review FPL's storm charges for reasonableness and

prudence. The funds set aside to cover the cost of FPL's storm damage were reclassified to a current asset on FPL Group's and FPL's condensed consolidated balance sheets. FPL Group expects to receive a $73 million federal tax refund in the fourth quarter of 2004 as a result of casualty losses associated with the hurricanes. In addition, costs associated with the hurricanes will also reduce FPL Group's 2004 and 2005 tax liabilities. FPL's bank lines of credit discussed above are also available if needed to provide additional liquidity for storm restoration costs.

New Accounting Rules and Interpretations

Variable Interest Entities – In December 2003, the FASB revised FIN 46, "Consolidation of Variable Interest Entities," which partially delayed its effective date for public companies until the first quarter of 2004. FPL Group and FPL finalized their analysis on other investments and contractual relationships and determined that no other entities needed to be consolidated or deconsolidated in accordance with FIN 46R. FPL Group and FPL expect additional implementation guidance to be issued regarding FIN 46R and are unable to determine what effect, if any, this additional guidance might have on FPL Group's and FPL's condensed consolidated financial statements. See Note 6.

Pensions and Other Postretirement Benefits – In May 2004, the FASB issued Staff Position FAS 106-2, "Accounting and Disclosure Requirements Related to the Medicare Prescription Drug, Improvement and Modernization Act of 2003." See Note 1.

Accumulated Other Comprehensive Income

Total other comprehensive income (OCI) activity for the nine months ended September 30, 2004 is as follows:

	Accumulated Other Comprehensive Income (Loss)		
	Net Unrealized Losses On Cash Flow Hedges	Other	Total
	(millions)		
Balances, December 31, 2003	$ (10)	$ 14	$ 4
Commodity hedges			
Effective portion of net unrealized loss:			
Consolidated subsidiaries (net of $35 tax benefit)	(54)		(54)
Reclassification from OCI to net income:			
Consolidated subsidiaries (net of $0.5 tax benefit)	(1)		(1)
Interest rate hedges			
Effective portion of net unrealized gain (net of $1 tax expense)		2	2
Net unrealized loss on available for sale securities (net of $0.4 tax benefit)		(1)	(1)
Balances, September 30, 2004	$ (65)	$ 15	$ (50)

Total OCI activity for the nine months ended September 30, 2003 was as follows:

	Accumulated Other Comprehensive Income (Loss)		
	Net Unrealized Gains (Losses) On Cash Flow Hedges	Other	Total
	(millions)		
Balances, December 31, 2002	$ 19	$ (3)	$ 16
Commodity hedges			
Effective portion of net unrealized gain:			
Consolidated subsidiaries (net of $11 tax expense)	17		17
Equity investments (net of $6 tax expense)	10		10
Reclassification from OCI to net income:			
Consolidated subsidiaries (net of $17 tax benefit)	(27)		(27)
Equity investments (net of $6 tax benefit)	(9)		(9)
Interest rate hedges			
Effective portion of net unrealized loss (net of $3 tax benefit)	(5)	-	(5)
Net unrealized gain on available for sale securities (net of $6 tax expense)		9	9
Balances, September 30, 2003	$ 5	$ 6	$ 11

Energy Marketing and Trading and Market Risk Sensitivity

Energy Marketing and Trading – Certain of FPL Group's subsidiaries, including FPL and FPL Energy, use derivative instruments (primarily forward purchases and sales, swaps, options and futures) to manage the commodity price risk inherent in fuel and electricity transactions, as well as to optimize the value of power generation assets. To a lesser extent, FPL Energy engages in limited energy trading activities to take advantage of expected future favorable price movements.

Derivative instruments, when required to be marked to market under FAS 133, as amended, are recorded on FPL Group's and FPL's consolidated balance sheets as either an asset or liability (in derivative assets, other assets, other current liabilities and other liabilities) measured at fair value. At FPL, substantially all changes in fair value are deferred as a regulatory asset or liability until the contracts are settled. Upon settlement, any gains or losses are passed through the fuel clause and the capacity clause. For FPL Group's non-rate regulated operations, predominantly FPL Energy, essentially all changes in the derivatives' fair value for power purchases and sales and trading activities are recognized net in operating revenues; fuel purchases and sales are recognized net in fuel, purchased power and interchange expense; and the equity method investees' related activity is recognized in equity in earnings of equity method investees in FPL Group's condensed consolidated statements of income unless hedge accounting is applied.

The changes in the fair value of FPL Group's consolidated subsidiaries' energy contract derivative instruments for the three and nine months ended September 30, 2004 were as follows:

		Hedges on Owned Assets				
	Proprietary Trading	Managed	Non-Qualifying	OCI	FPL Cost Recovery Clauses	FPL Group Total
			(millions)			
Three months ended September 30, 2004						
Fair value of contracts outstanding at June 30, 2004	$ 13	$ -	$ 3	$ (65)	$ 127	$ 78
Reclassification to realized at settlement of contracts	(8)	-	(3)	2	(44)	(53)
Effective portion of changes in fair value recorded in OCI	-	-	-	(36)	-	(36)
Ineffective portion of changes in fair value recorded in earnings	-	-	(1)	-	-	(1)
Changes in fair value excluding reclassification to realized	(1)	(2)	(14)	-	122	105
Fair value of contracts outstanding at September 30, 2004	4	(2)	(15)	(99)	205	93
Net option premium payment (receipts)	-	-	(3)	-	26	23
Total mark-to-market energy contract net assets (liabilities) at September 30, 2004	$ 4	$ (2)	$ (18)	$ (99)	$ 231	$ 116

		Hedges on Owned Assets				
	Proprietary Trading	Managed	Non-Qualifying	OCI	FPL Cost Recovery Clauses	FPL Group Total
			(millions)			
Nine months ended September 30, 2004						
Fair value of contracts outstanding at December 31, 2003	$ 7	$ 1	$ 21	$ (11)	$ 94	$ 112
Reclassification to realized at settlement of contracts	(14)	(2)	(40)	-	(125)	(181)
Effective portion of changes in fair value recorded in OCI	-	-	-	(88)	-	(88)
Ineffective portion of changes in fair value recorded in earnings	-	-	(7)	-	-	(7)
Changes in fair value excluding reclassification to realized	11	(1)	11	-	236	257
Fair value of contracts outstanding at September 30, 2004	4	(2)	(15)	(99)	205	93
Net option premium payment (receipts)	-	-	(3)	-	26	23
Total mark-to-market energy contract net assets (liabilities) at September 30, 2004	$ 4	$ (2)	$ (18)	$ (99)	$ 231	$ 116

FPL Group's total mark-to-market energy contract net assets at September 30, 2004 shown above are included in the consolidated balance sheet as follows:

	September 30, 2004
	(millions)
Derivative assets	$ 304
Other assets	57
Other current liabilities	(134)
Other liabilities	(111)
FPL Group's total mark-to-market energy contract net assets at September 30, 2004	$ 116

The sources of fair value estimates and maturity of energy contract derivative instruments at September 30, 2004 are as follows:

	Maturity						
	2004	2005	2006	2007	2008	Thereafter	Total
				(millions)			
Proprietary Trading:							
Actively quoted (i.e., exchange trade) prices	$ -	$ (3)	$ -	$ -	$ -	$ -	$ (3)
Prices provided by other external sources	5	10	1	-	-	-	16
Modeled	(4)	(7)	-	-	-	2	(9)
Total	1	-	1	-	-	2	4
Owned Assets – Managed:							
Actively quoted (i.e., exchange trade) prices	-	(5)	-	-	-		(5)
Prices provided by other external sources	-	3	-	-	-		3
Modeled	-	-	-	-	-	-	-
Total	-	(2)	-	-	-	-	(2)
Owned Assets – Non-Qualifying:							
Actively quoted (i.e., exchange trade) prices	15	11	-	-	-	-	26
Prices provided by other external sources	4	4	1	-	-	-	9
Modeled	(5)	(23)	(7)	(5)	(4)	(6)	(50)
Total	14	(8)	(6)	(5)	(4)	(6)	(15)
Owned Assets – OCI:							
Actively quoted (i.e., exchange trade) prices	1	(2)	-	-	-	-	(1)
Prices provided by other external sources	-	(36)	(26)	(18)	(2)	-	(82)
Modeled	(2)	(7)	(1)	(1)	(4)	(1)	(16)
Total	(1)	(45)	(27)	(19)	(6)	(1)	(99)
Owned Assets – FPL Cost Recovery Clauses:							
Actively quoted (i.e., exchange trade) prices	60	119				-	179
Prices provided by other external sources	20	6				-	26
Modeled	-	-				-	-
Total	80	125				-	205
Total sources of fair value	$ 94	$ 70	$ (32)	$ (24)	$ (10)	$ (5)	$ 93

The changes in the fair value of FPL Group's consolidated subsidiaries' energy contract derivative instruments for the three and nine months ended September 30, 2003 were as follows:

		Hedges on Owned Assets				
	Proprietary Trading	Managed	Non-Qualifying	OCI	FPL Cost Recovery Clauses	FPL Group Total
			(millions)			
Three months ended September 30, 2003						
Fair value of contracts outstanding at June 30, 2003	$ 4	$ 1	$ (7)	$ 46	$ 16	$ 60
Reclassification to realized at settlement of contracts	(2)	(1)	8	(16)	-	(11)
Effective portion of changes in fair value recorded in OCI	-	-	-	(18)	-	(18)
Changes in valuation assumptions	-	-	-	-	-	-
Changes in fair value excluding reclassification to realized	4	-	5	-	(34)	(25)
Fair value of contracts outstanding at September 30, 2003	6	-	6	12	(18)	6
Net option premium payment (receipts)	-	-	(5)	-	18	13
Total mark-to-market energy contract net assets at September 30, 2003	$ 6	$ -	$ 1	$ 12	$ -	$ 19

		Hedges on Owned Assets				
	Proprietary Trading	Managed	Non-Qualifying	OCI	FPL Cost Recovery Clauses	FPL Group Total
			(millions)			
Nine months ended September 30, 2003						
Fair value of contracts outstanding at December 31, 2002	$ 4	$ -	$ 8	$ 28	$ 12	$ 52
Reclassification to realized at settlement of contracts	(6)	(1)	10	(44)	(22)	(63)
Effective portion of changes in fair value recorded in OCI	-	-	-	28	-	28
Changes in valuation assumptions	-	-	2	-	-	2[(a)]
Changes in fair value excluding reclassification to realized	8	1	(14)	-	(8)	(13)
Fair value of contracts outstanding at September 30, 2003	6	-	6	12	(18)	6
Net option premium payment (receipts)	-	-	(5)	-	18	13
Total mark-to-market energy contract net assets at September 30, 2003	$ 6	$ -	$ 1	$ 12	$ -	$ 19

[(a)] Change in valuation assumption from applying volatility skewness (selection of an input assumption among alternatives based on the moneyness of the option) in option valuation.

Market Risk Sensitivity – Financial instruments and positions affecting the financial statements of FPL Group and FPL described below are held primarily for purposes other than trading. Market risk is measured as the potential loss in fair value resulting from hypothetical reasonably possible changes in commodity prices, interest rates or equity prices over the next year. Management has established risk management policies to monitor and manage market risks. FPL Group's Exposure Management Committee (EMC), which is comprised of certain members of senior management, is responsible for the overall approval of market risk management policies and the delegation of approval and authorization levels. The EMC receives

periodic updates on market positions and related exposures, credit exposures and overall risk management activities. FPL Group and FPL manage their interest rate exposure by monitoring current interest rates and adjusting their variable rate debt in relation to total capitalization.

FPL Group and its subsidiaries are also exposed to credit risk through their energy marketing and trading operations. Credit risk is the risk that a financial loss will be incurred if a counterparty to a transaction does not fulfill its financial obligation. FPL Group manages counterparty credit risk for its subsidiaries with energy marketing and trading operations through established policies, including counterparty credit limits, and in some cases credit enhancements, such as cash prepayments, letters of credit, cash and other collateral and guarantees. Credit risk is also managed through the use of master netting agreements. FPL Group's credit department monitors current and forward credit exposure to counterparties and their affiliates, both on an individual and an aggregate basis.

Commodity price risk – FPL Group uses a value-at-risk (VaR) model to measure market risk in its trading and mark-to-market portfolios. The VaR is the estimated nominal loss of market value based on a one-day holding period at a 95% confidence level using historical simulation methodology. As of September 30, 2004 and December 31, 2003, the VaR figures are as follows:

	Trading and Managed Hedges			Non-Qualifying Hedges and Hedges in OCI [a]			Total		
	FPL	FPL Energy	FPL Group	FPL	FPL Energy	FPL Group	FPL	FPL Energy	FPL Group
					(millions)				
December 31, 2003	$ -	$ -	$ -	$ 25	$ 5	$ 26	$ 25	$ 4	$ 26
September 30, 2004	$ -	$ 1	$ 1	$ 26	$ 6	$ 28	$ 26	$ 7	$ 26
Average for the period ended September 30, 2004	$ -	$ 1	$ 1	$ 26	$ 5	$ 23	$ 26	$ 6	$ 23

[a] Non-qualifying hedges are employed to reduce the market risk exposure to physical assets which are not marked to market. The VaR figures for the non-qualifying hedges and hedges in OCI category do not represent the economic exposure to commodity price movements.

Interest rate risk – FPL Group and FPL are exposed to risk resulting from changes in interest rates as a result of their issuances of debt, investments in special use funds, including the storm fund, and interest rate swaps. FPL Group and FPL manage their interest rate exposure by monitoring current interest rates and adjusting their variable rate debt in relation to total capitalization.

The following are estimates of the fair value of FPL Group's and FPL's financial instruments:

	September 30, 2004		December 31, 2003	
	Carrying Amount	Estimated Fair Value	Carrying Amount	Estimated Fair Value
		(millions)		
FPL Group:				
Long-term debt, including current maturities	$ 9,263	$ 9,615[a]	$ 9,090	$ 9,548[a]
Fixed income securities:				
Special use funds, including storm fund	$ 1,414	$ 1,414[b]	$ 1,316	$ 1,316[b]
Other investments	$ 69	$ 69[b]	$ 57	$ 57[b]
Interest rate swaps – net unrealized loss	$ (10)	$ (10)[c]	$ (10)	$ (10)[c]
FPL:				
Long-term debt, including current maturities	$ 3,313	$ 3,409[a]	$ 3,074	$ 3,193[a]
Fixed income securities:				
Special use funds, including storm fund	$ 1,278	$ 1,278[b]	$ 1,188	$ 1,188[b]
Interest rate swaps – net unrealized loss	$ (2)	$ (2)[c]	$ -	$ -

[a] Based on market prices provided by external sources.
[b] Based on quoted market prices for these or similar issues
[c] Based on market prices modeled internally.

The special use funds of FPL Group include restricted funds set aside to cover the cost of storm damage for FPL and for the decommissioning of FPL Group's and FPL's nuclear power plants. At September 30, 2004, the special use funds set aside to cover the cost of storm damage for FPL were reclassified to a current asset on FPL Group's and FPL's condensed consolidated balance sheets as FPL expects to utilize these funds during the next twelve months. A portion of the special use funds is invested in fixed income debt securities carried at their market value. Adjustments to market value result in a corresponding adjustment to the related liability accounts based on current regulatory treatment for FPL. The market value adjustments of FPL Group's non-rate regulated operations result in a corresponding adjustment to OCI. Because the funds set aside by FPL 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.

FPL Group and its subsidiaries use a combination of fixed rate and variable rate debt to manage interest rate exposure. Interest rate swaps are used to adjust and mitigate interest rate exposure when deemed appropriate based upon market conditions or when required by financing agreements. At September 30, 2004, FPL Group had the following interest rate swaps:

Notional Amount (millions)	Effective Date	Maturity Date	Rate Paid	Rate Received	Estimated Fair Value (millions)
Fair value hedges – FPL:					
$ 250	April 2004	December 2005	variable[a]	6.875%	$ (1)
$ 250	May 2004	December 2005	variable[b]	6.875%	(1)
Fair value hedges – FPL Group Capital:					
$ 150	July 2003	September 2006	variable[c]	7.625%	(2)
$ 150	July 2003	September 2006	variable[d]	7.625%	(2)
$ 200	January 2004	March 2005	variable[e]	1.875%	(1)
Total fair value hedges					(7)
Cash flow hedges – FPL Energy:					
$ 98	July 2002	December 2007	4.41%	variable[f]	(3)
$ 200	August 2003	November 2007	3.557%	variable[f]	(1)
$ 94	December 2003	December 2017	4.245%	variable[f]	-
$ 30	April 2004	December 2017	3.845%	variable[f]	1
Total cash flow hedges					(3)
Total interest rate hedges					$ (10)

[a] Six-month LIBOR plus 3.7285%
[b] Six-month LIBOR plus 3.6800%
[c] Six-month LIBOR plus 4.9900%
[d] Six-month LIBOR plus 4.9925%
[e] Six-month LIBOR less 0.1375%
[f] Three-month LIBOR

Based upon a hypothetical 10% decrease in interest rates, which is a reasonable near-term market change, the net fair value of FPL Group's net liabilities would increase by approximately $199 million ($83 million for FPL) at September 30, 2004.

Equity price risk – Included in the special use funds of FPL Group are marketable equity securities carried at their market value of approximately $957 million and $926 million ($809 million and $781 million for FPL) at September 30, 2004 and December 31, 2003, respectively. A hypothetical 10% decrease in the prices quoted by stock exchanges, which is a reasonable near-term market change, would result in a $96 million ($81 million for FPL) reduction in fair value and corresponding adjustments to the related liability accounts based on current regulatory treatment for FPL, or adjustments to OCI for FPL Group's non-rate regulated operations, at September 30, 2004.

Credit risk – For all derivative and contractual transactions, FPL Group's energy marketing and trading operations, which includes FPL's energy marketing and trading division, are exposed to losses in the event of nonperformance by counterparties to these transactions. Relevant considerations when assessing FPL Group's energy marketing and trading operations' credit risk exposure include:

- Operations are primarily concentrated in the energy industry.
- Trade receivables and other financial instruments are predominately with energy, utility and financial services related companies, as well as municipalities, cooperatives and other trading companies in the United States.
- Overall credit risk is managed through established credit policies.
- Prospective and existing customers are reviewed for creditworthiness based upon established standards, with customers not meeting minimum standards providing various credit enhancements or secured payment terms, such as letters of credit or the posting of cash collateral.
- The use of master netting agreements to offset cash and non-cash gains and losses arising from derivative instruments with the same counterparty. FPL Group's policy is to have master netting agreements in place with significant counterparties.

Based on FPL Group's policies and risk exposures related to credit, FPL Group and FPL do not anticipate a material adverse effect on their financial positions as a result of counterparty nonperformance. As of September 30, 2004, approximately 100% of FPL Group's and 100% of FPL's energy marketing and trading counterparty credit risk exposure is associated with companies that have at least investment grade credit ratings.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

See Management's Discussion – Energy Marketing and Trading and Market Risk Sensitivity – Market Risk Sensitivity.

Item 4. Controls and Procedures

(a) Evaluation of Disclosure Controls and Procedures

As of September 30, 2004, FPL Group and FPL had performed an evaluation, under the supervision and with the participation of its management, including FPL Group's and FPL's chief executive officer and chief financial officer, of the effectiveness of the design and operation of each company's disclosure controls and procedures (as defined in Exchange Act Rule 13a-15(e) or 15d-15(e)). Based upon that evaluation, the chief executive officer and chief financial officer of FPL Group and FPL concluded that the company's disclosure controls and procedures are effective in timely alerting them to material information relating to the company and its consolidated subsidiaries required to be included in the company's reports filed or submitted under the Exchange Act. FPL Group and FPL each have a Disclosure Committee, which is made up of several key management employees and reports directly to the chief executive officer and chief financial officer of each company, to monitor and evaluate these disclosure controls and procedures. Due to the inherent limitations of the effectiveness of any established disclosure controls and procedures, management of FPL Group and FPL cannot provide absolute assurance that the objectives of its disclosure controls and procedures will be met.

(b) Changes in Internal Controls

FPL Group and FPL are continuously seeking to improve the efficiency and effectiveness of their operations and of their internal controls. This results in refinements to processes throughout FPL Group and FPL. However, there has been no change in FPL Group's or FPL's internal control over financial reporting that occurred during FPL Group's and FPL's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, FPL Group's or FPL's internal control over financial reporting.

PART II – OTHER INFORMATION

Item 1. Legal Proceedings

Reference is made to Item 3. Legal Proceedings in the 2003 Form 10-K for FPL Group and FPL and Part II, Item 1. Legal Proceedings in the Quarterly Reports on Form 10-Q for each of the periods ended March 31, 2004 and June 30, 2004 for FPL Group and FPL.

On October 1, 2004, FMPA filed its initial brief in the proceeding related to the DC Circuit review of FERC's December 2003 order and March 2004 order. FERC's reply brief is due on December 1, 2004. FPL's brief is due on December 16, 2004. With respect to FPL's compliance filing and FMPA's protest of such, the potential refund obligation to FMPA at September 30, 2004 would be approximately $1 million under FPL's filing and approximately $25 million based on FMPA's position. Any reduction in FPL's network service rate would also apply effective January 1, 2004 to Seminole Electric Cooperative Inc. (Seminole), FPL's other network customer. The refund obligation to Seminole at September 30, 2004 would be approximately $0.2 million under FPL's filing and approximately $3 million based on FMPA's position.

In the Finestone lawsuit, the court has granted FPL's motion for a ruling that the only duty owed by FPL to the plaintiffs is established exclusively by federal regulations and not general negligence standards. The plaintiffs subsequently filed an amended complaint on the same factual grounds, including a count against FPL for strict liability, which appears identical in all material elements to the strict liability claim in plaintiffs' initial complaint, and counts against FPL for alleged negligence based on duties allegedly established by federal and state laws and regulations. FPL has again moved to dismiss the strict liability claim. FPL has further moved to dismiss all negligence claims that are not based on the duty that the court has recognized governs this action. FPL has answered the one count in the amended complaint that is based on that duty, denying any liability. Plaintiffs have also moved to vacate or modify the court's order establishing the duty owed. FPL has opposed that motion, which remains pending.

In the Blake and Lowe lawsuit, as in the Finestone case, the court has also granted FPL's motion for a ruling that the only duty owed by FPL to the plaintiffs is established exclusively by federal regulations and not general negligence standards. The plaintiffs subsequently filed an amended complaint on the same factual grounds, including a count against FPL for strict liability, which appears identical in all material elements to the strict liability claim in plaintiffs' initial complaint, and counts against FPL for alleged negligence based on duties allegedly established by federal and state laws and regulations. FPL has again moved to dismiss the strict liability claim. FPL has further moved to dismiss all negligence claims that are not based on the duty that the court has recognized governs this action. FPL has answered the one count in the amended complaint that is based on that duty, denying any liability. Plaintiffs have also moved to vacate or modify the court's order establishing the duty owed. FPL has opposed that motion, which remains pending.

In the Wooldridge lawsuit, the court has granted the drug distribution companies' motion to dismiss the complaint against them, and the plaintiffs are appealing that order. FPL's motion to dismiss is pending.

In each of the Roig and Shiflett lawsuits, the U.S. District Court remanded the action back to the state court. All parties anticipate that the drug manufacturing and distribution companies will move to dismiss the action. Plaintiffs and FPL have agreed that FPL will not respond to the complaint until the state court rules on those motions.

With respect to the Center For Biological Diversity, Inc. (Center) lawsuit, on August 12, 2004, the Center dismissed the case against all defendants, without prejudice.

In the Albert Litter lawsuit, FPL has appealed the court order denying FPL's motion to dismiss. FPL's motion to stay the proceedings pending resolution of the appeal was denied by the trial court. This order is being appealed by FPL as well.

A hearing has been set for November 4, 2004 on the Southeastern Utility Services, Inc.'s protest to the FPSC's November 2003 proposed agency action regarding the 1V thermal demand meters.

With respect to the Oorbeek and Berman, Klein and Phillips lawsuits, in August 2004, the plaintiffs, the individuals named as defendants, and FPL Group entered into a Stipulation and Agreement of Settlement that would resolve all matters raised in the lawsuits. Under the terms of the settlement, which is subject to approval by the court, eight current and former senior executive officers of FPL Group and an insurance carrier will pay to FPL Group a total of $22.25 million, representing a portion of the compensation that the executives received in December 2000 in connection with the shareholder-approved, but unconsummated, merger with Entergy. In addition, FPL Group agreed to implement several changes to its corporate governance policies and procedures, including limiting the number of boards of directors on which a director of FPL Group may serve; affirming the right of the non-management directors of FPL Group to retain, at the company's expense, legal and other advisors of their choice; requiring the replacement every five years of at least a majority of the members of the Audit, Compensation, and Governance & Nominating Committees of the Board; and prohibiting the payment by FPL Group in any fiscal year of more than $200,000 for property, goods or services to any company of which an independent director is an executive officer or employee unless such payment is reviewed by a majority of the other independent directors. Notice of the proposed settlement was mailed to all shareholders of record as of September 25, 2004; the court hearing on the proposed settlement has been set for November 12, 2004. If the settlement is approved, a portion of the net amount of the payment received by FPL Group would be allocated to FPL. The binding arbitration agreement previously entered into between FPL Group and the eight senior officers in order to resolve an issue relating to the calculation of payments made would be obviated by court approval of the Stipulation and Agreement of Settlement described above.

With respect to the Notice of Violation from Rhode Island Department of Environmental Management (RIDEM), in August 2004, FPLE Rhode Island State Energy, L.P. (RISE) met with RIDEM, discussed the relevant technical issues associated with the alleged violations and submitted a proposed settlement agreement. RIDEM has not yet responded to the proposed settlement agreement.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

(c) **FPL Group, Inc. Purchases of Securities**

Period	Total Number of Shares Purchased [a]	Average Price Paid Per Share	Total Number of Shares Purchased as Part of a Publicly Announced Program	Maximum Number of Shares that May Yet be Purchased Under the Program [b]
				(thousands)
7/1/04-7/31/04	1,124	$ 64.18		3,598
8/1/04-8/31/04	310	$ 68.12	-	3,598
9/1/04-9/30/04	1,940	$ 68.32		3,598
Total	3,374	$ 66.92		

[a] Represents shares of common stock purchased by FPL Group from employees to pay taxes related to the vesting of restricted stock granted to employees.
[b] In February 1997, FPL Group's board of directors authorized the repurchase of up to 10 million shares of common stock over an unspecified period as part of a publicly announced program.

Item 5. Other Information

(i) **Reference is made** to Item 1. Business – FPL Operations – Retail Ratemaking in the 2003 Form 10-K for FPL Group and FPL.

In October 2004, the Florida Supreme Court affirmed the FPSC's approval of the 2002-2005 rate agreement, which had been appealed by the South Florida Hospital and Healthcare Association and certain hospitals in April 2002. The appellants have until November 5, 2004 to request a rehearing.

(ii) Reference is made to Item 1. Business – FPL Operations – Nuclear Operations in the 2003 Form 10-K for FPL Group and FPL.

Due to the impact of Hurricanes Frances and Jeanne in September 2004, St. Lucie Unit No. 2's scheduled nuclear refueling outage was delayed and is now scheduled to begin in January 2005.

(iii) Reference is made to Item 1. Business – FPL Operations – Fuel in the 2003 Form 10-K for FPL Group and FPL and Part II, Item 5. Other Information in the Quarterly Report on Form 10-Q for the period ended June 30, 2004 for FPL Group and FPL.

NRC approval for the additional storage racks at Turkey Point Units Nos. 3 and 4 is expected in late 2004.

(iv) Reference is made to Item 1. Business – FPL Operations – Employees in the 2003 Form 10-K for FPL Group and FPL.

The International Brotherhood of Electrical Workers (IBEW) voted to extend the collective bargaining agreement with FPL until October 31, 2005. Meanwhile, FPL and the IBEW are discussing a proposal for a successor agreement.

(v) Reference is made to Item 1. Business – FPL Energy Operations – Portfolio by Category – Wind Assets in the 2003 Form 10-K for FPL Group.

In October 2004, Congress passed, and the President signed into law, an extension of the production tax credit program through the end of 2005.

FPL Energy announced that it will build, own and operate two new wind projects; a 106.5 mw wind farm in Oklahoma and a 114 mw wind farm in Texas. In addition, FPL Energy is currently repowering a wind farm in California which will add 20.5 mw. Including these wind additions, FPL Energy expects to add 250 mw to 750 mw of new wind projects by the end of 2005.

(vi) Reference is made to Item 2. Properties – Transmission and Distribution in the 2003 Form 10-K for FPL Group and FPL.

FPL's service territory was affected by Hurricane Charley in mid-August 2004, Hurricane Frances in early September 2004 and by Hurricane Jeanne in late September 2004. Damage to FPL property was primarily to the transmission and distribution systems. See Note 8 – Storm Reserve Deficiency.

Item 6. Exhibits

Exhibit Number	Description	FPL Group	FPL
4(a)	One Hundred Sixth Supplemental Indenture and Mortgage, dated as of September 1, 2004, between Florida Power & Light Company and Deutsche Bank Trust Company Americas, Trustee	x	x
4(b)	Supplemental Officer's Certificate of FPL Group Capital, dated October 27, 2004, to the Officer's Certificate creating the Series A Debentures due February 16, 2007	x	
12(a)	Computation of Ratios	x	
12(b)	Computation of Ratios		x
31(a)	Rule 13a-14(a)/15d-14(a) Certification of Chief Executive Officer of FPL Group	x	
31(b)	Rule 13a-14(a)/15d-14(a) Certification of Chief Financial Officer of FPL Group	x	
31(c)	Rule 13a-14(a)/15d-14(a) Certification of Chief Executive Officer of FPL		x
31(d)	Rule 13a-14(a)/15d-14(a) Certification of Chief Financial Officer of FPL		x
32(a)	Section 1350 Certification of FPL Group	x	
32(b)	Section 1350 Certification of FPL		x

FPL Group and FPL agree to furnish to the SEC upon request any instrument with respect to long-term debt that FPL Group and FPL have not filed as an exhibit pursuant to the exemption provided by Item 601(b)(4)(iii)(A) of Regulation S-K.

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: November 2, 2004

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)

Exhibit 12(a)

FPL GROUP, INC. AND SUBSIDIARIES
COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES AND
RATIO OF EARNINGS TO COMBINED FIXED CHARGES AND PREFERRED STOCK DIVIDENDS [a]

	Nine Months Ended September 30, 2004 (millions of dollars)
Earnings, as defined:	
Net income	$ 715
Preferred stock dividends of a consolidated subsidiary [b]	
Income taxes	266
Fixed charges included in the determination of net income, as below	379
Amortization of capitalized interest	6
Distributed income of equity method investees	39
Less: Equity in earnings of equity method investees	78
Total earnings, as defined	$ 1,327
Fixed charges, as defined:	
Interest charges	$ 368
Rental interest factor	11
Fixed charges included in the determination of net income	379
Capitalized interest	38
Dividend requirements on preferred stock of a consolidated subsidiary before income taxes [b]	
Total fixed charges, as defined	$ 417
Ratio of earnings to fixed charges and ratio of earnings to combined fixed charges and preferred stock dividends [a]	3.18

[a] FPL Group, Inc. has no preference equity securities outstanding; therefore, the ratio of earnings to fixed charges is the same as the ratio of earnings to combined fixed charges and preferred stock dividends.

[b] A portion of Florida Power & Light Company's preferred stock is owned by FPL Group, Inc. and is eliminated in consolidation. Accordingly, those dividends are not included herein.

Exhibit 12(b)

FLORIDA POWER & LIGHT COMPANY
COMPUTATION OF RATIOS

	Nine Months Ended September 30, 2004 (millions of dollars)
RATIO OF EARNINGS TO FIXED CHARGES	
Earnings, as defined:	
Net income	$ 586
Income taxes	318
Fixed charges, as below	148
Total earnings, as defined	$ 1,052
Fixed charges, as defined:	
Interest charges	$ 135
Rental interest factor	5
Capitalized interest	8
Total fixed charges, as defined	$ 148
Ratio of earnings to fixed charges	7.11
RATIO OF EARNINGS TO COMBINED FIXED CHARGES AND PREFERRED STOCK DIVIDENDS	
Earnings, as defined:	
Net income	$ 586
Income taxes	318
Fixed charges, as below	148
Total earnings, as defined	$ 1,052
Fixed charges, as defined:	
Interest charges	$ 135
Rental interest factor	5
Capitalized interest	8
Total fixed charges, as defined	148
Non-tax deductible preferred stock dividends	1
Ratio of income before income taxes to net income	1.54
Preferred stock dividends before income taxes	2
Combined fixed charges and preferred stock dividends	$ 150
Ratio of earnings to combined fixed charges and preferred stock dividends	7.01

Exhibit 31(a)

Rule 13a-14(a)/15d-14(a) Certification

I, Lewis Hay, III, Chief Executive Officer of FPL Group, Inc. (FPL Group), certify that:

1 I have reviewed the Form 10-Q for the quarterly period ended September 30, 2004 of FPL Group (the registrant);

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3 Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4 The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 2, 2004

LEWIS HAY, III

Lewis Hay, III
Chairman of the Board, President
and Chief Executive Officer

Exhibit 31(b)

Rule 13a-14(a)/15d-14(a) Certification

I, Moray P. Dewhurst, Chief Financial Officer of FPL Group, Inc. (FPL Group), certify that:

1. I have reviewed the Form 10-Q for the quarterly period ended September 30, 2004 of FPL Group (the registrant);

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 2, 2004

MORAY P. DEWHURST
Moray P. Dewhurst
Vice President, Finance
and Chief Financial Officer

Exhibit 31(c)

Rule 13a-14(a)/15d-14(a) Certification

I, Lewis Hay, III, Chief Executive Officer of Florida Power & Light Company (FPL), certify that:

1. I have reviewed the Form 10-Q for the quarterly period ended September 30, 2004 of FPL (the registrant);

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

   a) **Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to** be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 2, 2004

LEWIS HAY, III

Lewis Hay, III
Chairman of the Board
and Chief Executive Officer

Exhibit 31(d)

Rule 13a-14(a)/15d-14(a) Certification

I, Moray P. Dewhurst, Chief Financial Officer of Florida Power & Light Company (FPL), certify that:

1. I have reviewed the Form 10-Q for the quarterly period ended September 30, 2004 of FPL (the registrant);

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 2, 2004

MORAY P. DEWHURST
Moray P. Dewhurst
Senior Vice President, Finance
and Chief Financial Officer

Exhibit 32(a)

Section 1350 Certification

We, Lewis Hay, III, Chief Executive Officer of FPL Group, Inc. (FPL Group) and Moray P. Dewhurst, Chief Financial Officer of FPL Group, certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Quarterly Report on Form 10-Q of FPL Group for the quarterly period ended September 30, 2004 (Report) fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of FPL Group.

Dated: November 2, 2004

LEWIS HAY, III

Lewis Hay, III
Chairman of the Board, President
and Chief Executive Officer

MORAY P. DEWHURST

Moray P. Dewhurst
Vice President, Finance
and Chief Financial Officer

A signed original of this written statement required by Section 906 has been provided to FPL Group and will be retained by FPL Group and furnished to the Securities and Exchange Commission or its staff upon request.

The foregoing certification is being furnished as an exhibit to the Report pursuant to Item 601(b)(32) of Regulation S-K and Section 906 of the Sarbanes-Oxley Act of 2002 and, accordingly, is not being filed with the Securities and Exchange Commission as part of the Report and is not to be incorporated by reference into any filing of FPL Group under the Securities Act of 1933 or the Securities Exchange Act of 1934 (whether made before or after the date of the Report, irrespective of any general incorporation language contained in such filing).

Exhibit 32(b)

Section 1350 Certification

We, Lewis Hay, III, Chief Executive Officer of Florida Power & Light Company (FPL) and Moray P. Dewhurst, Chief Financial Officer of FPL, certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Quarterly Report on Form 10-Q of FPL for the quarterly period ended September 30, 2004 (Report) fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of FPL.

Dated: November 2, 2004

LEWIS HAY, III

Lewis Hay, III
Chairman of the Board
and Chief Executive Officer

Moray P. Dewhurst
Senior Vice President, Finance
and Chief Financial Officer

A signed original of this written statement required by Section 906 has been provided to FPL and will be retained by FPL and furnished to the Securities and Exchange Commission or its staff upon request.

The foregoing certification is being furnished as an exhibit to the Report pursuant to Item 601(b)(32) of Regulation S-K and Section 906 of the Sarbanes-Oxley Act of 2002 and, accordingly, is not being filed with the Securities and Exchange Commission as part of the Report and is not to be incorporated by reference into any filing of FPL under the Securities Act of 1933 or the Securities Exchange Act of 1934 (whether made before or after the date of the Report, irrespective of any general incorporation language contained in such filing).

FLORIDA POWER & LIGHT COMPANY

REPORT OF CONSUMMATION

DOCKET NO. 031000-EI

EXHIBIT (c)-1F

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q/A

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

For the quarterly period ended **September 30, 2004**

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
2-27612	**FLORIDA POWER & LIGHT COMPANY**	59-0247775
	700 Universe Boulevard Juno Beach, Florida 33408 (561) 694-4000	

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 ___

Indicate by check mark whether FPL Group, Inc. is an accelerated filer (as defined in Rule 12b-2 of the Securities Exchange Act of 1934). Yes X No ___

Indicate by check mark whether Florida Power & Light Company is an accelerated filer (as defined in Rule 12b-2 of the Securities Exchange Act of 1934). Yes ___ No X

APPLICABLE ONLY TO CORPORATE ISSUERS:

The number of shares outstanding of FPL Group, Inc. common stock, as of the latest practicable date: Common Stock, $0.01 par value, outstanding at September 30, 2004: 185,588,626 shares.

As of September 30, 2004, 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/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.

Explanatory Note

The registrants hereby amend Exhibit 32(b) contained in the registrants' Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2004 solely to include an exhibit containing a conformed signature that was inadvertently omitted from the original filing. No other changes are hereby made to the registrants' Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2004 as previously filed.

Item 6. Exhibits

Exhibit Number	Description	FPL Group	FPL
*4(a)	One Hundred Sixth Supplemental Indenture and Mortgage, dated as of September 1, 2004, between Florida Power & Light Company and Deutsche Bank Trust Company Americas, Trustee	x	x
*4(b)	Supplemental Officer's Certificate of FPL Group Capital, dated October 27, 2004, to the Officer's Certificate creating the Series A Debentures due February 16, 2007	x	
*12(a)	Computation of Ratios	x	
*12(b)	Computation of Ratios		x
*31(a)	Rule 13a-14(a)/15d-14(a) Certification of Chief Executive Officer of FPL Group	x	
*31(b)	Rule 13a-14(a)/15d-14(a) Certification of Chief Financial Officer of FPL Group	x	
*31(c)	Rule 13a-14(a)/15d-14(a) Certification of Chief Executive Officer of FPL		x
*31(d)	Rule 13a-14(a)/15d-14(a) Certification of Chief Financial Officer of FPL		x
*32(a)	Section 1350 Certification of FPL Group	x	
32(b)	Section 1350 Certification of FPL		x

* Previously filed with registrants' Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2004.

FPL Group and FPL agree to furnish to the SEC upon request any instrument with respect to long-term debt that FPL Group and FPL have not filed as an exhibit pursuant to the exemption provided by Item 601(b)(4)(iii)(A) of Regulation S-K.

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: November 9, 2004

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)

Exhibit 32(b)

Section 1350 Certification

We, Lewis Hay, III, Chief Executive Officer of Florida Power & Light Company (FPL) and Moray P. Dewhurst, Chief Financial Officer of FPL, certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Quarterly Report on Form 10-Q of FPL for the quarterly period ended September 30, 2004 (Report) fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of FPL.

Dated: November 2, 2004

LEWIS HAY, III
Lewis Hay, III
Chairman of the Board
and Chief Executive Officer

MORAY P. DEWHURST
Moray P. Dewhurst
Senior Vice President, Finance
and Chief Financial Officer

A signed original of this written statement required by Section 906 has been provided to FPL and will be retained by FPL and furnished to the Securities and Exchange Commission or its staff upon request.

The foregoing certification is being furnished as an exhibit to the Report pursuant to Item 601(b)(32) of Regulation S-K and Section 906 of the Sarbanes-Oxley Act of 2002 and, accordingly, is not being filed with the Securities and Exchange Commission as part of the Report and is not to be incorporated by reference into any filing of FPL under the Securities Act of 1933 or the Securities Exchange Act of 1934 (whether made before or after the date of the Report, irrespective of any general incorporation language contained in such filing).

FLORIDA POWER & LIGHT COMPANY

REPORT OF CONSUMMATION

DOCKET NO. 031000-EI

EXHIBIT (c)-1G





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, 2004**

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
2-27612	**FLORIDA POWER & LIGHT COMPANY**	59-0247775
	700 Universe Boulevard Juno Beach, Florida 33408 (561) 694-4000	

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
	8% Corporate Units	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: None

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. [ ]

Indicate by check mark whether FPL Group, Inc. is an accelerated filer (as defined in Rule 12b-2 of the Securities Exchange Act of 1934). **Yes** X **No** ___

Indicate by check mark whether Florida Power & Light Company is an accelerated filer (as defined in Rule 12b-2 of the Securities Exchange Act of 1934). Yes ___ No X

Aggregate market value of the voting stock of FPL Group, Inc. held by non-affiliates as of June 30, 2004 (based on the closing market price on the Composite Tape on June 30, 2004) was $11,815,429,818 (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 June 30, 2004

The number of shares outstanding of FPL Group, Inc. common stock, as of the latest practicable date: Common Stock, $0.01 par value, outstanding at January 31, 2005: 186,322,751 shares.

As of January 31, 2005, there were issued and outstanding 1,000 shares of Florida Power & Light Company 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 2005 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.

Florida Power & Light Company meets the conditions set forth under General Instruction (I)(1)(a) and (b) of Form 10-K and is therefore filing this form with reduced disclosure format.

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DEFINITIONS

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

Term	Meaning
Adelphia	Adelphia Communications Corporation
AFUDC	allowance for funds used during construction
ASLB	Atomic Safety and Licensing Board
capacity clause	capacity cost recovery clause, as established by the FPSC
charter	restated articles of incorporation, as amended, of FPL Group or FPL, as the case may be
CRDM	control rod drive mechanism
DOE	U.S. Department of Energy
EMF	electric and magnetic fields
EMT	Energy Marketing & Trading
environmental clause	environmental compliance cost recovery clause, as established by the FPSC
ERCOT	Electric Reliability Council of Texas
EPA	U.S. Environmental Protection Agency
FAS	Statement of Financial Accounting Standards No.
FASB	Financial Accounting Standards Board
FDEP	Florida Department of Environmental Protection
FERC	Federal Energy Regulatory Commission
FGT	Florida Gas Transmission Company
FIN	FASB Interpretation No.
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, as established by the FPSC
GridFlorida	GridFlorida LLC
Gulfstream	Gulfstream Natural Gas System, L.L.C.
Holding Company Act	Public Utility Holding Company Act of 1935, as amended
IARC	International Agency for Research on Cancer
IRS	Internal Revenue Service
ISO	independent system operator
kv	kilovolt
kwh	kilowatt-hour
LIBOR	London InterBank Offered Rate
MACT	Maximum Achievable Control Technology
MAIN	Mid-America Interconnected Network
Management's Discussion	Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations
MAPP	Mid-Continent Area Power Pool
mortgage	FPL's mortgage and deed of trust dated as of January 1, 1944, as supplemented and amended
mw	megawatt(s)
NEPOOL	New England Power Pool
NERC	North American Electric Reliability Council
Note ___	note ___ to consolidated financial statements
NRC	U.S. Nuclear Regulatory Commission
Nuclear Waste Policy Act	Nuclear Waste Policy Act of 1982
NYPP	New York Power Pool
Olympus	Olympus Communications, L.P.
O&M expenses	other operations and maintenance expenses in the consolidated statements of income
PFS	Private Fuel Storage, LLC
PJM	PJM Interconnection, L.L.C.
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
RFP	request for proposal
ROE	return on common equity
RTO	regional transmission organization
Seabrook	Seabrook Station
SEC	U.S. Securities and Exchange Commission
SERC	Southeastern Electric Reliability Council
SPP	Southwest Power Pool
storm fund	storm and property insurance reserve fund
storm reserve	storm and property insurance reserve
VIE	variable interest entity
WECC	Western Electricity Coordinating Council
White Paper	White Paper on Wholesale Power Market Platform

CAUTIONARY STATEMENTS AND RISK FACTORS THAT MAY AFFECT FUTURE RESULTS

In connection with the safe harbor provisions of the Reform Act, FPL Group and FPL are hereby filing cautionary statements identifying important factors that could cause FPL Group's or FPL'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 FPL Group and FPL 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, believe, could, estimated, may, plan, potential, projection, target, 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 (in addition to any assumptions and other factors referred to specifically in connection with such forward-looking statements) that could cause FPL Group's or FPL's actual results to differ materially from those contained in forward-looking statements made by or on behalf of FPL Group and FPL.

Any forward-looking statement speaks only as of the date on which such statement is made, and FPL Group and FPL undertake 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.

The following are some important factors that could have a significant impact on FPL Group's and FPL's operations and financial results, and could cause FPL Group's and FPL's actual results or outcomes to differ materially from those discussed in the forward-looking statements:

- FPL Group and FPL are subject to changes in laws or regulations, including the PURPA, and the Holding Company Act, changing governmental policies and regulatory actions, including those of the FERC, the FPSC and the utility commissions of other states in which FPL Group has operations, and the NRC, with respect to, among other things, allowed rates of return, industry and rate structure, operation of nuclear power facilities, operation and construction of plant facilities, operation and construction of transmission facilities, acquisition, disposal, depreciation and amortization of assets and facilities, recovery of fuel and purchased power costs, decommissioning costs, return on common equity and equity ratio limits, and present or prospective wholesale and retail competition (including but not limited to retail wheeling and transmission costs). The FPSC has the authority to disallow recovery by FPL of costs that it considers excessive or imprudently incurred.

- The regulatory process generally restricts FPL's ability to grow earnings and does not provide any assurance as to achievement of earnings levels.

- FPL Group and FPL are subject to extensive federal, state and local environmental statutes, rules and regulations relating to air quality, water quality, waste management, wildlife mortality, natural resources and health and safety that could, among other things, restrict or limit the output of certain facilities or the use of certain fuels required for the production of electricity and/or require additional pollution control equipment and otherwise increase costs. There are significant capital, operating and other costs associated with compliance with these environmental statutes, rules and regulations, and those costs could be even more significant in the future.

- FPL Group and FPL operate in a changing market environment influenced by various legislative and regulatory initiatives regarding deregulation, regulation or restructuring of the energy industry, including deregulation of the production and sale of electricity. FPL Group and its subsidiaries will need to adapt to these changes and may face increasing competitive pressure.

- FPL Group's and FPL's results of operations could be affected by FPL's ability to renegotiate franchise agreements with municipalities and counties in Florida.

- The operation of power generation facilities involves many risks, including start up risks, breakdown or failure of equipment, transmission lines or pipelines, use of new technology, the dependence on a specific fuel source or the impact of unusual or adverse weather conditions (including natural disasters such as hurricanes), as well as the risk of performance below expected or contracted levels of output or efficiency. This could result in lost revenues and/or increased expenses. Insurance, warranties or performance guarantees may not cover any or all of the lost revenues or increased expenses, including the cost of replacement power. In addition to these risks, FPL Group's and FPL's nuclear units face certain risks that are unique to the nuclear industry including the ability to store and/or dispose of spent nuclear fuel, as well as additional regulatory actions up to and including shutdown of the units stemming from public safety concerns, whether at FPL Group's and FPL's plants, or at the plants of other nuclear operators. Breakdown or failure of an FPL Energy operating facility may prevent the facility from performing under applicable power sales agreements which, in certain situations, could result in termination of the agreement or incurring a liability for liquidated damages.

- FPL Group's and FPL's ability to successfully and timely complete their power generation facilities currently under construction, those projects yet to begin construction or capital improvements to existing facilities is contingent upon many variables and subject to substantial risks. Should any such efforts be unsuccessful, FPL Group and FPL could be subject to additional costs, termination payments under committed contracts, and/or the write-off of their investment in the project or improvement.

- FPL Group and FPL use derivative instruments, such as swaps, options, futures and forwards to manage their commodity and financial market risks, and to a lesser extent, engage in limited trading activities. FPL Group could recognize financial losses as a result of volatility in the market values of these contracts, or if a counterparty fails to perform. In the absence of actively quoted market prices and pricing information from external sources, the valuation of these derivative instruments involves management's judgment or use of estimates. As a result, changes in the underlying assumptions or use of alternative valuation methods could affect the reported fair value of these contracts. In addition, FPL's use of such instruments could be subject to prudency challenges and if found imprudent, cost recovery could be disallowed by the FPSC.

- There are other risks associated with FPL Group's non-rate regulated businesses, particularly FPL Energy. In addition to risks discussed elsewhere, risk factors specifically affecting FPL Energy's success in competitive wholesale markets include the ability to efficiently develop and operate generating assets, the successful and timely completion of project restructuring activities, maintenance of the qualifying facility status of certain projects, the price and supply of fuel, transmission constraints, competition from new sources of generation, excess generation capacity and demand for power. There can be significant volatility in market prices for fuel and electricity, and there are other financial, counterparty and market risks that are beyond the control of FPL Energy. FPL Energy's inability or failure to effectively hedge its assets or positions against changes in commodity prices, interest rates, counterparty credit risk or other risk measures could significantly impair FPL Group's future financial results. In keeping with industry trends, a portion of FPL Energy's power generation facilities operate wholly or partially without long-term power purchase agreements. As a result, power from these facilities is sold on the spot market or on a short-term contractual basis, which may affect the volatility of FPL Group's financial results. In addition, FPL Energy's business depends upon transmission facilities owned and operated by others; if transmission is disrupted or capacity is inadequate or unavailable, FPL Energy's ability to sell and deliver its wholesale power may be limited.

- FPL Group is likely to encounter significant competition for acquisition opportunities that may become available as a result of the consolidation of the power industry. In addition, FPL Group may be unable to identify attractive acquisition opportunities at favorable prices and to successfully and timely complete and integrate them.

- FPL Group and FPL rely on access to capital markets as a significant source of liquidity for capital requirements not satisfied by operating cash flows. The inability of FPL Group, FPL Group Capital and FPL to maintain their current credit ratings could affect their ability to raise capital on favorable terms, particularly during times of uncertainty in the capital markets, which, in turn, could impact FPL Group's and FPL's ability to grow their businesses and would likely increase interest costs.

- FPL Group's and FPL's results of operations are affected by changes in the weather. Weather conditions directly influence the demand for electricity and natural gas and affect the price of energy commodities, and can affect the production of electricity at wind and hydro-powered facilities. In addition, severe weather can be destructive, causing outages and/or property damage, which could require additional costs to be incurred.

- FPL Group and FPL are subject to costs and other effects of legal and administrative proceedings, settlements, investigations and claims, as well as the effect of new, or changes in, tax laws, rates or policies, rates of inflation, accounting standards, securities laws or corporate governance requirements.

- FPL Group and FPL are subject to direct and indirect effects of terrorist threats and activities. Generation and transmission facilities, in general, have been identified as potential targets. The effects of terrorist threats and activities include, among other things, terrorist actions or responses to such actions or threats, the inability to generate, purchase or transmit power, the risk of a significant slowdown in growth or a decline in the U.S. economy, delay in economic recovery in the United States, and the increased cost and adequacy of security and insurance.

- FPL Group's and FPL's ability to obtain insurance, and the cost of and coverage provided by such insurance, could be affected by national, state or local events as well as company-specific events.

- FPL Group and FPL are subject to employee workforce factors, including loss or retirement of key executives, availability of qualified personnel, collective bargaining agreements with union employees or work stoppage.

The issues and associated risks and uncertainties described above are not the only ones FPL Group and FPL may face. Additional issues may arise or become material as the energy industry evolves. The risks and uncertainties associated with these additional issues could impair FPL Group's and FPL's businesses in the future.

PART I

Item 1. Business

FPL GROUP

FPL Group is a public utility holding company, as defined in the Holding Company Act, exempt from substantially all of the provisions of the Holding Company Act. It was incorporated in 1984 under the laws of Florida. FPL Group's principal subsidiary, FPL, is a rate-regulated utility 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 FPL Group's operating subsidiaries other than FPL. The business activities of these operating subsidiaries primarily consist of FPL Energy's wholesale generation business. At December 31, 2004, FPL Group and its subsidiaries employed approximately 11,900 people. For financial information regarding FPL Group's business segments, see Note 17.

Website Access to SEC Filings. FPL Group and FPL make their annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and any amendments to those reports, available free of charge on the internet website, www.fplgroup.com, as soon as reasonably practicable after they are electronically filed with or furnished to the SEC.

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 to a population of more than eight million throughout most of the east and lower west coasts of Florida. During 2004, FPL served approximately 4.2 million customer accounts. The percentage of FPL's operating revenues by customer class was as follows:

	Years Ended December 31,		
	2004	2003	2002
Residential	54%	56%	55%
Commercial	37	37	36
Industrial	3	3	3
Other, including deferred or recovered clause revenues, the net change in unbilled revenues and any provision for retail rate refund	6	4	6
	100%	100%	100%

FPL currently holds 173 franchise agreements to provide electric service in various municipalities and counties in Florida with varying expiration dates through 2034. Of the 173 franchise agreements one expires in August 2005, six expire in 2006 and 104 expire in 2007 through 2014. Ongoing negotiations are taking place to renew franchises with upcoming expirations. FPL considers its franchises to be adequate for the conduct of its business.

Regulation. FPL's retail operations provided approximately 99% of FPL's 2004 operating revenues. Retail 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, operation and retirement of nuclear power plants and subject these plants to continuing review and regulation.

Environmental. 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, oil discharge from transformers, lead paint, asbestos, noise and aesthetics, solid waste, natural resources, wildlife mortality 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. During 2004, FPL spent approximately $61 million on capital additions to comply with environmental laws and regulations. FPL's capital expenditures to comply with environmental laws and regulations are estimated to be $198 million for 2005 through 2007, including approximately $69 million in 2005, and are included in estimated capital expenditures set forth in Capital Expenditures below. Environmental regulations are subject to change. The following is a discussion of emerging federal initiatives and rules that could potentially affect FPL. FPL would generally seek recovery under its environmental clause for compliance costs associated with any new environmental laws and regulations.

Climate Change – In 2002, President Bush announced new climate change initiatives for the United States, among which is a voluntary commitment to reduce the greenhouse gas intensity in the United States by 18% by 2012. The Bush Administration is currently seeking commitments from various industrial sectors and individual companies to reach this goal. FPL Group has responded to the administration's request by becoming a charter signatory to the Administration's Climate Leaders Program. As a participant in this voluntary program, FPL Group has inventoried its greenhouse gas emission rates and has committed to a 2008 reduction target of 18% below a 2001 baseline emission rate measured in pounds per megawatt-hour. FPL Group believes that the planned operation of its generating portfolio, along with its current efficiency initiatives, greenhouse gas management efforts and increased use of renewable energy, will allow it to achieve this target.

In addition to the voluntary initiative, the U.S. Congress is considering several legislative proposals that would establish new mandatory regulatory requirements and reduction targets for greenhouse gases. Based on the most current reference data available from government sources, FPL Group is among the lowest emitters of greenhouse gases measured by its rate of emissions to generation in pounds per megawatt-hour. However, these legislative proposals have differing methods of implementation and the impact on FPL Group's generating units and/or the financial impact (either positive or negative) to FPL Group and FPL could be material, depending on the eventual structure of a mandatory program.

Multi-Pollutant Legislation – The U.S. Congress and the Bush Administration are considering several legislative proposals that would establish new regulatory requirements and reduction targets for sulfur dioxide, nitrogen oxide, mercury, and in some proposals, carbon dioxide. Based on the most current reference data available from government sources, FPL Group is among the lowest generators of these emissions when measured by its rate of emissions to generation in pounds per megawatt-hour. However, these multi-pollutant proposals have differing methods of implementation and the impact on FPL Group's generating units and/or the financial impact (either positive or negative) to FPL Group and FPL could be material, depending on the eventual structure of any legislation enacted.

Clean Air Act Mercury/Nickel Rule – In 2004, the EPA published a proposed rule pursuant to Section 112 of the Clean Air Act to set MACT standards for the emissions of mercury from coal-fired electric utility steam generating units to be met by the end of 2007. In March 2004, the EPA published a Supplemental Notice of Proposed Rulemaking to propose a mercury emissions cap and trade program requiring reductions in 2010 and 2018 as an alternative to the proposed MACT rule. The EPA is taking comments on these alternatives and plans to issue a final rule by March 2005. There is considerable opposition to the proposed rule and supplemental notice from some environmental groups, which contend that there should be more stringent control of mercury emissions. While the final requirements are uncertain, it is possible that Scherer Unit No. 4 and St. Johns River Power Park Units Nos. 1 and 2, as well as certain coal-fired units from which FPL purchases power, may be required to add additional pollution control equipment or purchase emission allowances in order to achieve compliance with the mercury emission limits.

In addition to the mercury MACT standards for coal-fired facilities, in 2004 the EPA also proposed MACT standards for nickel emissions from oil-fired electric generating facilities to be met by the end of 2007. While the final requirements are uncertain, it is possible that the rule may apply to FPL's residual oil-fired units and may require additional pollution control equipment at these facilities or may dictate changes in operational parameters. Some in the electric industry believe that the EPA does not have sufficient data to support this rulemaking. The proposed nickel MACT rule is anticipated to be final during the second quarter of 2005.

Clean Air Act Interstate Air Quality Rule – In 2004, the EPA proposed the Interstate Air Quality Rule, which is designed to bring into compliance the majority of areas in the United States that are not currently expected to meet new air quality standards for fine particulates (PM 2.5) and ozone. The proposed rule requires sulfur dioxide (SO_2) and nitrogen oxide (NOx) emissions reductions from electric generating units in 28 states where their emissions are transported to downwind states resulting in an adverse impact to air quality. The proposed rule requires reductions in SO_2 and NOx by 2010 and by 2015, respectively, eventually reaching a nationwide reduction of 65% below a 2002 baseline emission rate for each. In the proposed rule, Florida and Georgia were determined to be contributors of PM 2.5 to downwind states through modeling. However, FPL believes that the emissions from its Florida generating facilities are not affecting the non-attainment status of downwind areas. While the final requirements are uncertain, it is possible that FPL generating facilities in Florida and Georgia may be required to add additional SO_2 and NOx controls or purchase emission allowances to meet the compliance requirements of the final rule.

Clean Water Act Section 316(b) – In 2004, the EPA issued a rule under Section 316(b) of the Clean Water Act to address intake structures at existing power plants with once-through cooling water systems. The rule requires FPL to demonstrate that it has met or will meet new impingement mortality (the loss of organisms against screens and other exclusion devices) and/or entrainment (the loss of organisms by passing them through the cooling system) reductions by complying with one of five alternatives, including the authorized use of technology, operational measures or restoration measures, and may involve the performance of biological studies. The new rules will impact eight of FPL's generating facilities (Cape Canaveral, Cutler, Fort Myers, Lauderdale, Port Everglades, Sanford, Riviera and St. Lucie). FPL will be conducting the necessary studies/analyses over the next several years and implementing solutions based upon regulatory approvals. The cost of these solutions, as well as any ongoing biological monitoring that may be required, has not yet been determined.

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-average cost of capital, which includes its costs for debt and preferred stock and, typically, an allowed ROE. The FPSC monitors FPL's actual ROE through a surveillance report that is filed monthly by FPL with the FPSC. The FPSC does not provide assurance that an allowed ROE will be achieved. Base rates are determined in rate proceedings or through negotiations, which occur at irregular intervals at the initiative of FPL, the FPSC, Public Counsel or a substantially affected party.

In 2002, the FPSC approved a rate agreement regarding FPL's retail base rates, which became effective April 15, 2002 and expires December 31, 2005. The agreement includes 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 rate agreement provides for a $250 million annual reduction in retail base revenues allocated to all customers by reducing customers' base rates and service charges by approximately 7%. The revenue sharing thresholds specified in the rate agreement are as follows:

	Years Ended December 31,			
	2002[a]	2003	2004	2005
	(millions)			
66 2/3% to customers	$ 3,580	$ 3,680	$ 3,780	$ 3,880
100% to customers	$ 3,740	$ 3,840	$ 3,940	$ 4,040

[a] Refund was limited to 71.5% (representing the period April 15 through December 31, 2002) of the revenues from base rate operations exceeding the thresholds.

During the term of the rate agreement, FPL does not have an authorized regulatory ROE range for the purpose of addressing earnings levels. However, FPL continues to file monthly earnings surveillance reports with the FPSC and if the reported ROE falls below 10% during the term of the rate agreement, FPL may petition the FPSC to amend its base rates. The rate agreement would terminate on the effective date of any final order issued in a proceeding that changes FPL's base rates. See Note 1 – Revenues and Rates. Under the rate agreement, depreciation was and will be reduced on FPL's plant in service by $125 million in each year 2002 through 2005. See Note 1 – Electric Plant, Depreciation and Amortization.

On January 21, 2005, FPL notified the FPSC that it intends to initiate a base rate proceeding in March 2005. Although FPL has not finalized its 2006 and 2007 revenue requirements, it expects to request a $400 million to $450 million annual increase in base rates beginning on January 1, 2006 and an additional annual base rate increase of approximately $130 million in mid-2007 to cover the costs associated with the 1,150 mw natural gas-fired unit at Turkey Point expected to be placed in service in mid-2007. Hearings on the base rate proceeding are expected during the third quarter of 2005 and a final decision is expected by the end of 2005.

During the third quarter of 2004, FPL was impacted by Hurricanes Charley, Frances and Jeanne, each of which did major damage in parts of FPL's service territory and collectively resulted in over 5.4 million customer power outages with approximately three-quarters of FPL's customers losing power during at least one hurricane. At December 31, 2004, storm costs expected to be recoverable from customers exceeded the balance of the storm reserve by approximately $536 million. See Note 1 – Storm Fund and Storm Reserve Deficiency. During February 2005, pursuant to an FPSC order, FPL began recovering storm restoration costs from customers, subject to refund, pending the outcome of a hearing in April 2005 to determine the amount of storm restoration costs that FPL will be allowed to recover from customers.

Fuel costs are recovered from customers through levelized charges per kwh established under 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. 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. In 2004, approximately $3.7 billion of costs were recovered through the fuel clause. The FPSC has approved a risk management fuel procurement program which is intended to reduce the risk of unexpected fuel price volatility by locking in fuel prices for a portion of FPL's fuel requirements. The results of the program are reviewed by the FPSC as part of the annual review of fuel costs. See Energy Marketing and Trading, Management's Discussion – Results of Operations, Note 1 – Regulation and Note 3.

Capacity payments to other utilities and generating companies for purchased power are recovered from customers through the capacity clause and base rates. In 2004, approximately $578 million of costs were recovered through the capacity clause. Costs associated with implementing energy conservation programs totaled approximately $167 million in 2004 and were recovered from customers through the energy conservation cost recovery clause. Costs of complying with federal, state and local environmental regulations enacted after April 1993 totaled $12 million in 2004 and are recovered through the environmental clause to the extent not included in base rates.

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

Competition. 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 2004, operating revenues from wholesale and industrial customers combined represented approximately 4% of FPL's total operating revenues. Various states, other than Florida, have enacted legislation or have state commissions that have issued orders designed to allow retail customers to choose their electricity supplier. This regulatory restructuring 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. 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 generating assets should be separated from transmission, distribution and other assets. It is generally believed that transmission and distribution activities would remain regulated. Within the last few years, these state restructuring efforts have diminished, and several states have delayed the implementation or reversed previously approved restructuring legislation and rules. Management believes it is unlikely there will be any state actions to restructure the electric industry in Florida in the near future.

The FPSC promotes competition for building major new steam generating capacity by requiring investor-owned electric utilities, such as FPL, to issue an RFP. The RFP process allows independent power producers and others to bid to supply the needed generating capacity. If a bidder has the most cost-effective alternative, meets other criteria such as financial viability and demonstrates adequate expertise and experience in building and/or operating generation capacity of the type proposed, the investor-owned electric utility would seek to negotiate a power purchase agreement with the selected bidder and request that the FPSC authorize the construction of the bidder's generation capacity under the terms of the power purchase agreement. In June 2004, the FPSC approved FPL's proposal to build an 1,150 mw natural gas-fired plant at its Turkey Point site with a planned in-service date of mid-2007, which was subsequently approved by the Siting Board (comprised of the Florida governor and cabinet) under the Florida Electrical Power Plant Siting Act in February 2005.

The FERC has jurisdiction over potential changes which could affect competition in wholesale transactions. In 1999, the FERC issued its final order on RTOs which, under a variety of structures, provides for the independent operation of transmission systems for a given geographic area. In March 2001, the FERC approved GridFlorida (FPL's, Progress Energy Florida, Inc.'s and Tampa Electric Company's proposed RTO) as the RTO for peninsular Florida. In December 2001, the FPSC determined that the RTO as proposed was not in the best interest of Florida customers and required the companies to develop a modified proposal. In March 2002, FPL, Progress Energy Florida, Inc. and Tampa Electric Company filed a modified RTO proposal with the FPSC changing the structure of GridFlorida from a for-profit transmission company to a non-profit ISO. Under the proposal, FPL would continue to own its transmission lines and an ISO would manage them. In September 2002, the FPSC approved many of the aspects of the modified RTO proposal, administratively approving recovery of GridFlorida's incremental costs through the capacity clause. In October 2002, the Public Counsel filed a notice of administrative appeal with the Supreme Court of Florida seeking an appeal of the FPSC's order, including FPL's recovery of incremental costs. In June 2003, the Florida Supreme Court dismissed the Public Counsel's appeal of the FPSC's approval of GridFlorida without prejudice concluding that the appeal was premature because the FPSC proceedings had not yet been completed and not all aspects of the FPSC's order on appeal were considered final agency action. The FPSC has restored the GridFlorida docket to active status and in December 2003 issued a procedural order establishing three workshops through 2004 to address GridFlorida issues. A pricing workshop and a market design workshop were held in March and May 2004, respectively. The third workshop scheduled for August 2004 was postponed pending the results of a cost benefit analysis of GridFlorida.

In July 2002, the FERC issued a notice of proposed rulemaking to reform public utilities' transmission tariffs and implement a standardized design for electric markets in the United States. The proposed rule would, among other things, require FERC regulated entities, including FPL, that own, control or operate transmission facilities to hire an independent transmission provider, which can be an RTO such as GridFlorida, for the operation of those facilities. The proposed rule also would require the independent transmission provider to administer various spot markets for the sale of electricity and ancillary services and to manage congestion on the transmission system. In April 2003, the FERC issued a White Paper responding to comments on its proposed rule. The White Paper indicates that the FERC intends to be more flexible on how and when the final rule will be implemented, defer to regional state committees to address significant RTO/ISO features, require regulated utilities to join RTOs or ISOs and require RTOs to implement spot markets. Legislators and regulators from the southeast and western states have expressed strong reservations about the FERC's proposal. There has been no further activity by the FERC since 2003. FPL is currently unable to determine the effects, if any, of the proposed rule.

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 Note 1 – Regulation.

System Capability and Load. FPL is currently constructing approximately 1,900 mw of natural gas combined-cycle generation at its Martin and Manatee sites with a planned in-service date of June 2005. See Competition regarding recent approvals for an additional 1,150 mw of generating capacity with a planned in-service date of mid-2007.

At December 31, 2004, FPL's resources for serving load consisted of 22,412 mw, of which 18,940 mw are from FPL-owned facilities (see Item 2 – Generating Facilities) and 3,472 mw are obtained through purchased power contracts (see Note 16 – Contracts). FPL's projected reserve margin for the summer of 2005 is 25%. This reserve margin will be achieved through the combination of output from FPL's generating units, purchased power contracts and the capability to reduce peak demand through the implementation of load management, which was estimated to be 1,547 mw at December 31, 2004. 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. During the summer of 2004, FPL set three all-time system peaks: 20,250 mw on June 23, 2004, 20,306 mw on July 6, 2004 and 20,545 mw on July 14, 2004. FPL had adequate resources available at the time of these peaks to meet customer demand.

Capital Expenditures. Capital expenditures at FPL consist of the cost for construction or acquisition of additional facilities and equipment to meet customer demand, as well as capital improvements to and maintenance of existing facilities. FPL's capital expenditures totaled $1.4 billion in 2004 (including AFUDC of approximately $48 million), $1.4 billion in 2003 (including AFUDC of approximately $18 million) and $1.3 billion in 2002. Capital expenditures for 2005 through 2009 are estimated to be as follows:

FPL:	2005	2006	2007	2008	2009	Total
			(millions)			
Generation: [a]						
New [b]	$ 385	$ 235	$ 525	$ 250	$ 60	$ 1,455
Existing	540	475	480	325	395	2,215
Transmission and distribution	695	730	740	715	715	3,595
Nuclear fuel	70	100	110	75	105	460
General and other	145	130	165	165	160	765
Total	$ 1,835	$ 1,670	$ 2,020	$ 1,530	$ 1,435	$ 8,490

[a] Includes AFUDC of approximately $50 million, $40 million, $46 million and $12 million in 2005, 2006, 2007 and 2008, respectively.
[b] Includes generating structures, transmission interconnection and integration, licensing and AFUDC.

These estimates are subject to continuing review and adjustment and actual capital expenditures may vary from this estimate. See Management's Discussion – Liquidity and Capital Resources and Note 16 – Commitments.

Nuclear Operations. FPL owns and operates four nuclear units, two at Turkey Point and two at St. Lucie. Turkey Point Units Nos. 3 and 4 received operating license extensions in 2002, which give FPL the option to operate these units until 2032 and 2033, respectively. The NRC extended the operating licenses for St. Lucie Units Nos. 1 and 2 during 2003, which give FPL the option to operate these units until 2036 and 2043, respectively. The original license expiration dates for Turkey Point Units Nos. 3 and 4 and St. Lucie Units Nos. 1 and 2 are 2012, 2013, 2016 and 2023, respectively. FPL has not yet decided to operate past the original license expiration dates, although FPL is continuing to take actions to ensure the long-term viability of the units in order to preserve this option. The decision will be made for Turkey Point Units Nos. 3 and 4 by 2007 and for St. Lucie Units Nos. 1 and 2 by 2011. Any adjustment to depreciation and decommissioning rates would require FPSC approval. The nuclear units are periodically removed from service to accommodate normal refueling and maintenance outages, repairs and certain other modifications. Scheduled nuclear refueling outages typically require the unit to be removed from service for approximately 30 days. Scheduled nuclear refueling outages by unit are as follows:

	Refueling Outage	
Unit	Most Recent	Next Scheduled
St. Lucie Unit No. 1	Spring 2004	Fall 2005 [a]
St. Lucie Unit No. 2	January 2005	Spring 2006
Turkey Point Unit No. 3	Fall 2004 [b]	Spring 2006
Turkey Point Unit No. 4	Fall 2003	Spring 2005 [a]

[a] FPL anticipates replacing the reactor vessel head during this outage, which will extend the number of days the unit will be removed from service to approximately 65 days.
[b] FPL replaced the reactor vessel head during this outage.

The NRC's regulations require FPL to submit a plan for decontamination and decommissioning five years prior to the projected end of plant operation. FPL's current plans, under the existing operating licenses, provide for prompt dismantlement of Turkey Point Units Nos. 3 and 4 with decommissioning activities commencing in 2012 and 2013, respectively. Current plans provide 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 decommissioning cost data in Note 1 – Decommissioning of Nuclear Plants, Dismantlement of Plants and Other Accrued Asset Removal Costs.

In 2003, the NRC issued an order, subsequent to a previously issued NRC bulletin, requiring all pressurized water reactor licensees, including FPL, to perform visual and volumetric inspections of reactor vessel heads at each unit's scheduled refueling outage to identify if degradation such as cracking or corrosion has occurred. During the scheduled refueling outages for St. Lucie Unit No. 1 in October 2002 and April 2004, Turkey Point Unit No. 3 in March 2003 and Turkey Point Unit No. 4 in October 2003, FPL performed visual and volumetric inspections and found no degradation associated with the reactor vessel heads. In late April and early May 2003, while volumetric inspections of the reactor vessel head at St. Lucie Unit No. 2 were being performed during a scheduled refueling outage, two CRDM nozzles were found with one small crack in each. Both cracks were less than 50% through the thickness of the CRDM nozzle. No leakage was observed and both cracks were repaired during the outage. During a January 2005 St. Lucie Unit No. 2 scheduled refueling outage, the volumetric inspections of the reactor vessel head revealed three CRDM nozzles with small cracks. The cracks were less than 25% through the thickness of the CRDM nozzle. No leakage was observed and the cracks were repaired during the outage. In January 2005, FPL received permission from the NRC to plug up to 30% of St. Lucie Unit No. 2's steam generator tubes. To date, 18.9% of these tubes have been plugged. It is possible that during St. Lucie No. 2's next scheduled refueling outage in the spring of 2006 the 30% tube plugging limit could be exceeded. Management is currently evaluating various options, including sleeving degraded tubes, to stay within the tube plugging limit. FPL has requested NRC approval to sleeve degraded tubes as an alternative to plugging. Management intends to replace the reactor vessel head and steam generators

at St. Lucie Unit No. 2 during its fall 2007 scheduled refueling outage. During the fall of 2004, FPL replaced the reactor vessel head at Turkey Point Unit No. 3 during its scheduled refueling outage. FPL anticipates replacing the reactor vessel heads at Turkey Point Unit No. 4 and St. Lucie Unit No. 1 during their next scheduled refueling outage. Reactor vessel head replacements for these two units are expected to add approximately 35 days to the number of days a unit is removed from service during a typical scheduled refueling outage. The cost for the reactor vessel heads and steam generators is included in FPL's estimated capital expenditures above.

In 2003, the NRC issued a bulletin recommending that utilities with bottom mounted instrumentation penetrations perform visual inspections. Visual inspections of the bottom mounted instrumentation penetrations of Turkey Point Unit No. 4 were performed in 2003 during its scheduled refueling outage and no evidence of leakage from these penetrations was noted. During 2004, the NRC approved an official request by FPL to perform volumetric rather than visual inspections of Turkey Point Unit Nos. 3 and 4's bottom mounted instrumentation penetrations. During Turkey Point Unit No. 3's most recent refueling outage in the fall of 2004, a volumetric inspection was performed and no evidence of leakage from these penetrations was noted. Turkey Point Unit No. 4 will perform volumetric inspections of the bottom mounted instrumentation penetrations at its next scheduled refueling outage in the spring of 2005. St. Lucie Units No. 1 and 2 do not have bottom mounted instrumentation penetrations.

During 2003, nuclear utilities, other than FPL, identified that pressurizer heater sleeves made with a particular material (alloy 600) were experiencing penetration cracks and leaks as a result of primary water stress corrosion cracking. As a result, in May 2004, the NRC issued a bulletin requesting utilities to identify and inspect all alloy 600 and weld materials in all pressurizer locations and connected steam space piping. FPL has filed a response to the bulletin. In the spring of 2004, prior to the issue of the NRC bulletin, St. Lucie Unit No. 1 performed visual inspections within the scope of the bulletin and no leaks were identified. St. Lucie Unit No. 2 performed similar inspections at its January 2005 scheduled refueling outage and no leaks were identified. Due to the amount of time and cost associated with correcting potential leaks, FPL has decided to replace St. Lucie Unit No. 1's pressurizer during its scheduled refueling and reactor vessel head replacement outage in the fall of 2005. The estimated cost for the pressurizer is included in estimated capital expenditures above. See Note 16 – Commitments. FPL has decided to repair St. Lucie Unit No. 2's pressurizer heater sleeve penetrations during its scheduled refueling and steam generator and reactor vessel head replacement outage in the fall of 2007. The estimated cost of this repair is approximately $12 million, which will be charged to O&M expense. All pressurizer penetrations and welds at Turkey Point Units Nos. 3 and 4 utilize a different material.

Fuel. FPL's generating plants use a variety of fuels. See Item 2 – Generating Facilities and Note 16 – Contracts. The diverse fuel options, along with purchased power, enable FPL to shift between sources of generation to achieve an economical fuel mix. In order to further diversify the company's sources of natural gas and increase supply reliability on behalf of its customers, FPL issued an RFP during 2004 for long-term supplies of regasified liquified natural gas (LNG). The RFP seeks deliveries of LNG beginning as early as 2007. FPL's decision on the RFP is expected by mid-2005.

FPL has four firm transportation contracts in place with FGT and one firm transportation contract with Gulfstream that together will satisfy substantially all of the anticipated needs for natural gas transportation at its existing units and the Martin and Manatee units currently under construction. The four existing FGT contracts expire in 2015, 2021 and 2022, while the Gulfstream contract expires in 2028. Each of the contracts expiring in 2015 may be extended by FPL until 2030. To the extent desirable, FPL can also purchase interruptible gas transportation service from FGT and Gulfstream based on pipeline availability. FPL has several short- and medium-term natural gas supply contracts 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 St. Johns River Power Park (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. FPL's remaining fuel requirements for these units will be obtained in the spot market. FPL's oil requirements are obtained under short-term contracts and in the spot market.

FPL leases nuclear fuel for all four of its nuclear units. See Note 1 – Nuclear Fuel. In 2003, FPL Group and FPL began consolidating the lessor entity in accordance with FIN 46, "Consolidation of Variable Interest Entities." See Note 9 – FPL. The contracts for the supply, conversion, enrichment and fabrication of FPL's nuclear fuel have expiration dates ranging from 2006 through 2013. Currently, FPL is storing spent fuel on site pending its removal by the DOE. 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 2004, FPL has paid approximately $520 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 additional spent fuel on site for St. Lucie Unit No. 1 in 2008, St. Lucie Unit No. 2 in 2007, Turkey Point Unit No. 3 in 2010 and Turkey Point Unit No. 4 in 2012. These projections are based on additional space provided by new cask pit area storage racks installed at the Turkey Point Units Nos. 3 and 4 and St. Lucie Unit No. 1 spent fuel pools in 2004. Once the St. Lucie Unit No. 2 cask pit rack is installed, that unit will extend its capability to store spent fuel through 2010. 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 dry cask storage facilities at St. Lucie Units Nos. 1 and 2 and Turkey Point Units Nos. 3 and 4, which would extend their capability to store spent fuel indefinitely. Dry storage containers could be located at FPL's nuclear plant sites and/or at a facility operated by 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 have been completed. In February 2005, the ASLB recommended to the NRC to grant PFS's operating license. The State of Utah has appealed certain decisions of the ASLB and opposes the license application.

In 2002, the governor of Nevada submitted a Notice of Disapproval to Congress regarding President Bush's recommendation to develop Yucca Mountain as a nuclear waste depository. The Yucca Mountain site is the DOE's recommended location to store and dispose of spent nuclear fuel and high-level radioactive waste. During May and July 2002, Congress overrode the Notice of Disapproval through a majority vote of both houses. The President signed the joint resolution of Congress into law in 2002. The State of Nevada has initiated legal actions to attempt to block the project. In 2004, the U.S. Court of Appeals for the District of Columbia Circuit ruled on a series of challenges to the statutes and regulations established to govern a nuclear waste depository at the Yucca Mountain site. The court denied all the challenges except for one, regarding an EPA rule governing the time period the public would be protected from hypothetical radiation leaks at the Yucca Mountain repository. The court's decision will likely result in revisions to the EPA's and NRC's licensing rules for Yucca Mountain and could further delay the licensing process for Yucca Mountain beyond the currently projected commencement date of 2010 proposed by the DOE.

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, oil and electric power. EMT also uses derivative instruments, such as swaps, options, futures and forwards to manage the commodity price risk inherent in fuel and electricity sales and purchases. Substantially all of the results of EMT's activities are passed through to customers in the fuel or capacity clauses. See Retail Ratemaking, Management's Discussion – Energy Marketing and Trading and Market Risk Sensitivity and Note 3.

Electric and Magnetic Fields. Over the past 20 years, there has been public, scientific, and regulatory attention given to the question of whether EMF causes or contributes to adverse health effects. These fields exist whenever there is a flow of electricity, including in power lines, appliances and building wiring. Some epidemiological studies (which typically examine the incidence of disease in population groups) have reported a statistical association between EMF and some types of cancer, including childhood and adult leukemia. Other studies have not reported any such relationship. Neither these epidemiological studies nor the more controlled laboratory studies of EMF have produced conclusive evidence that EMF causes or contributes to any adverse health effects.

In 1999, the National Institute of Environmental Health Sciences, at 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.

In 2001, the IARC conducted an evaluation of power frequency EMF and cancer; it classified power frequency magnetic fields as "possibly carcinogenic" based on an association with childhood leukemia reported in some epidemiology studies. The IARC did not conclude that power frequency EMF cause or contribute to the development of childhood leukemia or any other cancer. In 2002, the California Department of Health Services (CDHS) submitted its EMF Risk Evaluation report to the California Public Utility Commission. The report concluded in part that "To one degree or another, all three of the CDHS scientists are inclined to believe that EMF can cause some degree of increased risk of childhood leukemia, adult brain cancer, Lou Gehrig's Disease, and miscarriage."

In 2002, the National Institute of Environmental Health Sciences said in a booklet it published on EMF: "For most health outcomes, there is no evidence that EMF exposures have adverse effects. There is some evidence from epidemiology studies that exposure to power-frequency EMF is associated with an increased risk for childhood leukemia. This association is difficult to interpret in the absence of reproducible laboratory evidence or a scientific explanation that links magnetic fields with childhood leukemia."

Florida has had EMF regulations in place for many years, and FPL believes it 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. Currently, there are no such changes proposed to the FDEP regulations.

Employees. FPL had approximately 10,000 employees at December 31, 2004. Approximately 33% of the employees are represented by the International Brotherhood of Electrical Workers (IBEW) under a collective bargaining agreement with FPL which has been extended until October 31, 2005. Meanwhile, FPL and the IBEW are discussing a proposal for a successor agreement.

FPL ENERGY OPERATIONS

General. FPL Energy, a wholly-owned subsidiary of FPL Group Capital, was formed in 1998 to aggregate FPL Group's existing wholesale generation business. It is a limited liability company organized under the laws of Delaware. FPL Energy currently owns, develops, constructs, manages and operates domestic electric-generating facilities in wholesale energy markets. FPL Energy manages or participates in the management of approximately 83% of its projects, which represent approximately 96% of the net generating capacity in which FPL Energy has an ownership interest. At December 31, 2004,

FPL Energy had net generating capability totaling 11,520 mw, all of which consisted of ownership interests in operating independent power projects (see Item 2 – Generating Facilities). Generation capacity spans various regions thereby reducing seasonal volatility on a portfolio basis. At December 31, 2004, the percentage of capacity by NERC region or power pool was:

NERC Region/Power Pool	Percentage of Generation Capacity
MAPP/MAIN/SPP/ERCOT	34%
NEPOOL/NYPP	25%
SERC/PJM	24%
WECC	17%

Fuel sources for these projects were as follows:

Fuel Source	Percentage of Generation Capacity
Natural Gas	57%
Wind	24%
Nuclear	9%
Oil	6%
Hydro	3%
Other	1%

FPL Energy expects its future portfolio capacity growth to come primarily from wind development due to the extension of the production tax credit program through 2005 for new wind facilities, as well as from asset acquisitions. FPL Energy plans to add a total of 250 mw to 750 mw of wind generation by the end of 2005, including approximately 220 mw which are currently under construction and are expected to be in service by mid-2005.

FPL Energy's capital expenditures and investments totaled approximately $0.4 billion, $1.6 billion and $2.1 billion in 2004, 2003 and 2002, respectively. Capital expenditures for 2005 through 2009 are estimated to be as follows:

	2005	2006	2007	2008	2009	Total
			(millions)			
FPL Energy:						
Wind [a]	$ 405	$ 5	$ 5	$ 5	$ 5	$ 425
Gas	20	20	10	5	10	65
Nuclear fuel and other	165	115	110	90	95	575
Total	$ 590	$ 140	$ 125	$ 100	$ 110	$ 1,065

(a) FPL Energy's capital expenditures for new wind projects are estimated through 2005, when the production tax credits are scheduled to expire. The 2005 amount reflects expenditures associated with approximately 220 mw of wind generation, which have been announced and are currently under construction, as well as committed expenditures for other expected wind additions in 2005.

During 2002, FPL Energy was engaged in the development of various other natural gas projects. As a result of depressed economic conditions coupled with an oversupply of energy generating facilities in certain markets, projected profit margins for these projects declined and were not sufficient to cover the cost of capital. Therefore, FPL Energy made a strategic decision during 2002 to substantially exit the fossil-fueled greenfield merchant power plant development business for the foreseeable future. As a result, development costs associated with these abandoned projects were written off to expense. Furthermore, FPL Energy realigned its organizational structure during 2002 to lower general and administrative expenses and took other actions associated with the restructuring of its business. See Management's Discussion – Results of Operations – FPL Energy and Note 6 – FPL Energy.

Energy Marketing and Trading. 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 any excess gas. PMI also sells the output from FPL Energy's plants which has not been sold under long-term contracts and purchases replacement power. PMI uses derivative instruments, such as swaps, options, futures and forwards to manage the risk associated with fluctuating commodity prices and to optimize the value of FPL Energy's power generation assets. To a lesser extent, PMI engages in limited energy trading activities to take advantage of expected future favorable price movements. In 2003, FPL Energy began providing full service requirements services to distribution utilities in certain markets. These services include load-following services, which require the supplier of energy to vary the quantity delivered based on the load demand needs of the customer, as well as various ancillary services. The results of PMI's activities are recognized in FPL Energy's operating results. See Management's Discussion – Energy Marketing and Trading and Market Risk Sensitivity, Note 1 – Energy Trading and Note 3.

Employees. FPL Energy had approximately 1,750 employees at December 31, 2004. The IBEW and the Utility Workers Union of America (UWUA) represented approximately 5% and 11%, respectively, of FPL Energy's employees. The collective bargaining agreement between an FPL Energy subsidiary and the IBEW expires in February 2008 and the collective bargaining agreement between an FPL Energy subsidiary and the UWUA expires in September 2008.

Regulation. At December 31, 2004, approximately 6% of FPL Energy's net generating capacity has qualifying facility status under PURPA. FPL Energy's qualifying facilities generate electricity from wind, solar, fossil fuels, biomass or waste-product combustion. Qualifying facility status exempts the projects from, among other things, the application of the Holding Company

Act, many provisions of the Federal Power Act, and state laws and regulations relating to rates and financial or organizational regulation of electric utilities. FPL Energy also has ownership interests in operating independent power projects that have received exempt wholesale generator status as defined under the Holding Company Act, which represent approximately 94% of FPL Energy's net generating capacity. Exempt wholesale generators own or operate a facility exclusively to sell electricity to wholesale customers. They are barred from selling electricity directly to retail customers. FPL Energy's exempt wholesale generators produce electricity from wind, hydropower, fossil fuels and nuclear facilities. 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, pollution abatement and other environmental laws.

FPL Energy continues to evaluate the FERC's proposed rule on standard market design in areas where it is not already in effect. See FPL Operations – Competition. California is scheduled to implement standard market design in the first quarter of 2007. ERCOT is considering adopting standard market design, or portions thereof, with potential implementation as soon as 2006. In both markets, the final market design is not fully known at this time and FPL Energy is currently unable to determine the effects, if any, on its operations resulting from the implementation of standard market design.

Environmental. FPL Energy is subject to the same environmental laws and regulations and is affected by many of the same emerging issues included in the discussion of FPL's business (see FPL Operations – Environmental for details relating to FPL Group which include FPL Energy issues). While the final requirements for MACT standards for nickel emissions are uncertain, it is possible that the final Clean Air Act Mercury/Nickel Rule may require an oil-fired FPL Energy unit in Maine to add pollution control equipment or may dictate changes in operational parameters. In addition, pursuant to a rule under Section 316(b) of the Clean Water Act, two FPL Energy plants (Seabrook and an oil-fired plant in Maine) will be required to demonstrate that they currently meet, or will meet, the prescribed performance standards for the reduction of impingement and/or entrainment at their cooling water intakes through technology, operational measures or restoration measures. FPL Energy will be conducting the necessary studies/analyses over the next several years and implementing solutions based upon regulatory approvals. The cost of these solutions, as well as any ongoing biological monitoring that may be required, has not yet been determined.

During 2004, FPL Energy spent approximately $1 million on capital additions to comply with environmental laws and regulations. FPL Energy's capital additions to comply with environmental laws and regulations are estimated to be $11 million for 2005 through 2007, including approximately $7 million in 2005, and are included in estimated capital expenditures set forth in General above.

Competition. 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 and reliably, the price and supply of fuel, transmission constraints, wind and hydro resources (weather conditions), competition from new sources of generation, effective risk management, demand growth and exposure to legal and regulatory changes.

Expanded competition in a frequently changing regulatory environment presents both opportunities and risks for FPL Energy. Opportunities exist for the selective acquisition of generation assets divested under deregulation plans or available from other competitors and for the construction and operation of efficient plants that can sell power in competitive markets. However, the current oversupply of generation in certain regions results in significant pressure on natural gas-fired plant margins. FPL Energy seeks to reduce its market risk by having a diversified portfolio, by fuel type and location, as well as by contracting for the sale of a significant amount of the electricity output of its plants. As of December 31, 2004, FPL Energy had 78% of its on-peak capacity under contract for 2005. Over the last several years, contracting for the sale of electricity output was more difficult as a result of overcapacity in certain regions and diminished market liquidity due to fewer creditworthy counterparties. However, the major markets in which FPL Energy operates have shown modest signs of improvement during 2004. Given current market conditions, when FPL Energy's existing power sales agreements expire, more of the energy produced may be sold through shorter-term contracts and into competitive wholesale markets.

Portfolio by Category. FPL Energy's assets can be categorized into the following three groups: wind assets, contracted assets and merchant assets.

As of December 31, 2004, FPL Energy's capacity under contract for 2005 was as follows:

Asset Class	Available MW [a]	% MW Under Contract
Wind	2,917	98%[b]
Contracted [c]	2,170	99%[b]
Merchant: [d]		
NEPOOL	2,304	72%[e]
ERCOT	2,644	79%[e]
All Other	1,274	8%[e]
Total portfolio	11,309	78%[e]

(a) Weighted to reflect in-service dates, planned maintenance and a refueling outage at Seabrook in 2005.
(b) Reflects round-the-clock mw under contract.
(c) Includes all projects with mid- to long-term purchase power contracts for substantially all of their output.
(d) Includes only those facilities that require active hedging.
(e) Reflects on-peak mw under contract.

Wind Assets – At December 31, 2004, FPL Energy had ownership interests in wind plants with a combined capacity of approximately 2,758 mw (net ownership). All of these wind assets have contracts with utilities and power marketers predominantly under fixed-price agreements with expiration dates ranging from 2011 to 2028. FPL Energy operates all but nine of these wind facilities. Approximately 89% of FPL Energy's net ownership in wind facilities has received exempt wholesale generator status as defined under the Holding Company Act. The remaining facilities have qualifying facility status under PURPA. FPL Energy's wind facilities are located in fifteen states, thereby reducing weather-related performance risk on a portfolio basis.

FPL Energy plans to add a total of 250 mw to 750 mw of wind generation by the end of 2005, including approximately 220 mw which are currently under construction and are expected to be in service by mid-2005.

Contracted – At December 31, 2004, FPL Energy had 2,170 mw of contracted assets. The contracted category includes all projects with mid- to long-term contracts for substantially all of their output. Essentially all of these contracted assets were under power sales contracts with utilities, with contract expiration dates ranging from 2005 to 2021 and have firm fuel and transportation agreements with expiration dates ranging from 2009 to 2033. Approximately 1,989 mw of this capacity is gas-fired generation. The remaining 181 mw uses a variety of fuels and technologies such as waste-to-energy, oil, solar, coal and petroleum coke. As of December 31, 2004, approximately 83% of FPL Energy's generating capacity is from power plants that have received exempt wholesale generator status under the Holding Company Act and the remaining 17% have qualifying facility status under PURPA. In January 2005, FPL Energy purchased a 45% ownership interest, or approximately 68 mw, in several solar power projects in California, the cost of which is included in capital expenditures set forth in General above. All power generated by these solar projects is sold under long-term contracts.

Merchant Assets – At December 31, 2004, FPL Energy's portfolio of merchant assets includes 6,592 mw of owned nuclear, natural gas, oil and hydro generation, of which 2,700 mw is located in the ERCOT region, 2,591 mw in the NEPOOL region and 1,301 mw in other regions. The merchant assets include 706 mw of peak generating facilities. Merchant assets are plants that do not have long-term power sales agreements to sell their output and therefore require active marketing and hedging. Approximately 76% of the merchant assets have gas supply agreements or a combination of gas supply and transportation agreements to provide for on-peak gas requirements. PMI uses derivative instruments (primarily swaps, options, futures and forwards) to lock in pricing and manage the commodity price risk inherent in power sales and fuel purchases. Reducing market risk through these instruments introduces other types of risk, however, primarily counterparty and operational risks. FPL Energy's 744 mw gas-fired plant in the PJM region that had previously been under construction went into service in December 2004.

Nuclear Operations. In 2002, an FPL Energy subsidiary purchased an 88.23% undivided interest in Seabrook, located in New Hampshire. FPL Energy's net ownership interest in Seabrook's capacity consists of 1,024 mw of nuclear generation. FPL Energy is responsible for all plant operations. The current operating license for Seabrook expires in 2026. FPL Energy intends to seek approval from the NRC to extend the unit's license to recapture the period of non-operation from 1986 to 1990, in addition to a 20-year license extension. If granted, these approvals would extend the term of the NRC operating license for Seabrook to 2050. Preparations are in progress for a power uprate at Seabrook that is expected to increase FPL Energy's proportionate share of plant capability by approximately 84 mw, the estimated future costs of which are included in FPL Energy's estimated capital expenditures above. This uprate, which has been approved by the New England ISO, will be implemented in two phases, pending approval by the NRC. The first phase of the uprate is expected to add approximately 71 mw and is expected to be performed during the next scheduled refueling outage in the spring of 2005. The second phase of the uprate is expected to add an additional 13 mw during the following scheduled refueling outage in the fall of 2006. At the time of the Seabrook acquisition, FPL Energy assumed responsibility for the ultimate decommissioning of the plant, the cost of which will be shared on a pro-rata basis by the joint owners. See estimated decommissioning cost data in Note 1 – Decommissioning of Nuclear Plants, Dismantlement of Plants and Other Accrued Asset Removal Costs – FPL Energy.

In 2003, the NRC issued an order, subsequent to a previously issued NRC bulletin, requiring all pressurized water reactor licensees, including Seabrook, to perform visual and volumetric inspections of reactor vessel heads at certain scheduled refueling outages to identify if degradation such as cracking or corrosion has occurred. Seabrook will be required to perform 100% visual and volumetric inspections during the fall 2006 refueling outage, and subsequently, visual inspections every third refueling outage and volumetric inspections every fourth refueling outage. In 2003, the NRC issued a bulletin recommending that utilities with bottom mounted instrumentation penetrations perform visual inspections. In October 2003, visual inspections of the bottom mounted instrumentation penetrations were performed during Seabrook's scheduled refueling outage, and no evidence of leakage from these penetrations was noted.

In 2004, the NRC issued a bulletin requesting nuclear operators to identify and inspect all alloy 600 and weld materials in all pressurizer locations and connected steam space piping. FPL Energy has filed a response to the bulletin. Seabrook will perform visual inspections during the April 2005 refueling outage.

Seabrook has several contracts for the supply, conversion, enrichment and fabrication of nuclear fuel with expiration dates ranging from 2006 to 2014. See Note 16 – Contracts. Currently, Seabrook is storing spent fuel on site pending its removal by the DOE. 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. The total cumulative amount of such fees paid to the DOE's nuclear waste fund for Seabrook, including amounts paid by all joint owners since the start of Seabrook's operation, is approximately $113 million, of which FPL Energy has paid approximately $16 million since the date of the Seabrook acquisition. In 2004, FPL Energy and Seabrook's other joint owners filed a lawsuit against the DOE seeking damages caused by the DOE's failure to dispose of spent nuclear fuel from the Seabrook facility. The matter is pending. For details on the current status of permanent fuel storage with the DOE see FPL Operations – Fuel. Based on current projections, FPL Energy will lose its ability to store spent fuel at Seabrook as early as 2009. FPL Energy is investigating other alternatives to expand its spent nuclear fuel storage capacity at Seabrook.

OTHER FPL GROUP OPERATIONS

FPL Group's Corporate and Other segment represents other business activities, primarily FPL FiberNet, that are not separately reportable. See Note 17.

FPL FiberNet. FPL FiberNet was formed in 2000 to enhance the value of FPL Group's fiber-optic network assets that were originally built to support FPL operations. Accordingly, in 2000, FPL's existing fiber-optic lines were transferred to FPL FiberNet. FPL FiberNet is a limited liability company organized under the laws of Delaware. FPL FiberNet leases wholesale fiber-optic network capacity and dark fiber to FPL and other customers, primarily telephone, internet and other telecommunications companies. Dark fiber in the Florida metro market is also sold to third parties. FPL FiberNet's primary business focus is the Florida metro market. Metro networks cover Miami, Ft. Lauderdale, West Palm Beach, Tampa, St. Petersburg, Orlando and Jacksonville. FPL FiberNet also has a long-haul network within Florida that leases bandwidth at wholesale rates. At December 31, 2004, FPL FiberNet's network consisted of approximately 2,500 route miles, which interconnected major cities throughout Florida. During 2003, FPL FiberNet added the latest generation of Ethernet services which provides customers the option to upgrade their existing telecommunications network. Due to the changing telecommunications market, FPL FiberNet previously completed valuation studies to assess the recoverability of its assets and as a result, in 2002, wrote off some of these assets to expense. This write off represented an impairment charge related to property, plant and equipment, the fair value of which was determined based on a discounted cash flow analysis. Additionally, FPL FiberNet decided not to pursue the planned build-out of metro fiber rings in certain cities, and restructuring charges were recognized in 2002 related to the write-off of development costs and inventory. See Management's Discussion – Results of Operations – Corporate and Other and Note 6 – 2002 – Corporate and Other.

At December 31, 2004, FPL Group's investment in FPL FiberNet totaled approximately $217 million. FPL FiberNet invested approximately $6 million during 2004 and plans to invest a total of $35 million over the next five years to meet customers' specific requirements and sustain its fiber-optic network.

EXECUTIVE OFFICERS OF FPL GROUP [a]

Name	Age	Position	Effective Date
Paul I. Cutler	45	Treasurer and Assistant Secretary of FPL Group	February 19, 2003
		Treasurer and Assistant Secretary of FPL	February 18, 2003
K. Michael Davis	58	Controller and Chief Accounting Officer of FPL Group	May 13, 1991
		Vice President, Accounting, Controller and Chief Accounting Officer of FPL	July 1, 1991
Moray P. Dewhurst	49	Vice President, Finance and Chief Financial Officer of FPL Group	July 17, 2001
		Senior Vice President, Finance and Chief Financial Officer of FPL	July 19, 2001
Robert H. Escoto	51	Vice President, Human Resources of FPL Group	January 25, 2005
		Senior Vice President, Human Resources of FPL	February 21, 2005
Lewis Hay, III	49	President and Chief Executive Officer of FPL Group	June 11, 2001
		Chairman of the Board of FPL Group	January 1, 2002
		Chairman of the Board and Chief Executive Officer of FPL	January 1, 2002
Robert L. McGrath	51	Vice President, Engineering, Construction & Corporate Services of FPL Group	February 21, 2005
		Senior Vice President, Engineering, Construction & Corporate Services of FPL	February 21, 2005
Armando J. Olivera	55	President of FPL	June 24, 2003
James L. Robo	42	President of FPL Energy	July 26, 2002
Antonio Rodriguez	62	Senior Vice President, Power Generation Division of FPL	July 1, 1999
John A. Stall	50	Senior Vice President, Nuclear Division of FPL	June 4, 2001
Edward F. Tancer	43	Vice President & General Counsel of FPL Group	February 21, 2005
		Senior Vice President & General Counsel of FPL	February 21, 2005

[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. The business experience of the executive officers is as follows: Mr. Cutler was assistant treasurer of FPL Group from May 1999 to February 2003. He was assistant treasurer of FPL from May 1997 to February 2003. Mr. Cutler has served as assistant secretary of FPL Group and FPL since December 1997. Mr. Dewhurst was senior partner of Dean & Company, a management consulting and investment firm that he co-founded in 1993. Mr. Escoto was vice president, human resources of FPL from March 2004 to February 2005. Mr. Escoto has served as vice president, human resources of FPL Energy since April 2002. Prior to that, Mr. Escoto was director of human resources of FPL. Mr. Hay was president of FPL Energy from March 2000 to December 2001. Prior to that, he was vice president, finance and chief financial officer of FPL Group and senior vice president, finance and chief financial officer of FPL. Mr. McGrath was senior vice president, engineering and construction of FPL from November 2002 to February 2005 and treasurer of FPL Group and FPL from January 2000 to November 2002. He was also vice president, finance and chief financial officer of FPL Energy from June 2000 to November 2002. Prior to that, Mr. McGrath was assistant treasurer of FPL Group and FPL. Mr. Olivera was senior vice president, power systems of FPL from July 1999 to June 2003. Mr. Robo was vice president of corporate development and strategy of FPL Group from March 2002 to July 2002. He was president and chief executive officer of TIP, a GE Capital Company that provides trailer and storage equipment services, and GE Capital Modular Space, a supplier of mobile and modular buildings, from December 1999 to March 2002. Mr. Stall was vice president of nuclear engineering of FPL from January 2000 to June 2001. Mr. Tancer was associate general counsel of FPL Group from April 2003 to February 2005 and vice president and general counsel of FPL Energy from February 2001 to February 2005. Prior to that, Mr. Tancer was senior attorney of FPL.

Item 2. Properties

FPL Group and its subsidiaries maintain properties which are adequate for their operations. At December 31, 2004, the electric generating, transmission, distribution and general facilities of FPL represented approximately 43%, 13%, 37% and 7%, respectively, of FPL's gross investment in electric utility plant in service.

Generating Facilities. At December 31, 2004, FPL Group had the following generating facilities:

FPL Facilities	Location	No. of Units	Fuel	Net Capability (mw)[a]
Nuclear				
St. Lucie	Hutchinson Island, FL	2	Nuclear	1,553[b]
Turkey Point	Florida City, FL	2	Nuclear	1,386
Steam turbines				
Cape Canaveral	Cocoa, FL	2	Oil/Gas	801
Cutler	Miami, FL	2	Gas	206
Manatee	Parrish, FL	2	Oil/Gas	1,591
Martin	Indiantown, FL	2	Oil/Gas	1,643
Port Everglades	Port Everglades, FL	4	Oil/Gas	1,201
Riviera	Riviera Beach, FL	2	Oil/Gas	556
St. Johns River Power Park	Jacksonville, FL	2	Coal/Petroleum Coke	232[c]
Sanford	Lake Monroe, FL	1	Oil/Gas	138
Scherer	Monroe County, GA	1	Coal	639[d]
Turkey Point	Florida City, FL	2	Oil/Gas	798
Combined-cycle				
Fort Myers	Fort Myers, FL	1	Gas	1,441
Lauderdale	Dania, FL	2	Gas/Oil	859
Martin	Indiantown, FL	2	Gas	943
Putnam	Palatka, FL	2	Gas/Oil	498
Sanford	Lake Monroe, FL	2	Gas	1,889
Simple-cycle combustion turbines				
Fort Myers	Fort Myers, FL	1	Gas/Oil	326
Martin	Indiantown, FL	1	Gas/Oil	320
Gas turbines/diesels				
Fort Myers	Fort Myers, FL	12	Oil	648
Lauderdale	Dania, FL	24	Oil/Gas	840
Port Everglades	Port Everglades, FL	12	Oil/Gas	420
Turkey Point	Florida City, FL	5	Oil	12
TOTAL				18,940[e]

(a) Represents FPL's net ownership interest in plant capacity.
(b) Excludes Orlando Utilities Commission's and the FMPA's combined share of approximately 15% of St. Lucie Unit No. 2.
(c) Represents FPL's 20% ownership interest in each of St. Johns River Power Park Units Nos. 1 and 2, which are jointly owned with JEA.
(d) Represents FPL's approximately 76% ownership of Scherer Unit No. 4, which is jointly owned with JEA.
(e) Substantially all of FPL's properties are subject to the lien of FPL's mortgage. FPL expects to add 1,906 mw by mid-2005, primarily as a result of the planned mid-2005 addition of natural gas combined-cycle generation at the Martin and Manatee sites.

FPL Energy Facilities	Location	No. of Units	Fuel	Net Capability (mw)[a]
Wind				
Cabazon	Riverside County, CA	53	Wind	40
Cerro Gordo [b]	Cerro Gordo County, IA	55	Wind	41
Delaware Mountain	Culberson County, TX	39	Wind	30
Diablo Wind	Alameda County, CA	31	Wind	21
Gray County	Gray County, KS	170	Wind	112
Green Mountain	Somerset County, PA	8	Wind	10
Green Power	Riverside County, CA	22	Wind	17
Hancock County [b]	Hancock County, IA	148	Wind	98
High Winds [b]	Solano County, CA	90	Wind	162
Indian Mesa	Upton County, TX	125	Wind	83
King Mountain	Upton County, TX	215	Wind	281
Lake Benton II [b]	Pipestone County, MN	138	Wind	104
Meyersdale [c]	Somerset County, PA	20	Wind	30
Mill Run	Fayette County, PA	10	Wind	15
Montfort [b]	Iowa County, WI	20	Wind	30
Mountaineer [c]	Preston & Tucker Counties, WV	44	Wind	66
New Mexico [b]	Quay & Debaca Counties, NM	136	Wind	204
North Dakota [c]	LaMoure County, ND	41	Wind	62
Oklahoma / Sooner [c]	Harper & Woodward Counties, OK	68	Wind	102
Sky River	Kern County, CA	342	Wind	77
Somerset Wind Power	Somerset County, PA	6	Wind	9
South Dakota [c]	Hyde County, SD	27	Wind	41
Southwest Mesa [b]	Upton & Crockett Counties, TX	107	Wind	75
Stateline [b]	Umatilla County, OR and Walla Walla County, WA	454	Wind	300
Vansycle [b]	Umatilla County, OR	38	Wind	25
Victory Garden	Kern County, CA	96	Wind	22
Waymart [c]	Wayne County, PA	43	Wind	65
Windpower Partners 1994 [b]	Culberson County, TX	112	Wind	27
Woodward Mountain	Upton & Pecos Counties, TX	242	Wind	160
Wyoming [c]	Uinta County, WY	80	Wind	144
Investments in joint ventures	Various	3,634	[d]	305
Total Wind				2,758
Contracted				
Bayswater [b]	Far Rockaway, NY	1	Gas	54
Calhoun [b]	Eastaboga, AL	4	Gas	668
Doswell [b]	Ashland, VA	4	Gas/Oil	708
Doswell – Expansion [b]	Ashland, VA	1	Gas/Oil	171
Jamaica Bay [b]	Far Rockaway, NY	1	Oil/Gas	54
Investments in joint ventures	Various	12	[e]	515
Total Contracted				2,170
Merchant				
Blythe Energy	Blythe, CA	1	Gas	507
Forney	Forney, TX	2	Gas	1,700
Lamar Power Partners	Paris, TX	2	Gas	1,000
Maine	Various – ME	6	Oil	656[f]
Maine	Various – ME	83	Hydro	361
Marcus Hook 50	Marcus Hook, PA	1	Gas	50
Marcus Hook 750 [b]	Marcus Hook, PA	3	Gas	744
RISEP [b]	Johnston, RI	1	Gas	550
Seabrook	Seabrook, NH	1	Nuclear	1,024[g]
Total Merchant				6,592
TOTAL				11,520

(a) Represents FPL Energy's net ownership interest in plant capacity.
(b) These consolidated generating facilities are encumbered by liens against their assets securing various financings.
(c) In connection with a February 2005 financing, these consolidated generating facilities were encumbered by liens against their assets. See Note 14
(d) Represents plants with no more than 50% ownership using wind technology.
(e) Represents plants with no more than 50% ownership using fuels and technologies such as gas, waste-to-energy, solar, coal and petroleum coke.
(f) Excludes 10 other energy-related partners' combined share of 38.22%.
(g) Excludes Massachusetts Municipal Wholesale Electric Company's, Taunton Municipal Lighting Plant's and Hudson Light & Power Department's combined share of 11.77%.

Transmission and Distribution. During 2004, FPL purchased transmission substation assets located in Seabrook, New Hampshire at their net book value of approximately $21 million from a subsidiary of FPL Energy. The substation assets were transferred in order to qualify for cost recovery opportunities in New England that are limited to transmission providers. At December 31, 2004, FPL owned and operated the following electric transmission and distribution lines:

Nominal Voltage	Overhead Lines Pole Miles	Trench and Submarine Cables Miles
500 kv	1,104[a]	
230 kv	2,395	25
138 kv	1,454	49
115 kv	668	-
69 kv	164	14
Less than 69 kv	41,144	24,166
Total	46,929	24,254

(a) Includes approximately 75 miles owned jointly with JEA

In addition, at December 31, 2004, FPL owned and operated 537 substations, one of which is jointly owned. See Note 8.

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 majority of FPL Group's principal properties 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. A number of FPL Energy's generating facilities are encumbered by liens against their assets securing various financings. See Generating Facilities and Note 1 – Electric Plant, Depreciation and Amortization.

Item 3. Legal Proceedings

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 NSPS requirements, and without applying best available control technology for nitrogen oxides, sulfur dioxides 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. The EPA further revised its civil penalty rule in February 2004, such that the maximum penalty is $32,500 per day for each violation after March 15, 2004. 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 federal district 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. In August 2001, the MDL panel denied the motion for consolidation. In September 2001, the EPA moved that the federal district court reopen this case for purposes of discovery. Georgia Power Company opposed that motion asking that the case remain closed until the Eleventh Circuit Court of Appeals ruled on the Tennessee Valley Authority's (TVA) appeal of an EPA administrative compliance order relating to legal issues that are also central to this case. In August 2002, the federal district court denied without prejudice the EPA's motion to reopen. In June 2003, the Eleventh Circuit issued its order dismissing the TVA's appeal because it found the provision of the Clean Air Act allowing the EPA to issue binding administrative compliance orders was unconstitutional, and hence found that the TVA order was a non-final order that courts of appeal do not have jurisdiction to review. In September 2003, the Eleventh Circuit denied the EPA's motion for rehearing. In May 2004, the U.S. Supreme Court denied the EPA's petition for review of the Eleventh Circuit order. The EPA has not yet moved to reopen the Georgia Power Company case.

In November 2001, J. W. and Ernestine M. Thomas, Chester and Marie Jenkins (since substituted for by Hazel and Lamar Jenkins), and Ray Norman and Jack Teague, as Co-Personal Representatives on behalf of the Estate of Robert L. Johns, served FPL Group, FPL, FPL FiberNet, FPL Group Capital and FPL Investments, Inc. (FPL Investments) as defendants in a civil action filed in the Circuit Court for Suwanee County, Florida. This action is purportedly on behalf of all property owners in Florida (excluding railroad and public rights of way) whose property is encumbered by easements in favor of FPL, and on whose property defendants have installed or intend to install fiber-optic cable which defendants currently lease, license or convey or intend to lease, license or convey for non-electric transmission or distribution purposes. The lawsuit alleges that FPL's easements do not permit the installation and use of fiber-optic cable for general communication purposes. The plaintiffs have asserted claims for unlawful detainer, unjust enrichment and constructive trust and seek injunctive relief and compensatory damages. In May 2002, plaintiffs filed an amended complaint, adding allegations regarding the installation of wireless communications equipment on some easements, and adding a claim for declaratory relief. Defendants filed an

answer and affirmative defenses to the amended complaint in August 2002. Motions for summary judgment by FPL Group, FPL Group Capital and FPL Investments have been granted, and they have been dismissed from this lawsuit. In February 2004, the plaintiffs filed a motion for leave to file their third amended complaint adding four more plaintiffs and seeking leave to add a claim for punitive damages. The court has not set a time for a hearing on this motion or on whether this case will proceed as a class action.

In August 2001, FMPA filed with the U.S. Court of Appeals for the District of Columbia (DC Circuit) a petition for review asking the DC Circuit to reverse and remand orders of the FERC denying FMPA's request for credits for transmission facilities owned by FMPA members. The transmission credits sought by FMPA would offset the transmission charges that FPL bills FMPA for network transmission service to FMPA's member cities. FMPA member cities have been taking network transmission service under FPL's open access transmission tariff since 1996. In the orders appealed by FMPA, FERC ruled that FMPA would be entitled to credits for any FMPA facilities that were "integrated" with the FPL transmission system. Based on the evidence submitted, FERC concluded that none of the FMPA facilities met the integration test and, therefore, FMPA was not entitled to credits against FPL's charges for transmission service. In January 2003, the DC Circuit upheld FERC's order denying FMPA credits for its facilities; in March 2003, the DC Circuit denied FMPA's rehearing request of the DC Circuit's decision; and in October 2003, the U.S. Supreme Court denied FMPA's petition for review of the DC Circuit's decision.

FMPA also has requested that FERC decide the same crediting issue in a separate FERC proceeding. That proceeding dates back to a filing by FPL in 1993 of a comprehensive restructuring of its then-existing tariff structure. All issues in that case were settled in September 2000 except for three issues reserved by FMPA: (i) the crediting issue, (ii) treatment of behind-the-meter generation and load ratio pricing for network integration transmission service, and (iii) exclusions from FPL's transmission rates of the costs of FPL's facilities that failed to meet the same integration test that was applied to FMPA's facilities with respect to the crediting issue. In December 2003, FERC issued an order addressing the three reserved issues. With respect to the crediting issue, FERC stated that it had previously determined that FMPA was not entitled to credits for its facilities in the related proceeding discussed above and saw no persuasive reason to revisit that determination in this proceeding. Regarding the issue of behind-the-meter generation, FERC stated that it had addressed the issue of load ratio pricing for network integration transmission service and the related issue of behind-the-meter generation in Order Nos. 888 and 888-A, and saw no persuasive reason to revisit that determination in this proceeding. With respect to the third issue, FERC directed FPL to make a compliance filing of a proposed rate schedule that does not include those facilities of FPL that fail to meet the same integration test applied to the FMPA facilities.

In January 2004, FMPA requested a "conditional rehearing on the Commission's failure to order rate credits solely in the event that Commission does not adequately reduce FPL's rate base to achieve comparability," and challenging FERC's determination not to revisit the issue of behind-the-meter generation and load ratio pricing for network integration transmission service. In March 2004, FERC issued an order denying FMPA's rehearing request. In April 2004, FMPA petitioned the DC Circuit for review of FERC's December 2003 order and March 2004 order. FMPA filed its initial brief in that proceeding on October 1, 2004. FMPA's arguments are limited to the issue of behind-the-meter generation and load ratio pricing for network integration transmission service in instances when, according to FMPA, FPL cannot provide transmission service because of "physical transmission limitations." FERC's reply brief was filed on December 1, 2004. FPL has been granted party status as an intervenor, and its brief was filed on December 16, 2004. FMPA's reply brief to the FERC was filed on January 13, 2005. Oral argument is scheduled for March 22, 2005. FPL estimates its exposure for refunds to FMPA on this issue to be approximately $2 million at December 31, 2004.

In May 2004, FPL made a compliance filing of a proposed rate schedule that does not include those facilities of FPL that fail to meet the same integration test that was applied to the FMPA facilities. Pursuant to this filing, 1.63% of FPL's transmission facilities do not satisfy the integration standard and FPL's current network transmission rate would be reduced by $0.02 per kilowatt (kw) per month, resulting in a refund obligation to FMPA of approximately $1 million at December 31, 2004. In June 2004, FMPA filed a protest to FPL's compliance filing, which protest would exclude approximately 30% of FPL's transmission facilities and reduce FPL's current network transmission rate by approximately $0.41 per kw per month, potentially resulting in a refund obligation to FMPA of approximately $26 million at December 31, 2004. Any reduction in FPL's network service rate would also apply effective January 1, 2004 to Seminole Electric Cooperative Inc. (Seminole), FPL's other network customer. The refund obligation to Seminole at December 31, 2004 would be approximately $0.2 million under FPL's filing and approximately $4 million based on FMPA's position. On January 25, 2005, FERC issued an order on FPL's compliance filing. In the order FERC accepted FPL's standards for analyzing the transmission system and agreed that FPL's "Georgia Ties" and "Turkey Point Lines" are part of FPL's integrated grid. FERC required FPL to make an additional compliance filing removing the cost of all radial transmission lines from transmission rates, rather than only radial lines that serve one customer, analyzing the FPL transmission system to remove the cost of any transmission facilities that provide only "unneeded redundancy," and calculating rate adjustments using 1993 data rather than 1998 data. FPL's further compliance filing is due on April 25, 2005.

In 1995 and 1996, FPL Group, through an indirect subsidiary, purchased from Adelphia 1,091,524 shares of Adelphia common stock and 20,000 shares of Adelphia preferred stock (convertible into 2,358,490 shares of Adelphia common stock) for an aggregate price of approximately $35,900,000. On January 29, 1999, Adelphia repurchased all of these shares for $149,213,130 in cash. On June 24, 2004, Adelphia, Adelphia Cablevision, L.L.C. and the Official Committee of Unsecured Creditors of Adelphia filed a complaint against FPL Group and its indirect subsidiary in the U.S. Bankruptcy Court, Southern District of New York. The complaint alleges that the repurchase of these shares by Adelphia was a fraudulent transfer, in that at the time of the transaction Adelphia (i) was insolvent or was rendered insolvent, (ii) did not receive reasonably equivalent value in exchange for the cash it paid, and (iii) was engaged or about to engage in a business or transaction for which any property remaining with Adelphia had unreasonably small capital. The complaint seeks the recovery for the benefit of

Adelphia's bankruptcy estate of the cash paid for the repurchased shares, plus interest. FPL Group believes that the complaint is invalid because, among other reasons, Adelphia will be unable to demonstrate that (i) Adelphia's repurchase of shares from FPL Group, which repurchase was at the market value for those shares, was not for reasonably equivalent value, (ii) Adelphia was insolvent at the time of the repurchase, or (iii) the repurchase left Adelphia with unreasonably small capital.

In February 2003, Scott and Rebecca Finestone brought an action on behalf of themselves and their son Zachary Finestone in the U.S. District Court for the Southern District of Florida alleging that their son has developed cancer (neuroblastoma) as a result of the release and/or dissipation into the air, water, soil and underground areas of radioactive and non-radioactive hazardous materials, including strontium 90, and the release of other toxic materials from FPL's St. Lucie nuclear power plant. The complaint includes counts against FPL for strict liability for allegedly engaging in an ultra-hazardous activity and for alleged negligence in operating the plant in a manner that allowed emissions of the foregoing materials and failing to limit its release of nuclear fission products as prescribed by federal and state laws and regulations. The plaintiffs seek damages in excess of $1 million. After initially denying FPL's motion to dismiss, the court granted it with respect to plaintiffs' count for strict liability. The court has also granted FPL's motion for a ruling that the only duty owed by FPL to the plaintiffs is established exclusively by federal regulations and not general negligence standards. The plaintiffs subsequently filed an amended complaint on the same factual grounds, including a count against FPL for strict liability, which appears identical in all material elements to the strict liability claim in plaintiffs' initial complaint, and counts against FPL for alleged negligence based on duties allegedly established by federal and state laws and regulations. FPL again moved to dismiss the strict liability claim and moved to dismiss all negligence claims that are not based on the duty that the court has recognized governs this action. The court granted FPL's motion. FPL has answered the one count in the amended complaint that is based on that duty, denying any liability. Plaintiffs also moved to vacate or modify the court's order establishing the duty owed. The court denied plaintiffs' motion. Discovery is proceeding.

In May 2003, Tish Blake and John Lowe, as personal representatives of the Estate of Ashton Lowe, on behalf of the estate and themselves, as surviving parents, brought an action in the U.S. District Court for the Southern District of Florida alleging that their son developed cancer (medulo-blastoma) as a result of the release and/or dissipation into the air, water, soil and underground areas of radioactive and non-radioactive hazardous materials, including strontium 90, and the release of other toxic materials from FPL's St. Lucie nuclear power plant. The allegations, counts and damages demanded in the complaint are virtually identical to those contained in the Finestone lawsuit described above. As in the Finestone case, the court has granted FPL's motion to dismiss the plaintiffs' count for strict liability. Similarly, the court has also granted FPL's motion for a ruling that the only duty owed by FPL to the plaintiffs is established exclusively by federal regulations and not general negligence standards. The plaintiffs subsequently filed an amended complaint on the same factual grounds, including a count against FPL for strict liability, which appears identical in all material elements to the strict liability claim in plaintiffs' initial complaint, and counts against FPL for alleged negligence based on duties allegedly established by federal and state laws and regulations. FPL again moved to dismiss the strict liability claim and moved to dismiss all negligence claims that are not based on the duty that the court has recognized governs this action. The court granted FPL's motion. FPL has answered the one count in the amended complaint that is based on that duty, denying any liability. Plaintiffs also moved to vacate or modify the court's order establishing the duty owed. The court denied plaintiffs' motion. Discovery is proceeding.

In June 2003, Monty and Kathryn Wooldridge brought an action on behalf of themselves and their son, Kevin Allen Wooldridge, in the Circuit Court of the 9th Judicial Circuit in and for Orange County, Florida, against Aventis Pasteur and a number of other named and unnamed drug manufacturing and distribution companies, the American Dental Association, the Florida Dental Association, FPL and the Orlando Utilities Commission (OUC), alleging that their son has suffered toxic neurological effects from mercury poisoning. The sources of mercury exposure are alleged to be vaccines containing a preservative called thimerosal that were allegedly manufactured and distributed by the drug companies, mercury amalgam dental fillings, and emissions from FPL and OUC power plants in Florida, including Brevard County. The complaint includes counts against all defendants for civil battery and against FPL for alleged negligence in operating the plants such that the son was exposed to mercury and other heavy metals emissions. The damages demanded from FPL are for injuries and losses allegedly suffered by the son as a result of his exposure to the plants' mercury emissions and the parents' alleged pain and suffering, medical expenses, loss of wages, and loss of their son's services and companionship. No amount of damages is specified. The court has granted the drug manufacturing and distribution companies' and the dental associations' motions to dismiss the complaint against them. The plaintiffs are appealing those orders. FPL's motion to dismiss is pending.

In August 2003, Pedro C. and Emilia Roig brought an action on behalf of themselves and their son, Pedro Anthony Roig, in the Circuit Court of the 11th Judicial Circuit in and for Miami-Dade County, Florida (the state court), which was removed in October 2003 to the U.S. District Court for the Southern District of Florida, against Aventis Pasteur and a number of other named and unnamed drug manufacturing and distribution companies and FPL, alleging that their son has suffered toxic neurological effects from mercury poisoning. The allegations, counts and damages demanded in the complaint with respect to FPL are virtually identical to those contained in the Wooldridge lawsuit described above. The U.S. District Court remanded the action back to the state court. All parties anticipate that the drug manufacturing and distribution companies will move to dismiss the action. Plaintiffs and FPL have agreed that FPL will not respond to the complaint until the state court rules on those motions.

In December 2003, Edward and Janis Shiflett brought an action on behalf of themselves and their son, Phillip Benjamin Shiflett, in the Circuit Court of the 18th Judicial Circuit in and for Brevard County, Florida (the state court), which was removed in January 2004 to the U.S. District Court for the Middle District of Florida, against Aventis Pasteur and a number of other named and unnamed drug manufacturing and distribution companies, FPL and the OUC, alleging that their son has suffered toxic neurological effects from mercury poisoning. The allegations, counts and damages demanded in the complaint with respect to FPL are virtually identical to those contained in the Wooldridge and Roig lawsuits. FPL's motion to dismiss the

complaint was denied. The U.S. District Court subsequently remanded the action back to the state court. All parties anticipate that the drug manufacturing and distribution companies will move to dismiss the action. Plaintiffs and FPL have agreed that FPL will not respond to the complaint until the state court rules on those motions.

In February 2004, Albert Litter Studios, Inc. instituted an action against FPL in the Circuit Court of the 11th Judicial Circuit in and for Miami-Dade County, Florida, seeking damages on behalf of itself, and purportedly on behalf of all other similarly situated commercial entities in Florida. The plaintiff asserts that FPL's intentional use of allegedly defective thermal demand meters has resulted in overcharging it and certain other commercial customers millions of dollars and constitutes breach of an implied contract, breach of the duty of good faith and fair dealing, negligence, fraudulent inducement, and negligent misrepresentation. The complaint seeks damages in excess of $15,000, representing the amount of the alleged overcharges, interest, and such other relief as the court may order. FPL moved to dismiss the case on the grounds that the FPSC has exclusive jurisdiction over this type of complaint. The court denied the motion on July 13, 2004. FPL appealed the ruling to Florida's Third District Court of Appeals (Third DCA). FPL's motion to stay the proceedings pending resolution of the appeal was denied by the trial court. FPL filed a separate motion to stay pending appeal with the Third DCA, and the court granted that motion on November 10, 2004. Oral argument on the appeal of the jurisdictional question was heard on December 14, 2004. The parties are currently awaiting a decision on the appeal of the jurisdictional question; the Third DCA's stay of the trial court proceedings remains in effect pending that decision.

FPL determined in 2002 that, based on sample testing of the approximately 3,900 1V thermal demand meters in service, the demand component of its 1V meter population was exceeding allowable tolerance levels established by FPSC rules. In 2002, FPL proposed to replace and test all of the 1V meters in service and to issue refunds, as appropriate, within certain parameters. FPL was given administrative approval from the FPSC staff to proceed with the replacement of the 1V meters. By early 2003, all 1V meters had been replaced. Testing of all 1V meters disclosed that approximately 15% of the 3,900 meters were outside of allowed tolerances, with 10% under-registering and 5% over-registering electricity usage. In November 2003, the FPSC, as proposed agency action, approved a method for testing the meters and calculating refunds. On December 10, 2003, Southeastern Utility Services, Inc., on behalf of several commercial customers, filed a protest to the proposed agency action and requested a hearing. Southeastern Utility Services, Inc. alleges that, among other things, the proposed method for computing the amount of the refund is flawed. A final hearing before the FPSC occurred on November 4, 2004. Final briefs were filed by the parties on December 16, 2004. At its February 1, 2005 agenda meeting, the FPSC concluded that no refunds were due relative to the 11 meters in question for any period in excess of 12 months. Southeastern Utility Services, Inc. had argued for multi-year refunds. Based on the FPSC's decision, FPL expects that aggregate refunds to these complainants will not exceed $50,000. The parties expect a final FPSC order by March 2005.

On October 6, 2004, TXU Portfolio Management Company (TXU) served FPL Energy Pecos Wind I, LP, FPL Energy Pecos Wind I GP, LLC, FPL Energy Pecos Wind II, LP, FPL Energy Pecos Wind II GP, LLC and Indian Mesa Wind Farm, LP (FPL Energy Affiliates) as defendants in a civil action filed in the District Court in Dallas County, Texas. The petition alleges that the named FPL Energy Affiliates had a contractual obligation to produce and sell to TXU a minimum quantity of energy each year and that the FPL Energy Affiliates failed to meet this obligation. The plaintiff has asserted claims for breach of contract and declaratory judgment and seeks damages of $20,826,100. The FPL Energy Affiliates filed their answer and counterclaim in November of 2004, denying the allegations. The counterclaim asserts claims for conversion, breach of fiduciary duty, breach of contract and fraud and seeks termination of the contract and damages. The case is in discovery and has been set for a non-jury trial in August of 2005.

In the event that FPL Group and FPL do not prevail in these lawsuits, 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 the lawsuits. Management does not anticipate that the liabilities, if any, arising from the proceedings would have a material adverse effect on the financial statements.

In addition to those legal proceedings discussed herein, FPL Group and its subsidiaries, including FPL, are involved in a number of other legal proceedings and claims in the ordinary course of their businesses. In addition, generating plants in which FPL Group or FPL have an ownership interest are involved in legal proceedings and claims, the liabilities from which, if any, would be shared by FPL Group or FPL. While management is unable to predict with certainty the outcome of these other legal proceedings and claims, it is not expected that their ultimate resolution, individually or collectively, will have a material adverse effect on the financial statements.

In June 2004, a subsidiary of FPL Energy, FPLE Rhode Island State Energy, L.P. (RISEP), received a Notice of Violation (NOV) from the Rhode Island Department of Environmental Management (RIDEM). The NOV alleged that the RISEP facility exceeded certain permit limitations relating to the reuse water received from the City of Cranston during certain days from November 2002 until May 2003 and that RIDEM was not notified of such exceedances in a timely manner. The total proposed penalty for these combined allegations was $383,700. In April 2003, the facility self-disclosed the permit exceedances at issue and since that date has undertaken significant changes to its management, water treatment system, and the wastewater treatment system for the City of Cranston, which has been providing poor quality reuse water. In addition, there were several meetings with RIDEM regarding the status of remedial measures and the facility maintained regular contact regarding plant operational status. On December 28, 2004, RISEP agreed to pay a penalty of $95,000 to RIDEM to settle the NOV.

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

None

PART II

Item 5. Market for the Registrants' Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

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:

	2004		2003	
Quarter	High	Low	High	Low
First	$ 68.81	$ 63.34	$ 63.77	$ 53.55
Second	$ 67.25	$ 60.20	$ 68.08	$ 57.74
Third	$ 69.85	$ 62.41	$ 67.66	$ 60.01
Fourth	$ 76.10	$ 67.33	$ 65.98	$ 62.65

Approximate Number of Stockholders. As of the close of business on January 31, 2005, there were 32,981 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 per share:

Quarter	2004	2003
First	$ 0.62	$ 0.60
Second	$ 0.62	$ 0.60
Third	$ 0.68	$ 0.60
Fourth	$ 0.68	$ 0.60

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. In February 2005, FPL Group announced that it would increase its quarterly dividend on its common stock from $0.68 to $0.71 per share before giving effect to a two-for-one stock split effective March 15, 2005 (2005 stock split). See Management's Discussion – Liquidity and Capital Resources with respect to dividend restrictions and Note 12 – Common Stock Dividend Restrictions regarding dividends paid by FPL to FPL Group. See Management's Discussion – Liquidity and Capital Resources and Note 12 – Earnings Per Share regarding the 2005 stock split.

Issuer Purchases of Equity Securities.

FPL Group, Inc. Purchases of Securities

Period	Total Number of Shares Purchased [a]	Average Price Paid Per Share	Total Number of Shares Purchased as Part of a Publicly Announced Program	Maximum Number of Shares that May Yet be Purchased Under the Program [b] (thousands)
10/1/04 – 10/31/04	7,867	$ 67.59	-	5,402
11/1/04 – 11/30/04	-	$ -	-	5,402
12/1/04 – 12/31/04	-	$ -	-	5,402
Total	7,867	$ 67.59	-	

[a] Represents shares of common stock purchased by FPL Group from employees to pay taxes related to the vesting of restricted stock granted to employees

[b] In February 1997, FPL Group's board of directors authorized the repurchase of up to 10 million shares of common stock over an unspecified period as part of a publicly announced program. In February 2005, FPL Group's board of directors terminated the February 1997 common stock repurchase plan and authorized a new common stock repurchase plan of up to 10 million shares of common stock (20 million shares after giving effect to the 2005 stock split) over an unspecified period.

Item 6. Selected Financial Data

	Years Ended December 31,				
	2004	2003	2002	2001	2000
SELECTED DATA OF FPL GROUP (millions, except per share amounts):					
Operating revenues	$ 10,522	$ 9,630	$ 8,173	$ 8,217	$ 6,920
Income before cumulative effect of changes in accounting principles	$ 887[a]	$ 893[a]	$ 695[b]	$ 781[c]	$ 704[d]
Cumulative effect of adopting FAS 142, net of income taxes of $143	$ -	$ -	$ (222)	$ -	$ -
Cumulative effect of adopting FIN 46, net of income taxes of $2	$ -	$ (3)	$ -	$ -	$ -
Net income	$ 887[a]	$ 890[e]	$ 473[f]	$ 781[c]	$ 704[d]
Earnings per share of common stock: [g]					
Earnings per share before cumulative effect of changes in accounting principles	$ 4.95[a]	$ 5.03[a]	$ 4.02[b]	$ 4.63[c]	$ 4.14[d]
Cumulative effect of changes in accounting principles	$ -	$ (0.02)	$ (1.28)	$ -	$ -
Earnings per share	$ 4.95[a]	$ 5.01[e]	$ 2.74[f]	$ 4.63[c]	$ 4.14[d]
Earnings per share of common stock – assuming dilution: [g]					
Earnings per share before cumulative effect of changes in accounting principles	$ 4.91[a]	$ 5.02[a]	$ 4.01[b]	$ 4.62[c]	$ 4.14[d]
Cumulative effect of changes in accounting principles	$ -	$ (0.02)	$ (1.28)	$ -	$
Earnings per share	$ 4.91[a]	$ 5.00[e]	$ 2.73[f]	$ 4.62[c]	$ 4.14[d]
Dividends paid per share of common stock [g]	$ 2.60	$ 2.40	$ 2.32	$ 2.24	$ 2.16
Total assets [h][i]	$ 28,333	$ 26,935	$ 23,185	$ 20,713	$ 18,355
Long-term debt, excluding current maturities [h]	$ 8,027	$ 8,723	$ 5,790	$ 4,858	$ 3,976
Obligations of FPL under capital lease, excluding current maturities [h]	$ -	$ -	$ 140	$ 133	$ 127
SELECTED DATA OF FPL (millions):					
Operating revenues	$ 8,734	$ 8,293	$ 7,378	$ 7,477	$ 6,361
Net income available to FPL Group	$ 749	$ 733	$ 717	$ 679[d]	$ 607[d]
Total assets [h]	$ 19,114	$ 17,817	$ 16,032	$ 15,174	$ 15,075
Long-term debt, excluding current maturities [h]	$ 2,813	$ 3,074	$ 2,364	$ 2,579	$ 2,577
Energy sales (kwh)	103,635	103,202	98,605	93,488	91,969
Energy sales:					
Residential	50.7%	51.8%	51.6%	50.9%	50.4%
Commercial	40.6	40.1	40.6	40.6	40.2
Industrial	3.8	3.9	4.1	4.4	4.1
Interchange power sales	2.9	2.3	1.8	2.2	3.1
Other [j]	2.0	1.9	1.9	1.9	2.2
Total	100.0%	100.0%	100.0%	100.0%	100.0%
Approximate 60-minute peak load (mw): [k]					
Summer season	20,545	19,668	19,219	18,754	17,808
Winter season	18,108	15,989	20,190	17,585	18,219
Average number of customer accounts (thousands):					
Residential	3,745	3,653	3,566	3,491	3,414
Commercial	458	445	435	427	415
Industrial	19	17	16	15	16
Other	3	2	3	2	3
Total	4,225	4,117	4,020	3,935	3,848
Average price per kwh (cents) [l]	8.36	7.95	7.32	8.05	6.86

(a) Includes net unrealized mark-to-market gains or losses associated with non-qualifying hedges.
(b) Includes impairment and restructuring charges, charges related to certain wind projects and leveraged leases, a favorable settlement of litigation with the IRS and net unrealized mark-to-market gains associated with non-qualifying hedges.
(c) Includes merger-related expenses and net unrealized mark-to-market gains associated with non-qualifying hedges.
(d) Includes merger-related expenses.
(e) Includes the cumulative effect of an accounting change and net unrealized mark-to-market gains associated with non-qualifying hedges.
(f) Includes the cumulative effect of an accounting change, impairment and restructuring charges, charges related to certain wind projects and leveraged leases, a favorable settlement of litigation with the IRS and net unrealized mark-to-market gains associated with non-qualifying hedges.
(g) The per share information does not reflect the effect of the 2005 stock split. See Note 12 – Earnings Per Share.
(h) Reflects the adoption of FIN 46 in July 2003. See Note 9.
(i) Reflects the adoption of FAS 142 in January 2002. See Note 5.
(j) Includes the net change in unbilled sales.
(k) Winter season includes November and December of the current year and January to March of the following year.
(l) Excludes interchange power sales, net change in unbilled revenues, deferrals/recoveries under cost recovery clauses and a provision, if any, 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 discussion of Results of Operations below, all comparisons are with the corresponding items in the prior year.

Overview

FPL Group is one of the nation's largest providers of electricity-related services. Its principal subsidiary, FPL, serves more than eight million people along the eastern seaboard and southern portion of Florida. FPL Energy, FPL Group's wholesale energy subsidiary, produces electricity primarily utilizing natural gas, wind and nuclear resources. Together, FPL's and FPL Energy's generating assets represent approximately 30,000 mw of capacity. FPL FiberNet provides fiber-optic services to FPL, telecommunications companies and other customers throughout Florida.

FPL obtains its operating revenues primarily from the retail sale of electricity. Over the last 10 years, FPL's customer growth has been 2.1% while underlying usage growth has been 0.8%. FPL is meeting the increased demands of its customers by adding to its generation capacity and electric transmission and distribution infrastructure. FPL plans to add about 1,900 mw of generating capacity in 2005 at a total investment of over $1 billion. This will provide enough power to meet the needs of approximately 400,000 new customers and FPL expects a reserve margin of 25% for all of its customers. These projects are utilizing natural gas-fired and combined-cycle generators. FPL's O&M expenses declined in 2004 despite increased costs of nuclear plant maintenance and insurance; however, O&M expenses are expected to increase in 2005 reflecting continued upward trends in nuclear maintenance, insurance and employee-related costs as well as increased maintenance costs for fossil generation plants due to a number of FPL's older units going through major overhauls. FPL's O&M expenses per retail kilowatt-hour also declined in 2004 and are below the 2003 industry average according to the most current reference data available from government sources. In 2004, FPL's availability factor for its fossil and nuclear generating units were 94% and 88%, respectively, and the average minutes a customer was without power was 69 minutes, excluding the impact of the three hurricanes that hit FPL's service territory, compared to the 2003 industry average of 137 minutes. Growing demand for electricity in FPL's service territory has prompted the need for additional power plants and other capital improvements, the costs of which have resulted in FPL notifying the FPSC on January 21, 2005 of its intent to file for a rate increase effective January 2006. FPL's business strategy is to meet the increased demands of customer growth and focus on improving operating performance.

FPL Energy is in the wholesale generation business with the majority of its operating revenues derived from wholesale electricity sales. Its market is diversified by region as well as by fuel source. More than 85% of the expected 2005 gross margin from FPL Energy's wholesale generation fleet is hedged against fuel and electricity market volatility. FPL Energy's trading business is focused on reducing risk and extracting maximum value from its assets. FPL Energy is one of the largest producers of wind energy in the world, and with the extension of the production tax credit program through December 2005, plans to continue expanding its wind portfolio in 2005 through construction of new facilities and selective acquisitions. FPL Energy's business strategy is to maximize the value of its current portfolio, expand its U.S. market-leading wind position, build its portfolio and explore gas infrastructure opportunities.

Results of Operations

Summary – FPL Group's net income for the years ended December 31, 2004, 2003 and 2002 was $887 million, $890 million and $473 million, respectively. See Note 17 for segment information. FPL Group's net income for the year ended December 31, 2004 reflects reduced earnings at FPL Energy partially offset by improved results at FPL. At Corporate and Other, the impact of the favorable resolution of certain tax issues was partially offset by higher interest expense. FPL's 2004 results improved as a result of strong customer growth and the settlement of shareholder litigation initiated in 2002 and 2003, but were partially offset by the impacts of three hurricanes that struck FPL's service territory during the third quarter of 2004, as well as lower customer usage due to overall milder weather. These hurricanes resulted in lost revenues and an increase in O&M expenses including higher reserves for uncollectible accounts for FPL, and reduced FPL's net income by approximately $26 million for the year ended December 31, 2004. FPL Energy's 2004 results decreased due to the effect of restructuring activities during 2004 compared to 2003 and higher interest expense partially offset by increased earnings from its existing portfolio as well as project additions. In addition, FPL Energy's net income for 2004 reflects unrealized losses from non-qualifying hedges of $3 million while 2003 net income reflects unrealized gains of $22 million and a $3 million charge due to a change in accounting principle. FPL Group's net income for the year ended December 31, 2003 benefited from improved results at both FPL and FPL Energy, as well as the absence of certain impairment and other charges recorded in 2002 that reduced FPL Energy's 2002 net income by $295 million ($485 million pretax). In addition, 2003 results at the Corporate and Other segment benefited from the absence of certain impairment and other charges, net of income tax settlements, recorded in 2002 which reduced 2002 results by $64 million ($152 million pretax). In addition, FPL Energy's net income for 2003 reflects unrealized gains from non-qualifying hedges of $22 million compared to $1 million in 2002. FPL Group's 2004 net income also benefited from certain state tax benefits resulting from FPL Energy's growth throughout the United States, as well as the resolution of other tax issues. FPL Group's effective tax rate for all periods presented reflect production tax credits for wind projects at FPL Energy. The effective tax rate for the year ended December 31, 2002 was further reduced by a gain from the resolution of an income tax matter.

FPL Group and its subsidiaries segregate unrealized mark-to-market gains and losses on derivative transactions into two categories. The first category, referred to as trading and managed hedge activities, represents the net unrealized effect of actively traded positions entered into to take advantage of market price movements and to optimize the value of generation assets and related contracts. The second category, referred to as non-qualifying hedges, represents the net unrealized effect of derivative transactions entered into as economic hedges (but which do not qualify for hedge accounting under FAS 133, "Accounting for Derivative Instruments and Hedging Activities," as amended) and the ineffective portion of transactions accounted for as cash flow hedges. These transactions have been entered into to reduce FPL Group's aggregate risk.

FPL Group's management uses earnings excluding certain items (adjusted earnings), which in 2004 were the mark-to-market effect of non-qualifying hedges, internally for financial planning, for reporting of results to the Board of Directors and for FPL Group's employee incentive compensation plan. FPL Group also uses adjusted earnings when communicating its earnings outlook to analysts and investors. FPL Group's management believes adjusted earnings provide a more meaningful representation of the company's fundamental earnings power. Although the excluded items are properly included in the determination of net income in accordance with generally accepted accounting principles, both the size and nature of such items can make period to period comparisons of operations difficult and potentially confusing.

FPL – FPL's net income available to FPL Group for 2004, 2003 and 2002 was $749 million, $733 million and $717 million, respectively. During 2004, FPL's net income benefited from strong customer growth, underlying customer usage growth, FPL's portion of the amount received by FPL Group related to the settlement of shareholder litigation which reduced O&M expenses and other reductions in O&M expenses. In addition, the allowance for funds used during construction, primarily equity funds, increased during 2004 reflecting higher plant balances under construction. However, the effect of milder weather as compared to 2003, the impact of three hurricanes and higher depreciation expense partially offset these benefits. The hurricanes resulted in lost revenues of approximately $38 million for the year ended December 31, 2004 and have made 2005 results at FPL more difficult to estimate due to the uncertainty of the impact of the storms on revenue growth. During 2003, FPL's net income benefited from higher revenues from retail base operations partially offset by higher O&M expenses, depreciation expense and property taxes. FPL's 2003 net income also reflects a loss related to the redemption of preferred stock, which was substantially offset by tax benefits related to the favorable settlement of tax audit issues with the IRS.

In 2002, the FPSC approved a rate agreement regarding FPL's retail base rates, which became effective April 15, 2002 and expires December 31, 2005. The agreement includes 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 rate agreement provides for a $250 million annual reduction in retail base revenues allocated to all customers by reducing customers' base rates and service charges by approximately 7%. The revenue sharing thresholds specified in the rate agreement are as follows:

	Years Ended December 31,			
	2002[a]	2003	2004	2005
	(millions)			
66 2/3% to customers	$ 3,580	$ 3,680	$ 3,780	$ 3,880
100% to customers	$ 3,740	$ 3,840	$ 3,940	$ 4,040

[a] Refund was limited to 71.5% (representing the period April 15 through December 31, 2002) of the revenues from base rate operations exceeding the thresholds.

During the term of the rate agreement, FPL does not have an authorized regulatory ROE range for the purpose of addressing earnings levels. However, FPL continues to file monthly earnings surveillance reports with the FPSC and if the reported ROE falls below 10% during the term of the rate agreement, FPL may petition the FPSC to amend its base rates. The rate agreement would terminate on the effective date of any final order issued in a proceeding that changes FPL's base rates. See Note 1 – Revenues and Rates. In addition, depreciation rates will not be changed during the term of the agreement; however, FPL will reduce its recorded depreciation expense by $125 million annually. Accordingly, depreciation expense for all periods presented reflects this reduction. See Note 1 – Electric Plant, Depreciation and Amortization.

On January 21, 2005, FPL notified the FPSC that it intends to initiate a base rate proceeding in March 2005. Although FPL has not finalized its 2006 and 2007 revenue requirements, it expects to request a $400 million to $450 million annual increase in base rates beginning on January 1, 2006 and an additional annual base rate increase of approximately $130 million in mid-2007 to cover the costs associated with the 1,150 mw natural gas-fired unit at Turkey Point expected to be placed in service in mid-2007. Hearings on the base rate proceeding are expected during the third quarter of 2005 and a final decision is expected by the end of 2005.

FPL's operating revenues consisted of the following:

	Years Ended December 31,		
	2004	2003	2002
		(millions)	
Retail base operations	$ 3,664	$ 3,680	$ 3,603
Revenue refund provision	-	(3)	(34)
Cost recovery clauses and other pass-through costs	4,999	4,558	3,793
Other, primarily gas and wholesale sales	71	58	16
Total	$ 8,734	$ 8,293	$ 7,378

For the year ended December 31, 2004, the decrease in retail base revenues was primarily due to a decrease in usage per retail customer, partially offset by a 2.6% increase in the average number of customer accounts. A 2.7% decrease in usage per retail customer resulted in a decrease in revenues from retail base operations of approximately $100 million, primarily due to milder weather and customer service interruptions during the three hurricanes that struck FPL's service territory. The increase in the average number of customer accounts, as well as other factors, increased revenues from retail base operations by $84 million.

The increase in retail base revenues in 2003 was primarily due to an increase in customer accounts and an increase in usage per retail customer. The increase in 2003 was partially offset by the effect of the 7% base rate reduction, or $62 million, pursuant to the rate agreement that was effective in mid-April 2002. A 2.4% increase in the number of retail customer

accounts increased revenues by $85 million, while the balance of the increase, or $54 million, was primarily due to a 1.7% increase in electricity usage per retail customer.

Revenues from cost recovery clauses and other pass-through costs, such as franchise fees and revenue taxes, do not significantly affect net income; however, under- or over-recovery of such costs can significantly affect FPL Group's and FPL's operating cash flows. Fluctuations in these revenues, as well as in fuel, purchased power and interchange expense are primarily driven by changes in energy sales, fuel prices and capacity charges. Ordinarily, the fuel charge is set annually based on estimated fuel costs and estimated customer usage, plus or minus a true-up for prior period estimates. Effective January 1, 2003, the FPSC approved a risk management fuel procurement program, which is intended to reduce the risk of unexpected fuel price volatility by locking in fuel prices for a portion of FPL's fuel requirements. The results of the program are reviewed by the FPSC as part of the annual review of fuel costs. The increase in revenues from cost recovery clauses and other pass-through costs for the years ended December 31, 2004 and 2003 reflect higher fuel charges to customers primarily to recover previously underrecovered fuel-related costs resulting from higher than projected fuel costs.

FPL's O&M expenses decreased $22 million in 2004 reflecting the receipt of approximately $21 million associated with the settlement of the shareholder litigation. The settlement was offset by higher nuclear maintenance costs of $10 million, higher insurance costs of $8 million and an increase in the provision for uncollectible accounts receivable of $8 million in connection with the hurricanes. The remainder of the fluctuation in the 2004 O&M expenses was primarily due to the absence of certain legal expenses recorded in 2003. Management expects to see a continued upward trend in nuclear maintenance, insurance and employee-related costs for 2005, as well as an increase in maintenance costs for fossil generation plants as major overhauls are planned for a number of older units. In conjunction with an NRC order, FPL has performed visual and volumetric inspections of its nuclear units' reactor vessel heads during their scheduled refueling outages since October 2002. The inspections at St. Lucie Unit No. 2 revealed CRDM nozzles with cracks, which were repaired during the outages. During the fall of 2004, FPL replaced the reactor vessel head at Turkey Point Unit No. 3. FPL anticipates replacing the reactor vessel heads at Turkey Point Unit No. 4 and St. Lucie Unit No. 1 during their next scheduled refueling outage. In January 2005, FPL received permission from the NRC to plug up to 30% of St. Lucie Unit No. 2's steam generator tubes. To date, 18.9% of these tubes have been plugged. It is possible that during St. Lucie No. 2's next scheduled refueling outage in the spring of 2006 the 30% tube plugging limit could be exceeded. Management is currently evaluating various options, including sleeving degraded tubes, to stay within the tube plugging limit. FPL has requested NRC approval to sleeve degraded tubes as an alternative to plugging. Management intends to replace the reactor vessel head and steam generators at St. Lucie Unit No. 2 during its fall 2007 scheduled refueling outage. The replacement cost of the reactor vessel heads and steam generators is expected to be $558 million and is included in FPL's estimated capital expenditures. See Note 16 – Commitments. The cost of performing inspections and any necessary repairs until the reactor vessel heads are replaced is being recognized as expense on a levelized basis over a five-year period beginning in 2002, as authorized by the FPSC, and amounted to approximately $11 million in 2004, $13 million in 2003 and $13 million in 2002.

Pursuant to a 2003 NRC bulletin, FPL has performed inspections of the bottom mounted instrumentation penetrations at both of its Turkey Point units and to date, no evidence of leakage from these penetrations has been noted. St. Lucie Units Nos. 1 and 2 do not have bottom mounted instrumentation penetrations.

In conjunction with a 2004 NRC bulletin, FPL must perform inspections of all alloy 600 and weld materials in pressurizer locations and connected steam space piping. To date, no leaks have been identified based on inspections at St. Lucie Units Nos. 1 and 2. Due to the amount of time and cost associated with correcting potential leaks, FPL has decided to replace St. Lucie Unit No. 1's pressurizer during its next scheduled refueling and reactor vessel head replacement outage. The estimated cost for the pressurizer is included in estimated capital expenditures. See Note 16 - Commitments. FPL has decided to repair St. Lucie Unit No. 2's pressurizer heater sleeve penetrations during its scheduled refueling and steam generator and reactor vessel head replacement outage in the fall of 2007. The estimated cost of this repair is approximately $12 million, which will be charged to O&M expense. All pressurizer penetrations and welds at Turkey Point Units Nos. 3 and 4 utilize a different material. See Item 1 – FPL Operations – Nuclear Operations for further discussion of the above nuclear plant related matters.

In 2003, O&M expenses reflected increases in nuclear maintenance expenses discussed above of $29 million, employee benefit costs, primarily medical-related, of $17 million and property and liability insurance costs of $17 million due to higher insurance premiums combined with lower refunds under nuclear insurance policies. The 2003 cost increases were partially offset by the absence of a one-time storm fund accrual of $35 million recorded in 2002, as well as productivity improvements in other areas.

For the year ended December 31, 2004, depreciation and amortization expense increased by $17 million, reflecting continued growth of electric utility plant in service. Depreciation expense will continue to grow as FPL continues to invest in generation and distribution expansion to support customer growth and demand. The latter half of 2005 will see the introduction of approximately 1,900 mw of natural gas combined-cycle generation at its Martin and Manatee sites. Also, FPL plans to build a 1,150 mw natural gas-fired plant with a planned in-service date of mid-2007 as discussed below. Depreciation and amortization expense increased in 2003 by $67 million primarily due to FPL's investment in generation and distribution expansion to support customer growth and demand which included the completion of the Fort Myers and Sanford repowering projects.

FPL has received 20 year operating license extensions for its four nuclear units. The original license expiration dates for Turkey Point Units Nos. 3 and 4 and for St. Lucie Units Nos. 1 and 2 are 2012, 2013, 2016 and 2023, respectively. FPL has not yet decided to operate past the original license expiration dates, although FPL is continuing to take actions to ensure the long-term viability of the units in order to preserve this option. The decision will be made for Turkey Point Units Nos. 3 and 4

by 2007 and for St. Lucie Units Nos. 1 and 2 by 2011. Any adjustment to depreciation and decommissioning rates would require FPSC approval.

Interest charges for 2004 increased primarily due to an increase of 40 basis points in average interest rates as compared to 2003, higher average debt balances used to fund increased investment in generation, transmission and distribution expansion and to pay for storm restoration costs. Interest charges for 2003 increased primarily due to higher average debt balances used to fund increased investment in generation, transmission and distribution expansion and under-recovery of fuel costs. This increase was partially offset by a decline in average interest rates of approximately 80 basis points in 2003 as compared to 2002.

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 2004, operating revenues from wholesale and industrial customers combined represented approximately 4% of FPL's total operating revenues. Various states, other than Florida, have enacted legislation or have state commissions that have issued orders designed to allow retail customers to choose their electricity supplier. This regulatory restructuring 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. 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 generating assets should be separated from transmission, distribution and other assets. It is generally believed that transmission and distribution activities would remain regulated. Within the last few years, these state restructuring efforts have diminished, and several states have delayed the implementation or reversed previously approved restructuring legislation and rules. Management believes it is unlikely there will be any state actions to restructure the electric industry in Florida in the near future.

The FPSC promotes competition for building major new steam generating capacity by requiring investor-owned electric utilities, such as FPL, to issue an RFP. The RFP process allows independent power producers and others to bid to supply the needed generating capacity. If a bidder has the most cost-effective alternative, meets other criteria such as financial viability and demonstrates adequate expertise and experience in building and/or operating generation capacity of the type proposed, the investor-owned electric utility would seek to negotiate a power purchase agreement with the selected bidder and request that the FPSC authorize the construction of the bidder's generation capacity under the terms of the power purchase agreement. In June 2004, the FPSC approved FPL's proposal to build an 1,150 mw natural gas-fired plant at its Turkey Point site with a planned in-service date of mid-2007, which was subsequently approved by the Siting Board (comprised of the Florida governor and cabinet) under the Florida Electrical Power Plant Siting Act in February 2005.

The FERC has jurisdiction over potential changes which could affect competition in wholesale transactions. In 1999, the FERC issued its final order on RTOs which, under a variety of structures, provides for the independent operation of transmission systems for a given geographic area. In March 2001, the FERC approved GridFlorida (FPL's, Progress Energy Florida, Inc.'s and Tampa Electric Company's proposed RTO) as the RTO for peninsular Florida. The FPSC decided that GridFlorida as established by the FERC was not in the best interest of Florida customers and required revisions to the FERC proposed structure. The FPSC issued a procedural order establishing a series of workshops through 2004 to address GridFlorida issues. A pricing workshop and a market design workshop were held in March and May 2004, respectively. The third workshop scheduled for August 2004 was postponed pending the results of a cost benefit analysis of GridFlorida. See Item 1 – FPL Operations – Competition for further discussion.

In July 2002, the FERC issued a notice of proposed rulemaking to reform public utilities' transmission tariffs and implement a standardized design for electric markets in the United States. FPL is currently unable to determine the effects, if any, of the proposed rule. See Item 1 – FPL Operations – Competition for further discussion.

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 Note 1 – Regulation.

FPL Energy – FPL Energy's net income (loss) for 2004, 2003, and 2002 was $172 million, $194 million and $(169) million, respectively. FPL Energy's net income has become a greater portion of FPL Group's consolidated net income increasing from 1% in 1997 to 19% in 2004. Net income for the year ended December 31, 2004 decreased primarily from increased net losses of approximately $50 million associated with restructuring activities, discussed below, and higher interest expense partially offset by the addition of new projects, primarily wind, and the improved results of the existing portfolio primarily due to improved market conditions, particularly in the NEPOOL region, and the absence of an outage at Seabrook.

FPL Energy's net income for the year ended December 31, 2003 benefited from project additions partially offset by lower earnings from merchant assets, primarily in the ERCOT and NEPOOL regions, and higher interest expense. The improvement in net income in 2003 was also due to the absence of impairment and other charges recorded in 2002 that totaled $485 million ($295 million after tax). The impairment and other charges consisted of a goodwill impairment charge of $365 million ($222 million after tax) representing the cumulative effect of adopting FAS 142, "Goodwill and Other Intangible Assets," and restructuring and other charges totaling $120 million ($73 million after tax) due to the unfavorable market conditions in the wholesale energy market. For further discussion of FAS 142, see Note 5 and for restructuring and other charges, see Note 6.

Net income for 2004, 2003 and 2002 included net unrealized mark-to-market gains (losses) on non-qualifying hedges of $(3) million, $22 million and $1 million, respectively. For further discussion of derivative instruments, see Note 3.

FPL Energy's 2004 net income benefited from the full year effect of 3,904 mw of wind and fossil generation added during 2003 and 39 mw of wind generation added during 2004. In aggregate, these project additions added $30 million to 2004 net income. FPL Energy's operating revenues increased $453 million primarily driven by project additions, the commencement of a contract for the sale of the remaining 50% of the capacity of a natural gas-fired facility in Alabama, lack of a refueling outage at the Seabrook facility, improvements in the NEPOOL region aided by higher gas prices and volatility in the oil-gas price ratio and increased generation in the ERCOT region due to improved market conditions. Operating expenses increased $482 million, over half of which was fuel-related, primarily driven by project additions and the increased generation in the ERCOT region. Included in operating expenses in 2004 are charges of $81 million associated with the restructuring of the Marcus Hook steam contract, which consisted of the write-off of an auxiliary boiler of approximately $33 million and a $48 million contract termination payment. As a result of changes in market conditions since initiation of the Marcus Hook project in the late 1990's, it has become more economical to dispatch the plant during peak hours and uneconomical to operate the auxiliary boiler to satisfy the steam contract obligation when the plant is not running. FPL Energy expects its future portfolio capacity growth to come primarily from wind development due to the extension of the production tax credit program through 2005 for new wind facilities, as well as from asset acquisitions. FPL Energy plans to add a total of 250 mw to 750 mw of wind generation by the end of 2005, including approximately 220 mw which are currently under construction and are expected to be in service by mid-2005.

Earnings from investments in partnerships and joint ventures for the twelve months ended December 31, 2004, presented as equity in earnings of equity method investees, increased $5 million from the prior year primarily due to the positive effects on operating results of prior contract restructurings, the receipt of a portion of a settlement related to a previous investment in an Indonesian project partially offset by unrealized losses from non-qualifying hedge activity in the portfolio in 2004 compared to gains in 2003. Also, during 2004, FPL Energy recorded a net gain of approximately $52 million on the termination of a gas supply contract and a steam agreement which was essentially offset by an impairment loss recorded as a result of agreeing to sell its interest in a combined-cycle power plant in Texas. The sale was completed in 2004.

FPL Energy's net income for the year ended 2004 also reflected higher interest expense of approximately $56 million due to growth in the business reflecting more projects being placed in service and the acquisition of new projects, as well as higher average interest rates of approximately 60 basis points as compared to the prior year.

FPL Energy's 2003 net income benefited from the full year effect of 2,235 mw of generation added in 2002, the majority of which was added in the fourth quarter of 2002, as well as 3,904 mw added in 2003. The 2002 additions include the purchase of an 88.23% interest in Seabrook as well as wind and natural gas-fired assets. During 2003, FPL Energy added 975 mw of wind generation and 2,929 mw of natural gas-fired assets. In aggregate, 2002 and 2003 project additions contributed $82 million to 2003 net income. FPL Energy's operating revenues and operating expenses for the year ended 2003 increased $561 million and $352 million, respectively, primarily driven by project additions. In addition, restructuring and impairment charges discussed above added $103 million to operating expenses in 2002. Operating revenues net of operating expenses, primarily fuel, were essentially flat in the balance of the portfolio. In 2003, both the ERCOT and NEPOOL regions experienced higher energy prices offset by lower generation and higher fuel costs.

Earnings from investments in partnerships and joint ventures for the twelve months ended December 31, 2003 increased $13 million from the prior year reflecting an increase in unrealized gains associated with the mark-to-market effect of non-qualifying hedges and a $17 million charge against its investment in two wind projects recorded in 2002. In addition, equity in earnings of equity method investees reflects lower gains from contract restructurings and lower earnings from a project in California, as well as lower project earnings due to higher fuel prices in the ERCOT and NEPOOL regions.

FPL Energy's net income for the year ended 2003 also reflected higher interest expense of approximately $38 million associated with increasing average debt balances due to growth in the business partially offset by a decline in average interest rates of approximately 30 basis points compared with same period in 2002. FPL Energy's net income in 2002 also included the positive effects of a $10 million insurance settlement.

Over the last several years, there has been a general decline in the wholesale energy market, including deterioration in forward prices and reduced liquidity, as well as increasing credit concerns that have limited the number of counterparties with which FPL Energy does business. These market conditions have made it more difficult for FPL Energy to manage the risk associated with fluctuating commodity prices, to optimize the value of its assets and to contract the output of its plants. Any uncontracted output from the plants has been and will be sold into the market place at prevailing prices when economical. However, the major markets in which FPL Energy operates have shown modest signs of improvement during 2004. Given current market conditions, when FPL Energy's existing power sales agreements expire, more of the energy produced may 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. Expanded competition in a frequently changing regulatory environment presents both opportunities and risks for FPL Energy. Some of the factors affecting success in these markets are the ability to operate generating assets efficiently and reliably, the price and supply of fuel, transmission constraints, wind and hydro resources (weather conditions), competition from new sources of generation, effective risk management, demand growth and exposure to legal and regulatory changes. Opportunities exist for the selective acquisition of generation assets divested under deregulation plans or available from other competitors and for the construction and operation of efficient plants that can sell power in competitive markets. Wholesale energy markets have

experienced lower demand and lower wholesale energy margins as a result of weather and economic conditions and the oversupply of generation in certain regions. FPL Energy seeks to reduce its market risk by having a diversified portfolio, by fuel type and location, as well as by contracting for the sale of a significant amount of the electricity output of its plants.

FPL Energy's 2005 earnings are subject to variability due to, among other things, operational performance, commodity price exposure, counterparty performance, weather conditions and project restructuring activities. FPL Energy's exposure to commodity price risk is reduced by the degree of contract coverage obtained for 2005. As of December 31, 2004, FPL Energy's capacity under contract for 2005 was as follows:

Asset Class	Available MW [a]	% MW Under Contract
Wind	2,917	98% [b]
Contracted [c]	2,170	99% [b]
Merchant: [d]		
NEPOOL	2,304	72% [e]
ERCOT	2,644	79% [e]
All other	1,274	8% [e]
Total portfolio	11,309	78% [e]

(a) Weighted to reflect in-service dates, planned maintenance and a refueling outage at Seabrook in 2005.
(b) Reflects round-the-clock mw under contract.
(c) Includes all projects with mid- to long-term purchase power contracts for substantially all of their output.
(d) Includes only those facilities that require active hedging.
(e) Reflects on-peak mw under contract.

FPL Energy's results are affected by natural fluctuations in weather. In addition to the effect of temperature, which is reflected in commodity prices and demand, changes in weather affect the wind portfolio as well as the hydro units in Maine. In managing its exposure to commodity prices, FPL Energy is dependent upon its counterparties to perform under their contractual obligations. FPL Energy actively manages the trade-off between market risk and credit risk, as well as exposure with individual counterparties as a function of their creditworthiness. Substantially all of FPL Energy's 2005 contracted revenues are with investment grade counterparties.

Corporate and Other – Corporate and Other is primarily comprised of FPL FiberNet and other corporate income and expenses, such as interest income and interest expense. Corporate and Other's net loss for the year ended December 31, 2004, 2003 and 2002 was $34 million, $37 million and $75 million, respectively. Results for Corporate and Other in 2004 reflect certain state tax benefits resulting from FPL Energy's growth throughout the United States as well as the resolution of other tax issues totaling approximately $30 million, partially offset by higher interest expense and the absence of gains at FPL FiberNet associated with restructuring two transactions in 2003. Corporate and Other allocates interest charges to FPL Energy based on a deemed capital structure at FPL Energy of 50% debt for operating projects and 100% debt for projects under construction. Interest expense at Corporate and Other increased in 2004 due to allocating less interest expense to FPL Energy as a result of the completion of a number of projects during 2003 that were previously under construction. Results from Corporate and Other for 2003 primarily reflect higher interest charges and the absence of restructuring and impairment charges recorded in 2002. For the year ended December 31, 2002, impairment and other charges totaled $94 million after tax as a result of declines in the telecommunications market (see Note 6 – 2002 – Corporate and Other) and reserves against certain leveraged lease investments. These charges were partially offset by a $30 million gain in 2002 from the resolution of an income tax matter.

Liquidity and Capital Resources

FPL Group and its subsidiaries, including FPL, require funds to support and grow their businesses. These funds are used for working capital, capital expenditures, investments in or acquisitions of assets and businesses, to pay maturing debt obligations and, from time to time, to redeem outstanding debt and preferred stock and/or repurchase common stock. It is anticipated that these requirements will be satisfied through a combination of internally generated funds and the issuance, from time to time, of debt and equity securities, consistent with FPL Group's and FPL's objective of maintaining, on a long-term basis, a capital structure that will support a strong investment grade credit rating. Credit ratings can affect FPL Group's, FPL's and FPL Group Capital's ability to obtain short- and long-term financing, the cost of such financing and the execution of their financing strategies. During 2004, the authorized common stock of FPL Group was increased 100 million shares from 300 million to 400 million shares. Absent new investment opportunities in 2005, management expects cash to be available to FPL Group in excess of needs that are presently identified.

Bank lines of credit currently available to FPL Group and its subsidiaries, including FPL, are as follows:

FPL [a]	FPL Group Capital	Total	Maturity Date
	(millions)		
$ 500	$ 1,000	$ 1,500	October 2006
1,000	1,000	2,000	October 2009 [b]
$ 1,500	$ 2,000	$ 3,500	

[a] Excludes a $100 million senior secured revolving credit facility of a consolidated FPL VIE that leases nuclear fuel to FPL. See below.
[b] These facilities provide for the issuance of letters of credit of up to $1.5 billion ($750 million for FPL and $750 million for FPL Group Capital). The issuance of letters of credit is subject to the aggregate commitment under the applicable facility.

These credit facilities are available to support the companies' commercial paper programs and to provide additional liquidity in the event of a transmission and distribution property loss (in the case of FPL), as well as for general corporate purposes. At December 31, 2004, letters of credit totaling $238 million were outstanding under FPL Group Capital's credit facilities and no amounts were outstanding under FPL's credit facilities. FPL Group (which guarantees payment of FPL Group Capital credit facilities) is required to maintain a minimum ratio of funded debt to total capitalization under the terms of FPL Group Capital's credit facilities and FPL is required to maintain a minimum ratio of funded debt to total capitalization under the terms of FPL's credit facilities. At December 31, 2004, FPL Group and FPL were in compliance with their respective ratio.

In addition, FPL Group Capital and FPL have each established an uncommitted credit facility with a bank to be used for general corporate purposes. The bank may at its discretion, upon the request of FPL Group Capital or FPL, make a short-term loan or loans to FPL Group Capital or FPL in an aggregate amount determined by the bank, which is subject to change at any time. The terms of the specific borrowings under the uncommitted credit facilities, including maturity, are set at the time borrowing requests are made by FPL Group Capital or FPL. At December 31, 2004, there were no amounts outstanding for either FPL Group Capital or FPL under the uncommitted credit facilities.

A consolidated FPL VIE that leases nuclear fuel to FPL has established a $100 million senior secured revolving credit facility, which expires in June 2009, to provide backup support for its commercial paper program. FPL has provided an unconditional guarantee of the payment obligations of the VIE under the credit facility, which are included in the guarantee discussion below. At December 31, 2004, the VIE had no outstanding borrowings under the revolving credit facility and approximately $35 million under the commercial paper program. FPL also provides an unconditional payment guarantee of the VIE's $135 million of 2.34% senior secured notes, maturing in June 2006, which is included in the guarantee discussion below. See Note 9 - FPL.

At December 31, 2004, FPL Group and FPL Group Capital had $2.0 billion (issuable by either or both of them up to such aggregate amount) of available capacity under shelf registration statements. Securities that may be issued under the FPL Group and FPL Group Capital shelf registration statements, depending on the registrant, include common stock, stock purchase contracts, stock purchase units, preferred stock, senior debt securities, preferred trust securities and related subordinated debt securities, and guarantees relating to certain of those securities. This capacity is available for, among other things, new investment opportunities. At December 31, 2004, FPL had $1.0 billion of available capacity under its shelf registration statement. Securities that may be issued under FPL's shelf registration statement include preferred stock, first mortgage bonds, preferred trust securities and related subordinated debt securities and guarantees.

During 2004, FPL sold 200,000 shares of $100 par value 4 1/2% Series V preferred stock to FPL Group and issued $240 million of 5.65% first mortgage bonds maturing in 2035, FPL Group Capital sold approximately $309 million of 5 7/8% junior subordinated debentures maturing in 2044 and FPL Energy drew $34 million from a construction term credit facility. FPL Group Capital's junior subordinated debentures were purchased by an unconsolidated 100%-owned finance subsidiary of FPL Group using proceeds from the March 2004 sale by that finance subsidiary of $300 million of preferred trust securities to the public and $9 million of common trust securities to FPL Group. FPL Group has fully and unconditionally guaranteed the junior subordinated debentures and the preferred trust securities. The junior subordinated debentures are included in long-term debt on FPL Group's consolidated balance sheets. During 2004, FPL Group Capital also repaid two variable rate term loans totaling $175 million, had $175 million of 6.875% debentures mature and reset the annual interest rate on $575 million principal amount of its debentures due February 2007 from 4.75% to 4.086%. These debentures were originally issued in February 2002 in connection with FPL Group's publicly-traded equity units known as Corporate Units. The interest rate was reset as a result of FPL Group Capital remarketing approximately $554 million principal amount of these debentures. Neither FPL Group nor FPL Capital received any proceeds from the remarketing of the debentures.

Subsidiaries of FPL Group also entered into several interest rate swap agreements during 2004. The swaps consisted of two variable interest rate swap agreements at FPL to protect $500 million of its outstanding 6.875% first mortgage bonds maturing in December 2005 against changes in fair value due to changes in interest rates; several variable interest rate swap agreements at FPL Group Capital to protect $200 million of its outstanding 1 7/8% debentures maturing in March 2005, $500 million of its outstanding 3 1/4% debentures maturing in 2006 and $575 million of its 4.086% debentures maturing in 2007 against changes in fair value due to changes in interest rates; and an interest rate swap agreement whereby an FPL Energy subsidiary receives LIBOR and pays a fixed rate of 3.845% on approximately $30 million of its variable rate debt in order to limit cash flow exposure.

In January 2005, FPL redeemed all 250,000 shares of its $100 par value 4 1/2% preferred stock outstanding at December 31, 2004 (Series A and Series V) and FPL Group Capital redeemed approximately $5 million of 7.35% bonds due 2013. In February 2005, an FPL Energy subsidiary entered into an interest rate swap to receive LIBOR and pay a fixed rate of 4.255% to hedge approximately $4 million to $6 million through November 2007 and approximately $163 million to $173 million from November 2007 through June 2008. On February 16, 2005, FPL Group issued 9,270,090 shares of common stock in return for approximately $575 million in proceeds, upon settlement of the stock purchase contracts issued in connection with its Corporate Units issued in February 2002. In February 2005, subsidiaries of FPL Energy sold $365 million of 5.608% limited-recourse senior secured bonds maturing in March 2024 and $100 million of 6.125% limited-recourse senior secured bonds maturing in March 2019. See Note 14.

The following provides various metrics regarding FPL Group's (including FPL's) and FPL's outstanding debt:

	FPL Group		FPL	
	December 31, 2004	December 31, 2003	December 31, 2004	December 31, 2003
Weighted-average year-to-date interest rate [(a)]	5.4%	4.9%	4.9%	4.5%
Weighted-average life (years)	8.7	7.3	14.3	13.6
Year-to-date average of floating rate debt to total debt [(a)]	31%	31%	34%	33%

[(a)] Calculations include interest rate swaps, if any

In June 2004, an indirect subsidiary of FPL Group sold a note receivable from a limited partnership of which Olympus is a general partner. Olympus is an indirect subsidiary of Adelphia. In June 2002, Adelphia, Olympus and the limited partnership filed for bankruptcy protection under Chapter 11, and the note, which was due July 1, 2002, was in default. The note receivable, which was previously recorded in other investments on FPL Group's consolidated balance sheet, was sold for its net book value of approximately $127 million, including accrued interest through the date of the commencement of the Chapter 11 proceedings, less related transaction costs which were not significant. Proceeds from the sale of the note were used to reduce FPL Group Capital's debt.

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. During the first quarter of 2004, FPL Group increased its quarterly dividend on its common stock from $0.60 to $0.62 per share. During the third quarter of 2004, FPL Group increased its quarterly dividend on its common stock from $0.62 to $0.68 per share. In February 2005, FPL Group announced that it would increase its quarterly dividend on its common stock from $0.68 to $0.71 per share. FPL pays dividends to FPL Group in a manner consistent with FPL's long-term targeted capital structure. In addition in 2002, FPL paid special dividends totaling $375 million to FPL Group. FPL Group made capital contributions in 2003 and 2002 to FPL of $600 million and $350 million, respectively. FPL's mortgage contains provisions which, under certain conditions, restrict the payment of dividends to FPL Group and the issuance of additional first mortgage bonds. In light of FPL's current financial condition and level of earnings, management does not expect that planned financing activities or dividends would be affected by these limitations.

On February 18, 2005, FPL Group's board of directors approved a two-for-one stock split of FPL Group's common stock effective March 15, 2005 (2005 stock split). FPL Group's authorized common stock will increase from 400 million to 800 million shares. After giving effect to the 2005 stock split, the subsequent quarterly dividend on FPL Group's common stock will be 35.5 cents per share. The share or per share information included in FPL Group's consolidated financial statements for the year ended December 31, 2004 does not reflect the effect of the 2005 stock split.

Under the mortgage securing FPL's first mortgage bonds, in some cases, the mortgage restricts the amount of retained earnings that FPL can use to pay cash dividends on its common stock. The restricted amount may change based on factors set out in the mortgage. Other than this restriction on the payment of common stock dividends, the mortgage does not restrict FPL's use of retained earnings. As of December 31, 2004, no retained earnings were restricted by these provisions of the mortgage.

FPL may issue first mortgage bonds under its mortgage subject to its meeting an adjusted net earnings test set forth in the mortgage, which generally requires adjusted net earnings to be at least twice the annual interest requirements on, or at least 10% of the aggregate principal amount of, FPL's first mortgage bonds including those to be issued and any other non-junior FPL indebtedness. As of December 31, 2004, coverage for the 12 months ended December 31, 2004, would have been in excess of 8.5 times the annual interest requirements and in excess of 5 times the aggregate principal requirements. New first mortgage bonds are also limited to an amount equal to the sum of 60% of unfunded property additions after adjustments to offset retirements, the amount of retired first mortgage bonds or qualified lien bonds and the amount of cash on deposit with the mortgage trustee. As of December 31, 2004, FPL could have issued in excess of $5 billion of additional first mortgage bonds based on the unfunded property additions and in excess of $5.5 billion based on retired first mortgage bonds. As of December 31, 2004, no cash was deposited with the mortgage trustee for these purposes.

FPL Group and its subsidiaries, including FPL, have no credit rating downgrade triggers that would accelerate the maturity dates of debt outstanding. A change in ratings is not an event of default under applicable debt instruments, and while there are conditions to drawing on the credit facilities maintained by FPL Group Capital and FPL, the maintenance of a specific minimum level of credit rating is not a condition to drawing upon those credit facilities. However, commitment fees and

interest rates on loans under the credit facilities agreements are tied to credit ratings and would increase or decrease when ratings are changed. A ratings downgrade also could reduce the accessibility and increase the cost of commercial paper issuances and additional or replacement credit facilities, and could result in the requirement that FPL Group subsidiaries, including FPL, post collateral under certain power purchase and other agreements. FPL Group subsidiaries, including FPL, are regularly required to post collateral in excess of collateral threshold amounts when FPL Group's exposure to the counterparty under the applicable trading agreement exceeds such threshold.

Securities of FPL Group and its subsidiaries are currently rated by Moody's Investors Service, Inc. (Moody's), Standard & Poor's Ratings Services (S&P) and Fitch Ratings (Fitch). At February 25, 2005, Moody's, S&P and Fitch had assigned the following credit ratings to FPL Group, FPL and FPL Group Capital:

	Moody's [a]	S&P [a]	Fitch [a]
FPL Group: [b]			
Corporate credit rating	A2	A	A
FPL: [c]			
Corporate credit rating	A1	A/A-1	N/A
First mortgage bonds	Aa3	A	AA-
Pollution control, solid waste disposal and industrial development revenue bonds	Aa3/VMIG-1	A/A-1	A+
Commercial paper	P-1	A-1	F1
FPL Group Capital: [d]			
Corporate credit rating	N/A	A/A-1	N/A
Debentures	A2	A-	A
Commercial paper	P-1	A-1	F1

[a] A security rating is not a recommendation to buy, sell or hold securities and should be evaluated independently of any other rating. The rating is subject to revision or withdrawal at any time by the assigning rating organization.
[b] The outlook indicated for FPL Group by Moody's, S&P and Fitch is stable, negative and stable, respectively.
[c] The outlook indicated for FPL by Moody's, S&P and Fitch is stable, negative and stable, respectively.
[d] The outlook indicated for FPL Group Capital by Moody's, S&P and Fitch is stable, negative and stable, respectively.

FPL Group's commitments at December 31, 2004 were as follows:

	2005	2006	2007	2008	2009	Thereafter	Total
				(millions)			
Long-term debt, including interest: [a]							
FPL	$ 665	$ 266	$ 129	$ 323	$ 335	$ 4,291	$ 6,009
FPL Energy	219	211	516	407	122	876	2,351
Corporate and Other	816	1,300	1,186	577	666	932	5,477
Corporate Units	18	2				-	20
Purchase obligations:							
FPL [b]	5,090	3,570	2,960	2,415	2,310	7,740	24,085
FPL Energy [c]	447	55	69	52	52	734	1,409
Asset retirement activities: [d]							
FPL [e]						7,056	7,056
FPL Energy [f]	1					1,625	1,626
Other commitments:							
Corporate and Other	75						75
Total	$ 7,331	$ 5,404	$ 4,860	$ 3,774	$ 3,485	$ 23,254	$ 48,108

[a] Includes principal, interest and interest rate swaps. Variable rate interest was computed using December 31, 2004 rates.
[b] Represents required capacity and minimum payments under long-term purchased power and fuel contracts, the majority of which is recoverable through various cost recovery clauses (see Note 16 – Contracts), and projected capital expenditures through 2009 to meet increased electricity usage and customer growth, as well as capital improvements to and maintenance of existing facilities (see Note 16 – Commitments).
[c] Represents firm commitments primarily in connection with natural gas transportation, supply and storage, firm transmission service, nuclear fuel and a portion of its capital expenditures. See Note 16 – Commitments and Contracts.
[d] Represents expected cash payments adjusted for inflation for estimated costs to perform asset retirement activities.
[e] At December 31, 2004, FPL had $1,971 million in restricted trust funds for the payment of future expenditures to decommission FPL's nuclear units, which are included in special use funds.
[f] At December 31, 2004, FPL Energy's 88.23% portion of Seabrook's restricted trust fund for the payment of future expenditures to decommission Seabrook was $300 million and is included in FPL Group's special use funds.

FPL Group and FPL obtain letters of credit and issue guarantees to facilitate commercial transactions with third parties and financings. At February 11, 2005, FPL Group had standby letters of credit of approximately $464 million ($16 million for FPL) and approximately $4,553 million notional amount of guarantees ($240 million for FPL), of which approximately $4,076 million ($256 million for FPL) have expirations within the next five years. These guarantees support the buying and selling of wholesale energy commodities, debt related reserves and other contractual agreements. FPL Group and FPL believe it is unlikely that they would be required to perform or otherwise incur any losses associated with these guarantees and as a result, at December 31, 2004, FPL Group and FPL did not have any liabilities recorded for these guarantees. In addition, FPL Group has guaranteed certain payment obligations of FPL Group Capital, including most of those under FPL Group Capital's

debt, including all of its debentures and commercial paper issuances, as well as most of its guarantees, and FPL Group Capital has guaranteed certain debt and other obligations of FPL Energy and its subsidiaries. See Note 16 – Commitments.

In addition to the above, FPL Energy has guaranteed certain performance obligations of a power plant owned by a wholly-owned subsidiary as part of a power purchase agreement that expires in 2027. Under this agreement, the subsidiary could incur market-based liquidated damages for failure to meet contractual minimum outputs. In addition, certain subsidiaries of FPL Energy have contracts that require certain projects to meet annual minimum generation amounts. Failure to meet the annual minimum generation amounts would result in the FPL Energy subsidiary incurring specified liquidated damages. Based on past performance of these and similar projects and current forward prices, management believes that the exposure associated with these guarantees is not material.

An FPL Energy subsidiary is committed to purchase oil and gas inventory remaining in certain storage facilities at December 31, 2005 at its weighted-average cost. At December 31, 2004, the subsidiary's commitment is estimated to be from $0 to approximately $68 million, based on a potential range of zero to full storage volume at the current average forward price of oil and gas. Upon expiration of the commitment, FPL Energy expects to either negotiate a new contract or use any remaining fuel to operate the plant.

During the third quarter of 2004, FPL was impacted by Hurricanes Charley, Frances and Jeanne, each of which did major damage in parts of FPL's service territory and collectively resulted in over 5.4 million customer power outages with approximately three-quarters of FPL's customers losing power during at least one hurricane. Damage to FPL property was primarily to the transmission and distribution systems. Although FPL has not completed the final accounting of all restoration costs, FPL accrued restoration costs totaling approximately $890 million as of December 31, 2004. In addition, based on assessments as of December 31, 2004, FPL estimated it had sustained other property losses totaling approximately $109 million which is expected to be recovered from insurance carriers, of which $20 million has been advanced and the remaining $89 million is included in other current assets on FPL Group's and FPL's consolidated balance sheets. During the fourth quarter of 2004, all available funds were withdrawn from the storm fund to pay for storm costs. At December 31, 2004, approximately $352 million was accrued and included in other current liabilities on FPL Group's and FPL's consolidated balance sheets. At December 31, 2004, storm costs expected to be recoverable from customers exceeded the balance of the storm reserve by approximately $536 million. This deficiency has been deferred pursuant to an FPSC order and recorded as a regulatory asset on FPL Group's and FPL's consolidated balance sheets. During February 2005, pursuant to an FPSC order, FPL began recovering storm restoration costs from customers, subject to refund, pending the outcome of a hearing in April 2005 to determine the amount of storm restoration costs that FPL will be allowed to recover from customers. FPL Group received a $73 million federal tax refund in the fourth quarter of 2004 as a result of casualty losses associated with the hurricanes. In addition, restoration costs associated with the hurricanes have created a tax loss in 2004, which deferred the utilization of tax credits. See Note 4. FPL's bank lines of credit discussed above are also available if needed to provide additional liquidity for storm restoration costs.

New Accounting Rules and Interpretations

Variable Interest Entities – In January 2003, the FASB issued FIN 46, "Consolidation of Variable Interest Entities," which was subsequently revised. See Note 9.

Other Postretirement Benefits – In May 2004, the FASB issued Staff Position FAS 106-2, "Accounting and Disclosure Requirements Related to the Medicare Prescription Drug, Improvement and Modernization Act of 2003." See Note 2.

Stock-Based Compensation – Beginning July 1, 2005, FPL will be required to adopt FAS 123(R), "Share-Based Payment." See Note 1 – Stock-Based Compensation.

Critical Accounting Policies and Estimates

The preparation of financial statements and related disclosures in conformity with generally accepted accounting principles requires management to exercise judgment and make estimates and assumptions where amounts are not subject to precise measurement or are dependent on future events.

Critical accounting policies and estimates, which are important to the portrayal of both FPL Group's and FPL's financial condition and results of operations and which require complex, subjective judgments are as follows:

Accounting for Derivatives and Hedging Activities – FPL Group and FPL use derivative instruments (primarily forward purchases and sales, swaps, options and futures) to manage the commodity price risk inherent in fuel and electricity contracts, optimize the value of power generation assets and related contracts and manage risks associated with changes in interest rates. To a lesser extent, FPL Group also engages in limited energy trading activities to take advantage of expected favorable price movements. These accounting pronouncements, which require the use of fair value accounting if certain conditions are met, apply not only to traditional financial derivative instruments, but to any contract having the accounting characteristics of a derivative.

Derivative instruments, when required to be marked to market under FAS 133, as amended, are recorded on the balance sheet at fair value. Fair values for some of the longer-term contracts where liquid markets are not available are based on internally developed models based on the forward prices for electricity and fuel. Forward prices represent the price at which a

buyer or seller could contract today to purchase or sell a commodity at a future date. In general, the models estimate the fair value of a contract by calculating the present value of the difference between the contract price and the forward prices. The near term forward market for electricity is generally liquid and therefore the prices in the early years of the forward curves reflect observable market quotes. However, in the later years, the market is much less liquid and forward price curves must be developed using factors including the forward prices for the commodities used as fuel to generate electricity, the expected system heat rate (which measures the efficiency of power plants in converting fuel to electricity) in the region where the purchase or sale takes place, and a fundamental forecast of expected spot prices based on modeled supply and demand in the region. The assumptions in these models are critical since any changes therein could have a significant impact on the fair value of the contract. Substantially all changes in the fair value of derivatives held by FPL 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 clauses. In non-rate regulated operations, predominantly FPL Energy, changes in derivative fair values are recognized in current earnings, unless the criteria for hedge accounting are met and the company elects to account for the derivative as a hedge. For those transactions accounted for as cash flow hedges, much of the effects of changes in fair value are reflected in other comprehensive income (OCI), a component of common shareholders' equity, rather than being recognized in current earnings. For those transactions accounted for as fair value hedges the effects of changes in fair value are reflected in current earnings offset by changes in the fair value of the item being hedged.

Since FAS 133 became effective in 2001, the FASB has discussed and, from time to time, issued implementation guidance related to FAS 133. In particular, much of the interpretive guidance affects when certain contracts for the purchase and sale of power and certain fuel supply contracts can be excluded from the provisions of FAS 133. Despite the large volume of implementation guidance, FAS 133 and the supplemental guidance does not provide specific guidance on all contract issues. As a result, significant judgment must be used in applying FAS 133 and its interpretations. The interpretation of FAS 133 continues to evolve. A result of changes in interpretation could be that contracts that currently are excluded from the provisions of FAS 133 would have to be recorded on the balance sheet at fair value, with changes in fair value recorded in the income statement.

During the fourth quarter of 2003, FPL Group and its subsidiaries adopted EITF 03-11, which precluded certain economic hedging transactions at FPL Energy from qualifying for hedge accounting treatment. Changes in fair value of those transactions are now marked to market and reported in the non-qualifying hedge category and may result in more volatility in the non-qualifying hedge category in the future. The ongoing changes in accounting guidance relating to derivatives confirm management's belief in the importance of segregating the effects of the unrealized mark-to-market impact of non-qualifying hedges. Without any change in FPL Group's economic positions or the timing or amounts of future cash flows, a small change in classification of particular transactions can result in significant changes in net income. This could be significant to FPL Energy's results because often the economic offset to the positions which are required to be marked to market (such as the physical assets from which power is generated) are not marked to market. As a consequence, net income reflects only the movement in one part of economically linked transactions. Because of this, FPL Group's management continues to view results expressed excluding the unrealized mark-to-market impact of the non-qualifying hedges as a meaningful measure of current period performance. For additional information regarding derivative instruments, see Note 3.

Accounting for Pensions and Other Postretirement Benefits – FPL Group sponsors a qualified noncontributory defined benefit pension plan for substantially all employees of FPL Group and its subsidiaries. FPL Group also has a non-qualified supplemental defined benefit pension plan that provides benefits to higher-level employees. In addition to pension benefits, FPL Group sponsors a substantially contributory postretirement plan for health care and life insurance benefits (other benefits) for retirees of FPL Group and its subsidiaries meeting certain eligibility requirements. The qualified pension plan has a fully funded trust dedicated to providing the benefits under the plan. The other benefits plan has a partially funded trust dedicated to providing benefits related to life insurance.

FPL Group's pension income net of the cost of other benefits was approximately $81 million, $78 million and $78 million for the years ended December 31, 2004, 2003 and 2002, respectively. The corresponding amounts allocated to FPL were $63 million, $60 million and $70 million, respectively. Pension income and the cost of other benefits are included in O&M expenses, and are calculated using a number of actuarial assumptions. Those assumptions include an expected long-term rate of return on qualified plan assets of 7.75% for all years, assumed increases in future compensation levels of 4.0% for 2004, 4.5% for 2003 and 5.5% for 2002, and a weighted-average discount rate of 5.50%, 6.00% and 6.25% for 2004, 2003 and 2002, respectively. Based on current health care costs, the projected 2005 trend assumption used to measure the expected cost of health care benefits covered by the other benefits plan is 9.0%. The rate is assumed to decrease over the next eight years to the ultimate trend rate of 5.0% and remain at that level thereafter. In developing these assumptions, FPL Group evaluated input from its actuaries, as well as information available in the market place. For the expected long-term rate of return on fund assets, FPL Group considered 10-year and 20-year historical median returns for a portfolio with an equity/bond asset mix similar to its funds. FPL Group also considered its funds' historical compounded returns. FPL Group believes that 7.75% is a reasonable long-term rate of return on its plans' assets. FPL Group will continue to evaluate all of its actuarial assumptions, including its expected rate of return, at least annually, and will adjust them as necessary.

FPL Group bases its determination of pension and other benefits expense or income on a market-related valuation of assets, which reduces year-to-year volatility. This market-related valuation recognizes investment gains or losses over a five-year period from the year in which they occur. Investment gains or losses for this purpose are the difference between the expected return calculated using the market-related value of assets and the actual return realized on those assets. Since the market-related value of assets recognizes gains or losses over a five-year period, the future value of assets will be affected as previously deferred gains or losses are recognized. Such gains and losses together with other differences between actual

results and the estimates used in the actuarial valuations are deferred and recognized in determining pension and other benefits expense and income only when they exceed 10% of the greater of projected benefit obligations or the market-related value of assets.

Lowering the expected long-term rate of return on plan assets by 0.5% (from 7.75% to 7.25%) would have reduced FPL Group's net income for 2004 by approximately $14 million ($12 million for FPL). Lowering the discount rate assumption by 0.5% would have decreased FPL Group's net income for 2004 by approximately $6 million ($5 million for FPL). Raising the salary increase assumption by 0.5% would have decreased FPL Group's net income for 2004 by approximately $2 million ($2 million for FPL). Assumed health care cost trend rates can have a significant effect on the amounts reported for postretirement plans providing health care benefits. An increase or decrease of 1% 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 $8 million, respectively.

The fair value of plan assets has increased from $2.7 billion at September 30, 2003 to $2.9 billion at September 30, 2004 for the pension plan and decreased from $54 million at September 30, 2003 to $50 million at September 30, 2004 for other benefits. Management believes that, based on the actuarial assumptions and the well funded status of the pension plan, FPL Group will not be required to make any cash contributions to the qualified pension plan in the near future. In December 2004, $21 million was transferred from the qualified pension plan as reimbursement for eligible retiree medical expenses paid by FPL Group during the year pursuant to the provisions of the Internal Revenue Code. FPL Group anticipates paying approximately $28 million for eligible retiree medical expenses on behalf of the other benefits plan during 2005 with substantially all of that amount being reimbursed through a transfer of assets from the qualified pension plan pursuant to the provisions of the Internal Revenue Code. See Note 2.

Carrying Value of Long-Lived Assets – FPL Group evaluates on an ongoing basis the recoverability of its assets for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable as described in FAS 144, "Accounting for the Impairment or Disposal of Long-Lived Assets."

Under that standard, an impairment loss is required to be recognized if the carrying value of the asset exceeds the undiscounted future net cash flows associated with that asset. The impairment loss to be recognized is the amount by which the carrying value of the long-lived asset exceeds the asset's fair value. In most instances, the fair value is determined by discounting estimated future cash flows using an appropriate interest rate.

The amount of future net cash flows, the timing of the cash flows and the determination of an appropriate interest rate all involve estimates and judgments about future events. In particular, the aggregate amount of cash flows determines whether an impairment exists, and the timing of the cash flows is critical in determining fair value. Because each assessment is based on the facts and circumstances associated with each long-lived asset, the effects of changes in assumptions cannot be generalized.

Nuclear Decommissioning and Fossil Dismantlement – For ratemaking purposes, FPL accrues and funds for nuclear plant decommissioning costs over the expected service life of each unit based on studies that are filed with the FPSC at least every five years. The most recent studies, which became effective May 2002, indicate that FPL's portion of the future cost of decommissioning its four nuclear units, including spent fuel storage, is $6.4 billion, or $2.2 billion in 2004 dollars. FPL plans to file updated nuclear decommissioning studies in 2005. Beginning January 1, 2003, FPL began recognizing nuclear decommissioning liabilities in accordance with FAS 143, which requires that a liability for the fair value of an asset retirement obligation (ARO) be recognized in the period in which it is incurred with the offsetting associated asset retirement cost capitalized as part of the carrying amount of the long-lived asset. At December 31, 2004, $2,224 million was accrued for nuclear decommissioning, of which $2,013 million was recorded as an ARO, $214 million was recorded as a capitalized net asset related to the ARO, $267 million was recorded as a regulatory liability and $158 million was included in accrued asset removal costs on the consolidated balance sheets. See Note 1 – Decommissioning of Nuclear Plants, Dismantlement of Plants and Other Accrued Asset Removal Costs and Note 15.

FPL accrues the cost of dismantling its fossil plants over the expected service life of each unit based on studies filed with the FPSC at least every four years. Unlike nuclear decommissioning, fossil dismantlement costs are not funded. The most recent studies, which became effective January 1, 2003, indicated that FPL's portion of the ultimate cost to dismantle its fossil units is $668 million. The majority of the dismantlement costs are not considered an ARO under FAS 143. At December 31, 2004, the provision for fossil dismantlement was approximately $291 million and is included in accrued asset removal costs.

FPL Energy records a liability for the present value of Seabrook's expected decommissioning costs in accordance with FAS 143. Comprehensive studies are filed with the New Hampshire Nuclear Decommissioning Financing Committee every four years, with updates provided annually. These studies indicate that FPL Energy's 88.23% portion of the ultimate cost of decommissioning Seabrook, including costs associated with spent fuel storage, is approximately $1,496 million, or $578 million in 2004 dollars. At December 31, 2004, the ARO for Seabrook's nuclear decommissioning totaled approximately $175 million. See Note 1 – Decommissioning of Nuclear Plants, Dismantlement of Plants and Other Accrued Asset Removal Costs and Note 15.

The calculation of the future cost of retiring long-lived assets, including nuclear decommissioning and fossil dismantlement costs, involves the use of estimates and judgments concerning the amount and timing of future expenditures and whether or not such costs are considered a legal obligation under FAS 143. FPL Group and FPL also make interest rate, rate of return

and inflation projections to determine funding requirements related to decommissioning. Periodically, FPL Group and FPL will be required to update their estimates and projections which can affect the annual expense amounts recognized, the liabilities recorded and the annual funding requirements for nuclear decommissioning costs.

Regulatory Accounting – FPL follows the accounting practices set forth in 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 non-rate regulated entities. Regulatory assets and liabilities represent probable future revenues that will be recovered from or refunded to customers through the ratemaking process. If FPL were no longer subject to cost-based rate regulation, the existing regulatory assets and liabilities would be written off unless regulators specify an alternative means of recovery or refund. In addition, the FPSC has the authority to disallow recovery of costs that it considers excessive or imprudently incurred. Such costs may include, among others, O&M expenses, the cost of replacing power lost when fossil and nuclear units are unavailable, storm restoration costs and costs associated with the construction or acquisition of new facilities. The continued applicability of FAS 71 is assessed at each reporting period.

FPL's regulatory assets and liabilities are as follows:

	December 31,	
	2004	2003
	(millions)	
Regulatory assets:		
Current:		
Deferred clause and franchise expenses	$ 230	$ 348
Storm reserve deficiency	$ 163	$ -
Derivatives	$ 9	$ -
Noncurrent:		
Storm reserve deficiency	$ 373	$ -
Unamortized loss on reacquired debt	$ 45	$ 48
Litigation settlement	$ 45	$ 89
Other	$ 38	$ 22
Regulatory liabilities:		
Current:		
Deferred clause and franchise revenues	$ 30	$ 48
Derivatives	$ -	$ 93
Noncurrent:		
Accrued asset removal costs	$ 2,012	$ 1,902
Storm and property insurance reserve	$ -	$ 327
Asset retirement obligation regulatory expense difference	$ 266	$ 180
Unamortized investment tax credits	$ 81	$ 100
Other	$ 106	$ 160

See Note 1 for a discussion of FPL Group's and FPL's other significant accounting policies.

Energy Marketing and Trading and Market Risk Sensitivity

Energy Marketing and Trading – Certain of FPL Group's subsidiaries, including FPL and FPL Energy, use derivative instruments (primarily forward purchases and sales, swaps, options and futures) to manage the commodity price risk inherent in fuel and electricity transactions, as well as to optimize the value of power generation assets. To a lesser extent, FPL Energy engages in limited energy trading activities to take advantage of expected future favorable price movements.

Derivative instruments, when required to be marked to market under FAS 133, as amended, are recorded on FPL Group's and FPL's consolidated balance sheets as either an asset or liability (in derivative assets, other assets, other current liabilities and other liabilities) measured at fair value. At FPL, substantially all changes in fair value are deferred as a regulatory asset or liability until the contracts are settled. Upon settlement, any gains or losses are passed through the fuel clause and the capacity clause. For FPL Group's non-rate regulated operations, predominantly FPL Energy, essentially all changes in the derivatives' fair value for power purchases and sales and trading activities are recognized net in operating revenues; fuel purchases and sales are recognized net in fuel, purchased power and interchange expense; and the equity method investees' related activity is recognized in equity in earnings of equity method investees in FPL Group's consolidated statements of income unless hedge accounting is applied. See Note 3.

The changes in the fair value of FPL Group's consolidated subsidiaries' energy contract derivative instruments were as follows:

	Proprietary Trading	Hedges on Owned Assets: Managed	Hedges on Owned Assets: Non-Qualifying	Hedges on Owned Assets: OCI	FPL Cost Recovery Clauses	FPL Group Total
			(millions)			
Fair value of contracts outstanding at December 31, 2002	$ 4	$ -	$ 8	$ 28	$ 12	$ 52
Reclassification to realized at settlement of contracts	(9)	(1)	12	(57)	(3)	(58)
Effective portion of changes in fair value recorded in OCI	-	-	-	18	-	18
Changes in valuation assumptions	-	-	2	-	-	2[a]
Changes in fair value excluding reclassification to realized	12	2	(1)	-	85	98
Fair value of contracts outstanding at December 31, 2003	7	1	21	(11)	94	112
Reclassification to realized at settlement of contracts	(15)	(2)	(60)	1	(223)	(299)
Effective portion of changes in fair value recorded in OCI	-	-	-	(99)	-	(99)
Ineffective portion of changes in fair value recorded in earnings	-	-	(7)	-	-	(7)
Changes in fair value excluding reclassification to realized	14	(1)	36	-	120	169
Fair value of contracts outstanding at December 31, 2004	6	(2)	(10)	(109)	(9)	(124)
Net option premium payments (receipts)	-	-	-	-	31	31
Total mark-to-market energy contract net assets (liabilities) at December 31, 2004	$ 6	$ (2)	$ (10)	$ (109)	$ 22	$ (93)

(a) Change in valuation assumption from applying volatility skewness (selection of an input assumption among alternatives based on the projected moneyness of the option) in option valuation.

FPL Group's total mark-to-market energy contract net assets (liabilities) at December 31, 2004 shown above are included in the consolidated balance sheets as follows:

	December 31, 2004
	(millions)
Derivative assets	$ 107
Other assets	24
Other current liabilities	(114)
Other liabilities	(110)
FPL Group's total mark-to-market energy contract net liabilities	$ (93)

The sources of fair value estimates and maturity of energy contract derivative instruments at December 31, 2004 were as follows:

	Maturity: 2005	2006	2007	2008	2009	Thereafter	Total
				(millions)			
Proprietary Trading:							
Actively quoted (i.e., exchange trade) prices	$ (12)	$ (2)	$ -	$ -	$ -	$ -	$ (14)
Prices provided by other external sources	21	2	-	1	1	-	25
Modeled	(6)	-	-	-	-	1	(5)
Total	3	-	-	1	1	1	6
Owned Assets – Managed:							
Actively quoted (i.e., exchange trade) prices	(6)	-	-	-	-	-	(6)
Prices provided by other external sources	4	-	-	-	-	-	4
Modeled	-	-	-	-	-	-	-
Total	(2)	-	-	-	-	-	(2)
Owned Assets – Non-Qualifying:							
Actively quoted (i.e., exchange trade) prices	3	1	-	-	-		4
Prices provided by other external sources	5	(2)	(1)	-	-		2
Modeled	5	(5)	(3)	(3)	(3)		(16)
Total	13	(6)	(4)	(3)	(3)	(7)	(10)
Owned Assets – OCI:							
Actively quoted (i.e., exchange trade) prices	(2)	-	-	-	-		(2)
Prices provided by other external sources	(30)	(27)	(25)	(4)	-		(86)
Modeled	(11)	(4)	(3)	(2)	(1)		(21)
Total	(43)	(31)	(28)	(6)	(1)	-	(109)
Owned Assets – FPL Cost Recovery Clauses:							
Actively quoted (i.e., exchange trade) prices	(8)	-	-	-	-	-	(8)
Prices provided by other external sources	(1)	-	-	-	-	-	(1)
Modeled	-	-	-	-	-	-	-
Total	(9)	-	-	-	-	-	(9)
Total sources of fair value	$ (38)	$ (37)	$ (32)	$ (8)	$ (3)	$ (6)	$ (124)

Market Risk Sensitivity – Financial instruments and positions affecting the financial statements of FPL Group and FPL described below are held primarily for purposes other than trading. Market risk is measured as the potential loss in fair value resulting from hypothetical reasonably possible changes in commodity prices, interest rates or equity prices over the next year. Management has established risk management policies to monitor and manage market risks. FPL Group's Exposure

Management Committee (EMC), which is comprised of certain members of senior management, is responsible for the overall approval of market risk management policies and the delegation of approval and authorization levels. The EMC receives periodic updates on market positions and related exposures, credit exposures and overall risk management activities. FPL Group and FPL manage their interest rate exposure by monitoring current interest rates and adjusting their variable rate debt in relation to total capitalization.

FPL Group and its subsidiaries are also exposed to credit risk through their energy marketing and trading operations. Credit risk is the risk that a financial loss will be incurred if a counterparty to a transaction does not fulfill its financial obligation. FPL Group manages counterparty credit risk for its subsidiaries with energy marketing and trading operations through established policies, including counterparty credit limits, and in some cases credit enhancements, such as cash prepayments, letters of credit, cash and other collateral and guarantees. Credit risk is also managed through the use of master netting agreements. FPL Group's credit department monitors current and forward credit exposure to counterparties and their affiliates, both on an individual and an aggregate basis.

Commodity price risk – FPL Group uses a value-at-risk (VaR) model to measure market risk in its trading and mark-to-market portfolios. The VaR is the estimated nominal loss of market value based on a one-day holding period at a 95% confidence level using historical simulation methodology. As of December 31, 2004 and 2003, the VaR figures are as follows:

	Trading and Managed Hedges			Non-Qualifying Hedges and Hedges in OCI[a]			Total		
	FPL	FPL Energy	FPL Group	FPL	FPL Energy	FPL Group	FPL	FPL Energy	FPL Group
					(millions)				
December 31, 2003	$ -	$ -	$ -	$ 25	$ 5	$ 26	$ 25	$ 4	$ 26
December 31, 2004	$ -	$ -	$ -	$ 55	$ 12	$ 48	$ 55	$ 15	$ 47
Average for the period ended December 31, 2004	$ -	$ 1	$ 1	$ 29	$ 6	$ 25	$ 29	$ 8	$ 25

[a] Non-qualifying hedges are employed to reduce the market risk exposure to physical assets which are not marked to market. The VaR figures for the non-qualifying hedges and hedges in OCI category do not represent the economic exposure to commodity price movements.

Interest rate risk – FPL Group and FPL are exposed to risk resulting from changes in interest rates as a result of their issuances of debt, investments in special use funds and interest rate swaps. FPL Group and FPL manage their interest rate exposure by monitoring current interest rates and adjusting their variable rate debt in relation to total capitalization.

The following are estimates of the fair value of FPL Group's and FPL's financial instruments:

	December 31, 2004		December 31, 2003	
	Carrying Amount	Estimated Fair Value	Carrying Amount	Estimated Fair Value
		(millions)		
FPL Group:				
Long-term debt, including current maturities	$ 9,247	$ 9,611[a]	$ 9,090	$ 9,548[a]
Fixed income securities:				
Special use funds	$ 1,219	$ 1,219[b]	$ 1,316	$ 1,316[b]
Other investments	$ 72	$ 72[b]	$ 57	$ 57[b]
Interest rate swaps – net unrealized loss	$ (11)	$ (11)[c]	$ (10)	$ (10)[c]
FPL:				
Long-term debt, including current maturities	$ 3,311	$ 3,438[a]	$ 3,074	$ 3,193[a]
Fixed income securities:				
Special use funds	$ 1,081	$ 1,081[b]	$ 1,188	1,188[b]
Interest rate swaps – net unrealized loss	$ (2)	$ (2)[c]	$ -	$

[a] Based on market prices provided by external sources.
[b] Based on quoted market prices for these or similar issues.
[c] Based on market prices modeled internally.

The special use funds of FPL Group include restricted funds set aside to cover the cost of storm damage for FPL and for the decommissioning of FPL Group's and FPL's nuclear power plants. At December 31, 2004, the special use funds set aside to cover the cost of storm damage for FPL were fully utilized. A portion of the special use funds is invested in fixed income debt securities carried at their market value. Adjustments to market value result in a corresponding adjustment to the related liability accounts based on current regulatory treatment for FPL. The market value adjustments of FPL Group's non-rate regulated operations result in a corresponding adjustment to OCI. Because the funds set aside by FPL 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. See Note 10.

FPL Group and its subsidiaries use a combination of fixed rate and variable rate debt to manage interest rate exposure. Interest rate swaps are used to adjust and mitigate interest rate exposure when deemed appropriate based upon market

conditions or when required by financing agreements. At December 31, 2004, the estimated fair value for FPL Group interest rate swaps was as follows:

Notional Amount (millions)	Effective Date	Maturity Date	Rate Paid	Rate Received	Estimated Fair Value (millions)
Fair value hedges – FPL:					
$ 250	April 2004	December 2005	variable[a]	6.875%	$ (1)
$ 250	May 2004	December 2005	variable[b]	6.875%	(1)
Fair value hedges – FPL Group Capital:					
$ 150	July 2003	September 2006		7.625%	(3)
$ 150	July 2003	September 2006	variable[d]	7.625%	(3)
$ 200	January 2004	March 2005	variable[e]	1.875%	(1)
$ 195	October 2004	April 2006	variable[f]	3.250%	(1)
$ 55	October 2004	April 2006	variable[g]	3.250%	-
$ 195	October 2004	April 2006	variable[h]	3.250%	(1)
$ 55	October 2004	April 2006	variable[i]	3.250%	-
$ 300	November 2004	February 2007	variable[j]	4.086%	-
$ 275	December 2004	February 2007	variable[k]	4.086%	1
Total fair value hedges					(10)
Cash flow hedges – FPL Energy:					
$ 96	July 2002	December 2007	4.41%	variable[l]	(2)
$ 195	August 2003	November 2007	3.557%	variable[l]	-
$ 92	December 2003	December 2017	4.245%	variable[l]	-
$ 30	April 2004	December 2017	3.845%	Variable[l]	1
Total cash flow hedges					(1)
Total interest rate hedges					$ (11)

[a] Six-month LIBOR plus 3.7285%
[b] Six-month LIBOR plus 3.6800%
[c] Six-month LIBOR plus 4.9900%
[d] Six-month LIBOR plus 4.9925%
[e] Six-month LIBOR less 0.1375%
[f] Six-month LIBOR plus 0.0153%
[g] Six-month LIBOR plus 0.0100%
[h] Six-month LIBOR plus 0.1500%
[i] Six-month LIBOR plus 0.1525%
[j] Three-month LIBOR plus 0.50577%
[k] Three-month LIBOR plus 0.4025%
[l] Three-month LIBOR

Based upon a hypothetical 10% decrease in interest rates, which is a reasonable near-term market change, the net fair value of FPL Group's net liabilities would increase by approximately $203 million ($90 million for FPL) at December 31, 2004.

Equity price risk – Included in the special use funds of FPL Group are marketable equity securities carried at their market value of approximately $1,051 million and $926 million ($890 million and $781 million for FPL) at December 31, 2004 and 2003, respectively. A hypothetical 10% decrease in the prices quoted by stock exchanges, which is a reasonable near-term market change, would result in a $105 million ($89 million for FPL) reduction in fair value and corresponding adjustments to the related liability accounts based on current regulatory treatment for FPL, or adjustments to OCI for FPL Group's non-rate regulated operations, at December 31, 2004.

Credit risk – For all derivative and contractual transactions, FPL Group's energy marketing and trading operations, which includes FPL's energy marketing and trading division, are exposed to losses in the event of nonperformance by counterparties to these transactions. Relevant considerations when assessing FPL Group's energy marketing and trading operations' credit risk exposure include:

- Operations are primarily concentrated in the energy industry.
- Trade receivables and other financial instruments are predominately with energy, utility and financial services related companies, as well as municipalities, cooperatives and other trading companies in the United States.
- Overall credit risk is managed through established credit policies.
- Prospective and existing customers are reviewed for creditworthiness based upon established standards, with customers not meeting minimum standards providing various credit enhancements or secured payment terms, such as letters of credit or the posting of cash collateral.
- The use of master netting agreements to offset cash and non-cash gains and losses arising from derivative instruments with the same counterparty. FPL Group's policy is to have master netting agreements in place with significant counterparties.

Based on FPL Group's policies and risk exposures related to credit, FPL Group and FPL do not anticipate a material adverse effect on their financial positions as a result of counterparty nonperformance. As of December 31, 2004, approximately 99% of FPL Group's and 96% of FPL's energy marketing and trading counterparty credit risk exposure is associated with companies that have at least investment grade credit ratings.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

See Management's Discussion – Energy Marketing and Trading and Market Risk Sensitivity – Market Risk Sensitivity.

Item 8. Financial Statements and Supplementary Data

MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

FPL Group, Inc.'s (FPL Group) and Florida Power & Light Company's (FPL) management are responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rules 13a-15(f) and 15d-15(f) under the Securities Exchange Act of 1934. 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, we, along with all other members of management, maintain a system of internal accounting control which is established after weighing the cost of such controls against the benefits derived. In the opinion of management, the overall system of internal accounting control provides reasonable assurance that the assets of FPL Group and its subsidiaries are safeguarded and that 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. Any system of internal accounting control, no matter how well designed, has inherent limitations, including the possibility that controls can be circumvented or overridden and misstatements due to error or fraud may occur and not be detected. Also, because of changes in conditions, internal control effectiveness may vary over time. Accordingly, even an effective system of internal control will provide only reasonable assurance with respect to financial statement preparation and reporting.

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. FPL Group's written policies include a Code of Business Conduct & Ethics that states management's policy on conflict of interest and ethical conduct. Compliance with the Code of Business Conduct & Ethics is confirmed annually by key personnel.

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 regularly 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.

Management assessed the effectiveness of FPL Group's and FPL's internal control over financial reporting as of December 31, 2004, using the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission in the Internal Control – Integrated Framework and also the standards of the Public Company Accounting Oversight Board. Based on this assessment, management believes that FPL Group's and FPL's internal control over financial reporting was effective as of December 31, 2004.

FPL Group's and FPL's independent registered public accounting firm, Deloitte & Touche LLP, is engaged to express an opinion on FPL Group's and FPL's consolidated financial statements and an opinion on FPL Group's and FPL's internal control over financial reporting. Their reports are based on procedures believed by them to provide a reasonable basis to support such opinions. FPL Group's and FPL's independent registered public accounting firm has issued an attestation report on management's assessment of FPL Group's and FPL's internal control over financial reporting. That report appears on the following page.

LEWIS HAY, III
Lewis Hay, III
Chairman, President and Chief
Executive Officer of FPL Group
and Chairman and Chief Executive
Officer of FPL

MORAY P. DEWHURST
Moray P. Dewhurst
Vice President, Finance and Chief
Financial Officer of FPL Group
and Senior Vice President, Finance
and Chief Financial Officer of FPL

K. MICHAEL DAVIS
K. Michael Davis
Controller and Chief Accounting Officer
of FPL Group and Vice President,
Accounting, Controller and Chief
Accounting Officer of FPL

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders
FPL Group, Inc. and Florida Power & Light Company:

We have audited management's assessment, included in the accompanying Management's Report on Internal Control Over Financial Reporting, that FPL Group, Inc. and subsidiaries (FPL Group) and Florida Power & Light Company and subsidiaries (FPL) maintained effective internal control over financial reporting as of December 31, 2004, based on criteria established in *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission. The respective company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting. Our responsibility is to express an opinion on management's assessment and an opinion on the effectiveness of FPL Group's and FPL's internal control over financial reporting based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audits included obtaining an understanding of internal control over financial reporting, evaluating management's assessment, testing and evaluating the design and operating effectiveness of internal control, and performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

A company's internal control over financial reporting is a process designed by, or under the supervision of, the company's principal executive and principal financial officers, or persons performing similar functions, and effected by the company's board of directors, management, and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of the inherent limitations of internal control over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may not be prevented or detected on a timely basis. Also, projections of any evaluation of the effectiveness of the internal control over financial reporting to future periods are subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, management's assessment that FPL Group and FPL maintained effective internal control over financial reporting as of December 31, 2004, is fairly stated, in all material respects, based on the criteria established in *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission. Also in our opinion, FPL Group and FPL maintained, in all material respects, effective internal control over financial reporting as of December 31, 2004, based on the criteria established in *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated financial statements as of and for the year ended December 31, 2004 of FPL Group and FPL and our report dated February 24, 2005 expressed an unqualified opinion on those financial statements.

DELOITTE & TOUCHE LLP
Certified Public Accountants

Miami, Florida
February 24, 2005

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders
FPL Group, Inc. and Florida Power & Light Company:

We have audited the accompanying consolidated balance sheets of FPL Group, Inc. and subsidiaries (FPL Group) and the separate consolidated balance sheets of Florida Power & Light Company and subsidiaries (FPL) as of December 31, 2004 and 2003, and the related consolidated statements of income, common shareholders' equity, and cash flows for each of the three years in the period ended December 31, 2004. These financial statements are the responsibility of the respective company's management. Our responsibility is to express an opinion on the financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). 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 and the financial position of FPL at December 31, 2004 and 2003, and the respective results of their operations and their cash flows for each of the three years in the period ended December 31, 2004, in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 9 to the consolidated financial statements, in 2003 FPL Group and FPL changed their method of accounting for special-purpose entities to conform to FASB Interpretation No. 46, as revised. Also as discussed in Note 15 to the consolidated financial statements, in 2003 FPL Group and FPL changed their method of accounting for asset retirement obligations to conform to Statement of Financial Accounting Standards No. 143.

As discussed in Note 5 to the consolidated financial statements, in 2002 FPL Group changed its method of accounting for goodwill to conform to Statement of Financial Accounting Standards No. 142.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the effectiveness of FPL Group's and FPL's internal control over financial reporting as of December 31, 2004, based on the criteria established in *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated February 24, 2005 expressed an unqualified opinion on management's assessment of the effectiveness of FPL Group's and FPL's internal control over financial reporting and an unqualified opinion on the effectiveness of FPL Group's and FPL's internal control over financial reporting.

DELOITTE & TOUCHE LLP
Certified Public Accountants

Miami, Florida
February 24, 2005

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

	Years Ended December 31,		
	2004	2003	2002
OPERATING REVENUES	$ 10,522	$ 9,630	$ 8,173
OPERATING EXPENSES			
Fuel, purchased power and interchange	5,217	4,539	3,576
Other operations and maintenance	1,672	1,626	1,492
Restructuring and impairment charges	81	-	207
Depreciation and amortization	1,198	1,105	952
Taxes other than income taxes	882	829	721
Total operating expenses	9,050	8,099	6,948
OPERATING INCOME	1,472	1,531	1,225
OTHER INCOME (DEDUCTIONS)			
Interest charges	(489)	(379)	(311)
Preferred stock dividends – FPL	-	(13)	(15)
Loss on redemption of preferred stock – FPL	-	(9)	-
Reserve for leveraged leases	-	-	(48)
Equity in earnings of equity method investees	94	89	76
Allowance for equity funds used during construction	37	14	-
Other – net	40	28	12
Total other deductions – net	(318)	(270)	(286)
INCOME FROM OPERATIONS BEFORE INCOME TAXES AND CUMULATIVE EFFECT OF CHANGES IN ACCOUNTING PRINCIPLES	1,154	1,261	939
INCOME TAXES	267	368	244
INCOME BEFORE CUMULATIVE EFFECT OF CHANGES IN ACCOUNTING PRINCIPLES	887	893	695
CUMULATIVE EFFECT OF CHANGES IN ACCOUNTING PRINCIPLES			
FAS 142, "Goodwill and Other Intangible Assets," net of income taxes of $143	-	-	(222)
FASB Interpretation No. 46, "Consolidation of Variable Interest Entities," net of income taxes of $2	-	(3)	-
NET INCOME	$ 887	$ 890	$ 473
Earnings per share of common stock: [a]			
Earnings per share before cumulative effect of changes in accounting principles	$ 4.95	$ 5.03	$ 4.02
Cumulative effect of changes in accounting principles	$ -	$ (0.02)	$ (1.28)
Earnings per share	$ 4.95	$ 5.01	$ 2.74
Earnings per share of common stock – assuming dilution: [a]			
Earnings per share before cumulative effect of changes in accounting principles	$ 4.91	$ 5.02	$ 4.01
Cumulative effect of changes in accounting principles	$ -	$ (0.02)	$ (1.28)
Earnings per share	$ 4.91	$ 5.00	$ 2.73
Dividends per share of common stock [a]	$ 2.60	$ 2.40	$ 2.32
Weighted-average number of common shares outstanding: [a]			
Basic	179.3	177.5	172.9
Assuming dilution	180.8	178.2	173.3

[a] The per share and share information does not reflect the effect of the two-for-one stock split effective March 15, 2005. See Note 12 – Earnings Per Share.

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

FPL GROUP, INC.
CONSOLIDATED BALANCE SHEETS
(millions)

	December 31, 2004	December 31, 2003
PROPERTY, PLANT AND EQUIPMENT		
Electric utility plant in service and other property	$ 29,721	$ 28,445
Nuclear fuel	504	463
Construction work in progress	1,495	1,364
Less accumulated depreciation and amortization	(10,494)	(9,975)
Total property, plant and equipment – net	21,226	20,297
CURRENT ASSETS		
Cash and cash equivalents	225	129
Customer receivables, net of allowances of $37 and $25, respectively	785	809
Other receivables	259	379
Materials, supplies and fossil fuel inventory – at average cost	394	458
Regulatory assets:		
Deferred clause and franchise expenses	230	348
Storm reserve deficiency	163	
Derivatives	9	
Derivative assets	110	188
Other	352	159
Total current assets	2,527	2,470
OTHER ASSETS		
Special use funds	2,271	2,248
Other investments	740	810
Regulatory assets:		
Storm reserve deficiency	373	
Unamortized loss on reacquired debt	45	48
Litigation settlement	45	89
Other	38	22
Other	1,068	951
Total other assets	4,580	4,168
TOTAL ASSETS	$ 28,333	$ 26,935
CAPITALIZATION		
Common shareholders' equity	$ 7,537	$ 6,967
Preferred stock of FPL without sinking fund requirements		5
Long-term debt	8,027	8,723
Total capitalization	15,564	15,695
CURRENT LIABILITIES		
Commercial paper	492	708
Notes payable		212
Current maturities of long-term debt and preferred stock	1,225	367
Accounts payable	762	542
Customers' deposits	400	357
Accrued interest and taxes	227	226
Regulatory liabilities:		
Deferred clause and franchise revenues	30	48
Derivatives		93
Other	1,112	852
Total current liabilities	4,248	3,405
OTHER LIABILITIES AND DEFERRED CREDITS		
Asset retirement obligations	2,207	2,086
Accumulated deferred income taxes	2,685	2,103
Regulatory liabilities:		
Accrued asset removal costs	2,012	1,902
Storm and property insurance reserve		327
Asset retirement obligation regulatory expense difference	266	180
Unamortized investment tax credits	81	100
Other	106	160
Other	1,164	977
Total other liabilities and deferred credits	8,521	7,835
COMMITMENTS AND CONTINGENCIES		
TOTAL CAPITALIZATION AND LIABILITIES	$ 28,333	$ 26,935

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

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

	Years Ended December 31,		
	2004	2003	2002
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income	$ 887	$ 890	$ 473
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	1,153	1,060	908
Nuclear fuel amortization	93	58	-
Cumulative effect of changes in accounting principles	-	5	365
Storm-related costs of FPL, net of insurance advances	(627)	-	-
Restructuring and impairment charges	33	-	207
Deferred income taxes and related regulatory credit	428	588	219
Cost recovery clauses and franchise fees	144	(186)	135
Equity in earnings of equity method investees	(94)	(89)	(76)
Distribution of earnings from equity method investees	83	68	96
Changes in operating assets and liabilities:			
Restricted cash	24	(22)	232
Customer receivables	23	(161)	(6)
Other receivables	16	2	15
Material, supplies and fossil fuel inventory	29	1	(56)
Other current assets	(10)	(18)	(86)
Deferred pension cost	(101)	(123)	(63)
Accounts payable	220	104	(15)
Customers' deposits	42	41	31
Income taxes	108	(142)	(95)
Interest and other taxes	(2)	57	9
Other current liabilities	80	90	2
Other liabilities	65	(55)	(32)
Other – net	56	86	75
Net cash provided by operating activities	2,650	2,254	2,338
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditures of FPL	(1,394)	(1,383)	(1,256)
Nuclear fuel purchases	(141)	(42)	-
Independent power investments	(476)	(1,461)	(2,103)
Sale of independent power investments	93		
Capital expenditures of FPL FiberNet, LLC	(6)	(8)	(21)
Contributions to special use funds	(148)	(173)	(86)
Reimbursements from special use funds	218		
Sale of Olympus note receivable	126		
Funding of secured loan	(128)	(47)	-
Other – net	(16)	25	199
Net cash used in investing activities	(1,872)	(3,089)	(3,267)
CASH FLOWS FROM FINANCING ACTIVITIES			
Issuances of long-term debt	569	2,995	1,770
Retirements of long-term debt	(432)	(431)	(797)
Retirements of preferred stock – FPL	-	(228)	-
Net change in short-term debt	(423)	(1,238)	214
Issuances of common stock	110	73	378
Dividends on common stock	(467)	(425)	(400)
Other – net	(39)	(48)	(52)
Net cash provided by (used in) financing activities	(682)	698	1,113
Net increase (decrease) in cash and cash equivalents	96	(137)	184
Cash and cash equivalents at beginning of year	129	266	82
Cash and cash equivalents at end of year	$ 225	$ 129	$ 266
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION			
Cash paid for interest (net of amount capitalized)	$ 460	$ 342	$ 311
Cash received for income taxes – net	$ 254	$ 77	$ 9
SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES			
Additions to capital lease obligations	$ -	$ 41	$ 74
Accrual for premium on publicly-traded equity units known as Corporate Units	$ -	$ -	$ 111
Additions to debt through the adoption of FIN 46	$ -	$ 515	$ -
Additions to property, plant and equipment – net through the adoption of FIN 46	$ -	$ 346	$ -

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

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

	Common Stock [a]						
	Shares	Aggregate Par Value	Additional Paid-In Capital	Unearned Compensation	Accumulated Other Comprehensive Income (Loss) [b]	Retained Earnings	Common Shareholders' Equity
Balances, December 31, 2001	176	$ 2	$ 3,025	$ (211)	$ (8)	$ 3,207	
Net income					-	473	
Issuances of common stock, net of issuance cost of $10	7		378	-	-	-	
Exercise of stock options and other incentive plan activity	-	-	5	-	-	-	
Dividends on common stock	-	-	-	-	-	(400)	
Earned compensation under ESOP	-	-	16	16	-	-	
Premium on publicly-traded equity units known as Corporate Units	-	-	(111)		-	-	
Unamortized issuance cost on publicly-traded equity units known as Corporate Units	-	-	(29)	-			
Other comprehensive income	-	-	-	-	24		
Other			-	3			
Balances, December 31, 2002	183 [c]	2	3,284	(192)	16	3,280	$ 6,390
Net income				-	-	890	
Issuances of common stock, net of issuance cost of less than $1	1		73	-	-	-	
Exercise of stock options and other incentive plan activity			20	-			
Dividends on common stock			-	-	-	(425)	
Earned compensation under ESOP			18	16	-	-	
Other comprehensive loss			-	-	(12)	-	
Other			2	(5)	-	-	
Balances, December 31, 2003	184 [c]	2	3,397	(181)	4	3,745	$ 6,967
Net income					-	887	
Issuances of common stock, net of issuance cost of less than $1	1		83		-	-	
Exercise of stock options and other incentive plan activity	1		77		-	-	
Dividends on common stock			-		-	(467)	
Earned compensation under ESOP			21	16	-	-	
Other comprehensive loss					(50)	-	
Other			1	2	-	-	
Balances, December 31, 2004	186 [c]	$ 2	$ 3,579	$ (163)	$ (46)	$ 4,165	$ 7,537

[a] $0.01 par value, authorized – 400,000,000 shares at December 31, 2004 and 300,000,000 shares at December 31, 2003 and 2002; outstanding 186,175,878, 184,264,127 and 182,754,905 at December 31, 2004, 2003 and 2002, respectively. The share information does not reflect the effect of the two-for-one stock split effective March 15, 2005. See Note 12 – Earnings Per Share.

[b] Comprehensive income, which includes net income and other comprehensive income (loss), totaled approximately $837 million, $878 million and $497 million for 2004, 2003 and 2002, respectively.

[c] Outstanding and unallocated shares held by the Employee Stock Ownership Plan Trust totaled approximately 5 million, 6 million and 6 million at December 31, 2004, 2003 and 2002, respectively.

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

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

	Years Ended December 31,		
	2004	2003	2002
OPERATING REVENUES	$ 8,734	$ 8,293	$ 7,378
OPERATING EXPENSES			
Fuel, purchased power and interchange	4,467	4,047	3,306
Other operations and maintenance	1,228	1,250	1,225
Depreciation and amortization	915	898	831
Taxes other than income taxes	809	769	690
Total operating expenses	7,419	6,964	6,052
OPERATING INCOME	1,315	1,329	1,326
OTHER INCOME (DEDUCTIONS)			
Interest charges	(183)	(173)	(166)
Allowance for equity funds used during construction	37	14	-
Other – net	(10)	(12)	(15)
Total other deductions – net	(156)	(171)	(181)
INCOME BEFORE INCOME TAXES	1,159	1,158	1,145
INCOME TAXES	409	403	413
NET INCOME	750	755	732
PREFERRED STOCK DIVIDENDS	1	13	15
LOSS ON REDEMPTION OF PREFERRED STOCK		9	
NET INCOME AVAILABLE TO FPL GROUP	$ 749	$ 733	$ 717

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

FLORIDA POWER & LIGHT COMPANY
CONSOLIDATED BALANCE SHEETS
(millions)

	December 31, 2004	December 31, 2003
ELECTRIC UTILITY PLANT		
Plant in service	$ 21,860	$ 21,368
Nuclear fuel	370	380
Construction work in progress	1,285	741
Less accumulated depreciation and amortization	(9,467)	(9,237)
Electric utility plant – net	14,048	13,252
CURRENT ASSETS		
Cash and cash equivalents	65	4
Customer receivables, net of allowances of $18 and $11, respectively	585	636
Other receivables	216	151
Materials, supplies and fossil fuel inventory – at average cost	315	355
Regulatory assets:		
Deferred clause and franchise expenses	230	348
Storm reserve deficiency	163	
Derivatives	9	
Derivative assets	26	130
Other	146	49
Total current assets	1,755	1,673
OTHER ASSETS		
Special use funds	1,971	1,974
Other investments	8	9
Regulatory assets:		
Storm reserve deficiency	373	
Unamortized loss on reacquired debt	45	48
Litigation settlement	45	89
Other	38	22
Other	831	750
Total other assets	3,311	2,892
TOTAL ASSETS	$ 19,114	$ 17,817
CAPITALIZATION		
Common shareholder's equity	$ 6,150	$ 6,004
Preferred stock without sinking fund requirements		5
Long-term debt	2,813	3,074
Total capitalization	8,963	9,083
CURRENT LIABILITIES		
Commercial paper	492	630
Current maturities of long-term debt and preferred stock	523	
Accounts payable	606	435
Customers' deposits	388	346
Accrued interest and taxes	158	160
Regulatory liabilities:		
Deferred clause and franchise revenues	30	48
Derivatives		93
Other	826	482
Total current liabilities	3,023	2,194
OTHER LIABILITIES AND DEFERRED CREDITS		
Asset retirement obligations	2,015	1,908
Accumulated deferred income taxes	1,949	1,356
Regulatory liabilities:		
Accrued asset removal costs	2,012	1,902
Storm and property insurance reserve		327
Asset retirement obligation regulatory expense difference	266	180
Unamortized investment tax credits	81	100
Other	106	160
Other	699	607
Total other liabilities and deferred credits	7,128	6,540
COMMITMENTS AND CONTINGENCIES		
TOTAL CAPITALIZATION AND LIABILITIES	$ 19,114	$ 17,817

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

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

	Years Ended December 31,		
	2004	2003	2002
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income	$ 750	$ 755	$ 732
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	870	853	787
Nuclear fuel amortization	66	33	
Storm-related costs, net of insurance advances	(627)		
Deferred income taxes and related regulatory credit	553	172	330
Cost recovery clauses and franchise fees	144	(186)	135
Changes in operating assets and liabilities:			
Customer receivables	51	(132)	43
Other receivables	(5)	(2)	(8)
Material, supplies and fossil fuel inventory	39	(6)	(84)
Other current assets	(8)	(10)	(2)
Deferred pension cost	(78)	(99)	(100)
Accounts payable	171	84	(61)
Customers' deposits	42	30	31
Income taxes	(61)	(52)	(79)
Interest and other taxes	(1)	29	(9)
Other current liabilities	27	74	(41)
Other liabilities	33	(27)	125
Other – net	(18)	41	7
Net cash provided by operating activities	1,948	1,557	1,806
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditures	(1,394)	(1,383)	(1,256)
Nuclear fuel purchases	(90)	(26)	
Contributions to special use funds	(134)	(157)	(84)
Reimbursements from special use funds	218		
Other – net		1	7
Net cash used in investing activities	(1,400)	(1,565)	(1,333)
CASH FLOWS FROM FINANCING ACTIVITIES			
Issuances of long-term debt	236	877	593
Retirements of long-term debt		(388)	(765)
Issuances of preferred stock	20		
Retirements of preferred stock		(228)	
Net change in short-term debt	(139)	(121)	490
Capital contributions from FPL Group	-	600	350
Dividends	(604)	(728)	(1,142)
Net cash provided by (used in) financing activities	(487)	12	(474)
Net increase (decrease) in cash and cash equivalents	61	4	(1)
Cash and cash equivalents at beginning of year	4	-	1
Cash and cash equivalents at end of year	$ 65	$ 4	$ -
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION			
Cash paid for interest (net of amount capitalized)	$ 167	$ 155	$ 174
Cash paid (received) for income taxes – net	$ (60)	$ 292	$ 188
SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES			
Additions to capital lease obligations	$ -	$ 41	$ 74
Additions to debt through the adoption of FIN 46	$ -	$ 164	$ -

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

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

	Common Stock [a]	Additional Paid-In Capital	Accumulated Other Comprehensive Income (Loss) [b]	Retained Earnings	Common Shareholder's Equity
Balances, December 31, 2001	$ 1,373	$ 3,366	$ -	$ 705	
Net income available to FPL Group		-		717	
Capital contributions from FPL Group		350			
Dividends to FPL Group				(1,127)	
Other comprehensive loss			(2)[c]	-	
Balances, December 31, 2002	1,373	3,716	(2)	295	$ 5,382
Net income available to FPL Group	-	-	-	733	
Capital contributions from FPL Group	-	600	-	-	
Dividends to FPL Group			-	(715)	
Other comprehensive income			2[c]	-	
Other	-	2			
Balances, December 31, 2003	1,373	4,318		313	$ 6,004
Net income available to FPL Group				749	
Dividends to FPL Group			-	(603)	
Balances, December 31, 2004	$ 1,373	$ 4,318	$ -	$ 459	$ 6,150

[a] Common stock, no par value, 1,000 shares authorized, issued and outstanding.

[b] Comprehensive income, which includes net income and other comprehensive income (loss), totaled approximately $749 million, $735 million and $715 million for 2004, 2003 and 2002, respectively.

[c] Minimum supplemental employee retirement plan liability adjustment.

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

1. Summary of Significant Accounting and Reporting Policies

Basis of Presentation – FPL Group, Inc.'s (FPL Group) operations are conducted primarily through its wholly-owned subsidiary Florida Power & Light Company (FPL) and its wholly-owned indirect subsidiary FPL Energy, LLC (FPL Energy). FPL, a rate-regulated public utility, supplies electric service to approximately 4.2 million customer accounts 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 essentially all of which are 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 non-rate regulated entities. Regulatory assets and liabilities represent probable future revenues that will be recovered from or refunded to customers through the ratemaking process.

Cost recovery clauses, which are designed to permit full recovery of certain costs and provide a return on certain assets allowed to be recovered through the various clauses, include substantially all fuel, purchased power and interchange expenses, conservation and certain environmental-related expenses, certain revenue taxes and franchise fees. 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. Although deferred clause revenues and expenses do not significantly affect net income, the under- or over-recoveries can significantly affect FPL Group's and FPL's operating cash flows.

During 2004, in order to comply with a U.S. Nuclear Regulatory Commission (NRC) order, FPL incurred additional cost to modify its security systems at its St. Lucie and Turkey Point nuclear units. As of December 31, 2004, $25 million of these costs had been incurred and deferred pursuant to an FPSC order and recorded as a regulatory asset on FPL Group's and FPL's consolidated financial statements (included in regulatory assets – other). Interest on the regulatory asset began to accrue on January 1, 2005 at a currently approved rate of 7.29%. For 2005, FPL will reduce the regulatory asset by the amount of any reduction in the annual decommissioning accrual approved by the FPSC. FPL intends to file an updated decommissioning study during 2005. Any remaining balance as of January 1, 2006, will be amortized over a five-year period and would be included in depreciation expense unless a disposition occurs through a base rate or other regulatory proceeding.

In 2000, a bankruptcy court approved a $222.5 million settlement of a contract dispute between FPL and two qualifying facilities. As approved by the FPSC, FPL is recovering the cost of the settlement through the fuel and purchased power cost recovery clause (fuel clause) and capacity cost recovery clause (capacity clause) over a five-year period which began January 1, 2002. The settlement cost is included in deferred clause and franchise expenses and litigation settlement on FPL Group's and FPL's consolidated balance sheets.

If FPL were no longer subject to cost-based rate regulation, the regulatory assets and liabilities would be written off unless regulators specify an alternative means of recovery or refund. In addition, the FPSC has the authority to disallow recovery of costs that it considers excessive or imprudently incurred. The continued applicability of FAS 71 is assessed at each reporting period.

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 $135 million and $133 million at December 31, 2004 and 2003, respectively. FPL's operating revenues also include amounts resulting from cost recovery clauses (see Regulation), franchise fees and gross receipts taxes. Franchise fees and gross receipts taxes are imposed on FPL; however, the FPSC allows FPL to include in rates charged to customers the amount of the gross receipts tax for all customers and the franchise amount for those customers located in the jurisdiction that imposes the fee. Accordingly, franchise fees and gross receipts taxes are reported gross in operating revenues and taxes other than income taxes, respectively, on FPL Group's and FPL's consolidated statements of income and were approximately $558 million, $527 million and $471 million in 2004, 2003 and 2002, respectively. FPL also collects municipal utility taxes which are reported gross in customer receivables and accounts payable on FPL Group's and FPL's consolidated balance sheets. FPL Energy's revenue is recorded as electricity is delivered, which is when revenue is earned.

In 2002, the FPSC approved a rate agreement regarding FPL's retail base rates, which became effective April 15, 2002 and expires December 31, 2005. The agreement includes 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 rate agreement provides for a $250 million annual reduction in retail base revenues allocated to all customers by reducing customers' base rates and service charges by approximately 7%. The revenue sharing thresholds specified in the rate agreement are as follows:

	Years Ended December 31,			
	2002[a]	2003	2004	2005
	(millions)			
66 2/3% to customers	$ 3,580	$3,680	$3,780	$3,880
100% to customers	$ 3,740	$3,840	$3,940	$4,040

[a] Refund was limited to 71.5% (representing the period April 15 through December 31, 2002) of the revenues from base rate operations exceeding the thresholds

During the term of the rate agreement, FPL does not have an authorized regulatory return on common equity (ROE) range for the purpose of addressing earnings levels. However, FPL continues to file monthly earnings surveillance reports with the FPSC and if the reported ROE falls below 10% during the term of the rate agreement, FPL may petition the FPSC to amend its base rates. The rate agreement would terminate on the effective date of any final order issued in a proceeding that changes FPL's base rates.

Under the rate agreement, 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. Under the rate agreement, the annual refund (including interest) is paid to customers as a credit to their February electric bill. At December 31, 2004, there was no accrual for the revenue refund. At December 31, 2003, the accrual for the revenue refund was approximately $3 million.

On January 21, 2005, FPL notified the FPSC that it intends to initiate a base rate proceeding in March 2005. Although FPL has not finalized its 2006 and 2007 revenue requirements, it expects to request a $400 million to $450 million annual increase in base rates beginning on January 1, 2006 and an additional annual base rate increase of approximately $130 million in mid-2007 to cover the costs associated with the 1,150 mw natural gas-fired unit at Turkey Point expected to be placed in service in mid-2007. Hearings on the base rate proceeding are expected during the third quarter of 2005 and a final decision is expected by the end of 2005.

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 estimated net salvage value, 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, 2004, the electric generating, transmission, distribution and general facilities of FPL represented approximately 43%, 13%, 37% and 7%, respectively, of FPL's gross investment in electric utility plant in service. Substantially all of FPL's properties are subject to the lien of FPL's mortgage, which secures most debt securities issued by FPL. A number of FPL Energy's generating facilities are encumbered by liens against their assets securing various financings. The total balance of FPL Energy's assets serving as collateral was approximately $3.5 billion at December 31, 2004.

Depreciation of FPL's 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 of Nuclear Plant and Dismantlement of Fossil Plant). For substantially all of FPL's property, depreciation studies are performed and filed with the FPSC at least every four years; however, the rate agreement requires FPL to continue to depreciate its electric property based on rates approved in April 1999 that became effective January 1, 1998. The weighted annual composite depreciation rate for FPL's electric plant in service, including intangible software, but excluding the effects of decommissioning and dismantlement, was approximately 4.2%, 4.3% and 4.4% for 2004, 2003 and 2002, respectively. Further, these rates exclude the depreciation adjustments discussed below. FPL Energy's electric plants in service less salvage value are depreciated using the straight-line method over their estimated useful lives. FPL Energy's effective depreciation rates were 3.9%, 3.9% and 4.0% for 2004, 2003 and 2002, respectively.

Under the rate agreement (see Revenues and Rates), depreciation was and will be reduced on FPL's plant in service by $125 million in each year 2002 through 2005. These depreciation adjustments are included in earnings and will be allocated to the appropriate assets when FPL files its comprehensive depreciation studies at the end of 2005.

Nuclear Fuel – FPL leases nuclear fuel for all four of its nuclear units. Beginning July 1, 2003, the lessor was consolidated by FPL as a result of adopting the Financial Accounting Standards Board's (FASB) Interpretation No. (FIN) 46, "Consolidation of Variable Interest Entities." See Note 9 – FPL. For ratemaking purposes, these leases are treated similar to operating leases. For financial reporting, prior to July 1, 2003, these leases were recorded as capital leases. Nuclear fuel lease expense was $31 million for the six months ended June 30, 2003 and $71 million in 2002. Included in this expense was an interest component of $1 million for the six months ended June 30, 2003 and $3 million for 2002. Until July 1, 2003, the lease payments were charged to fuel expense on a unit of production method. Beginning July 1, 2003, the cost of nuclear fuel was capitalized and is being amortized to fuel expense on a unit of production method except for the interest component, which is recorded as interest expense. These charges, as well as a charge for spent nuclear fuel, are recovered through the fuel clause. FPL makes quarterly payments to the lessor for the lease commitments. Under certain circumstances of lease termination, the associated debt ($170 million at December 31, 2004), which was recorded in commercial paper and long-term debt on FPL Group's and FPL's consolidated balance sheets, would become due.

Seabrook Station (Seabrook) has several contracts for the supply, conversion, enrichment and fabrication of nuclear fuel. See Note 16 – Contracts. Seabrook's nuclear fuel costs are charged to fuel expense on a unit of production method.

Construction Activity – Allowance for funds used during construction (AFUDC) is a non-cash item which represents the allowed cost of capital, including an ROE, used to finance construction projects. The portion of AFUDC attributable to borrowed funds is recorded as a reduction of interest expense and the remainder is recorded as other income. The FPSC rules limit the recording of AFUDC to projects that cost in excess of 0.5% of a utility's plant in service balance and require more than one year to complete. The FPSC rules allow construction projects below the 0.5% threshold as a component of rate base. During 2004 and 2003, AFUDC was capitalized at a rate of 7.29% and 7.84%, respectively, and amounted to approximately $48 million and $18 million, respectively. See Note 16 – Commitments.

FPL's construction work in progress at December 31, 2004 is primarily attributable to the addition of combined cycle generation at its Martin and Manatee sites. Included in construction work in progress are construction materials, progress payments on turbine generators, third party engineering costs and other costs directly associated with the construction of a project. Upon commencement of plant operation, these costs are transferred to electric utility plant in service. At December 31, 2004 and 2003, FPL recorded approximately $135 million and $111 million, respectively, of construction accruals, which are included in other current liabilities on FPL Group's and FPL's consolidated balance sheets.

FPL Energy capitalizes project development costs once it is probable that such costs will be realized through the ultimate construction of a power plant. At December 31, 2004 and 2003, FPL Energy's capitalized development costs totaled approximately $15 million and $9 million, respectively, which are included in other assets on FPL Group's consolidated balance sheets. These costs include professional services, permits and other third party costs directly associated with the development of a new project. Upon commencement of construction, these costs either are transferred to construction work in progress or remain in other assets, depending upon the nature of the cost. Capitalized development costs are charged to O&M expenses when the development of a project is no longer probable. See Note 6 – 2002 – FPL Energy. In addition to capitalized development costs, FPL Energy capitalizes interest on its construction projects. Interest capitalized on construction projects amounted to $43 million, $83 million and $90 million during 2004, 2003 and 2002, respectively. FPL Energy's interest charges are based on a deemed capital structure of 50% debt for operating projects and 100% debt for projects under construction.

FPL Energy's construction work in progress includes construction materials, prepayments on turbine generators, third party engineering costs, interest and other costs directly associated with the construction and development of the project. Upon commencement of plant operation, these costs are transferred to electric utility plant in service and other property. At December 31, 2004 and 2003, FPL Energy recorded approximately $55 million and $174 million, respectively, of construction accruals, which are included in other current liabilities on FPL Group's consolidated balance sheets.

Asset Retirement Obligations – Effective January 1, 2003, FPL Group and FPL adopted FAS 143, "Accounting for Asset Retirement Obligations." See Note 15.

Decommissioning of Nuclear Plants, Dismantlement of Plants and Other Accrued Asset Removal Costs – Following are the components of FPL Group's and FPL's decommissioning of nuclear plants, dismantlement of plants and other accrued asset removal costs:

	FPL									
	Nuclear Decommissioning		Fossil Dismantlement		Interim Removal Costs		FPL Energy		FPL Group	
	December 31,		December 31,		December 31,		December 31,		December 31,	
	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003
	(millions)									
Asset retirement obligations (ARO)	$ 2,013	$ 1,907	$ 2	$ 1	$ -	$ -	$ 192	$ 178	$ 2,207	$ 2,086
Less capitalized ARO asset net of accumulated depreciation	214	222	1	1	-	-	-	-	215	223
Accrued asset removal costs [a]	158	143	291	274	1,563	1,485	-	-	2,012	1,902
Asset retirement obligation regulatory expense difference [a]	267	181	(1)	(1)	-	-	-	-	266	180
Accrued decommissioning, dismantlement and other accrued asset removal costs	$ 2,224 [b]	$ 2,009 [b]	$ 291 [b]	$ 273 [b]	$ 1,563 [b]	$ 1,485 [b]	$ 192	$ 178	$ 4,270	$ 3,945

[a] Regulatory liability on FPL Group's and FPL's consolidated balance sheets.
[b] Represents total amount accrued for ratemaking purposes.

FPL – For ratemaking purposes, FPL accrues for the cost of end of life retirement and disposal of its nuclear and fossil plants over the expected service life of each unit based on nuclear decommissioning and fossil dismantlement studies periodically filed with the FPSC. In addition, FPL accrues for interim removal costs over the remaining life of the related assets based on depreciation studies approved by the FPSC. Beginning January 1, 2003, FPL began recognizing decommissioning and dismantlement liabilities for financial reporting purposes in accordance with FAS 143, which requires that a liability for the fair value of an ARO be recognized in the period in which it is incurred with the offsetting associated asset retirement cost capitalized as part of the carrying amount of the long-lived asset. Any differences between expense recognized under FAS 143 and the amount recoverable through rates is deferred in accordance with FAS 71. See Electric Plant, Depreciation and Amortization and Note 15.

Nuclear decommissioning studies are performed at least every five years and are submitted to the FPSC for approval. FPL plans to file updated nuclear decommissioning studies in 2005. FPL's latest nuclear decommissioning studies became effective in May 2002 and provide for an annual decommissioning expense accrual of $79 million. These studies assume prompt dismantlement of Turkey Point Units Nos. 3 and 4 with decommissioning activities commencing in 2012 and 2013, respectively, when the original operating licenses are to expire. Current plans, which are consistent with the term of the original operating licenses, 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 indicate FPL's portion of the ultimate costs of decommissioning its four nuclear units, including costs associated with spent fuel storage, to be $6.4 billion. FPL's portion of the ultimate cost of decommissioning its four units, expressed in 2004 dollars, is estimated by the studies to aggregate $2.2 billion.

During 2004, with respect to costs associated with nuclear decommissioning, FPL recognized approximately $106 million related to ARO accretion expense, approximately $8 million related to depreciation of the capitalized ARO asset, approximately $6 million related to the non-legal obligation included in accrued asset removal costs and an approximate $41 million credit to adjust the total accrual to the $79 million approved by the FPSC for decommissioning expense (included in depreciation and amortization expense in FPL Group's and FPL's consolidated statements of income). During 2003, FPL recognized approximately $101 million related to ARO accretion expense, approximately $8 million related to depreciation of the capitalized ARO asset, approximately $6 million related to the non-legal obligation included in accrued asset removal costs and an approximate $36 million credit to adjust the total accrual to the $79 million approved by the FPSC for decommissioning expense. During 2002, FPL accrued decommissioning expense of approximately $81 million, which is included in depreciation and amortization expense.

Restricted trust funds for the payment of future expenditures to decommission FPL's nuclear units are included in special use funds of FPL. Consistent with regulatory treatment, securities held in the decommissioning funds are carried at market value with market adjustments, including any other-than-temporary impairment losses, resulting in a corresponding adjustment to the related liability accounts. See Note 10 – 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. Earnings are recognized as income and an offsetting expense is recorded to reflect a corresponding increase in the related liability accounts. As a result, there is no effect on net income. The tax effects of amounts not yet recognized for tax purposes are included in accumulated deferred income taxes.

Fossil fuel plant dismantlement studies are performed and filed with the FPSC at least every four years. FPL's latest fossil fuel plant dismantlement studies became effective January 1, 2003 and increased the annual expense from $16 million to $19

million. The studies indicate that FPL's portion of the ultimate cost to dismantle its fossil units is $668 million. FPL recognized fossil dismantlement expense of approximately $19 million in each of 2004 and 2003 and $16 million in 2002, which is included in depreciation and amortization expense.

FPL Energy – FPL Energy also records a nuclear decommissioning liability for Seabrook in accordance with FAS 143, representing the fair value of its ultimate decommissioning liability as determined by an independent study. The liability is being accreted using the interest method over an assumed license extension period that runs through 2050. In 2004 and 2003, FPL Energy recorded approximately $12 million and $11 million of accretion expense, respectively, related to Seabrook's nuclear decommissioning liability, which is included in depreciation and amortization expense on FPL Group's consolidated statements of income. See Electric Plant, Depreciation and Amortization and Note 15.

Seabrook's current decommissioning funding plan is based on a funding date of 2026. The funding plan is based on a comprehensive nuclear decommissioning study reviewed by the New Hampshire Nuclear Decommissioning Financing Committee (NDFC) in 2003 and is effective for four years. This study assumes that Seabrook would begin decommissioning in 2026 and that FPL Energy's 88.23% portion of the ultimate cost of decommissioning Seabrook, including costs associated with spent fuel storage, is $1,496 million, or $578 million expressed in 2004 dollars. At December 31, 2004 and 2003, FPL Energy had an ARO related to nuclear decommissioning of $175 million and $163 million, respectively. FPL Energy's 88.23% portion of Seabrook's restricted trust fund for the payment of future expenditures to decommission Seabrook is included in FPL Group's special use funds. Marketable securities held in the decommissioning fund are classified as available for sale and are carried at market value with market adjustments resulting in a corresponding adjustment to other comprehensive income. Any unrealized losses associated with marketable securities that are determined to be other-than-temporarily impaired would be recognized as an expense in FPL Group's consolidated statements of income. Fund earnings are recognized in income and are reinvested in the funds either on a pretax or after-tax basis. The tax effects of amounts not yet recognized for tax purposes are included in accumulated deferred income taxes. See Note 10 – Special Use Funds.

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 estimated costs for inspection and repair of FPL's four reactor vessel heads are deferred and amortized on a levelized basis over a five-year period beginning in 2002. The accrued liability for nuclear maintenance costs, including those for the reactor vessel heads, at December 31, 2004 totaled $73 million and is included in other liabilities. The accrued liability for nuclear maintenance costs, including those for the reactor vessel heads, at December 31, 2003 totaled $52 million and is included in other current liabilities and other liabilities. Any difference between the estimated and actual costs is included in O&M expenses when known.

FPL Energy's estimated major maintenance costs for each generating 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 accrued liability for FPL Energy's major maintenance costs totaled $83 million and $41 million at December 31, 2004 and 2003, respectively, and is included in other liabilities. Any difference between the estimated and actual costs is included in O&M expenses when known.

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

Restricted Cash – At December 31, 2004 and 2003, FPL Group had approximately $56 million and $76 million, respectively, of restricted cash included in other current assets on FPL Group's consolidated balance sheets, essentially all of which is restricted for debt service payments, construction liabilities and O&M expenses.

Allowance for Doubtful Accounts – FPL maintains an accumulated provision for uncollectible customer accounts receivable that is determined by multiplying the previous six months of revenues by a bad debt percentage, which represents an average of the past two years' actual write-offs. Additional amounts are included in the provision to address specific items that are not considered in the calculation described above. FPL Energy regularly reviews collectibility of its receivables and establishes a provision for losses when necessary using the specific identification method.

Inventory – FPL values materials, supplies and fossil fuel inventory using a weighted-average cost method. FPL Energy's materials, supplies and oil and gas inventories are carried at the lower of weighted-average cost or market.

Energy Trading – FPL Energy engages in limited energy trading activities to optimize the value of electricity and fuel contracts and generating facilities, as well as to take advantage of expected favorable commodity price movements. In accordance with Emerging Issues Task Force Issue No. (EITF) 02-3, trading contracts that meet the definition of a derivative are accounted for at market value and realized gains and losses from all trading contracts, including those where physical delivery is required, are recorded net for all periods presented. See Note 3.

Storm Fund and Storm Reserve Deficiency – The storm and property insurance reserve fund (storm fund) provides coverage toward FPL's 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, including any other-than-temporary impairment losses, resulting in a corresponding adjustment to the storm and property insurance reserve (storm reserve). See Note 10 and Note 16 – Insurance. Fund earnings, net of taxes, are reinvested in the fund. Earnings are recognized as income and an offsetting expense is recorded to reflect a corresponding increase in the storm reserve. The tax effects of amounts not yet recognized for tax purposes are included in accumulated deferred income taxes.

During the third quarter of 2004, FPL was impacted by Hurricanes Charley, Frances and Jeanne, each of which did major damage in parts of FPL's service territory and collectively resulted in over 5.4 million customer power outages with approximately three-quarters of FPL's customers losing power during at least one hurricane. Damage to FPL property was primarily to the transmission and distribution systems. Although FPL has not completed the final accounting of all restoration costs, FPL accrued restoration costs totaling approximately $890 million as of December 31, 2004. In addition, based on assessments as of December 31, 2004, FPL estimated it had sustained other property losses totaling approximately $109 million which is expected to be recovered from insurance carriers, of which $20 million has been advanced and the remaining $89 million is included in other current assets on FPL Group's and FPL's consolidated balance sheets. During the fourth quarter of 2004, all available funds were withdrawn from the storm fund to pay for storm costs. At December 31, 2004, approximately $352 million was accrued and included in other current liabilities on FPL Group's and FPL's consolidated sheets. At December 31, 2004, storm costs expected to be recoverable from customers exceeded the balance of the storm reserve by approximately $536 million. This deficiency has been deferred pursuant to an FPSC order and recorded as a regulatory asset on FPL Group's and FPL's consolidated balance sheets. During February 2005, pursuant to an FPSC order, FPL began recovering storm restoration costs from customers, subject to refund, pending the outcome of a hearing in April 2005 to determine the amount of storm restoration costs that FPL will be allowed to recover from customers.

Investments in Leveraged Leases – Subsidiaries of FPL Group, other than FPL, have investments in leveraged leases, which at December 31, 2004 and 2003 totaled $81 million and $93 million, respectively, and are included in other investments on FPL Group's consolidated balance sheets. The related deferred tax liabilities totaled $80 million and $99 million at December 31, 2004 and 2003, respectively, and are included in accumulated deferred income taxes.

Impairment of Long-Lived Assets – FPL Group evaluates on an ongoing basis the recoverability of its assets for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable as described in FAS 144, "Accounting for the Impairment or Disposal of Long-Lived Assets." See Note 6.

Goodwill and Other Intangible Assets – In accordance with FAS 142, "Goodwill and Other Intangible Assets," goodwill is assessed for impairment at least annually by applying a fair value based test. See Note 5.

Stock-Based Compensation – Effective January 1, 2004, FPL Group adopted the fair value recognition provisions of FAS 123, "Accounting for Stock-Based Compensation." FPL Group selected the modified prospective method of adoption described in FAS 148, "Accounting for Stock-Based Compensation – Transition and Disclosure." Under that method, stock-based employee compensation cost recognized in 2004 is the same as that which would have been recognized had the fair value recognition provisions of FAS 123 been applied from its original effective date. Prior to 2004, FPL Group accounted for its stock-based compensation plans under the intrinsic value based method as permitted by FAS 123.

The following table illustrates the effect on net income and earnings per share of common stock as if FPL Group's compensation expense had been determined using the fair value based method in each period:

	Years Ended December 31,		
	2004	2003	2002
	(millions, except per share amounts)		
Net income, as reported	$ 887	$ 890	$ 473
Add: total stock-based employee compensation expense included in reported net income, net of related income tax effects	17	12	14
Deduct: total stock-based employee compensation expense determined under fair value based method, net of related income tax effects	(17)	(19)	(21)
Pro forma net income	$ 887	$ 883	$ 466
Earnings per share of common stock: [a]			
Basic – as reported	$ 4.95	$ 5.01	$ 2.74
Basic – pro forma	$ 4.95	$ 4.97	$ 2.69
Assuming dilution – as reported	$ 4.91	$ 5.00	$ 2.73
Assuming dilution – pro forma	$ 4.91	$ 4.96	$ 2.69

[a] The per share information does not reflect the two-for-one stock split effective March 15, 2005. See Note 12 – Earnings Per Share.

In December 2004, the FASB issued FAS 123(R), "Share-Based Payment," which FPL Group will be required to adopt July 1, 2005. The statement requires costs related to share-based payment transactions to be recognized in the financial statements based on grant-date fair value. Because FPL Group adopted the fair value recognition provisions of FAS 123 on January 1, 2004, the adoption of FAS 123(R) is not expected to have a significant financial statement impact for the year ended December 31, 2005.

Retirement of Long-Term Debt – Gains and losses that result from differences in FPL's reacquisition cost and the book value of long-term debt which is retired are deferred and amortized to interest expense ratably over the remaining life of the original issue, which is consistent with its treatment in the ratemaking process. FPL Group Capital Inc (FPL Group Capital) recognizes as expense any such excess at time of retirement.

Retirement of Preferred Stock – Gains and losses that result from differences in FPL's reacquisition cost and the book value of preferred stock which is retired are recognized as gains or losses by FPL Group and as an addition or reduction to net income available to FPL Group by FPL.

Income Taxes – Deferred income taxes are provided on all significant temporary differences between the financial statement and tax bases of assets and liabilities. In connection with the tax sharing agreement with FPL Group, FPL's income tax provision reflects the use of the "separate return method." Included in other regulatory liabilities on FPL Group's and FPL's consolidated balance sheets is 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. Production tax credits generated by certain wind operations of FPL Energy are recorded as a reduction of current income taxes payable, unless limited by tax law in which instance they are recorded as deferred tax assets. A valuation allowance is recorded to reduce the carrying amounts of deferred tax assets unless it is more likely than not that such assets will be realized. See Note 4.

Guarantees – FPL Group and FPL each account for payment guarantees and related contracts, for which it or a subsidiary is the guarantor, under FIN 45, "Guarantor's Accounting and Disclosure Requirements for Guarantees Including Indirect Guarantees of Indebtedness of Others," which requires that the fair value of guarantees provided to unconsolidated entities entered into after December 31, 2002 be recorded on the balance sheet. See Note 16 – Commitments.

Variable Interest Entities (VIEs) – FIN 46, "Consolidation of Variable Interest Entities," requires FPL Group and FPL to assess the variable interests they hold and determine if those entities are VIEs. See Note 9.

2. Employee Retirement Benefits

Employee Benefit Plans and Other Postretirement Plan – FPL Group sponsors a qualified noncontributory defined benefit pension plan for substantially all employees of FPL Group and its subsidiaries. FPL Group also has a non-qualified

supplemental defined benefit pension plan that provides benefits to higher-level employees. See Supplemental Retirement Plan below. In addition to pension benefits, FPL Group sponsors a substantially contributory postretirement plan for health care and life insurance benefits (other benefits) for retirees of FPL Group and its subsidiaries meeting certain eligibility requirements.

Benefit Obligations – FPL Group uses a measurement date of September 30 for its pension and other benefits plans. The following table provides a reconciliation of the changes in the benefit obligations of the plans:

	Pension Benefits		Other Benefits	
	2004	2003	2004	2003
	(millions)			
Obligation at October 1 of prior year	$ 1,516	$ 1,424	$ 488	$ 469
Service cost	52	52	8	7
Interest cost	84	84	27	27
Participant contributions			4	3
Plan amendments	3			
Actuarial (gains) losses – net	12	55	(25)	8
Benefit payments	(86)	(99)	(34)	(26)
Obligation at September 30	$ 1,581	$ 1,516	$ 468	$ 488

FPL Group's accumulated benefit obligation, which includes no assumption about future compensation levels, for its pension plans at September 30, 2004 and 2003 was $1,525 million and $1,465 million, respectively.

The following table provides the weighted-average assumptions used to determine benefit obligations for the plans. These rates are used in determining net periodic benefit cost in the following year.

	Pension Benefits		Other Benefits	
	2004	2003	2004	2003
Discount rate	5.5%	5.5%	5.5%	5.5%
Rate of compensation increase	4.0%	4.0%	4.0%	4.0%

A 9.0% annual rate of increase in the per capita cost of covered health care benefits was assumed for 2005. The rate was assumed to decrease gradually to 5.0% by 2012 and remain at that level thereafter. Assumed health care cost trend rates have a significant effect on the amounts reported for postretirement plans providing health care benefits. An increase or decrease of one percentage point in assumed health care cost trend rates would have a corresponding effect on the other benefits accumulated obligation of approximately $8 million at September 30, 2004.

Plan Assets – The following table provides a reconciliation of the fair value of assets of the plans. Employer contributions and benefits paid in the table below include only those amounts contributed directly to, or paid directly from, plan assets.

	Pension Benefits		Other Benefits	
	2004	2003	2004	2003
	(millions)			
Fair value of plan assets at October 1 of prior year	$ 2,697	$ 2,388	$ 54	$ 45
Actual return on plan assets	296	402	6	15
Employer contributions	-	6	20	18
Participant contributions	-	-	4	2
Benefit payments	(86)	(99)	(34)	(26)
Fair value of plan assets at September 30	$ 2,907	$ 2,697	$ 50	$ 54

FPL Group's current investment policy for the pension plan recognizes the benefit of protecting the plan's funded status, thereby avoiding the necessity of future employer contributions. Its broad objectives are to achieve a high rate of total return with a prudent level of risk taking while maintaining sufficient liquidity and diversification to avoid large losses while preserving capital.

FPL Group's pension plan fund has a strategic asset allocation that targets a mix of 50% equity investments and 50% fixed income investments. The fund's investment strategy emphasizes traditional investments, broadly diversified across the global equity and fixed income markets, utilizing a combination of different investment styles and vehicles. The pension fund's equity investments include direct equity holdings and assets classified as equity commingled vehicles. Similarly, its fixed income investments include direct debt security holdings and assets classified as debt security commingled vehicles. These equity and debt security commingled vehicles include common and collective trusts, pooled separate accounts, registered investment companies or other forms of pooled investment arrangements.

At September 30, the asset allocation for FPL Group's pension fund is as follows:

Asset Category	2004	2003
Equity	14%	16%
Equity commingled vehicles	34	35
Debt securities	30	32
Debt security commingled vehicles	22	17
Total	100%	100%

With regard to its other benefits, FPL Group's policy is to fund claims as incurred during the year through FPL Group contributions, participant contributions and plan assets. The other benefits' assets are invested with a focus on assuring the availability of funds to pay benefits while maintaining sufficient diversification to avoid large losses and preserve capital. The other benefits plan fund has a strategic asset allocation that targets a mix of 55% equity investments and 45% fixed income investments. The fund's investment strategy emphasizes traditional investments, diversified among equity and fixed income investments. The fund's equity investments include direct equity holdings and assets classified as equity commingled vehicles. Similarly, its fixed income investments include direct debt security holdings and assets classified as debt security commingled vehicles. These equity and debt commingled vehicles include common and collective trusts, pooled separate accounts, registered investment companies or other forms of pooled investment arrangements.

At September 30, the asset allocation for FPL Group's other benefits fund is as follows:

Asset Category	2004	2003
Equity	38%	33%
Equity commingled vehicles	18	14
Debt securities	2	2
Debt security commingled vehicles	42	51
Total	100%	100%

Funded Status – The following table reconciles the funded status of the plans to the amounts on the consolidated balance sheets:

	Pension Benefits		Other Benefits	
	2004	2003	2004	2003
	(millions)			
Fair value of plan assets	$ 2,907	$ 2,697	$ 50	$ 54
Benefit obligation	(1,581)	(1,516)	(468)	(488)
Funded status at September 30	1,326	1,181	(418)	(434)
Unrecognized prior service (benefit) cost	(27)	(35)		
Unrecognized transition (asset) obligation		(23)	28	31
Unrecognized (gain) loss	(509)	(453)	87	119
Other	(21)	-	8	6
Prepaid (accrued) benefit cost at FPL Group at December 31	$ 769	$ 670	$ (295)	$ (278)
Prepaid (accrued) benefit cost at FPL at December 31	$ 746	$ 668	$ (271)	$ (254)

FPL Group's and FPL's prepaid (accrued) benefit cost shown above are included in the consolidated balance sheets as follows:

	FPL Group				FPL			
	Pension Benefits		Other Benefits		Pension Benefits		Other Benefits	
	2004	2003	2004	2003	2004	2003	2004	2003
	(millions)							
Prepaid benefit cost included in other assets	$ 779	$ 678	$ -	$ -	$ 750	$ 672	$ -	$ -
Accrued benefit cost included in other liabilities	(19)	(15)	(295)	(278)	(5)	(4)	(271)	(254)
Intangible asset included in other assets	3	3		-	1	-	-	-
Accumulated other comprehensive income	6	4						
Prepaid (accrued) benefit cost at December 31	$ 769	$ 670	$ (295)	$ (278)	$ 746	$ 668	$ (271)	$ (254)

Expected Cash Flows – In December 2004, $21 million was transferred from the qualified pension plan as reimbursement for eligible retiree medical expenses paid by FPL Group during the year pursuant to the provisions of the Internal Revenue Code. FPL Group anticipates paying approximately $28 million for eligible retiree medical expenses on behalf of the other benefits plan during 2005 with substantially all being reimbursed through a transfer of assets from the qualified pension plan pursuant to the provisions of the Internal Revenue Code. Additionally, FPL Group expects to contribute approximately $5 million to the non-qualified pension plan in calendar year 2005.

The following table provides information about gross benefit payments expected to be paid by the plans for each of the following calendar years:

	Pension Benefits	Other Benefits, net [a]
	(millions)	
2005	$ 115	$ 34
2006	$ 107	$ 36
2007	$ 115	$ 39
2008	$ 121	$ 41
2009	$ 125	$ 44
2010–2014	$ 678	$ 248

[a] Includes the effect of the Medicare Prescription Drug, Improvement and Modernization Act of 2003 on a subset of the retiree population as discussed below, which amounts to a benefit of approximately $1 million per year.

Net Periodic Cost – The following table provides the components of net periodic benefit (income) cost for the plans:

	Pension Benefits			Other Benefits		
	Years Ended December 31,			Years Ended December 31,		
	2004	2003	2002	2004	2003	2002
	(millions)					
Service cost	$ 52	$ 52	$ 52	$ 8	$ 7	$ 6
Interest cost	84	84	86	27	27	24
Expected return on plan assets	(207)	(199)	(196)	(4)	(4)	(6)
Amortization of transition (asset) obligation	(23)	(23)	(23)	3	3	3
Amortization of prior service (benefit) cost	(5)	(5)	2	-	-	-
Amortization of (gains) losses	(21)	(28)	(32)	5	6	1
Cost of special termination benefits		2	4			
Net periodic benefit (income) cost at FPL Group	$ (120)	$ (117)	$ (107)	$ 39	$ 39	$ 28
Net periodic benefit (income) cost at FPL	$ (97)	$ (95)	$ (97)	$ 35	$ 35	$ 27

The following table provides the weighted-average assumptions used to determine net periodic benefit (income) cost for the plans:

	Pension Benefits			Other Benefits		
	Years Ended December 31,			Years Ended December 31,		
	2004	2003	2002	2004	2003	2002
Discount rate	5.50%	6.00%	6.25%	5.50%	6.00%	6.25%
Salary increase	4.00%	4.50%	5.50%	4.00%	4.50%	5.50%
Expected long-term rate of return [a]	7.75%	7.75%	7.75%	7.75%	7.75%	7.75%

[a] In developing the expected long-term rate of return on assets assumption for its plans, FPL Group evaluated input from its actuaries as well as information available in the marketplace. FPL Group considered the 10-year and 20-year historical median returns for a portfolio with an equity/bond asset mix similar to its funds. FPL Group also considered its funds' historical compounded returns. No specific adjustments were made to reflect expectations of future returns.

Assumed health care cost trend rates can have a significant effect on the amounts reported for postretirement plans providing health care benefits. An increase or decrease of one percentage point in assumed health care cost trend rates would have a corresponding effect on the other benefits total service and interest cost of approximately $1 million at September 30, 2004.

In December 2003, the Medicare Prescription Drug, Improvement and Modernization Act of 2003 (Act) was signed into law. The Act introduces a voluntary prescription drug benefit under Medicare as well as a federal subsidy to sponsors of retiree health care plans that provide at least an actuarially equivalent benefit. As a result of this Act, in May 2004, the FASB issued Staff Position FAS 106-2, "Accounting and Disclosure Requirements Related to the Medicare Prescription Drug, Improvement and Modernization Act of 2003." Under Staff Position FAS 106-2, benefit obligations are required to be remeasured and reported as an actuarial gain if enactment of the Act is determined to be a "significant event" pursuant to the provisions of FAS 106, "Employers' Accounting for Postretirement Benefits Other Than Pensions." FPL Group considered the effects of the Act on a

subset of the retiree population that FPL Group believed was certain to meet the Department of Health and Human Services (HHS) actuarial equivalence definition, when established, and determined those effects not to be a significant event. Therefore, the accumulated benefit obligation for the other benefits was remeasured at the September 30, 2004 measurement date to reflect the effects of the Act on this subset of the retiree population. This resulted in a reduction to accumulated benefit obligation of $10 million. No effect from the Act is in the accumulated benefits obligation at September 30, 2004 for the remaining population. Subsequently, in January 2005, the HHS issued regulations that define actuarial equivalency. FPL Group is in the process of determining if the established definition has a significant effect on the other benefits obligation.

Supplemental Retirement Plan – FPL Group also has a non-qualified supplemental defined benefit pension plan that provides benefits to higher-level employees. The cost of this plan is included in the determination of net periodic benefit income for pension benefits in the preceding tables and amounted to $2 million, $5 million and $3 million for FPL Group for years ended December 31, 2004, 2003 and 2002, respectively. The projected benefit obligation is included in the pension benefits obligation in the preceding tables and amounted to $22 million and $17 million for FPL Group at December 31, 2004 and 2003, respectively. Further, the accumulated benefit obligation was $19 million and $15 million for FPL Group ($5 million and $4 million for FPL) at December 31, 2004 and 2003, respectively.

FPL Group established a trust to provide assets that may be used for the benefits payable under the non-qualified supplemental defined benefit pension plan. The trust is irrevocable and, although subject to creditors' claims, assets contributed to the trust can only be used to pay such benefits with certain exceptions. These assets are included in other investments on the consolidated balance sheets and amounted to $11 million for FPL Group ($3 million for FPL) both at December 31, 2004 and December 31, 2003.

Employee Contribution Plans – FPL Group offers employee thrift plans which allow eligible participants to contribute a percentage of qualified compensation through payroll deductions. FPL Group makes matching contributions to participants' accounts. Defined contribution expense pursuant to these plans was approximately $27 million, $25 million and $24 million for FPL Group ($23 million, $21 million and $21 million for FPL) for years ended December 31, 2004, 2003 and 2002, respectively. See Note 12 – Employee Stock Ownership Plan (ESOP).

3. Derivative Instruments

Derivative instruments, when required to be marked to market under FAS 133, as amended, are recorded on FPL Group's and FPL's consolidated balance sheets as either an asset or liability (in derivative assets, other assets, other current liabilities and other liabilities) measured at fair value. FPL Group and FPL use derivative instruments (primarily forward purchases and sales, swaps, options and futures) to manage the commodity price risk inherent in fuel and electricity contracts and interest rate risk associated with long-term debt. In addition, FPL Group uses derivatives to optimize the value of power generation assets.

Effective July 2003, FPL Group and FPL adopted FAS 149, "Amendment of Statement 133 on Derivative Instruments and Hedging Activities." The statement amends and clarifies financial accounting and reporting for derivative instruments, including derivative instruments embedded in other contracts, and for hedging activities. There was no financial statement impact upon adoption of FAS 149. However, the statement has broadened the types of contracts that are marked to market through earnings.

At FPL, substantially all changes in fair value are deferred as a regulatory asset or liability until the contracts are settled. Upon settlement, any gains or losses are passed through the fuel clause and the capacity clause. For FPL Group's non-rate regulated operations, predominantly FPL Energy, essentially all changes in the derivatives' fair value for power purchases and sales and trading activities are recognized net in operating revenues; fuel purchases and sales are recognized net in fuel, purchased power and interchange expense; and the equity method investees' related activity is recognized in equity in earnings of equity method investees in FPL Group's consolidated statements of income 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 in offsetting the hedged risk. Additionally, for hedges of commodity price risk physical delivery for forecasted commodity transactions must be probable. FPL Group believes that where offsetting positions exist at the same location for the same time, the transactions are considered to have been netted and therefore physical delivery has not occurred. Generally, 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. At December 31, 2004, FPL Group had cash flow hedges with expiration dates through December 2010 for energy contract derivative instruments and interest rate cash flow hedges with expiration dates through December 2017. 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.

Unrealized mark-to-market gains (losses) on derivative transactions for both consolidated subsidiaries and equity method investees are as follows:

	Years Ended December 31,		
	2004	2003	2002
	(millions)		
Consolidated subsidiaries	$ (23)	$ 16	$ 5
Equity method investees	$ 13	$ 21	$ 5

4. Income Taxes

The components of income taxes, including deferred regulatory credit, are as follows:

	FPL Group			FPL		
	Years Ended December 31,			Years Ended December 31,		
	2004	2003	2002	2004	2003	2002
	(millions)					
Federal:						
Current	$ (207)	$ (181)	$ (70)	$ (125)	$ 214	$ 92
Deferred	464	507	283	490	145	277
ITC	(20)	(20)	(20)	(20)	(20)	(20)
Total federal	237	306	193	345	339	349
State:						
Current	66	(21)	(22)	-	37	12
Deferred	(36)	83	73	64	27	52
Total state	30	62	51	64	64	64
Total income taxes	$ 267	$ 368	$ 244	$ 409	$ 403	$ 413

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

	FPL Group			FPL		
	Years Ended December 31,			Years Ended December 31,		
	2004	2003	2002	2004	2003	2002
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	1.7	3.2	3.5	3.6	3.6	3.7
Allowance for other funds used during construction	(1.1)	(0.4)	-	(1.1)	(0.4)	-
Amortization of ITC	(1.7)	(1.6)	(2.1)	(1.7)	(1.7)	(1.7)
Production tax credits – FPL Energy	(9.2)	(6.2)	(5.7)			
Amortization of deferred regulatory credit – income taxes	(0.6)	(0.8)	(1.1)	(0.6)	(0.8)	(0.9)
Adjustments of prior years' tax matters	(0.9)	(0.6)	(3.2)	(0.2)	(0.7)	-
Preferred stock dividends – FPL		0.4	0.6			
Other – net	(0.1)	0.2	(1.0)	0.3	(0.2)	-
Effective income tax rate	23.1%	29.2%	26.0%	35.3%	34.8%	36.1%

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

	FPL Group		FPL	
	December 31,		December 31,	
	2004	2003	2004	2003
	(millions)			
Deferred tax liabilities:				
Property-related	$ 2,996	$ 2,533	$ 2,105	$ 1,771
Investment-related	274	297	-	-
Pension	298	259	289	259
Other	609	377	391	264
Total deferred tax liabilities	4,177	3,466	2,785	2,294
Deferred tax assets and valuation allowance:				
Unamortized ITC and deferred regulatory credit – income taxes	35	56	35	56
Storm and decommissioning reserves	253	362	253	362
Postretirement benefits	126	117	115	108
Net operating loss carryforwards	213	15	-	
Tax credit carryforwards	235	86		
Other	763	702	378	353
Valuation allowance	(23)	(27)	-	-
Net deferred tax assets	1,602	1,311	781	879
Net accumulated deferred income taxes	$ 2,575	$ 2,155	$ 2,004	$ 1,415

Deferred tax assets and liabilities are included in the consolidated balance sheets as follows:

	FPL Group		FPL	
	December 31,		December 31,	
	2004	2003	2004	2003
	(millions)			
Other current assets	$ 110	$ -	$ -	$ -
Other current liabilities	-	52	55	59
Accumulated deferred income taxes	2,685	2,103	1,949	1,356
Net accumulated deferred income taxes	$ 2,575	$ 2,155	$ 2,004	$ 1,415

Deferred tax liabilities associated with property- and investment-related assets reflect additional first year depreciation as allowed by tax legislation. During 2004, FPL Group recognized approximately $30 million of net tax benefits due to certain state tax benefits resulting from the growth of FPL Energy outside the state of Florida and through the resolution of various tax issues. In addition, a capital loss from the disposition in a prior year of an FPL Group Capital subsidiary was limited by Internal Revenue Service (IRS) rules. FPL Group challenged the IRS loss limitation and, in March 2002, the IRS conceded the issue. Accordingly, FPL Group recognized approximately $30 million of net tax benefits in 2002.

The components of FPL Group's deferred tax assets relating to net operating loss carryforwards and tax credit carryforwards at December 31, 2004 are as follows:

	Amount	Expiration Date
	(millions)	
Net operating loss carryforwards:		
Federal	$ 136	2024
State	77	2009–2024
Total net operating loss carryforwards	$ 213	
Tax credit carryforwards:		
Federal	$ 221	2023–2024
State	14	2005–2012
Total tax credit carryforwards	$ 235	

5. Goodwill and Other Intangible Assets

Effective January 1, 2002, FPL Group adopted FAS 142, "Goodwill and Other Intangible Assets." Under this statement, the amortization of goodwill is no longer permitted. Instead, goodwill is assessed for impairment at least annually by applying a fair value based test. In January 2002, FPL Energy recorded an impairment loss of $365 million ($222 million after tax) as the cumulative effect of adopting FAS 142, eliminating all goodwill previously included in other assets on FPL Group's consolidated balance sheets. Estimates of fair value were determined using discounted cash flow models.

6. Restructuring and Impairment Charges

2004 – Restructuring charges in 2004 reflect contract restructuring to take advantage of changed market conditions. FPL Energy recorded a net gain of approximately $52 million ($31 million after tax) related to the termination of a gas supply contract and a steam agreement at one of its investments in joint ventures. These agreements were terminated in connection with an amended power purchase agreement that allows the investee to source power from the wholesale market. In addition, FPL Energy recorded an impairment loss of approximately $47 million ($29 million after tax) to write down its investment in a combined-cycle power plant in Texas to its fair value as a result of agreeing to sell its interest in the project. The sale was completed in the second quarter of 2004. The results of the above transactions are reflected in equity in earnings of equity method investees in FPL Group's consolidated statements of income. Also in 2004, FPL Energy restructured a steam sales agreement on a natural gas-fired facility in Pennsylvania due to a downturn in market conditions where the plant is operating. The restructuring resulted in a loss of approximately $81 million ($48 million after tax) which includes the write-off of an auxiliary boiler of approximately $33 million and a $48 million contract termination payment which was included in other current liabilities on FPL Group's consolidated balance sheets at December 31, 2004.

2002 – FPL Group recorded charges totaling $207 million ($127 million after tax) in the third quarter of 2002, including liabilities of approximately $29 million, due to unfavorable market conditions in the wholesale energy and telecommunications markets. During 2004 and 2003, approximately $1 million and $24 million, respectively, were charged against the liabilities. As of December 31, 2004, a balance of approximately $2 million remains and is included in other current liabilities on FPL Group's consolidated balance sheets.

FPL Energy – Over the last several years, there has been a general decline in the wholesale energy markets, including deterioration in forward prices and reduced liquidity, as well as increasing credit concerns that have limited the number of counterparties with which FPL Energy does business. During 2002, FPL Energy conducted a thorough review of its business development plans, organizational structure and expenses. As a result, FPL Energy decided to substantially exit fossil-fueled greenfield merchant power plant development activities, which resulted in the write-off of approximately $67 million ($41 million after tax) of previously capitalized development costs.

An agreement for the supply of gas turbines and other related equipment was renegotiated during 2002 to significantly reduce the commitment to purchase such equipment, resulting in a charge totaling approximately $16 million ($10 million after tax).

FPL Energy also realigned its organizational structure during 2002 to lower general and administrative expenses and took other actions associated with the restructuring. The operating lease agreement with a special purpose entity and the related credit facility used to finance certain turbine purchases were terminated during 2002. Together these resulted in a charge of approximately $20 million ($12 million after tax).

Corporate and Other – Due to the changing telecommunications market, FPL FiberNet, LLC (FPL FiberNet) completed valuation studies to assess the recoverability of its assets and as a result in 2002 recorded charges of approximately $104 million ($64 million after tax). Of this amount, $85 million ($52 million after tax) represents an impairment charge related to property, plant and equipment, the fair value of which was determined based on a discounted cash flow analysis. Additionally, FPL FiberNet decided not to pursue the planned build-out of metro fiber rings in certain cities, and restructuring charges of $19 million ($12 million after tax) were recognized related to the write-off of development costs and inventory.

7. Comprehensive Income

The following table provides the components of comprehensive income and accumulated other comprehensive income (loss):

	Net Income	Accumulated Other Comprehensive Income (Loss)			Comprehensive Income
		Net Unrealized Gains (Losses) On Cash Flow Hedges	Other	Total	
		(millions)			
Balances, December 31, 2001		$ (8)	$ -	$ (8)	
Net income	$ 473				$ 473
Commodity hedges:					
Effective portion of net unrealized gain (net of $21 tax expense)		33	-	33	33
Reclassification adjustment (net of $4 tax benefit)		(6)	-	(6)	(6)
Minimum supplemental executive retirement plan liability adjustment		-	(4)	(4)	(4)
Net unrealized gain on available for sale securities (net of $1 tax expense)		-	1	1	1
Balances, December 31, 2002		19	(3)	16	$ 497
Net income	$ 890				$ 890
Commodity hedges:					
Effective portion of net unrealized gain:					
Consolidated subsidiaries (net of $7 tax expense)		11	-	11	11
Equity method investees (net of $7 tax expense)		11	-	11	11
Reclassification adjustment: [a]					
Consolidated subsidiaries (net of $23 tax benefit)		(35)	-	(35)	(35)
Equity method investees (net of $7 tax benefit)		(12)	-	(12)	(12)
Interest rate hedges					
Effective portion of net unrealized loss on interest rate swaps (net of $3 tax benefit)		(4)		(4)	(4)
Net unrealized gain on available for sale securities (net of $11 tax expense)			17	17	17
Balances, December 31, 2003		(10)	14	4	$ 878
Net income	$ 887				$ 887
Commodity hedges: [b]					
Effective portion of net unrealized losses:					
Consolidated subsidiaries (net of $40 tax benefit)		(61)	-	(61)	(61)
Interest rate hedges [b]					
Effective portion of net unrealized gain on interest rate swaps (net of $2 tax expense)		4		4	4
Net unrealized gain on available for sale securities (net of $4 tax expense)			7	7	7
Balances, December 31, 2004		$ (67)	$ 21	$ (46)	$ 837

[a] Includes amounts reclassified into earnings due to settlements of approximately $44 million and discontinuance of cash flow hedges of approximately $3 million for which the hedged transaction is no longer probable of occurring.

[b] Approximately $29 million of losses included in FPL Group's accumulated other comprehensive income at December 31, 2004 will be reclassified into earnings within the next 12 months as either the hedged fuel is consumed, electricity is sold or interest payments are made. Such amount assumes no change in fuel prices, power prices or interest rates.

8. Jointly-Owned Electric Plants

The following FPL Group subsidiaries own undivided interests in the jointly-owned facilities described below, and are entitled to a proportionate share of the output from those facilities. FPL and FPL Energy are responsible for their share of the operating costs, as well as providing their own financing. Accordingly, each subsidiary includes its proportionate share of the facilities and related revenues and expenses in the appropriate balance sheet and income statement captions. FPL Group's and FPL's share of direct expenses for these facilities are included in fuel, purchased power and interchange, other operations and maintenance, depreciation and amortization and taxes other than income taxes on FPL Group's and FPL's consolidated statements of income.

FPL Group's and FPL's proportionate ownership interest in jointly-owned facilities is as follows:

	December 31, 2004			
	Ownership Interest	Gross Investment	Accumulated Depreciation	Construction Work in Progress
			(millions)	
FPL:				
St. Lucie Unit No. 2	85%	$ 1,172	$ 868	$ 52
St. Johns River Power Park units and coal terminal	20%	$ 327	$ 208	$ 1
Scherer Unit No. 4	76%	$ 587	$ 380	$ -
Transmission substation assets located in Seabrook, New Hampshire	88.23%	$ 30	$ 10	$
FPL Energy:				
Seabrook [1]	88.23%	$ 904	$ 90	$ 74
Wyman Station Unit No. 4	61.78%	$ 75	$ 21	-

[1] On November 1, 2002, a subsidiary of FPL Energy purchased an 88.23% undivided interest, or 1,024 megawatts, in Seabrook located in New Hampshire

9. Variable Interest Entities

FIN 46, as revised (FIN 46R), requires the consolidation of entities which are determined to be VIEs when the reporting company determines that it will absorb a majority of the VIE's expected losses, receive a majority of the VIE's residual returns, or both. The company that is required to consolidate the VIE is called the primary beneficiary. Conversely, the reporting company would not consolidate VIEs in which it has a majority ownership interest when the company is not considered to be the primary beneficiary. Variable interests are contractual, ownership or other monetary interests in an entity that change as the fair value of the entity's net assets, excluding variable interests, change. An entity is considered to be a VIE when its capital is insufficient to permit it to finance its activities without additional subordinated financial support or its equity investors, as a group, lack the characteristics of having a controlling financial interest.

FPL Group adopted the requirements of FIN 46R in two phases. At the original effective date, July 1, 2003, FPL Group identified two VIEs which were consolidated. Revised guidance was issued and became effective March 31, 2004. As discussed below, no additional VIEs were identified for consolidation. The cumulative effect of a change in accounting principle of implementing FIN 46 at July 1, 2003 for the VIEs discussed below was approximately a $3 million loss (net of income tax benefit of $2 million) for FPL Group and zero for FPL.

FPL – Effective July 1, 2003, FPL consolidates a VIE from which it leases nuclear fuel for its nuclear units. For ratemaking purposes, these leases are treated as operating leases. For financial reporting, prior to July 1, 2003 the capital lease obligation was recorded at the amount due in the event of lease termination. FPL makes quarterly payments to the lessor for the lease commitments. The lessor has issued senior secured notes to fund the procurement of nuclear fuel and has established a revolving credit facility to support its commercial paper program. FPL has provided an unconditional guarantee of the payment obligations of the lessor under the notes and credit facility. The consolidated assets of the VIE consist primarily of nuclear fuel, which had a carrying value of $370 million and $380 million at December 31, 2004 and 2003, respectively.

In its evaluation of the revised guidance as of March 31, 2004, FPL identified two potential VIEs (Projects), both of which are considered qualifying facilities (QFs) as defined by the Public Utility Regulatory Policies Act of 1978, as amended (PURPA). PURPA requires FPL to purchase the electricity output of the Projects. As a result, FPL has entered into purchased power agreements (PPAs) with these QFs to purchase substantially all of the Projects' electrical output over a substantial portion of their estimated useful lives. For each megawatt-hour (mwh) provided, FPL pays a per mwh price (energy payment) based upon FPL's avoided cost, which is determined at the time the PPAs are executed. With regard to the Projects, FPL's avoided cost is based on the cost of avoiding the construction and operation of a coal unit. The energy component is primarily based on the cost of coal at an FPL jointly-owned coal-fired facility. The avoided cost is the incremental cost to the utility of the electric energy or capacity, or both, which is avoided by neither generating the electricity nor purchasing it from another source. The Projects have capacities of 136 megawatts (mw) and 250 mw. After making exhaustive efforts, FPL was unable to obtain the information from the Projects necessary to determine whether the Projects are VIEs or whether FPL is the primary beneficiary of either or both of the Projects. The PPAs with the Projects contain no provisions which legally obligate the Projects to release this information to FPL. The energy payments paid by FPL will fluctuate as coal prices change. This does not expose FPL to losses since the energy payments paid by FPL to the Projects are passed on to FPL's customers through the fuel clause as approved by the FPSC. Notwithstanding the fact that FPL's energy payments are recovered through the fuel clause, if one or both of the Projects were determined to be a VIE, the absorption of some of the Projects' fuel price variability might cause FPL to be considered the primary beneficiary. During the years ended December 31, 2004 and 2003, FPL purchased 2,483,131 mwh and 2,697,982 mwh, respectively, from the Projects at a total cost of approximately $209 million and $208 million, respectively. FPL will continue to make exhaustive

efforts to obtain the necessary information from the Projects in order to determine if the Projects are VIEs and, if so, whether FPL is the primary beneficiary.

Additionally, FPL entered into a PPA with a 330 mw coal-fired cogeneration facility (the Facility) in 1995 to purchase substantially all of the Facility's electrical output through 2025. The Facility is considered a QF as defined by PURPA. In November 2004, FPL and the Facility reached an agreement to change the index related to the energy payment, triggering a new analysis under FIN 46R. FPL determined that (a) the Facility is a VIE and (b) the PPA represents a variable interest in the Facility. However, FPL determined that it is not the Facility's primary beneficiary. Although FPL will absorb variability related to changes in the market price of coal, FPL does not absorb the majority of the variability of the entity. This agreement does not expose FPL to losses as the energy payments under the contract have been approved by the FPSC for recovery through the fuel clause.

FPL Energy – In 2000, an FPL Energy subsidiary entered into an operating lease agreement with a special purpose entity (SPE) lessor to lease a 550 mw combined-cycle power generation plant through 2007. At the inception of the lease, the lessor obtained the funding commitments required to complete the acquisition, development and construction of the plant through debt and equity contributions from investors who are not affiliated with FPL Group. At December 31, 2002, the commitment was capped at costs incurred of $380 million. The $380 million commitment included $364 million of debt and $16 million of equity. The conditions to achieve project completion were satisfied as of December 27, 2002, at which time the base lease term began. The FPL Energy subsidiary began making quarterly lease payments on March 31, 2003. The quarterly lease payments are intended to cover the lessor's debt service, which includes a stated yield to equity holders and certain other costs.

The FPL Energy subsidiary has the option to purchase the plant at any time during the remaining lease term for 100% of the outstanding principal balance of the loans and equity contributions made to the SPE, all accrued and unpaid interest and yield, and all other fees, costs and amounts then due and owing pursuant to the provisions of the related financing documents. However, under certain limited events of default, the FPL Energy subsidiary can be required to purchase the plant for the same cost. If the FPL Energy subsidiary does not elect to purchase the plant at the end of the lease term, a residual value guarantee must be paid, and the plant will be sold. Any proceeds received by the lessor in excess of the outstanding debt and equity will be given to the FPL Energy subsidiary. FPL Group Capital has guaranteed certain obligations of the FPL Energy subsidiary under the lease agreement.

In the initial implementation of FIN 46, the FPL Energy subsidiary was determined to be the primary beneficiary of the lessor and, accordingly, effective July 1, 2003, consolidates the assets and liabilities of the lessor on FPL Group's consolidated financial statements. The assets of the lessor primarily consist of the power generation plant, which had a carrying value of $343 million and $349 million at December 31, 2004 and 2003, respectively, and is reported in electric utility plant in service and other property in FPL Group's consolidated balance sheets. The liabilities of the lessor consist primarily of debt (which is secured by the power generation plant), which had a carrying value of $345 million and $356 million at December 31, 2004 and 2003, respectively, and is reported in long-term debt in FPL Group's consolidated balance sheets. The equity interests of the lessor not owned by the FPL Energy subsidiary are reported as minority interest.

FPL Group – In March 2004, a trust created by FPL Group sold 12 million shares of 5 7/8% preferred trust securities to the public and common trust securities to FPL Group. The trust is considered a VIE because FPL Group's investment through the common trust securities is not considered equity at risk in accordance with FIN 46R. The proceeds from the sale of the preferred and common trust securities were used to buy 5 7/8% junior subordinated debentures maturing in March 2044, from FPL Group Capital. The trust exists only to issue its preferred trust securities and common trust securities and to hold the junior subordinated debentures of FPL Group Capital as trust assets. Since FPL Group, as the common security holder, is not considered to have equity at risk and will therefore not absorb any variability of the trust, FPL Group is not the primary beneficiary and does not consolidate the trust in accordance with FIN 46R. FPL Group includes the junior subordinated debentures issued by FPL Group Capital on its consolidated balance sheets. See Note 11 – FPL Group.

FPL Group and FPL expect additional implementation guidance to be issued regarding FIN 46R and are unable to determine what effect, if any, this additional guidance might have on FPL Group's and FPL's financial statements.

10. Financial Instruments

The carrying amounts of cash equivalents, commercial paper and notes payable approximate fair values. At December 31, 2004 and 2003, other investments of FPL Group included financial instruments of approximately $294 million and $300 million, respectively, the majority of which consist of notes receivable that are carried at estimated fair value or cost, which approximates fair value. See Note 11.

The following estimates of the fair value of financial instruments have been made using available market information. However, the use of different market assumptions or methods of valuation could result in different estimated fair values.

	December 31, 2004		December 31, 2003	
	Carrying Amount	Estimated Fair Value	Carrying Amount	Estimated Fair Value
	(millions)			
FPL Group:				
Long-term debt, including current maturities	$ 9,247	$ 9,611[a]	$ 9,090	$ 9,548[a]
Special Use Funds:				
Storm fund	$ -	$ -	$ 200	$ 200[b]
Nuclear decommissioning fund	$ 2,271	$ 2,271[b]	$ 2,048	$ 2,048[b]
Other investments	$ 72	$ 72[b]	$ 57	$ 57[b]
Interest rate swaps – net unrealized loss	$ (11)	$ (11)[c]	$ (10)	$ (10)[c]
FPL:				
Long-term debt, including current maturities	$ 3,311	$ 3,438[a]	$ 3,074	$ 3,193[a]
Special Use Funds:				
Storm fund	$ -	$ -	$ 200	$ 200[b]
Nuclear decommissioning fund	$ 1,971	$ 1,971[b]	$ 1,774	$ 1,774[b]
Interest rates swaps – net unrealized loss	$ (2)	$ (2)[c]	$ -	$ -

(a) Based on market prices provided by external sources.
(b) Based on quoted market prices for these or similar issues.
(c) Based on market prices modeled internally.

Special Use Funds – The special use funds consist of FPL's storm fund assets and FPL Group's nuclear decommissioning fund assets. Securities held in the special use funds are carried at estimated fair value based on quoted market prices. FPL Group's nuclear decommissioning funds consist of approximately 46% equity securities and 54% municipal, government, corporate and mortgage- and other asset-backed debt securities (44% and 56% for FPL, respectively) with a weighted-average maturity of approximately 7 years at December 31, 2004. At December 31, 2004, all available storm fund assets were utilized. See Note 1 – Storm Fund and Storm Reserve Deficiency. The cost of securities sold is determined on the specific identification method.

The following tables provide the special use funds approximate gains and losses and proceeds from the sale of securities:

	FPL Group			FPL		
	Years Ended December 31,			Years Ended December 31,		
	2004	2003	2002	2004	2003	2002
	(millions)					
Realized gains	$ 11	$ 26	$ 28	$ 9	$ 25	$ 27
Realized losses	$ 13	$ 20	$ 16	$ 12	$ 19	$ 16
Proceeds from sale of securities	$ 2,207	$ 2,735	$ 2,524	$ 2,072	$ 2,702	$ 2,435

	FPL Group		FPL	
	December 31,		December 31,	
	2004	2003	2004	2003
	(millions)			
Unrealized gains	$ 394	$ 300	$ 350	$ 271
Unrealized losses [a]	$ 6	$ 2	$ 5	$ 1

(a) At December 31, 2004, FPL Group had 6 securities in an unrealized loss position for greater than twelve months, including 1 security for FPL. The total unrealized loss on these securities was less than $1 million and the fair value was approximately $3 million for FPL Group, including less than $1 million for FPL. At December 31, 2003, FPL Group had 9 securities in an unrealized loss position for greater than twelve months, including 1 security for FPL. The total unrealized loss on these securities was less than $1 million and the fair value was approximately $8 million for FPL Group, including less than $1 million for FPL. For accounting treatment description, see Note 1 – Decommissioning of Nuclear Plants, Dismantlement of Plants and Other Accrued Asset Removal Costs and Note 1 – Storm Fund and Storm Reserve Deficiency.

Regulations issued by the FERC and the NRC provide general risk management guidelines to protect nuclear decommissioning trust funds and to allow such funds to earn a reasonable return. The FERC regulations prohibit investments in any securities of FPL Group or its subsidiaries, affiliates or associates, excluding investments tied to market indices or other mutual funds. Similar restrictions applicable to the decommissioning trust fund for FPL Energy's Seabrook nuclear plant are contained in the NRC operating license for that facility. Effective December 24, 2003, NRC regulations applicable to NRC licensees not in cost-of-service environments require similar investment restrictions. The NRC's regulations permit licensees with operating licenses containing conditions restricting the use of decommissioning trust funds to rely on those conditions in lieu of compliance with the new NRC regulations. FPL Energy's Seabrook nuclear plant contains such restrictions in its NRC operating license. With respect to the decommissioning trust fund for FPL Energy's Seabrook nuclear plant, decommissioning trust fund withdrawals are also regulated by the NDFC pursuant to New Hampshire law.

The special use funds are managed by investment managers who must comply with the guidelines and rules of the applicable regulatory authorities, FPL Group and FPL. The special use fund assets are invested in order to optimize the after-tax earnings of these funds, giving consideration to liquidity, risk, diversification and other prudent investment objectives.

Interest Rate Swaps – FPL Group and its subsidiaries use a combination of fixed rate and variable rate debt to manage interest rate exposure. Interest rate swaps are used to adjust and mitigate interest rate exposure when deemed appropriate based upon market conditions or when required by financing agreements. At December 31, 2004, the estimated fair value for FPL Group interest rate swaps was as follows:

Notional Amount	Effective Date	Maturity Date	Rate Paid	Rate Received	Estimated Fair Value
(millions)					(millions)
Fair value hedges – FPL:					
$ 250	April 2004	December 2005	variable[a]	6.875%	$ (1)
$ 250	May 2004	December 2005	variable[b]	6.875%	(1)
Fair value hedges – FPL Group Capital:					
$ 150	July 2003	September 2006	variable[c]	7.625%	(3)
$ 150	July 2003	September 2006	variable[d]	7.625%	(3)
$ 200	January 2004	March 2005	variable[e]	1.875%	(1)
$ 195	October 2004	April 2006	variable[f]	3.250%	(1)
$ 55	October 2004	April 2006	variable[g]	3.250%	-
$ 195	October 2004	April 2006		3.250%	(1)
$ 55	October 2004	April 2006	variable[h]	3.250%	-
$ 300	November 2004	February 2007	variable[j]	4.086%	-
$ 275	December 2004	February 2007	variable[k]	4.086%	1
Total fair value hedges					(10)
Cash flow hedges – FPL Energy:					
$ 96	July 2002	December 2007	4.41%	variable[l]	(2)
$ 195	August 2003	November 2007	3.557%	variable[l]	-
$ 92	December 2003	December 2017	4.245%	variable[l]	-
$ 30	April 2004	December 2017	3.845%	variable[i]	1
Total cash flow hedges					(1)
Total interest rate hedges					$ (11)

(a) Six-month LIBOR plus 3.7285%
(b) Six-month LIBOR plus 3.6800%
(c) Six-month LIBOR plus 4.9900%
(d) Six-month LIBOR plus 4.9925%
(e) Six-month LIBOR less 0.1375%
(f) Six-month LIBOR plus 0.0153%
(g) Six-month LIBOR plus 0.0100%
(h) Six-month LIBOR plus 0.1500%
(i) Six-month LIBOR plus 0.1525%
(j) Three-month LIBOR plus 0.50577%
(k) Three-month LIBOR plus 0.4025%
(l) Three-month LIBOR

In February 2005, an FPL Energy subsidiary entered into an interest rate swap to receive LIBOR and pay a fixed rate of 4.255% to hedge approximately $4 million to $6 million through November 2007 and approximately $163 million to $173 million from November 2007 through June 2008.

11. Investments in Partnerships and Joint Ventures

FPL Energy – FPL Energy has non-controlling non-majority owned interests in various partnerships and joint ventures, essentially all of which are electricity producers. At December 31, 2004 and 2003, FPL Energy's investment in partnerships and joint ventures totaled approximately $288 million and $359 million, respectively, which is included in other investments on FPL Group's consolidated balance sheets. FPL Energy's interest in these partnerships and joint ventures range from approximately 5.5% to 50%. At December 31, 2004, the principal entities included in FPL Energy's investments in partnerships and joint ventures were Northeast Energy, LP, Cherokee County Cogeneration Partners, LP, Green Ridge Power, LLC, Cameron Ridge LLC, Windpower Partners 1993, LP and, in 2003, included Bastrop Energy Partnership, LP. Bastrop was sold in 2004.

Summarized combined information for these principal entities is as follows:

	2004	2003
	(millions)	
Net income	$ 219	$ 112
Total assets	$ 1,351	$ 1,632
Total liabilities	$ 789	$ 968
Partners' equity	$ 562	$ 664
FPL Energy's share of underlying equity in the principal entities	$ 281	$ 332
Difference between investment carrying amount and underlying equity in net assets [a]	(47)	(31)
FPL Energy's investment carrying amount for the principal entities	$ 234	$ 301

[a] The majority of the difference between the investment carrying amount and the underlying equity in net assets is being amortized over the remaining life of the investee's assets.

Certain subsidiaries of FPL Energy provide services to the partnerships and joint ventures, including O&M and business management services. FPL Group's operating revenues for the years ended December 31, 2004, 2003 and 2002 include approximately $16 million each, related to such services. The receivables at December 31, 2004 and 2003, for these services, as well as for payroll and other payments made on behalf of these investees, were approximately $29 million and $19 million, respectively, and are included in other current assets on FPL Group's consolidated balance sheets.

Notes receivable (long- and short-term) include approximately $99 million and $107 million at December 31, 2004 and 2003, respectively, due from partnerships and joint ventures in which FPL Energy has an ownership interest. The notes receivable mature in 2005 through 2014 and the majority bear interest at variable rates, which ranged from approximately 6.1% to 8.5% at December 31, 2004 and 2003. Interest income on these notes totaling approximately $7 million, $6 million and $8 million for the years ended December 31, 2004, 2003 and 2002, respectively, is included in other – net in FPL Group's consolidated statements of income. There was no interest receivable associated with these notes as of December 31, 2004 and 2003.

FPL Group – In March 2004, a trust created by FPL Group sold $300 million of preferred trust securities to the public and $9 million of common trust securities to FPL Group. The trust is an unconsolidated 100%-owned finance subsidiary. The trust used the proceeds to purchase $309 million of 5 7/8% junior subordinated debentures maturing in March 2044 from FPL Group Capital. FPL Group has fully and unconditionally guaranteed the preferred trust securities and the junior subordinated debentures.

12. Common Stock

Earnings Per Share – The reconciliation of FPL Group's basic and diluted earnings per share of common stock is shown below:

	Years Ended December 31,		
	2004	2003	2002
	(millions, except per share amounts)		
Numerator – net income	$ 887	$ 890	$ 473
Denominator:			
Weighted-average number of common shares outstanding – basic	179.3	177.5	172.9
Restricted stock, performance share and shareholder value awards, options and equity units [a]	1.5	0.7	0.4
Weighted-average number of common shares outstanding – assuming dilution	180.8	178.2	173.3
Earnings per share of common stock:			
Basic	$ 4.95	$ 5.01	$ 2.74
Assuming dilution	$ 4.91	$ 5.00	$ 2.73

[a] Performance share awards and shareholder value awards are included in diluted weighted-average number of shares outstanding based upon what would be issued if the end of the reporting period was the end of the term of the award. Restricted stock, performance share awards, shareholder value awards, options and equity units (known as Corporate Units) are included in diluted weighted-average number of common shares outstanding by applying the treasury stock method.

Common shares issuable upon the exercise of stock options and settlement of purchase contracts that form a part of equity units, which were not included in the denominator above due to their antidilutive effect, were approximately 11 million in 2002 and none for 2003 and 2004. See Note 14.

On February 18, 2005, FPL Group's board of directors approved a two-for-one stock split of FPL Group's common stock effective March 15, 2005 (2005 stock split). FPL Group's authorized common stock will increase from 400 million to 800 million shares. After giving effect to the 2005 stock split, the subsequent quarterly dividend on FPL Group's common stock will be 35.5 cents per share. The share or per share information included in FPL Group's consolidated financial statements for the year ended December 31, 2004 does not reflect the effect of the 2005 stock split. The following table gives the pro forma effect of the 2005 stock split on FPL Group's earnings per share of common stock – assuming dilution.

	Years Ended December 31,		
	2004	2003	2002
	(millions, except per share amounts)		
Income before cumulative effect of changes in accounting principles	$ 887	$ 893	$ 695
Cumulative effect of changes in accounting principles	$ -	$ (3)	$ (222)
Net income	$ 887	$ 890	$ 473
Pro forma weighted-average number of common shares outstanding – assuming dilution	362	356	347
Pro forma earnings per share of common stock – assuming dilution:			
Pro forma earnings per share before cumulative effect of changes in accounting principles	$ 2.45	$ 2.51	$ 2.01
Pro forma cumulative effect of changes in accounting principles	$ -	$ (0.01)	$ (0.64)
Pro forma earnings per share of common stock	$ 2.45	$ 2.50	$ 1.37

Common Stock Dividend Restrictions – FPL Group's charter does not limit the dividends that may be paid on its common stock. FPL's mortgage securing FPL's first mortgage bonds contains 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.

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. For purposes of computing basic and fully diluted earnings per share, ESOP shares that have been committed to be released are considered outstanding.

ESOP-related compensation expense of approximately $27 million, $25 million and $24 million in 2004, 2003 and 2002, 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 common shareholders' equity at December 31, 2004 was approximately $154 million, representing approximately 5.3 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 at December 31, 2004 was approximately $396 million.

Long-Term Incentive Plan – At December 31, 2004, approximately 13 million shares of common stock were authorized and 10.9 million were available for awards (including outstanding 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 and shareholder value awards are typically payable at the end of a three- or four-year performance period if the specified performance criteria are met. The exercise price of each option granted in 2004, 2003 and 2002 equaled the market price of common stock on the date of grant. Options typically vest within three years and have a maximum term of ten years. See Note 1 – Stock-Based Compensation.

The changes in awards under the long-term incentive plan are as follows:

	Restricted Stock	Performance Share and Shareholder Value Awards	Options	
			Number	Weighted-Average Exercise Price
Balances, December 31, 2001	307,725	545,079	2,143,814	$ 59.19
Granted	127,325[a]	206,605[b]	1,669,625[c]	$ 54.27
Paid/released/exercised	(123,095)	(246,246)	(69,101)	$ 41.19
Forfeited	(13,250)	(86,949)	(99,208)	$ 59.09
Balances, December 31, 2002	298,705	418,489	3,645,130	$ 57.29
Granted	234,345[a]	210,433[b]	1,605,970[c]	$ 56.13
Paid/released/exercised	(112,918)	(169,095)	(118,301)	$ 47.88
Forfeited	(37,444)	(64,181)	(352,387)	$ 55.63
Balances, December 31, 2003	382,688	395,646	4,780,412	$ 57.24
Granted	155,455[a]	240,876[b]	395,000[c]	$ 64.92
Paid/released/exercised	(114,520)	(92,777)	(493,675)	$ 58.82
Forfeited	(12,945)	(24,540)	(95,224)	$ 56.29
Balances, December 31, 2004	410,678	519,205	4,586,513[d]	$ 57.83

(a) The weighted-average grant date fair value of restricted stock granted in 2004, 2003 and 2002 was $65.15, $59.00 and $54.82 per share, respectively.

(b) The weighted-average grant date fair value of performance share and shareholder value awards in 2004, 2003 and 2002 was $65.03, $61.33 and $56.95 per share, respectively.

(c) The weighted-average fair value of options granted was $10.20, $8.37 and $9.33 in 2004, 2003 and 2002, respectively. The fair value of the options granted in 2004, 2003 and 2002 were estimated on the date of the grant using the Black-Scholes option-pricing model with a weighted-average expected dividend yield of 3.93%, 3.97% and 4.04%, a weighted-average expected volatility of 20.11%, 19.99% and 19.18%, a weighted-average risk-free interest rate of 3.78%, 3.48% and 4.99%, respectively, and a weighted-average expected term of 7 years.

(d) Of the options outstanding at December 31, 2004, 1,979,588 options were exercisable and had exercise prices ranging from $38.13 to $65.13 per share with a weighted-average exercise price of $58.99 per share and a weighted-average remaining contractual life of 6.5 years. The remainder of the outstanding options had exercise prices ranging from $52.64 to $64.92 per share with a weighted-average exercise price of $56.95 per share and a weighted-average remaining contractual life of 7.9 years.

In addition, as a result of certain employees voluntarily electing to convert a cash bonus, net of taxes, into fully-vested shares of FPL Group common stock, approximately 18 thousand common shares were issued under the LTIP during 2004.

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.

13. 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 are 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 consisted of the following: [a]

	December 31, 2004		December 31,	
	Shares Outstanding [b]	Redemption Price	2004	2003
			(millions)	
Cumulative, $100 Par Value, without sinking fund requirements, authorized 10,664,100 shares:				
4 1/2% Series A	50,000	$ 103.25	$ 5	$ 5
4 1/2% Series V	200,000	$ 100.00	20	-
Total preferred stock of FPL	250,000		25[c]	5
Less 4 1/2% Series V preferred stock held by FPL Group (eliminated in consolidation)	200,000		20	-
Total preferred stock of FPL reported at FPL Group	50,000		$ 5[c]	$ 5

(a) FPL's charter also authorizes the issuance of 5 million shares of subordinated preferred stock, no par value. None of these shares are outstanding. There were no issuances or redemptions of preferred stock in 2002. In November 2003, FPL redeemed 2.2 million shares of preferred stock with an aggregate par value of $221 million for redemption prices per share ranging from $101.00 to $103.52. In January 2004, FPL sold 200,000 shares of 4 1/2% Series V preferred stock with an aggregate par value of $20 million to FPL Group. In January 2005, FPL redeemed all 250,000 shares of its $100 Par Value 4 1/2% (Series A and Series V) preferred stock outstanding at December 31, 2004.

(b) FPL's preferred shares are entitled to dividends at the stated rates in preference to FPL's common stockholder, FPL Group. In the event of voluntary liquidation, the outstanding preferred shares have preference over common shares until an amount equal to the current redemption price of all shares has been paid. In the event of involuntary liquidation, outstanding preferred shares shall have preference over common shares until the full par value of all shares and all unpaid accumulated dividends thereon have been paid.

(c) Included in current maturities of long-term debt and preferred stock on the consolidated balance sheets.

14. Debt

Long-term debt consists of the following:

	December 31, 2004	December 31, 2003
	(millions)	
FPL:		
First mortgage bonds:		
Maturing in 2005 – 6 7/8%	$ 500	$ 500
Maturing 2008 through 2013 – 4.85% to 6.00%	825	825
Maturing 2033 through 2035 – 5 5/8% to 5.95%	1,240	1,000
Medium-term note – maturing 2006 – 2.34%	135	135
Pollution control, solid waste disposal and industrial development revenue bonds – maturing 2020 through 2029 – variable, 2.1% and 1.1% weighted-average annual interest rates, respectively	633	633
Fair value swaps (see Note 10)	(2)	
Unamortized discount	(20)	(19)
Total long-term debt of FPL	3,311	3,074
Less current maturities of long-term debt	500	
Less fair value swaps on current maturities of long-term debt (see Note 10)	(2)	
Long-term debt of FPL, excluding current maturities	2,813	3,074
FPL Group Capital:		
Debentures – maturing 2005 through 2009 – 1 7/8% to 7 5/8%	2,425	2,600
Debentures – maturing 2005 – variable, 2.86% and 1.45%, respectively	400	400
Debentures – maturing 2007 – 4.086% and 4.75%, respectively [a]	575	575
Debentures, related to FPL Group's equity units – maturing 2008 – 5.00%	506	506
Junior Subordinated Debentures – maturing 2044 – 5 7/8%	309	
Other long-term debt – maturing 2013 – 7.35% [b]	5	5
Term loan facilities – maturing 2004 through 2005 – variable, 1.82% [c] weighted-average annual interest rate	-	175
Fair value swaps (see Note 10)	(9)	(3)
Unamortized discount	(4)	(6)
Total long-term debt of FPL Group Capital	4,207	4,252
Less current maturities of long-term debt	605	275
Less fair value swap on current maturities of long-term debt (see Note 10)	(1)	1
Long-term debt of FPL Group Capital, excluding current maturities	3,603	3,976
FPL Energy:		
Senior secured bonds – maturing 2017 through 2023 – 6.639% to 7.52%	789	852
Senior secured notes – maturing 2020 – 7.11%	111	115
Construction term facility – maturing 2008 – variable, 4.31% and 2.90%, respectively	349	315
Other long-term debt – maturing 2007 through 2017 – variable, 3.89% and 2.32% weighted-average interest rates, respectively	468	482
Other long-term debt – maturing 2018 through 2020 – 6.65% to 10.63%	12	
Total long-term debt of FPL Energy	1,729	1,764
Less current maturities of long-term debt	118	91
Long-term debt of FPL Energy, excluding current maturities	1,611	1,673
Total long-term debt	$ 8,027	$ 8,723

[a] During 2004, these debentures were remarketed. See discussion below.
[b] The other long-term debt was redeemed in January 2005 and is included in current maturities of long-term debt and preferred stock on FPL Group's consolidated balance sheet at December 31, 2004.
[c] A variable rate term loan due May 2005 was redeemed in August 2004.

Minimum annual maturities of long-term debt for FPL Group are approximately $1,223 million, $1,353 million, $1,505 million, $1,055 million and $924 million for 2005, 2006, 2007, 2008 and 2009, respectively. The amounts for FPL are $500 million, $135 million, $200 million and $225 million for 2005, 2006, 2008 and 2009, respectively, with no long-term debt scheduled to mature in 2007.

In February 2005, subsidiaries of FPL Energy sold $365 million of 5.608% limited-recourse senior secured bonds maturing in March 2024 and $100 million of 6.125% limited-recourse senior secured bonds maturing in March 2019. Semi-annual principal payments are due beginning September 2005. The majority of the proceeds were used to return to FPL Energy a portion of the indirect investment it made in the development, acquisition and/or construction of nine wind power projects. FPL Group Capital has guaranteed certain obligations under the debt agreement.

At December 31, 2004, commercial paper borrowings had a weighted-average interest rate of 2.32% for FPL Group (2.32% for FPL). Available lines of credit aggregated approximately $3.6 billion ($2.0 billion for FPL Group Capital and $1.6 billion for FPL) at December 31, 2004, all of which were based on firm commitments. These facilities provide for the issuance of letters of credit of up to $1.5 billion ($750 million for FPL Group Capital and $750 million for FPL). The issuance of letters of credit is subject to the aggregate commitment under the applicable facility. While no direct borrowings were outstanding at December 31, 2004, undrawn letters of credit totaling $238 million were outstanding under the FPL Group Capital credit facilities. No letters of credit were outstanding under the FPL credit facilities.

FPL Group Capital has guaranteed certain debt and other obligations of FPL Energy and its subsidiaries. FPL Group has guaranteed certain payment obligations of FPL Group Capital, including most of those under FPL Group Capital's debt, including all of its debentures and commercial paper issuances, as well as most of its guarantees.

In February 2002, FPL Group sold a total of 11.5 million publicly-traded equity units known as Corporate Units, and in connection with that financing, FPL Group Capital issued $575 million principal amount of 4.75% debentures due February 16, 2007. During 2004, FPL Group Capital remarketed $554 million of these debentures and the annual interest rate on all the debentures was reset to 4.086%. Payment of FPL Group Capital debentures is absolutely, irrevocably and unconditionally guaranteed by FPL Group. Each Corporate Unit initially consisted of a $50 FPL Group Capital debenture and a purchase contract pursuant to which the holder will purchase $50 of FPL Group common shares on or before February 16, 2005, and FPL Group will make payments of 3.75% of the unit's $50 stated value until the shares are purchased. On February 16, 2005, FPL Group received approximately $575 million for settlement of these purchase contracts and issued 9,270,090 shares of FPL Group common stock.

In June 2002, FPL Group sold concurrently a total of 5.75 million shares of common stock and 10.12 million 8% Corporate Units. In connection with the corporate units financing, FPL Group Capital issued $506 million principal amount of 5% debentures due February 16, 2008. The interest rate on the debentures is expected to be reset on or after August 16, 2005. The interest rate resets, upon a successful remarketing of the debentures, at the rate the debentures should bear to have an approximate market value of 100.5% of par. Payment of FPL Group Capital debentures is absolutely, irrevocably and unconditionally guaranteed by FPL Group. Each 8% Corporate Unit initially consisted of a $50 FPL Group Capital debenture and a purchase contract pursuant to which the holder will purchase $50 of FPL Group common shares on or before February 16, 2006, and FPL Group will make payments of 3% of the unit's $50 stated value until the shares are purchased. Under the terms of the purchase contracts, as of December 31, 2004, FPL Group will issue between 7,450,344 and 8,940,008 shares of common stock in connection with the settlement of the purchase contracts (subject to adjustment under certain circumstances) and receive approximately $506 million.

Prior to the issuance of FPL Group's common stock, the purchase contracts are reflected in FPL Group's diluted earnings per share calculations using the treasury stock method. Under this method, the number of shares of FPL Group common stock used in calculating diluted earnings per share is deemed to be increased by the excess, if any, of the number of shares that would be issued upon settlement of the purchase contracts over the number of shares that could be purchased by FPL Group in the market, at the average market price during the period, using the proceeds receivable upon settlement. See Note 12 – Earnings Per Share regarding the 2005 stock split.

15. Asset Retirement Obligations

Effective January 1, 2003, FPL Group and FPL adopted FAS 143, "Accounting for Asset Retirement Obligations." This statement requires that a liability for the fair value of an ARO be recognized in the period in which it is incurred with the offsetting associated asset retirement cost capitalized as part of the carrying amount of the long-lived asset. The asset retirement cost is subsequently allocated to expense using a systematic and rational method over its useful life. Changes in the ARO resulting from the passage of time are recognized as an increase in the carrying amount of the liability and as accretion expense, which is included in depreciation and amortization expense in the consolidated statements of income. Prior to January 1, 2003, FPL accrued for decommissioning and dismantlement costs over the life of the related asset through depreciation expense.

Upon adoption of FAS 143, with respect to amounts for nuclear decommissioning, FPL recorded an ARO of approximately $1.8 billion, capitalized a net asset related to the ARO of approximately $231 million and reversed the approximately $1.6 billion it had previously recorded in accumulated depreciation. The difference, approximately $29 million, was deferred as a regulatory liability. FPL's AROs other than nuclear decommissioning were not significant. The adoption of FAS 143 results in timing differences in the recognition of legal asset retirement costs for financial reporting purposes and the method the FPSC allows FPL to recover in rates. Accordingly, any differences between the ongoing expense recognized under FAS 143 and the amount recoverable through rates are deferred in accordance with FAS 71. FPL recorded accretion expense of approximately $106 million for the year ended December 31, 2004. No other adjustments were made to FPL's ARO during the year ended December 31, 2004. Had FAS 143 been applied in 2002, FPL would have recorded AROs of approximately $1.8 billion at December 31, 2002. Pro forma net income has not been presented for FPL for the year ended December 31, 2002 because the pro forma application of FAS 143 to prior periods would result in the same pro forma net income as the actual amounts reported for those periods due to the regulatory treatment mentioned above.

FPL Group and FPL have identified but not recognized ARO liabilities related to electric transmission and distribution and telecommunications assets resulting from easements over property not owned by FPL Group or FPL. These easements are

generally perpetual and only require retirement action upon abandonment or cessation of use of the property for the specified purpose. The ARO liability is not estimable for such easements as FPL Group and FPL intend to utilize these properties indefinitely. In the event FPL Group and FPL decide to abandon or cease the use of a particular easement, an ARO liability would be recorded at that time.

In addition to the amounts recorded by FPL, upon adoption of FAS 143, FPL Energy increased its ARO by approximately $6 million to a total ARO of approximately $164 million and increased its net property, plant and equipment by approximately $6 million. Approximately $152 million of FPL Energy's ARO related to the nuclear decommissioning obligation of Seabrook, and the remainder primarily represented the current estimated fair value of obligations to dismantle its wind facilities located on leased property and certain hydro facilities. The cumulative effect of a change in accounting principle of adopting FAS 143 was immaterial to FPL Energy's net income. FPL Energy recorded accretion expense of approximately $13 million and $12 million for the years ended December 31, 2004 and 2003, respectively. Further, FPL Energy recorded approximately $1 million and $2 million for the years ended December 31, 2004 and 2003, respectively, in additional ARO liabilities relating to new wind assets which caused FPL Energy's ARO to increase to approximately $192 million and $178 million at December 31, 2004 and 2003, respectively.

Had FAS 143 been applied in 2002, FPL Group would have recorded AROs of approximately $2.0 billion at December 31, 2002. Additionally, had FPL Group applied FAS 143 in the year ended December 31, 2002, FPL Group's net income and earnings per share would have been as follows:

	Year Ended December 31, 2002
Pro forma:	(millions, except per share amounts)
Net income	$ 473
Earnings per share – basic	$ 2.73
Earnings per share – assuming dilution	$ 2.73
As reported:	
Net income	$ 473
Earnings per share – basic	$ 2.74
Earnings per share – assuming dilution	$ 2.73

16. Commitments and Contingencies

Commitments – FPL Group and its subsidiaries have made commitments in connection with a portion of their projected capital expenditures. Capital expenditures at FPL consist of the cost for construction or acquisition of additional facilities and equipment to meet customer demand, as well as capital improvements to and maintenance of existing facilities. At FPL Energy, capital expenditures include, among other things, the construction of wind projects and the procurement of nuclear fuel (including capitalized interest). FPL FiberNet's capital expenditures primarily include costs to meet customer specific requirements and sustain its fiber-optic network. Capital expenditures for 2005 through 2009 are estimated to be as follows:

	2005	2006	2007	2008	2009	Total
			(millions)			
FPL:						
Generation: [a]						
New [b]	$ 385	$ 235	$ 525	$ 250	$ 60	$ 1,455
Existing	540	475	480	325	395	2,215
Transmission and distribution	695	730	740	715	715	3,595
Nuclear fuel	70	100	110	75	105	460
General and other	145	130	165	165	160	765
Total	$ 1,835	$ 1,670	$ 2,020	$ 1,530	$ 1,435	$ 8,490
FPL Energy:						
Wind [c]	$ 405	$ 5	$ 5	$ 5	$ 5	$ 425
Gas	20	20	10	5	10	65
Nuclear fuel and other	165	115	110	90	95	575
Total	$ 590	$ 140	$ 125	$ 100	$ 110	$ 1,065
FPL FiberNet	$ 7	$ 7	$ 7	$ 7	$ 7	$ 35

(a) Includes AFUDC of approximately $50 million, $40 million, $46 million and $12 million in 2005, 2006, 2007 and 2008, respectively.
(b) Includes generating structures, transmission interconnection and integration, licensing and AFUDC.
(c) FPL Energy's capital expenditures for new wind projects are estimated through 2005, when the production tax credits are scheduled to expire. The 2005 amount reflects expenditures associated with approximately 220 mw of wind generation, which have been announced and are currently under construction, as well as committed expenditures for other expected wind additions in 2005.

In addition to estimated capital expenditures listed above, FPL and FPL Energy have long-term contracts related to purchased power and/or fuel (see Contracts below). At December 31, 2004, FPL Energy had approximately $1.4 billion in firm commitments primarily for natural gas transportation, supply and storage, firm transmission service, nuclear fuel and a portion of its capital expenditures. Additionally, during 2003, a subsidiary of FPL Group Capital committed to lend up to $250

million under a secured loan to a third party, which matures no later than June 30, 2006. At December 31, 2004, $175 million had been drawn on under the loan and is included in other investments on FPL Group's consolidated balance sheets. FPL Group has guaranteed certain payment obligations of FPL Group Capital, including most payment obligations under FPL Group Capital's debt.

FPL Group and FPL each account for payment guarantees and related contracts, for which it or a subsidiary is the guarantor, under FIN 45, "Guarantor's Accounting and Disclosure Requirements for Guarantees Including Indirect Guarantees of Indebtedness of Others," which requires that the fair value of guarantees provided to unconsolidated entities entered into after December 31, 2002, be recorded on the balance sheet. At December 31, 2004, subsidiaries of FPL Group, other than FPL, have guaranteed debt service payments relating to agreements that existed at December 31, 2002. The term of the guarantees is equal to the term of the related debt, with remaining terms ranging from 1 year to 14 years. The maximum potential amount of future payments that could be required under these guarantees at December 31, 2004 was approximately $14 million. At December 31, 2004, FPL Group did not have any liabilities recorded for these guarantees. In certain instances, FPL Group can seek recourse from third parties for 50% of any amount paid under the guarantees. Guarantees provided to unconsolidated entities entered into subsequent to December 31, 2002, and the related fair value, were not material as of December 31, 2004.

FPL Energy has guaranteed certain performance obligations of a power plant owned by a wholly-owned subsidiary as part of a power purchase agreement that expires in 2027. Under this agreement, the subsidiary could incur market-based liquidated damages for failure to meet contractual minimum outputs. In addition, certain subsidiaries of FPL Energy have contracts that require certain projects to meet annual minimum generation amounts. Failure to meet the annual minimum generation amounts would result in the FPL Energy subsidiary incurring specified liquidated damages. Based on past performance of these and similar projects and current forward prices, management believes that the exposure associated with these guarantees is not material.

An FPL Energy subsidiary is committed to purchase oil and gas inventory remaining in certain storage facilities at December 31, 2005 at its weighted-average cost. At December 31, 2004, the subsidiary's commitment is estimated to be from $0 to approximately $68 million, based on a potential range of zero to full storage volume at the current average forward price of oil and gas. Upon expiration of the commitment, FPL Energy expects to either negotiate a new contract or use any remaining fuel to operate the plant.

Contracts – FPL has entered into long-term purchased power and fuel contracts. FPL is obligated under take-or-pay purchased power contracts with JEA and with subsidiaries of The Southern Company (Southern subsidiaries) to pay for approximately 1,300 mw of power through mid-2015 and 381 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 2005 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 one of the Southern subsidiaries' contracts is subject to minimum quantities. Capacity payments for the pay-for-performance contracts are subject to the qualifying facilities meeting certain contract conditions. FPL has various agreements with several electricity suppliers to purchase an aggregate of up to approximately 1,900 mw (including approximately 575 mw beginning in 2006) of power with expiration dates ranging from 2005 through 2009. In general, the agreements require FPL to make capacity payments and supply the fuel consumed by the plants under the contracts. FPL has contracts for the supply and transportation of natural gas, coal and oil, and natural gas storage, with various expiration dates through 2028.

FPL Energy has contracts primarily for the supply, transportation and storage of natural gas and firm transmission service with expiration dates ranging from 2005 through 2033. FPL Energy also has several contracts for the supply, conversion, enrichment and fabrication of Seabrook's nuclear fuel with expiration dates ranging from 2006 to 2014.

The required capacity and minimum payments under these contracts as of December 31, 2004 are estimated to be as follows:

	2005	2006	2007	2008	2009	Thereafter
			(millions)			
FPL:						
Capacity payments: [a]						
JEA and Southern subsidiaries [b]	$ 190	$ 200	$ 200	$ 200	$ 210	$ 1,255
Qualifying facilities [b]	$ 360	$ 310	$ 320	$ 320	$ 320	$ 3,800
Other electricity suppliers [b]	$ 80	$ 90	$ 45	$ 30	$ 30	$ -
Minimum payments, at projected prices:						
Southern subsidiaries – energy [b]	$ 60	$ 60	$ 60	$ 60	$ 60	$ 30
Natural gas, including transportation [c]	$ 1,860	$ 855	$ 285	$ 255	$ 255	$ 2,655
Coal [c]	$ 45	$ 40	$ 30	$ 20	$ -	$ -
Oil [c]	$ 660	$ 345	$ -	$ -	$ -	$ -
FPL Energy	$ 60	$ 50	$ 50	$ 50	$ 50	$ 685

(a) Capacity payments under these contracts, the majority of which is recoverable through the capacity clause, totaled $656 million, $641 million and $581 million for the years ended December 31, 2004, 2003 and 2002, respectively.

(b) Energy payments under these contracts, which are recoverable through the fuel clause, totaled $376 million, $346 million and $303 million for the years ended December 31, 2004, 2003 and 2002, respectively.

(c) Recoverable through the fuel clause.

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 insurance available from both private sources and an industry retrospective payment plan. In accordance with this act, FPL Group maintains $300 million of private liability insurance per site, which is the maximum obtainable, and participates in a secondary financial protection system under which it is subject to retrospective assessments of up to $503 million ($402 million for FPL), plus any applicable taxes, per incident at any nuclear reactor in the United States, payable at a rate not to exceed $50 million ($40 million for FPL) per incident per year. FPL Group and FPL are contractually entitled to recover a proportionate share of such assessments from the owners of minority interests in Seabrook and St. Lucie Unit No. 2, which approximates $12 million and $15 million, plus any applicable taxes, per incident, respectively. The Price-Anderson Act expired on August 1, 2002 but the liability limitations did not change for plants, including FPL's four nuclear units and Seabrook, with operating licenses issued by the NRC prior to August 1, 2002.

FPL Group participates in nuclear insurance mutual companies that provide $2.75 billion of limited insurance coverage per occurrence per site 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 Group also participates in an insurance program that provides limited coverage for replacement power costs if a nuclear plant is out of service for an extended period of time because of an accident. In the event of an accident at one of FPL Group's or another participating insured's nuclear plants, FPL Group could be assessed up to $107 million ($83 million for FPL) in retrospective premiums. FPL Group and FPL are contractually entitled to recover a proportionate share of such assessments from the owners of minority interests in Seabrook and St. Lucie Unit No. 2, which approximates $2 million and $3 million, respectively.

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

Due to the high cost and limited coverage available from third-party insurers, FPL has essentially no insurance coverage on its transmission and distribution property. As approved by the FPSC, FPL maintains a storm reserve for uninsured property storm damage or assessments under the nuclear insurance program. However, at December 31, 2004, FPL had a $536 million storm reserve deficiency as a result of restoration costs associated with the three hurricanes that struck FPL's service territory during the third quarter of 2004. See Note 1 – Storm Fund and Storm Reserve Deficiency. FPL Group has no insurance coverage for FPL FiberNet's fiber-optic cable located throughout Florida.

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 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. The EPA further revised its civil penalty rule in February 2004, such that the maximum penalty is $32,500 per day for each violation after March 15, 2004. 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, a federal district 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. In August 2001, the MDL panel denied the motion for consolidation. In September 2001, the EPA moved that the federal district court reopen this case for purposes of discovery. Georgia Power Company opposed that motion asking that the case remain closed until the Eleventh Circuit Court of Appeals ruled on the Tennessee Valley Authority's (TVA) appeal of an EPA administrative compliance order relating to legal issues that are also central to this case. In August 2002, the federal district court denied without prejudice the EPA's motion to reopen. In June 2003, the Eleventh Circuit issued its order dismissing the TVA's appeal because it found the provision of the Clean Air Act allowing the EPA to issue binding administrative compliance orders was unconstitutional, and hence found that the TVA order was a non-final order that courts of appeal do not have jurisdiction to review. In September 2003, the Eleventh Circuit denied the EPA's motion for rehearing. In May 2004, the U.S. Supreme Court denied the EPA's petition for review of the Eleventh Circuit order. The EPA has not yet moved to reopen the Georgia Power Company case.

In 2001, J. W. and Ernestine M. Thomas, Chester and Marie Jenkins (since substituted for by Hazel and Lamar Jenkins), and Ray Norman and Jack Teague, as Co-Personal Representatives on behalf of the Estate of Robert L. Johns, served FPL Group, FPL, FPL FiberNet, FPL Group Capital and FPL Investments, Inc. (FPL Investments) as defendants in a civil action filed in the Florida circuit court. This action is purportedly on behalf of all property owners in Florida (excluding railroad and public rights of way) whose property is encumbered by easements in favor of FPL, and on whose property defendants have installed or intend to install fiber-optic cable which defendants currently lease, license or convey or intend to lease, license or convey for non-electric transmission or distribution purposes. The lawsuit alleges that FPL's easements do not permit the

installation and use of fiber-optic cable for general communication purposes. The plaintiffs have asserted claims for unlawful detainer, unjust enrichment and constructive trust and seek injunctive relief and compensatory damages. In May 2002, plaintiffs filed an amended complaint, adding allegations regarding the installation of wireless communications equipment on some easements, and adding a claim for declaratory relief. Defendants filed an answer and affirmative defenses to the amended complaint in August 2002. Motions for summary judgment by FPL Group, FPL Group Capital and FPL Investments have been granted, and they have been dismissed from this lawsuit. In February 2004, the plaintiffs filed a motion for leave to file their third amended complaint adding four more plaintiffs and seeking leave to add a claim for punitive damages. The court has not set a time for a hearing on this motion or on whether this case will proceed as a class action.

In 2001, Florida Municipal Power Agency (FMPA) filed with the U.S. Court of Appeals for the District of Columbia (DC Circuit) a petition for review asking the DC Circuit to reverse and remand orders of the FERC denying FMPA's request for credits for transmission facilities owned by FMPA members. The transmission credits sought by FMPA would offset the transmission charges that FPL bills FMPA for network transmission service to FMPA's member cities. FMPA member cities have been taking network transmission service under FPL's open access transmission tariff since 1996. In the orders appealed by FMPA, FERC ruled that FMPA would be entitled to credits for any FMPA facilities that were "integrated" with the FPL transmission system. Based on the evidence submitted, FERC concluded that none of the FMPA facilities met the integration test and, therefore, FMPA was not entitled to credits against FPL's charges for transmission service. In January 2003, the DC Circuit upheld FERC's order denying FMPA credits for its facilities; in March 2003, the DC Circuit denied FMPA's rehearing request of the DC Circuit's decision; and in October 2003, the U.S. Supreme Court denied FMPA's petition for review of the DC Circuit's decision.

FMPA also has requested that FERC decide the same crediting issue in a separate FERC proceeding. That proceeding dates back to a filing by FPL in 1993 of a comprehensive restructuring of its then-existing tariff structure. All issues in that case were settled in September 2000 except for three issues reserved by FMPA: (i) the crediting issue, (ii) treatment of behind-the-meter generation and load ratio pricing for network integration transmission service, and (iii) exclusions from FPL's transmission rates of the costs of FPL's facilities that failed to meet the same integration test that was applied to FMPA's facilities with respect to the crediting issue. In December 2003, FERC issued an order addressing the three reserved issues. With respect to the crediting issue, FERC stated that it had previously determined that FMPA was not entitled to credits for its facilities in the related proceeding discussed above and saw no persuasive reason to revisit that determination in this proceeding. Regarding the issue of behind-the-meter generation, FERC stated that it had addressed the issue of load ratio pricing for network integration transmission service and the related issue of behind-the-meter generation in Order Nos. 888 and 888-A, and saw no persuasive reason to revisit that determination in this proceeding. With respect to the third issue, FERC directed FPL to make a compliance filing of a proposed rate schedule that does not include those facilities of FPL that fail to meet the same integration test applied to the FMPA facilities.

In January 2004, FMPA requested a "conditional rehearing on the Commission's failure to order rate credits solely in the event that Commission does not adequately reduce FPL's rate base to achieve comparability," and challenging FERC's determination not to revisit the issue of behind-the-meter generation and load ratio pricing for network integration transmission service. In March 2004, FERC issued an order denying FMPA's rehearing request. In April 2004, FMPA petitioned the DC Circuit for review of FERC's December 2003 order and March 2004 order. FMPA filed its initial brief in that proceeding on October 1, 2004. FMPA's arguments are limited to the issue of behind-the-meter generation and load ratio pricing for network integration transmission service in instances when, according to FMPA, FPL cannot provide transmission service because of "physical transmission limitations." FERC's reply brief was filed on December 1, 2004. FPL has been granted party status as an intervenor, and its brief was filed on December 16, 2004. FMPA's reply brief to the FERC was filed on January 13, 2005. Oral argument is scheduled for March 22, 2005. FPL estimates its exposure for refunds to FMPA on this issue to be approximately $2 million at December 31, 2004.

In May 2004, FPL made a compliance filing of a proposed rate schedule that does not include those facilities of FPL that fail to meet the same integration test that was applied to the FMPA facilities. Pursuant to this filing, 1.63% of FPL's transmission facilities do not satisfy the integration standard and FPL's current network transmission rate would be reduced by $0.02 per kilowatt (kw) per month, resulting in a refund obligation to FMPA of approximately $1 million at December 31, 2004. In June 2004, FMPA filed a protest to FPL's compliance filing, which protest would exclude approximately 30% of FPL's transmission facilities and reduce FPL's current network transmission rate by approximately $0.41 per kw per month, potentially resulting in a refund obligation to FMPA of approximately $26 million at December 31, 2004. Any reduction in FPL's network service rate would also apply effective January 1, 2004 to Seminole Electric Cooperative Inc. (Seminole), FPL's other network customer. The refund obligation to Seminole at December 31, 2004 would be approximately $0.2 million under FPL's filing and approximately $4 million based on FMPA's position. On January 25, 2005, FERC issued an order on FPL's compliance filing. In the order FERC accepted FPL's standards for analyzing the transmission system and agreed that FPL's "Georgia Ties" and "Turkey Point Lines" are part of FPL's integrated grid. FERC required FPL to make an additional compliance filing removing the cost of all radial transmission lines from transmission rates, rather than only radial lines that serve one customer, analyzing the FPL transmission system to remove the cost of any transmission facilities that provide only "unneeded redundancy," and calculating rate adjustments using 1993 data rather than 1998 data. FPL's further compliance filing is due on April 25, 2005.

In 1995 and 1996, FPL Group, through an indirect subsidiary, purchased from Adelphia 1,091,524 shares of Adelphia common stock and 20,000 shares of Adelphia preferred stock (convertible into 2,358,490 shares of Adelphia common stock)

for an aggregate price of approximately $35,900,000. On January 29, 1999, Adelphia repurchased all of these shares for $149,213,130 in cash. On June 24, 2004, Adelphia, Adelphia Cablevision, L.L.C. and the Official Committee of Unsecured Creditors of Adelphia filed a complaint against FPL Group and its indirect subsidiary in the U.S. Bankruptcy Court, Southern District of New York. The complaint alleges that the repurchase of these shares by Adelphia was a fraudulent transfer, in that at the time of the transaction Adelphia (i) was insolvent or was rendered insolvent, (ii) did not receive reasonably equivalent value in exchange for the cash it paid, and (iii) was engaged or about to engage in a business or transaction for which any property remaining with Adelphia had unreasonably small capital. The complaint seeks the recovery for the benefit of Adelphia's bankruptcy estate of the cash paid for the repurchased shares, plus interest. FPL Group believes that the complaint is invalid because, among other reasons, Adelphia will be unable to demonstrate that (i) Adelphia's repurchase of shares from FPL Group, which repurchase was at the market value for those shares, was not for reasonably equivalent value, (ii) Adelphia was insolvent at the time of the repurchase, or (iii) the repurchase left Adelphia with unreasonably small capital.

In 2003, Scott and Rebecca Finestone brought an action on behalf of themselves and their son Zachary Finestone in the U.S. District Court for the Southern District of Florida alleging that their son has developed cancer (neuroblastoma) as a result of the release and/or dissipation into the air, water, soil and underground areas of radioactive and non-radioactive hazardous materials, including strontium 90, and the release of other toxic materials from FPL's St. Lucie nuclear power plant. The complaint includes counts against FPL for strict liability for allegedly engaging in an ultra-hazardous activity and for alleged negligence in operating the plant in a manner that allowed emissions of the foregoing materials and failing to limit its release of nuclear fission products as prescribed by federal and state laws and regulations. The plaintiffs seek damages in excess of $1 million. After initially denying FPL's motion to dismiss, the court granted it with respect to plaintiffs' count for strict liability. The court has also granted FPL's motion for a ruling that the only duty owed by FPL to the plaintiffs is established exclusively by federal regulations and not general negligence standards. The plaintiffs subsequently filed an amended complaint on the same factual grounds, including a count against FPL for strict liability, which appears identical in all material elements to the strict liability claim in plaintiffs' initial complaint, and counts against FPL for alleged negligence based on duties allegedly established by federal and state laws and regulations. FPL again moved to dismiss the strict liability claim and moved to dismiss all negligence claims that are not based on the duty that the court has recognized governs this action. The court granted FPL's motion. FPL has answered the one count in the amended complaint that is based on that duty, denying any liability. Plaintiffs also moved to vacate or modify the court's order establishing the duty owed. The court denied plaintiffs' motion. Discovery is proceeding.

In 2003, Tish Blake and John Lowe, as personal representatives of the Estate of Ashton Lowe, on behalf of the estate and themselves, as surviving parents, brought an action in the U.S. District Court for the Southern District of Florida alleging that their son developed cancer (medulo-blastoma) as a result of the release and/or dissipation into the air, water, soil and underground areas of radioactive and non-radioactive hazardous materials, including strontium 90, and the release of other toxic materials from FPL's St. Lucie nuclear power plant. The allegations, counts and damages demanded in the complaint are virtually identical to those contained in the Finestone lawsuit described above. As in the Finestone case, the court has granted FPL's motion to dismiss the plaintiffs' count for strict liability. Similarly, the court has also granted FPL's motion for a ruling that the only duty owed by FPL to the plaintiffs is established exclusively by federal regulations and not general negligence standards. The plaintiffs subsequently filed an amended complaint on the same factual grounds, including a count against FPL for strict liability, which appears identical in all material elements to the strict liability claim in plaintiffs' initial complaint, and counts against FPL for alleged negligence based on duties allegedly established by federal and state laws and regulations. FPL again moved to dismiss the strict liability claim and moved to dismiss all negligence claims that are not based on the duty that the court has recognized governs this action. The court granted FPL's motion. FPL has answered the one count in the amended complaint that is based on that duty, denying any liability. Plaintiffs also moved to vacate or modify the court's order establishing the duty owed. The court denied plaintiffs' motion. Discovery is proceeding.

In 2003, Monty and Kathryn Wooldridge brought an action on behalf of themselves and their son, Kevin Allen Wooldridge, in the Circuit Court of the 9th Judicial Circuit in and for Orange County, Florida, against Aventis Pasteur and a number of other named and unnamed drug manufacturing and distribution companies, the American Dental Association, the Florida Dental Association, FPL and the Orlando Utilities Commission (OUC), alleging that their son has suffered toxic neurological effects from mercury poisoning. The sources of mercury exposure are alleged to be vaccines containing a preservative called thimerosal that were allegedly manufactured and distributed by the drug companies, mercury amalgam dental fillings, and emissions from FPL and OUC power plants in Florida, including Brevard County. The complaint includes counts against all defendants for civil battery and against FPL for alleged negligence in operating the plants such that the son was exposed to mercury and other heavy metals emissions. The damages demanded from FPL are for injuries and losses allegedly suffered by the son as a result of his exposure to the plants' mercury emissions and the parents' alleged pain and suffering, medical expenses, loss of wages, and loss of their son's services and companionship. No amount of damages is specified. The court has granted the drug manufacturing and distribution companies' and the dental associations' motions to dismiss the complaint against them. The plaintiffs are appealing those orders. FPL's motion to dismiss is pending.

In 2003, Pedro C. and Emilia Roig brought an action on behalf of themselves and their son, Pedro Anthony Roig, in the Circuit Court of the 11th Judicial Circuit in and for Miami-Dade County, Florida (the state court), which was removed in October 2003 to the U.S. District Court for the Southern District of Florida, against Aventis Pasteur and a number of other named and unnamed drug manufacturing and distribution companies and FPL, alleging that their son has suffered toxic neurological effects from mercury poisoning. The allegations, counts and damages demanded in the complaint with respect to FPL are virtually identical to those contained in the Wooldridge lawsuit described above. The U.S. District Court remanded the action

back to the state court. All parties anticipate that the drug manufacturing and distribution companies will move to dismiss the action. Plaintiffs and FPL have agreed that FPL will not respond to the complaint until the state court rules on those motions.

In 2003, Edward and Janis Shiflett brought an action on behalf of themselves and their son, Phillip Benjamin Shiflett, in the Circuit Court of the 18th Judicial Circuit in and for Brevard County, Florida (the state court), which was removed in January 2004 to the U.S. District Court for the Middle District of Florida, against Aventis Pasteur and a number of other named and unnamed drug manufacturing and distribution companies, FPL and the OUC, alleging that their son has suffered toxic neurological effects from mercury poisoning. The allegations, counts and damages demanded in the complaint with respect to FPL are virtually identical to those contained in the Wooldridge and Roig lawsuits. FPL's motion to dismiss the complaint was denied. The U.S. District Court subsequently remanded the action back to the state court. All parties anticipate that the drug manufacturing and distribution companies will move to dismiss the action. Plaintiffs and FPL have agreed that FPL will not respond to the complaint until the state court rules on those motions.

In February 2004, Albert Litter Studios, Inc. instituted an action against FPL in the Circuit Court of the 11th Judicial Circuit in and for Miami-Dade County, Florida, seeking damages on behalf of itself, and purportedly on behalf of all other similarly situated commercial entities in Florida. The plaintiff asserts that FPL's intentional use of allegedly defective thermal demand meters has resulted in overcharging it and certain other commercial customers millions of dollars and constitutes breach of an implied contract, breach of the duty of good faith and fair dealing, negligence, fraudulent inducement, and negligent misrepresentation. The complaint seeks damages in excess of $15,000, representing the amount of the alleged overcharges, interest, and such other relief as the court may order. FPL moved to dismiss the case on the grounds that the FPSC has exclusive jurisdiction over this type of complaint. The court denied the motion on July 13, 2004. FPL appealed the ruling to Florida's Third District Court of Appeals (Third DCA). FPL's motion to stay the proceedings pending resolution of the appeal was denied by the trial court. FPL filed a separate motion to stay pending appeal with the Third DCA, and the court granted that motion on November 10, 2004. Oral argument on the appeal of the jurisdictional question was heard on December 14, 2004. The parties are currently awaiting a decision on the appeal of the jurisdictional question; the Third DCA's stay of the trial court proceedings remains in effect pending that decision.

FPL determined in 2002 that, based on sample testing of the approximately 3,900 1V thermal demand meters in service, the demand component of its 1V meter population was exceeding allowable tolerance levels established by FPSC rules. In 2002, FPL proposed to replace and test all of the 1V meters in service and to issue refunds, as appropriate, within certain parameters. FPL was given administrative approval from the FPSC staff to proceed with the replacement of the 1V meters. By early 2003, all 1V meters had been replaced. Testing of all 1V meters disclosed that approximately 15% of the 3,900 meters were outside of allowed tolerances, with 10% under-registering and 5% over-registering electricity usage. In November 2003, the FPSC, as proposed agency action, approved a method for testing the meters and calculating refunds. On December 10, 2003, Southeastern Utility Services, Inc., on behalf of several commercial customers, filed a protest to the proposed agency action and requested a hearing. Southeastern Utility Services, Inc. alleges that, among other things, the proposed method for computing the amount of the refund is flawed. A final hearing before the FPSC occurred on November 4, 2004. Final briefs were filed by the parties on December 16, 2004. At its February 1, 2005 agenda meeting, the FPSC concluded that no refunds were due relative to the 11 meters in question for any period in excess of 12 months. Southeastern Utility Services, Inc. had argued for multi-year refunds. Based on the FPSC's decision, FPL expects that aggregate refunds to these complainants will not exceed $50,000. The parties expect a final FPSC order by March 2005.

In October 2004, TXU Portfolio Management Company (TXU) served FPL Energy Pecos Wind I, LP, FPL Energy Pecos Wind I GP, LLC, FPL Energy Pecos Wind II, LP, FPL Energy Pecos Wind II GP, LLC and Indian Mesa Wind Farm, LP (FPL Energy Affiliates) as defendants in a civil action filed in the District Court in Dallas County, Texas. The petition alleges that the named FPL Energy Affiliates had a contractual obligation to produce and sell to TXU a minimum quantity of energy each year and that the FPL Energy Affiliates failed to meet this obligation. The plaintiff has asserted claims for breach of contract and declaratory judgment and seeks damages of $20,826,100. The FPL Energy Affiliates filed their answer and counterclaim in November of 2004, denying the allegations. The counterclaim asserts claims for conversion, breach of fiduciary duty, breach of contract and fraud and seeks termination of the contract and damages. The case is in discovery and has been set for a non-jury trial in August of 2005.

FPL Group and FPL believe that they have meritorious defenses to the pending litigation discussed above and are vigorously defending the lawsuits. Management does not anticipate that the liabilities, if any, arising from the proceedings would have a material adverse effect on the financial statements.

In addition to those legal proceedings discussed herein, FPL Group and its subsidiaries, including FPL, are involved in a number of other legal proceedings and claims in the ordinary course of their businesses. In addition, generating plants in which FPL Group or FPL have an ownership interest are involved in legal proceedings and claims, the liabilities from which, if any, would be shared by FPL Group or FPL. While management is unable to predict with certainty the outcome of these other legal proceedings and claims, it is not expected that their ultimate resolution, individually or collectively, will have a material adverse effect on the financial statements.

17. Segment Information

FPL Group's reportable segments include FPL, a rate-regulated utility, and FPL Energy, a wholesale generation 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% of FPL Group's operating revenues for each of the three years ended December 31, 2004, 2003 and 2002. Less than 1% of operating revenues were from foreign sources for each of the three years ended December 31, 2004, 2003 and 2002. At December 31, 2004 and 2003, less than 1% of long-lived assets were located in foreign countries.

FPL Group's segment information is as follows:

	2004				2003				2002			
	FPL	FPL Energy [a]	Corp. and Other	Total	FPL	FPL Energy [a]	Corp. and Other	Total	FPL	FPL Energy [a]	Corp. and Other	Total
	(millions)											
Operating revenues	$ 8,734	$ 1,705	$ 83	$ 10,522	$ 8,293	$ 1,252	$ 85	$ 9,630	$ 7,378	$ 691	$ 104	$ 8,173
Operating expenses	$ 7,419	$ 1,541	$ 90	$ 9,050	$ 6,964	$ 1,059	$ 76	$ 8,099	$ 6,052	$ 707	$ 189	$ 6,948
Interest charges	$ 183	$ 180	$ 126	$ 489	$ 173	$ 124	$ 82	$ 379	$ 166	$ 86	$ 59	$ 311
Depreciation and amortization	$ 915	$ 264	$ 19	$ 1,198	$ 898	$ 187	$ 20	$ 1,105	$ 831	$ 107	$ 14	$ 952
Equity in earnings of equity method investees	$ -	$ 94	$ -	$ 94	$ -	$ 89	$ -	$ 89	$ -	$ 76	$ -	$ 76
Income tax expense (benefit) [b][c]	$ 409	$ (65)	$ (77)	$ 267	$ 403	$ (4)	$ (31)	$ 368	$ 413	$ (54)	$ (115)	$ 244
Income (loss) before cumulative effect of changes in accounting principles [b]	$ 749	$ 172 [d]	$ (34)	$ 887	$ 733	$ 197	$ (37)	$ 893	$ 717	$ 53 [e]	$ (75) [f]	$ 695
Cumulative effect of changes in accounting principles, net of income taxes	$ -	$ -	$ -	$ -	$ -	$ (3) [g]	$ -	$ (3)	$ -	$ (222) [h]	$ -	$ (222)
Net income (loss) [b]	$ 749	$ 172 [d]	$ (34)	$ 887	$ 733	$ 194	$ (37)	$ 890	$ 717	$ (169) [e]	$ (75) [f]	$ 473
Capital expenditures and investments	$ 1,484	$ 527	$ 6	$ 2,017	$ 1,409	$ 1,478	$ 7	$ 2,894	$ 1,256	$ 2,103	$ 21	$ 3,380
Total assets [g][h][i]	$ 19,114	$ 8,507	$ 712	$ 28,333	$ 17,817	$ 8,446	$ 672	$ 26,935	$ 16,032	$ 6,358	$ 795	$ 23,185
Investment in equity method investees	$ -	$ 288	$ 9	$ 297	$ -	$ 346	$ -	$ 346	$ -	$ 310	$ -	$ 310

[a] FPL Energy's interest charges are based on a deemed capital structure of 50% debt for operating projects and 100% debt for projects under construction. Residual non-utility interest charges are included in Corporate and Other.
[b] Includes, in 2002, favorable settlement of litigation with the IRS for which a net tax benefit of $30 million was recognized at Corporate and Other.
[c] FPL Energy's tax benefits relate primarily to production tax credits that were recognized based on its tax sharing agreement with FPL Group.
[d] Includes contract restructuring and impairment charges of $46 million after tax. See Note 6 – 2004.
[e] Includes restructuring and other charges of $73 million after tax.
[f] Includes restructuring and impairment charges of $64 million after tax at FPL FiberNet and a reserve for leveraged leases of $30 million after tax.
[g] Reflects the adoption of FIN 46 in July 2003. See Note 9.
[h] Reflects the adoption of FAS 142 in January 2002. See Note 5.
[i] See Note 15.

18. 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. Most of FPL Group Capital's debt and payment guarantees, including its 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, 2004				Year Ended December 31, 2003				Year Ended December 31, 2002			
	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)											
Operating revenues	$ -	$ 1,789	$ 8,733	$ 10,522	$ -	$ 1,337	$ 8,293	$ 9,630	$ -	$ 795	$ 7,378	$ 8,173
Operating expenses	-	(1,632)	(7,418)	(9,050)	-	(1,135)	(6,964)	(8,099)	(5)	(896)	(6,047)	(6,948)
Interest charges	(28)	(303)	(158)	(489)	(28)	(204)	(147)	(379)	(28)	(144)	(139)	(311)
Other income (deductions) – net	905	163	(897)	171	903	154	(948)	109	488	86	(549)	25
Income (loss) before income taxes and cumulative effect of changes in accounting principles	877	17	260	1,154	875	152	234	1,261	455	(159)	643	939
Income tax expense (benefit)	(10)	(132)	409	267	(15)	(20)	403	368	(18)	(151)	413	244
Net Income (loss) before cumulative effect of changes in accounting principles	887	149	(149)	887	890	172	(169)	893	473	(8)	230	695
Cumulative effect of changes in accounting principles, net of income taxes	-	-	-	-	-	(3)	-	(3)	-	(222)	-	(222)
Net income (loss)	$ 887	$ 149	$ (149)	$ 887	$ 890	$ 169	$ (169)	$ 890	$ 473	$ (230)	$ 230	$ 473

[a] Represents FPL and consolidating adjustments.

Condensed Consolidating Balance Sheets

	December 31, 2004				December 31, 2003			
	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	$ -	$ 8,204	$ 23,516	$ 31,720	$ -	$ 7,783	$ 22,489	$ 30,272
Less accumulated depreciation and amortization	-	(1,026)	(9,468)	(10,494)	-	(738)	(9,237)	(9,975)
Total property, plant and equipment – net	-	7,178	14,048	21,226	-	7,045	13,252	20,297
CURRENT ASSETS								
Cash and cash equivalents	26	134	65	225	27	98	4	129
Receivables	32	423	590	1,045	16	436	735	1,187
Other	137	285	835	1,257	-	278	876	1,154
Total current assets	195	842	1,490	2,527	43	812	1,615	2,470
OTHER ASSETS								
Investment in subsidiaries	7,674	-	(7,674)	-	7,218	-	(7,218)	
Other	121	1,448	3,011	4,580	110	1,490	2,568	4,168
Total other assets	7,795	1,448	(4,663)	4,580	7,328	1,490	(4,650)	4,168
TOTAL ASSETS	$ 7,990	$ 9,468	$ 10,875	$ 28,333	$ 7,371	$ 9,347	$ 10,217	$ 26,935
CAPITALIZATION								
Common shareholders' equity	$ 7,537	$ 1,525	$ (1,525)	$ 7,537	$ 6,967	$ 1,214	$ (1,214)	$ 6,967
Preferred stock of FPL without sinking fund requirements	-	-	-	-	-	-	5	5
Long-term debt	-	5,214	2,813	8,027	-	5,649	3,074	8,723
Total capitalization	7,537	6,739	1,288	15,564	6,967	6,863	1,865	15,695
CURRENT LIABILITIES								
Accounts payable and short-term debt		156	1,098	1,254	-	397	1,065	1,462
Other	155	1,180	1,659	2,994	62	809	1,072	1,943
Total current liabilities	155	1,336	2,757	4,248	62	1,206	2,137	3,405
OTHER LIABILITIES AND DEFERRED CREDITS								
Asset retirement obligations		192	2,015	2,207	-	178	1,908	2,086
Accumulated deferred income taxes	(5)	816	1,874	2,685	(5)	833	1,275	2,103
Regulatory liabilities		-	2,465	2,465	-	-	2,669	2,669
Other	303	385	476	1,164	347	267	363	977
Total other liabilities and deferred credits	298	1,393	6,830	8,521	342	1,278	6,215	7,835
COMMITMENTS AND CONTINGENCIES								
TOTAL CAPITALIZATION AND LIABILITIES	$ 7,990	$ 9,468	$ 10,875	$ 28,333	$ 7,371	$ 9,347	$ 10,217	$ 26,935

[a] Represents FPL and consolidating adjustments.

Condensed Consolidating Statements of Cash Flows

	Year Ended December 31, 2004				Year Ended December 31, 2003				Year Ended December 31, 2002			
	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 OPERATING ACTIVITIES	$ 437	$ 868	$ 1,345	$ 2,650	$ 1,028	$ 397	$ 829	$ 2,254	$ 426	$ 1,227	$ 685	$ 2,338
CASH FLOWS FROM INVESTING ACTIVITIES												
Capital expenditures and independent power investments	-	(533)	(1,484)	(2,017)	-	(1,486)	(1,408)	(2,894)	-	(2,124)	(1,256)	(3,380)
Capital contributions to FPL					(600)	-	600	-	(350)	-	350	-
Other – net	(29)	89	85	145	-	(18)	(177)	(195)	3	208	(98)	113
Net cash used in investing activities	(29)	(444)	(1,399)	(1,872)	(600)	(1,504)	(985)	(3,089)	(347)	(1,916)	(1,004)	(3,267)
CASH FLOWS FROM FINANCING ACTIVITIES												
Issuances of long-term debt	-	334	235	569	-	2,118	877	2,995	-	1,177	593	1,770
Retirements of long-term debt	-	(432)	-	(432)	-	(43)	(388)	(431)	-	(32)	(765)	(797)
Retirements of preferred stock – FPL						-	(228)	(228)	-			
Net change in short-term debt	-	(284)	(139)	(423)	-	(1,116)	(122)	(1,238)	-	(276)	490	214
Issuances of common stock	110	-	-	110	73	-	-	73	378	-	-	378
Dividends on common stock	(467)	-	-	(467)	(425)	-	-	(425)	(400)	-	-	(400)
Other – net	(52)	(6)	19	(39)	(54)	(15)	21	(48)	(52)	-	-	(52)
Net cash provided by (used in) financing activities	(409)	(388)	115	(682)	(406)	944	160	698	(74)	869	318	1,113
Net increase (decrease) in cash and cash equivalents	(1)	36	61	96	22	(163)	4	(137)	5	180	(1)	184
Cash and cash equivalents at beginning of year	27	98	4	129	5	261	-	266	-	81	1	82
Cash and cash equivalents at end of year	$ 26	$ 134	$ 65	$ 225	$ 27	$ 98	$ 4	$ 129	$ 5	$ 261	$ -	$ 266

[a] Represents FPL and consolidating adjustments.

19. 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:				
2004				
Operating revenues [b]	$2,331	$2,619	$2,983	$2,589
Operating income [b]	$ 261	$ 434	$ 523	$ 254
Net income [b]	$ 138	$ 257	$ 320	$ 173
Earnings per share [c]	$ 0.78	$ 1.43	$ 1.78	$ 0.96
Earnings per share – assuming dilution [c]	$ 0.77	$ 1.43	$ 1.76	$ 0.94
Dividends per share	$ 0.62	$ 0.62	$ 0.68	$ 0.68
High-low common stock sales prices	$68.81-63.34	$67.25-60.20	$69.85-62.41	$76.10-67.33
2003				
Operating revenues [b]	$2,082	$2,339	$2,775	$2,435
Operating income [b]	$ 294	$ 413	$ 565	$ 259
Income before cumulative effect of a change in accounting principle [b]	$ 175	$ 239	$ 334	$ 145
Cumulative effect of adopting FIN 46	$ -	$ -	$ (3)	$ -
Net income [b]	$ 175	$ 239	$ 331	$ 145
Earnings per share before cumulative effect of adopting FIN 46 [c]	$ 0.99	$ 1.35	$ 1.88	$ 0.81
Cumulative effect of adopting FIN 46 [c]	$ -	$ -	$ (0.02)	$ -
Earnings per share [c]	$ 0.99	$ 1.35	$ 1.86	$ 0.81
Earnings per share before cumulative effect of adopting FIN 46 – assuming dilution [c]	$ 0.99	$ 1.34	$ 1.88	$ 0.81
Cumulative effect of adopting FIN 46 [c]	$ -	$ -	$ (0.02)	$ -
Earnings per share – assuming dilution [c]	$ 0.99	$ 1.34	$ 1.86	$ 0.81
Dividends per share	$ 0.60	$ 0.60	$ 0.60	$ 0.60
High-low common stock sales prices	$63.77-53.55	$68.08-57.74	$67.66-60.01	$65.98-62.65
FPL:				
2004				
Operating revenues [b]	$1,942	$2,172	$2,485	$2,135
Operating income [b]	$ 199	$ 357	$ 466	$ 294
Net income [b]	$ 105	$ 205	$ 275	$ 164
Net income available to FPL Group [b]	$ 105	$ 205	$ 275	$ 164
2003				
Operating revenues [b]	$1,757	$2,053	$2,383	$2,100
Operating income [b]	$ 252	$ 361	$ 487	$ 229
Net income [b]	$ 139	$ 203	$ 281	$ 133
Net income available to FPL Group [b]	$ 135	$ 199	$ 277	$ 122

[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 generally will not give a true indication of results for the year. The per share information does not include the effect of the 2005 stock split. See Note 12 – Earnings Per Share.

[b] The sum of the quarterly amounts may not equal the total for the year due to rounding.

[c] The sum of the quarterly amounts may not equal the total for the year due to rounding and changes in weighted-average number of common shares outstanding.

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

None

Item 9A. Controls and Procedures

Disclosure Controls and Procedures

As of December 31, 2004, FPL Group and FPL had performed an evaluation, under the supervision and with the participation of its management, including FPL Group's and FPL's chief executive officer and chief financial officer, of the effectiveness of the design and operation of each company's disclosure controls and procedures (as defined in Exchange Act Rule 13a-15(e) or 15d-15(e)). Based upon that evaluation, the chief executive officer and chief financial officer of each of FPL Group and FPL concluded that the company's disclosure controls and procedures are effective in timely alerting them to material information relating to the company and its consolidated subsidiaries required to be included in the company's reports filed or submitted under the Exchange Act and ensuring that information required to be disclosed in the company's reports filed or submitted under the Exchange Act is accumulated and communicated to management, including its principal executive and principal financial officers, to allow timely decisions regarding required disclosure. FPL Group and FPL each have a Disclosure Committee, which is made up of several key management employees and reports directly to the chief executive officer and chief financial officer of each company, to monitor and evaluate these disclosure controls and procedures. Due to the inherent limitations of the effectiveness of any established disclosure controls and procedures, management of FPL Group and FPL cannot provide absolute assurance that the objectives of its disclosure controls and procedures will be met.

Internal Control Over Financial Reporting

(a) Management's Report on Internal Control Over Financial Reporting

See Item 8. Financial Statements and Supplementary Data.

(b) Attestation Report of the Independent Registered Public Accounting Firm

See Item 8. Financial Statements and Supplementary Data.

(c) Changes in Internal Controls

FPL Group and FPL are continuously seeking to improve the efficiency and effectiveness of their operations and of their internal controls. This results in refinements to processes throughout FPL Group and FPL. However, there has been no change in FPL Group's or FPL's internal control over financial reporting that occurred during FPL Group's and FPL's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, FPL Group's or FPL's internal control over financial reporting.

Item 9B. Other Information

On February 25, 2005, FPL Group entered into an employment agreement with Lewis Hay, III. The agreement provides for Mr. Hay to be employed as FPL Group's chief executive officer and president and to serve as a director and chairman of FPL Group's board of directors for an initial term of three years beginning January 1, 2005. Each January 1 thereafter the term of employment is extended an additional year unless either party gives a notice of non-extension no later than 90 days prior thereto. If FPL Group terminates Mr. Hay's employment without "cause," or if Mr. Hay terminates his employment for "good reason" (each as defined in the agreement) he is entitled to receive a pro rata portion of his annual incentive bonus for the year in which termination occurs (calculated at the higher of target or the average of the bonus received for the prior two years); two times his then current base salary; two times the higher of (i) his average annual incentive bonus for the prior two years or (ii) his then current target annual incentive bonus; a pro rata portion of each outstanding and unvested performance share grant then in progress under FPL Group's Long Term Incentive Plan (calculated as if target performance for the year of termination is achieved); continued vesting in all outstanding and unvested restricted stock awards and stock options for a period of two years following the date of termination; the cash value of two additional years of service credit under all applicable pension, 401(k), and supplemental retirement plans; and continued participation in FPL Group's medical, dental, hospitalization, disability and group life insurance plans for up to two years. The agreement also provides for certain payments to be made upon termination because of death or disability or upon retirement. The agreement does not establish Mr. Hay's compensation; however, reduction of his then current base salary, target annual incentive bonus, target long term incentive compensation or aggregate employee benefits (with certain exceptions) constitutes "good reason". A copy of the employment agreement is filed as exhibit 10(y) to this Form 10-K.

PART III

Item 10. Directors and Executive Officers of Registrant

The information required by this item will be included in FPL Group's Proxy Statement which will be filed with the SEC in connection with the 2005 Annual Meeting of Shareholders (FPL Group's Proxy Statement) and is incorporated herein by reference, or is included in Item 1. Business – Executive Officers of FPL Group.

Item 11. Executive Compensation

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, the Audit Committee Report (to the extent permitted by the rules of the SEC) and Performance Graph which are contained in FPL Group's Proxy Statement shall not be deemed to be incorporated herein by reference.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The information required by this item relating to security ownership of certain beneficial owners and management will be included in FPL Group's Proxy Statement and is incorporated herein by reference.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

All of FPL Group's equity compensation plans (as defined by applicable SEC regulations) have been approved by its shareholders. FPL Group's equity compensation plan information as of December 31, 2004 is as follows:

Plan category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) [a] (c)
Equity compensation plans approved by security holders:			
FPL Group's Long Term Incentive Plan [b]	4,586,513	$57.83	6,341,671

[a] These shares are also available for issuance as restricted stock and as performance-based stock awards.
[b] See Note 12 – Earnings Per Share regarding the 2005 stock split.

Item 13. Certain Relationships and Related Transactions

The information required by this item will be included in FPL Group's Proxy Statement under a similar heading, if applicable, and under the headings Executive Compensation, Employment Agreements and Director Compensation and is incorporated herein by reference.

Item 14. Principal Accountant Fees and Services

FPL Group – The information required by this item will be included in FPL Group's Proxy Statement under the headings "Fees Paid to Deloitte & Touche LLP" and "Policy on Audit Committee Pre-Approval of Audit and Non-Audit Services of Independent Auditor" and is incorporated herein by reference.

FPL – The following table presents fees billed for professional services rendered by Deloitte & Touche LLP, the member firms of Deloitte Touche Tohmatsu, and their respective affiliates (collectively, Deloitte & Touche) for the fiscal years ended December 31, 2004 and 2003. The amounts presented below reflect allocations from FPL Group for FPL's portion of the fees, as well as amounts billed directly to FPL.

	2004	2003
Audit fees [a]	$ 2,340,000	$ 1,074,000
Audit-related fees [b]	308,000	479,000
Tax fees [c]	86,000	33,000
All other fees [d]		
Total	$ 2,734,000	$ 1,586,000

[a] Audit fees consist of fees billed for professional services rendered for the audit of FPL's and FPL Group's annual consolidated financial statements for the fiscal year, the reviews of the financial statements included in FPL's and FPL Group's Quarterly Reports on Form 10-Q for the fiscal year, attestation of management's assessment of internal control over financial reporting (2004 only), comfort letters, consents, and other services related to SEC matters, services in connection with annual and semi-annual filings of FPL Group's financial statements with the Japanese Ministry of Finance and accounting consultations to the extent necessary for Deloitte & Touche to fulfill their responsibility under Public Company Accounting Oversight Board standards.

[b] Audit-related fees consist of fees billed for assurance and related services that are reasonably related to the performance of the audit or review of FPL's and FPL Group's consolidated financial statements and are not reported under audit fees. These fees primarily related to audits of subsidiary financial statements, comfort letters, consents and other services related to subsidiary (non-SEC registrant) financing activities, audits of employee benefit plans, due diligence pertaining to acquisitions, consultation on accounting standards and on transactions, and assistance with the implementation of Section 404 of the Sarbanes-Oxley Act of 2002 (Sarbanes-Oxley).

[c] Tax fees consist of fees billed for professional services rendered for tax compliance, tax advice and tax planning. In 2004 and 2003, all amounts related to tax compliance services.

[d] All other fees consist of fees for products and services other than the services reported under the other named categories. In 2004 and 2003, there were no other fees incurred in this category.

In accordance with the requirements of Sarbanes-Oxley, FPL Group's Audit Committee's pre-approval policy for services provided by the independent auditor, and the Charter of the Audit Committee, all services performed by Deloitte & Touche are approved in advance by the Audit Committee. Audit and audit-related services specifically identified in an appendix to the pre-approval policy are pre-approved by the Audit Committee each year. This pre-approval allows management to request the specified audit and audit-related services on an as-needed basis during the year, provided any such services are reviewed with the Audit Committee at its next regularly scheduled meeting. Any audit or audit-related service for which the fee is expected to exceed $250,000, or that involves a service not listed on the pre-approval list, must be specifically approved by the Audit Committee prior to commencement of such work. In addition, the Audit Committee approves all services other than audit and audit-related services performed by Deloitte & Touche in advance of the commencement of such work or, in cases which meet the de minimus exception in Sarbanes-Oxley, prior to completion of the audit. The Audit Committee has delegated to the chairman of the committee the right to approve audit, audit-related, tax and other services, within certain limitations, between meetings of the Audit Committee, provided any such decision is presented to the Audit Committee at its next regularly scheduled meeting. The Audit Committee reviews on a quarterly basis a schedule of all services for which Deloitte & Touche has been engaged and the estimated fees for those services. In fiscal years 2003 and 2004, no fees paid to Deloitte & Touche under the categories Audit-related, Tax and All other fees described above were approved by the Audit Committee after services were rendered pursuant to the de minimus exception established by Sarbanes-Oxley.

PART IV

Item 15. Exhibits and Financial Statement Schedules

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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	Amendment to FPL Group's Restated Articles of Incorporation dated May 26, 2004(filed as Exhibit 4(c) to Form S-3, File Nos. 333-116209, 333-116209-01, 333-116209-02, 333-116209-03, 333-116209-04 and 333-116209-05)	x	
*3(i)d	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	x
*3(i)e	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	x
*3(i)f	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	x
*3(i)g	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	x
*3(i)h	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	x
*3(i)i	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	x

Exhibit Number	Description	FPL Group	FPL
*3(i)j	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	x
*3(i)k	Amendment to FPL's Restated Articles of Incorporation dated January 20, 2004 (filed as Exhibit 3(i)j to Form 10-K dated December 31, 2003, File No. 2-27612)	x	x
*3(i)l	Amendment to FPL's Restated Articles of Incorporation dated January 20, 2004 (filed as Exhibit 3(i)k to Form 10-K dated December 31, 2003, File No. 2-27612)	x	x
3(i)m	Amendment to FPL's Restated Articles of Incorporation dated February 11, 2005	x	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 EquiServe Trust Company, N.A. as successor to Fleet National Bank (f/k/a The First National Bank of Boston), as Rights Agent (filed as Exhibit 4 to Form 8-K dated June 17, 1996, File No. 1-8841)	x	
*4(b)	Second Amendment to Rights Agreement, dated as of December 26, 2002, between FPL Group and EquiServe Trust Company, N.A. as successor to Fleet National Bank (f/k/a The First National Bank of Boston), as the Rights Agent (filed as Exhibit 3 to Form 8-A/A dated January 3, 2003, File No. 1-8841)	x	
*4(c)	Third Amendment to Rights Agreement, dated as of January 1, 2004, between FPL Group, Computershare Investor Services, LLC as successor rights agent, and EquiServe Trust Company, N.A. as predecessor rights agent (filed as Exhibit 4 to Form 8-A/A dated December 19, 2003, File No. 1-8841)	x	
*4(d)	Mortgage and Deed of Trust dated as of January 1, 1944, and One hundred and six Supplements thereto, between FPL and Deutsche Bank Trust Company Americas, Trustee (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; Exhibit 4 to Form 10-Q for the quarter ended March 31, 1999, File No. 1-3545; Exhibit 4(f) to Form 10-K for the year ended December 31, 2000, File No. 1-3545; Exhibit 4(g) to Form 10-K for the year ended December 31, 2000, File No. 1-3545; Exhibit 4(o), File No. 333-102169; Exhibit 4(k) to Post-Effective Amendment No. 1 to Form S-3, File No. 333-102172; Exhibit 4(l) to Post-Effective Amendment No. 2 to Form S-3, File No. 333-102172;	x	x

Exhibit Number	Description	FPL Group	FPL
	Exhibit 4(m) to Post-Effective Amendment No. 3 to Form S-3, File No. 333-102172 and Exhibit 4(a) to Form 10-Q for the quarter ended September 30, 2004, File No. 2-27612)		
*4(e)	Indenture, dated as of June 1, 1999, between FPL Group Capital 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(f)	Guarantee Agreement between FPL Group (as Guarantor) and The Bank of New York (as Guarantee 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	
*4(g)	Officer's Certificate of FPL Group Capital, dated June 29, 1999, creating the 7 3/8% Debentures, Series due June 1, 2009 (filed as Exhibit 4(d) to Form 8-K dated July 16, 1999, File No. 1-8841)	x	
*4(h)	Officer's Certificate of FPL Group Capital, dated September 7, 1999, creating the 7 5/8% Debentures, Series due September 15, 2006 (filed as Exhibit 4 to Form 10-Q for the quarter ended September 30, 1999, File No. 1-8841)	x	
*4(i)	Officer's Certificate of FPL Group Capital, dated May 11, 2001, creating the 6 1/8% Debentures, Series due May 15, 2007 (filed as Exhibit 4 to Form 10-Q for the quarter ended June 30, 2001, File No. 1-8841)	x	
*4(j)	Officer's Certificate of FPL Group Capital, dated February 4, 2002, creating the Series A Debentures due February 16, 2007 (filed as Exhibit 4(j) to Form 10-K for the year ended December 31, 2001, File No. 1-8841)	x	
*4(k)	Supplemental Officer's Certificate of FPL Group Capital, dated October 27, 2004, to the Officer's Certificate creating the Series A Debentures due February 16, 2007 (filed as Exhibit 4(b) to Form 10-Q for the quarter ended September 30, 2004, File No. 1-8841)	x	
*4(l)	Officer's Certificate of FPL Group Capital, dated April 11, 2003, creating the 3 1/4% Debentures, Series due April 11, 2006 (filed as Exhibit 4(ao) to Post-Effective Amendment No. 1 to Form S-3, File Nos. 333-102173, 333-102173-01, 333-102173-02 and 333-102173-03)	x	
*4(m)	Officer's Certificate of FPL Group Capital, dated September 30, 2003, creating the Floating Rate Debentures, Series due March 30, 2005 (filed as Exhibit 4(ap) to Post-Effective Amendment No. 2 to Form S-3, File Nos. 333-102173, 333-102173-01, 333-102173-02 and 333-102173-03)	x	
*4(n)	Officer's Certificate of FPL Group Capital, dated September 30, 2003, creating the 1 7/8% Debentures, Series due March 30, 2005 (filed as Exhibit 4(aq) to Post-Effective Amendment No. 2 to Form S-3, File Nos. 333-102173, 333-102173-01, 333-102173-02 and 333-102173-03)	x	
*4(o)	Officer's Certificate of FPL Group Capital, dated June 12, 2002, creating the Series B Debentures due February 16, 2008 (filed as Exhibit 4(a) to Form 10-Q for the quarter ended June 30, 2002, File No. 1-8841)	x	
*4(p)	Purchase Contract Agreement, dated as of June 1, 2002, between FPL Group and The Bank of New York, as Purchase Contract Agent and Trustee (filed as Exhibit 4(b) to Form 10-Q for the quarter ended June 30, 2002, File No. 1-8841)	x	
*4(q)	Pledge Agreement, dated as of June 1, 2002, by and among FPL Group, JPMorgan Chase Bank, as Collateral Agent, Custodial Agent and Securities Intermediary, and The Bank of New York, as Purchase Contract Agent (filed as Exhibit 4(c) to Form 10-Q for the quarter ended June 30, 2002, File No. 1-8841)	x	

Exhibit Number	Description	FPL Group	FPL
*4(r)	Indenture (For Unsecured Subordinated Debt Securities relating to Trust Securities) of FPL Group Capital, dated as of March 1, 2004 (filed as Exhibit 4(au) to Post-Effective Amendment No. 3 to Form S-3, File Nos. 333-102173, 333-102173-01, 333-102173-02 and 333-102173-03)	x	
*4(s)	Officer's Certificate of FPL Group Capital, dated March 15, 2004, creating the 5 7/8% Junior Subordinated Debentures, Series due March 15, 2044 (filed as Exhibit 4(av) to Post-Effective Amendment No. 3 to Form S-3, File Nos. 333-102173, 333-102173-01, 333-102173-02 and 333-102173-03)	x	
*4(t)	Preferred Trust Securities Guarantee Agreement between FPL Group (as Guarantor) and The Bank of New York (as Guarantee Trustee), dated as of March 15, 2004 (filed as Exhibit 4(aw) to Post-Effective Amendment No. 3 to Form S-3, File Nos. 333-102173, 333-102173-01, 333-102173-02 and 333-102173-03)	x	
*4(u)	Amended and Restated Trust Agreement relating to FPL Group Capital Trust I, dated as of March 15, 2004 (filed as Exhibit 4(at) to Post-Effective Amendment No. 3 to Form S-3, File No. 333-102173, 333-102173-01, 333-102173-02 and 333-102173-03)	x	
*4(v)	Agreement as to Expenses and Liabilities of FPL Group Capital Trust I, dated as of March 15, 2004 (filed as Exhibit 4(ax) to Post-Effective Amendment No. 3 to Form S-3, File No. 333-102173, 333-102173-01, 333-102173-02 and 333-102173-03)	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	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	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	x
*10(d)	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	x
*10(e)	Supplement to the FPL Group Supplemental Executive Retirement Plan as it applies to Lewis Hay, III effective March 22, 2002 (filed as Exhibit 10(g) to Form 10-K for the year ended December 31, 2001, File No. 1-8841)	x	x
10(f)	FPL Group, Inc. Amended and Restated Long Term Incentive Plan, as amended and restated February 18, 2005	x	x
*10(g)	Form of FPL Group, Inc. Amended and Restated Long-Term Incentive Plan Performance Share Award Agreement (filed as Exhibit 10(a) to Form 8-K dated December 29, 2004, File No. 1-8841)	x	x
*10(h)	Form of FPL Group, Inc. Amended and Restated Long-Term Incentive Plan Restricted Stock Award Agreement (filed as Exhibit 10(b) to Form 8-K dated December 29, 2004, File No. 1-8841)	x	x
*10(i)	Form of FPL Group, Inc. Amended and Restated Long-Term Incentive Plan Restricted Stock Award Agreement (filed as Exhibit 10 to Form 8-K dated January 28, 2005, File No. 1-8841)	x	x
*10(j)	Form of FPL Group, Inc. Amended and Restated Long Term Incentive Plan Stock Option Award - Non-Qualified Stock Option Agreement (filed as Exhibit 10(c) to Form 8-K dated December 29, 2004, File No. 1-8841)	x	x

Exhibit Number	Description	FPL Group	FPL
*10(k)	Form of FPL Group, Inc. Amended and Restated Long Term Incentive Plan Stock Option Award - Non-Qualified Stock Option Agreement (filed as Exhibit 10(d) to to Form 8-K dated December 29, 2004, File No. 1-8841)	x	x
10(l)	Form of FPL Group, Inc. Amended and Restated Long-Term Incentive Plan Shareholder Value Award Agreement	x	x
*10(m)	Form of 2004 Annual Incentive Plan (filed as Exhibit 10(h) to Form 10-K for the year ended December 31, 2003, File No. 1-8841)	x	x
10(n)	Form of FPL Group, Inc. Annual Incentive Plan	x	x
*10(o)	FPL Group Deferred Compensation Plan, amended and restated effective January 1, 2001 (filed as Exhibit 10(a) to Form 10-Q for the quarter ended June 30, 2001, File No. 1-8841)	x	x
*10(p)	FPL Group Deferred Compensation Plan, amended and restated effective January 1, 2003 (filed as Exhibit 10(k) to Form 10-K for the year ended December 31, 2002, File No. 1-8841)	x	x
*10(q)	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	x
*10(r)	FPL Group 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(s)	Form of Split Dollar Agreement between FPL Group and each of its executive officers who elect to participate, including provisions relating to Certain Officers (as of February 25, 2005 all executive officers participate except Moray P. Dewhurst, and "Certain Officers" include Armando J. Olivera and Antonio Rodriguez)	x	x
*10(t)	Form of Executive Retention Employment Agreement between FPL Group and each of Dennis P. Coyle, Lewis Hay, III, Armando J. Olivera and Antonio Rodriguez (filed as Exhibit 10(a) to Form 10-Q for the quarter ended June 30, 2002, File No. 1-8841)	x	x
*10(u)	Form of Executive Retention Employment Agreement between FPL Group and each of Moray P. Dewhurst, John A. Stall and James L. Robo (filed as Exhibit 10(b) to Form 10-Q for the quarter ended June 30, 2002, File No. 1-8841)	x	x
*10(v)	Amendment to Executive Retention Employment Agreement between FPL Group and Armando J. Olivera, dated as of October 17, 2003 (filed as Exhibit 10(a) to Form 10-Q for the quarter ended September 30, 2003, File No. 1-8841)	x	x
10(w)	Form of Amendment to Executive Retention Employment Agreement between FPL Group and each of Dennis P. Coyle, Moray P. Dewhurst, Lewis Hay, III, Armando J. Olivera, James L. Robo, Antonio Rodriguez and John A. Stall	x	x
10(x)	Form of Executive Retention Employment Agreement between FPL Group and each of Robert H. Escoto, Robert L. McGrath and Edward F. Tancer	x	x
10(y)	Employment Agreement between FPL Group, Inc. and Lewis Hay, III dated February 25, 2005	x	x
*10(z)	Guarantee Agreement between FPL Group and FPL Group Capital, dated as of October 14, 1998 (filed as Exhibit 10(y) to Form 10-K for the year ended December 31, 2001, File No. 1-8841)	x	
12(a)	Computation of Ratios	x	
12(b)	Computation of Ratios		x
21	Subsidiaries of FPL Group, Inc.	x	

Exhibit Number	Description	FPL Group	FPL
23	Consent of Independent Registered Public Accounting Firm	x	x
31(a)	Rule 13a-14(a)/15d-14(a) Certification of Chief Executive Officer of FPL Group	x	
31(b)	Rule 13a-14(a)/15d-14(a) Certification of Chief Financial Officer of FPL Group	x	
31(c)	Rule 13a-14(a)/15d-14(a) Certification of Chief Executive Officer of FPL		x
31(d)	Rule 13a-14(a)/15d-14(a) Certification of Chief Financial Officer of FPL		x
32(a)	Section 1350 Certification of FPL Group	x	
32(b)	Section 1350 Certification of FPL		x

*Incorporated herein by reference

FPL Group and FPL agree to furnish to the SEC upon request any instrument with respect to long-term debt that FPL Group and FPL have not filed as an exhibit pursuant to the exemption provided by Item 601(b)(4)(iii)(A) of Regulation S-K.

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.

LEWIS HAY, III
Lewis Hay, III
Chairman of the Board, President,
Chief Executive Officer and Director
(Principal Executive Officer)

Date: February 25, 2005

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 25, 2005:

MORAY P. DEWHURST
Moray P. Dewhurst
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

FREDERIC V. MALEK
Frederic V. Malek

SHERRY S. BARRAT
Sherry S. Barrat

MICHAEL H. THAMAN
Michael H. Thaman

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

PAUL R. TREGURTHA
Paul R. Tregurtha

J. HYATT BROWN
J. Hyatt Brown

FRANK G. ZARB
Frank G. Zarb

JAMES L. CAMAREN
James L. Camaren

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

ARMANDO J. OLIVERA

Armando J. Olivera
President and Director

Date: February 25, 2005

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 25, 2005:

LEWIS HAY, III

Lewis Hay, III
Chairman of the Board, Chief Executive Officer
and Director (Principal Executive Officer)

MORAY P. DEWHURST

Moray P. Dewhurst
Senior Vice President, Finance
and Chief Financial Officer and Director
(Principal Financial Officer)

K. MICHAEL DAVIS

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

Directors:

ANTONIO RODRIGUEZ

Antonio Rodriguez

JOHN A. STALL

John A. Stall

EDWARD F. TANCER

Edward F. Tancer

Exhibit 12(a)

FPL GROUP, INC. AND SUBSIDIARIES
COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES AND RATIO OF EARNINGS TO COMBINED FIXED CHARGES AND PREFERRED STOCK DIVIDENDS[a]

	Years Ended December 31,				
	2004	2003	2002	2001	2000
	(millions of dollars)				
Earnings, as defined:					
Income before cumulative effect of changes in accounting principles	$ 887	$ 893	$ 695	$ 781	$ 704
Preferred stock dividends of a consolidated subsidiary	-[b]	13	15	15	15
Income taxes	267	368	244	379	336
Fixed charges included in the determination of net income, as below	505	397	328	337	296
Amortization of capitalized interest	8	4	2	1	
Distributed income of equity method investees	83	68	96	62	80
Less: Equity in earnings of equity method investees	94	89	76	81	45
Total earnings, as defined	$1,656	$1,654	$1,304	$1,494	$1,386
Fixed charges, as defined:					
Interest charges	$ 489	$ 379	$ 311	$ 324	$ 278
Rental interest factor	16	17	14	8	9
Fixed charges included in nuclear fuel cost	-	1	3	5	9
Fixed charges included in the determination of net income	505	397	328	337	296
Capitalized interest	54	88	91	55	23
Dividend requirements on preferred stock of a consolidated subsidiary before income taxes	-[b]	20	23	23	23
Total fixed charges, as defined	$ 559	$ 505	$ 442	$ 415	$ 342
Ratio of earnings to fixed charges and ratio of earnings to combined fixed charges and preferred stock dividends [a]	2.96	3.28	2.95	3.60	4.05

[a] FPL Group, Inc. has no preference equity securities outstanding; therefore, the ratio of earnings to fixed charges is the same as the ratio of earnings to combined fixed charges and preferred stock dividends.

[b] A portion of Florida Power & Light Company's preferred stock is owned by FPL Group, Inc. and is eliminated in consolidation. Accordingly, those dividends are not included herein.

Exhibit 12(b)

FLORIDA POWER & LIGHT COMPANY
COMPUTATION OF RATIOS

	Years Ended December 31,				
	2004	2003	2002	2001	2000
	(millions of dollars)				
RATIO OF EARNINGS TO FIXED CHARGES					
Earnings, as defined:					
Net income	$ 750	$ 755	$ 732	$ 694	$ 622
Income taxes	409	403	413	383	341
Fixed charges, as below	202	186	177	198	192
Total earnings, as defined	$1,361	$1,344	$1,322	$1,275	$1,155
Fixed charged, as defined:					
Interest charges	$ 183	$ 173	$ 166	$ 187	$ 176
Rental interest factor	8	8	8	6	7
Fixed charges included in nuclear fuel cost	-	1	3	5	9
Capitalized interest	11	4	-	-	-
Total fixed charges, as defined	$ 202	$ 186	$ 177	$ 198	$ 192
Ratio of earnings to fixed charges	6.74	7.23	7.47	6.44	6.02
RATIO OF EARNINGS TO COMBINED FIXED CHARGES AND PREFERRED STOCK DIVIDENDS					
Earnings, as defined:					
Net income	$ 750	$ 755	$ 732	$ 694	$ 622
Income taxes	409	403	413	383	341
Fixed charges, as below	202	186	177	198	192
Total earnings, as defined	$1,361	$1,344	$1,322	$1,275	$1,155
Fixed charged, as defined:					
Interest charges	$ 183	$ 173	$ 166	$ 187	$ 176
Rental interest factor	8	8	8	6	7
Fixed charges included in nuclear fuel cost	-	1	3	5	9
Capitalized interest	11	4			
Total fixed charges, as defined	202	186	177	198	192
Non-tax deductible preferred stock dividends	1	13	15	15	15
Ratio of income before income taxes to net income	1.55	1.53	1.56	1.55	1.55
Preferred stock dividends before income taxes	2	20	23	23	23
Combined fixed charges and preferred stock dividends	$ 204	$ 206	$ 200	$ 221	$ 215
Ratio of earnings to combined fixed charges and preferred stock dividends	6.67	6.52	6.61	5.77	5.37

Exhibit 21

SUBSIDIARIES OF FPL GROUP, INC.

FPL Group Inc.'s principal subsidiaries as of December 31, 2004 are listed below. All other subsidiaries, if considered in the aggregate as a single subsidiary, would not constitute a significant subsidiary.

Subsidiary	State or Jurisdiction of Incorporation
1. **Florida Power & Light** Company (100%-owned)	Florida
2. **FPL Group Capital Inc** (100%-owned)	Florida
3. **FPL Energy, LLC** [a] [b]	Delaware
4. **Bay Loan and Investment** Bank [b]	Rhode Island
5. **Palms Insurance Company**, Limited [b]	Cayman Islands

[a] Includes 287 subsidiaries that operate in the United States in the same line of business as FPL Energy, LLC

[b] 100%-owned subsidiary of FPL Group Capital Inc

Exhibit 23

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in the following Registration Statements of our report dated February 24, 2005 relating to the financial statements of FPL Group, Inc. and Florida Power & Light Company (which expresses an unqualified opinion and includes explanatory paragraphs relating to FPL Group, Inc.'s and Florida Power & Light Company's changes in 2003 in their methods of accounting for special-purpose entities and for asset retirement obligations and to FPL Group, Inc.'s change in 2002 in its method of accounting for goodwill) and our report dated February 24, 2005 relating to management's report on the effectiveness of internal control over financial reporting, appearing in this Annual Report on Form 10-K of FPL Group, Inc. and Florida Power & Light Company for the year ended December 31, 2004:

FPL Group, Inc.

Form S-3	No. 333-102169
Form S-8	No. 33-57673
Form S-8	No. 33-11631
Form S-3	No. 33-57470
Form S-8	No. 333-27079
Form S-8	No. 333-88067
Form S-3	No. 333-75482
Form S-3	No. 333-85218
Form S-3, as amended	No. 333-102173
Form S-8	No. 333-114911
Form S-3	No. 333-116209
Form S-8	No. 333-116501

FPL Group Trust I

Form S-3	No. 333-116209-02

FPL Group Trust II

Form S-3	No. 333-116209-01

Florida Power & Light Company

Form S-3	No. 33-40123
Form S-3	No. 333-116300

Florida Power & Light Company Trust I

Form S-3	No. 333-116300-02

Florida Power & Light Company Trust II

Form S-3	No. 333-116300-01

FPL Group Capital Inc

Form S-3	No. 333-75482-01
Form S-3	No. 333-85218-01
Form S-3, as amended	No. 333-102173-01
Form S-3	No. 333-116209-05

FPL Group Capital Trust II

Form S-3, as amended	No. 333-102173-02
Form S-3	No. 333-116209-04

FPL Group Capital Trust III

Form S-3	No. 333-116209-03

DELOITTE & TOUCHE LLP

Miami, Florida
February 24, 2005

Exhibit 31(a)

Rule 13a-14(a)/15d-14(a) Certification

I, Lewis Hay, III, Chief Executive Officer of FPL Group, Inc. (FPL Group), certify that:

1. I have reviewed the annual report on Form 10-K for the year ended December 31, 2004 of FPL Group (the registrant);

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 25, 2005

LEWIS HAY, III

Lewis Hay, III
Chairman of the Board, President
and Chief Executive Officer

Exhibit 31(b)

Rule 13a-14(a)/15d-14(a) Certification

I, Moray P. Dewhurst, Chief Financial Officer of FPL Group, Inc. (FPL Group), certify that:

1. I have reviewed the annual report on Form 10-K for the year ended December 31, 2004 of FPL Group (the registrant);

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 25, 2005

MORAY P. DEWHURST

Moray P. Dewhurst
Vice President, Finance
and Chief Financial Officer

Exhibit 31(c)

Rule 13a-14(a)/15d-14(a) Certification

I, Lewis Hay, III, Chief Executive Officer of Florida Power & Light Company (FPL), certify that:

1. I have reviewed the annual report on Form 10-K for year ended December 31, 2004 of FPL (the registrant);

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 25, 2005

LEWIS HAY, III

Lewis Hay, III
Chairman of the Board
and Chief Executive Officer

Exhibit 31(d)

Rule 13a-14(a)/15d-14(a) Certification

I, Moray P. Dewhurst, Chief Financial Officer of Florida Power & Light Company (FPL), certify that:

1. I have reviewed the annual report on Form 10-K for year ended December 31, 2004 of FPL (the registrant);

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) **Designed such disclosure controls and procedures, or caused such disclosure controls and procedures** to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 25, 2005

MORAY P. DEWHURST
Moray P. Dewhurst
Senior Vice President, Finance
and Chief Financial Officer

Exhibit 32(a)

Section 1350 Certification

We, Lewis Hay, III, Chief Executive Officer of FPL Group, Inc. (FPL Group) and Moray P. Dewhurst, Chief Financial Officer of FPL Group, certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Annual Report on Form 10-K of FPL Group for the year ended December 31, 2004 (Report) fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of FPL Group.

Dated: February 25, 2005

LEWIS HAY, III

Lewis Hay, III
Chairman of the Board, President
and Chief Executive Officer

MORAY P. DEWHURST

Moray P. Dewhurst
Vice President, Finance
and Chief Financial Officer

A signed original of this written statement required by Section 906 has been provided to FPL Group and will be retained by FPL Group and furnished to the Securities and Exchange Commission or its staff upon request.

The foregoing certification is being furnished as an exhibit to the Report pursuant to Item 601(b)(32) of Regulation S-K and Section 906 of the Sarbanes-Oxley Act of 2002 and, accordingly, is not being filed with the Securities and Exchange Commission as part of the Report and is not to be incorporated by reference into any filing of FPL Group under the Securities Act of 1933 or the Securities Exchange Act of 1934 (whether made before or after the date of the Report, irrespective of any general incorporation language contained in such filing).

Exhibit 32(b)

Section 1350 Certification

We, Lewis Hay, III, Chief Executive Officer of Florida Power & Light Company (FPL) and Moray P. Dewhurst, Chief Financial Officer of FPL, certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Annual Report on Form 10-K of FPL for the year ended December 31, 2004 (Report) fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of FPL.

Dated: February 25, 2005

LEWIS HAY, III

Lewis Hay, III
Chairman of the Board
and Chief Executive Officer

MORAY P. DEWHURST

Moray P. Dewhurst
Senior Vice President, Finance
and Chief Financial Officer

A signed original of this written statement required by Section 906 has been provided to FPL and will be retained by FPL and furnished to the Securities and Exchange Commission or its staff upon request.

The foregoing certification is being furnished as an exhibit to the Report pursuant to Item 601(b)(32) of Regulation S-K and Section 906 of the Sarbanes-Oxley Act of 2002 and, accordingly, is not being filed with the Securities and Exchange Commission as part of the Report and is not to be incorporated by reference into any filing of FPL under the Securities Act of 1933 or the Securities Exchange Act of 1934 (whether made before or after the date of the Report, irrespective of any general incorporation language contained in such filing).

FLORIDA POWER & LIGHT COMPANY

REPORT OF CONSUMMATION

DOCKET NO. 031000-EI

EXHIBIT (c)-2

Florida Power & Light Company
and Subsidiaries

Consolidated Statement of Capitalization
Millions of Dollars

	As of December 31, 2004
Common stock (No par value)	$ 1,373
Retained earnings and other shareholder's equity	4,777
Total common shareholder's equity	6,150
Preferred stock without sinking fund requirements (a)	
Long-term debt (b)	2,813
Total capitalization	$ 8,963
Commercial paper	$ 492

(a) In January 2004, Florida Power & Light Company ("FPL") sold 200,000 shares of 4 1/2% Series V preferred stock with an aggregate par value of $20 million to FPL Group, Inc. In December 2004, FPL called all 250,000 shares of its $100 Par Value 4 1/2% (Series A and Series V) preferred stock outstanding at December 31, 2004 for redemption. In January 2005, FPL redeemed all of such preferred stock.

(b) Excludes current maturities and includes debt of FPL Fuels, Inc., which was consolidated effective July 2003, pursuant to Financial Accounting Standards Board Interpretation No. 46.

FLORIDA POWER & LIGHT COMPANY

REPORT OF CONSUMMATION

DOCKET NO. 031000-EI

EXHIBIT (c)-3

FLORIDA POWER & LIGHT COMPANY
COMPUTATION OF RATIOS

	Years Ended December 31,				
	2004	2003	2002	2001	2000
	(millions of dollars)				
RATIO OF EARNINGS TO FIXED CHARGES					
Earnings, as defined:					
Net income	$ 750	$ 755	$ 732	$ 694	$ 622
Income taxes	409	403	413	383	341
Fixed charges, as below	202	186	177	198	192
Total earnings, as defined	$ 1,361	$ 1,344	$ 1,322	$ 1,275	$ 1,155
Fixed charged, as defined:					
Interest charges	$ 183	$ 173	$ 166	$ 187	$ 176
Rental interest factor	8	8	8	6	7
Fixed charges included in nuclear fuel cost	-	1	3	5	9
Capitalized interest	11	4			
Total fixed charges, as defined	$ 202	$ 186	$ 177	$ 198	$ 192
Ratio of earnings to fixed charges	6.74	7.23	7.47	6.44	6.02
RATIO OF EARNINGS TO COMBINED FIXED CHARGES AND PREFERRED STOCK DIVIDENDS					
Earnings, as defined:					
Net income	$ 750	$ 755	$ 732	$ 694	$ 622
Income taxes	409	403	413	383	341
Fixed charges, as below	202	186	177	198	192
Total earnings, as defined	$ 1,361	$ 1,344	$ 1,322	$ 1,275	$ 1,155
Fixed charged, as defined:					
Interest charges	$ 183	$ 173	$ 166	$ 187	$ 176
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Fixed charges included in nuclear fuel cost	-	1	3	5	9
Capitalized interest	11	4			
Total fixed charges, as defined	202	186	177	198	192
Non-tax deductible preferred stock dividends	1	13	15	15	15
Ratio of income before income taxes to net income	1.55	1.53	1.56	1.55	1.55
Preferred stock dividends before income taxes	2	20	23	23	23
Combined fixed charges and preferred stock dividends	$ 204	$ 206	$ 200	$ 221	$ 215
Ratio of earnings to combined fixed charges and preferred stock dividends	6.67	6.52	6.61	5.77	5.37

FLORIDA POWER & LIGHT COMPANY

REPORT OF CONSUMMATION

DOCKET NO. 031000-EI

EXHIBIT (d)-1

FLORIDA POWER & LIGHT COMPANY

FIRST MORTGAGE BONDS

UNDERWRITING AGREEMENT

January 26, 2004

To the Representatives named in Schedule I
hereto of the Underwriters
named in Schedule II hereto

Ladies and Gentlemen:

1. Introductory. Florida Power & Light Company, a Florida corporation ("FPL"), proposes to issue and sell its First Mortgage Bonds of the series designation, with the terms and in the principal amount specified in Schedule I hereto (the "Bonds"). FPL hereby confirms its agreement with the several Underwriters (as defined below) as set forth herein.

The term "Underwriters" as used herein shall be deemed to mean the entity or several entities named in Schedule II hereto and any underwriter substituted as provided in Section 5 hereof and the term "Underwriter" shall be deemed to mean one of such Underwriters. If the entity or entities listed in Schedule I hereto (the "Representatives") are the same as the entity or entities listed in Schedule II hereto, then the terms "Underwriters" and "Representatives," as used herein, shall each be deemed to refer to such entity or entities. The Representatives represent that they have been authorized by each Underwriter to enter into this agreement on behalf of such Underwriter and to act for it in the manner herein provided. All obligations of the Underwriters hereunder are several and not joint. If more than one entity is named in Schedule I hereto, any action under or in respect of this agreement may be taken by such entities jointly as the Representatives or by one of the entities acting on behalf of the Representatives and such action will be binding upon all the Underwriters.

2. Description of the Bonds. The Bonds will be a series of first mortgage bonds ("First Mortgage Bonds") issued by FPL under its Mortgage and Deed of Trust, dated as of January 1, 1944, to Deutsche Bank Trust Company Americas (formerly known as Bankers Trust Company), as Trustee (the "Mortgage Trustee"), and The Florida National Bank of Jacksonville (now resigned), as heretofore supplemented and as it will be further supplemented by a supplemental indenture relating to the Bonds ("Supplemental Indenture") in substantially the form heretofore delivered to the Representatives. Such Mortgage and Deed of Trust as it has been and will be so supplemented is hereinafter called the "Mortgage."

3. Representations and Warranties of FPL. FPL represents and warrants to the several Underwriters that:

(a) FPL has filed with the Securities and Exchange Commission (the "Commission") a registration statement on Form S-3, as amended, including a prospectus ("Registration Statement No. 333-102172"), for the registration under the Securities Act of 1933, as amended (the "Securities Act"), of $1,000,000,000 aggregate principal amount of its First Mortgage Bonds. Such registration statement has been declared effective by the Commission and no stop order suspending such effectiveness has been issued under the Securities Act and no proceedings for that purpose have been instituted or are pending or, to the knowledge of FPL, threatened by the Commission. All but $200,000,000 aggregate amount of the First Mortgage Bonds registered with the Commission under the Securities Act pursuant to Registration Statement No. 333-102172 have been previously issued. FPL has also filed with the Commission a registration statement on Form S-3 pursuant to Rule 462(b) under the Securities Act ("Registration Statement No. 333-112199"), for the registration under the Securities Act of an additional $40,000,000 aggregate principal amount of its First Mortgage Bonds. Such registration statement became effective on January 26, 2004 upon filing with the Commission and no stop order suspending such effectiveness has been issued under the Securities Act and no proceedings for that purpose have been instituted or are pending or, to the knowledge of FPL, threatened by the Commission. References herein to the term "Registration Statement" as of any given date shall mean Registration Statement No. 333-102172 and Registration Statement No. 333-112199, each as amended or supplemented to such date, including all documents incorporated by reference therein as of such date pursuant to Item 12 of Form S-3 ("Incorporated Documents"). References herein to the term "Prospectus" as of any given date shall mean the prospectus forming a part of the Registration Statement, as supplemented by a prospectus supplement relating to the Bonds proposed to be filed pursuant to Rule 424 of the general rules and regulations of the Securities Act ("Rule 424"), and as further amended or supplemented as of such date (other than amendments or supplements relating to First Mortgage Bonds other than the Bonds), including all Incorporated Documents. References herein to the term "Effective Date" shall be deemed to refer to the later of the time and date that Registration Statement No. 333-102172 was declared effective and the time and date of the filing thereafter of FPL's most recent Annual Report on Form 10-K, if such filing is made prior to the Closing Date (as hereinafter defined). The prospectus supplement relating to the Bonds proposed to be filed pursuant to Rule 424 shall be substantially in the form delivered to the Representatives prior to the execution of this agreement. Prior to the termination of the offering of the Bonds, FPL will not file any amendment to the Registration Statement or any amendment or supplement to the Prospectus without prior notice to the Representatives and to Hunton & Williams LLP, who are acting as counsel for the several Underwriters ("Counsel for the Underwriters"), or any such amendment or supplement to which the Representatives shall reasonably object in writing, or which shall be unsatisfactory to Counsel for the Underwriters. Each of the Underwriters acknowledges that subsequent to the Closing Date, FPL may file a post-effective amendment to the Registration Statement in order to file one or more unqualified opinions of counsel pursuant to Rule 462(d) under the Securities Act.

(b) Registration Statement No. 333-102172, as amended or supplemented to the Effective Date, including all Incorporated Documents, and Registration Statement No. 333-112199, at the time it became effective, each fully complied and the Prospectus both on the date it is filed with the Commission pursuant to Rule 424 (such date, the "424 Date") and at the Closing Date, and the Registration Statement and the Mortgage at the Closing Date, will fully comply, in all material respects with the applicable provisions of the Securities Act and the Trust Indenture Act of 1939, as amended (the "1939 Act"), respectively, and, in each case, the applicable instructions, rules and regulations of the Commission thereunder; Registration Statement No. 333-102172, as amended or supplemented to the Effective Date, including all Incorporated Documents, and Registration Statement No. 333-112199, at the time it became effective, each did not, and at the Closing Date, each will not, contain an untrue statement of a material fact, or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading; the Prospectus, on the 424 Date and at the Closing Date, will not include an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements contained therein, in the light of the circumstances under which they were made, not misleading; and the Incorporated Documents, when filed with the Commission, fully complied or will fully comply in all material respects with the applicable provisions of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and the applicable instructions, rules and regulations of the Commission thereunder; provided, that the foregoing representations and warranties in this subsection (b) shall not apply to statements or omissions made in reliance upon and in conformity with information furnished in writing to FPL by or on behalf of any Underwriter through the Representatives expressly for use in connection with the preparation of the Registration Statement or the Prospectus, or to any statements in or omissions from the Statement of Eligibility on Form T-1, or amendments thereto, of the Mortgage Trustee or to any statements or omissions made in the Registration Statement or Prospectus relating to The Depository Trust Company ("DTC") Book-Entry Only System that are based solely on information contained in published reports of DTC.

(c) The financial statements included as part of or incorporated by reference in the Registration Statement present fairly the consolidated financial condition and results of operations of FPL and its subsidiaries taken as a whole at the respective dates or for the respective periods to which they apply; such financial statements have been prepared in each case in accordance with generally accepted accounting principles consistently applied throughout the periods involved except as otherwise indicated in the Registration Statement; and Deloitte & Touche LLP, who have audited the audited financial statements, are independent public accountants as required by the Securities Act and the Exchange Act and the rules and regulations of the Commission thereunder.

(d) Except as reflected in or contemplated by the Registration Statement and the Prospectus, since the respective most recent dates as of which information is given in the Registration Statement and Prospectus, there has not been any material adverse change in the business, properties or financial condition of FPL and its subsidiaries taken as a whole, whether or not in the ordinary course of business, nor has any transaction been entered into by FPL or any of its subsidiaries that is material to FPL and its subsidiaries taken as a whole, other than changes and transactions contemplated by the

Registration Statement and Prospectus, and transactions in the ordinary course of business. FPL and its subsidiaries have no contingent obligation material to FPL and its subsidiaries taken as a whole, which is not disclosed in or contemplated by the Registration Statement and Prospectus.

(e) The execution and delivery of this agreement, the consummation of the transactions herein contemplated and the fulfillment of the terms hereof on the part of FPL to be fulfilled have been duly authorized by all necessary corporate action of FPL in accordance with the provisions of its Restated Articles of Incorporation, as amended (the "Charter"), by-laws and applicable law, and the Bonds when issued and delivered as provided herein will constitute valid and binding obligations of FPL enforceable against FPL in accordance with their terms, except as limited or affected by bankruptcy, insolvency, reorganization, receivership, moratorium or other laws affecting mortgagees' and other creditors' rights and remedies generally and general principles of equity.

(f) The execution and delivery of this agreement, the consummation of the transactions herein contemplated, the fulfillment of the terms hereof and the compliance by FPL with all the terms and provisions of the Mortgage will not result in a breach of any of the terms or provisions of, or constitute a default under, FPL's Charter or by-laws, or any indenture, mortgage, deed of trust or other agreement or instrument to which FPL or any of its subsidiaries is now a party, or violate any law or any order, rule, decree or regulation applicable to FPL or any of its subsidiaries of any federal or state court, regulatory board or body or administrative agency having jurisdiction over FPL or its subsidiaries or any of their respective property, except where such breach, default or violation would not have a material adverse effect on the business, properties or financial condition of FPL and its subsidiaries taken as a whole.

(g) FPL has no direct or indirect significant subsidiaries (as defined in Regulation S-X (17 CFR Part 210)).

(h) All the property to be subjected to the lien of the Mortgage will be adequately described therein.

(i) FPL is not an "investment company" within the meaning of the Investment Company Act of 1940, as amended.

4. Purchase and Sale. On the basis of the representations and warranties herein contained, and subject to the terms and conditions in this agreement, FPL agrees to sell to the respective Underwriters named in Schedule II hereto, severally and not jointly, and the respective Underwriters agree, severally and not jointly, to purchase from FPL, the respective principal amounts of the Bonds set forth opposite their respective names in Schedule II hereto at the purchase price for those Bonds set forth in Schedule I hereto as the Purchase Price.

The Underwriters agree to make a *bona fide* public offering of the Bonds as set forth in the Prospectus, such public offering to be made as soon after the execution of this agreement as practicable, subject, however, to the terms and conditions of this agreement. The Underwriters have advised FPL that the Bonds will be offered to the public at the amount per Bond as set forth

in Schedule I hereto as the Price to Public and to certain dealers selected by the Representatives at a price which represents a concession not in excess of the percentage of the principal amount per Bond under the Price to Public as set forth in Schedule I hereto as the Dealers' Concession.

5. Time, Date and Place of Closing, Default of Underwriter. Delivery of the Bonds and payment therefor by wire transfer in federal funds shall be made at the time, date and place set forth in Schedule I hereto, or at such other time, date or place as may be agreed upon in writing by FPL and the Representatives. The time and date of such delivery and payment are herein called the "Closing Date."

The Bonds shall be delivered to the Representatives for the respective accounts of the Underwriters against payment by the several Underwriters through the Representatives of the purchase price therefor. Delivery of the Bonds shall be made through the facilities of DTC unless FPL and the Representatives shall otherwise agree. For the purpose of expediting the checking of the Bonds by the Representatives on behalf of the Underwriters, FPL agrees to make such Bonds available to the Representatives for such purpose at the offices of Thelen Reid & Priest LLP, 875 Third Avenue, New York, New York 10022, not later than 2:00 P.M., New York City time, on the business day preceding the Closing Date, or at such other time, date or place as may be agreed upon by FPL and the Representatives.

If any Underwriter shall fail to purchase and pay for the principal amount of the Bonds which such Underwriter has agreed to purchase and pay for hereunder (otherwise than by reason of any failure on the part of FPL to comply with any of the provisions contained herein), the non-defaulting Underwriters shall be obligated to purchase and pay for (in addition to the respective principal amount of the Bonds set forth opposite their respective names in Schedule II hereto) the principal amount of the Bonds which such defaulting Underwriter or Underwriters failed to purchase and pay for, up to a principal amount thereof equal to, in the case of each such remaining Underwriter, ten percent (10%) of the aggregate principal amount of the Bonds which are set forth opposite the name of such remaining Underwriter in said Schedule II, and such remaining Underwriters shall have the right, within 24 hours of receipt of such notice, either to (i) purchase and pay for (in such proportion as may be agreed upon among them) the remaining principal amount of the Bonds which the defaulting Underwriter or Underwriters agreed but failed to purchase, or (ii) substitute another Underwriter or Underwriters, satisfactory to FPL, to purchase and pay for the remaining principal amount of the Bonds which the defaulting Underwriter or Underwriters agreed but failed to purchase. If any of the Bonds would still remain unpurchased, then FPL shall be entitled to a further period of 24 hours within which to procure another party or other parties, members of the National Association of Securities Dealers, Inc. (or, if not members of such Association, who are not eligible for membership in said Association and who agree (i) to make no sales within the United States, its territories or its possessions or to persons who are citizens thereof or residents therein and (ii) in making sales to comply with said Association's Conduct Rules) and satisfactory to the Representatives to purchase such Bonds on the terms herein set forth. In the event that, within the respective prescribed periods, (i) the non-defaulting Underwriters notify FPL that they have arranged for the purchase of such Bonds or (ii) FPL notifies the non-defaulting Underwriters that it has arranged for the purchase of such Bonds, the non-defaulting Underwriters or FPL shall have the right to postpone the Closing Date for a period of not more than three full business days beyond the expiration of the respective prescribed periods in order to effect whatever changes may thus

be made necessary in the Registration Statement, the Prospectus or in any other documents or arrangements. In the event that neither the non-defaulting Underwriters nor FPL has arranged for the purchase of such Bonds by another party or parties as above provided, then this agreement shall terminate without any liability on the part of FPL or any Underwriter (other than an Underwriter which shall have failed or refused, otherwise than for some reason sufficient to justify, in accordance with the terms hereof, the cancellation or termination of its obligations hereunder, to purchase and pay for the Bonds which such Underwriter has agreed to purchase as provided in Section 4 hereof), except as otherwise provided in Section 9 and subsections (c) and (e) of Section 6 hereof.

6. Covenants of FPL. FPL agrees with the several Underwriters that:

(a) FPL will promptly file the Prospectus with the Commission pursuant to Rule 424 under the Securities Act.

(b) FPL will deliver to the Representatives and to Counsel for the Underwriters one signed copy of the Registration Statement or, if a signed copy is not available, one conformed copy of the Registration Statement certified by an officer of FPL to be in the form as originally filed, including all Incorporated Documents and exhibits, except those incorporated by reference, which relate to the Bonds, including a signed or conformed copy of each consent and certificate included therein or filed as an exhibit thereto. As soon as practicable after the date of this agreement, FPL will deliver to the Underwriters through the Representatives as many copies of the Prospectus as the Representatives may reasonably request for the purposes contemplated by the Securities Act.

(c) FPL will pay or cause to be paid all expenses in connection with the (i) preparation and filing of the Registration Statement and Prospectus, (ii) issuance and delivery of the Bonds as provided in Section 5 hereof, (iii) preparation, execution, filing and recording of the Supplemental Indenture and (iv) printing and delivery to the Representatives for the account of the Underwriters, in reasonable quantities, of copies of the Registration Statement, the Prospectus and the Supplemental Indenture. FPL will pay or cause to be paid all taxes, if any (but not including any transfer taxes), on the issuance of the Bonds and recordation of the Supplemental Indenture. FPL shall not, however, be required to pay any amount for any expenses of the Representatives or any of the Underwriters, except that if this agreement shall be terminated in accordance with the provisions of Sections 7, 8 or 10 hereof, FPL will pay or cause to be paid the fees and disbursements of Counsel for the Underwriters, whose fees and disbursements the Underwriters agree to pay in any other event, and FPL shall reimburse the Underwriters for out-of-pocket expenses, reasonably incurred by them in connection with the transaction contemplated by this agreement, not in excess, however, of an aggregate of $5,000 for such out-of-pocket expenses. FPL shall not in any event be liable to any of the several Underwriters for damages on account of loss of anticipated profits.

(d) During a period of nine months after the date of this agreement, if any event relating to or affecting FPL shall occur which, in the opinion of FPL, should be set forth in a supplement to or an amendment of the Prospectus in order to make the

Prospectus not misleading in the light of the circumstances when it is delivered to a purchaser, FPL will forthwith at its expense prepare and furnish to the Representatives a reasonable number of copies of a supplement or supplements or an amendment or amendments to the Prospectus which will supplement or amend the Prospectus so that as supplemented or amended it will not include an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements contained therein, in the light of the circumstances when the Prospectus is delivered to a purchaser, not misleading; provided that should such event relate solely to activities of any of the Underwriters, then the Underwriters shall assume the expense of preparing and furnishing copies of any such amendment or supplement. In case any Underwriter is required to deliver a Prospectus after the expiration of nine months after the date of this agreement, FPL upon the request of the Representatives will furnish to the Representatives, at the expense of such Underwriter, a reasonable quantity of a supplemented or amended Prospectus or supplements or amendments to the Prospectus complying with Section 10 of the Securities Act.

(e) FPL will furnish such proper information as may be lawfully required and otherwise cooperate in qualifying the Bonds for offer and sale under the blue sky laws of such jurisdictions as the Representatives may designate and will pay or cause to be paid filing fees and expenses (including fees of counsel not to exceed $5,000 and reasonable disbursements of counsel), provided that FPL shall not be required to qualify as a foreign corporation or dealer in securities, or to file any consents to service of process under the laws of any jurisdiction, or to meet other requirements deemed by FPL to be unduly burdensome.

(f) FPL will timely file such reports pursuant to the Exchange Act as are necessary in order to make generally available to its security holders (including holders of the Bonds) as soon as practicable an earnings statement (which need not be audited, unless required so to be under Section 11(a) of the Securities Act) for the purposes of, and to provide the benefits contemplated by, the last paragraph of Section 11(a) of the Securities Act.

(g) FPL will advise the Representatives promptly of the filing of the Prospectus pursuant to Rule 424 and of any amendment or supplement to the Prospectus or Registration Statement or, prior to the termination of the offering of the Bonds hereunder, of official notice of the institution of proceedings for, or the entry of, a stop order suspending the effectiveness of the Registration Statement and, if such a stop order should be entered, use every commercially reasonable effort to obtain the prompt removal thereof.

(h) On or before the Closing Date, FPL will, if applicable, cause (i) at least one counterpart of the Supplemental Indenture to be duly recorded in the States of Florida or Georgia and (ii) all intangible and documentary stamp taxes due in connection with the issuance of the Bonds and the recording of the Supplemental Indenture to be paid. Within 30 days following the Closing Date, FPL will, if applicable, cause the Supplemental Indenture to be duly recorded in all other counties in which property of FPL is located.

7. Conditions of Underwriters' Obligations to Purchase and Pay for the Bonds. The several obligations of the Underwriters to purchase and pay for the Bonds shall be subject to the performance by FPL of its obligations to be performed hereunder on or prior to the Closing Date and to the following conditions:

(a) The representations and warranties made by FPL herein shall be true and correct in all material respects as of the Closing Date as if made on and as of such date and the Representatives shall have received, prior to payment for the Bonds, a certificate from FPL dated the Closing Date and signed by an officer of FPL to that effect.

(b) No stop order suspending the effectiveness of the Registration Statement shall be in effect on the Closing Date; no order of the Commission directed to the adequacy of any Incorporated Document shall be in effect on the Closing Date; no proceedings for either such purpose shall be pending before, or threatened by, the Commission on such date; and the Representatives shall have received, prior to payment for the Bonds, a certificate from FPL dated the Closing Date and signed by an officer of FPL to the effect that, to the best of his or her knowledge, no such order is in effect and no proceedings for either such purpose are pending before, or to the knowledge of FPL threatened by, the Commission.

(c) On the Closing Date, there shall be in full force and effect an authorization of the Florida Public Service Commission with respect to the issuance and sale of the Bonds on the terms herein stated or contemplated, and containing no provision unacceptable to the Representatives by reason of the fact that it is materially adverse to FPL, it being understood that no authorization provided to Counsel for the Underwriters and in effect at the date of this agreement contains any such unacceptable provision.

(d) On the Closing Date, the Representatives shall have received from Steel Hector & Davis LLP, counsel to FPL, Thelen Reid & Priest LLP, co-counsel to FPL, and Hunton & Williams LLP, Counsel for the Underwriters, opinions (with a copy for each of the Underwriters) in substantially the form and substance prescribed in Schedules III, IV and V hereto (i) with such changes therein as may be agreed upon by FPL and the Representatives, with the approval of Counsel for the Underwriters, and (ii) if the Prospectus relating to the Bonds shall be supplemented or amended after the Prospectus shall have been filed with the Commission pursuant to Rule 424, with any changes therein necessary to reflect such supplementation or amendment.

(e) At the Closing Date, the Representatives shall have received from Deloitte & Touche LLP a letter (with copies thereof for each of the Underwriters) to the effect that (i) they are independent public accountants with respect to FPL within the meaning of the Securities Act and the Exchange Act and the applicable published rules and regulations thereunder; (ii) in their opinion, the consolidated financial statements audited by them and incorporated by reference in the Prospectus comply as to form in all material respects with the applicable accounting requirements of the Securities Act and the Exchange Act and the published rules and regulations thereunder; (iii) on the basis of performing a review of interim financial information as described in Statement on Auditing Standards No. 71, Interim Financial Information, and in Statement on Auditing Standards No. 100,

Interim Financial Information, on the unaudited condensed consolidated financial statements of FPL, if any, incorporated by reference in the Prospectus, a reading of the latest available interim unaudited condensed consolidated financial statements of FPL since the close of FPL's most recent audited fiscal year, the minutes and consents of the Board of Directors, the Finance Committee of the Board of Directors, the Stock Issuance Committee of the Board of Directors, and the sole common shareholder of FPL since the end of the most recent audited fiscal year, and inquiries of officials of FPL who have responsibility for financial and accounting matters (it being understood that the foregoing procedures do not constitute an audit made in accordance with generally accepted auditing standards and they would not necessarily reveal matters of significance with respect to the comments made in such letter, and accordingly that Deloitte & Touche LLP makes no representation as to the sufficiency of such procedures for the several Underwriters' purposes), nothing has come to their attention which caused them to believe that (a) the unaudited condensed consolidated financial statements of FPL, if any, incorporated by reference in the Prospectus (1) do not comply as to form in all material respects with the applicable accounting requirements of the Securities Act and the Exchange Act and the published rules and regulations thereunder and (2) except as disclosed in the Prospectus, are not in conformity with generally accepted accounting principles applied on a basis substantially consistent with that of the audited consolidated financial statements of FPL incorporated by reference in the Prospectus; (b) at the date of the latest available interim balance sheet read by them and at a specified date not more than five days prior to the Closing Date there was any change in the common stock or additional paid-in capital, increase in the preferred stock or long-term debt of FPL and its subsidiaries, or decrease in its common shareholders' equity, in each case as compared with amounts shown in the most recent consolidated balance sheet incorporated by reference in the Prospectus, except in all instances for changes, increases or decreases which the Prospectus discloses have occurred or may occur, or as occasioned by the declaration, provision for, or payment of dividends, or which are described in such letter; or (c) for the period from the date of the most recent consolidated balance sheet incorporated by reference in the Prospectus to the latest available interim balance sheet read by them and for the period from the date of the latest available interim balance sheet read by them to a specified date not more than five days prior to the Closing Date, there were any decreases, as compared with the corresponding period in the preceding year, in total consolidated operating revenues or in net income or net income available to FPL Group, Inc., except in all instances for decreases which the Prospectus discloses have occurred or may occur, or which are described in such letter; and (iv) they have carried out certain procedures and made certain findings, as specified in such letter, with respect to certain amounts included in the Prospectus and Exhibit 12 to the Registration Statement and such other items as the Representatives may reasonably request.

(f) Since the respective most recent dates as of which information is given in the Registration Statement and Prospectus, and up to the Closing Date, (i) there shall have been no material adverse change in the business, properties or financial condition of FPL and its subsidiaries taken as a whole, except as disclosed in or contemplated by the Registration Statement and Prospectus, and (ii) there shall have been no material transaction entered into by FPL or any of its subsidiaries other than transactions disclosed in or contemplated by the Registration Statement and the Prospectus, and transactions in

the ordinary course of business; and at the Closing Date, the Representatives shall have received a certificate to such effect from FPL signed by an officer of FPL.

(g) All legal proceedings to be taken in connection with the issuance and sale of the Bonds shall have been satisfactory in form and substance to Counsel for the Underwriters.

In case any of the conditions specified above in this Section 7 shall not have been fulfilled, this agreement may be terminated by the Representatives upon mailing or delivering written notice thereof to FPL. Any such termination shall be without liability of any party to any other party except as otherwise provided in subsections (c) and (e) of Section 6 hereof.

8. Condition of FPL's Obligations. The obligation of FPL to deliver the Bonds shall be subject to the following conditions:

(a) No stop order suspending the effectiveness of the Registration Statement shall be in effect on the Closing Date; no order of the Commission directed to the adequacy of any Incorporated Document shall be in effect on the Closing Date, and no proceedings for either such purpose shall be pending before, or threatened by, the Commission on such date.

(b) On the Closing Date there shall be in full force and effect an authorization of the Florida Public Service Commission with respect to the issuance and sale of the Bonds on the terms herein stated or contemplated, and containing no provision unacceptable to FPL by reason of the fact that it is materially adverse to FPL, it being understood that no authorization in effect at the date of this agreement contains any such unacceptable provision.

In case the conditions specified above in this Section 8 shall not have been fulfilled, this agreement may be terminated by FPL upon mailing or delivering written notice thereof to the Representatives. Any such termination shall be without liability of any party to any other party except as otherwise provided in subsections (c) and (e) of Section 6 hereof.

9. Indemnification.

(a) FPL agrees to indemnify and hold harmless each Underwriter, each officer and director of each Underwriter and each person who controls any Underwriter within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act against any and all losses, claims, damages or liabilities, joint or several, to which they or any of them may become subject under the Securities Act or any other statute or common law and to reimburse each such Underwriter, officer, director and controlling person for any legal or other expenses (including, to the extent hereinafter provided, reasonable counsel fees) when and as incurred by them in connection with investigating any such losses, claims, damages or liabilities or in connection with defending any actions, insofar as such losses, claims, damages, liabilities, expenses or actions arise out of or are based upon an untrue statement or alleged untrue statement of a material fact contained in any preliminary prospectus, including all Incorporated Documents, or in the Registration Statement or the Prospectus, or the omission or alleged omission to state therein a

material fact required to be stated therein or necessary to make the statements therein not misleading; provided, however, that the indemnity agreement contained in this subsection (a) of Section 9 shall not apply to any such losses, claims, damages, liabilities, expenses or actions arising out of, or based upon, any such untrue statement or alleged untrue statement, or any such omission or alleged omission, if such statement or omission was made in reliance upon and in conformity with information furnished in writing, to FPL by or on behalf of any Underwriter, through the Representatives, expressly for use in connection with the preparation of the Registration Statement or the Prospectus or any amendment or supplement to either thereof, or arising out of, or based upon, statements in or omissions from the Statement of Eligibility on Form T-1 of the Mortgage Trustee; and provided, further, that the indemnity agreement contained in this subsection (a) of Section 9 in respect of any preliminary prospectus (and for purposes of clause (ii) below, the Prospectus) shall not inure to the benefit of any Underwriter (or of any officer or director or person controlling such Underwriter) on account of any such losses, claims, damages, liabilities, expenses or actions arising from the sale of the Bonds to any person if such Underwriter shall have failed to send or give to such person (i) with or prior to the written confirmation of such sale, a copy of the Prospectus or the Prospectus as amended or supplemented, if any amendments or supplements thereto shall have been furnished at or prior to the time of written confirmation of the sale involved, but exclusive of any Incorporated Documents, unless the alleged omission or alleged untrue statement with respect to such preliminary prospectus is not corrected in the Prospectus or the Prospectus as amended or supplemented at the time of confirmation, or (ii) with or prior to the delivery of such Bonds to such person, a copy of any amendment or supplement to the Prospectus which shall have been furnished subsequent to such written confirmation and prior to the delivery of such Bonds to such person, but exclusive of any Incorporated Documents, unless the alleged omission or alleged untrue statement with respect to such preliminary prospectus or the Prospectus was not corrected in the Prospectus or in such amendment or supplement at the time of such delivery of such Bonds. The indemnity agreement of FPL contained in this subsection (a) of Section 9 and the representations and warranties of FPL contained in Section 3 hereof shall remain operative and in full force and effect, regardless of any investigation made by or on behalf of any Underwriter, or any such officer, director or controlling person, and shall survive the delivery of the Bonds. The Underwriters agree promptly to notify FPL, and each other Underwriter, of the commencement of any litigation or proceedings against them or any of them, any of their officers or directors or any such controlling person in connection with the issuance and sale of the Bonds.

(b) Each Underwriter, severally and not jointly, agrees to indemnify and hold harmless FPL, its officers and directors, and each person who controls FPL within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act against any and all losses, claims, damages or liabilities, joint or several, to which they or any of them may become subject under the Securities Act or any other statute or common law and to reimburse each of them for any legal or other expenses (including, to the extent hereinafter provided, reasonable counsel fees) when and as incurred by them in connection with investigating any such losses, claims, damages or liabilities or in connection with defending any actions, insofar as such losses, claims, damages, liabilities, expenses or actions arise out of or are based upon an untrue statement or

alleged untrue statement of a material fact contained in the Registration Statement or the Prospectus, or the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading if such statement or omission was made in reliance upon and in conformity with information furnished in writing to FPL, by or on behalf of such Underwriter, through the Representatives, expressly for use in connection with the preparation of the Registration Statement or the Prospectus or any amendment or supplement to either thereof. The Underwriters hereby furnish to FPL in writing expressly for use in the Registration Statement and Prospectus (1) the "price to the public" and "underwriting discount" set forth on the cover page of the Prospectus and (2) under "Underwriting": the fourth sentence of the second paragraph, the entire third paragraph, except for the first sentence, and the following table; the entire fourth paragraph; the second sentence in the fifth paragraph; and the entire sixth, seventh, eighth and ninth paragraphs. Lazard Frères & Co. LLC hereby furnishes to FPL in writing expressly for use in the Registration Statement and Prospectus the information set forth in the twelfth paragraph under "Underwriting." FPL acknowledges that the statements set forth in the preceding two sentences constitute the only information furnished in writing by or on behalf of the several Underwriters expressly for inclusion in any preliminary prospectus or the Prospectus. The indemnity agreement of the respective Underwriters contained in this subsection (b) of Section 9 shall remain operative and in full force and effect, regardless of any investigation made by or on behalf of FPL or any of its officers or directors or any such other Underwriter or any such controlling person, and shall survive the delivery of the Bonds. FPL agrees promptly to notify the Representatives of the commencement of any litigation or proceedings against FPL (or any controlling person thereof) or any of its officers or directors in connection with the issuance and sale of the Bonds.

(c) FPL and each of the several Underwriters each agree that, upon the receipt of notice of the commencement of any action against it, its officers and directors, or any person controlling it as aforesaid, in respect of which indemnity or contribution may be sought under the provisions of this Section 9, it will promptly give written notice of the commencement thereof to the party or parties against whom indemnity or contribution shall be sought thereunder, but the omission so to notify such indemnifying party or parties of any such action shall not relieve such indemnifying party or parties from any liability which it or they may have to the indemnified party otherwise than on account of such indemnity agreement. In case such notice of any such action shall be so given, such indemnifying party or parties shall be entitled to participate at its own expense in the defense or, if it so elects, to assume (in conjunction with any other indemnifying parties) the defense of such action, in which event such defense shall be conducted by counsel chosen by such indemnifying party or parties and reasonably satisfactory to the indemnified party or parties who shall be defendant or defendants in such action, and such defendant or defendants shall bear the fees and expenses of any additional counsel retained by them; but if the indemnifying party shall elect not to assume the defense of such action, such indemnifying party will reimburse such indemnified party or parties for the reasonable fees and expenses of any counsel retained by them; provided, however, if the defendants in any such action include both the indemnified party and the indemnifying party and counsel for the indemnifying party shall have reasonably concluded that there may be a conflict of interest in the representation by such counsel of

both the indemnifying party and the indemnified party, the indemnified party or parties shall have the right to select separate counsel, satisfactory to the indemnifying party or parties, to participate in the defense of such action on behalf of such indemnified party or parties at the expense of the indemnifying party or parties (it being understood, however, that the indemnifying party or parties shall not be liable for the expenses of more than one separate counsel representing the indemnified parties who are parties to such action). FPL and each of the several Underwriters each agree that without the prior written consent of the other parties to such action who are parties to this agreement, which consent shall not be unreasonably withheld, it will not settle, compromise or consent to the entry of any judgment in any claim or proceeding in respect of which such party intends to seek indemnity or contribution under the provisions of this Section 9, unless such settlement, compromise or consent (i) includes an unconditional release of such other parties from all liability arising out of such claim or proceeding and (ii) does not include a statement as to or an admission of fault, culpability or a failure to act by or on behalf of such other parties.

(d) If, or to the extent, the indemnification provided for in subsections (a) or (b) above shall be unenforceable under applicable law by an indemnified party, each indemnifying party agrees to contribute to such indemnified party with respect to any and all losses, claims, damages, liabilities and expenses for which each such indemnification provided for in subsections (a) or (b) above shall be unenforceable, in such proportion as shall be appropriate to reflect (i) the relative fault of FPL on the one hand and the Underwriters on the other in connection with the statements or omissions which have resulted in such losses, claims, damages, liabilities and expenses, (ii) the relative benefits received by FPL on the one hand and the Underwriters on the other hand from the offering of the Bonds pursuant to this agreement, and (iii) any other relevant equitable considerations; provided, however, that no indemnified party guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution with respect thereto from any indemnifying party not guilty of such fraudulent misrepresentation. Relative fault shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by FPL or the Underwriters and each such party's relative intent, knowledge, access to information and opportunity to correct or prevent such untrue statement or omission. FPL and each of the Underwriters agree that it would not be just and equitable if contribution pursuant to this subsection (d) were to be determined by pro rata allocation or by any other method of allocation which does not take account of the equitable considerations referred to above. Notwithstanding the provisions of this subsection (d), no Underwriter shall be required to contribute in excess of the amount equal to the excess of (i) the total price at which the Bonds underwritten by it were offered to the public, over (ii) the amount of any damages which such Underwriter has otherwise been required to pay by reason of any such untrue or alleged untrue statement or omission or alleged omission. The obligations of each Underwriter to contribute pursuant to this subsection (d) are several and not joint and shall be in the same proportion as such Underwriter's obligation to underwrite the Bonds is to the total principal amount of the Bonds set forth in Schedule II hereto.

10. Termination. This agreement may be terminated by the Representatives by delivering written notice thereof to FPL, at any time prior to the Closing Date, if after the date hereof and at or prior to the Closing Date:

(a) (i) there shall have occurred any general suspension of trading in securities on The New York Stock Exchange, Inc. (the "NYSE") or there shall have been established by the NYSE or by the Commission or by any federal or state agency or by the decision of any court any limitation on prices for such trading or any general restrictions on the distribution of securities, or trading in any securities of FPL shall have been suspended or limited by any exchange located in the United States or on the over-the-counter market located in the United States or a general banking moratorium declared by New York or federal authorities or (ii) there shall have occurred any material adverse change in the financial markets in the United States, any outbreak of hostilities, including, but not limited to, an escalation of hostilities which existed prior to the date of this agreement, any other national or international calamity or crisis or any material adverse change in financial, political or economic conditions affecting the United States, the effect of any such event specified in this clause (ii) being such as to make it, in the reasonable judgment of the Representatives, impracticable or inadvisable to proceed with the offering of the Bonds as contemplated in the Prospectus or for the Underwriters to enforce contracts for the sale of the Bonds; or

(b) (i) there shall have been any downgrading or any notice of any intended or potential downgrading in the ratings accorded to the Bonds or any securities of FPL which are of the same class as the Bonds by either Moody's Investors Service, Inc. ("Moody's") or Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc. ("S&P"), or (ii) either Moody's or S&P shall have publicly announced that either has under surveillance or review, with possible negative implications, its ratings of the Bonds or any securities of FPL which are of the same class as the Bonds, the effect of any such event specified in (i) or (ii) above being such as to make it, in the reasonable judgment of the Representatives, impracticable or inadvisable to proceed with the offering of the Bonds as contemplated in the Prospectus or for the Underwriters to enforce contracts for the sale of the Bonds.

This agreement may also be terminated at any time prior to the Closing Date if in the judgment of the Representatives the subject matter of any amendment or supplement to the Registration Statement or the Prospectus prepared and furnished by FPL after the date hereof reflects a material adverse change in the business, properties or financial condition of FPL and its subsidiaries taken as a whole which renders it either inadvisable to proceed with such offering, if any, or inadvisable to proceed with the delivery of the Bonds to be purchased hereunder. Any termination of this agreement pursuant to this Section 10 shall be without liability of any party to any other party except as otherwise provided in subsections (c) and (e) of Section 6 hereof.

11. Miscellaneous. The validity and interpretation of this agreement shall be governed by the laws of the State of New York without regard to conflict of law principles thereunder. This agreement shall inure to the benefit of, and be binding upon, FPL, the several Underwriters and, with respect to the provisions of Section 9 hereof, each officer, director or controlling person referred to in said Section 9, and their respective successors. Nothing in this

agreement is intended or shall be construed to give to any other person or entity any legal or equitable right, remedy or claim under or in respect of this agreement or any provision herein contained. The term "successors" as used in this agreement shall not include any purchaser, as such purchaser, of any Bonds from any of the several Underwriters.

12. Notices. All communications hereunder shall be in writing or by telegram and, if to the Underwriters, shall be mailed or delivered to the Representatives at the address set forth in Schedule I hereto, or if to FPL, shall be mailed or delivered to it at 700 Universe Boulevard, Juno Beach, Florida 33408, Attention: Treasurer.

If the foregoing correctly sets forth our understanding, please indicate your acceptance thereof in the space provided below for that purpose, whereupon this letter and your acceptance shall constitute a binding agreement between us.

Very truly yours,

Florida Power & Light Company

By: _____
Name: Paul I. Cutler
Title: Treasurer and Assistant Secretary

Accepted and delivered as of
the date first above written:

Banc of America Securities LLC

By: _____
Name:
Title:

J.P. Morgan Securities Inc.

By: _____
Name:
Title:

Acting on their own behalf and on behalf of the other several Underwriters referred to in the foregoing agreement.

If the foregoing correctly sets forth our understanding, please indicate your acceptance thereof in the space provided below for that purpose, whereupon this letter and your acceptance shall constitute a binding agreement between us.

Very truly yours,

Florida Power & Light Company

By: _____
Name: Paul I. Cutler
Title: Treasurer and Assistant Secretary

Accepted and delivered as of
the date first above written:

Banc of America Securities LLC

By: _____
Name: Peter J. Carbone
Title: Vice President

J.P. Morgan Securities Inc.

By: _____
Name:
Title:

Acting on their own behalf and on behalf of the other several Underwriters referred to in the foregoing agreement.

If the foregoing correctly sets forth our understanding, please indicate your acceptance thereof in the space provided below for that purpose, whereupon this letter and your acceptance shall constitute a binding agreement between us.

Very truly yours,

Florida Power & Light Company

By: _____
Name: Paul I. Cutler
Title: Treasurer and Assistant Secretary

Accepted and delivered as of
the date first above written:

Banc of America Securities LLC

By: _____
Name:
Title:

J.P. Morgan Securities Inc.

By: _____
Name: ROBERT BOTTAMEDI
Title: VICE PRESIDENT

Acting on their own behalf and on behalf of the other several Underwriters referred to in the foregoing agreement.

SCHEDULE I

Underwriting Agreement dated January 26, 2004
Registration Statement No. 333-102172 and Registration Statement No. 333-112199
Representatives and Addresses:

Banc of America Securities LLC
9 West 57th Street
New York, New York 10019

J.P. Morgan Securities Inc.
270 Park Avenue
New York, New York 10017

Bonds:

Designation:	First Mortgage Bonds, 5.65% Series due February 1, 2035
Principal Amount:	$240,000,000
Date of Maturity:	February 1, 2035
Interest Rate:	5.65%
Purchase Price:	$237,237,600
Underwriting Discount:	0.875%
Price to Public:	99.724%
Dealers' Concession:	0.500%

Closing Date, Time and Location:	January 29, 2004 at the offices of Thelen Reid & Priest LLP, 875 Third Avenue, New York, New York at 9:00 A.M.

SCHEDULE II

Underwriter	Principal Amount of the Bonds
Banc of America Securities LLC	$ 84,000,000
J.P. Morgan Securities Inc.	84,000,000
ABN AMRO Incorporated	12,000,000
Banc One Capital Markets, Inc.	12,000,000
Lazard Frères & Co. LLC	12,000,000
McDonald Investments Inc.	12,000,000
The Royal Bank of Scotland plc	12,000,000
Scotia Capital (USA) Inc.	12,000,000
Total	$240,000,000

SCHEDULE III

[LETTERHEAD OF STEEL HECTOR & DAVIS LLP]

January 29, 2004

Banc of America Securities LLC
9 West 57th Street
New York, New York 10019

J.P. Morgan Securities Inc.
270 Park Avenue
New York, New York 10017

as Representatives of the Underwriters
named in Schedule II to the Agreement,
as herein described

Ladies and Gentlemen:

We have acted as counsel for Florida Power & Light Company ("FPL") (a) in connection with the authorization and issuance by FPL of $240,000,000 principal amount of First Mortgage Bonds, 5.65% Series due February 1, 2035 (the "Bonds"), issued under the Mortgage and Deed of Trust dated as of January 1, 1944, as the same is supplemented by one hundred and five indentures supplemental thereto, the latest of which (the "One Hundred Fifth Supplemental Indenture") is dated as of January 1, 2004 (such Mortgage as so supplemented being hereinafter called the "Mortgage") from FPL to Deutsche Bank Trust Company Americas, as Trustee ("Mortgage Trustee"), and (b) in connection with the sale of the Bonds to you in accordance with the underwriting agreement, dated January 26, 2004, between you and FPL (the "Agreement"). Capitalized terms used in this opinion but not defined shall have the meanings set forth in the Agreement.

We have participated in the preparation of or reviewed (1) Registration Statement No. 333-102172, as amended, which became effective on March 28, 2003, which registration statement was filed by FPL with the Securities and Exchange Commission (the "Commission") under the Securities Act of 1933, as amended (the "Securities Act"); (2) Registration Statement No. 333-112199, which became effective on January 26, 2004, which registration statement was also filed by FPL with the Commission under the Securities Act (references herein to the term "Registration Statement" as of any given date shall mean Registration Statement No. 333-102172 and Registration Statement No. 333-112199, each as amended and supplemented to such date, including those documents incorporated by reference therein as of such date pursuant to Item 12 of Form S-3 under the Securities Act (the "Incorporated Documents")); (3) the prospectus dated March 28, 2003 forming a part of the Registration

Statement, as supplemented by a prospectus supplement dated January 26, 2004 relating to the Bonds, both such prospectus and prospectus supplement filed pursuant to Rule 424(b) under the Securities Act ("Rule 424" and references herein to the "Prospectus" as of any given date shall refer to such prospectus, as supplemented by the prospectus supplement relating to the Bonds filed pursuant to Rule 424, and as further amended and supplemented to such date, including the Incorporated Documents); (4) the Mortgage; (5) the corporate proceedings with respect to the Registration Statement and with respect to the authorization, issuance and sale of the Bonds; (6) FPL's Restated Articles of Incorporation, as amended to the date hereof (the "Charter"), and Bylaws, as amended to the date hereof (the "Bylaws"); and (7) such other corporate records, certificates and other documents and such questions of law as we have considered necessary or appropriate for the purposes of this opinion. We have also participated in the preparation of FPL's Application to the Florida Public Service Commission ("FPSC") for the authorization of, among other things, the issuance and sale of debt securities in 2004, including the Bonds.

Upon the basis of the foregoing, we advise you that:

I.

FPL is a validly organized and existing corporation and is in good standing under the laws of the State of Florida and has valid franchises, licenses and permits adequate for the conduct of its business.

II.

FPL is a corporation duly authorized by its Charter to conduct the business which it is now conducting as set forth in the Prospectus; FPL is subject, as to retail rates and services, issuance of securities, accounting and certain other matters, to the jurisdiction of the FPSC; and FPL is subject, as to wholesale rates, accounting and certain other matters, to the jurisdiction of the Federal Energy Regulatory Commission.

III.

The Mortgage has been duly authorized by FPL by all necessary corporate action, has been duly and validly executed and delivered by FPL, and is a valid and binding obligation of FPL enforceable against FPL in accordance with its terms, except as limited or affected by bankruptcy, insolvency, reorganization, receivership, moratorium or other laws affecting mortgagees' and other creditors' rights and remedies generally and general principles of equity.

IV.

The Bonds are valid and binding obligations of FPL enforceable against it in accordance with their terms, except as limited or affected by bankruptcy, insolvency, reorganization, receivership, moratorium or other laws affecting mortgagees' and other creditors' rights and remedies generally and general principles of equity, and are entitled to the benefit of the security afforded by the Mortgage.

V.

Except as to the financial statements and other financial or statistical data contained or incorporated by reference therein, as to which we express no opinion, and except for those parts of the Registration Statement that constitute the Statement of Eligibility on Form T-1, as to which we express no opinion, Registration Statement No. 333-102172, as amended or supplemented to the Effective Date, including all Incorporated Documents, Registration Statement No. 333-112199, at the time it became effective, and the Prospectus, at the 424 Date, complied as to form in all material respects with the applicable requirements of the Securities Act and the applicable instructions, rules and regulations of the Commission thereunder. The Incorporated Documents (except as to the financial statements and other financial or statistical data contained or incorporated by reference therein, as to which we express no opinion), at the times they were filed with the Commission, complied as to form in all material respects with the applicable requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and the applicable instructions, rules and regulations of the Commission thereunder. The Registration Statement became, and is, at the date hereof, effective under the Securities Act, and to the best of our knowledge, no proceedings for a stop order with respect thereto are pending or threatened under Section 8 of the Securities Act.

VI.

The consummation of the transactions contemplated in the Agreement and the fulfillment of the terms contained in the Agreement and the compliance by FPL with all the terms and provisions of the Mortgage will not result in a breach of any of the terms or provisions of, or constitute a default under, the Charter or the Bylaws or any indenture, mortgage, deed of trust or other agreement or instrument the terms of which are known to us to which FPL is now a party, except where such breach or default would not have a material adverse effect on the business, properties or financial condition of FPL and its subsidiaries taken as a whole.

VII.

The Bonds are being issued and sold pursuant to the authority contained in an order of the FPSC, which authority is adequate to permit the issuance and sale of the Bonds. To the best of our knowledge, said authorization is still in full force and effect, and no further approval, authorization, consent or order of any public board or body (other than in connection or in compliance with the provisions of the blue sky laws of any jurisdiction, as to which we express no opinion, and other than those which have been already obtained) is legally required for the authorization of the issuance and sale of the Bonds.

VIII.

The statements made in the Prospectus under the headings "Description of the Bonds" and "Certain Terms of the Offered Bonds," insofar as they purport to constitute summaries of the terms of the documents referred to therein, constitute accurate summaries of the terms of such documents in all material respects.

IX.

The Mortgage is duly qualified under the Trust Indenture Act of 1939, as amended.

X.

The Agreement has been duly and validly authorized, executed and delivered by FPL.

XI.

As to the Mortgaged and Pledged Property, as defined in the Mortgage, FPL has satisfactory title to any easements and personal properties, and good and marketable or insurable title in fee simple to any other real properties (except as FPL's interest is stated to be otherwise), subject only to Excepted Encumbrances, as defined in the Mortgage, to any lien, if any, existing or placed thereon at the time of acquisition thereof by FPL, to minor defects and encumbrances customarily found in the case of properties of like size and character and which, in our opinion, would not impair the use thereof by FPL (all of which title exceptions, encumbrances, liens and defects are hereinafter referred to as "Exceptions"), and to the lien of the Mortgage; the Mortgage constitutes a valid, direct, and first mortgage lien upon the Mortgaged and Pledged Property now owned by FPL, subject, however, to the Exceptions and as set forth in the last sentence of this paragraph; and the description of properties in the Mortgage is adequate to constitute the Mortgage a lien on Mortgaged and Pledged Property hereafter acquired by FPL, subject, however, to the Exceptions and except as limited or affected by bankruptcy, insolvency, reorganization, receivership, moratorium or other laws affecting mortgagees' and other creditors' rights and remedies generally and general principles of equity. The One Hundred Fifth Supplemental Indenture is in proper form for recording in all places required; and upon such recording, the One Hundred Fifth Supplemental Indenture will constitute adequate record notice to perfect the lien of the Mortgage as to all Mortgaged and Pledged Property acquired by FPL subsequent to the recording of the One Hundred Fourth Supplemental Indenture to the Mortgage and prior to the recording of the One Hundred Fifth Supplemental Indenture.

XII.

Except as stated or referred to in the Prospectus, to our knowledge after due inquiry there is no material pending legal proceeding to which FPL or any of its subsidiaries is a party or of which property of FPL or any of its subsidiaries is the subject which is reasonably likely to be determined adversely and, if determined adversely, might reasonably be expected to have a material adverse effect on FPL and its subsidiaries taken as a whole and, to the best of our knowledge, no such proceeding is known to be contemplated by governmental authorities.

In rendering the foregoing opinion, we have assumed that the certificates representing the Bonds will conform to specimens examined by us and that the Bonds will be duly authenticated by the Mortgage Trustee under the Mortgage and will be delivered against payment of the purchase price as provided in the Agreement and that the signatures on all documents examined by us are genuine, assumptions which we have not independently verified.

Other than with respect to the opinion expressed in Paragraph VIII hereof, we have not ourselves checked the accuracy or completeness of, or otherwise verified, the information

furnished with respect to matters in the Registration Statement or the Prospectus. We have generally reviewed and discussed such information with certain officers and employees of FPL, certain of its other legal counsel, its independent public accountants and your representatives. Additionally, as counsel to FPL, we have responsibility for certain of its legal matters. On the basis of such consideration, review and discussion, but without independent check or verification except as stated, nothing has come to our attention that would lead us to believe (except as to the financial statements and other financial or statistical data contained or incorporated by reference therein, as to which we express no belief, and except for those parts of the Registration Statement that constitute the Statement of Eligibility on Form T-1, as to which we express no belief), that Registration Statement No. 333-102172, as amended or supplemented to the Effective Date, including all Incorporated Documents, or Registration Statement No. 333-112199, at the time it became effective, contained an untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the statements contained therein not misleading or (except as aforesaid) that the Prospectus at the 424 Date included, or at the date hereof includes, an untrue statement of a material fact or the Prospectus at the 424 Date omitted, or at the date hereof omits, to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

We are members of the Florida Bar and do not hold ourselves out as experts on the laws of New York or Georgia, and accordingly, this opinion is limited to the laws of Florida and the federal laws of the United States insofar as they bear on matters covered hereby. As to all matters of New York law, we have relied, with your consent, upon an opinion of even date herewith addressed to you by Thelen Reid & Priest LLP, New York, New York. As to all matters of law affecting Mortgaged and Pledged Property located in the State of Georgia, we have relied, with your consent, upon an opinion of even date herewith addressed to you and us by McDaniel & Haugaard, P.C., Decatur, Georgia. As to all matters of Florida law, Thelen Reid & Priest LLP and Hunton & Williams LLP are hereby authorized to rely upon this opinion as though it were rendered to each of them.

This opinion is rendered to you in connection with the above-described transaction. This opinion may not be relied upon by you for any other purpose, or relied upon or furnished to any other person, firm or corporation without our prior written permission. This opinion is expressed as of the date hereof, and we do not assume any obligation to update or supplement it to reflect any fact or circumstance that hereafter comes to our attention, or any change in law that hereafter occurs.

Very truly yours,

STEEL HECTOR & DAVIS LLP

SCHEDULE IV

[LETTERHEAD OF THELEN REID & PRIEST LLP]

January 29, 2004

Banc of America Securities LLC
9 West 57th Street
New York, New York 10019

J.P. Morgan Securities Inc.
270 Park Avenue
New York, New York 10017

as Representatives of the Underwriters
named in Schedule II to the Agreement,
as herein described

Ladies and Gentlemen:

We have acted as special counsel for Florida Power & Light Company ("FPL") (a) in connection with the authorization and issuance by FPL of $240,000,000 principal amount of First Mortgage Bonds, 5.65% Series due February 1, 2035 (the "Bonds"), issued under the Mortgage and Deed of Trust dated as of January 1, 1944, as the same is supplemented by one hundred and five indentures supplemental thereto, the latest of which (the "One Hundred Fifth Supplemental Indenture") is dated as of January 1, 2004 (such Mortgage as so supplemented being hereinafter called the "Mortgage") from FPL to Deutsche Bank Trust Company Americas, as Trustee ("Mortgage Trustee"), and (b) in connection with the sale of the Bonds to you in accordance with the underwriting agreement, dated January 26, 2004, between you and FPL (the "Agreement"). Capitalized terms used in this opinion but not defined shall have the meanings set forth in the Agreement.

We have participated in the preparation of or reviewed (1) Registration Statement No. 333-102172, as amended, which became effective on March 28, 2003, which registration statement was filed by FPL with the Securities and Exchange Commission (the "Commission") under the Securities Act of 1933, as amended (the "Securities Act"); (2) Registration Statement No. 333-112199, which became effective on January 26, 2004, which registration statement was also filed by FPL with the Commission under the Securities Act (references herein to the term "Registration Statement" as of any given date shall mean Registration Statement No. 333-102172 and Registration Statement No. 333-112199, each as amended and supplemented to such date, including those documents incorporated by reference therein as of such date pursuant to Item 12 of Form S-3 under the Securities Act (the "Incorporated Documents")); (3) the prospectus dated March 28, 2003 forming a part of the Registration Statement, as supplemented by a prospectus supplement dated January 26, 2004 relating to the Bonds, both such prospectus and prospectus supplement filed pursuant to Rule 424(b) under the

Securities Act ("Rule 424" and references herein to the "Prospectus" as of any given date shall refer to such prospectus, as supplemented by the prospectus supplement relating to the Bonds filed pursuant to Rule 424, and as further amended and supplemented to such date, including the Incorporated Documents); (4) the Mortgage; (5) the corporate proceedings with respect to the Registration Statement and with respect to the authorization, issuance and sale of the Bonds; (6) FPL's Restated Articles of Incorporation, as amended to the date hereof (the "Charter"), and Bylaws, as amended to the date hereof (the "Bylaws"); and (7) such other corporate records, certificates and other documents and such questions of law as we have considered necessary or appropriate for the purposes of this opinion. We have also participated in the preparation of FPL's Application to the Florida Public Service Commission ("FPSC") for the authorization of, among other things, the issuance and sale of debt securities in 2004, including the Bonds.

Upon the basis of the foregoing, we advise you that:

I.

The Mortgage has been duly authorized by FPL by all necessary corporate action, has been duly and validly executed and delivered by FPL, and is a valid and binding obligation of FPL enforceable against FPL in accordance with its terms, except as limited or affected by bankruptcy, insolvency, reorganization, receivership, moratorium or other laws affecting mortgagees' and other creditors' rights and remedies generally and general principles of equity.

II.

The Bonds are valid and binding obligations of FPL enforceable against it in accordance with their terms, except as limited or affected by bankruptcy, insolvency, reorganization, receivership, moratorium or other laws affecting mortgagees' and other creditors' rights and remedies generally and general principles of equity, and are entitled to the benefit of the security afforded by the Mortgage.

III.

Except as to the financial statements and other financial or statistical data contained or incorporated by reference therein, as to which we express no opinion, and except for those parts of the Registration Statement that constitute the Statement of Eligibility on Form T-1, as to which we express no opinion, Registration Statement No. 333-102172, as amended or supplemented to the Effective Date, including all Incorporated Documents, Registration Statement No. 333-112199, at the time it became effective, and the Prospectus, at the 424 Date, complied as to form in all material respects with the applicable requirements of the Securities Act and the applicable instructions, rules and regulations of the Commission thereunder. The Incorporated Documents (except as to the financial statements and other financial or statistical data contained or incorporated by reference therein, as to which we express no opinion), at the times they were filed with the Commission, complied as to form in all material respects with the applicable requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and the applicable instructions, rules and regulations of the Commission thereunder. The Registration Statement became, and is, at the date hereof, effective under the Securities Act, and

to the best of our knowledge, no proceedings for a stop order with respect thereto are pending or threatened under Section 8 of the Securities Act.

IV.

The consummation of the transactions contemplated in the Agreement and the fulfillment of the terms contained in the Agreement and the compliance by FPL with all the terms and provisions of the Mortgage will not result in a breach of any of the terms or provisions of, or constitute a default under, the Charter or the Bylaws or any indenture, mortgage, deed of trust or other agreement or instrument the terms of which are known to us to which FPL is now a party, except where such breach or default would not have a material adverse effect on the business, properties or financial condition of FPL and its subsidiaries taken as a whole.

V.

The Bonds are being issued and sold pursuant to the authority contained in an order of the FPSC, which authority is adequate to permit the issuance and sale of the Bonds. To the best of our knowledge, said authorization is still in full force and effect, and no further approval, authorization, consent or order of any public board or body (other than in connection or in compliance with the provisions of the blue sky laws of any jurisdiction, as to which we express no opinion, and other than those which have been already obtained) is legally required for the authorization of the issuance and sale of the Bonds.

VI.

The statements made in the Prospectus under the headings "Description of the Bonds" and "Certain Terms of the Offered Bonds," insofar as they purport to constitute summaries of the terms of the documents referred to therein, constitute accurate summaries of the terms of such documents in all material respects.

VII.

The Mortgage is duly qualified under the Trust Indenture Act of 1939, as amended.

VIII.

The Agreement has been duly and validly authorized, executed and delivered by FPL.

In rendering the foregoing opinion, we have assumed that the certificates representing the Bonds will conform to specimens examined by us and that the Bonds will be duly authenticated by the Mortgage Trustee under the Mortgage and will be delivered against payment of the purchase price as provided in the Agreement and that the signatures on all documents examined by us are genuine, assumptions which we have not independently verified.

Other than with respect to the opinion expressed in Paragraph VI hereof, we have not ourselves checked the accuracy or completeness of, or otherwise verified, the information furnished with respect to matters in the Registration Statement or the Prospectus. We have generally reviewed and discussed such information with certain officers and employees of FPL,

certain of its other legal counsel, its independent public accountants and your representatives. On the basis of such consideration, review and discussion, but without independent check or verification except as stated, nothing has come to our attention that would lead us to believe (except as to the financial statements and other financial or statistical data contained or incorporated by reference therein, as to which we express no belief, and except for those parts of the Registration Statement that constitute the Statement of Eligibility on Form T-1, as to which we express no belief), that Registration Statement No. 333-102172, as amended or supplemented to the Effective Date, including all Incorporated Documents, or Registration Statement No. 333-112199, at the time it became effective, contained an untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the statements contained therein not misleading or (except as aforesaid) that the Prospectus at the 424 Date included, or at the date hereof includes, an untrue statement of a material fact or the Prospectus at the 424 Date omitted, or at the date hereof omits, to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

This opinion is limited to the laws of the States of New York and Florida and the federal laws of the United States of America. We express no opinion as to the incorporation of FPL, titles to property, franchises or the lien of the Mortgage. As to all matters of Florida law, we have relied, with your consent, upon an opinion of even date herewith addressed to you by Steel Hector & Davis LLP, Miami, Florida. As to all matters of New York law, Steel Hector & Davis LLP is hereby authorized to rely upon this opinion as though it were rendered to Steel Hector & Davis LLP.

This opinion is rendered to you in connection with the above-described transaction. This opinion may not be relied upon by you for any other purpose, or relied upon or furnished to any other person, firm or corporation without our prior written permission. This opinion is expressed as of the date hereof, and we do not assume any obligation to update or supplement it to reflect any fact or circumstance that hereafter comes to our attention, or any change in law that hereafter occurs.

Very truly yours,

THELEN REID & PRIEST LLP

SCHEDULE V

[LETTERHEAD OF HUNTON & WILLIAMS LLP]

January 29, 2004

Banc of America Securities LLC
9 West 57th Street
New York, New York 10019

J.P. Morgan Securities Inc.
270 Park Avenue
New York, New York 10017

as Representatives of the Underwriters
named in Schedule II to the Agreement,
as herein described

Ladies and Gentlemen:

We have acted as counsel for you in connection with your several purchases from Florida Power & Light Company ("FPL") of $240,000,000 principal amount of First Mortgage Bonds, 5.65% Series due February 1, 2035 (the "Bonds"), issued under FPL's Mortgage and Deed of Trust dated as of January 1, 1944, with Deutsche Bank Trust Company Americas, as Trustee, which has been amended and supplemented in the past and which will be supplemented again by one or more supplemental indentures relating to these Bonds (as so amended and supplemented, the "Mortgage"), pursuant to the Underwriting Agreement, dated January 26, 2004, between you and FPL (the "Agreement"). Capitalized terms used and not otherwise defined herein shall have the meaning ascribed to them in the Agreement.

In connection with the foregoing, we have examined such documents and satisfied ourselves as to such other matters as we have deemed necessary in order to enable us to express this opinion.

For purposes of the opinions expressed below, we have assumed without verification (i) the authenticity of all documents submitted to us as originals; (ii) the conformity to the originals of all documents submitted as certified or photostatic copies and the authenticity of the originals of such documents; (iii) the genuineness of signatures not witnessed by us; and (iv) the legal capacity of natural persons.

In rendering the following opinion, we have assumed that the certificates representing the Bonds will conform to specimens examined by us and that the Bonds will be duly authenticated by the Mortgage Trustee under the Mortgage and will be delivered against payment of the purchase price as provided in the Agreement.

As to factual matters, we have relied upon representations and warranties included in the Agreement and upon certificates of officers of FPL being delivered to you today pursuant to Section 7(a) of the Agreement, and upon certificates of public officials, without independent investigation. Whenever the phrase "to the best of our knowledge" or "has come to our attention" is used herein, it refers to the actual knowledge of the attorneys involved in this transaction, without independent investigation.

We do not purport to express an opinion on any laws other than the laws of the State of New York, the United States of America and, to the extent set forth herein, the laws of the State of Florida. As to all matters of Florida law, we have, with your consent, relied upon the opinion of even date herewith addressed to you by Steel Hector & Davis LLP, counsel for FPL. We express no opinion or belief as to the incorporation of FPL, titles to property, franchises or the lien of the Mortgage.

Based upon the foregoing, we are of the opinion that:

I.

1. The Mortgage has been duly authorized by FPL by all necessary corporate action, has been duly and validly executed and delivered by FPL, and is a valid and binding obligation of FPL enforceable against FPL in accordance with its terms, except as limited or affected by bankruptcy, insolvency, reorganization, receivership, moratorium or other laws affecting mortgagees' and other creditors' rights and remedies generally and general principles of equity.

2. The Bonds are valid and binding obligations of FPL enforceable against FPL in accordance with their terms, except as limited or affected by bankruptcy, insolvency, reorganization, receivership, moratorium or other laws affecting mortgagees' and other creditors' rights and remedies generally and general principles of equity, and are entitled to the benefit of the security afforded by the Mortgage.

3. The statements made in the Prospectus under the headings "Description of the Bonds" and "Certain Terms of the Offered Bonds," insofar as such statements purport to constitute summaries of the terms of the documents referred to therein, constitute accurate summaries of the terms of such documents in all material respects.

4. The Registration Statement has become, and is, at the date hereof, effective under the Securities Act, and to the best of our knowledge, no proceedings for a stop order with respect thereto are pending or threatened under Section 8 of the Securities Act of 1933, as amended (the "Securities Act").

5. The Mortgage is duly qualified under the Trust Indenture Act of 1939, as amended.

6. The Agreement has been duly and validly authorized, executed and delivered by FPL.

II.

Except as to the financial statements and other financial or statistical data contained or incorporated by reference therein, as to which we express no opinion, and except for those parts of the Registration Statement that constitute the Statement of Eligibility on Form T-1, as to which we express no opinion, Registration Statement No. 333-102172, as amended or supplemented to the Effective Date, including all Incorporated Documents, Registration Statement No. 333-112199, at the time it became effective, and the Prospectus at the 424 Date, complied as to form in all material respects with the applicable requirements of the Securities Act and the applicable instructions, rules and regulations of the Commission thereunder. The Incorporated Documents (except as to the financial statements and other financial or statistical data contained or incorporated by reference therein, as to which we express no opinion), at the times they were filed with the Commission, complied as to form in all material respects with the applicable requirements of the Securities Exchange Act of 1934, as amended, and the applicable instructions, rules and regulations of the Commission thereunder.

In passing on the form of each of the Registration Statement and the Prospectus, we necessarily assume the correctness and completeness of the statements made or included therein by FPL and take no responsibility therefor, except insofar as such statements relate to us and as set forth in paragraph 3 in Part I hereof. Other than with respect to the opinion expressed in said paragraph 3, we have not ourselves checked the accuracy or completeness of, or otherwise verified, the information furnished with respect to matters in the Registration Statement or the Prospectus. We have generally reviewed and discussed such information with certain officers and employees of FPL, certain of its legal counsel and its independent certified public accountants and your representatives.

On the basis of such review and discussion, but without independent check or verification except as stated, nothing has come to our attention that would lead us to believe (except as to the financial statements and other financial or statistical data contained or incorporated by reference therein, as to which we express no belief, and except for those parts of the Registration Statement that constitute the Statement of Eligibility on Form T-1, as to which we express no belief), that Registration Statement No. 333-102172, as amended or supplemented to the Effective Date, including all Incorporated Documents, or Registration Statement No. 333-112199, at the time it became effective, contained an untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the statements contained therein not misleading or (except as aforesaid) that the Prospectus at the 424 Date included, or at the date hereof includes, an untrue statement of a material fact or the Prospectus at the 424 Date omitted, or at the date hereof omits, to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

This opinion is furnished solely for your use as the Underwriters in connection with the Agreement and the transactions contemplated thereunder, and it is not to be quoted, in whole or in part, or otherwise referred to, nor is it to be filed with any governmental agency or any other person, nor is it to be relied upon by any person other than you or for any other purpose without our express written consent. This opinion is expressed as of the date hereof, and we do not assume any obligation to advise you of facts or circumstances that hereafter come to our attention, or of changes in law that hereafter occur, which could affect the opinion contained herein.

Very truly yours,

HUNTON & WILLIAMS LLP

FLORIDA POWER & LIGHT COMPANY

REPORT OF CONSUMMATION

DOCKET NO. 031000-EI

EXHIBIT (d)-3

Florida Power & Light Company, P. O. Box 14000, Juno Beach, FL 33408-0420

Banc One Capital Markets, Inc.
1 Bank One Plaza, Mail Code IL1-0595
Chicago, Illinois 60670

J.P. Morgan Securities Inc.
270 Park Avenue, 7th Floor
New York, New York 10017

Attn.: Johanna C. Foley

Re: Assignment of Commercial Paper Dealer Agreement

Ladies and Gentlemen:

We refer to the current commercial paper dealer agreement, dated July 22, 1994, between the undersigned and Banc One Capital Markets, Inc. (formerly First Chicago Capital Markets, Inc.) ("BOCM") (the "Dealer Agreement").

By executing this letter, the undersigned hereby appoints J.P. Morgan Securities Inc. ("JPMSI") as a dealer or placement agent, as the case may be, to its Section 3(a)(3) commercial paper program and consents to the assignment by BOCM to JPMSI of its rights and obligations under the Dealer Agreement in connection with such program.

This letter will be executed and faxed to 917.464.6026, with the original to follow via mail.

Very truly yours,

FLORIDA POWER & LIGHT COMPANY

By: Paul I. Cutler
Name: Paul I. Cutler
Title: Treasurer
Date: June 23, 2004

Florida Power & Light Company
Issuer Tax ID number: 59-0247775

FLORIDA POWER & LIGHT COMPANY

REPORT OF CONSUMMATION

DOCKET NO. 031000-EI

EXHIBIT (e)

FLORIDA POWER & LIGHT COMPANY

REPORT OF CONSUMMATION

DOCKET NO. 031000-EI

EXHIBIT (e)

See Exhibit (c)-1A
Pages S-1 and S-11